



QUICKBOOKS DESKTOP 2017 STUDENT GUIDE

Lesson 8

Enter and Pay Bills

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Lesson Objectives

- Discuss the different ways you can handle bills in QuickBooks
- Learn how to enter a bill in QuickBooks
- Use the Pay Bills window to pay a bill in QuickBooks

Use 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 to suppliers/vendors. Like any QuickBooks balance sheet account, the Accounts Payable account has a register where you can view all your bills at once.



Step-by-Step: See the Accounts Payable Register

1. From the Lists menu, choose **Chart of Accounts**.
2. Double-click **20000 Accounts Payable** in the list to open the register.

DATE	NUMBER	VENDOR	DUE DATE	BILLED	PAID	BALANCE
	TYPE	ACCOUNT	MEMO			
12/15/2021		Keswick Insulation	Paid	670.00		20,629.24
	BILL	54000 · Job Expenses:54500 · Subcontractors				
12/15/2021		Sergeant Insurance	01/14/2023	4,050.00		24,679.24
	BILL	13100 · Pre-paid Insurance				
12/15/2021		Vu Contracting	12/30/2022	1,250.00		25,929.24
	BILL	-split-				
12/15/2021		A Cheung Limited	Paid	0.00		25,929.24
	BILL	54000 · Job Expenses:54300 · Job Materials				
12/15/2021	12/03	Cal Gas & Electric	12/30/2022	122.68		26,051.92
	BILL	65100 · Utilities:65110 · Gas and Electric Acct #560-82645-99C				
12/15/2021	8059	Thomas Kitchen & Bath	01/14/2023	585.00		26,636.92
	BILL	54000 · Job Expenses:54300 · Job Materials				
15/2021	Number	Vendor	Due Date	Billed	Paid	
		Account				
ENDING BALANCE						26,636.92

Splits
 1-Line Show open balance
 Sort by

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.

Enter 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 the bill aside and forget it.



Step-by-Step: Enter a Bill

1. From the Vendors menu, choose **Enter Bills** (or choose **Enter Bills** from the Home screen).

2. In the Vendor field, enter the vendor name.
3. In the Date field, enter the date of the bill.
4. In the Ref. No. field, enter the bill number.

- In the Amount Due field, type 1500.
- Enter the appropriate terms as well as any necessary memo information.
- Use the **Expenses** tab to enter expenses from the bill and post them directly to expense accounts (you can use more than one line to refer to different types of expenses) and specify the dollar amount of each expense. The amounts should add up to the total amount due on the bill.

The screenshot shows the 'Enter Bills' window in QuickBooks. The 'Bill' tab is active, and the vendor is 'Davis Business Associates'. The amount due is \$1,500.00, and the bill is due on 12/25/2021. The 'Expenses' section shows two lines: '63300 · Printing and Reproduction' for \$1,450.00 and '54000 · Job Expenses:54520 · Freight & Deli...' for \$50.00. The 'Save & Close' button is highlighted.

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



IMPORTANT: You can also enter bills and vendor credits directly in the Accounts Payable register, which may allow for faster data entry. However, this does not provide as much room for memos or allow for multiple expense accounts.

NOTES

Pay Bills

When you start QuickBooks or open a QuickBooks company file, a Reminders window appears to tell 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 then choosing **Reminders**.)

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



Step-by-Step: Pay a Bill

1. From the Vendors menu, choose **Pay Bills** (or click on **Pay Bills** from the Home screen).

SELECT BILLS TO BE PAID

Show bills Due on or before 12/25/2021 Show all bills

Filter By Sort By Vendor

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	12/25/2021	Davis Business Associates	3434		1,500.00	0.00	0.00	1,500.00
<input checked="" type="checkbox"/>	01/10/2023	Hamlin Metal			670.00	0.00	0.00	670.00
<input type="checkbox"/>	12/20/2022	Hopkins Construction Rentals			550.00	0.00	0.00	0.00
<input type="checkbox"/>	12/23/2022	Hopkins Construction Rentals			150.00	0.00	0.00	0.00
Totals					24,677.72	0.00	0.00	2,170.00

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor **Hamlin Metal** Terms **Net 30** Number of Credits **0**

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

Go to Bill Set Discount Set Credits

PAYMENT

Date 12/15/2021 Method Check To be printed Assign check number Account 10100 - Checking

Ending Balance **48,687.70**

Pay Selected Bills Cancel

2. Check the boxes next to the bills you wish to pay.
3. Ensure you have the proper payment method settings selected, as well as the bank account from which you want the bills to be paid.

4. Click **Pay Selected Bills**.

In the next window you can choose to pay more bills, print checks for the selected bills, or click **Done** to exit the module and print checks later.



IMPORTANT: You can also click the **Print Checks** icon from the Home screen to access your checks marked *Print Later*.

NOTES

How QuickBooks Records Your Bill Payment

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



Step-by-Step: 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			
12/15/2021		Sergeant Insurance	01/14/2023	4,050.00		22,509.24
	BILL	13100 · Pre-paid Insurance				
12/15/2021		Vu Contracting	12/30/2022	1,250.00		23,759.24
	BILL	-split-				
12/15/2021		A Cheung Limited	Paid	0.00		23,759.24
	BILL	54000 · Job Expenses:54300 · Job Materials				
12/15/2021	12/03	Cal Gas & Electric	12/30/2022	122.68		23,881.92
	BILL	65100 · Utilities:65110 · Gas and Electric Acct #560-82645-99C				
12/15/2021	3434	Davis Business Associates	Paid	1,500.00		25,381.92
	BILL	-split-				
12/15/2021	8059	Thomas Kitchen & Bath	01/14/2023	585.00		25,966.92
	BILL	54000 · Job Expenses:54300 · Job Materials				
15/2021	Number	Vendor	Due Date	Billed	Paid	
		Account				
ENDING BALANCE						25,966.92

1-Line Show open balance
 Sort by

3. Close the Accounts Payable register.



Step-by-Step: See the Entry

1. In the Chart of Accounts, double-click **10100 Checking**.

DATE	NUMBER	PAYEE	PAYMENT	DEPOSIT	BALANCE
12/15/2021	10077	Elizabeth N. Mason	932.92		61,037.84
	PAY CHK	-split-			
12/15/2021	10078	Gregg O. Schneider	1,062.12		59,975.72
	PAY CHK	-split-			
12/15/2021	10079	Gregg O. Schneider	1,062.12		58,913.60
	PAY CHK	-split-			
12/15/2021	To Print		412.62		58,500.98
	CHK	20600 - CalOil Credit Card			
12/15/2021	To Print	Davis Business Associates	1,500.00		57,000.98
	BILLPMT	20000 - Accounts Payable			
12/15/2021	To Print	Hamlin Metal	670.00		56,330.98
	BILLPMT	20000 - Accounts Payable			
12/15/2021	FAM2013	Abercrombie, Kristy:Remodel Bathroom	7,633.28		48,697.70
	GENJRN	11000 - Accounts Receivable			
		Bounced Check#			
12/15/2021	FAM2014	Abercrombie, Kristy:Remodel Bathroom	10.00		48,687.70
	GENJRN	60600 - Bank Service Charges			
		Bank service charges for bounced check#			
ENDING BALANCE					48,687.70

2. Select the transaction you wish to view.
3. Double-click on the transaction or, on the toolbar, click **Edit Transaction**.

Bill Payments(Check) - Checking

Main Reports

Find New Save Delete Memorize Create a Copy Print Print Later Online Bank Pmt Attach File Select PO Enter Time Clear Splits Recalculate Batch Transactions Reorder Reminder Order Chec

BANK ACCOUNT: 10100 - Checking ENDING BALANCE: 48,687.70

PAY TO THE ORDER OF: Davis Business Associates

NO. To Print: DATE: 12/15/2021 \$ 1,500.00

One thousand five hundred and 00/100* ***** DOLLARS

ADDRESS: Davis Business Associates

MEMO:

BILLS PAID IN THIS TRANSACTION:

P...	DATE DUE	VENDOR	REF. NO.	BILL AMT.	AMT. DUE	DISC. DA...	AMT. PAID
✓	12/25/2021	Davis Business Associates	3434	1,500.00	1,500.00		1,500.00

Discounts Save & Close Revert

4. You can edit the transaction or click **Save & Close**.



IMPORTANT: You can also open, view or edit this transaction by opening it in the same fashion from the Accounts Payable register.

NOTES

Enter and Pay Bills – Review Questions

1. You use the _____ account to track money 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. You paid a vendor \$1,000 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a. Deletes the bill
 - b. Shows \$1,000 as a credit in Accounts Payable and \$1,000 as a debit in the Checking account
 - c. Shows \$1,000 as a debit in Accounts Payable and \$1,000 as a credit in the Checking account
 - d. Shows \$1,000 as a debit in Accounts Payable and \$1,000 as a credit in 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 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 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. You paid a vendor \$1,000 through the Pay Bills window (using the Checking account). QuickBooks automatically creates a journal entry that:
 - a. Deletes the bill.
 - b. Shows \$1,000 as a credit in Accounts Payable and \$1,000 as a debit in the Checking account.
 - c. ✓ *Shows \$1,000 as a debit in Accounts Payable and \$1,000 as a credit in the Checking account.*
 - d. Shows \$1,000 as a debit in Accounts Payable and \$1,000 as a credit in Accounts Receivable.