

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

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Use QuickBooks for Accounts Payable

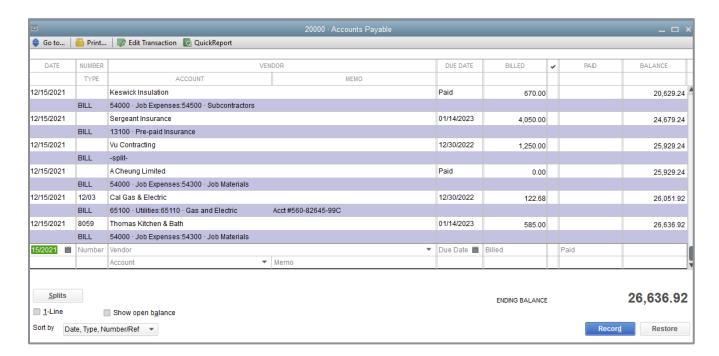
Some business owners, especially if they own smaller, home-based businesses, pay their bills when they receive them. Most business owners, however, find it more convenient to pay bills less often. (They also like keeping the cash in the company for as long as possible.) If you don't plan on paying your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



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.

QuickBooks 2017 Student Guide

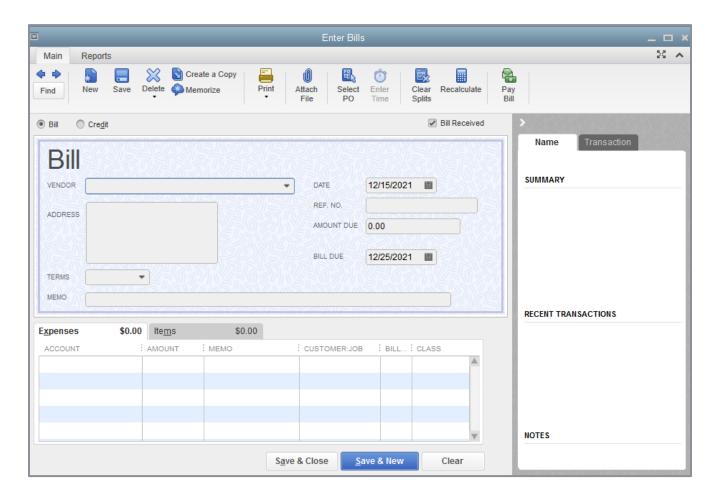
Enter Bills

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.



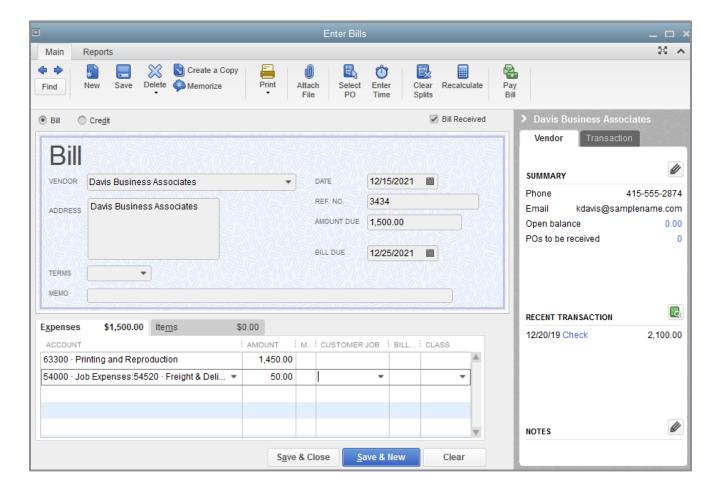
Step-by-Step: Enter a Bill

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.

- 5. In the Amount Due field, type 1500.
- 6. Enter the appropriate terms as well as any necessary memo information.
- 7. 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.



8. 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

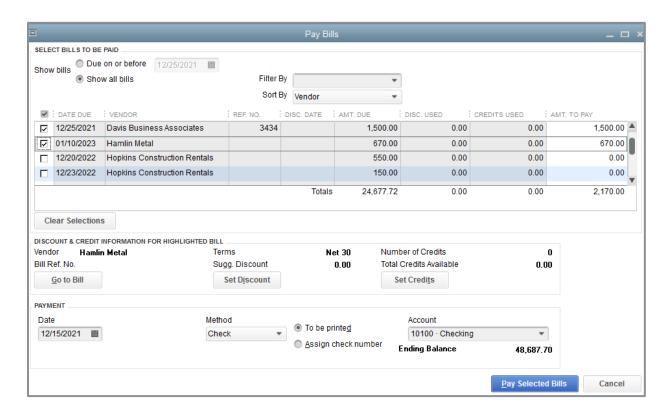
When you start QuickBooks or open a QuickBooks company file, a Reminders window appears to tell you whether you have transactions to complete, such as bills to pay or money to deposit. (If you don't see the Reminders window, turn it on by choosing **Preferences** from the Edit menu then choosing **Reminders**.)

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).



- 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.

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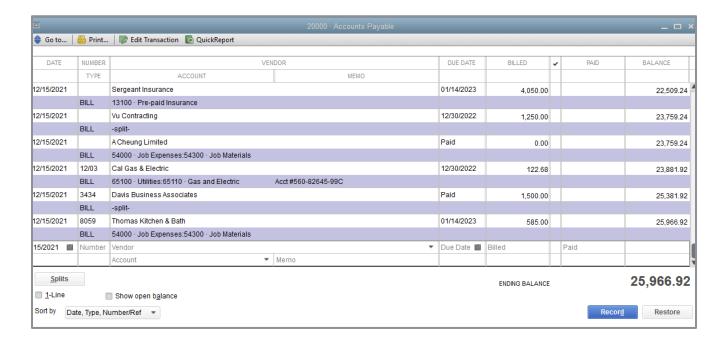
How QuickBooks Records Your Bill Payment

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.

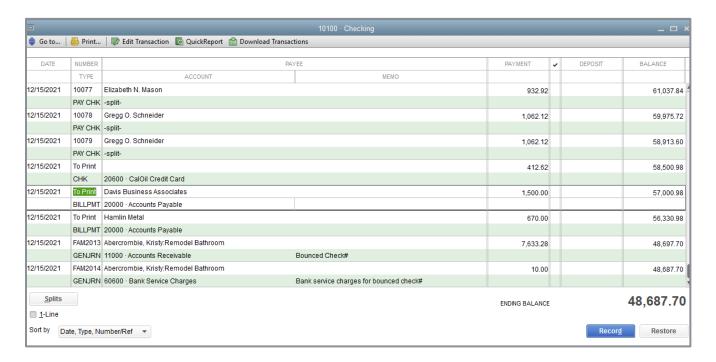


3. Close the Accounts Payable register.

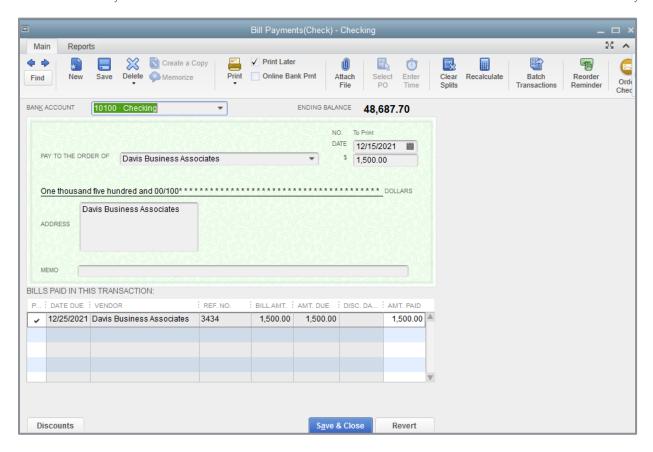


Step-by-Step: See the Entry

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



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



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

1 You use the

Enter and Pay Bills – Review Questions

1.	Yo	u use the account to track money you owe to vendors.	
2.	Lis	ist the two steps involved in using the accounts payable features in QuickBooks:	
	a.		
	b.		
3.		nen you make a payment (from the checking account) in the Pay Bills window, you can see the nsactions in the registers.	
4.		ue or false: When tracking accounts payable in QuickBooks, the Enter Bills window is the only ace 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.