

Transactions Related to the Business

Personal Accounts **ARE NOT** **Connected in QBO**

#1 Buy Supplies directly using business Bank account

	Debit	Credit
Supplies Expense	\$ 315.78	
Business Bank Account		\$ 315.78 Cash Out

Adds the Supplies expense to your profit & loss (income statement)

#2 Transfer \$ to your business bank - buy Supplies

	Debit	Credit
<i>Business Bank Account</i>	\$ 315.78	
Shareholder Account in QBO		\$ 315.78 Cash In

Does not effect your business profit & loss (income statement)

	Debit	Credit
Supplies Expense	\$ 315.78	
<i>Business Bank Account</i>		\$ 315.78 Cash Out

Adds the Supplies Expense to your profit & loss (income statement)

OR

#3 Buy Supplies directly using personal bank account

	Debit	Credit
Supplies Expense	\$ 315.78	
Shareholder Account QBO		\$ 315.78

Adds the Supplies Expense to your profit & loss (income statement)

Notice this transaction the same same as transaction #2 after the money in/out of the business bank account are offset from each other

Personal Accounts **ARE** **Connected in QBO**

#4 Buy Supplies directly using personal bank account

	Debit	Credit
Supplies Expense	\$ 127.94	
Personal Bank Account		\$ 127.94

#5 Transfer \$ to your business bank - buy Supplies

	Debit	Credit
<i>Business Bank Account</i>	\$ 114.45	
Shareholder Account in QBO		\$ 114.45 Cash In

Does not effect your business profit & loss (income statement)

	Debit	Credit
Supplies Expense	\$ 114.45	
<i>Business Bank Account</i>		\$ 114.45 Cash Out

Adds the Supplies Expense to your profit & loss (income statement)

Notice this transaction the same same as transaction #2 after the money in/out of the business bank account are offset from each other