

Mentoring at Scale

QuickBooks Setup Solo Creator Edition

*The stripped-down setup for the
one-person creator business - thirty-one
accounts, one afternoon to set up.*

First edition 2026
The Baratelli Institute

Who This Is For

The solo streamer. The solo podcaster. The solo TikTok creator. The one-person coaching practice. The independent newsletter operator. The solo merch-shop owner on Etsy, Gumroad, Shopify, eBay, or Amazon FBA. If your business is you, your gear (and maybe an inventory closet), and a couple of vendors you pay, this is the QuickBooks setup that fits. Thirty-one accounts (eleven Balance Sheet, twenty Income Statement). One afternoon to set up. Thirty minutes a week to run.

The main Foundations QuickBooks Setup Reference is the exhaustive version - a chart of accounts with 60-plus lines, built for a creator business that has grown into itself. If you are past hobby but not yet a small company, that reference is more scaffold than you need. This one is not.

Every account on the list below has a specific job in a solo creator's tax return. Every account you do not put on the list is an account you do not have to maintain, reconcile, or explain to a CPA at year-end. Discipline is subtraction.

Pick QuickBooks Online Simple Start

Simple Start is \$30/month in 2026. That is the correct tier for the solo creator. Do not upgrade to Essentials or Plus until you have a specific feature you need. The three features that trigger the upgrade are the ones this reference calls out at the back: class tracking (Plus), multi-user access (Essentials), or bill-pay to more than three vendors (Essentials).

Do NOT use Solopreneur.

Intuit's Solopreneur tier looks cheaper but locks you into a Schedule C mindset with no meaningful chart of accounts customization, no journal-entry capability, and a migration wall when you eventually elect S-corp. Every creator who starts on Solopreneur and then moves to S-corp within 24 months regrets the migration. Start on Simple Start.

What you get on Simple Start

Full chart of accounts customization. Bank and credit-card feeds. Invoicing. Journal entries. Reports (P&L, balance sheet, cash flow, trial balance, general ledger). The mobile app. Basic 1099 tracking for contractors. Everything a solo creator actually needs.

The Chart of Accounts

Reader check. This chart is for sole proprietors and single-member LLC filers only. If you have elected S-corp treatment, your equity accounts are different (Distributions, Retained Earnings, and possibly Common Stock instead of Owner's Equity and Owner's Draws) - this chart will not fit as-is. Wait for the S-corp companion reference, or talk to your CPA before setting up.

Thirty-one accounts total, split into two sections. Balance Sheet accounts (eleven) are the tangibles - what you own, what you owe, and how you and the business are connected. Income Statement accounts (twenty) are the P&L flow - revenue, cost of doing business, and everything that hits the current year's tax return. Twenty-three are **core accounts** every solo creator needs. Eight are **conditional** - marked below with an "Applies to you if..." note - and only need setup if you fit the trigger case (physical product, capitalized equipment, etc.). Set them up in the order shown; delete every default account QBO ships that is not on either list.

Balance Sheet Accounts (assets, liabilities, equity)

These are the accounts that live on the balance sheet. Business Checking, Business Savings, and Business Credit Card link to QBO via bank/card feeds and auto-populate. Owner's Equity is auto-calculated. Owner's Draws and Platform Balances are the two you post to manually via journal entries.

#	Account name	Type	What goes here
BS-1	Business Checking	Bank (Asset)	Your business bank account. All revenue lands here, most expenses paid from here. Linked to QBO via bank feed - transactions import automatically for weekly categorization.
BS-2	Business Savings	Bank (Asset)	Tax reserve. Move 30% of net income here every week or after every sponsor deposit. Do not touch it except to fund quarterly estimated tax. High-yield savings preferred (~4-5% APY in 2026).
BS-3	Business Credit Card	Credit Card (Liability)	Business credit card. Reconcile monthly. Personal charges NEVER go on it. Linked to QBO via card feed.

#	Account name	Type	What goes here
BS-4	Owner's Equity	Equity	Sole prop or single-member LLC: the residual balance of the business. QBO auto-calculates it as Assets minus Liabilities. You rarely post to it directly.
BS-5	Owner's Draws	Equity (contra)	Whenever you transfer money from Business Checking to your personal account. Book to this account, NEVER to an expense. Draws reduce equity; they do not reduce taxable income. This is the #1 solo-creator bookkeeping error.
BS-6	Due from Platforms	Receivable (Asset)	A receivable. Money the platforms owe you between transaction and payout. Stripe holds ~2 days (rolling T+2); PayPal instant-to-balance then 1-3 days to bank; Patreon holds ~30 days (patron pledges on the 1st, payout on the 1st of the following month); Kick holds ~30 days; Gumroad ~7 days. Also the home for year-end revenue accruals - the YouTube AdSense December accrual JE in the Platform Fee & Payment Processor Reconciliation Reference books here. Cash-basis filers can leave this dormant most months; accrual-basis filers post to it regularly. Use sub-accounts (Due from Stripe, Due from PayPal, Due from Patreon, Due from AdSense) if you want per-platform visibility.
BS-7	Inventory	Asset	[Applies to you if you sell physical product.] For creators selling physical product - merch drops, print runs, Etsy shops, eBay listings, Amazon FBA, Shopify stores. Purchase cost of items on hand and not yet sold. When you buy inventory: Dr Inventory / Cr Cash. When you sell: Dr COGS - Merchandise (#17) / Cr Inventory to move the cost from asset to expense. Physical-count reconciliation at year-end is required. Skip this account if you only sell services or digital product; add it the day you place your first physical merch order. See the Foundations Inventory & COGS Reference for the full mechanics.

#	Account name	Type	What goes here
BS-8	Due to / from Owner	Liability (or contra-asset)	The owner-loan account. When you personally front a business expense - pay for software on your personal card, buy a mic with personal cash, cover the ad-spend deposit out of your checking - the expense still belongs to the business, but the business now owes you back. JE: Dr Expense category (Software, Equipment, whatever) / Cr Due to / from Owner . When the business later reimburses you from Business Checking: Dr Due to / from Owner / Cr Business Checking . Balance swings both directions: positive = business owes owner (a liability); negative = owner owes business (a receivable-style asset). If you never repay yourself and never want to, close it to Owner's Equity at year-end (converts the loan into an equity contribution). NEVER book personal-card business expenses to Owner's Draws - Draws are equity distributions, not reimbursable expenses.
BS-9	Sales Tax Payable	Liability	[Applies to you if you sell physical product and collect sales tax.] Sales tax you collected from customers on physical-product sales (merch, Etsy, eBay, Amazon FBA, Shopify, your own site). The tax is NOT revenue - it is money you are holding on behalf of the state until you remit it. JE on the sale: Dr Cash (gross incl. tax) / Cr Merch Revenue (net) / Cr Sales Tax Payable (tax portion). JE when you file and pay the state: Dr Sales Tax Payable / Cr Business Checking . Marketplaces like Etsy, eBay, and Amazon collect and remit sales tax FOR you in most states - in that case the tax never touches your books at all. But direct sales (your own Shopify or Gumroad merch) usually put the collection-and-remittance burden on you. Multi-state creators can rack up sales-tax obligations quickly; talk to your CPA if you sell into 5+ states. If you enable QBO's built-in Sales Tax module (Settings > Sales Tax), QBO auto-creates a Sales Tax Payable account matching this one - use the auto-created account and delete any manual entry you set up ahead of time.

#	Account name	Type	What goes here
BS-10	Fixed Assets	Asset	[Applies to you if you buy equipment over \$2,500 that you want to capitalize.] Capitalized equipment purchases over the ~\$2,500 de minimis safe harbor. Cameras, video and audio gear, computer workstations, high-end mic/lighting rigs. JE on purchase: Dr Fixed Assets / Cr Business Checking (or Credit Card, or Due to Owner). Balance stays at gross cost forever until you sell or scrap the asset - it does not shrink as the asset depreciates. Small items (batteries, cables, mic clips) stay as #9 Equipment & Gear direct-expense.
BS-11	Accumulated Depreciation	Contra-asset	[Applies to you if you have Fixed Assets (BS-10).] The offset to Fixed Assets. Shows the total depreciation recognized to date on all capitalized equipment. Grows every year until an asset is fully depreciated or sold. Net Book Value of your equipment = Fixed Assets (BS-10) – Accumulated Depreciation (BS-11). Balance sheet displays them as separate lines. Section 179-elected assets are fully depreciated in year one, so the accumulated-depreciation line jumps to equal the gross cost - the asset stays on the books at cost, offset by an equal contra amount, until you dispose of it.

Warning — the #1 solo-creator bookkeeping error.

NEVER book personal-card business expenses to Owner's Draws (BS-5). Owner's Draws is for money you moved from the business to yourself. When you personally pay for a business expense (out of your personal cash or on your personal card), you have done the opposite - you have moved money from yourself to the business. That entry books to **Due to / from Owner (BS-8)**, not to Owner's Draws. Booking to Draws instead loses the deduction entirely - Draws are not tax-deductible, business expenses are. This single mistake costs solo creators thousands of dollars in retroactive deductions when caught by a CPA. Get it right from day one.

Note on auto-created accounts.

QBO will auto-create **Accounts Receivable** the first time you send an invoice. Sales Tax Payable is listed explicitly above (BS-9) - do not rely on the QBO auto-create; add it deliberately when you set up the chart so you never miss booking a tax obligation.

Income Statement Accounts (revenue and expenses)

These are the twenty accounts that carry through to your Schedule C or S-corp return. Revenue at the top, expenses below.

#	Account name	Type	What goes here
1	Platform Ad Revenue	Income	YouTube AdSense, TikTok Creator Fund, Twitch/Kick sub revenue, Twitter/X monetization.
2	Sponsorship Revenue	Income	Direct sponsor payments. Brand deals. Product placement fees.
3	Affiliate Revenue	Income	Amazon Associates, other affiliate networks. Track by network in the memo field, not by separate account.
4	Subscription/Membership Revenue	Income	Patreon, Substack, memberships, Discord community subscriptions.
5	Other Revenue	Income	One-off tips, merch, small course sales. Split off into its own account only if it grows past 10% of total revenue.
6	Contractor Payments	COGS/Expense	Editors, VAs, thumbnail designers, moderators - anyone you pay \$600+ (they get a 1099-NEC).
7	Platform Fees	Expense	The platform's cut only. Patreon 5-12%, Substack 10%, Gumroad 10%, Kick 5%, Kajabi/Teachable/Thinkific fees. Keep separate from processor fees below so you can track platform-vs-processor cost.
8	Payment Processing	Expense	The underlying processor's cut. Stripe 2.9%+30¢, PayPal 2.99%+49¢, Square, or whatever payment rail sits underneath the platform. Chargeback dispute fees (\$15 Stripe, \$20 PayPal) also go here - they are processor charges, not bank fees. On Patreon or Substack, book Platform Fees and Payment Processing on separate JE lines - see the Platform Fee & Payment Processor Reconciliation Reference for worked examples.

#	Account name	Type	What goes here
9	Equipment & Gear	Expense/Asset	Small equipment items under the ~\$2,500 de minimis threshold - batteries, cables, mic clips, small accessories. Direct-expense in the year purchased. Items over \$2,500 (cameras, workstations, high-end mics/lighting) get capitalized to BS-10 Fixed Assets and depreciated via #18 Depreciation Expense.
10	Software & Subscriptions	Expense	Adobe, Descript, OBS, editing tools, Discord Nitro, notion, hosting.
11	Internet & Phone	Expense	Business-use portion (typically 80-100% for a solo streamer whose apartment is their studio).
12	Home Office	Expense	Rent/mortgage interest and utilities allocated by the square-footage or simplified method.
13	Travel	Expense	LAN events, conferences, sponsor meetings, guest appearances. Airfare, hotel, ground transport.
14	Meals (Business)	Expense	Meals with sources, contractors, sponsors. Note the business purpose in the memo. Deduct at 50%.
15	Bank Fees	Expense	Business bank account charges only. Monthly maintenance fees, wire fees, ACH out-fees, foreign transaction fees, overdraft. Merchant / payment-processor fees go under #8 Payment Processing, not here.
16	Other Business Expense	Expense	Everything that does not fit above. If this account grows past 5% of expenses, break out a new line.
17	Cost of Goods Sold — Merchandise	COGS	[Applies to you if you sell physical product.] The wholesale cost of merch that sold this year, moved out of Inventory (BS-7). Does NOT include shipping charged to the customer (that offsets Shipping Revenue) or fulfillment platform fees (those go under Platform Fees, #7). Only the actual cost of what you paid for the goods your buyer received. Match COGS timing to revenue timing - book both in the period the sale closed.

#	Account name	Type	What goes here
18	Depreciation Expense	Expense	[Applies to you if you have Fixed Assets (BS-10).] Annual write-off of Fixed Assets (BS-10). JE: Dr Depreciation Expense / Cr Accumulated Depreciation (BS-11). Section 179 election: write off the full asset cost the year you place it in service, up to the annual limit (\$1,220,000 in 2026 - solo creators will never hit that). MACRS 5-year: most creator equipment (cameras, computers) if you skip Section 179. Straight-line 7-year: office furniture. Whichever method, the JE structure is the same - only the amount changes. Most solo creators Section 179 everything they can - but Section 179 is limited by taxable income. In a loss year, MACRS is the better election because Section 179 cannot create or increase a net operating loss. Talk to your CPA before defaulting to Section 179 if your P&L is close to zero or negative.
19	Shipping Revenue	Income	[Applies to you if you sell physical product and charge shipping to the customer.] Shipping fees you charge the buyer on merch orders. Kept as its own revenue line so you can measure shipping-and-fulfillment margin - the difference between what you charged for shipping and what you paid the carrier (USPS, UPS, FedEx). On Etsy or Shopify, shipping is usually itemized on the invoice; book gross shipping charged to this line, then match against Shipping & Fulfillment (#20) below to see the net.
20	Shipping & Fulfillment	Expense	[Applies to you if you sell physical product.] Postage, packaging materials, and shipping-carrier charges. USPS labels, UPS/FedEx pickups, poly mailers, boxes, tape, packing peanuts, thermal-label paper. If your Shipping Revenue (#19) covers Shipping & Fulfillment plus a small margin, your unit economics work. If Shipping & Fulfillment exceeds Shipping Revenue, you are subsidizing shipping - a common margin killer for Etsy sellers with generous free-shipping offers.

What Your Reports Should Look Like

Once your chart of accounts is set up and you have been posting transactions for a year, QBO produces two core reports on demand: the Income Statement (P&L) and the Balance Sheet. The samples below show what those reports look like for a mid-scale solo creator - \$212,500 in gross annual revenue, mix of platform ad revenue, sponsorship, subscription, merch. Compare against your own reports; the shape should be similar even if your dollar amounts differ.

Sample Income Statement (Profit & Loss)

For the year ended December 31, 2026 - shown in the CPA-standard format (\$ on first row, subtotals, and totals; middle rows show numbers only; negatives in parens).

Line item	Amount
Revenue	
Platform Ad Revenue	\$88,000
Sponsorship Revenue	75,000
Subscription / Membership Revenue	32,000
Affiliate Revenue	15,000
Other Revenue	2,500
Total Revenue	\$212,500
Cost of Sales	
Contractor Payments (editors, VAs)	(18,400)
COGS — Merchandise	(6,200)
Total Cost of Sales	\$(24,600)
Gross Profit	\$187,900
Operating Expenses	
Platform Fees	(16,500)
Payment Processing	(8,900)
Equipment & Gear (small items, expensed)	(3,400)

Line item	Amount
Software & Subscriptions	(4,200)
Internet & Phone	(2,800)
Home Office	(6,000)
Travel	(8,900)
Meals (Business)	(2,100)
Bank Fees	(540)
Depreciation Expense (workstation, MACRS 5-yr)	(400)
Other Business Expense	(1,850)
Total Operating Expenses	\$(55,590)
Net Income (before self-employment tax)	\$132,310

Reading the P&L. Revenue is at the top. Cost of Sales (COGS) is the direct cost of producing what the customer bought - editor labor on your videos, wholesale cost of the merch that sold. Gross Profit is Revenue minus Cost of Sales; on this creator, gross margin is 88%. Operating Expenses are the rest of running the business. Net Income at the bottom is what flows to your Schedule C (or your S-corp K-1). Self-employment tax comes out of Net Income at ~15.3% for sole prop, so plan for that. Federal + state income tax comes on top.

Sample Balance Sheet

As of December 31, 2026 - for the same creator whose P&L is on the prior page. Assets on top; Liabilities + Equity underneath. The two totals must equal each other (that is what 'balance' means).

Line item	Amount
Assets	
Business Checking	\$33,120
Business Savings (tax reserve)	58,400
Due from Platforms (Stripe, PayPal, AdSense accrual)	8,400
Inventory (unsold merch)	1,100
Fixed Assets (cameras, workstation, mics - at cost)	12,000
Less: Accumulated Depreciation	(10,400)
Net Fixed Assets	1,600
Total Assets	\$102,620
Liabilities	
Business Credit Card	\$2,900
Due to / from Owner (unreimbursed personal-card expenses)	340
Sales Tax Payable (collected, not yet remitted)	180
Total Liabilities	\$3,420
Equity	
Owner's Equity, beginning of year	\$86,890
Add: Net Income for the year	132,310
Less: Owner's Draws for the year	(120,000)
Owner's Equity, end of year	\$99,200
Total Liabilities & Equity	\$102,620
<i>Check: Total Assets (\$102,620) = Total Liabilities + Equity (\$3,420 + \$99,200 = \$102,620). Balanced.</i>	

Reading the balance sheet. Assets show what the business owns at that moment. Liabilities show what the business owes. Equity is the residual - what would be left for the owner if the business sold every asset and paid every debt today. On a sole prop or single-member LLC, Owner's Equity absorbs the entire year of Net Income and is reduced by Owner's Draws (transfers you made to your personal account). The Draws line is contra-equity; it does not reduce taxable income, it just tracks how much you paid yourself. In the sample above, this creator earned \$130,710 in net income and pulled \$120,000 out for personal use during the year, leaving \$10,710 to grow the business's book equity.

Set Up in QuickBooks Online (Step by Step)

Open QuickBooks Online Simple Start. Do this in one sitting - it takes about ninety minutes.

Step 1: Delete the default accounts.

QBO ships with about 40 default accounts. Most of them do not apply to a solo creator. Go to Chart of Accounts (gear icon, then Chart of Accounts), and delete any account that is not on the thirty-one-item chart above (Balance Sheet + Income Statement). You cannot delete accounts with a balance, so if QBO complains, ignore that account until Step 4.

Step 2: Create the thirty-one accounts.

Use the exact names from the table above. Choose Income, Cost of Goods Sold, Expense, or Fixed Asset as the account type based on the third column. Set the tax mapping to Schedule C for sole prop (QBO will suggest the right line). Save each account.

Step 3: Connect the business bank account and business credit card.

Banking > Link account. Connect only the accounts you use exclusively for business. If you have been mixing personal and business on the same account, this is the moment to open a separate business bank account. Do it today. Bluevine, Novo, Mercury, Relay - all offer free business checking that connects to QBO.

Step 4: Categorize the last 90 days of transactions.

The bank feed will pull in your recent history. Categorize each transaction into one of the thirty-one accounts. This takes about an hour for a solo creator's volume. QBO learns your patterns quickly - after 30-40 transactions you can bulk-apply.

Step 5: Set the accounting method.

Under Company Settings > Advanced > Accounting, choose Cash Basis. Solo creators almost always benefit from cash-basis reporting - simpler close, no accrual adjustments, matches how you actually think about the money. You can change to accrual later if your CPA recommends it.

Step 6: Set your fiscal year.

Under Company Settings, set the fiscal year to January-December unless you have a specific reason to be on a different fiscal year. For a sole prop or single-member LLC, this must match your calendar-year tax filing.

The Weekly Bank-Feed Workflow

The whole point of QuickBooks Online for a solo creator is the bank feed. Every business transaction lands in QBO automatically. Your job is to categorize each one. Done well, this takes about fifteen minutes a week.

Every Sunday, ten to twenty minutes.

Open the Banking screen. Review the week's transactions. Assign each to one of the thirty-one accounts. QBO will suggest categories based on prior decisions - accept the suggestion when it is right, override when it is wrong. Confirm each transaction. Ten to twenty transactions per week for a typical solo creator, fifteen minutes total.

For platform payouts (Stripe, PayPal, YouTube, Patreon), categorize by the platform, not by the individual sponsor or subscriber. The revenue lines get the gross. Split fees between two accounts: Platform Fees for the platform's cut (Patreon's 8%, Substack's 10%, Gumroad's 10%, Kick's 5%), Payment Processing for the underlying processor's cut (Stripe 2.9%+30¢, PayPal 2.99%+49¢). See the Foundations Platform Fee & Payment Processor Reconciliation Reference for worked JEs for every platform.

If you touch it, categorize it.

Every business bank transaction. Every business credit card transaction. Do not let anything sit uncategorized past next Sunday. Two weeks of drift becomes three, three becomes six, six becomes a March scramble.

Month-End Close in Thirty Minutes

First weekend of every month. Solo creator month-end close should not take more than thirty minutes. If yours does, something is out of sequence.

Step 1: Confirm every bank and card transaction is categorized (5 min).

Zero uncategorized transactions in the Banking screen for the closed month.

Step 2: Reconcile the business checking account (10 min).

Banking > Reconcile. Enter the ending statement balance. Confirm every transaction matches. Any transaction on the statement that is not in QBO gets added manually. Any transaction in QBO that is not on the statement gets investigated.

Step 3: Reconcile the business credit card (10 min).

Same discipline. Match every charge and payment.

Step 4: Review the P&L (5 min).

Reports > Profit and Loss, monthly view. Look at revenue by source and expenses by category. Does the number make sense? Any account that has an unexpected balance? Any zero balance that should not be zero?

Done. Save the report as a PDF into a monthly folder. Move on.

Common Mistakes to Avoid

Every mistake below is one a solo creator makes at least once, usually in the first six months.

Mixing personal and business on the same card.

You buy groceries on the business card because it is easier. Six months later you have \$1,800 of personal charges and cannot remember which is which. Fix: open a separate business bank account and card TODAY. Never mix again.

Booking gross platform revenue as net.

Stripe deposits \$960 into your bank. You book \$960 as revenue. But your Stripe dashboard says \$1,000 gross with a \$40 fee. When Stripe issues the 1099-K in January for \$1,000, your books say \$960 and the IRS sees a discrepancy. Fix: always book the gross amount and the fee as separate lines. See the Platform Fee Reconciliation Reference for templates.

Owner draws counted as expense.

You transfer \$2,000 to yourself. If you book it as an expense (labor, whatever), you have understated taxable income by \$2,000. Sole prop and single-member LLC draws are equity, not expense. Set up an Owner Draws account under Equity and use it for transfers to yourself.

Sales tax on merch treated as revenue.

You sold a \$30 shirt and collected \$2.48 sales tax. Revenue is \$30. Sales tax is a liability to the state. Book the sales tax to a Sales Tax Payable liability account, not to revenue. Skip this if you do not sell physical merch.

Skipping the weekly review for a month.

Fifty transactions become two hundred, then five hundred, then a scramble. The whole system depends on the fifteen-minute weekly discipline. If you cannot commit to that, hire a bookkeeper.

When to Upgrade

Simple Start is right until one of the specific triggers below fires. Do not upgrade for feature-envy - upgrade because the specific capability solves a specific problem.

Trigger	Tier to upgrade to	Why
You elect S-corp	QuickBooks Online + a payroll add-on	S-corp requires W-2 payroll for yourself. Use Gusto (\$40/mo) or QBO Payroll. Simple Start still works for accounting.
You hire an employee	Essentials + Payroll	Essentials adds multi-user access so your bookkeeper or CFO can log in.
You track profitability by revenue line	Plus	Plus adds class tracking. Split gross margin by AdSense vs. Sponsorship vs. Course. Real management insight.
You start selling merch or physical product	Plus	Plus adds inventory tracking. Cost of goods sold accounting requires it.
Bill-pay volume exceeds 3-4 vendors/month	Essentials	Essentials adds bill management for accounts payable.

Otherwise, stay on Simple Start. The tier fits the audience and the audience fits the tier.

The solo creator business is defined by what you choose not to do. QuickBooks setup should reflect that discipline.

Educational reference. Not tax, legal, or investment advice. Consult a qualified professional for your specific situation.

© The Baratelli Institute . baratelliinstitute.com