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QUICKBOOKS CORNER 9-2009

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Make the Most of QuickBooks Bill Paying Tools

There have been some reports in the news that there are signs the recession might be drawing to a close in the near future. Whether that is true or not, bills are still coming in and your business needs to find ways to meet those business obligations. The desktop versions of QuickBooks can help.

While QuickBooks can't magically make your bills disappear, it can help you manage your bills so you're always aware of what's coming up and don't get any unpleasant surprises. This keeps both you and your vendors happy, and minimizes the chance of affecting your credit report adversely. You can also maximize cash flow by being aware of when each bill is due and timing them appropriately.

Enter First, Then Pay

An advantage of entering your bills as you receive them is you are more easily able to track the due dates of your bills as well as ensuring you record the expense in the same period it occurred.

To start, click on "Enter Bills" as shown in **Figure 1** or the "Vendors/Enter Bills" icon. The "Enter Bills" dialog box opens, as shown in **Figure 2**. If you received a bill, be sure that box in the upper right is checked, and that the "Bill" radio button is filled in.



Figure 1: You'll find these icons on QuickBooks' graphical flow chart.

Enter Bills

Previous Next Find History

Bill Credit Bill Received

Bill

Vendor _____ Date 12/15/2012

Address _____ Ref. No. _____

Amount Due 0.00

Terms _____ Bill Due 12/25/2012

Memo _____

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

Account	Amount	Memo	Customer:Job	Billable?

Clear Splits Recalculate Save & Close Save & New Clear

Figure 2: The Enter Bills dialog box.

Next, click the arrow next to the “Vendor” line to select an existing vendor or add a new vendor. Change the date if necessary, and enter a reference number (this may avoid confusion later). Then, enter the amount due.

When you initially set up vendors, you either set up terms for each vendor or accepted the default. So the “Terms” field should already be filled in, and will generate the correct bill due date. Enter a descriptive memo in that field if you’d like.

Since this was an expense, you’ll want to record it as such. Make sure the “Expenses” tab is highlighted, and click in the “Account” field. Click the arrow that appears to drop down the list, and select the appropriate expense type. Fill in the rest of the field on the line, making sure to check the “Billable” box if this is something you can bill back to a customer. If the expense needs to be split into separate categories, create a new line and amount for each. Your bill now looks something like **Figure 3**.

Click the “Items” tab and fill out the fields there if your expense involves products. You must have Inventory turned on to do this. Click “Save & Close” or “Save & New.” QuickBooks now

works in the background, increasing Accounts Payable and dropping the bill into several reports.

The screenshot shows the 'Enter Bills' window with the following details:

- Bill Information:**
 - Vendor: Cal Gas & Electric
 - Address: Cal Gas & Electric, P.O. Box 5037, Middlefield CA 94482
 - Date: 12/15/2012
 - Ref. No.: CGE 7639-94
 - Amount Due: 439.08
 - Bill Due: 12/30/2012
 - Terms: Net 15
 - Discount Date: (empty)
 - Memo: (empty)
- Summary:**
 - Expenses: \$439.08
 - Items: \$0.00
- Table:**

Account	Amount	Memo	Customer:Job	Billable?
Utilities	439.08			

Buttons at the bottom: Clear Splits, Recalculate, Save & Close, Save & New, Clear.

Figure 3: Make sure your completed bill entry screen is as complete as possible.

Paying Your Bills

When it's time to pay bills, click on the "Pay Bills" icon, or click "Vendors/Pay Bills." You'll see a screen similar to **Figure 4**. Check the radio button next to the correct preference to view all bills, or to limit the list to those on or before a specific date. Put a check mark next to the bill(s) you want to pay. The correct amount should fill in by default, but you can change this to make a partial payment.

If you want to view the bill, take a discount, or use credits, click on those buttons. Select a payment date, method (check or credit card), and toggle to the correct account if it's not showing.

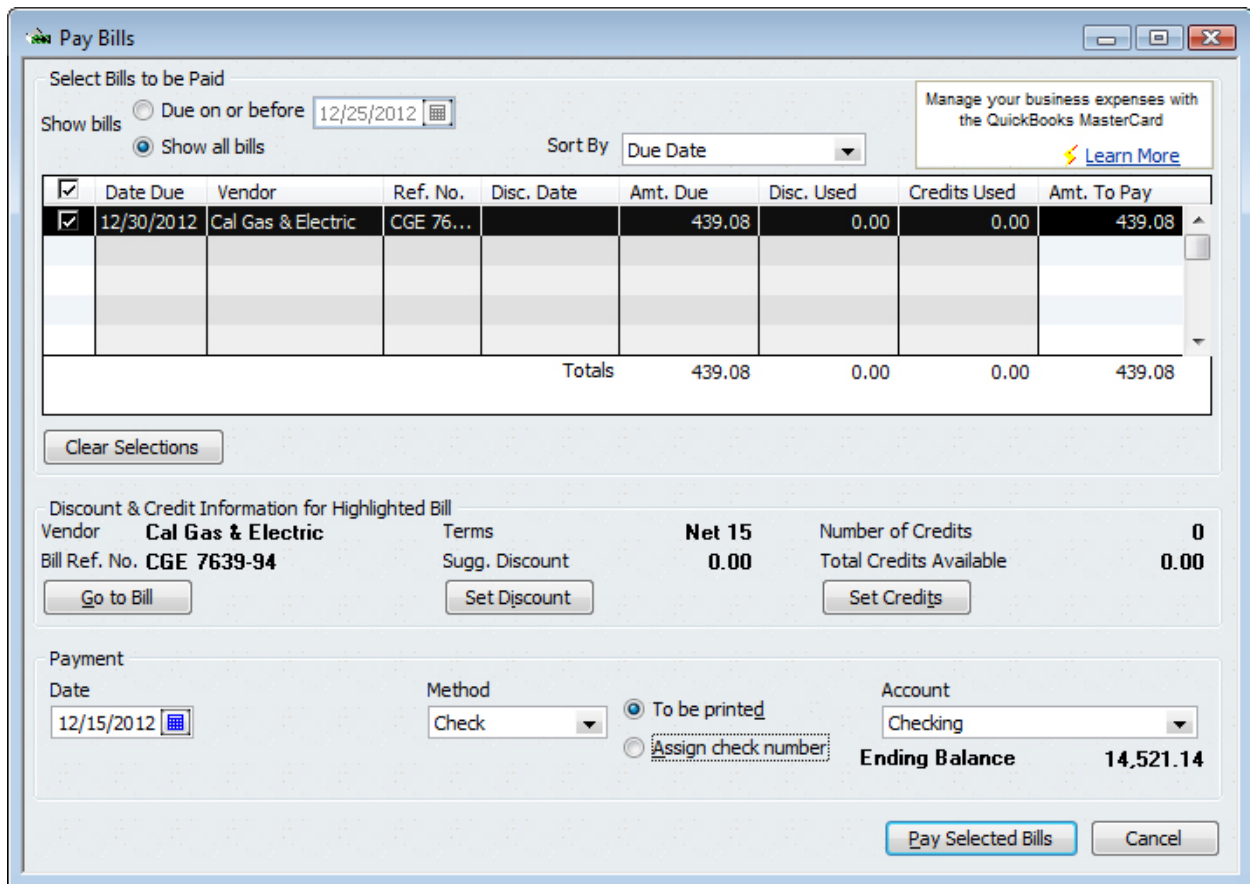


Figure 4: The Pay Bills dialog box. Makes it easy to finish the job.

Once you've paid a bill, the Accounts Payable and checkbook balances decrease, and the vendor balance and reports are updated. QuickBooks stamps a PAID watermark on the bill to avoid confusion later on.

So stop stacking your bills and ruffling through them every day to see what's due. You'll find that there are numerous benefits to using QuickBooks' bill-paying features, such as an improved credit rating by paying your bills on time, a reduction of past-due notices, and better cash flow.

For more information on QuickBooks products, software implementation, and training please email Certified QuickBooks ProAdvisor Marti Den Uyl at martid@ehtc.com or call 616-575-3482.

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