Production Syncing to QBO

Last Modified on 10/30/2026 10:40 am EDT

Syncing Work Orders and Disassembly's to QuickBooks Online

When syncing inventory with QuickBooks Online and using Work Orders and Disassembly's we are often left with random COGs amounts. The issue is QuickBooks Online does not allow for the negative qty line items. So using our normal method of negative quantity components and positive quantity finished good had to be altered to account for this. To get around this we are using the following Workflow:

Part 1: QuickBooks One-time setup

Users will need to create two Accounts. Order Time will create a Vendor (The Vendor part has not changed)

Clearing Account

Name: OT Production Clearing

Account type: Other Current Assets

Detail type: Other Current Assets

Variance Account:

Name: OT Production Variance

Account type: Cost of Goods Sold

Detail type: Other Costs of Services – COS

Subaccount: Cost of Goods Sold

Order Time will create a Vendor

“NC WorkOrder Internal” (Required for the $0 bill described further below)

Part 2: Finished Product from Component

In the following example, if you have an Assembly Item with a $4.50 inventory part and $3.00 of labor that you are posting to QuickBooks Online, but QuickBooks Online is valuing the inventory part at $4.00, we are left with a variance. Below describes what Order Time will sync over to account for that::

- New Bill

Vendor: NC WorkOrder Internal

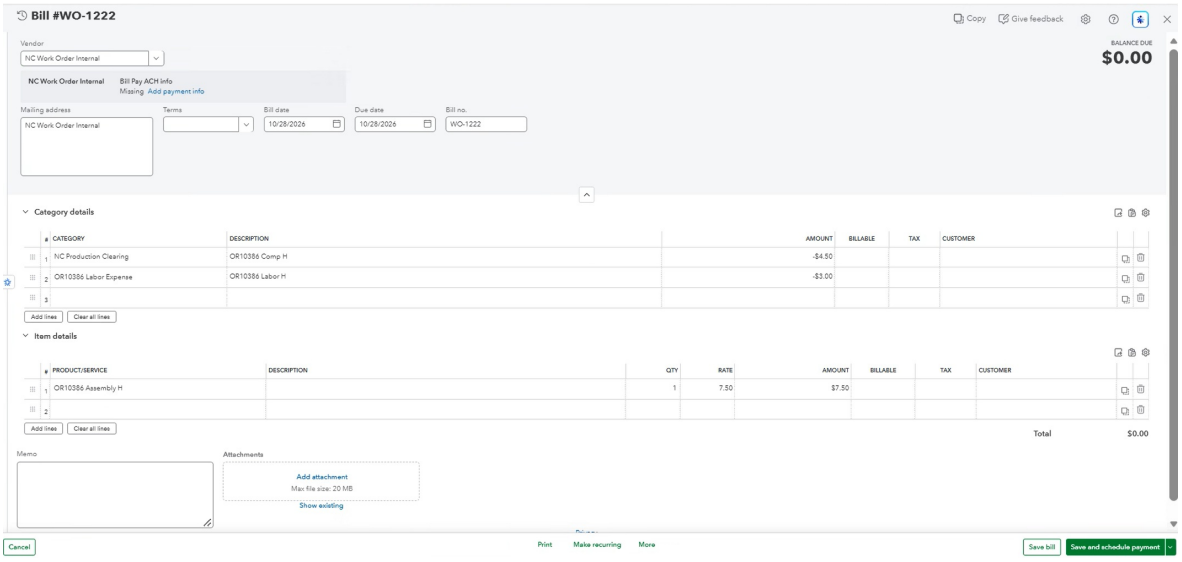
Add Category Line: OT Production Clearing, Amount −4.50

Add Category Line: Expense Account on the “Labor” Item, Amount -3

Add Line Item for: Finished Product, Qty 1, Rate 7.00, Amount 7.50

Bill No./Memo: WO-1222 (reference the Work Order here for easier reconciliation)

Save, this creates a $0 Bill



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Transaction Journal

All Dates

Transaction date	Transaction type	Num	Name	Description	Account Name	Debit	Credit
258 (4)							
10/28/2026	Bill	WO-1222	NC Work Order Internal		Accounts Payable (A/P)	0.00	
10/28/2026	Bill	WO-1222	NC Work Order Internal		Inventory Asset	7.50	
10/28/2026	Bill	WO-1222	NC Work Order Internal	OR10386 Comp H	NC Production Clearing		4.50
10/28/2026	Bill	WO-1222	NC Work Order Internal	OR10386 Labor H	OR10386 Labor Expense		3.00
Total for 258						$7.50	$7.50
TOTAL						$7.50	$7.50

Add note

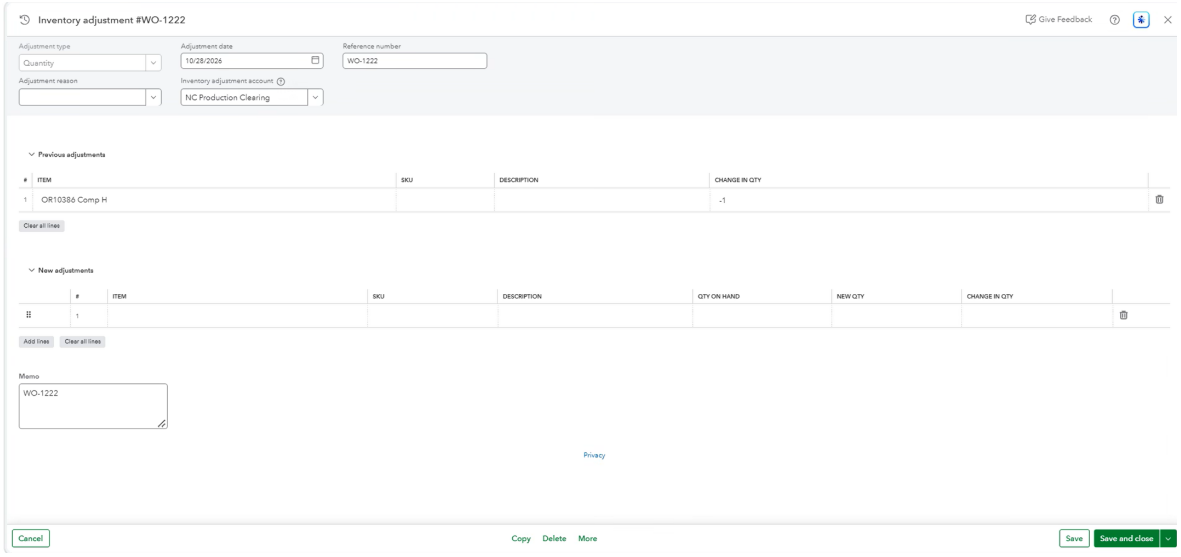
Wednesday, October 28, 2026 03:08 PM GMT-04:00

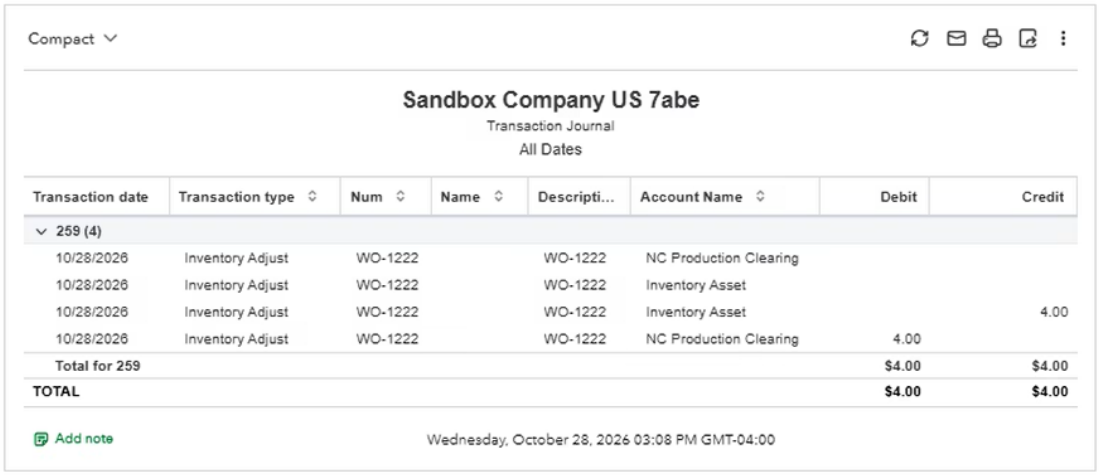
- New Inventory Adjustment

Inventory adjustment account: OT Production Clearing

Reference no/Memo: WO-1222 (reference the Work Order here for easier reconciliation)

Add Line Item: Component, Change in Qty -1





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Sandbox Company US 7abe

Transaction Journal

All Dates

Transaction date	Transaction type	Num	Name	Descripti...	Account Name	Debit	Credit
259 (4)							
10/28/2026	Inventory Adjust	WO-1222		WO-1222	NC Production Clearing		
10/28/2026	Inventory Adjust	WO-1222		WO-1222	Inventory Asset		
10/28/2026	Inventory Adjust	WO-1222		WO-1222	Inventory Asset		4.00
10/28/2026	Inventory Adjust	WO-1222		WO-1222	NC Production Clearing	4.00	
Total for 259						**$4.00**	**$4.00**
TOTAL						**$4.00**	**$4.00**

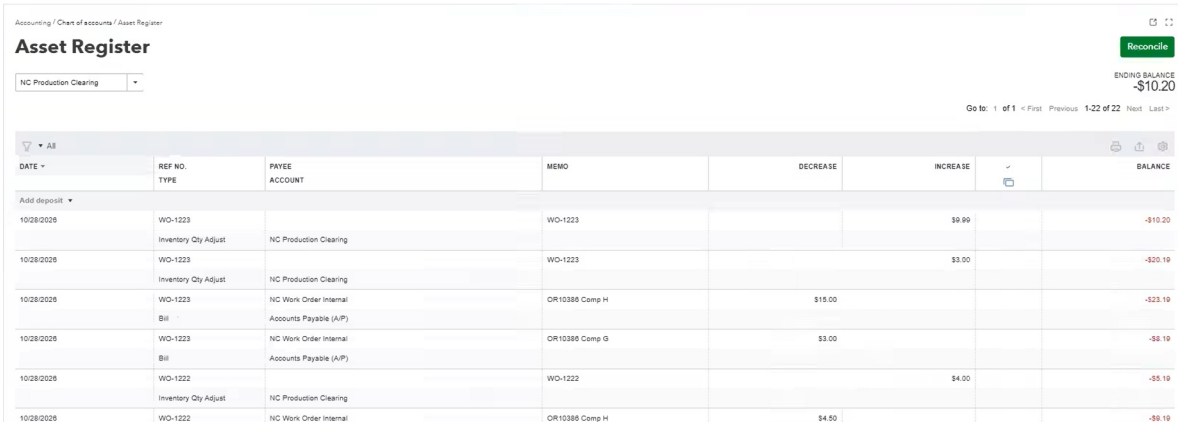
Add note

Wednesday, October 28, 2026 03:08 PM GMT-04:00

- Chart of accounts: OT Production Clearing

The register will show a balance of -0.50

Future Bills/Inventory Adjustments will continue to record all variance in this Clearing Account.



Accounting / Chart of accounts / Asset Register

Asset Register

Reconcile

NC Production Clearing

ENDING BALANCE -$10.20

Go to: 1 of 1 < First Previous 1-22 of 22 Next Last >

All

DATE	REF NO. TYPE	PAYEE ACCOUNT	MEMO	DECREASE	INCREASE	BALANCE
Add deposit						
10/28/2026	WO-1223		WO-1223		$9.99	-$10.20
	Inventory Qty Adjust	NC Production Clearing				
10/28/2026	WO-1223		WO-1223		$3.00	-$20.19
	Inventory Qty Adjust	NC Production Clearing				
10/28/2026	WO-1223	NC Work Order Internal	OR10386 Comp H	$15.00		-$23.19
	Bill	Accounts Payable (A/P)				
10/28/2026	WO-1223	NC Work Order Internal	OR10386 Comp G	$3.00		-$8.19
	Bill	Accounts Payable (A/P)				
10/28/2026	WO-1222		WO-1222		$4.00	-$5.19
	Inventory Qty Adjust	NC Production Clearing				
10/28/2026	WO-1222	NC Work Order Internal	OR10386 Comp H	$4.50		-$9.19

Part 3: Month end (frequency determined by user)

- In QuickBooks, record a journal entry to Clear out the Clearing account using the Variance account as the offset.

- Debit the OT Production Clearing account for the balance (e.g. 10.20)

- Credit the OT Production Variance account for the balance (e.g. 10.20)

(Reverse if the balance is positive)

This will move the total variance to the OT Production Variance account, which is a sub account of COGS, Users can use this to account for the variance between Order Time/QuickBooks. The OT Production Clearing account is then cleared out/ready for the next month.

Note: Be aware if an earlier component purchase is edited or backdated, QBO recalculates and the change flows into Clearing automatically. It gets picked up at the next month end for reconciliation.