

HOW TO USE CLASS TRACKING (ONLY AVAILABLE IN QBO PLUS)




Some businesses need to track the sales and expenses for one part of their business separately from another part of their business. Sales minus expenses represents profit. That's why these "parts" of a business are often called "Profit Centers".

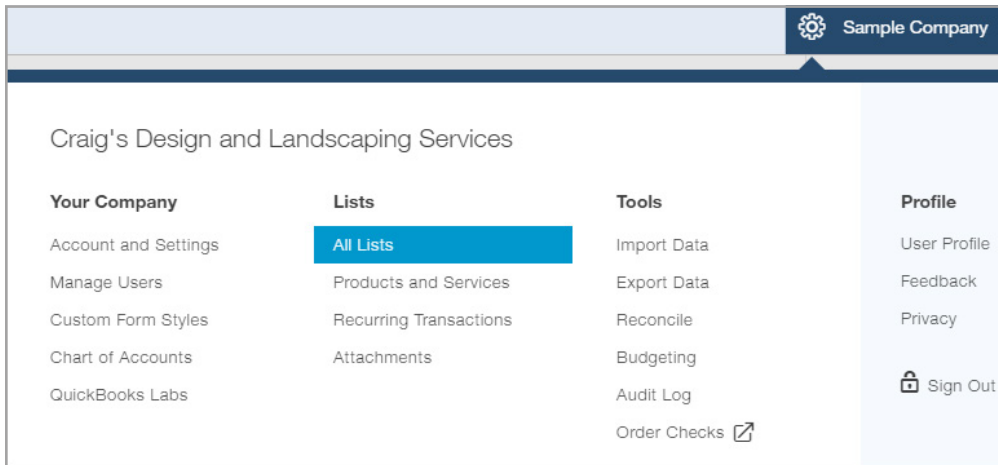
For example, a store with 2 locations wants to track the sales and expenses (profit) of each location separately. Or a bakery that has a retail shop and a catering division wants to track the sales and expenses (profit) of each division separately.

QuickBooks provides 2 ways to do this. If you need to track different locations, use Locations. And if you need to track another type of profit center, use Classes.

A good way to understand how location and class tracking works is to think of them as a way to "tag" sales and expenses with a specific profit center (you can even split a transaction and tag it with 2 or more classes/locations - for example, if you make one purchase for office supplies that are distributed to the different profit centers).

In this example, our landscaping company needs to track two profit centers separately: Maintenance (mowing, etc.) and Construction (installing fountains and fireplaces). The goal is to tag transactions appropriately so you can quickly see how profitable each profit center is.

1. Click the  icon to open the Company menu.
2. Click [Account and Settings](#).



3 Click the **Advanced** tab.

The screenshot shows the 'Account and Settings' window with the 'Advanced' tab selected in the left sidebar. The main content area is divided into sections: Accounting, Company type, Chart of accounts, and Categories. The 'Accounting' section includes 'First month of fiscal year' (January), 'First month of income tax year' (Same as fiscal year), 'Accounting method' (Accrual), and 'Close the books' (Off). The 'Company type' section includes 'Tax form' (Not sure/Other/None). The 'Chart of accounts' section includes 'Enable account numbers' (Off), 'Discount account' (Discounts given), and 'Billable expense income account' (Billable Expense Income). The 'Categories' section includes 'Track classes' (Off) and 'Track locations' (Off). A 'Done' button is at the bottom right.

Section	Setting	Value	Action
Accounting	First month of fiscal year	January	✎
	First month of income tax year	Same as fiscal year	
	Accounting method	Accrual	
	Close the books	Off	
Company type	Tax form	Not sure/Other/None	✎
Chart of accounts	Enable account numbers	Off	✎
	Discount account	Discounts given	
	Billable expense income account	Billable Expense Income	
Categories	Track classes	Off	✎
	Track locations	Off	


4 In the **Categories** section turn on **Track classes**.

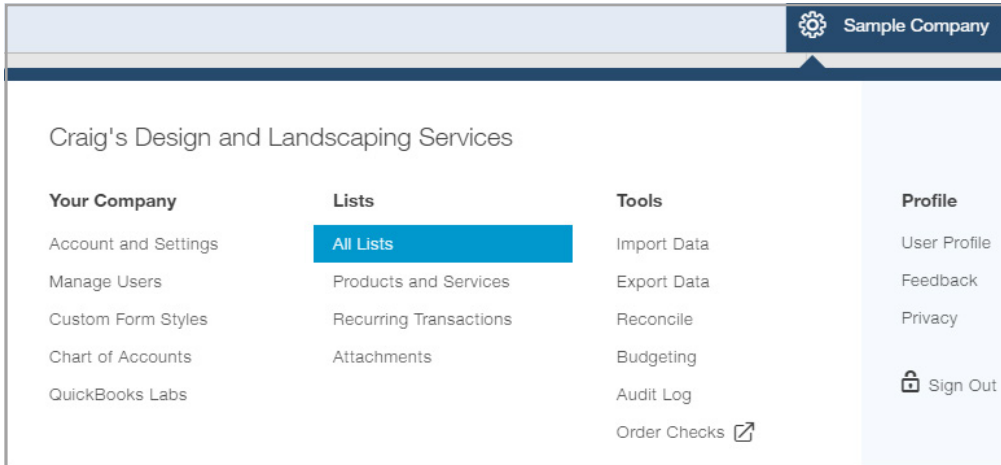
The screenshot shows the 'Account and Settings' window with the 'Categories' section expanded. The 'Track classes' checkbox is checked, and the 'Track locations' checkbox is unchecked. The 'Assign classes' dropdown is set to 'One to each row in transaction'. There are 'Cancel' and 'Save' buttons at the bottom of the expanded section, and a 'Done' button at the bottom right of the window.

Section	Setting	Value	Action
Accounting	First month of fiscal year	January	✎
	First month of income tax year	Same as fiscal year	
	Accounting method	Accrual	
	Close the books	Off	
Company type	Tax form	Not sure/Other/None	✎
Chart of accounts	Enable account numbers	Off	✎
	Discount account	Discounts given	
	Billable expense income account	Billable Expense Income	
Categories	<input checked="" type="checkbox"/> Track classes	On	
	<input type="checkbox"/> Warn me when a transaction isn't assigned a class		
Assign classes		One to each row in transaction	
	<input type="checkbox"/> Track locations	Off	

5. Click **Save** and **Done**.



ADD CLASSES

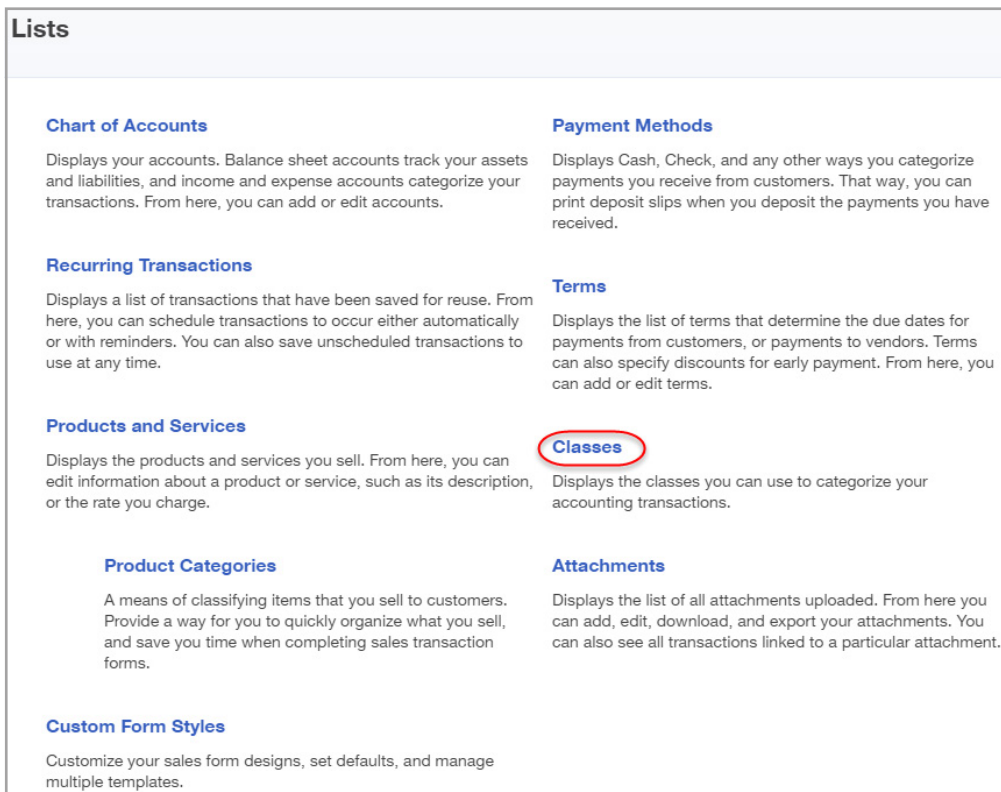
1. Click the  icon.
2. Under Lists click **All Lists**, and select **Classes**.



Sample Company

Craig's Design and Landscaping Services

Your Company	Lists	Tools	Profile
Account and Settings	All Lists	Import Data	User Profile
Manage Users	Products and Services	Export Data	Feedback
Custom Form Styles	Recurring Transactions	Reconcile	Privacy
Chart of Accounts	Attachments	Budgeting	 Sign Out
QuickBooks Labs		Audit Log	
		Order Checks 	



Lists

Chart of Accounts
Displays your accounts. Balance sheet accounts track your assets and liabilities, and income and expense accounts categorize your transactions. From here, you can add or edit accounts.

Payment Methods
Displays Cash, Check, and any other ways you categorize payments you receive from customers. That way, you can print deposit slips when you deposit the payments you have received.

Recurring Transactions
Displays a list of transactions that have been saved for reuse. From here, you can schedule transactions to occur either automatically or with reminders. You can also save unscheduled transactions to use at any time.

Terms
Displays the list of terms that determine the due dates for payments from customers, or payments to vendors. Terms can also specify discounts for early payment. From here, you can add or edit terms.

Products and Services
Displays the products and services you sell. From here, you can edit information about a product or service, such as its description, or the rate you charge.

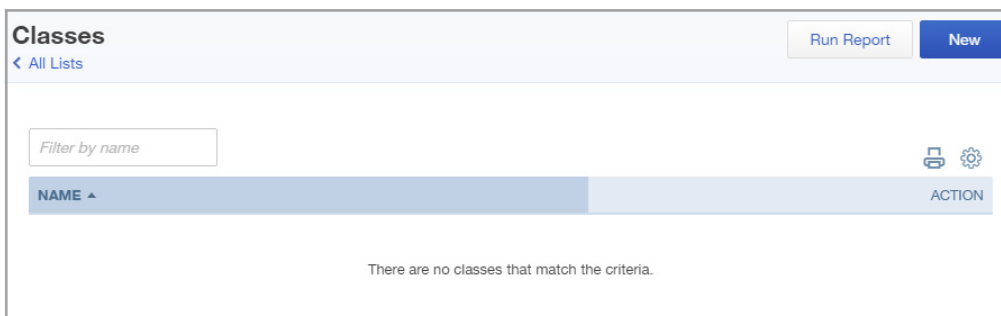
Classes
Displays the classes you can use to categorize your accounting transactions.

Product Categories
A means of classifying items that you sell to customers. Provide a way for you to quickly organize what you sell, and save you time when completing sales transaction forms.

Attachments
Displays the list of all attachments uploaded. From here you can add, edit, download, and export your attachments. You can also see all transactions linked to a particular attachment.



Custom Form Styles
Customize your sales form designs, set defaults, and manage multiple templates.

3. Click **New**.



Classes

[All Lists](#) Run Report **New**

Filter by name  

NAME ▲	ACTION
There are no classes that match the criteria.	

4. Name the class Mowing/Maintenance and click [Save](#).

Class

*** Name**

 Is sub-class

5. Create a second class named Construction/Hardscapes and click [Save](#).

Class

*** Name**

 Is sub-class

ASSIGN CLASSES TO AN EXPENSE TRANSACTION

1. Click the **+** sign.
2. Select [Expense](#).

Search, Close, Refresh icons

Create

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

3. Enter the date as the first of next month.
4. Select the appropriate payment account, Payment method, Expense information, and Class.

Expense #952

Tania's Nursery | Checking | Balance \$2,786.00 | AMOUNT \$1,000.00

Payment date: 10/01/2016 | Payment method: Enter Text | Ref no.: 952

Account details:

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER	CLASS
1	Job Expenses: Job Materials: Plants and Soil		1,000.00				Construction/Hardscapes
2							

Item details:

Memo: | Total: \$1,000.00

Buttons: Cancel, Clear, Make recurring, Save, Save and close

5. Click the Save and new drop-down arrow and select Save and close.

ASSIGN CLASSES TO A SALES RECEIPT TRANSACTION

6. Click the **+** sign.
7. Because the customer paid at the time of the sale, you don't need to create an invoice. Instead create a [Sales Receipt](#).

Create

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

▶ Show less

8. Enter the date as the first of next month.

The screenshot shows the 'Sales Receipt' form with the following details:

- Customer: Choose a customer
- Email: Email (Separate emails with a comma)
- Amount: \$0.00
- Send later:
- Billing address: [Empty field]
- Sales Receipt date: 10/01/2016
- Crew #: [Empty field]
- Payment method: Enter Text
- Reference no.: [Empty field]
- Deposit to: Undeposited Funds
- Table with 9 columns: #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE, AMOUNT, TAX, CLASS. Two empty rows are visible.
- Buttons: Add lines, Clear all lines, Subtotal \$0.00
- Footer: Cancel, Print or Preview, Make recurring, Customize, Save, Save and send

9. Select the appropriate payment account, Payment method, Expense information, and Class.

The screenshot shows the 'Sales Receipt' form with the following details:

- Customer: Dylan Sollfrank
- Email: Email (Separate emails with a comma)
- Amount: \$337.50
- Send later:
- Billing address: Dylan Sollfrank
- Sales Receipt date: 10/01/2016
- Crew #: [Empty field]
- Payment method: Check
- Reference no.: 10264
- Deposit to: Undeposited Funds
- Table with 9 columns: #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE, AMOUNT, TAX, CLASS. One row is populated: 1, Design:Design, Custom Design, 4.5, 75, 337.50, Construction/Hardscapes.
- Buttons: Add lines, Clear all lines, Subtotal \$337.50
- Footer: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, Save and send

10. Select **Save and close**.

ASSIGN CLASSES TO A CHECK TRANSACTION

- 11. Click the **+** sign.
- 12. Select **Check**. Enter the date as the first of next month.

The screenshot shows the 'Check #75' form. At the top, there are dropdown menus for 'Choose a payee' (set to 'Checking') and 'Balance \$1,786.00'. The 'AMOUNT' field shows '\$0.00'. Below this, there are fields for 'Mailing address' (empty), 'Payment date' (set to '10/01/2016'), and 'Check no.' (set to '75'). There is a 'Print later' checkbox. A section titled 'Account details' contains a table with columns: #, ACCOUNT, DESCRIPTION, AMOUNT, BILLABLE, TAX, CUSTOMER, CLASS. The table has two rows, both with empty cells. At the bottom, there are buttons for 'Cancel', 'Print check', 'Order checks', 'Make recurring', 'More', and 'Save and new'.

- 13. Enter the payee and payment account.

The screenshot shows the 'Check #75' form with 'Chin's Gas and Oil' entered in the 'Choose a payee' dropdown. The 'AMOUNT' field still shows '\$0.00'. The 'Mailing address' field now contains 'Chin's Gas and Oil'. The 'Payment date' field is '10/01/2016'. The 'Check no.' field is '75'. The 'Print later' checkbox is still present. The 'Account details' table remains empty. The 'Clear' button is now visible next to 'Cancel' at the bottom.

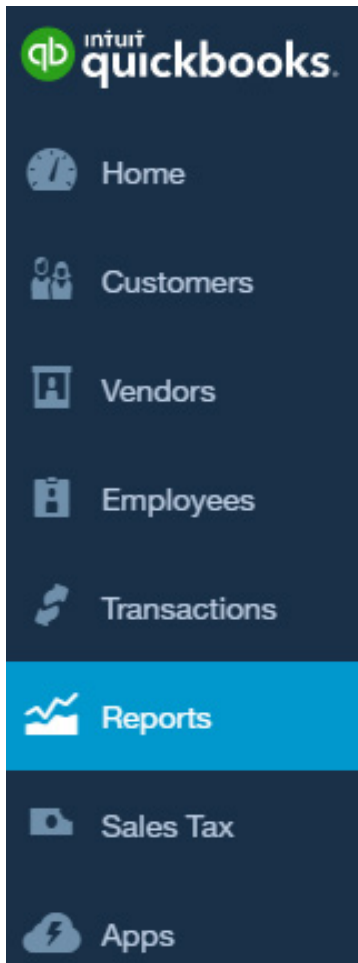
- 14. Select the account details, including assigning a Class.

The screenshot shows the 'Check #75' form with the 'AMOUNT' field updated to '\$185.00'. The 'Account details' table now has one row with data: # 1, ACCOUNT Maintenance and Repair, DESCRIPTION (empty), AMOUNT 185.00, BILLABLE (empty), TAX (empty), CUSTOMER (empty), CLASS Mowing/Maintenance. The 'Clear' button is still visible next to 'Cancel' at the bottom.

- 15. Select **Save and close**.

RUN A REPORT BASED ON CLASSES

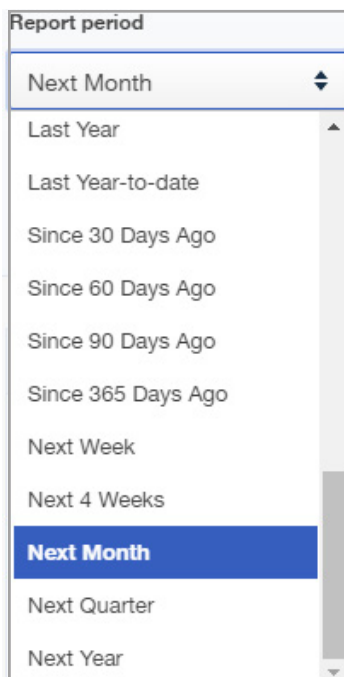
16. Click the **Reports** tab.



17. Search for **Profit and Loss by Class**.

18. Click the  icon.

19. Adjust the date range to reflect **Next Month**.



20. The first two columns show information from the Mowing/Maintenance and Construction/Hardscapes classes.

[Back to report list](#)
 Report period: to to

Display columns by:
 Show non-zero or active only:
 Period to compare:
 Accounting method: Cash Accrual

Collapse Sort ▼ Add notes Edit header ✉ 🖨 📄 ⚙

Craig's Design and Landscaping Services
PROFIT AND LOSS BY CLASS
 October 2016

	CONSTRUCTION/HARDSCAPES	MOWING/MAINTENANCE	NOT SPECIFIED	TOTAL
- INCOME				
Design income	337.50			\$337.50
Fees Billed			5,000.00	\$5,000.00
Total Income	\$337.50	\$0.00	\$5,000.00	\$5,337.50
GROSS PROFIT	\$337.50	\$0.00	\$5,000.00	\$5,337.50
- EXPENSES				
Automobile			34.00	\$34.00
- Job Expenses				\$0.00
- Job Materials				\$0.00
Plants and Soil	1,000.00			\$1,000.00
Total Job Materials	1,000.00			\$1,000.00
Total Job Expenses	1,000.00			\$1,000.00
Maintenance and Repair		185.00		\$185.00
Total Expenses	\$1,000.00	\$185.00	\$34.00	\$1,219.00
NET OPERATING INCOME	\$ -662.50	\$ -185.00	\$4,966.00	\$4,118.50
NET INCOME	\$ -662.50	\$ -185.00	\$4,966.00	\$4,118.50

NOTE: Any transactions entered within the report's date range not categorized by class will appear in a Not Specified column.