



The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software

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Paying Bills in QuickBooks: The Basics

The time-consuming part's over once you've entered bills in QuickBooks. Here's how to pay them.

Last month, we explained that the process of paying bills in QuickBooks requires two separate sets of actions. We went over what's required to enter bills and to set up reminders so they don't get overlooked. This month's column will walk you through the second step: paying the bills.

You will remember you must first click **Enter Bills** on the home page (or open the **Vendors** menu and select **Enter Bills**), which opens a graphical representation of a bill. Select a **Vendor** from the drop-down list and complete the remaining fields in the top box. Make sure the **Amount Due** carries over to the lower part of the screen under either the **Expenses** or **Items** tab and that the rest of the fields there are completed correctly before you save the bill.

Once a bill is saved, it will be available to you when you click **Pay Bills** on the home page. That action will open a window similar to this one:

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	
<input type="checkbox"/>	01/01/2024	Perry Windows & Doors	
<input type="checkbox"/>	01/01/2024	Daigle Lighting	
<input type="checkbox"/>	01/03/2024	Perry Windows & Doors	
<input type="checkbox"/>	01/05/2024	Timberloft Lumber	
<input type="checkbox"/>	01/10/2024	Perry Windows & Doors	
<input type="checkbox"/>	01/10/2024	Hamlin Metal	
<input type="checkbox"/>	01/11/2024	Washuta & Son Painting	

When you click Pay Bills on QuickBooks' home page, a screen containing a table like this will open.

In the upper left corner, you will first **SELECT BILLS TO BE PAID** by either defining a date range or asking to see all bills that have been entered but not yet paid. To the right of those options is the **Filter By** field. You can open the list and click **All Vendors** or click on a specific vendor. Selecting an option in the **Sort By** field allows you to change the display order of the list of bills.

Selecting Bills

Next, you will have to indicate which bills you want to pay, and by what method. This may take more than one pass if you are using different payment methods for different vendors. If that is the case, you will have to select bills in batches. Click in the box in front of each bill that you want to pay (or click **Select All Bills** below the table).

You will see several columns in the table. Some will already be filled in for each vendor with information that was included in the actual bill, like **REF. NO.** and **AMT. DUE.** Others refer to discounts and credits. If you have already set up vendor discounts (early payment, for example) or are entitled to a credit (overpayment, returned merchandise, etc.) and have set up QuickBooks to automatically apply them to bills, they should appear in those columns.

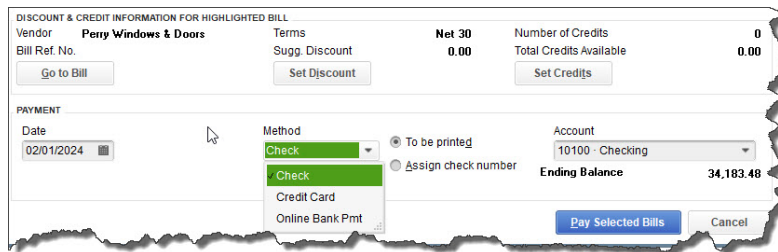
Tip: If you are the company administrator, you can set up this option. Open the **Edit** menu and select **Preferences | Bills.** With the **Company Preferences** tab active, check the boxes in front of **Automatically Use Credits** and **Automatically Use Discounts,** and select the correct **Default Discount Account.**

Discounts and credits are rather complex concepts in QuickBooks, and we expect you might need our help with setting them up.

The final step in bill paying on this page is to enter the **AMT. TO PAY** at the end of each applicable row.

Dispatching Payments

If you have selected **All Bills** (or chosen a batch that will use the same payment method), you will need to deal with the lower half of the bill-pay screen, which will look something like this:



The screenshot shows the 'DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL' section with the following details:

Vendor	Terms	Number of Credits
Perry Windows & Doors	Net 30	0

Below this, there are fields for 'Bill Ref. No.', 'Sugg. Discount' (0.00), and 'Total Credits Available' (0.00), each with a corresponding button: 'Go to Bill', 'Set Discount', and 'Set Credits'.

The 'PAYMENT' section includes:

- Date: 02/01/2024
- Method: A dropdown menu with 'Check' selected.
- Account: 10100 - Checking
- Ending Balance: 34,183.48
- Buttons: 'Pay Selected Bills' and 'Cancel'

Whether or not you'll be dealing with credits and discounts you'll still have some work to do at the bottom of the bill-paying screen.

You can click on **Go to Bill** if you need to see the original form; also, verify the **Payment Date** and **Terms** are correct. You *can still* **Set Discount** and **Set Credits** here, but again, please do not do so until we have scheduled a session to go over these advanced tools if you plan to use them.

Select a payment method for the bills you have selected; the options and account to the right of your choice will change depending on which it is.

When you are done, click **Pay Selected Bills** and do any follow-up work that is requested.

The bill-pay process in QuickBooks has a lot of moving parts, some of which may need prep work before you can actually dispatch bills. We strongly urge you to get together with us if you are planning to use this element of QuickBooks. Although beneficial, it is one of the more complicated processes in the software, and it must be done with extreme accuracy. When you are ready, we can help.

We hope you find this QuickBooks tip helpful. Please visit our company website <http://www.accountingconnections.org> often as it is updated constantly and offers a wealth of tax and accounting tips, along with links to better serve your business needs. Our QuickBooks Tips newsletters are archived on our website as well.

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



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