



QUICKBOOKS 2021 STUDENT GUIDE

Lesson 7

Vendors and Expenses Part 1

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Intuit, Inc.
5100 Spectrum Way
Mississauga, ON L4W 5S2

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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

Tracking accounts payable in QuickBooks means you enter a bill, then pay the bill at a later date. Entering bills when you receive them allows you to see on reports how much you owe to your vendors at any time. Before you can enter a bill from a vendor, they must be set up on the vendors list.

Add vendor to the vendors list:

1. Click Vendors on the Home page.
2. Click the New Vendor drop-down and select New Vendor.
3. Enter the appropriate information for the vendor on each tab of the New Vendor window.
4. Click OK.

VENDOR NAME Andrew Haberbosch

OPENING BALANCE AS OF 08/31/2016 [How do I determine the opening balance?](#)

Address Info

COMPANY NAME

FULL NAME Mr. Andrew M.I. Haberbosch

JOB TITLE

Main Phone 902-9020 Main Email

Work Phone CC Email

Mobile Website

Fax Other 1

ADDRESS DETAILS

BILLED FROM SHIPPED FROM

Andrew Haberbosch
57 River Avenue
Montreal, QC
H2E 9V3

Andrew Haberbosch
57 River Avenue
Montreal, QC H2E 9V3

Copy >>

Vendor is inactive

OK Cancel Help

Entering Bills

When you receive a bill from a vendor, you should enter it into QuickBooks as soon as you can. This ensures your accounts payable balance is always up to date, and you can keep track of what you owe to vendors on the Accounts Payable reports.

To enter a bill:

1. Click the **Enter Bills** icon on the Home page.
2. In the **Vendor** field, enter the vendor name.
3. Enter the appropriate amount due, date, terms and reference information in the top section of the bill.
4. Use the **Expenses** tab to allocate the expenses on the bill to the appropriate expense account.
5. Click **Save & Close** to record the bill.

Note: Terms determine when the bill is due. For example, Net 30 means a bill is due in 30 days. You can set default terms for the vendor on the Payment Settings tab of the vendor setup.

The screenshot shows the 'Enter Bills' window in QuickBooks. The 'Bill' form is filled out with the following information:

- VENDOR:** Andrew Haberbosch
- ADDRESS:** Andrew Haberbosch, 57 River Avenue, Montreal, QC H2E 9V3
- DATE:** 08/31/2016
- REF. NO.:** 9087
- AMOUNT DUE:** 1,500.00
- BILL DUE:** 09/30/2016
- TERMS:** Net 30
- DISCOUNT DATE:** (empty)
- MEMO:** (empty)

The 'Expenses' section shows a total of \$1,339.29. The 'Items' tab is active, showing a table with the following data:

ACCOUNT	TAX	AMOUNT	MEMO	CUSTOMER JOB	BILLABLE?
Advertising and Promotion	S	1,339.29			

At the bottom of the window, there are fields for 'VENDOR TAX CODE', 'GST (ITC) 5.0%' (66.96), and 'PST (BC) ON PURCHASES 7.0%' (93.75). Buttons for 'Save & Close', 'Save & New', and 'Clear' are located at the bottom right.



NOTES

Accounts Payable Reports

QuickBooks makes it easy to keep track of what you owe to your vendors on the built-in Accounts Payable reports. The Accounts Payable Aging Detail and Summary reports show you open balances, and if you are overdue on those balances. The Unpaid Bills Detail gives you a list of open bills that need to be paid.

Run Accounts Payable Aging Summary/Detail reports:

- From the Reports menu select Vendors and Payables, then Accounts Payable Aging Detail or Summary.

White Ridge Construction Company
A/P Aging Summary
 As of August 31, 2016

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
All Subs	0.00	0.00	12,075.00	0.00	0.00	12,075.00
Andrew Haberbosch	1,500.00	0.00	0.00	0.00	0.00	1,500.00
Barata's Building Suppli...	0.00	0.00	0.00	0.00	-19,267.50	-19,267.50
Blitz Marketing	0.00	892.50	892.50	0.00	-2,677.50	-892.50
Roger's and Company C...	0.00	450.00	450.00	0.00	-1,350.00	-450.00
The Phone Co.	164.87	164.87	0.00	0.00	-329.74	0.00
Utility Corp	0.00	360.15	360.15	0.00	-1,080.45	-360.15
TOTAL	1,664.87	1,867.52	13,777.65	0.00	-24,705.19	-7,395.15

White Ridge Construction Company
A/P Aging Detail
 As of August 31, 2016

Type	Date	Num	Name	Due Date	Aging	Open Balance
Current						
Bill	08/22/2016		The Phone Co.	09/01/2016		164.87
Bill	08/31/2016	9087	Andrew Haberbosch	09/30/2016		1,500.00
Total Current						1,664.87
1 - 30						
Bill	07/22/2016		The Phone Co.	08/01/2016	30	164.87
Bill	08/14/2016		Roger's and Comp...	08/24/2016	7	450.00
Bill	08/15/2016		Blitz Marketing	08/25/2016	6	892.50
Bill	08/17/2016		Utility Corp	08/27/2016	4	360.15
Total 1 - 30						1,867.52
31 - 60						
Bill	07/02/2016	3151	All Subs	07/12/2016	50	12,075.00
Bill	07/14/2016		Roger's and Comp...	07/24/2016	38	450.00
Bill	07/17/2016		Utility Corp	07/27/2016	35	360.15
Bill	07/18/2016		Blitz Marketing	07/28/2016	34	892.50
Total 31 - 60						13,777.65

Run Unpaid Bills Detail report:

- From the Reports menu select Vendors and Payables, then Unpaid Bills Detail.

9:40 AM
08/31/16

White Ridge Construction Company Unpaid Bills Detail As of December 31, 2016

Type	Date	Num	Due Date	Aging	Open Balance
All Subs					
Bill	11/30/2016	544	12/10/2016	21	18,480.00
Total All Subs					18,480.00
Andrew Haberbosch					
Bill	08/31/2016	9087	09/30/2016	92	1,500.00
Total Andrew Haberbosch					1,500.00
Barata's Building Supplies					
Bill	11/30/2016	2342	12/30/2016	1	15,015.00
Total Barata's Building Supplies					15,015.00
Blitz Marketing					
Bill	11/07/2016		11/17/2016	44	892.50
Bill	12/05/2016		01/04/2017		892.50
Total Blitz Marketing					1,785.00
Roger's and Company CA's					
Bill	11/14/2016		11/24/2016	37	450.00
Bill	12/14/2016		12/24/2016	7	450.00
Total Roger's and Company CA's					900.00
The Phone Co.					
Bill	11/22/2016		12/02/2016	29	164.87
Bill	12/22/2016		01/01/2017		164.87
Total The Phone Co.					329.74
Utility Corp					
Bill	11/17/2016		11/27/2016	34	360.15
Bill	12/17/2016		12/27/2016	4	360.15
Total Utility Corp					720.30
TOTAL					38,730.04

Paying Bills

All bills entered in QuickBooks should be paid through the Pay Bills window. You can change the order of the bills in this list by clicking the Sort By drop-down menu and selecting a column name.

To pay a bill:

1. Click the Pay Bills icon on the Home page.
2. Select the bills you wish to pay.
3. In the **Amt to Pay** column, enter the amount to pay for each bill.
4. In the Account field, select the payment account.
5. Select whether to print cheques from QuickBooks, or manually assign cheque numbers (for handwritten cheques).
6. Click **Pay Selected Bills**.
7. Click **Done**.

NOTE: Click the **Print Cheques** icon from the Home screen to access your cheques marked Print Later

SELECT BILLS TO BE PAID

Show bills Due on or before 09/10/2016 Show all bills

Filter By

Sort By Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	09/30/2016	Andrew Haberbosch	9087		1,500.00	0.00	0.00	1,500.00
<input checked="" type="checkbox"/>	11/17/2016	Blitz Marketing			892.50	0.00	0.00	600.00
<input type="checkbox"/>	11/24/2016	Roger's and Company ...			450.00	0.00	0.00	0.00
<input type="checkbox"/>	11/27/2016	Utility Corp			360.15	0.00	0.00	0.00
Totals					38,730.04	0.00	0.00	2,100.00

Clear Selections

CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor **Blitz Marketing** Terms 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 08/31/2016 Method Cheque To be printed Assign cheque no. Account Chequing

Ending Balance **146,809.30**

Pay Selected Bills Cancel



NOTES

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. 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
 - c. _____

Review Activities

1. From the **File** menu in QuickBooks, choose **Open or Restore Company**. QuickBooks displays the **Open or Restore Company** window.
2. Select **Restore a backup copy** and click **Next**.
3. Select **Local backup** and click **Next**.
4. In the **Open Backup Copy** window, navigate to the appropriate directory.
5. Select the **qblesson.qbb** file, and then click **Open**.
6. In the **Open or Restore Company** window, click **Next**.
7. Navigate to your directory.
8. In the **File Name** field of the **Save Company File As** window, type **Lesson7** and then click **Save**.
9. Enter the **Password: QBDT2021!**
10. Click **OK** when you see the message that the file has been successfully restored.

Review Activities

1. Set up a new vendor on the vendor list with the following information:
Vendor Name: Andrew Haberbosch
Phone: 902-9020
Address: 57 River Avenue; Montreal, QC H2E 9V3
2. Enter a new bill using today's date from the vendor you just set up.
Amount: 1200
Account (on Expenses tab): Advertising and Promotion
3. Open the Pay Bills window and select the bill you just entered to pay in full. Select the next bill to pay, and pay half of the balance due.

Answers to Review Activities

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. 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.*
 - c.