



Lesson 8 – Payables & Checks

In this lesson, you will learn how to:

- Handle bills in QuickBooks
- Use QuickBooks for account payable
- Enter bills
- Enter bills with items
- Pay bills
- Print checks
- Write checks

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Handling Bills in QuickBooks

DISCUSSION

When you have a business expense, you can handle it in one of the following ways:

- You can write a check manually and enter the information into a QuickBooks check register later. This doesn't take advantage of features in QuickBooks, but sometimes it's necessary. For example, if you purchase supplies at a retail store, they expect payment on the spot, and you may not know the amount in advance.
- You can use QuickBooks to write and print a check. When you receive a bill for which you want to make immediate payment, you can write a QuickBooks check more quickly and accurately than you can by hand, and you receive an additional advantage: QuickBooks makes the entry in your checking account register for you.
- You can use the QuickBooks accounts payable feature to track the amounts you owe to vendors, track your cash flow needs, and handle bills you want to pay later.
- You can pay by credit card and enter the credit card receipt into QuickBooks later.

LESSON 8 - PAYABLES & CHECKS

Using QuickBooks for Accounts Payable

DISCUSSION

Some business owners, especially if they own smaller, home-based businesses, pay their bills when they receive them. Most business owners, however, find it more convenient to pay bills less often. (They also like keeping the cash in the company for as long as possible.) If you don't plan on paying your bills right away, QuickBooks can help you keep track of what you owe and when you owe it.

The money you owe for unpaid bills is called accounts payable. QuickBooks uses the Accounts Payable account to track all the money you owe. Like any QuickBooks balance sheet account, the Accounts Payable account has a register where you can view all your bills at once.

Date	Number	Vendor	Memo	Due Date	Billed	✓	Paid	Balance
12/23/2006		Martinis Window Cleaners		12/23/2006	90.00			643.48
	BILL	Licenses & Permits						
12/23/2006		Office Depot		01/02/2007	475.00			1,118.48
	BILL	Office Supplies						
12/23/2006		City of Harlingen		01/02/2007	87.65			1,206.13
	BILL	Utilities:Water						
12/23/2006		Fresh Scents		01/07/2007	375.00			1,581.13
	BILL	Inventory Asset						
12/23/2006		ACME Janitorial Supply		01/22/2007	150.00			1,731.13
	BILL	Inventory Asset						
12/31/2006		ACME Janitorial Supply		01/30/2007	200.00	✓		1,931.13
	BILL	Uncategorized Expenses Opening balance						
12/23/2006								

Ending balance 1,931.13

Sort by Date, Type, Number/...


Record Restore

LESSON 8 - PAYABLES & CHECKS



Step-by-Step

[View the Accounts Payable](#)

<u>Steps</u>	<u>Practice Data</u>
<ul style="list-style-type: none">• Select the Chart of Accounts icon.	 <ul style="list-style-type: none">• Click
<ul style="list-style-type: none">• Double-click Accounts Payable.	<ul style="list-style-type: none">• Double-click Accounts Payable.

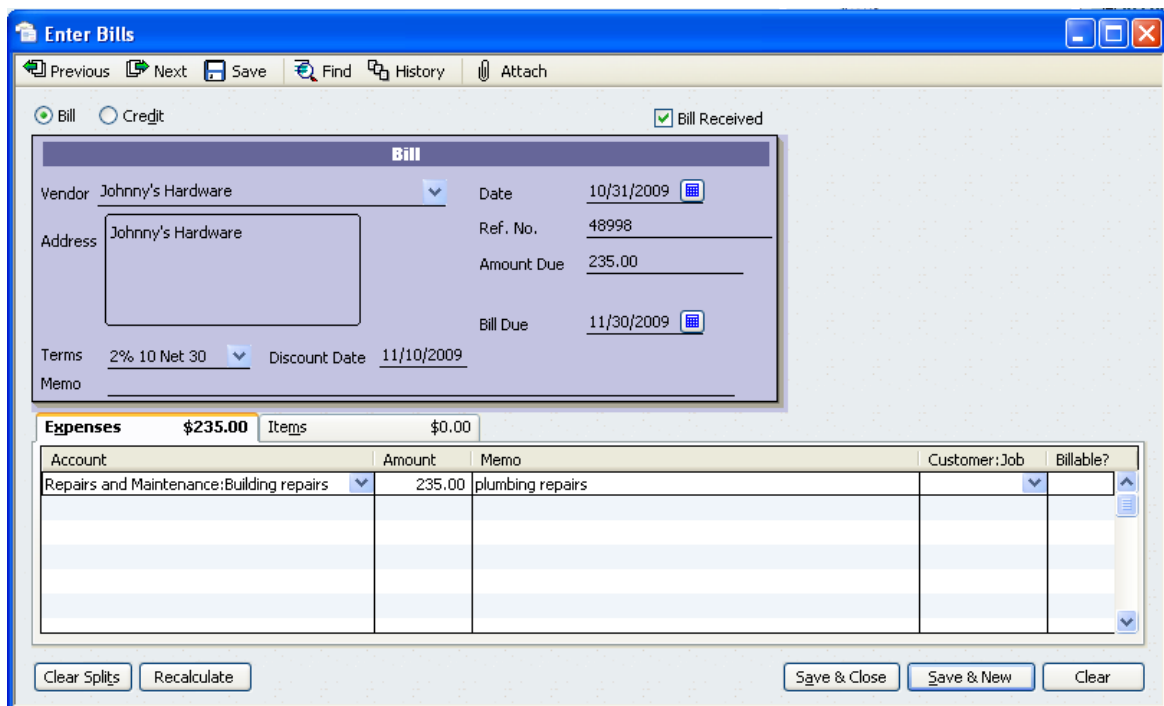
[Close Accounts Payable and COA.](#)

Entering Bills

DISCUSSION

When you receive a bill from a vendor, you should enter it into QuickBooks as soon as you can. This keeps your cash flow forecast reports up to date and doesn't give you the chance to set aside a bill and forget about it.

The top half of the window is where you enter the bill. The bottom half is the detail area where you can assign the bill amount to different expense accounts, customers, or jobs. Notice that the **Bill Received** checkbox has a checkmark. The only time the Bill Received checkbox should be cleared is if you're using QuickBooks for inventory and you want to record items you've received that you haven't actually been billed for yet.




LESSON 8 - PAYABLES & CHECKS



Step-by-Step

Enter a bill for plumbing repairs to Johnny's True Value.

<u>Steps</u>	<u>Practice Data</u>
<ul style="list-style-type: none"> Select the Enter Bills icon on the Home Page. 	 <ul style="list-style-type: none"> Click
<ul style="list-style-type: none"> Enter the Vendor name. 	<ul style="list-style-type: none"> Type Johnny's Hardware.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab.

The message Johnny's Hardware is not found in the vendor list, choose to Quick Add.

<ul style="list-style-type: none"> Enter the Bill Date. 	<ul style="list-style-type: none"> Accept displayed date.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab.
<ul style="list-style-type: none"> Enter Due Date. 	<ul style="list-style-type: none"> Accept displayed date.
<ul style="list-style-type: none"> Enter the amount of the bill. 	<ul style="list-style-type: none"> Type 235.00 in the amount field.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab.
<ul style="list-style-type: none"> Set the terms for this bill and customer. 	<ul style="list-style-type: none"> Select 2% 10 Net 30 from the term list.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab.
<ul style="list-style-type: none"> Enter the reference number for this bill. 	<ul style="list-style-type: none"> Type 48998 in Ref. No. field.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab.
<ul style="list-style-type: none"> In the account field type or select expense account. 	<ul style="list-style-type: none"> Type Building Repairs.
<ul style="list-style-type: none"> Press Tab. 	<ul style="list-style-type: none"> Press Tab. (twice)
<ul style="list-style-type: none"> Enter a memo about the expense. 	<ul style="list-style-type: none"> Type plumbing repairs in the memo field.
<ul style="list-style-type: none"> Select Save and New. 	<ul style="list-style-type: none"> Click Save and New.

Enter the following bills using the Save and New to go to the next bill.

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Bill #2

- Vendor: Southwestern Bell
- Amount Due: 318.48
- Terms: New 10
- Ref No.: Month-year (example Dec06)
- Expense Account: Telephone

Bill #3

- Vendor: Martinis Window Cleaners
 - Amount Due: 90.00
 - Terms: Dues on Receipt
 - Expense Account: Contract Labor
- Memo: 6 windows

Bill #4

- Vendor: City of Harlingen
 - Amount Due: 15.00
 - Terms: Due on Receipt
 - Expense Account: Licenses & Permits
- Memo: 1 permit

Bill #5

- Vendor: Office Depot
 - Amount Due: 475.00
 - Terms: Net 10
 - Expense Account: Office Supplies
- Memo: Paper and binders

Bill #6

- Vendor: City of Harlingen
- Amount Due: **87.65**
- Terms: **Net 10**
- Expense Account: Utilities: Water
- Memo: Water bill

Entering Bills with Items

DISCUSSION

You can enter bills for the following types of items: inventory parts, non-inventory parts, services, and other charges.

Enter Bills

Previous Next Save Find History Attach

Bill Credit Bill Received

Bill

Vendor: Fresh Scents Date: 10/31/2009
 Address: Fresh Scents Ref. No.:
 Amount Due: 375.00
 Terms: Bill Due: 11/10/2009
 Memo:

Expenses \$0.00 **Items \$375.00**

Item	Description	Qty	Cost	Amount	Customer:Job	Billable?
Deodorizer	Deodorizer	25	15.00	375.00		

Select PO Receive All Show PO Time

Clear Splits Recalculate Save & Close Save & New Clear

LESSON 8 - PAYABLES & CHECKS



Step-by-Step

Bill #7: Enter the following bill for items purchased. Enter Bills should already be open.

<u>Steps</u>	<u>Practice Data</u>
• Enter the Vendor Name .	• Type Fresh Scents .
• Press Tab .	• Press Tab .
• Enter the Bill Date .	• Accept today's date.
• Press Tab .	• Press Tab .
• Enter the Amount due .	• Type 375.00 .
• Press Tab .	• Press Tab .
• Enter the Due Date .	• Accept the due date displayed.
• Press Tab .	• Press Tab .
• Enter the Terms for this bill.	• Type or Select Net 15 .
• Press Tab .	• Press Tab .
• Select the Items tab in the lower half.	• Click the Items tab .
• Enter the Item purchased .	• Type Deodorizer .
• Press Tab .	• Press Tab .
• Enter the Quantity purchased.	• Type 25 .
• Press Tab .	• Press Tab .

Verify that the rate is 15.00 and that the total on the item matches that of the bill. Select Save and New to enter the next bill with items.

Bill #8

- Vendor: ACME Janitorial
- Amount Due: 150.00
- Terms: Net 30
- Item: A100
- Rate: **3.00**
- Quantity: **50**

Verify that the total on the item matches that of the bill. Select Save and Close to close the Enter Bill window.

Paying Bills

DISCUSSION

When you start QuickBooks or open a QuickBooks company, a Reminders window appears that tells you if you have transactions to complete, such as bills to pay or money to deposit. If you don't see the Reminder window when you start QuickBooks, you can turn it on by choosing Preferences from the Edit menu. Click **Reminders**, click the My Preference tab, and select "Show Reminders List when opening a Company file." When QuickBooks tells you that you have bills due, you can display the Pay Bills window and select the bills you want to pay. The Pay Bills window shows you unpaid bills as of any date you enter. You can pay by check, credit card, or with an online payment (if you are set up to make online payments).

After selecting a bill to pay, QuickBooks displays a checkmark next to the bill and changes the amount in the Ending Bank Balance to reflect a payment. If you want to make a partial payment, you can enter the amount you want to pay in the Amt. To Pay column.

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Pay Bills

Select Bills to be Paid

Show bills: Due on or before 11/10/2009 Show all bills

Filter By: All vendors

Sort By: Due Date

<input type="checkbox"/>	Date Due	Vendor	Ref. No.	Disc. Date	Amt. Due	Disc. Used	Credits Used	Amt. To Pay
<input checked="" type="checkbox"/>	01/30/2007	ACME Janitorial		01/10/2007	200.00	0.00	0.00	200.00
<input checked="" type="checkbox"/>	10/31/2009	Martini's Windows Cleaner			90.00	0.00	0.00	90.00
<input checked="" type="checkbox"/>	10/31/2009	City of Harlingen			15.00	0.00	0.00	15.00
<input type="checkbox"/>	11/10/2009	Southwestern Bell	Nov09		318.48	0.00	0.00	0.00
<input type="checkbox"/>	11/10/2009	Office Depot			475.00	0.00	0.00	0.00
<input type="checkbox"/>	11/10/2009	City of Harlingen			87.65	0.00	0.00	0.00
<input type="checkbox"/>	11/10/2009	Fresh Scents			375.00	0.00	0.00	0.00
<input type="checkbox"/>	11/30/2009	Johnny's Hardware	48998	11/10/2009	235.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>	11/30/2009	ACME Janitorial			150.00	0.00	0.00	150.00
Totals					1,946.13	0.00	0.00	455.00

Discount & Credit Information for Highlighted Bill

Vendor: **ACME Janitorial** Terms: **Net 30** Number of Credits: **0**

Bill Ref. No.: Sugg. Discount: **0.00** Total Credits Available: **0.00**

Payment

Date: 10/31/2009 Method: Check To be printed Assign check number Account: Checking


Ending Balance: **10,845.00**

Buttons: Clear Selections, Go to Bill, Set Discount, Set Credits, Pay Selected Bills, Cancel



Step-by-Step

Select the bills to pay from the Pay Bills window.

<u>Steps</u>	<u>Practice Data</u>
<ul style="list-style-type: none"> Select the Pay Bills icon. 	 <ul style="list-style-type: none"> Click Pay Bills
<ul style="list-style-type: none"> Select to Show all bills. 	<ul style="list-style-type: none"> Click Show all bills.
<ul style="list-style-type: none"> Select to Sort Bills By Due Date, Discount Date, Vendor, or Amount Due. 	<ul style="list-style-type: none"> Click Due Date.

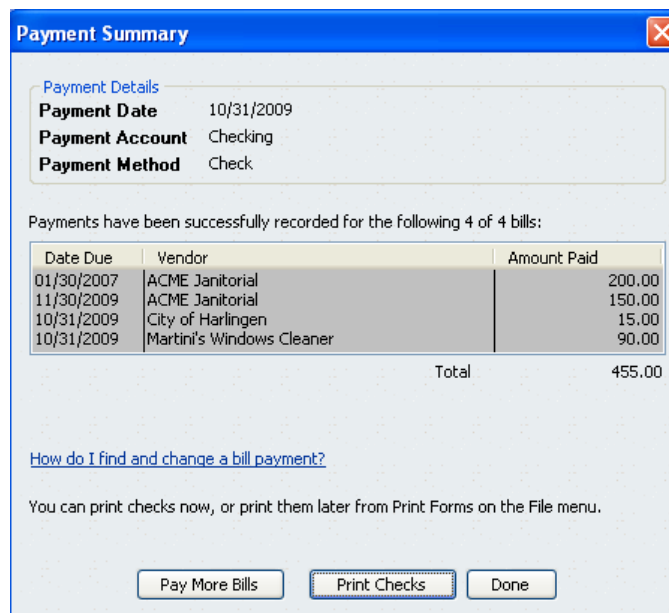
LESSON 8 - PAYABLES & CHECKS

<ul style="list-style-type: none"> Select the Bills to pay. 	<ul style="list-style-type: none"> Click the following bills: <ul style="list-style-type: none"> Martinis Window Cleaner (90.00) City of Harlingen (15.00) ACME Janitorial (200.00) ACME Janitorial (150.00)
<ul style="list-style-type: none"> Select the Payment Account. 	<ul style="list-style-type: none"> Click Checking.
<ul style="list-style-type: none"> Select the Payment Method. 	<ul style="list-style-type: none"> Click Check.
<ul style="list-style-type: none"> Select for the checks to be printed or for you to assign check no. 	<ul style="list-style-type: none"> Click To be printed.
<ul style="list-style-type: none"> Enter the Payment Date. 	<ul style="list-style-type: none"> Accept today's date.
<ul style="list-style-type: none"> Select Pay Selected Bills. 	<ul style="list-style-type: none"> Click Pay Selected Bills.

Now you will make a partial payment to Office Depot.

<ul style="list-style-type: none"> Select the Bill to pay. 	<ul style="list-style-type: none"> Click Office Depot (475.00).
<ul style="list-style-type: none"> In the Amt. To. Pay column, type the amount you wish to pay. 	<ul style="list-style-type: none"> Type 200.00 in Amt. To Pay column.
<ul style="list-style-type: none"> Select Pay & New. 	<ul style="list-style-type: none"> Click Pay & New.

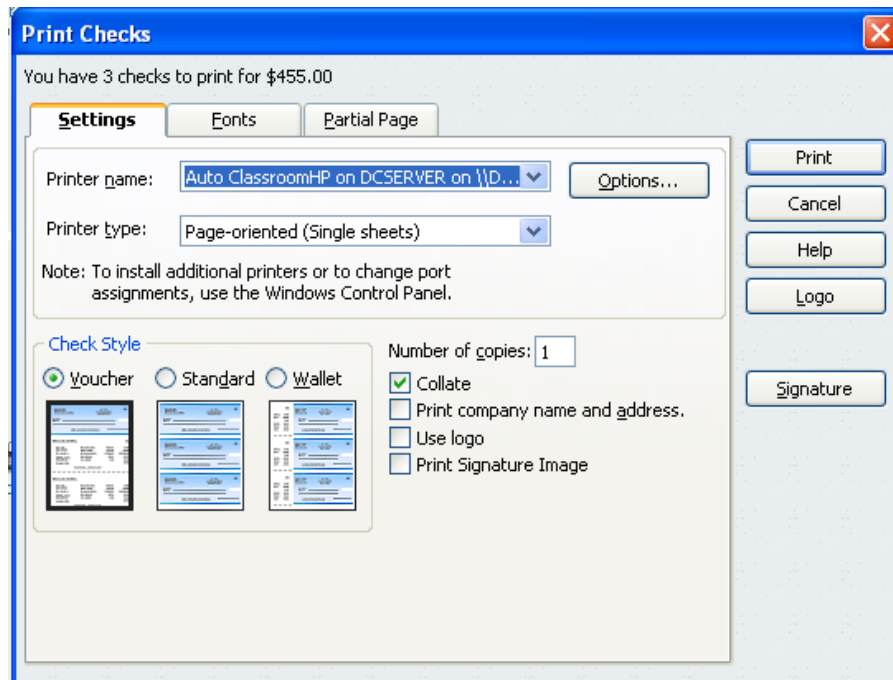
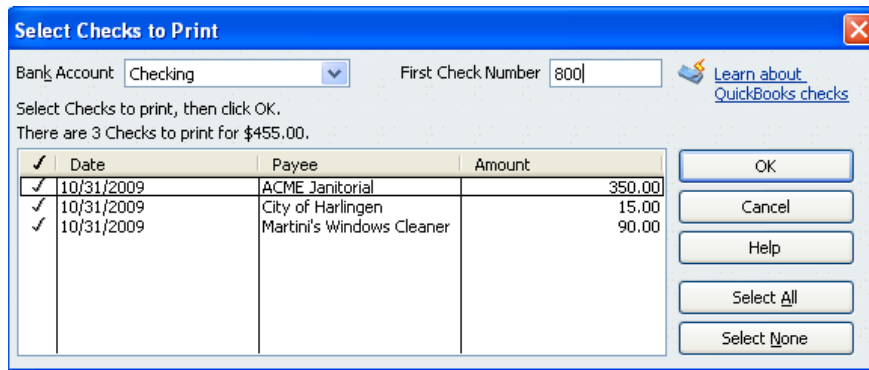
Notice that Office Depot is still in your list of bills to pay but it is now for 275.00. You did not have to let QuickBooks know which payment account or payment method to use, or to print the checks because that was already set when you paid the previous bills. Use the payment summary to choose the next process to perform: **PAY MORE BILLS**, **PRINT CHECKS** or **DONE**.



Print Checks

DISCUSSION

Now that you have told QuickBooks what bills to pay, you must now print the checks. In QuickBooks you can print wallet, standard, or voucher checks. The checks should already be preprinted with your company's address information, the bank you use along with their routing number and your bank account.



LESSON 8 - PAYABLES & CHECKS



Step-by-Step

Print the Bill Payment checks. .

<u>Steps</u>	<u>Practice Data</u>
<ul style="list-style-type: none">• Select the File menu.	<ul style="list-style-type: none">• Click File.
<ul style="list-style-type: none">• Select the Print Forms command.	<ul style="list-style-type: none">• Click Print Forms.
<ul style="list-style-type: none">• Select Checks... from the form list.	<ul style="list-style-type: none">• Click Checks...
<ul style="list-style-type: none">• Select the Bank Account to print checks from.	<ul style="list-style-type: none">• Click Checking.
<ul style="list-style-type: none">• Verify or Enter the starting check number.	<ul style="list-style-type: none">• Type 800 in First Check Number.
<ul style="list-style-type: none">• Select the checks to print.	<ul style="list-style-type: none">• Click the following checks to print:<ul style="list-style-type: none">• ACME Janitorial• City of Harlingen• Martinis Window Cleaners• Office Depot
<ul style="list-style-type: none">• Select OK.	<ul style="list-style-type: none">• Click OK.
<ul style="list-style-type: none">• Select check style.	<ul style="list-style-type: none">• Click Voucher.
<ul style="list-style-type: none">• Select Print.	<ul style="list-style-type: none">• Click Print.

Verify that the checks are printed correctly.

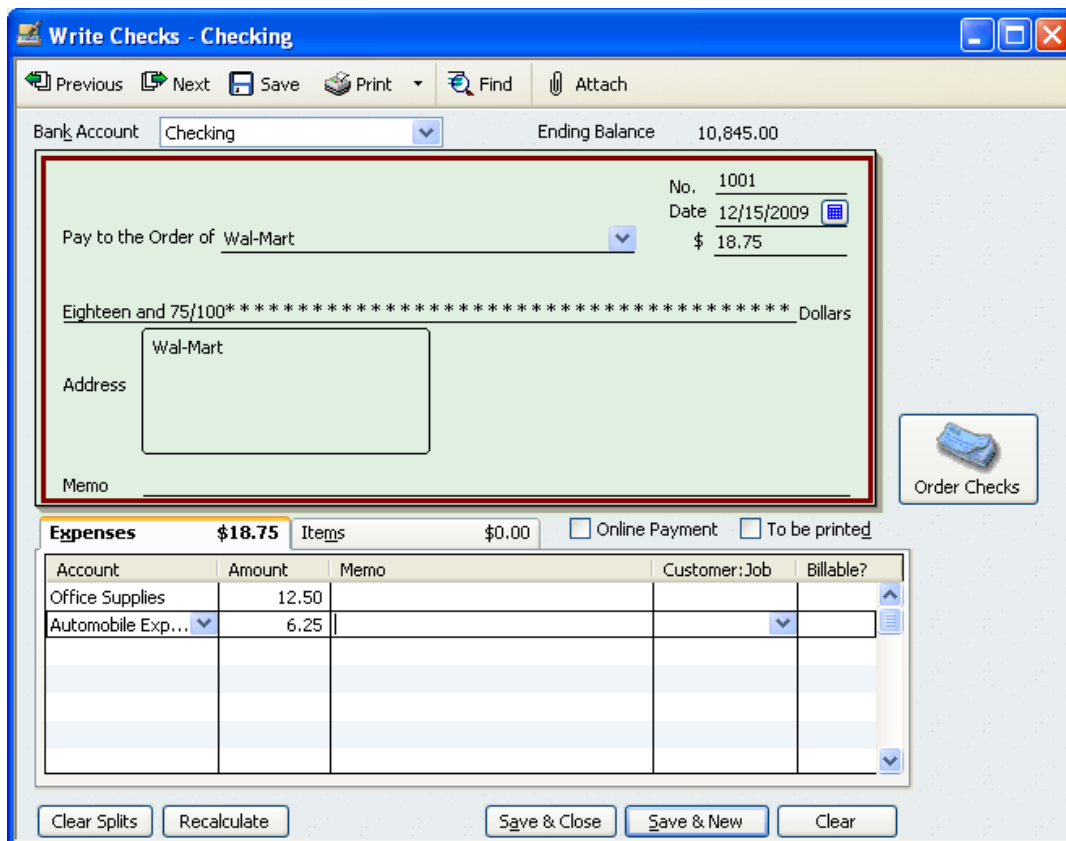
Writing a Check

DISCUSSION

You can enter checks directly into the check register by using the QuickBooks Write Checks window. When you enter a check at the Write Check window, you can see the address information and easily allocate the check between multiple accounts.

The Bank Account field shows the account from which you are writing this check. QuickBooks displays the current date or the last entry date in the Date field depending on your Preference settings.

The Expenses tab is where you assign the amount of the check to one of the expense accounts on your company's chart of accounts. You use the Items tab only when purchasing items you plan to stock in inventory.




LESSON 8 - PAYABLES & CHECKS



Step-by-Step

Enter the hand written checks for other purchases.

<u>Steps</u>	<u>Practice Data</u>
<ul style="list-style-type: none"> Select the Write Checks icon on Home Page. 	 <ul style="list-style-type: none"> Click Write Checks
<ul style="list-style-type: none"> Select the Bank Account to write the checks from. 	<ul style="list-style-type: none"> Click Checking.
<ul style="list-style-type: none"> Enter the Check Number. 	<ul style="list-style-type: none"> Type 1001 Press Tab.

If the Check No. says To Print, uncheck the To be printed option.

<ul style="list-style-type: none"> Enter the Date of the check. 	<ul style="list-style-type: none"> Type 12/15/06 Press Tab.
<ul style="list-style-type: none"> Enter the Name of the Payee. 	<ul style="list-style-type: none"> Type Wal-Mart Press Tab.

The Name you enter is not currently in a list, select to Quick Add, select Vendor.

<ul style="list-style-type: none"> Enter the Amount of the check. 	<ul style="list-style-type: none"> Type 18.75 Press Tab until under the Expense column.
<ul style="list-style-type: none"> Type or Select the Expense account. 	<ul style="list-style-type: none"> Type Office Supplies Press Tab.
<ul style="list-style-type: none"> Enter the Amount for the Expense. 	<ul style="list-style-type: none"> Type 12.50 Press Tab until under Expense column.
<ul style="list-style-type: none"> Type or Select the Expense account. 	<ul style="list-style-type: none"> Type Automobile Expense Press Tab.
<ul style="list-style-type: none"> Enter the Amount for the Expense. 	<ul style="list-style-type: none"> Type 6.25.
<ul style="list-style-type: none"> Select Save and New. 	<ul style="list-style-type: none"> Press Save & New.

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You are now ready to enter another check. If you were entering only one check you would use Save & Close.

Enter the Following other checks.

Check 1002

Payee	Allegra Print
Date	12-18-06
Amount	4.92
Expense Account	Copies
Expense Amount	4.92

Check 1003

Payee	ACME Janitorial
Date	12-19-06
Amount	40.00
Expense Account	Supplies
Expense Amount	40.00
Memo	Rags

