



## 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

**qb QuickBooks**

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



, then select

“Check”

A screenshot of a software interface showing a 'Create' menu. At the top, there is a light blue bar with three icons: a magnifying glass, a plus sign (circled in red), and a circular arrow. Below this is a dark blue panel with the title 'Create'. The panel is divided into four columns: 'Members', 'Vendors', 'Employees', and 'Other'. The 'Check' option under the 'Vendors' column is circled in red. A 'Show less' link is visible at the bottom right of the panel.

Members	Vendors	Employees	Other
Invoice	Expense	Single Time Activity	Bank Deposit
Receive Payment	<b>Check</b>	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 1<sup>st</sup> to June 30<sup>th</sup>). **“Choose a payee”, “Bank account”, “Payment Date”, “Account”, “Description”, “Amount”**

The screenshot shows a software interface for entering a check. At the top, it says "Check #2". Below this, there are two dropdown menus: "Electronics Store" and "1002 CASH & BANK:Checking". To the right of these is a "Balance \$0.00" label. Below the dropdowns is a "Mailing address" field containing "Electronics Store" and a "Payment date" field containing "09/30/2014". At the bottom, there is a table with columns for "ACCOUNT", "DESCRIPTION", and "AMOUNT". The first row has "1908 Equipment" in the account column, "To Record Purchase of a Laptop - Dell Serial Number 123456ABC" in the description column, and "1,200.00" in the amount column. Red circles highlight the "Electronics Store" dropdown, the "1002 CASH & BANK:Checking" dropdown, the "Payment date" field, the "1908 Equipment" account, the description text, and the "1,200.00" amount.



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

2 – To record the depreciation for your Fixes Asset click on



, then select **“Journal Entry”**

A screenshot of a software interface. At the top, a navigation bar contains three icons: a magnifying glass, a plus sign (+) circled in red, and a circular arrow. Below this is a dark blue panel titled 'Create'. The panel is divided into four columns: 'Members', 'Vendors', 'Employees', and 'Other'. Each column lists various transaction types. In the 'Other' column, 'Journal Entry' is circled in red. At the bottom right of the panel, there is a 'Show less' link.

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

▶ Show less

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 30<sup>th</sup>, January to June) or  $((\$1,200/5)/12) \times 9 = \$180$

**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

Journal Entry #HQ - RM - 2013					
Journal date					
06/30/2015					
#	ACCOUNT	DEBITS	CREDITS	DESCRIPTION	
1	7200 Depreciation Expense	180.00		Depreciation on Laptop for 9 Months (From October 1st to June 30th)	
2	1909 Accum Depr - Equipment		180.00	Depreciation on Laptop for 9 Months (From October 1st to June 30th)	

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

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