

Intuit ProLine

QuickBooks 2011 Student Guide

Entering and Paying Bills

Lesson 8

Lesson Objectives

- To discuss the different ways you can handle bills in QuickBooks
- To learn how to enter a bill in QuickBooks
- To use the Pay Bills window to pay a bill in QuickBooks

Notes

Using QuickBooks for Accounts Payable

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.

To see the Accounts Payable register:

1. From the Lists menu, choose **Chart of Accounts**.
2. Double-click **Accounts Payable** in the list to open the register.

Date	Number	Vendor	Due Date	Billed	✓	Paid	Balance
	Type	Account Memo					
12/15/2015	294	Sloan Roofing				5,700.00	29,946.70
	BILLPMT	Checking					
12/15/2015		Keswick Insulation	Paid	670.00			30,616.70
	BILL	Job Exper					
12/15/2015	12/03	Cal Gas & Electric	12/30/2023	122.68			30,739.38
	BILL	Utilities:G: Acct #560					
12/15/2015	Number	Vendor	Due Date	Billed		Paid	
	Acc...	Memo					

Splits Ending balance 30,739.38

1-Line Show open balance

Sort by Date, Type, Number/...

Record Restore

The register keeps track of each bill you have entered, shows you the due date, and keeps a running balance of all the bills you owe. As a business owner, this helps you forecast your cash flow, and the QuickBooks reminder system helps you pay your bills on time.

3. Press **Esc** twice to close the open windows.

Notes

Entering Bills

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.

To enter a bill:

1. From the Vendors menu, choose **Enter Bills**.

Account	Amount	Memo	C...	Billable?

2. In the Vendor field, type **Willis Advertising**, and then press Tab.
3. When QuickBooks displays a message telling you that Willis Advertising is not on the Vendor list, click **Quick Add**.
4. In the Amount Due field, type **1500**.

5. Click in the Bill Due field.
6. Click in the Account column on the Expenses tab and type **Printing**.
7. Press Tab to accept Printing and Reproduction as the account.
8. Type **1450** to change the amount from 1,500 to 1,450.
9. Click in the Account column below Printing and Reproduction.
10. From the drop-down list, choose **Freight & Delivery**, and then press Tab.

Enter Bills

Previous Next Save Find History Journal Attach

Bill Credit Bill Received

Bill

Vendor Willis Advertising Date 12/15/2015

Address Willis Advertising Ref. No.

Amount Due 1,500.00

Bill Due 12/25/2015

Terms

Memo

Expenses \$1,500.00 **Items \$0.00**

Account	Amount	Memo	C...	Billable?
Printing and Repr...	1,450.00			
Freight & Delivery	50.00			

Clear Splits Recalculate Save & Close Save & New Clear

11. Click **Save & Close** to record the bill.

Paying Bills

When you start QuickBooks or open a QuickBooks company file, a Reminders window appears that tells you whether you have transactions to complete, such as bills to pay or money to deposit. (If you don't see the Reminders window, turn it on by choosing Preferences from the Edit menu.)

When QuickBooks tells you that you have bills due, you can display the Pay Bills window and select the bills you want to pay.

To pay a bill:

1. From the Vendors menu, choose **Pay Bills**.

The screenshot shows the 'Pay Bills' window in QuickBooks. At the top, there's a 'Select Bills to be Paid' section with a date filter set to 12/25/2015 and a 'Show all bills' button. Below this is a table of bills with columns for Date Due, Vendor, Ref. No., Disc. Date, Amt. Due, Disc. Used, Credits Used, and Amt. To Pay. The table lists four bills: Willis Advertising (1,500.00), Hopkins Construction (550.00), Hopkins Construction (150.00), and Middlefield Drywall (1,200.00). A total row shows 21,375.18. Below the table is a 'Select All Bills' button. The bottom section contains 'Discount & Credit Information for Highlighted Bill' and 'Payment' details, including a date of 12/15/2015, a method of 'Check', and an ending balance of 46,423.98. There are buttons for 'Go to Bill', 'Set Discount', 'Set Credits', 'Pay Selected Bills', and 'Cancel'.

<input checked="" type="checkbox"/>	Date Due	Vendor	Ref. No.	Disc. Date	Amt. Due	Disc. Used	Credits Used	Amt. To Pay
<input type="checkbox"/>	12/25/2015	Willis Advertising			1,500.00	0.00	0.00	0.00
<input type="checkbox"/>	12/20/2023	Hopkins Constructio...			550.00	0.00	0.00	0.00
<input type="checkbox"/>	12/23/2023	Hopkins Constructio...			150.00	0.00	0.00	0.00
<input type="checkbox"/>	12/24/2023	Middlefield Drywall			1,200.00	0.00	0.00	0.00
<input type="checkbox"/>	12/26/2023	Lew Plumbing			1,200.00	0.00	0.00	0.00
Totals					21,375.18	0.00	0.00	0.00

2. Select the "To be printed" option.
3. Select the Willis Advertising bill by clicking in the column to the left of the bill.
4. Click **Pay Selected Bills**.
5. You could print the checks at this point, but for this exercise click **Done**.

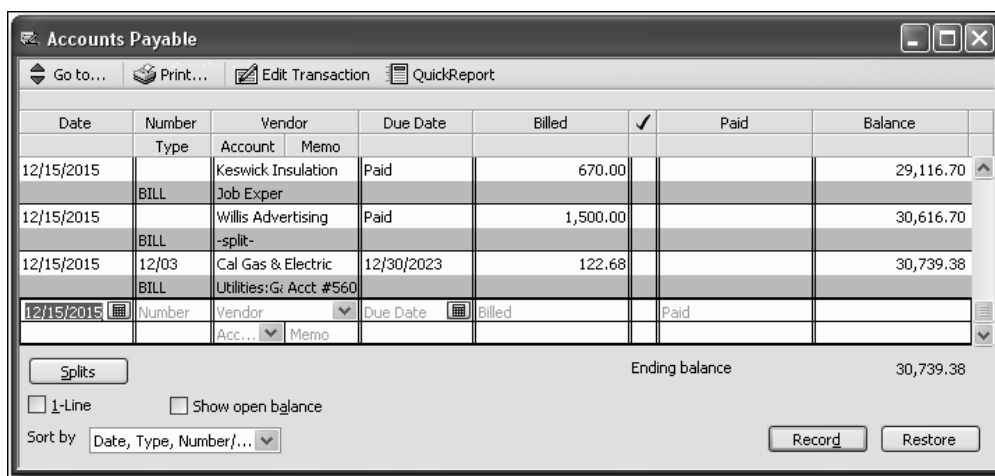
Notes

How QuickBooks Records Your Bill Payment

When you pay a bill through the Pay Bills window, QuickBooks makes an entry in the accounts payable register, showing a decrease of \$1,500 in the total payables. It also creates a check from your checking account to pay the bill.

To see the entry in the accounts payable register:

1. From the Company menu, choose **Chart of Accounts**.
2. In the chart of accounts, double-click the Accounts Payable account.



Date	Number	Vendor	Due Date	Billed	✓	Paid	Balance
	Type	Account	Memo				
12/15/2015		Keswick Insulation	Paid	670.00			29,116.70
	BILL	Job Exper					
12/15/2015		Willis Advertising	Paid	1,500.00			30,616.70
	BILL	-split-					
12/15/2015	12/03	Cal Gas & Electric	12/30/2023	122.68			30,739.38
	BILL	Utilities:Gr Acct #560					
12/15/2015							

Splits Ending balance 30,739.38

1-Line Show open balance

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Record Restore

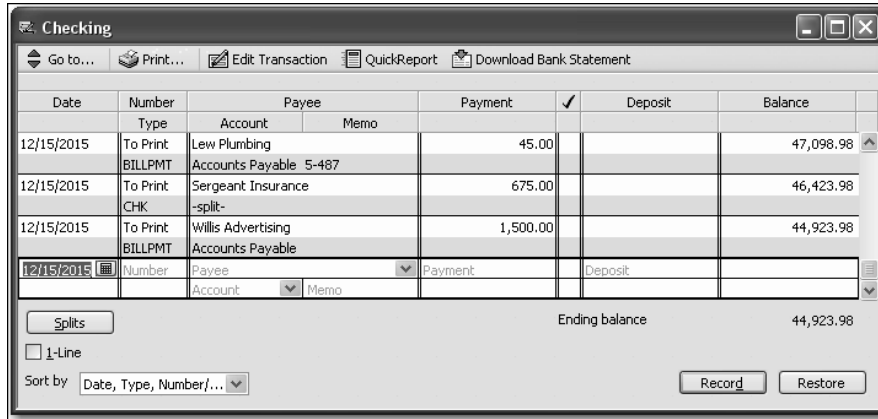
3. Close the accounts payable register.

Notes

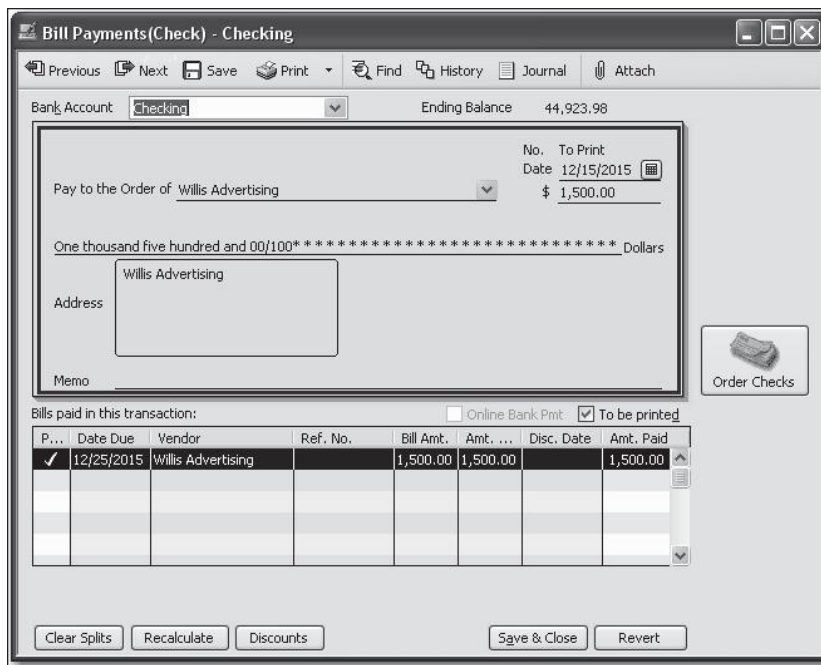
How QuickBooks Records Your Bill Payment

To see the entry:

1. In the chart of accounts, double-click **Checking**.



2. Select the Willis Advertising transaction.
3. On the toolbar, click **Edit Transaction**.



4. From the Window menu, choose **Close All** to close all the open QuickBooks windows.
5. Click **Home** in the icon bar to open the Home page.

Notes

Lesson 8: Entering and Paying Bills

Review questions

1. You use the _____ account to track money that you owe to vendors.
2. List the two steps involved in using the accounts payable features in QuickBooks:
 - a _____
 - b _____
3. When you make a payment (from the checking account) in the Pay Bills window, you can see the transactions in the _____ and _____ registers.
4. True or false: When tracking accounts payable in QuickBooks, the Enter Bills window is the only place you can enter bills and vendor credits.
 - a True
 - b False
5. Which of the following tasks can you perform in the Pay Bills window?
 - a Enter a partial payment on an outstanding bill
 - b Make a payment using a credit card
 - c Pay all outstanding bills
 - d All of the above
6. You paid a vendor \$1,000.00 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a Deletes the bill.
 - b Shows \$1,000.00 as a Credit in Accounts Payable and shows \$1,000 as a Debit in the Checking account.
 - c Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Checking account.
 - d Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Accounts Receivable.

Review activities

1. Write a check to a vendor, assigning the amount to more than one expense account.
2. Enter a bill in the Enter Bills window, and then view the bill transaction in the accounts payable register.
3. Pay the bill using the Pay Bills window.

Answers to review questions

1. You use the *accounts payable* account to track money that you owe to vendors.
2. List the two steps involved in using the accounts payable features in QuickBooks:
 - a** *Enter bills*
 - b** *Pay bills*
3. When you make a payment (from the checking account) in the Pay Bills window, you can see the transactions in the *checking* and *accounts payable* registers.
4. True or false: When tracking accounts payable in QuickBooks, the Enter Bills window is the only place you can enter bills and vendor credits.
 - a** True
 - ✓ **b** *False You can also enter bills and vendor credits directly in the accounts payable register, which may allow for faster data entry.*
5. Which of the following tasks can you perform in the Pay Bills window?
 - a** Enter a partial payment on an outstanding bill
 - b** Make a payment using a credit card
 - c** Pay all outstanding bills
 - ✓ **d** *All of the above*
6. You paid a vendor \$1,000.00 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a** Deletes the bill.
 - b** Shows \$1,000.00 as a Credit in Accounts Payable and shows \$1,000 as a Debit in the Checking account.
 - ✓ **c** *Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Checking account.*
 - d** Shows \$1,000.00 as a Debit in Accounts Payable and shows \$1,000 as a Credit in the Accounts Receivable.