



## The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software  
From the office of:

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## Keep Up with Payables: Paying Bills in QuickBooks Desktop 2021

*It is not your favorite accounting task, but QuickBooks makes bill-paying easier.*

Last month, we described the process of entering bills in QuickBooks. We discussed how you can't pay bills without first entering them (**Vendors | Enter Bills**). We went over the steps required to memorize them to save time and repetitive data entry. And we discussed the importance of using **Reminders** if you're going to memorize bills.

ACCOUNT	AMOUNT	MEMO	CUSTOMER/JOB	BILLA...	CLASS
Utilities:Water	162.76				

**QuickBooks provides templates that you can use when you are entering bills. You must complete these forms before you can apply payment.**

This month, we will discuss the next step: paying your bills. Click **Pay Bills** on the home page or open the **Vendors** menu and select **Pay Bills**. The screen that opens displays bills that you've entered that need to be paid. You can choose to list those due on or before a date you specify or all bills.

By default, all vendors are represented in the table. If you want to only see bills from one specific vendor, click the down arrow in the **Filter By** field and select the correct one. You can also sort the list by any number of criteria, including **Due Date**, **Vendor**, and **Amount to Pay** by clicking the down arrow in the **Sort By** field.

Once the table is displaying your bills the way you want, it's time to select the ones you want to pay. You can either click in the box in front of each to make a checkmark or click on **Select All Bills** below the table. When you select one, the **Amount to Pay** field will change to reflect the **Amount Due**. If you cannot afford the whole payment, replace the **0.00** in the **Amount to Pay** field with your actual planned payment.

SELECT BILLS TO BE PAID

Show bills  Due on or before 12/25/2025  Show all bills

Filter By

Sort By  Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR
<input type="checkbox"/>	01/14/2026	Bayshore Water
<input type="checkbox"/>	09/01/2026	Conner Garden Supplies
<input type="checkbox"/>	12/25/2026	Townley Insurance Agency
<input type="checkbox"/>	12/26/2026	Great Statewide Bank
<input type="checkbox"/>	12/27/2026	Nolan Hardware and Supplies
<input type="checkbox"/>	12/29/2026	Cal Gas & Electric
<input type="checkbox"/>	01/12/2027	Robert Carr Masonry
<input type="checkbox"/>	01/14/2027	Cal Telephone

12/03

**You can select individual bills to pay in QuickBooks or click on Select All Bills below the table.**

QuickBooks provides additional information in the table of bills to be paid beyond **Date Due**, **Vendor**, and **Amount to Pay**. You'll see a column for a reference number, but there are other columns that can display vendor-issued discounts and credits that could be applied to individual bills. Vendors sometimes offer discounts for early payment, for example, and credits can be issued to settle things like returns or overpayment.

*Warning: If you've never worked with discounts and credits, we can help you learn about them, create them, and apply them. It's complicated.*

When you're satisfied with the information in the table, look below it. Highlight a bill by clicking on it to see what your options are there. You can click **Go to Bill** to see the original form. If there are discounts or credits available, they will appear there as **Suggested Discount** and **Total Credits Available**. You will also notice that any discounts or credits will have been applied in the table above. To change these, click **Set Discount** or **Set Credit**.

Make sure the payment **Date** is correct and select the payment **Method**. If you select **Check**, you will have to choose between **To be printed** or **Assign check number** (for handwritten checks, you will be able to specify the number or let QuickBooks assign it in the next window). Select the correct payment **Account** and click **Pay Selected Bills**. A **Payment Summary** appears in the window that opens. You can either click **Pay More Bills** or **Done**. If you are paying bills using more than one payment method, you would go back to the previous screen and repeat the process.

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor	<b>Townley Insurance Agency</b>	Terms	<b>2% 10 Net 30</b>	Number of Credits	<b>1</b>
Bill Ref. No.		Sugg. Discount	<b>7.46</b>	Total Credits Available	<b>75.00</b>

PAYMENT

Date

Method   To be printed  Assign check number

Account

Ending Balance **97,932.85**

**The lower half of the Pay Bills window**

## Helpful Automation

As you saw in this example, QuickBooks applied discounts and credits automatically when you selected a bill. To set this up, open the **Edit** menu and select **Preferences**, then **Bills**. Click on the **Company Preferences** tab, which opens the screen for company-wide preferences that are established by the Administrator.

Click in the boxes in front of **Automatically use credits** and **Automatically use discounts**. Then click on the down arrow in the field next to **Default Discount Account** to open the list. There should be an **Income** account labeled **Discounts**; select it, then click **OK**.

QuickBooks provides three reports that help prevent bills from slipping through the cracks. Open the **Reports** menu and go to **Vendors & Payables**, then **A/P Aging Summary** and **Detail**, and **Unpaid Bills Detail**. If you run into problems with your accounts payable workflow and want some guidance on that or any other element of QuickBooks, we would be happy to work with you as we offer support with QuickBooks products.

We hope you find these QuickBooks tips helpful. Please visit our company website often at <http://www.accountingconnections.org> for we update it constantly. Our website offers a wealth of tax and accounting tips, along with links that will better serve your business needs. We archive our QuickBooks Tips newsletters on our website as well. They are printable PDFs for easy reference, as are our tax tips PDFs.

Accounting and Taxation is **our** business; making us a part of your team allows **you** to concentrate on **your** core business.



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