

Production Syncing to QBO

Last Modified on 10/28/2026 4:16 pm EDT

Syncing Work Orders and Disassembly's to QBO

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

Order Time will Create Two Accounts and 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 below example, The QB calculation of costs for the components are not matching the FIFO costs of Order Time. Therefore we are left with a variance. Below describes how that will be handled:

- New Bill

Vendor: Internal Production

Add Category Line: 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

Bill #WO-1222

CopyGive feedback

BALANCE DUE
\$0.00

Vendor

NC Work Order Internal

NC Work Order Internal

Bill Pay ACH Info

Mailing Add payment info

Mailing address

NC Work Order Internal

Terms

Bill date

Due date

Bill no.

Category details

#	CATEGORY	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	NC Production Clearing	OR10384 Comp H	-\$4.50			
2	OR10386 Labor Expense	OR10386 Labor H	-\$3.00			
3						

Add lineClear all lines

Item details

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BILLABLE	TAX	CUSTOMER
1	OR10386 Assembly H		1	7.50	\$7.50			
2								

Add lineClear all lines

Memo

Attachments

Add attachment
Max file size: 20 MB

Show existing

Cancel

PrintMake recurringMore

Save billSave and schedule payment

Compact

Sandbox Company US 7abe

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: Production Clearing

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

Add Line Item: Component, Change in Qty -1

Inventory adjustment #WO-1222

Give Feedback

Adjustment type

Quantity

Adjustment date

10/28/2026

Reference number

WO-1222

Adjustment reason

Inventory adjustment account

NC Production Clearing

Previous adjustments

#	ITEM	SKU	DESCRIPTION	CHANGE IN QTY
1	OR10386 Comp H			-1

Clear all lines

New adjustments

#	ITEM	SKU	DESCRIPTION	QTY ON HAND	NEW QTY	CHANGE IN QTY
1						

Add lines Clear all lines

Memo

WO-1222

Privacy

Cancel

Copy Delete More

Save Save and close

Compact

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: 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

NC Production Clearing ▼

Reconcile
 ENDING BALANCE
 -\$10.20

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DATE ▼	REF NO. TYPE	PRYEE 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		OR10385 Comp H	\$15.00			-\$23.19
	Bill	Accounts Payable (A/P)					
10/28/2026	WO-1223		OR10385 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		OR10385 Comp H	\$4.50			-\$9.19
		NC Work Order Internal					

Part 4: 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 Production Clearing account for the balance (e.g. 10.20)

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

(Reverse if the balance is positive)

This will move the total variance to the Production Variance account, which is a sub account of COGS, Users can use this to account for the variance between Order Time/QuickBooks. The 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.