

# QuickBooks Online vs. QuickBooks Pro or Premier – Pricing & Job-Cost Features

by DIANE GILSON, CERTIFIED ADVANCED QUICKBOOKS PROADVISOR

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## A Humorous & Insightful Email...

**A builder contacted me some months ago about which QuickBooks software program he should use - QuickBooks Online? Or one of the desktop versions - QuickBooks Pro, QuickBooks Premier, or Enterprise?**

After our conversation, I didn't hear back from him so, being busy with other clients, I assumed he'd made a decision and was doing OK. Then, a few months later, I received the following email:

*Diane,*

*The picture below will explain how I feel right now. I spoke to you last December. I wanted help with setting up a new accounting system for our building company.*

*You wanted me to use QB Desktop and I thought I "knew better" because I had been a big 4 CPA so I decided to use QBO [QuickBooks Online].*

*You advised against it.*

*I also thought I should put all my WIP [initially] into inventory and you advised against it....I did listen to your advice on that subject.*

*But now, I find that QBO is really not nearly as robust for our building business. We do about 12 to 18 very high end luxury homes in the [name of city] area.*

*If I did the right amount of grovelling could you help me get set up on Quickbooks Premier or another version you would suggest for a building business?*

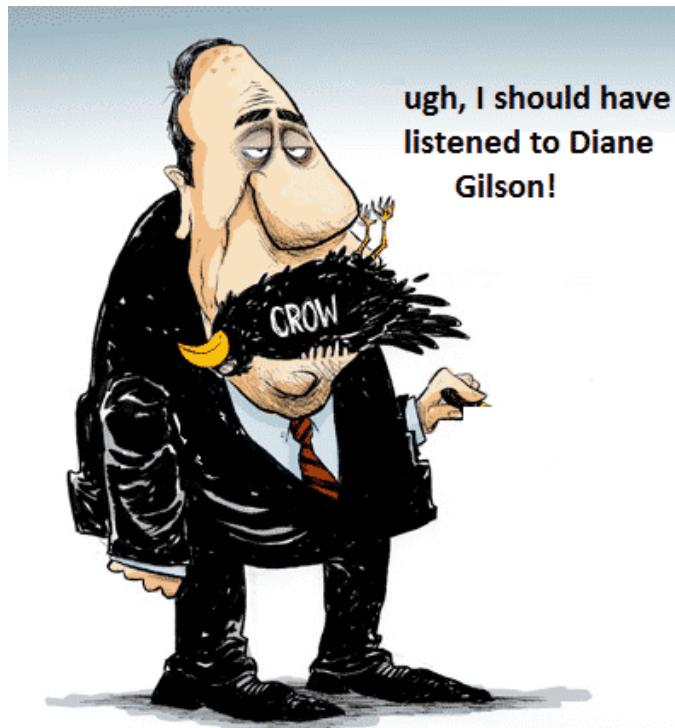
*We build both custom homes and spec homes.*

*Most Sincerely,*

*Rick [Last name]*

*[Company Name & Phone Number]*

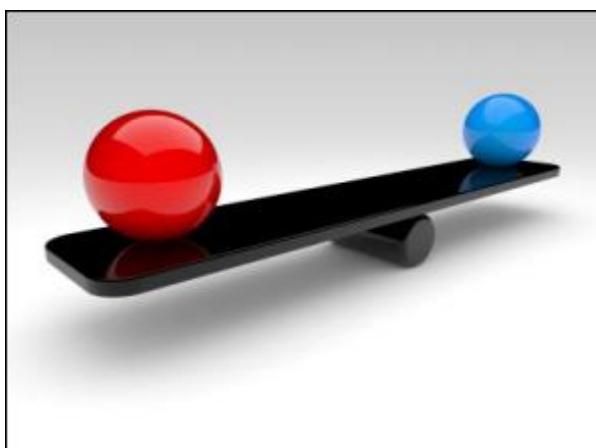
Here's the picture he attached to his email:



I just had to smile! Rick's an experienced builder, and I really appreciated his humorous email!

Shortly after receiving it, we were able to coordinate a time to talk in more depth. As a result, he had his company get on board with our [QuickBooks job-cost video training: Construction Accounting & Management Program \(CAMP\)](#).

*(NOTE: He offered to share his insights with any other builders who would like to speak with him in person. If you'd like his phone number, give me a call and I'll send it along...)*



## QuickBooks Online? Or Desktop QuickBooks Pro, Premier, or Enterprise Solutions? Which Is Right For You?

I see many opinions, and questions, from QuickBooks users in the forums about which version of QuickBooks their small or mid-sized companies should choose...

After spending **20+ years working with job-costing for construction, manufacturing, and service industries**, I'd like to share my research, experience, thoughts and pricing comparisons on the topic.

***\*\*Throughout this article, I am discussing the Windows PC – NOT MAC – versions.***

### ***Setting the Stage...***

## **"The Cloud! The Cloud! Everything (and Everyone) is Going to the Cloud!"**

Cloud-based software is simply a computer program that is housed on a server **not** located in our home or business, and we access and use it through the Internet. Why the big migration to "the cloud"? Here are some of the main reasons:

1. Compared to developing multiple versions to meet the needs of users' varied operating systems, it's a **less complicated process for software companies to develop and distribute a single version** that they can control and update from a single location.
2. **Cost savings: Fewer versions** of the software to create, test, compile, distribute, and support **result in lower cost** - and allows the software companies to focus on **creating new and (hopefully) better products**.
3. **Monthly payment options feel more "friendly" to consumers** than larger, one-time purchases.
4. Centralized software provides **greater control over user-licensing and makes pirating more difficult**.

The overall benefits to software companies for cloud-based programs? **Lower costs, better control, and potentially higher, more-predictable income. What's not to like?**

It just makes good business sense for software companies to move in that direction, doesn't it?





## But, As a Consumer, Should YOU Pack Up and Move Your Accounting Software to the Cloud?

What's better for many software companies **MAY, in certain circumstances, be beneficial for us as consumers**. However, when it comes to software, **it also pays to perform your own due diligence** by determining EXACTLY what you need before you make a decision to adopt a new "shiny object".

One of my favorite sayings is "**Just because you CAN do something, doesn't always mean that you SHOULD.**"

## How Do I Choose Between QuickBooks Online & QuickBooks Pro, Premier, or Enterprise Desktop Versions?

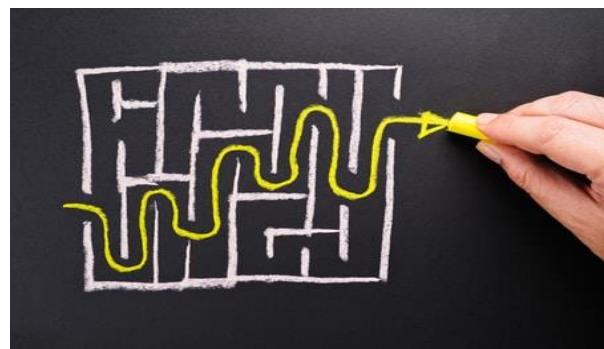
My "Setting the Stage" comments, above, were designed to get you thinking more deeply about your current accounting software choices.

Sadly, I've lately seen too many companies who, **unfortunately, haven't taken the time to investigate, research, and think through the various aspects of what they need when it comes to their accounting software**. As a result, they've made mistakes that **cost them too much time, too much money** and, at least temporarily, **left them without the information that they desperately need** to intelligently run their businesses.

Which will be better for you **at this time?** QuickBooks Online or QuickBooks Pro, Premier or Enterprise cloud or desktop versions? It's a big decision!

To keep in mind:

- Many people do not realize that, even though it carries the QuickBooks name and logo, **QuickBooks Online software is totally different than the more familiar desktop favorites**. QuickBooks Online versions are web/cloud-based and **will require a learning curve** as you encounter software that has an entirely different "look and feel" than what you (and many other traditionally-trained QuickBooks users) are already familiar and comfortable with.
- You may also need to **acquire additional apps** in order to perform functions not currently built into QuickBooks Online. Each plug-in will cost more and require you to learn how to use it.



- You should remember that **QuickBooks Online** is a "subscription service". That means **continual payments** if you want to continue to be able access your financial data and details. **If you fail to pay, you could lose your current and historical accounting records.**
- QuickBooks Online might be exactly the right choice for certain types of businesses. But **it may very well NOT (yet) be the best choice for others**. So, please, don't blindly choose to convert your QuickBooks desktop accounting software into QuickBooks Online **until you thoroughly examine the pros and cons of each environment**.

**"Accounting conversions should not be undertaken lightly.**

**Too much is at stake!"**

## Are You in an Industry That Needs Job-Cost Accounting and Reporting?

Are you in **construction, manufacturing, or a service business**? If so, you'll likely need job-cost accounting and a wide variety of internal management reports that are not available in QuickBooks Online. "QBO", according to Intuit tech support, is **NOT designed to track or deliver the detailed job costing reports** that most construction, manufacturing, and service companies need.

Even if you're a small company, if you have employees and **want to see detailed Estimated Cost vs. Actual Cost reports**, or would like to access various other useful job-related reporting features, you'll need to use one of the desktop or cloud (hosted) versions of QuickBooks Pro, Premier, or Intuit Enterprise. (See the Q&A's shown later in this article - below the FAQ picture.)

Therefore, from a **job-cost reporting standpoint, at this time I ALWAYS recommend** QuickBooks Pro, QuickBooks Premier, or Intuit Enterprise desktop versions to my construction, manufacturing, and service-industry clients. (Well, actually for any company with detailed job-costing needs...).

When a company's owner or bookkeeper comes to me and inquires about QuickBooks job-costing help, **if they are already in the QuickBooks Online version and are serious about job-costing, we convert them into one of the comprehensive desktop versions. (FYI: If you wish to avoid data loss, switching from an online to desktop version – or vice versa – needs to be handled carefully.)**

## **Q & A: Are the Desktop Versions of QuickBooks "Going Away"?**

**Q. "I keep hearing a rumor that QuickBooks desktop versions (Pro, Premier, and Enterprise) are 'going away'. Is that true?"**



**A. As a multi-certified Advanced QuickBooks ProAdvisor, I attend many national conferences where top-level Intuit executives respond to our inquiries. (As accountants who build a large portion of our businesses around Intuit products, we ProAdvisors are also extremely interested in knowing the future of the desktop products!)**

While explaining that none of us has a crystal ball to see the future, Intuit executives, for the last several years have patiently explained that, although there is a heavy emphasis on continuing development for QuickBooks Online, **the desktop versions will likely be with us for some time into the future.**

They have explained that they are very aware that **many companies need the functionality currently available ONLY in the desktop versions.** They admit that desktop versions may “someday” be replaced by cloud-based solutions but, at this time – and for the foreseeable future – **they are continuing their commitment to add features and improvements to the desktop versions.**

I'd also like to refer you to an article ([Is QuickBooks Desktop Dead?](#)) by another highly-respected and tech-savvy QuickBooks expert, Charlie Russell. Here's a quote (shown in green text below) from the article:

"Several key points that should be obvious here:

- When you include consideration for “attachments” in the revenue stream, the **desktop environment is generating significantly more revenue than the online market.**
- Another very interesting point is that **revenue for the desktop increased** in fiscal year 2016 over the prior year."

And here's another more recent article from Charlie: [QuickBooks Desktop Is Alive and Well.](#)

## If You're Thinking About QuickBooks Online – ...Which Version Would You Likely Need to Select?

**"BUT," you say, "I've decided that I want to really look at QuickBooks Online's features, so I can decide if it would be a good fit for me."**

Let's start by looking at the comparison of product features between various QuickBooks Online versions. (I've created a **comparison chart**, below.)

Because nearly all of the companies I work with would need (at least!) one or more of the features found ONLY in the QuickBooks Online Plus version, I've **highlighted the Plus version**. So, when contrasting features and cost, **you'll probably want to focus primarily on the QuickBooks Online Plus product...**

| <b>Version of QuickBooks Online ➔</b>                                 | <b>Plus</b> | <b>Essentials</b> | <b>Simple Start</b> |
|---|-------------|-------------------|---------------------|
| 1 Number of people who can access QuickBooks Online                   | 5           | 3                 | 1                   |
| 2 Track billable hours by customer?                                   | See note A  | No                | No                  |
| 3 Give employees & subcontractors limited access to enter time worked | X           | No                | No                  |
| 4 Prepare and print 1099s?  | X           | No                | No                  |
| 5 Create and send purchase orders?                                    | X           | No                | No                  |
| 6 Create budgets to estimate future income and expenses?              | X           | No                | No                  |
| 7 Track sales and profitability for each of your locations?           | X           | No                | No                  |
| 8 Categorize your income and expenses using class tracking?           | X           | No                | No                  |
| 9 Track inventory?  | X           | No                | No                  |
| # Manage and pay bills from vendors?                                  | X           | X                 | No                  |
| # Enter bills and schedule payments for later?                        | X           | X                 | No                  |
| # Compare your sales and profitability with industry trends?          | X           | X                 | No                  |
| # Control what your users can access?                                 | X           | X                 | No                  |
| # Set up invoices to automatically bill on a recurring schedule?      | X           | X                 | No                  |
| # Track your income and expenses?                                     | X           | X                 | X                   |
| # Download transactions from your bank and credit card accounts?      | X           | X                 | X                   |
| # Integrate with available applications?                              | X           | X                 | X                   |
| # Back up your data online automatically?                             | X           | X                 | X                   |
| # Strong security measures so only you access your info?              | X           | X                 | X                   |
| # Access your data from a tablet or smartphone?                       | X           | X                 | X                   |
| # Send unlimited estimates and invoices?                              | X           | X                 | X                   |
| # Print checks and record transactions?                               | X           | X                 | X                   |
| # Import data from Excel or QuickBooks desktop?                       | X           | X                 | X                   |
| # Invite up to two accountants to access your data?                   | X           | X                 | X                   |
| # Number of built-in business reports                                 | 65+         | 40+               | 20+                 |

(A) From Diane: Hours are tracked, but payroll, payroll taxes, and labor burden CANNOT be automatically assigned to jobs through QuickBooks Online Plus.

## Looking For QuickBooks Pro, Premier, or Enterprise Desktop "In the Cloud"? – Yes, You Can Get It!

*"But," you say, "Even if QuickBooks Online doesn't have all of the features I need, it's absolutely essential that I and/or other members of our staff are able to access our accounting records 'anytime, anywhere'".*

You're not alone. Many QuickBooks users are thinking of moving to QuickBooks Online primarily because they want the convenience and accessibility promised by the Online versions.

**BUT, what if you could obtain all of the job-costing benefits built into the desktop versions of QuickBooks Pro and Premier AND still get that "anytime, anywhere" access? Is that possible?**

**YES!** By utilizing QuickBooks Pro Plus or QuickBooks Premier Plus desktop (subscription/cloud-hosted) versions you receive the benefits of both worlds... Here's how it works:

- Your **QuickBooks Pro Plus or QuickBooks Premier Plus software and company files reside on a cloud-based server that you "rent" and access via the Internet.**
- After you **log in to your "virtual desktop", you'll see your QuickBooks software** and can log into any of your company files. (Remember: QuickBooks Pro and Premier allow you to have as many company files as you wish at no additional cost.)
- Your **company files are backed up nightly** (interim backups) and you can save additional backups as desired.
- You can also **email, and use/save Excel and Word files just as you would if the software and files were stored in your own office.**



As a result, you get "cloud" access AND you get to stay with the familiarity of your desktop software and continue to access the superior job-costing and reporting capabilities included with the desktop versions. (Pricing? Yes, it's higher than normal desktop versions. Information listed below...)

**ALTERNATIVELY (and for a much lower cost)** If you need to access your regular (non-subscription) QuickBooks Pro or Premier file, you can simply log into your desktop computer from your home computer, laptop, or iPad using one of the inexpensive and popular computer-to-computer log-in programs such as [GoToMyPC](#).

Voila! You've used the Internet to **create your own "cloud-based software"**.

## Job-Costing FAQ's

### Specific Differences Between QuickBooks Online Plus and QuickBooks Pro, QuickBooks Premier, or Intuit Enterprise Desktop Versions

Based on my years of helping clients set up job-costing systems using the desktop versions, QBO has always appeared to be very limited when it comes to job-costing. This was confirmed as I studied for, and passed, the two most recent QuickBooks Online Certification exams. However, **some QuickBooks ProAdvisors have gone on record to say that you can get job-costing in the online versions...**

**Was I missing something? Was I just clinging to my "tried-and-true" methods and resisting change?**

To put my mind at ease, I performed **additional research** by delving back into Intuit resource and study documents.

Then, in cases where I still wasn't entirely positive of the resolution, I took it a step further and **went directly to the QuickBooks Online tech support staff to get their answers**. Here are the questions that I wanted to resolve – and what I learned – presented in a Q&A format. I hope you find these to be helpful...



#### Structure for Customers and Jobs

- **Q.** Can we set up Customers as “headers” and individual Jobs as under them in QuickBooks Online Plus – like we can in the desktop versions?
- **A. Yes,** you can set up individual jobs (called “sub-customers” in QuickBooks Online Plus) under a single Customer. (In desktop versions, they are referred to as “Jobs” under Customers.)

#### Payroll, Payroll Taxes, & Employee Benefit or Labor Burden Costs

- **Q.** Is there a way to assign **Payroll, Payroll Taxes or Employee Labor Burden costs** to Customers (jobs) or job tasks in QuickBooks Online Plus – like we can in the desktop versions?

- **A. No.** Not unless you're willing to manually compute payroll, payroll taxes, and labor burden and assign those costs to Customers (jobs) using manual entries. That's because **the Intuit Payroll systems available to any of the QuickBooks Online versions don't include job-costing capabilities.**

#### **Materials, Contractor, Other Non-Payroll Costs**

- **Q.** Can we assign labor and materials costs to Customers (jobs) in QuickBooks Online Plus – like we can in the desktop versions?
- **A. Yes,** in QuickBooks Online Plus, you can assign materials, subcontractors, and other **non-payroll** costs to a Customer.

#### **Change Orders**

- **Q.** Can we enter Change Orders into QuickBooks Online?
- **A. Not in the way that most people want to track Change Orders.** I.e., Although you could add Change Order income to your Quote, **because you cannot create Estimated Costs in QuickBooks Online, you also cannot add additional costs related to Change Orders.** In QuickBooks Pro, Premier and Enterprise you can add extra lines to track additional Change Order estimated costs and income.

#### **Profit & Loss by Job Reports – Format**

- **Q.** What do job cost reports look like in QuickBooks Online Plus? Can we see gross profit percentages?
- **A. The reports do not display employee payroll, payroll tax, or labor burden costs so, if you have direct labor or supervisory employees, the job-cost reports will NOT be correct.** But if you only have materials and subcontractor costs, you can run a "Profit & Loss by Customer" report. It will show "Sub-Customers" that will then create a subtotal for the "Parent" Customer. Then you can add Percent of Income calculations to display Gross Profit Percentages.

#### **Profit & Loss by Job Reports – Accuracy**

- **Q.** Can we see Profit & Loss by Job (account-based reports) in QuickBooks Online Plus – as is available in the desktop versions?
- **A.** Although Profit & Loss by Customer reports are available in QuickBooks Online Plus (see above), **if you have employee-related costs that should be assigned to jobs, those costs would be missing. In that case, the reports would not be accurate.**

#### **Assigning Owner Costs to Jobs**

- **Q.** Can we assign a standard rate for owner time to jobs in QuickBooks Online like we can in QuickBooks Pro, Premier, or Enterprise?
- **A. Yes. It's a manual entry accomplished using a \$0 check** (slightly different process than an easier method we use in the desktop versions).

### **Customer Types**

- **Q.** Does QuickBooks Online Plus have Customer Types? (Frequently used for profitability analysis in the desktop versions.)
- **A. Customer Types are not available in QuickBooks Online Plus.**

### **Tracking Job-Cost Specifics Using Items**

- **Q.** What's the nature of Items in QuickBooks Online Plus? Can they be set up with headers and sub-Items for job-specific detail – as in the desktop versions?
- **A. Yes, with the correct options selected, you can create non-payroll Items in QuickBooks Online Plus to mirror QuickBooks desktop capabilities.** (I.e., you can set up headers and sub-Items to sub-total within header groups, and link Items into either cost or income accounts depending upon the transaction type.)

### **Estimated vs. Actual Cost Variance Reports**

- **Q.** Can we see reports that show estimated costs vs. actual costs for individual Customers (jobs) – like we can in the desktop versions?
- **A. No.** Although you can estimate INCOME in QuickBooks Online Plus, **you cannot create COST estimates. As a result, no Estimated vs. Actual Cost reports are available.**

### **Converting Purchase Orders into Actual Customer (Job) Costs**

- **Q.** When we set up a Purchase Order for a vendor, can we easily convert it to a Bill – like we can in the desktop versions?
- **A. Yes.** Purchase Orders in QuickBooks Online Plus include the Vendor Name, the Customer Name, and Items (or services) being ordered from the vendor. **The Purchase Order can then be converted into a Bill, Check, or Credit Card Charge.**

### **Open Purchase Orders by Job Reports**

- **Q.** Can we see open Purchase Orders (subtotaled) by Job in QuickBooks Online Plus – like we can in the desktop versions?
- **A. No.** You can obtain similar, but not all, information. **What you can get will be limited, and will require extra steps:**
  - First, you will create a report that shows open PO's.
  - Then you will need to **add a column** to the report that shows customer names.
  - You can then **sort the report** to see the listing by Customer.
  - **Limitations:**  
You will NOT be able to see **totals** by Customer, nor can you filter to see PO's for only one customer in QuickBooks Online Plus.

To learn more about how to use Purchase Orders to add speed, accuracy and control to your internal procedures and reporting in QuickBooks Pro, Premier, or Enterprise desktop versions, take a look at our **QuickBooks job-cost video training: [Construction Accounting & Management Program \(CAMP\)](#)**

### **Progress Billings**

- **Q.** Can we perform Progress Billing in QuickBooks Online Plus – like we can in the desktop versions?
- **A. No.** **Progress billing is not available in QuickBooks Online Plus.**

### **Group Items (Invoicing Application)**

- **Q.** Can we create "**Group Items**" in QuickBooks Online?
- **A. No.**

*The following information was submitted by a reader (Steve Scott of [Comfort Technology](#)):*  
"One roadblock I ran into was **the online version doesn't do group items**. We're an HVAC service company that uses flat rate pricing. A flat rate task generally consists of so many minutes and one or more parts handled as a group item in QB Pro. When we raise our labor rate with the desktop version we just need to change the labor sale price in one spot. **With QBO we would need to change it on every task.**"

"I spoke with someone from Intuit because I had read some place that it couldn't do group items. To be frank, I didn't believe it because it seems such a basic, useful function. We have 200-300 tasks (group items) and it would be too much work to change the labor rate in each one. Fortunately I found that out during my investigation to see if QBO would be a good fit."

### **What About QuickBooks Online Data File Downloads and Backups?**

- **Q.** Can I get downloads and backups of my QuickBooks Online files?
- **A.** For a fairly extensive, and eye-opening answer, please [click here to see this article](#) written by one of the QuickBooks Community's most respected technical writers (**William "Murph" Murphy**) titled:

**What about a QuickBooks Online Worst Case Scenario?**

## User Permissions and “Visibility” of Financial Information

- **Q.** When it comes to "who can see what" in our financial records in QuickBooks Online Plus, how specific are user permissions?
- **A.** User permissions in QuickBooks Online are far less specific than QuickBooks Pro or Premier desktop versions. For instance, in QuickBooks Online, if you give an employee access to perform payroll activities, they will also be able to access all of your other company financial reports. To prevent them from seeing this information, you would need to purchase and utilize another third-party payroll app for their use.



To see a full list of QuickBooks Online Plus User Permissions and Choices [click here](#).

If user-specific permissions are extremely important to you, you'll want to consider Intuit Enterprise...

In Summary: QuickBooks Online? Or QuickBooks Pro, Premier or Enterprise Desktop?

Desktop features for job costing are far superior to the online versions, but you should do the research in order to make the decision that's right for YOUR company. Your final decision should not be based solely on cost, an external plug-in's features, or perceptions of convenience.

If you're in manufacturing, construction, or an industry that provides services that require job-costing information, it's highly likely that you should get one of the desktop versions.

If you're not in one of these industries, QuickBooks Online may be a good solution for you.

Of course, we're here if you find that you need some assistance as you work your way through the maze.

Having the right information at hand when you need it can have a huge impact on your company's success or failure! So you'll want to choose the option that provides the optimal decision-making information you need to meet your objectives...

