



QBO Cleanup Checklist for Real Estate Investors

How Healthy Are Your Books?

Your rent is coming in. Your mortgage payments are going out. But how confident are you that your QuickBooks Online records give you an accurate picture of your real estate investments?

Use this checklist to assess your records, property tracking, loan balances, and rental income, one area at a time, and identify where you may need professional help.

Can you confidently check each applicable box?

Check each statement you can confidently confirm. Mark anything that doesn't apply as N/A. Leave an item unchecked if you're unsure or know it needs attention. Unchecked items are starting points for a closer review, rather than a pass or fail score.

1. Gather Your Real Estate Financial Records

- ☐ Do you have complete bank and credit-card statements for all accounts used for your properties?
- ☐ Do you have mortgage, HELOC, and other loan statements for the periods being reviewed?
- ☐ Are purchase and sale closing statements available for each property bought or sold?
- ☐ Are property tax, insurance, HOA, and major improvement records available?
- ☐ Do you have rental, booking-platform, and property-management reports where applicable?
- ☐ Are prior-year financial statements, tax returns, and depreciation schedules available for comparison?

2. Review Bank and Credit-Card Reconciliations

- ☐ Have all bank and credit-card accounts been reconciled through their most recent statements?
- ☐ Have old outstanding checks and deposits been investigated?
- ☐ Have duplicate or missing transactions been identified and corrected?
- ☐ Are transfers between your accounts recorded without creating artificial income or expenses?
- ☐ Have unexplained reconciliation adjustments and opening balance differences been resolved?

Remember: A reconciled bank account doesn't necessarily mean the underlying transactions have been categorized correctly.

3. Review Property Tracking

- ☐ Can each property's income and expenses be separately identified in QBO?
- ☐ Are transactions consistently assigned to the correct property?
- ☐ Does your use of classes, locations, customers/projects, or other tracking methods suit your business and QBO subscription?
- ☐ Have transactions missing a property assignment been identified and reviewed?
- ☐ Are shared and portfolio-level costs treated consistently?
- ☐ Can you produce a meaningful P&L for each property and explain unusual results?

4. Review Rental and Other Property Income

- ☐ Is rental income complete and consistent with leases, tenant records, or booking activity?
- ☐ Are refundable security deposits kept separate from rental income?
- ☐ Are late fees, pet fees, cleaning fees, and other tenant or guest charges recorded consistently?
- ☐ For STR properties, can you trace gross booking activity, platform fees, refunds, and other deductions through to net bank deposits?
- ☐ Do property-management statements agree with the income, expenses, and balances recorded in QBO?
- ☐ Are advance rent, guest refunds, and customer credits correctly identified and reviewed?

5. Review Mortgages and Loans

- ☐ Does each mortgage, HELOC, and other loan balance agree with lender records?
- ☐ Are repayments divided correctly between principal, interest, and escrow where applicable?
- ☐ Are escrow balances and payments for taxes and insurance supported by lender records?
- ☐ Have loan balances that remain unchanged despite regular payments been investigated?
- ☐ Have refinancing transactions and loan payoffs been recorded completely?
- ☐ Have any remaining balances on paid-off loans been investigated?

6. Review Properties and Improvements

- ☐ Are rental properties and related fixed assets properly reflected on the Balance Sheet?
- ☐ Do recorded purchase costs agree with closing statements and supporting records?
- ☐ Are land and building costs separately identified where appropriate?
- ☐ Have significant purchases and improvements been reviewed for possible capitalization?
- ☐ Have large or unusual Repairs & Maintenance entries been flagged for your Tax Pro where treatment is uncertain?
- ☐ Can major improvements be separately identified by property?
- ☐ Do fixed asset and depreciation balances agree with supporting schedules, with discrepancies flagged for your Tax Pro?

7. Review Security Deposits

- ☐ Are refundable tenant security deposits recorded as liabilities while held?
- ☐ Does the security-deposit liability agree with tenant and property records?
- ☐ Have deposit refunds been correctly recorded?
- ☐ Are retained amounts supported by records of repairs, cleaning, unpaid rent, or other charges?
- ☐ Does the bookkeeping accurately reflect how retained deposits were applied?

8. Review Owner Equity and Personal Transactions

- ☐ Have personal expenses paid through business accounts been identified and appropriately recorded?
- ☐ Have property or business expenses paid personally by an owner been accounted for?
- ☐ Are owner contributions recorded as equity, or documented owner loans where appropriate, rather than income?
- ☐ Are owner draws and distributions excluded from operating expenses?
- ☐ Are equity balances consistent with the entity structure and available historical records?
- ☐ Have unusual equity balances and unexplained Opening Balance Equity amounts been investigated?

9. Review Multiple Entities and Intercompany Transactions

If you operate through more than one LLC or entity:

- ☐ Are transactions recorded in the correct entity's books?
- ☐ Are transfers between related entities supported and consistently classified?
- ☐ Have intercompany transfers been reviewed to avoid recording income or expenses incorrectly?
- ☐ Do corresponding Due To and Due From balances agree between entities?
- ☐ Have differences and old intercompany balances been investigated?

10. Review Suspense and Problem Accounts

- ☐ Have Uncategorized Income and Uncategorized Expenses been reviewed?
- ☐ Have unresolved Ask My Accountant and Uncategorized Asset balances been investigated?
- ☐ Have unexplained negative asset or liability balances been reviewed?
- ☐ Have old balances that have remained unchanged for several years been investigated?
- ☐ Has your Chart of Accounts been reviewed for duplicate, obsolete, or unnecessary accounts?

11. Review Property Purchases and Sales

Complete the purchase, sale, exchange, and flip items that apply to you.

- ☐ Have purchases and sales been reviewed against their closing statements?
- ☐ Are purchase costs, financing, closing costs, and selling costs separately identifiable?
- ☐ Do loan proceeds and payoffs agree with closing and lender records?

- ☐ For sold properties, have the property assets, related depreciation, and remaining loan balances been reviewed for appropriate removal?
- ☐ Are gains or losses supported by accounting records and appropriate Tax Pro input, rather than an unexplained balancing entry?
- ☐ Have any 1031 exchange transactions been identified and referred to your Tax Pro?
- ☐ For flips, are acquisition, renovation, and holding costs tracked by project, with their accounting treatment agreed where needed?

12. Perform a Final Financial Review

Balance Sheet

- ☐ Do bank, credit card, mortgage, and other loan balances agree with supporting records?
- ☐ Are property, improvement, and other asset balances supported?
- ☐ Do security-deposit and intercompany balances agree with their underlying records?
- ☐ Are owner equity and other balances reasonable and explainable?
- ☐ Have old, negative, or unexplained balances been investigated?

Profit & Loss

- ☐ Does each property's income agree with its rental or booking activity?
- ☐ Are expenses assigned consistently to the correct accounts and properties?
- ☐ Are loan principal payments and owner distributions excluded from expenses?
- ☐ Have significant improvements and unusual transactions been reviewed?
- ☐ Can you explain each property's results and identify where further investigation is needed?

What Did Your Checklist Reveal?

Review the items you left unchecked. Are records missing? Do balances fail to agree? Or are you simply unsure how a transaction was handled? Those are the areas to discuss with your bookkeeper.

A professional QBO cleanup can help reconcile your accounts, correct historical errors, review your Balance Sheet, and establish useful property-level reporting.

Your Books Should Help You Move Forward

At Safe Hands Bookkeeping, I specialize in QuickBooks Online cleanups and bookkeeping for real estate investors, including long-term rentals, short-term rentals, and flips.

As a former corporate controller with over 40 years of accounting experience and a QuickBooks Online Advanced ProAdvisor, I help investors turn messy, outdated, or unreliable books into financial records they can trust.

Stop wondering whether your numbers are right.

Visit www.safehandsbookkeeping.com to learn more about my cleanup and real estate bookkeeping services.

Safe Hands Bookkeeping — I turn bookkeeping chaos into profitable clarity.