

QBO 1


Classifying Transactions

This article contains step by step instructions to classify various types of transactions.




QBO 1 Classifying Transactions from the Bankfeed

Go to the Banking menu.



Cash and cash equivalents ▼

+ Link acc

Cash and cash equivalents 

A\$40,071.20
BANK BALANCE Updated on 12/06/2020

A\$46,110.46
IN QUICKBOOKS 12

Visa Credit Card 

A\$-3,210.00
BANK BALANCE Updated on 12/06/2020

A\$3,370.60
IN QUICKBOOKS 8

For review (12)


Categorised

Excluded

[Take a tour](#) [Go to bar](#)

📅 All dates ▼
⚙️ All transactions (12) ▼

Search by description or check number 🔍



<input type="checkbox"/>	DATE ▼	DESCRIPTION	PAYEE	CATEGORY OR MATCH	GST	SPENT	RECEIVED	ACTION
<input type="checkbox"/>	16/04/2020	ATM Deposit		Sales of Product Income			A\$8,760.00	Add
<input type="checkbox"/>	09/04/2020	ATM Deposit		Sales of Product Income			A\$480.00	Add
<input type="checkbox"/>	09/04/2020	ATM Deposit		Sales of Product Income			A\$1,800.00	Add
<input type="checkbox"/>	09/04/2020	Air Express Air		Uncategorised Expense		A\$3,458.30		Add
<input type="checkbox"/>	08/04/2020	Hotel		Uncategorised Expense		A\$371.60		Add

This panel is telling you that there are 12 transactions waiting to be categorised (classified) in this bankfeed. Start with the oldest, because how you classify older transactions does have an impact on transactions that follow, in some cases.

The typical process in QBO is to click “into” the line of the transaction:

<input type="checkbox"/>	01/04/2020	Restaurant	Restaurant	Uncategorised Expense		A\$37.65	Add
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You are then shown the full transaction panel:

Categorise Find match Record as transfer

Transaction type

Payee [?] Category * [?] Customer/project [?] Billable GST* [?]

Class [?]

Memo

BANK DETAIL Restaurant

[Add attachment](#) [Create a rule](#) [Exclude](#) [Split](#) [Add](#)

Start with the payee. This will help you when looking at reports. If you don't put the payee in, you will have reports that list lots of transactions, but you don't know who/what its about.

In this case, its Restaurant. Then move to category. This could be a choice of a few different accounts, such as travel, events, meeting expenses, directors loan, or owners drawings. You will need to click the down arrow next to the words “uncategorised expense”. Depending on the version of QBO you have you may or may not be able to nominate a customer/project, don't worry if you can't see it. The other piece of important detail is the GST code that is applicable. When you are happy with the detail you've provided, you can click the green “Add” button. The transaction will then disappear from this list. (It's gone into the “categorised” list.)

Big tip for novice QBO users: QBO has various accounts, which include uncategorised expense, uncategorised income, uncategorised asset etc. These accounts are not supposed to be used in the categorising process. It's a “default setting” if you like, not a category to be selected. You must select the real category.

QBO has found a match for your transaction

<input type="checkbox"/>	19/03/2020	Jennifer Hargreaves Anytown	Jennifer Hargreaves	1 record found Expense 17/03/2020 A\$-245.80 Jennifer H		A\$245.80	Match
<input type="checkbox"/>	12/03/2020	Supplies Depot Anytown		Uncategorised Expense		A\$24.86	Add
<input type="checkbox"/>	11/03/2020	Bank Anycity Thank	Bank of AnyCity	1 record found Check 05/03/2020 A\$1,000.00 Bank of A		A\$1,000.00	Match

In QBO, its AI (artificial intelligence) will learn how to do repetitive tasks. If it is absolutely certain it's right, it will highlight in block green and use the word "match" instead of Add. You can be fairly confident to click on Match.

In the example above, QBO has found a match for a payment of an expense, and a deposit against an invoice.

Matching deposits against sales invoices

There is a deposit of \$1,800 dated 9/4/2020. Click into the transaction to see "Find match"

Categorise Find match Record as transfer

Matching records found

Invoice1023 01/04/2020 A\$1,800.00 (open balance) Charlie Whitehead

BANK DETAIL ATM DEPOSIT Ko ATM DEPOSIT KO 00001900

In this case there is only one invoice for \$1,800. But if this was a part payment, you would not see a match on this page. Clicking on Find match would then take you through to a list of open invoices:

How Search From To

Home currency Foreign currency

Suggested Matches

none of these groups look right, turn off suggested matches to see the full list.

Select transaction to match

	DATE	TYPE	REF NUMBER	PAYEE	TRANSACTION AMOUNT	OPEN BALANCE	PAYMENT
<input type="checkbox"/>	09/04/2020	Invoice	1011	Adwin Ko	A\$1,650.00	A\$1,650.00	<input type="text"/>
<input type="checkbox"/>	10/03/2020	Invoice	1008	Benjamin Yeung	A\$7,150.00	A\$7,150.00	<input type="text"/>
<input checked="" type="checkbox"/>	01/04/2020	Invoice	1023	Charlie Whitehead	A\$1,800.00	A\$1,800.00	<input type="text"/>
<input type="checkbox"/>	09/04/2020	Invoice	1010	Jordan Burgess	A\$440.00	A\$440.00	<input type="text"/>

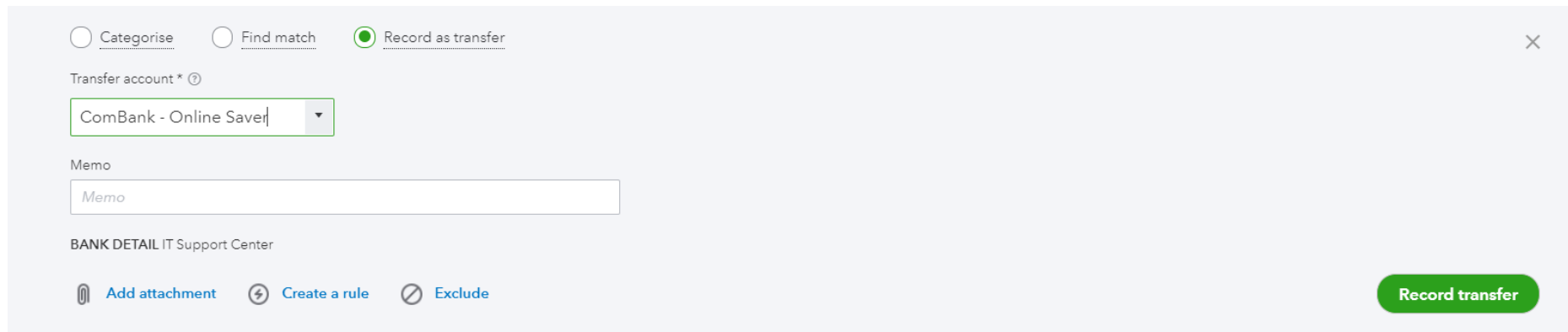
< First Previous 1-4 of 4 Next Last >

You would tick the correct invoice to apply this payment towards, and then save the transaction. The transaction would then move to the "Categorised" list.

Is it an expense or revenue, or transfer?

There is a choice of treatment for every deposit and withdrawal. Is it an expense/a payment received, a payment against a bill or a payment against an invoice, or, is it a transfer between bank accounts?

A transfer, in this case, is when funds are moved from one bank account to another. These are not expenses or receipts, they are simply moving funds around. Use the transfer button:



The screenshot shows a light gray dialog box with a close button (X) in the top right corner. At the top, there are three radio buttons: 'Categorise' (unselected), 'Find match' (unselected), and 'Record as transfer' (selected, indicated by a green dot). Below the radio buttons is the label 'Transfer account * (?)' followed by a dropdown menu showing 'ComBank - Online Saver'. Underneath is a text input field labeled 'Memo' containing the word 'Memo'. At the bottom left, there is the text 'BANK DETAIL IT Support Center' and three icons with labels: a paperclip icon for 'Add attachment', a lightning bolt icon for 'Create a rule', and a crossed-out circle icon for 'Exclude'. A green button labeled 'Record transfer' is located in the bottom right corner.