

## CoA.3

# Importing the California FarmLink Model Chart of Accounts into QuickBooks Online (QBO)

## Step 1: From your Home page in QBO, open the Chart of Accounts

1. Click the **Accounting center** from the oval tab at the top of the screen or from “All apps” in the left navigation bar.
2. Select **Chart of Accounts**.

*Tip: Click the **hamburger icon** (three lines) at the top left by “All Apps” to expand your screen space.*

## Step 2: Inactivate the Default Accounts

When you create your QBO account, a default Chart of Accounts (CoA) is created by QBO. Sometimes it is only a few accounts that are required by QBO; sometimes it is a whole set of accounts QBO thinks is right for your business.

**Before you import FarmLink's Model CoA you must remove the existing accounts by inactivating them.**

**Note:** You cannot fully delete accounts in QBO — they become inactive instead. Inactive accounts can be reactivated later if needed. Some QBO default accounts are required and cannot be inactivated.

1. Click the **gear icon** (top of account list on the right) and increase the **Page Size** to show all accounts on one page. If you can click “Next >” under the gear icon you have more pages of accounts; if it is greyed out, all accounts are on this page.
2. **Inactivate subaccounts first** — QBO requires this before you can inactivate a parent account.
  - a. Scroll through your accounts and look for **indented accounts** — those are subaccounts. You may also have the option to filter your CoA to show only the subaccounts. Above the list of accounts there is a “Batch action” box and

- two filter boxes. Choose the dropdown on the box that says “All” and select **“subaccounts only”**.
- b. Check the boxes on the left side of all subaccounts, or the box at the very top of the list to select all if you only have subaccounts showing.
  - c. Return to the top of the accounts list and click the green **Batch actions** box above the checkboxes. Select **Make inactive**. Because you have not entered any transactions in QBO you can select **Make inactive** in the pop-up message.
3. Once subaccounts are inactivated, select all remaining accounts using the checkbox at the top of the list, just to the left of the Name column. This will check the boxes for all accounts.
  4. Once again click the green **Batch actions** box above the checkboxes and select **Make inactive**.
    - a. This time you will receive a message that some accounts weren’t deactivated. At this writing, there are seven accounts: Opening balance equity, Retained earnings, Services, Uncategorized Asset, Uncategorized Expense, Uncategorized Income, and Undeposited Funds. These are accounts that are required by QBO.

### Step 3: Enable Account Numbers

Account numbers allow you to reference an account quickly and let you control the order accounts appear in reports. Without them, accounts display alphabetically, with them they appear in meaningful groupings. One of the most significant problems with the QBO default chart of accounts is it fails to present accounts in a meaningful and standard order. Refer to the “Annotated Model Chart of Accounts” resource for an explanation of the numbering system used in the California FarmLink Model Chart of Accounts.

1. Click the **gear icon** (top right corner).
2. Go to **Account and settings** under the **Your Company** column.
3. Go to the **Advanced** tab.
4. Find the **Chart of Accounts** section and click the **pencil icon** or the word **Edit**.
5. Enable **Account Numbers**.
6. If you want account numbers to appear on reports, select **Show Account Numbers**.
7. Select **Save** and close the screen with the **X** in the top right corner.
  - a. Now you will see a **Number** column in your CoA.

## Step 4: Import the California FarmLink Model CoA

Select the version of the California FarmLink Model CoA that best fits your company, and download it to your computer desktop before starting. The model CoA options can be found with the other CA FarmLink bookkeeping resources.

1. Click the **green NEW account button** and select **Import** from the dropdown.
2. **Drag and drop** or choose **select files** using the version of the California FarmLink Model CoA that you downloaded.
3. Click the **green NEXT button** and the mapping screen will appear.
  - a. The spreadsheet is set up to map automatically.
4. Click the **green NEXT button**.
5. All accounts from the spreadsheet will appear.
  - a. The boxes on the left can be checked to remove any accounts from the import. However, we recommend importing the entire CoA and doing any edits in QBO.
  - b. To the right are Actions that you can take - adding, deleting, copying, creating subaccounts. Once again, we recommend not doing so at this point.
6. Click the **green Finish button**.

**Note:** You will be returned to the CoA screen and will see a message noting the number of accounts imported and if some did not. If any accounts fail to import, it is likely because they already exist in your QBO CoA (e.g., Opening Balance Equity, Retained Earnings).

## Step 5: Review Your New Chart of Accounts

1. Scroll through your new CoA or select **Run Report** (top right corner) to review all accounts. You can also export a csv list or a pdf; see the icons at the top of the ACTION column.
2. If you are a partnership or a mult-member LLC, edit the names of the 35X0 Capital Contribution accounts and the 36X0 Draw accounts by replacing Owner # with the owner's name. In the CoA list in QBO, select Edit from the dropdown menu in the Action column on the right side of the list. Edit the name and click the green Save button at the bottom.

If you are a partnership with more than two partners, or an LLC with more than two members you will need to add additional equity accounts for the additional owners. Follow the same numbering convention as used in the first set of owner equity

accounts where X is the number of the 35X0 Capital Contribution - Owner X and 36X0 Draw - Owner X.

3. The accounts that already existed in QBO before your import will not have account numbers. Edit the account numbers to match those in the Model CoA.
4. After your import, you will often find an account called Billable Expense Income has been created. You can delete it.
5. You have the option to edit the account number and name of multiple accounts by using the **Batch edit** tool. This is a pencil icon that says “Batch edit” in green on the right side above the ACTION column.
6. You will see many income and expense accounts that do not (yet) apply to your business. Refer to the Annotated Model Chart of Accounts document for information on the numbering system and reserved “Open/Other” accounts.  
**Inactivate accounts that are not yet needed.** See Step 2 above, checking only the boxes of those accounts you wish to inactivate. As your business grows and changes these accounts may become relevant. The California FarmLink Model Chart of Accounts is designed to give you lots of room to grow, and to ensure that as you grow your chart of accounts stays well organized and consistent with best practices, allowing you to have meaningful reports at every stage of your business.

## Step 6: Dive in!

1. Begin entering data and running reports — this is the best way to learn how your CoA works for your business. Refer to the Annotated Model Chart of Accounts document for additional information on the purpose of different accounts and the structure of the numbering system.
2. Refine your CoA as needed over time, following the numbering system described in the Annotated Model Chart of Accounts document. There is plenty of room for you to add new accounts as needed.

**Remember:** This is a model template — you will likely adjust it to fit your specific business. Having this standard setup makes your accounts and reports easier to understand for accountants and other service providers.

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