

# Reconciling QuickBooks Inventory Accounts to the Fishbowl Sub-ledger

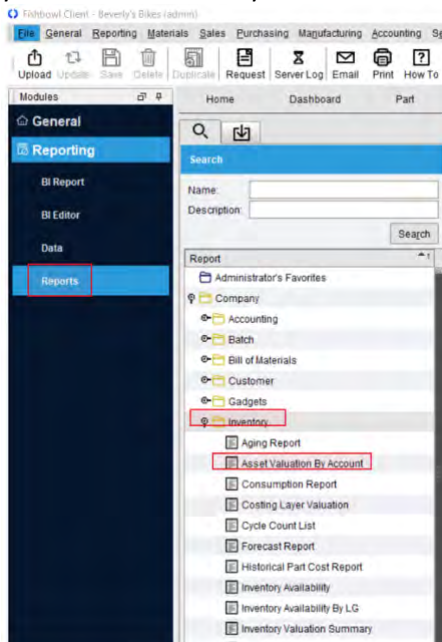
(This document was prepared by an independent consultant)

NOTE: QuickBooks and Fishbowl can only be reconciled as of *RIGHT NOW*.

It is recommended to [automate](#) either the [Inventory Valuation Summary](#) or the [Asset Valuation By Account](#) reports in Fishbowl to run daily at the same time you schedule the export from Fishbowl to QuickBooks, so that it is easier to reconcile as of a point in time. The [Asset Valuation By Account](#) is typically the best report for providing all costing methods (LIFO/FIFO, Standard, Average).

## Here is the process you should follow:

- Review **Receiving** module in Fishbowl.
  - Make sure all items with status **Received** are either:
    - Fulfilled for internal transfers
    - OR**
    - Reconciled if coming directly from vendor and recorded in **In-transit** location
  - Make sure that all POs that arrived on the dock by 5:00 PM have been received.
- Review **Shipping** module in Fishbowl
  - Make sure that all items dated as last day of the month have been shipped.
  - Identify any items that have future ship dates.
  - Compare payments against items not shipped.
- Post all transactions to QuickBooks through the **Fishbowl Accounting Export** - *(This task should already be automated to post nightly typically at midnight)*
- Run the appropriate valuation report – Note the total dollar amounts.
  - Which Fishbowl reports should you use?
    - By default, use the [Asset Valuation By Account](#) report. Otherwise, the [Inventory Valuation Summary](#) can also be used, though it may not be as accurate in all cases.
      - **Average Cost** – Use either the [Inventory Valuation Summary](#) or the [Asset Valuation By Account](#)
      - **LIFO/FIFO Cost** – Use the [Asset Valuation By Account](#)
      - **Standard Cost** – Use the [Inventory Valuation Summary](#) or the [Asset Valuation By Account](#)
  - Go to **Reporting > Reports > Inventory > Asset Valuation By Account** and export to Excel. This is the amount you will use to tie to your QuickBooks **Inventory Asset** account.



- Run a QuickBooks balance sheet for all dates (you can have transactions dated after today's date) – Match the total of the appropriate valuation report to the QuickBooks inventory account(s).
- QuickBooks directs all reconciliation variances into a Reconciliation Variance Account called **Reconciliation Discrepancies residing on P\_L**.

If there is a difference, it is time to begin the reconciliation.

1. First, check your [mappings](#) in Fishbowl to QuickBooks.
2. If the mappings are correct, then the problem is likely on the QuickBooks side.
  - a. There should rarely be a manual entry to the QuickBooks inventory account.
  - b. There should also rarely be a bill correction or credit memo to the QuickBooks inventory account. These should be corrected in Fishbowl.
  - c. You should never delete a bill or any other transaction affecting inventory that originated in Fishbowl.
  - d. Ideally, Fishbowl should be the only user to create or modify inventory transactions.
3. Make sure QuickBooks's subledger inventory valuation beginning balance is correct before you go live with Fishbowl.

Run the following reports out of QuickBooks and Fishbowl to begin tracking down the transactions causing the variances:

### FISHBOWL ACCOUNTING REPORTS

[COGS By Account Summary](#) – Shows everything posted to Cost of Goods Sold. Non-inventory and service parts may be mapped to this account; therefore, the total is not necessarily what was retrieved from inventory.

Review COGS section of P\_L related to inventory reduction through sales activity for the reporting period.

Although COGS accounts are not considered to be control accounts (i.e., do not require formal reconciliation), those should be reviewed and reconciled as part of Inventory Asset Reconciliation.

The posted balance in the Cost of Goods Sold Account should tie closely, if not exactly to the total in the following report from Fishbowl: **Reporting > Reports > Accounting > [COGS By Account Summary](#)**

### COGS by Account Summary

Part #	Description	SO #	Line #	COGS Amount
			<b>Total:</b>	
			<b>Grand Total:</b>	

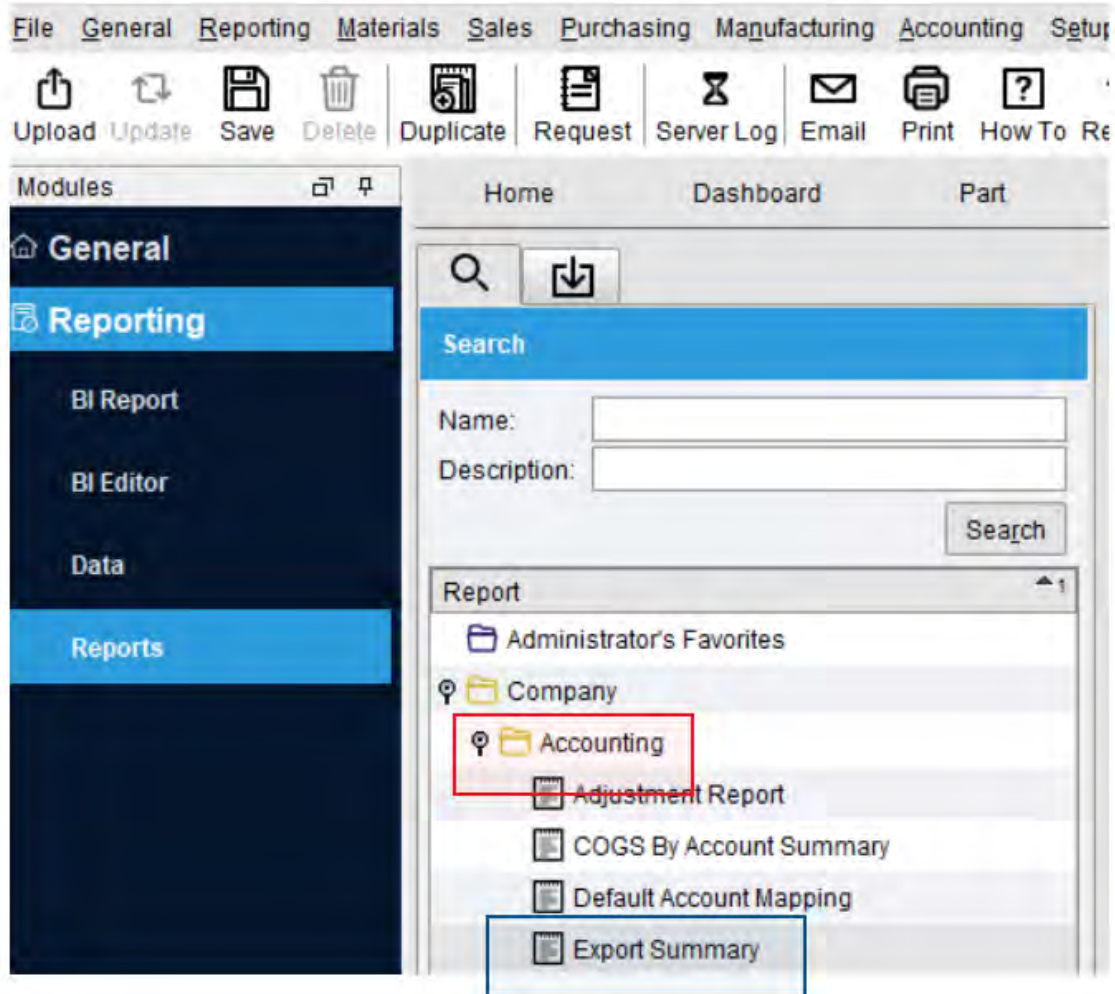
[Adjustment Report](#) – Shows all adjustments for a period or by adjustment type.

Posted Balance in Inventory Adjustment Account (set up for cycle count, inventory adjustments, etc.) should closely tie to the total in the following report from Fishbowl. **Reporting > Reports > Accounting > [Adjustment Report](#) > Modify Report** (pick options before running).

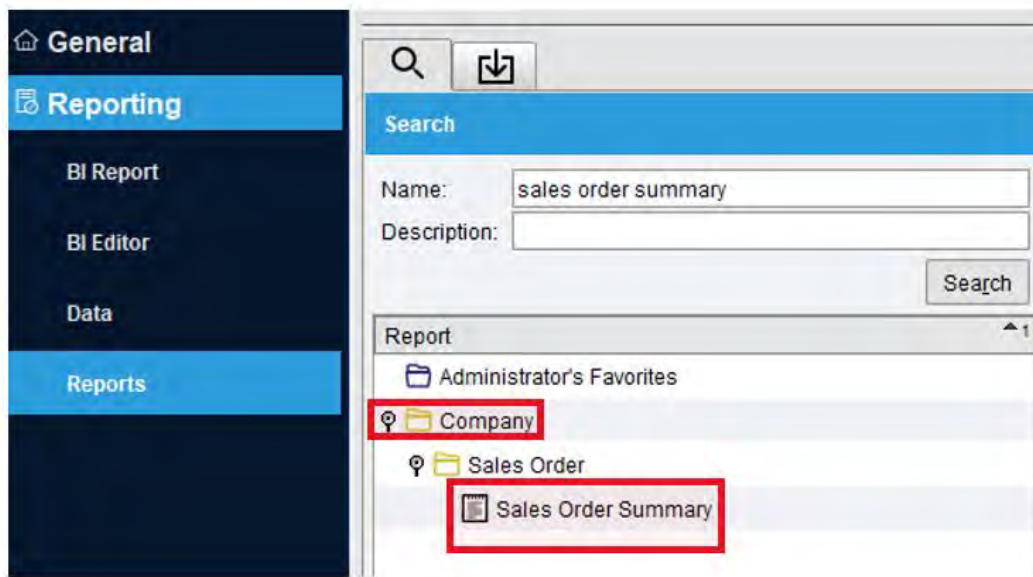
The screenshot displays the Fishbowl Accounting software interface. On the left, a navigation pane shows the 'Reporting' menu with 'Reports' highlighted. The main window is titled 'Report: Adjustment Report' and shows a search bar and a list of report options. The 'Adjustment Report' is selected. A 'Modify Report' dialog box is open, showing the report description and configuration options. The 'Options' tab is active, and a red box highlights the following options: 'Add Inventory', 'Cost Change', 'Cycle Count', 'Scrap', 'Format Report for Exporting', and 'Show Not Posted'. The 'Date Range' is set to 'This Month' from 12/01/2021 to 12/31/2021. The report table has columns for Part, Date Created, Date Posted, Type, Notes, Qty, and Amount.

Part	Date Created	Date Posted	Type	Notes	Qty	Amount
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*Export Summary* – This can be run for Purchase Orders, Sales Orders, and Work Orders, separately or together. This is the total of the activity for each type of transaction not a breakout of what was posted to inventory. The same limitations regarding non-inventory, service, labor, and other part types applies to this report as well as the *COGS By Account Summary*.



*Sales Order Summary* – Sales Summary Report in Fishbowl should be validated against the Sales Income in QuickBooks.



## QUICKBOOKS REPORTS

***Audit Trail*** – The audit trail details all changes to transactions in the QuickBooks database. It identifies what changed by bolding the text. This report is difficult to use but has solved a few mysteries from time to time.

***Voided/Deleted Transactions Summary and Detail*** – These reports can quickly identify if a user has deleted or voided a transaction. It is easier to use than the audit trail.

***Closing Date Exception Report*** – If you have set a closing date for your period, it lists only what has changed since the closing date was set. However, if the closing date is removed, the data in this report is cleared.

***Custom Transaction Detail Reports*** – Modified to display **LastModifiedDate** and **LastModifiedBy**. With these reports, we are looking for inventory transactions that were modified by someone other than the Fishbowl user or where the **LastModifiedDate** is different than the transaction date. These date sorts can sometimes help us identify transactions posted in incorrect periods.