The 5-Step QuickBooks Online Setup Checklist

Your Foundation for Financial Peace of Mind

Before You Begin: What You'll Need

- Business license, Federal tax ID (EIN), business bank/credit card info
- Texas sales tax permit (if applicable), your logo file
- 2-3 hours of uninterrupted time

STEP 1: Company Information Setup 15 mins

Path: Settings > Company > Company Tab

Essential Information Checklist:

- Legal business name (exactly as it appears on your business license)
- DBA/Trade name (what customers see, if different)
- Federal tax ID number (your EIN, not your SSN)
- Business address (must match Texas Comptroller records exactly)
- Business start date (crucial for depreciation calculations)
- Fiscal year end (December 31st for most Texas businesses)
- Upload your logo (appears automatically on invoices)
- Contact information (phone, email, website)

Pro Tip: *Double-check that your address matches exactly what's on file with the Texas Comptroller. Mismatches create headaches during sales tax filing.*

STEP 2: Chart of Accounts Cleanup 30 mins

Path: Settings > Chart of Accounts

The Simplicity Rule:

If you can't explain an account category to your 12-year old nephew, it's too complicated.

Action Items:

- Delete or make inactive accounts you'll never use
- Rename accounts to match your actual business language
- Add 3-5 specific accounts for your biggest expense categories
- Keep total accounts under 50 (simplicity wins every time)

Examples

Service Business Accounts:

- Revenue
- Cost of Goods Sold
- Office Expenses
- Professional Services
- Marketing & Advertising

Retail Business Accounts:

- Sales Revenue
- Cost of Goods Sold
- Inventory
- Store Rent/Utilities
- Marketing

Avoid This Mistake:

Don't create 15 different office supply accounts.
Use one "Office Expenses" account and track details in the memo field if needed.

STEP 3: Products & Services Setup 20 mins

Path: Settings > Products & Services

Think Like Your Customer Checklist:

- Create 5-10 main items (start simple, add more later)
- Use customer-friendly names (not "Service 1" and "Service 2")
- Include descriptions that will appear on invoices
- Set default prices if they're consistent
- Assign correct income accounts to each item
- Set tax status (taxable vs. non-taxable)

Examples

Wedding Photographer

- Wedding Day Photography (8 hours)
- Engagement Session
- Print Package
- Travel Fee

Contractor:

- Kitchen Remodel Labor
- Kitchen Remodel Materials
- Hourly Rate
- Emergency Call

Pro Tip: *Be specific enough to track profitability, but general enough that you don't need 47 different items.*

STEP 4: Bank Account Connections 15 mins

Path: Banking > Connect Account

The Three Account Rule:

Connect only these three types of accounts for most small businesses

- Operating checking account (day-to-day expenses and income)
- Business savings account (emergency fund and tax savings)
- Business credit card (separated business expenses with rewards)

DON'T Connect:

❌ Personal accounts (even if occasionally used for business)
❌ Old accounts with minimal activity
❌ Accounts you're planning to close

Verification Checklist:

- Account names in QBO match bank statement names exactly
- All connected accounts are business-only
- Account types are set correctly (checking, savings, credit card)

⚠️ Remember: ⚠️

Every connected account creates monthly reconciliation work.
More accounts = more cleanup time = more potential errors.

STEP 5: User Permissions & Security 10 mins

Path: Settings > Manage Users

The Balanced Approach:

- You (owner): Primary Admin with full access
- Internal Bookkeeper/Office Manager: Standard user (bills, invoices, reports)
- Employees: Time tracking only (if using payroll)
- External Bookkeeper/CPA/Accountant: Accountant access through QBOA

For Your CPA/Bookkeeper

- Never share your master login credentials
- Invite as “Accountant User” if they use QuickBooks Online Accountant
- Accountant users don’t count toward your user limits
- They get enhanced tools for free (undo reconciliations, reclassify transactions etc)

Texas Sales Tax Setup(If Applicable) 10 mins

Path: Settings > Sales Tax

Texas Business Checklist:

- Add your Texas sales tax permit number
- Set up rates for your county (Tarrant, Hood, Parker etc.)
- Enable automatic tracking on taxable items
- Verify rates match current Texas Comptroller rates
- Set up reminders for filing deadlines

Critical: *Texas Comptroller penalties are brutal. When in doubt, ask your CPA during setup, not after!*

Final Reconciliation Test 20 mins

Your Safety Check:

- Import or enter 2-3 weeks of transactions
- Reconcile your operating account
- Run a Profit & Loss report
- Fix obvious categorization issues now (while fresh)
- Verify all numbers make sense

Success Indicator: *If you can reconcile within 30 minutes and your P&L looks reasonable, you should be good to go!*

Quick Maintenance Schedule

Daily (2 min): Upload receipts
Weekly (15 min): Categorize transactions
Monthly (45 min): Reconcile accounts + run reports
Quarterly (2 hrs): Deep review + CPA meeting

When You Might Want to Call for Help

Call Immediately:

- Bank reconciliation off by $100+
- Unsure about Texas sales tax
- Historical data import
- Inventory setup

Call Eventually:

- AI features training
- Workflow optimization
- Third-party integrations

Your Setup Success TImeline

Total Time Investment:	About 2 hours
Time Saved Over Next Year:	Roughly 40 hours of cleanup & frustration
Peace of Mind:	Priceless

Congratulations!

You now have a rock-solid QuickBooks Online foundation that should serve your business for years to come.

Remember:

- Monthly reconciliation is non-negotiable
- Simplicity beats complexity every thime
- When in doubt, ask a professional

Questions about your specific setup?

Book a free 15-minute consultation with River at Serenity Clerking. No sales pitch, just clarity and confidence for your QuickBooks setup.

Schedule Your Free 15-Minute Consultation

Serenity Clerking - Helping Granbury and DFW business owners find peace in their numbers

River is a QuickBooks-certified bookkeeper and Texas Notary Public serving the DFW area. When she's not bringing order to chaotic books, she's probably caffeinated and planning the next efficiency improvement for her clients.