



Rooted in Trust. Grounded in Accuracy.

SMALL BUSINESS BOOKKEEPING TRAINING GUIDE



Learn the core bookkeeping processes every small business owner should understand.

more info

www.oakpathbookkeeping.com

call us

360-215-1099



SMALL BUSINESS BOOKKEEPING TRAINING GUIDE & WORKBOOK

A Complete Step-by-Step Manual from Setup to Reconciliation and Reporting

This training guide walks you through every bookkeeping process in plain English, using exact clicks and screen directions inside QuickBooks Online. Follow each step exactly as written. If you can follow instructions, you can keep books clean.

This is a comprehensive manual designed to take you from complete beginner to confident bookkeeper — whether you're setting up your books for the first time, cleaning up months of neglected transactions, or looking to build stronger financial habits going forward.

13 chapters covering foundations, setup, invoicing, sales tax, mileage, weekly and monthly workflows, reconciliation, reports, payroll, year-end, cleanup, troubleshooting, and delegation.

What You Will Learn in This Guide

- How to set up QuickBooks Online correctly from the start
- How to create and send invoices and record customer payments
- How to handle sales tax correctly — without costly mistakes
- How to track mileage for maximum tax deductions
- A simple weekly 15–20-minute bookkeeping routine
- How to reconcile bank and credit card accounts every month
- Which financial reports to review and what to look for
- How to handle payroll, contractors, and quarterly tax estimates
- How to fix the most common QuickBooks error messages
- What to do if you fall behind — a calm, step-by-step catch-up plan
- How to safely delegate bookkeeping when you're ready

Chapter 1 — Foundations

Before touching software, understand what bookkeeping actually is and why consistency matters more than perfection.

What Bookkeeping Means

- Bookkeeping tracks every dollar that comes in and every dollar that goes out
- Clean records reduce taxes, stress, and last-minute scrambling
- Accurate books give you real information to make real business decisions

The Right Mindset

- Bookkeeping should feel boring and routine — that's a sign it's working
- Small weekly habits beat giant catch-up days every time
- Done is better than perfect — a simple system followed regularly beats a complex one that sits unused

Chapter 1 Checklist

- Understand what bookkeeping is and why it matters
- Commit to a weekly bookkeeping schedule of 15–20 minutes



Chapter 2 — Setting Up Your Business Financially

Complete this section once at the beginning so everything else stays easy.

Separate Your Money First

- Open a dedicated business checking account
- Open a business debit or credit card
- Use business accounts only for business expenses — never mix personal and business

Connect Your Bank Inside QuickBooks Online

1. Log into QuickBooks Online
2. Click Transactions on the left menu
3. Click Bank Transactions
4. Click Connect Account in the top right corner
5. Search for your bank and log in securely
6. Select your checking and credit card accounts
7. Click Connect

Create Your Categories (Chart of Accounts)

8. Click the Gear icon in the top right corner
9. Click Chart of Accounts
10. Click New to add simple categories like Software, Marketing, Supplies, Contractors, Meals
11. Keep it simple — avoid creating dozens of tiny categories

Pro Tip

A clean Chart of Accounts has 20–40 categories for most small businesses. If you have more than 60, it's likely too detailed and will make reporting harder, not easier.

Enable Receipt Capture

12. Go to Gear → Account & Settings → Expenses
13. Turn on receipt capture
14. Install the QuickBooks mobile app for faster receipt uploads on the go

Chapter 2 Checklist

- Business bank account open and connected to QuickBooks
- Business credit card connected to QuickBooks
- Categories created in Chart of Accounts
- Receipt capture enabled
- QuickBooks mobile app installed



Chapter 3 — Invoicing & Recording Customer Payments

Getting paid is the most important part of running a business. QuickBooks makes it easy to create professional invoices, track what's owed, and record payments correctly when they arrive.

Create and Send an Invoice

1. Click + New in the top left corner
2. Click Invoice
3. Select or create the customer's name
4. Enter the invoice date and due date
5. Add the product or service, description, quantity, and rate
6. Click Save and Send email directly to your customer

Record Customer Payment

7. Click + New → Receive Payment
8. Select the customer's name
9. Check the invoice being paid
10. Enter the payment date and amount
11. Select the payment method
12. Select the bank account the payment was deposited into
13. Click Save and Close

Watch Out

Never record a customer payment as a bank deposit without first applying it to an invoice. This creates duplicate income and inflates your revenue on financial reports.

Review Accounts Receivable

14. Go to Reports → Accounts Receivable Aging Summary
15. Review open invoices — anything over 30 days needs follow-up

Chapter 3 Checklist

- Invoices created and sent for all billable work
- Customer payments applied to correct invoices
- No unapplied payments sitting in QuickBooks
- Accounts Receivable aging reviewed monthly



Chapter 4 — Sales Tax Setup and Payment

Sales tax is one of the most mishandled areas in small business bookkeeping. Using QuickBooks correctly for sales tax prevents overpayments, underpayments, and audit risk.

Set Up Sales Tax in QuickBooks Online

1. Click Taxes in the left menu
2. Click Set Up Sales Tax
3. Confirm your business address — QuickBooks uses this to calculate the correct rate
4. Confirm your filing frequency (monthly, quarterly, or annually)
5. Click Save

Pay Sales Tax Correctly

6. Click Taxes → Sales Tax
7. Review of the sales tax owed for the period
8. Click Record Tax Payment
9. Enter the payment date and amount
10. Click Save

Watch Out

Never write a manual check or create a regular expense to pay sales tax. Always use the Sales Tax workflow inside QuickBooks. Manual payments create reconciliation problems and inaccurate tax liability balances.

Chapter 4 Checklist

- Sales tax set up correctly with correct business address
- Taxable products and services identified
- Sales tax payments made using the Sales Tax workflow only
- Sales tax liability account reviewed monthly

Chapter 5 — Mileage Tracking

Mileage is one of the most commonly missed tax deductions for small business owners. The IRS standard mileage rate for 2025 is 70 cents per mile for business use.

Track Mileage in QuickBooks Online

1. Open the QuickBooks mobile app on your phone
2. Tap the Mileage icon
3. Tap Add Trip
4. Enter the trip date, starting location, ending location, and purpose
5. Mark as Business or Personal
6. Save the trip



💡 Pro Tip

Turn on Auto-Tracking in the QuickBooks mobile app. QuickBooks will automatically detect trips using your phone's GPS and prompt you to categorize them as business or personal.

What Counts as Business Mileage

- Travel to client meetings or job sites
- Travel to the bank, post office, or supply store for business purposes
- Travel to networking events or professional development
- Does NOT include commuting from home to a regular office location

Chapter 5 Checklist

- Mileage tracking enabled in QuickBooks mobile app
- Auto-tracking turned on
- All business trips logged with date, purpose, and locations
- Mileage report reviewed quarterly and exported at year-end

Chapter 6 — Weekly Workflow

Spend 15–20 minutes each week following these exact steps. Consistency here prevents everything from piling up.

Categorize Each Transaction

1. Log into QuickBooks Online → Transactions → Bank Transactions
2. Click each transaction in the For Review tab
3. Choose the correct category and click Add
4. Repeat until For Review shows 0

Attach Receipts

5. Click the transaction → scroll to Attachments → Upload receipt

💡 Pro Tip

Use the QuickBooks mobile app to photograph and upload receipts immediately after a purchase. Receipts fade and get lost — digital storage from the moment of purchase is the most reliable system.

Chapter 6 Weekly Checklist

- For Review tab shows 0 transactions
- Receipts attached to all significant transactions
- Invoices sent to customers for work completed
- Mileage trips logged for the week



Chapter 7 — Monthly Workflow

Once per month, set aside 30–60 minutes for a full cleanup and review.

1. Clear all remaining items in the For Review tab
2. Run Profit and Loss → Last Month → fix any Uncategorized lines
3. Ensure all deposits are matched to invoices
4. Review accounts receivable — follow up on overdue invoices

Chapter 7 Monthly Checklist

- No uncategorized transactions remaining
- Profit & Loss reviewed
- Accounts Receivable aging reviewed
- Ready to reconcile

Chapter 8 — Reconciliation

Reconciliation confirms that QuickBooks matches your real bank statement — catching errors, duplicates, and missing transactions.

1. Download your bank statement
2. Click Transactions → Reconcile → select account
3. Enter ending balance and statement date → Start Reconciling
4. Check each transaction that appears on your bank statement
5. Continue until difference equals \$0.00 → Finish Now

⚠ Watch Out

Never force reconciliation to zero. If it doesn't balance, investigate until you find the discrepancy. Forced balances hide errors that compound over time.

Chapter 8 Checklist

- Checking account reconciled to \$0.00
- All credit card accounts reconciled
- No forced balances — all differences resolved



Chapter 9 — Financial Reports

Review these three reports every month — even a 10-minute review is valuable.

Profit & Loss

1. Reports → Profit and Loss → Run → check Net Profit

Balance Sheet

2. Reports → Balance Sheet → confirm bank and credit card balances

Cash Flow

3. Reports → Statement of Cash Flows → check net change in cash

Accounts Receivable Aging

4. Reports → AR Aging Summary → follow up on anything over 30 days

Pro Tip

Save monthly Profit & Loss and Balance Sheet as PDFs in a folder labeled by year and month. Organized historical reports make tax prep, loan applications, and business planning much easier.

Chapter 9 Checklist

- Profit & Loss reviewed monthly
- Balance Sheet reviewed monthly
- Cash Flow reviewed
- AR Aging reviewed
- No unusual balances left unexplained

Chapter 10 — Payroll

Pay people safely and accurately. Payroll errors are costly and time-consuming to correct.

Paying Contractors

1. + New → Expense → select contractor → category: Contract Labor → Save
Anyone who was paid \$600 or more requires a 1099-NEC form by January 31.

Running Employee Payroll

2. Payroll → Run Payroll → enter hours → Preview → Submit

Chapter 10 Checklist

- W-9 forms collected from all contractors
- Contractor payments tracked for 1099 reporting
- Payroll processed and posted correctly
- Payroll liabilities reviewed monthly



Chapter 11 — Quarterly & Year-End

Prevent tax surprises with regular quarterly reviews.

Quarterly

1. Reconcile all accounts through quarter end
2. Run year-to-date Profit & Loss
3. Set aside 20–30% of net profit for estimated taxes
4. Pay quarterly estimated taxes (April 15, June 15, September 15, January 15)

Year-End

5. Export full-year Profit & Loss and Balance Sheet
6. Export General Ledger for the full year
7. Confirm all accounts reconciled through December 31
8. Send all files to CPA

Chapter 11 Checklist

- All accounts reconciled through quarter end
- Estimated taxes calculated and set aside
- Quarterly payments made on time
- Year-end reports exported and sent to CPA

Chapter 12 — Cleanup, Troubleshooting & Common Error Messages

If you fall behind or encounter errors, work through them calmly one month at a time.

Catch Up Month by Month

1. Filter transactions by oldest month → categorize → reconcile → move forward

Fix Common Problems

2. Uncategorized → recategorize to correct account
3. Duplicates → investigate and delete the duplicate
4. Personal expenses → assign to Owner's Draw
5. Unapplied payments → match to correct open invoice

Common QuickBooks Error Messages

Error Message	What It Means	How to Fix It
Reconciliation Discrepancy	A previously reconciled transaction was changed or deleted	Run Reports → Reconciliation Discrepancy Report to find and restore the changed item
Unapplied Credits	A payment or credit memo was not applied to an invoice	Go to the customer record, find the unapplied credit, and apply it to the correct invoice
Duplicate Transaction	Same transaction entered twice from bank feed and manual entry	Compare the two, confirm which is correct, and delete the duplicate



Error Message	What It Means	How to Fix It
Undeposited Funds Balance	Payments recorded but not matched to a bank deposit	Go to + New → Bank Deposit and match payments to the actual deposit
Opening Balance Equity	A balance remains in Opening Balance Equity after setup	Ask your bookkeeper or CPA to review — this account should be zeroed out
Negative Cash Balance	More cash recorded going out than coming in	Review recent transactions for duplicates, missing deposits, or miscategorized items
Negative Accounts Payable	Bills overpaid or payments entered without a bill	Review vendor transactions to find the mismatch and correct the entry

Chapter 13 — Delegation

When you're ready to hand off bookkeeping to a professional, do it safely — never share your admin credentials.

Add a Bookkeeper

1. Gear → Manage Users → Add User → Standard User → select permissions → Send invite

Add Your CPA

2. Gear → Manage Users → Accounting Firms → Invite Accountant → enter email

Pro Tip

Never share your admin login with anyone. Always add users through Manage Users so each person has their own secure login and access can be removed at any time.

Chapter 13 Checklist

<input type="checkbox"/> Bookkeeper added as Standard User — not Admin
<input type="checkbox"/> CPA added through Accounting Firms
<input type="checkbox"/> Your admin credentials kept private
<input type="checkbox"/> User access reviewed annually

CONCLUSION

You now have a complete framework for managing your small business bookkeeping from start to finish. By following the weekly and monthly routines outlined in this guide, you'll maintain clean, accurate books that will serve you well at tax time and give you confidence in your financial position every month of the year.

Remember

Consistency beats perfection. A simple system followed regularly is far better than a complex system that sits unused. Small weekly habits — just 15–20 minutes — prevent the overwhelming catch-up projects that drain time and money.



Need help with your bookkeeping?

OakPath Bookkeeping helps small businesses build clean, organized books in QuickBooks Online — from initial setup through monthly maintenance and year-end reporting. Whether you need a one-time cleanup or ongoing monthly support, we are here to help.

Schedule a free 30-minute Financial Review to see where your bookkeeping stands and how we can support you.

YOUR FREE BOOKKEEPING REVIEW

OakPath offers a free 30-minute Financial Review to help you assess your current bookkeeping system. During this session, we will:

- Review your current bookkeeping setup
- Identify any risk or compliance concerns
- Highlight opportunities for improvement
- Answer your questions — no preparation required

Schedule Your Free Bookkeeping Review

www.oakpathbookkeeping.com | (360) 215-1099

SECURITY & CONFIDENTIALITY

Professional bookkeepers use secure, encrypted systems to protect financial information. Your records remain private, controlled, and accessible only to authorized users.

Trust begins with security.

ABOUT OAKPATH BOOKKEEPING SERVICES

OakPath Bookkeeping Services provides trusted, reliable bookkeeping support for small businesses and nonprofits in Jefferson County, Washington and beyond. We believe bookkeeping is more than entering numbers — it is about creating clarity, supporting your goals, and building confidence in every financial decision you make.

Founded by Marie Osborne, a Certified QuickBooks Online ProAdvisor with 40+ years of leadership experience including 17 years overseeing multimillion-dollar nonprofit and county budgets, OakPath brings deep expertise and genuine care to every client relationship.

We serve clients locally in Jefferson County and throughout Washington State through secure, cloud-based bookkeeping services that are organized, accessible, and always reliable.

Value	What It Means for You
Trust	Your financial records are handled with care, discretion, and complete integrity
Accuracy	Precise, up-to-date records that support confident decisions and clean tax filings
Partnership	Supportive bookkeeping so you are never facing your finances alone