QuickBooks Online

How to Record Purchase of a Fixes Asset and Record its Annual Depreciation:

1 – Login to your chapter QuickBooks Online, Enter your **User** ID & **Password**

2 – To record the purchase of your Fixes Asset (Assume you are paying by check), click on , then select **"Check"**

Create

Members	Vendors	Employees	Other
Invoice	Expense	Single Time Activity	Bank Deposit
Receive Payment	Check	Weekly Timesheet	Transfer
Estimate	Bill		Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge	Print Checks		

▶ Show less

3 – Imagine you purchased a Laptop on September 30, 20XX for $1,200.00. Since our Fiscal Year Ends on June 30th we should record our depreciation for 9 months (From October 1st to June 30th). **"Choose a payee", "Bank account", "Payment Date", "Account", "Description", "Amount"**

4 - At the bottom right corner of your screen click on

2 – To record the depreciation for your Fixes Asset click on [search icon] [+ icon] [clock icon] , then select **"Journal Entry"**

[search icon] [X icon] [clock icon]

Create

Members	Vendors	Employees	Other
Invoice	Expense	Single Time Activity	Bank Deposit
Receive Payment	Check	Weekly Timesheet	Transfer
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4 – Enter the **Date** (06/30/20XX),

Line 1 - Under **Account** Column: Enter Depreciation Expense Account (7200 Depreciation Expense)

Line 1 – Under **Debit** Column: Take **$1,200**, divide it by **5** (**5** Years is the useful life of an equipment), then divide it by **12** (**12** months in a year) and multiply it by **9** (from purchase date to June 30th, January to June) or ((**$1,200**/**5**)/**12**) x **9**=$180

Line 1 – Under Description Enter **"Depreciation on Laptop for 9 Months (From October 1st to June 30th)"**

Line 2 - Under Account Column: Enter 1909 Accumulated Depreciation; click the **TAB** key on your keyboard and everything gets

completed. Then click on

NOTE: For next year, we will depreciate this asset for 12 months so the formula should be: (($1,200**/**5**)/**12**) x **12**=$240**

NOTE: For assistance, please contact HQ at 310-527-9387