

HOW TO TRACK ACCOUNTS PAYABLE



There are two ways to handle bills from vendors/suppliers who give you some time before you have to pay. The method you use depends on whether or not you want to track Accounts Payable (how much you owe vendors/suppliers). To track Accounts Payable in QuickBooks, you enter the bill before paying the vendor. By tracking Accounts Payable, you always know how much you owe vendors/suppliers, and you can ensure that expenses are recorded in the correct accounting period.

Many smaller businesses don't bother with tracking Accounts Payable. In other words, they skip the step of entering the bill, and simply record the bill payment as a check or expense. Although this method has fewer steps, QuickBooks can't warn you about duplicate bills or provide reports about how much you owe.

STEPS IF YOU DO NOT USE ACCOUNTS PAYABLE

Use "Check" for checks OR

Use "Expense" for credit card, debit card, PayPal, cash, or other forms of payment.

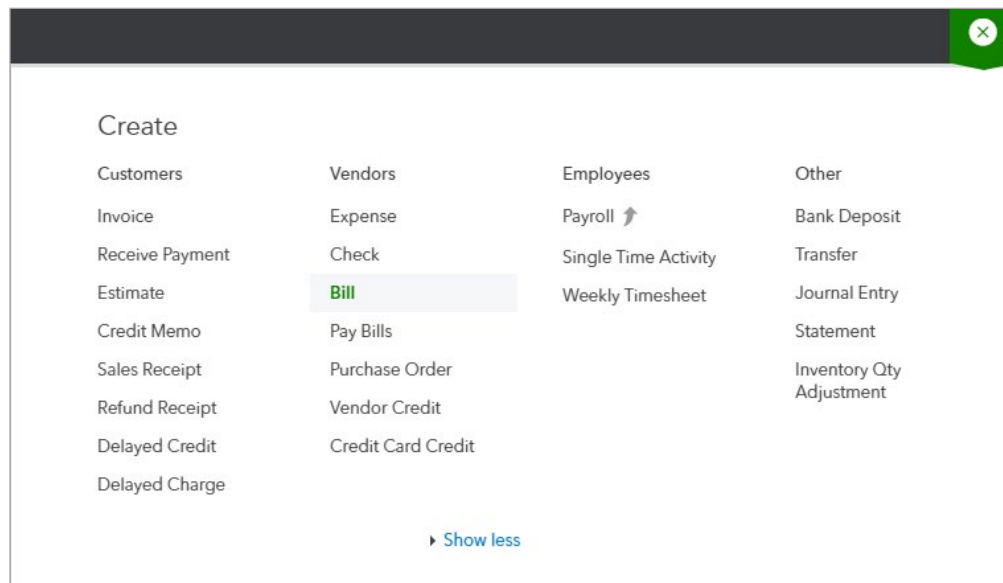
The steps for this method are no different than entering regular checks and expenses. You see these in a later exercise.

STEPS IF YOU USE ACCOUNTS PAYABLE

Enter Bill > Pay Bill (regardless of how you pay the bill: check, credit card, debit card, PayPal, cash, other)

ENTER BILL

1. Click the  sign.
2. Select **Bill**.



3. Enter the appropriate information on the bill. It's helpful to remember that you should always capture at least 4 pieces of information on **EVERY** transaction:

- **Who?** A vendor for expenses, customers on sales, and employees on paychecks
- **When?** The date of the transaction
- **What?** An expense account or inventory item for an expense, check, or bill.
The product or service you sold on invoices and sales receipts And...
- **How much?** The amount of the transaction

Bill

Robertson & Associates

BALANCE DUE
\$315.00
Make payment

Mailing address

Jenny Robertson
Robertson & Associates
P.O. Box 147
Bayshore, CA 94326

Terms

Bill date
08/19/2017

Due date
08/19/2017

Bill no.

▼ Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Legal & Professional Fees		315.00		
2					

Add lines Clear all lines

► Item details

4. Click **Save and close**.

PAY BILLS

1. Click the **+** sign.
2. Select **Pay Bills**.

Create

Customers

Invoice

Receive Payment

Estimate

Credit Memo

Sales Receipt

Refund Receipt

Delayed Credit

Delayed Charge

Vendors

Expense

Check

Bill

Pay Bills

Purchase Order

Vendor Credit

Credit Card Credit

Employees

Payroll

Single Time Activity

Weekly Timesheet

Other

Bank Deposit

Transfer

Journal Entry

Statement

Inventory Qty Adjustment

► Show less

?

×

Pay Bills

Payment account

Checking

Balance \$2,639.78

Payment date

Starting check no.

72

☐ Print later

TOTAL PAYMENT AMOUNT

\$0.00

Filter

Last 365 Days

3 open bills

<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input type="checkbox"/>	Brosnahan Insurance Agency	888	08/11/2017	\$2,000.00	Not available		\$0.00
<input type="checkbox"/>	Robertson & Associates		08/19/2017	\$315.00	Not available		\$0.00
<input type="checkbox"/>	Hall Properties		08/21/2017	\$900.00	Not available		\$0.00
0 bills selected				\$0.00	\$0.00	\$0.00	\$0.00
Total payment (USD)				0.00			

< First

Previous

1-3 of 3

Next

Last >

Cancel

Save and close

Pay Bills

Payment account

▼

Payment date

Starting check no.

☐ Print later

TOTAL PAYMENT AMOUNT

\$3,215.00

Balance \$2,639.78

Filter ▼

Last 365 Days

3 open bills

<input checked="" type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	Brosnahan Insurance Agency	888	08/11/2017	\$2,000.00	Not available	<input type="text" value="2,000.00"/>	\$2,000.00
<input checked="" type="checkbox"/>	Robertson & Associates		08/19/2017	\$315.00	Not available	<input type="text" value="315.00"/>	\$315.00
<input checked="" type="checkbox"/>	Hall Properties		08/21/2017	\$900.00	Not available	<input type="text" value="900.00"/>	\$900.00

3 bills selected

\$3,215.00

\$0.00

\$3,215.00

\$3,215.00

Total payment (USD) 3,215.00

< First Previous 1-3 of 3 Next Last >

Cancel

Save and close

Pay Bills

Payment account

Checking

▼

Balance \$2,639.78

Payment date

02/10/2017

📅

Starting check no.

72

Print later

TOTAL PAYMENT AMOUNT

\$3,215.00

Filter ▼

Last 365 Days

3 open bills

<input checked="" type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	OPEN BALANCE	CREDIT APPLIED	PAYMENT	TOTAL AMOUNT
<input checked="" type="checkbox"/>	Brosnahan Insurance Agency	888	08/11/2017	\$2,000.00	Not available	<div>2,000.00</div>	\$2,000.00
<input checked="" type="checkbox"/>	Robertson & Associates		08/19/2017	\$315.00	Not available	<div>315.00</div>	\$315.00
<input checked="" type="checkbox"/>	Hall Properties		08/21/2017	\$900.00	Not available	<div>900.00</div>	\$900.00

3 bills selected

\$3,215.00

\$0.00

\$3,215.00

\$3,215.00

Total payment (USD) 3,215.00

< First Previous 1-3 of 3 Next Last >

Cancel

Save and close

MANAGE ACCOUNTS PAYABLE (WHAT YOU OWE)

Companies or individuals you purchase goods or services from are called vendors/suppliers. If you need to enter a bill, or track purchases by vendor, they must be set up as a vendor/supplier. The Vendors/Suppliers list stores vendor/supplier information and makes it easy to filter to see all vendors/suppliers, overdue bills, etc

1. Click the **Vendors/Suppliers** tab.

The screenshot shows the 'Vendors' page in QuickBooks. The left sidebar has a menu with 'Dashboard', 'Banking', 'Sales', 'Expenses', 'Employees', 'Reports', 'Taxes', and 'Accounting'. The main area is titled 'Vendors' and includes a 'Prepare 1099s' dropdown and a 'New vendor' button. Below this, there are three summary bars: 'Unpaid Last 365 Days' with a total of \$87 and 1 OVERDUE bill (orange bar), '1 OPEN BILL' (grey bar), and 'Paid' with a total of \$1,603 and 5 PAID LAST 30 DAYS (green bar). At the bottom, there is a search bar 'Find a vendor or company' and a table with columns: VENDOR, COMPANY, PHONE, EMAIL, OPEN BALANCE, and ACTION.

2. Click the **Overdue** filter on the top money bar to see any vendor/supplier that you have a past due balance with.

This screenshot shows the 'Vendors' page after applying the 'Overdue' filter. The summary bars remain the same, but the table below now includes a 'PENDING BILLS' column and an 'OVERDUE' filter button. A single vendor, 'Lee Advertising', is listed with a phone number '(650) 554-4622' and a red exclamation mark icon next to the text '1 Overdue bill'.

REVIEW THE A/P AGING SUMMARY

13. Click the **Reports** tab.

The screenshot shows the QuickBooks sidebar menu. The 'Reports' tab is highlighted in grey. The menu items from top to bottom are: Dashboard, Banking, Sales, Expenses, Employees, Reports, Taxes, Accounting, and Apps.

14. Enter **A/P Aging Summary** in the search field.

15. Click the  icon.

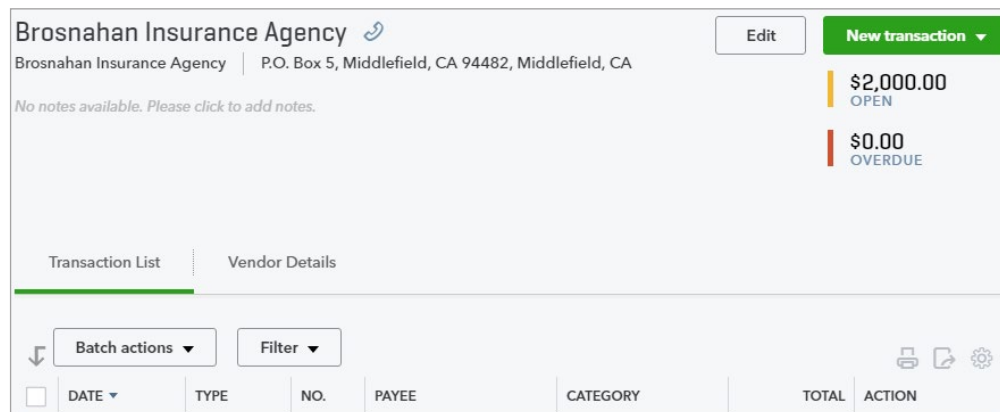
VENDOR/SUPPLIER CREDIT


Why would a vendor/supplier issue a credit memo? Maybe they sent you a bill and over-charged for freight. Or, a vendor/supplier ships some inventory and you discover that some of it is damaged. So, you return it and receive a “credit memo”. Remember, vendor/supplier credit memos reduce what you owe the vendor/supplier.

What should you do with a vendor credit? It depends. If you don’t owe them any money, you can keep the credit to use later or request a refund. But if you do owe them money (i.e. there’s an open bill for that vendor/supplier), you can apply it to unpaid bills. In this exercise you record a credit memo and apply it to a bill.

ENTER A CREDIT MEMO

1. To begin, click the **Expenses** tab and select **Vendors/Suppliers** at the top. Then click the vendor/supplier who gave you the credit (this step isn’t necessary, but it helps to see the effect of a Credit).
2. Note that in this example the vendor has a balance of \$2000. Suppose you received a credit for overpaying your insurance by \$1000.



Brosnahan Insurance Agency 

Brosnahan Insurance Agency | P.O. Box 5, Middlefield, CA 94482, Middlefield, CA

No notes available. Please click to add notes.

\$2,000.00
OPEN

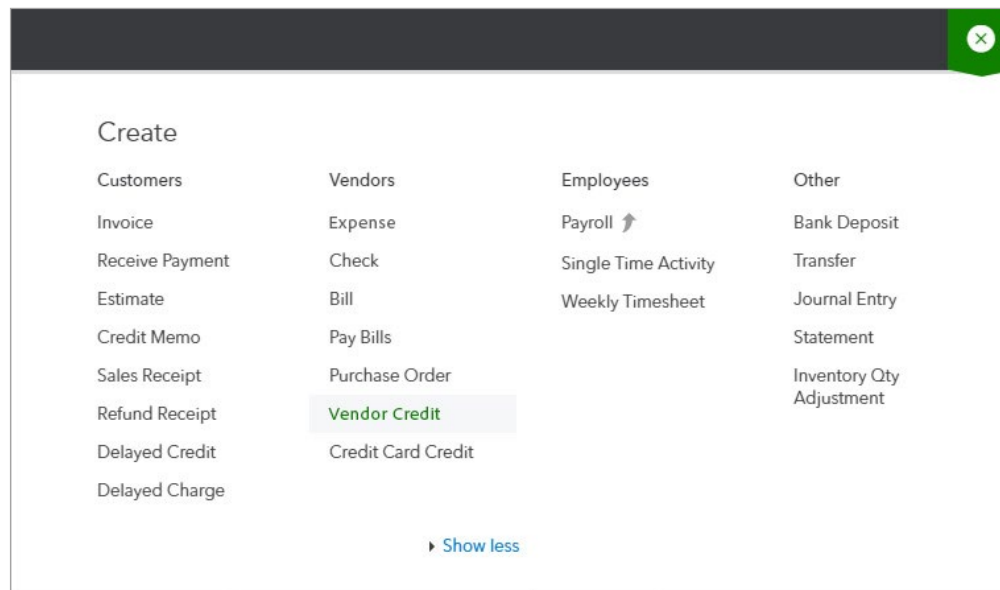
\$0.00
OVERDUE

Transaction List | Vendor Details


Batch actions ▼ Filter ▼

<input type="checkbox"/>	DATE ▼	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
--------------------------	--------	------	-----	-------	----------	-------	--------

3. Click **New transaction** > **Vendor/Supplier Credit** (you can also do this from the  Menu.)



Create

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll 	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge			

► Show less

4. Select the vendor/supplier from the drop down list.

The screenshot shows the 'Vendor Credit' form. At the top, the vendor is selected as 'Brosnahan Insurance Agency'. The 'CREDIT AMOUNT' is displayed as '\$0.00'. Below this, the 'Mailing address' is 'Brosnahan Insurance Agency, P.O. Box 5, Middlefield, CA 94482'. The 'Payment date' is '09/16/2017'. The 'Ref no.' field is empty. A section titled 'Account details' contains a table with one row:

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1					

5. Enter a Ref number. This is a number that both you and the vendor/supplier can refer to when discussing this credit. Traditionally, the credit number includes the original bill number.

The screenshot shows the 'Vendor Credit #1024' form. The 'Ref no.' field now contains the value '1024'. All other fields remain the same as in the previous screenshot.

6. Next, click the drop-down list and select the Account for which you are receiving a credit. This is usually the same Account you used on the original bill.

NOTE: If the credit is for inventory, enter the inventory items below Item Details.

The screenshot shows the 'Vendor Credit #1024' form. The 'Account details' table now has two rows:

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Insurance			<input type="checkbox"/>	Enter Text
2					

Below the table are buttons for 'Add lines' and 'Clear all lines'. At the bottom of the form are buttons for 'Cancel', 'Revert', 'Make recurring', 'More', and 'Save and new'.

7. Enter the credit Amount.

Vendor Credit #1024

Brosnahan Insurance Agency

CREDIT AMOUNT
\$1,000.00

Mailing address: Brosnahan Insurance Agency
P.O. Box 5
Middlefield, CA 94482

Payment date: 09/16/2017

Ref no.: 1024

▼ Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Insurance		1,000.00	<input type="checkbox"/>	Enter Text
2					

Add lines Clear all lines

Cancel Revert Make recurring More Save and close

8. Click **Save and close**.

9. Notice that the Open Balance for the vendor decreases by the amount of the credit.

Brosnahan Insurance Agency

Brosnahan Insurance Agency | P.O. Box 5, Middlefield, CA 94482, Middlefield, CA

No notes available. Please click to add notes.

Edit New transaction ▼

\$1,000.00
OPEN

\$0.00
OVERDUE

Transaction List Vendor Details

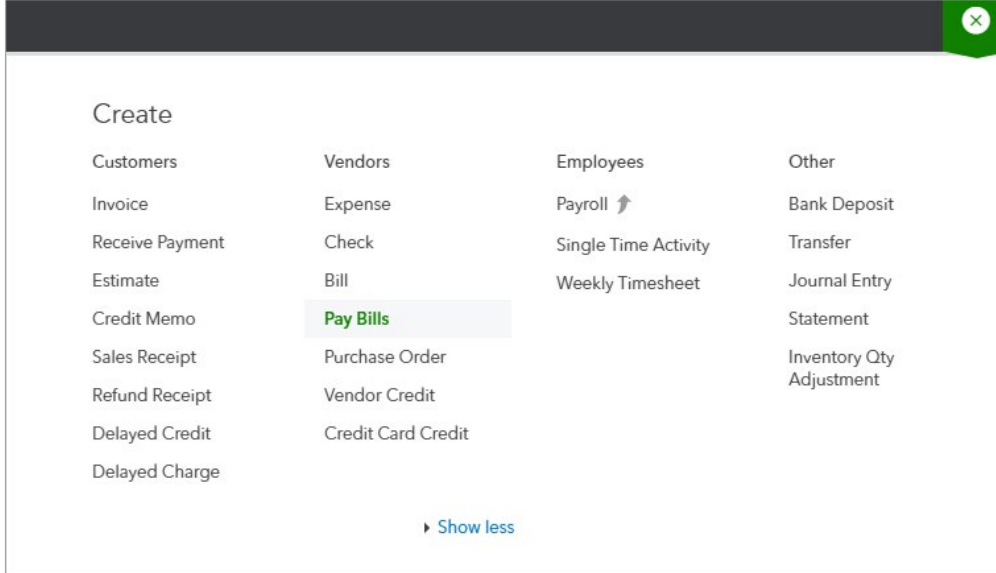
Batch actions ▼ Filter ▼


	DATE ▼	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
<input type="checkbox"/>	09/16/2017	Bill	1024	Brosnahan Insurance A...	Insurance	\$2,000.00	Make payment ▼
<input type="checkbox"/>	09/16/2017	Vendor Credit	1024	Brosnahan Insurance A...	Insurance	\$1,000.00	

In the next exercise, you apply the credit against bills you owe the vendor/supplier.

APPLY A CREDIT MEMO

1. Click the  sign and select **Pay Bills**.

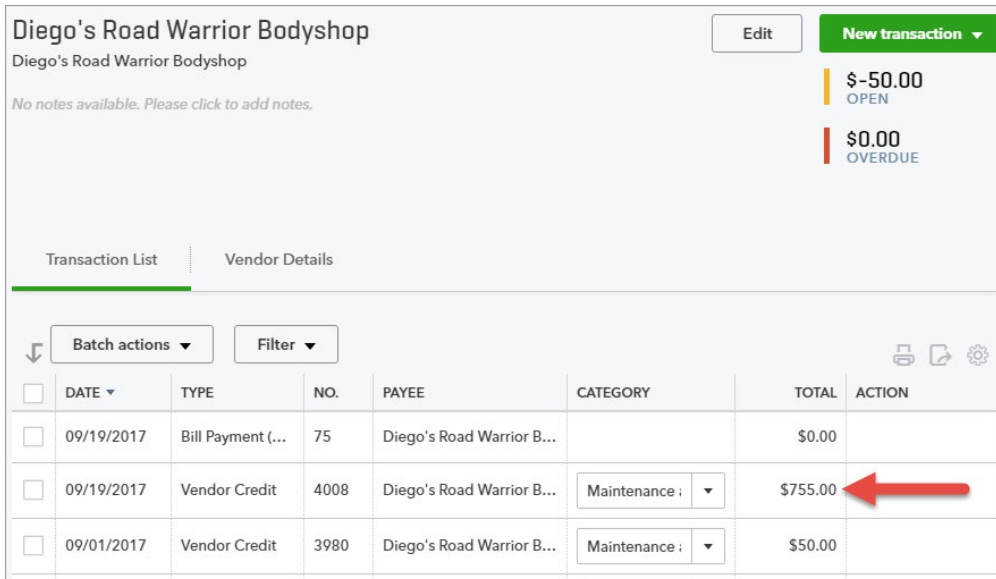


Customers	Vendors	Employees	Other
Invoice	Expense	Payroll 	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge			

[Show less](#)

Use this window to apply vendor/supplier credits. In this example, the process is easy because there is only 1 bill and 1 credit. What happens if you have multiple bills and/or multiple credits?

2. To demonstrate this scenario, we have another vendor/supplier with multiple credits. Suppose THIS is the credit we want to use.



Diego's Road Warrior Bodyshop




Diego's Road Warrior Bodyshop

No notes available. Please click to add notes.

\$-50.00
OPEN

\$0.00
OVERDUE

Transaction List | Vendor Details

	DATE	TYPE	NO.	PAYEE	CATEGORY	TOTAL	ACTION
<input type="checkbox"/>	09/19/2017	Bill Payment (...)	75	Diego's Road Warrior B...		\$0.00	
<input type="checkbox"/>	09/19/2017	Vendor Credit	4008	Diego's Road Warrior B...	Maintenance : 	\$755.00	
<input type="checkbox"/>	09/01/2017	Vendor Credit	3980	Diego's Road Warrior B...	Maintenance : 	\$50.00	

3. From the Transaction List, click the [bill payment](#).

Scroll down and select the other credit. In this case, the credit is for the same amount. If it weren't, then the amount of the bill payment would change. Use the bill payment form to select which credits to apply to which bills.

Bill Payment #75

Amount
0.00

Outstanding Transactions

Find Invoice No.

Filter ▾ All

<input checked="" type="checkbox"/>	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Bill # 4008 (08/22/2017)	08/22/2017	755.00	755.00	755.00

< First Previous 1-1 of 1 Next Last >

Credits

Find Credit Memo No.

Filter ▾ All

<input type="checkbox"/>	DESCRIPTION	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input type="checkbox"/>	Vendor Credit # 3980 (09/01/2017)	50.00	50.00	
<input checked="" type="checkbox"/>	Vendor Credit # 4008 (09/19/2017)	755.00	755.00	755.00

< First Previous 1-2 of 2 Next Last >

Amount to Apply \$755.00
Amount to Credit \$0.00

Clear Payment

Cancel Revert More

Save and close ▾

14. Click [Save and close](#).

CREATE AN EXPENSE

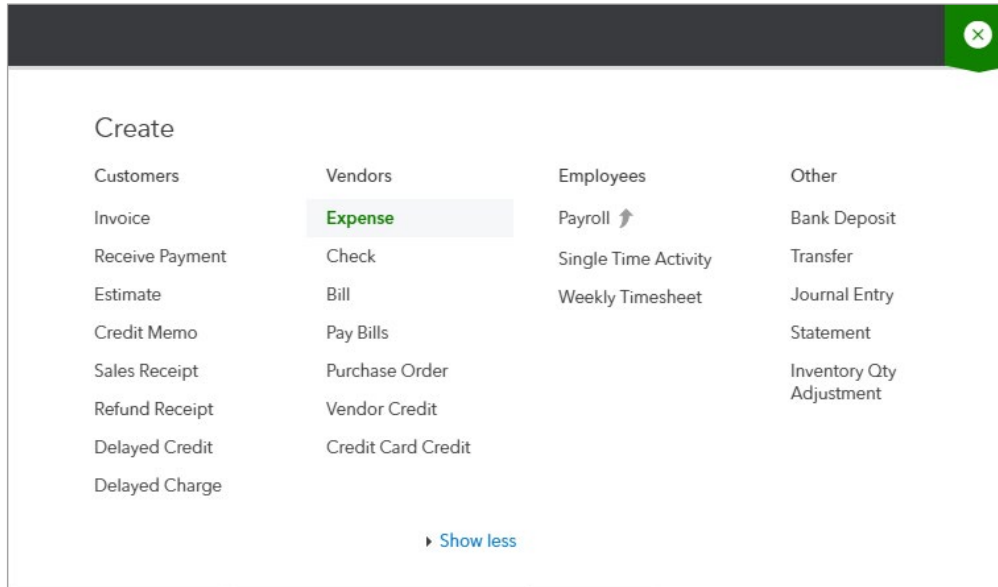
There are so many ways to pay for things: EFTs (Electronic Fund Transfers) checks, credit cards, debit cards, and more. How do you enter these in QuickBooks? The choice is simple. If you wrote or printed a check, use the check form. For EVERYTHING else, use the Expense form.

NOTE: If you connect a bank account, you don't have to worry about entering the non-check transactions yourself. QuickBooks downloads them automatically, and when you approve them they are added as expenses.

Remember to use the Expense form for any payment form OTHER than check (Debit or Credit card, EFT, wire transfer, etc.)

1. Click the  sign.

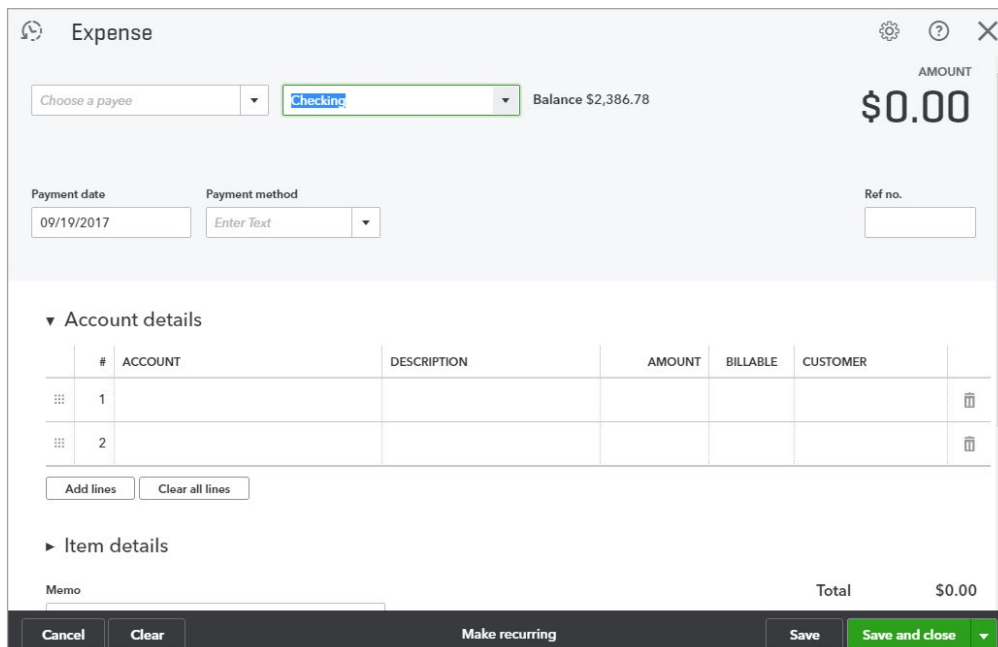
2. Select **Expense**.



The screenshot shows the 'Create' menu in QuickBooks. The menu is organized into four columns: Customers, Vendors, Employees, and Other. Under the Vendors column, the 'Expense' option is highlighted in green. Other options include Invoice, Receive Payment, Estimate, Credit Memo, Sales Receipt, Refund Receipt, Delayed Credit, Delayed Charge, Check, Bill, Pay Bills, Purchase Order, Vendor Credit, Credit Card Credit, Payroll, Single Time Activity, Weekly Timesheet, Bank Deposit, Transfer, Journal Entry, Statement, and Inventory Qty Adjustment. A 'Show less' link is at the bottom right.

3. Select the appropriate payment account. This is where the funds to make the purchase are coming from. For debit cards and online transfers from your bank, use the appropriate bank account. For credit cards, setup and use the appropriate credit card.

NOTE: If you select a credit card, QuickBooks INCREASES how much you owe that credit card. If you select a bank account, QuickBooks DECREASES how much you have available in that account.



The screenshot shows the 'Expense' form in QuickBooks. The 'Expense' title is at the top left. Below it, there are dropdown menus for 'Choose a payee' and 'Checking' (selected). To the right of 'Checking' is the 'Balance \$2,386.78'. On the far right, the 'AMOUNT' is displayed as '\$0.00'. Below these are fields for 'Payment date' (09/19/2017), 'Payment method' (Enter Text), and 'Ref no.'. A section titled 'Account details' contains a table with columns: #, ACCOUNT, DESCRIPTION, AMOUNT, BILLABLE, CUSTOMER, and a trash icon. There are two rows in the table, both with empty cells. Below the table are buttons for 'Add lines' and 'Clear all lines'. A section titled 'Item details' has a 'Memo' field. At the bottom right, the 'Total' is displayed as '\$0.00'. At the very bottom, there are buttons for 'Cancel', 'Clear', 'Make recurring', 'Save', and 'Save and close'.

4. Select the Payment method. This isn't really necessary for a Credit Card, because there is only 1 form of payment - "Credit Card" or "MasterCard". However, if you're paying for this expense from your bank account, the payment method might be Debit Card, ACH, Wire Transfer, and so on. You can Add New payment methods directly from the drop down list.

Expense

Choose a payee: Checking Balance \$2,386.78

AMOUNT: **\$0.00**

Payment date: 09/19/2017

Payment method: Enter Text

Ref no.:

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1					
2					

Add lines Clear all

Item details

Memo:

Total: **\$0.00**

Buttons: Cancel Clear Make recurring Save Save and close

5. Enter appropriate information in the Expense form. It's helpful to remember that you should always capture at least 4 pieces of information on EVERY transaction:

- **Who?** A vendor for expenses, customers on sales, and employees on paychecks
- **When?** The date of the transaction
- **What?** What did you buy for an expense. On invoices use a product or service. And...
- **How much?** The amount of the transaction

Expense

Cigna Health Care Checking Balance \$2,386.78

AMOUNT: **\$200.00**

Payment date: 09/19/2017

Payment method: Enter Text

Ref no.:

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Insurance		200.00	<input type="checkbox"/>	Enter Text
2					

Add lines Clear all lines

Item details

Memo:

Total: **\$200.00**

Buttons: Cancel Clear Make recurring Save Save and close

6. Click Save and new if you want to enter more expenses. Or if this is the last one, click the drop-down arrow and select **Save and close**.

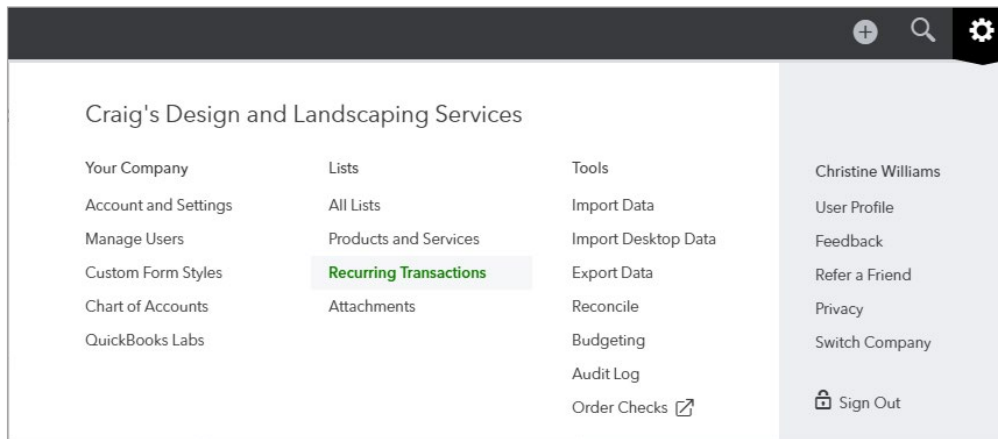
AUTOMATING DATA ENTRY - RECURRING TRANSACTIONS

Most businesses have to repeatedly enter the same transaction periodically. For example, you have to create the same check for rent to the landlord every month. Or if you're a landlord or membership organization, you have to create the same invoice to send to your renters or members every month.

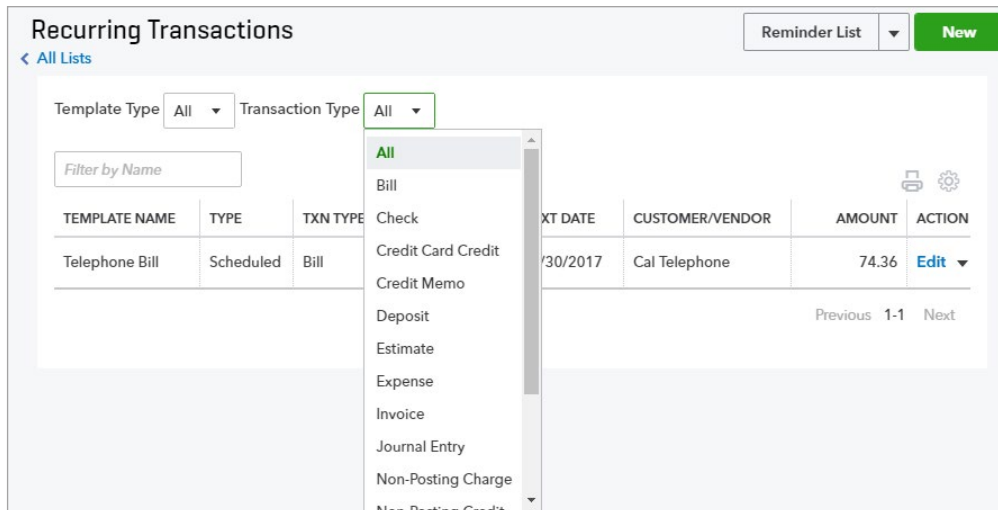
In both cases, the name (who), amount (how much), and account/category (what) doesn't change. The date (when) is the only change and it's based on a specific frequency (e.g. weekly, monthly, etc.). Don't waste your time entering these transactions yourself. Let QuickBooks do the work for you by setting up Recurring Transactions. In this example, we'll automate a rent check that we have to print every month.

WHAT TRANSACTIONS CAN YOU MAKE RECURRING?

1. Click the  icon and select **Recurring Transactions**.



2. Click the Transaction Type drop down list.



CREATE A RECURRING TRANSACTION

3. Create a new transaction and add information that will be the same every time.

Check #75

AMOUNT

\$900.00

Hall Properties

Checking

Balance \$2,501.78

Mailing address

Payment date

Check no.

Hall Properties
P.O.Box 357
South Orange, NJ 07079

10/19/2017

75

☐ Print later

▼ Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Rent & Lease		900.00		
2					

Add lines

Clear all lines

► Item details

Memo

Total \$900.00

Cancel

Clear

Print check

Order checks

Make recurring

More

Save and close

4. Click [Make recurring](#).

5. Enter the appropriate information for the recurring transaction.

Check

Recurring Check

Template name

Type

Hall Properties

Scheduled

Create

days in advance

Payee

Account

Hall Properties

Checking

Interval

Start date

End

Monthly

on

day

1st

of every

1

month(s)

None

Mailing address

Check no.

Hall Properties
P.O.Box 357
South Orange, NJ 07079

☐ Print later

▼ Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	CUSTOMER
1	Rent & Lease		900.00		
2					

Cancel

Clear

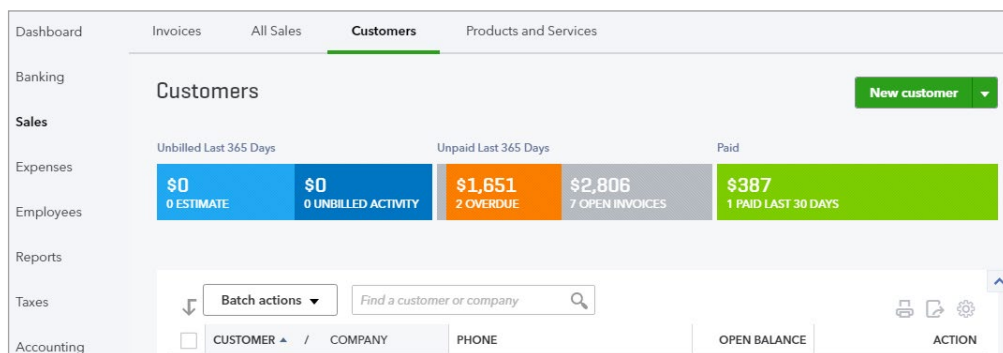
Save template

6. Click [Save template](#).

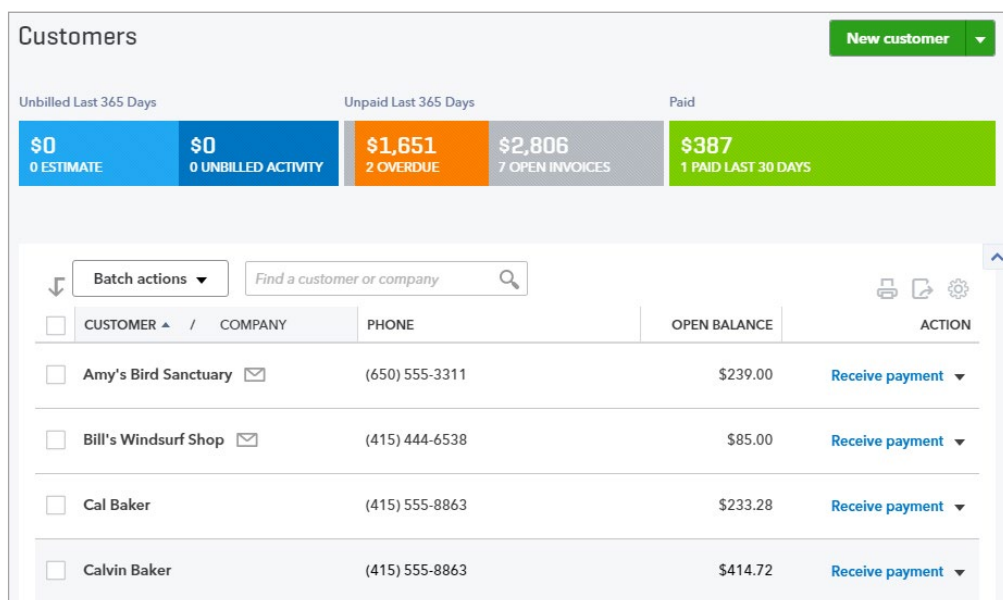
HOW TO MERGE (COMBINE) ENTRIES ON A LIST

You'll probably come across this real-world scenario. Someone accidentally enters the same "thing" (name, account, etc.) on a list by accident. This often happens because they misspell the entry. Now you have a problem. The list contains duplicate entries for the same thing. In this example, we had a customer named "Calvin Baker" but someone else entered an invoice to "Cal Baker". They should have used Calvin Baker. Note: If the wrong name was only used on 1 transaction, you could edit the transaction (invoice in this case) and change the name. But what if there are 100's of transactions associated with the "wrong" name? Merging solves this problem. In this example, we want to merge "Cal Baker" and all the associated transactions with Calvin Baker. Let's merge these 2 names (note: this technique works on other lists too).

1. Click the [Sales](#) tab and select [Customers](#) at the top.



2. Since there are two individual customer records for the same customer you'll need to merge them. On the Customers list click the name that you are going to merge (i.e. the one you're removing), in this case, [Calvin Baker](#).



<input type="checkbox"/>	CUSTOMER	COMPANY	PHONE	OPEN BALANCE	ACTION
<input type="checkbox"/>	Amy's Bird Sanctuary		(650) 555-3311	\$239.00	Receive payment
<input type="checkbox"/>	Bill's Windsurf Shop		(415) 444-6538	\$85.00	Receive payment
<input type="checkbox"/>	Cal Baker		(415) 555-8863	\$233.28	Receive payment
<input type="checkbox"/>	Calvin Baker		(415) 555-8863	\$414.72	Receive payment

3. To make sure our fix works, note that Calvin Baker owes us \$414.72 for this invoice number 1039. When we've completed merging, this invoice should be under Cal Baker.

Calvin Baker

Edit

New transaction

Add notes

\$414.72

OPEN

\$0.00

OVERDUE

Transaction List

Customer Details

Batch actions

Filter

	DATE	TYPE	NO.	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	09/30/2...	Invoice	1039	10/30/2017	\$414.72	\$414.72	Open	Receive payment

4. Click [Edit](#).

5. In the [Display name as](#) field enter the name you are merging this customer's record with, [Cal Baker](#).

Customer Information

×

Title

First name

Middle name

Last name

Suffix

Email

Separate multiple emails with commas

Company

Phone

Mobile

Fax

*Display name as

Cal Baker

Print on check as

☒ Use display name

Cal Baker

Other

Website

☐ Is sub-customer

Enter parent customer

Bill with parent

Address

Notes

Tax info

Payment and billing

Attachments

Billing address

map

Street

City/Town

State

ZIP

Country

Shipping address

map

☐ Same as billing address

Street

City/Town

State

ZIP

Country

Cancel

Make inactive

Privacy

Save

6. Click [Save](#).

7. Click [Yes](#) when asked to confirm that you are merging the two customer records.

Please Confirm

That name is already being used. Would you like to merge the two?

No

Yes

8. Click on the entry you merged the other one into. Here is invoice number 1039 for \$414.72.

Cal Baker

Edit

New transaction

Add notes

\$648.00
OPEN

\$0.00
OVERDUE

Transaction List

Customer Details

Batch actions

Filter

Print

Export

Settings

<input type="checkbox"/>	DATE	TYPE	NO.	DUE DATE	BALANCE	TOTAL	STATUS	ACTION
<input type="checkbox"/>	09/30/2...	Invoice	1039	10/30/2017	\$414.72	\$414.72	Open	Receive payment
<input type="checkbox"/>	01/18/2...	Invoice	1010	02/17/2017	\$233.28	\$233.28	Open	Receive payment


HOW TO USE CLASS TRACKING (only available in QBO Plus)

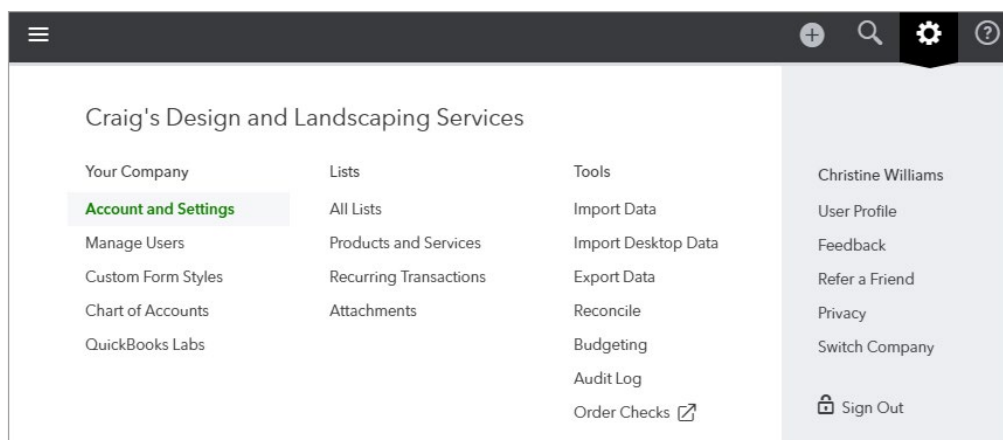
Some businesses need to track the sales and expenses for one part of their business separately from another part of their business. Sales minus expenses represents profit. That's why these "parts" of a business are often called "Profit Centers".

For example, a store with 2 locations wants to track the sales and expenses (profit) of each location separately. Or a bakery that has a retail shop and a catering division wants to track the sales and expenses (profit) of each division separately. QuickBooks provides 2 ways to do this. If you need to track different locations, use [Locations](#). And if you need to track another type of profit center, use [Classes](#).

A good way to understand how location and class tracking works is to think of them as a way to "tag" sales and expenses with a specific profit center (you can even split a transaction and tag it with 2 or more classes/locations - for example, if you make one purchase for office supplies that are distributed to the different profit centers).

In this example, our landscaping company needs to track two profit centers separately: Maintenance (mowing, etc.) and Construction (installing fountains and fireplaces). The goal is to tag transactions appropriately so you can quickly see how profitable each profit center is.

1. Click the  icon to open the Company menu.
2. Click [Account and Settings](#).



3. Click the **Advanced** tab.

Account and Settings			
Company	Accounting	First month of fiscal year	January
Billing & Subscription		First month of income tax year	Same as fiscal year
Sales		Accounting method	Accrual
Expenses		Close the books	Off
Payments	Company type	Tax form	
Advanced	Chart of accounts	Enable account numbers	Off
		Categories	Track classes
		Track locations	Off
	Automation	Pre-fill forms with previously entered content	On
		Automatically apply credits	On
		Automatically invoice unbilled activity	Off
Copy estimates to invoices		Off	

Done


4. In the **Categories** section turn on **Track classes**.

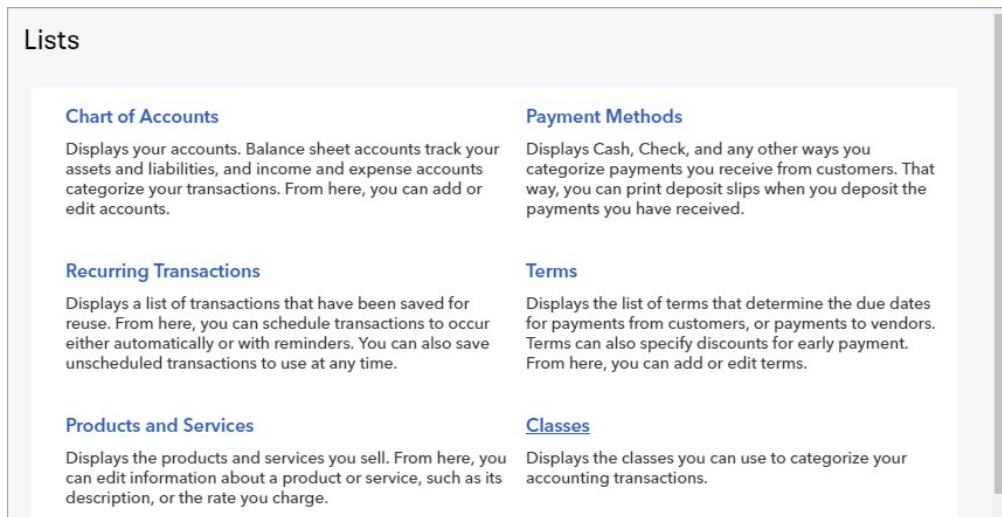
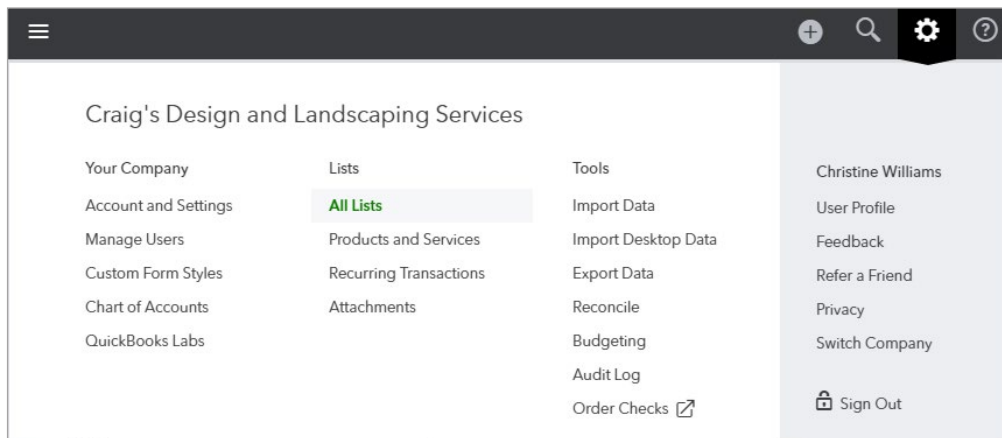
Account and Settings			
Company		Accounting method	Accrual
Billing & Subscription		Close the books	Off
Sales	Company type	Tax form	
Expenses	Chart of accounts	Enable account numbers	Off
Advanced	Categories	<input checked="" type="checkbox"/> Track classes	On
		<input type="checkbox"/> Warn me when a transaction isn't assigned a class	
		Assign classes	
		One to each row in transaction	
		<input type="checkbox"/> Track locations	Off
	Automation	Pre-fill forms with previously entered content	On
	Automatically apply credits	On	

Cancel Save Done

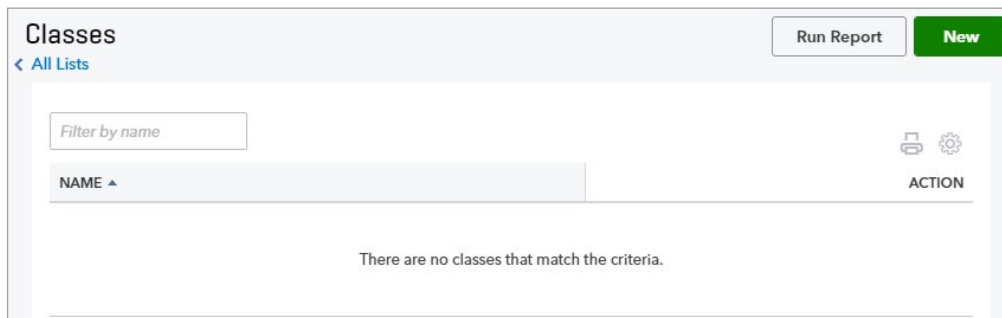
5. Click **Save** and **Done**.

ADD CLASSES

1. Click the  icon.
2. Under Lists click [All Lists](#), and select [Classes](#).



3. Click [New](#).



4. Name the class Mowing/Maintenance and click [Save](#).

×

Class

*

Name

Mowing/Maintenance

☐ Is sub-class

Cancel

Save

5. Create a second class named Construction/Hardscapes and click [Save](#).

×

Class

*

Name

Construction/Hardscapes

☐ Is sub-class

Cancel

Save

ASSIGN CLASSES TO AN EXPENSE TRANSACTION

1. Click the  sign.
2. Select [Expense](#).

☰

×

🔍

Create

Customers

Invoice

Receive Payment

Estimate

Credit Memo

Sales Receipt

Refund Receipt

Delayed Credit

Delayed Charge

Vendors

Expense

Check

Bill

Pay Bills

Purchase Order

Vendor Credit

Credit Card Credit

Employees

Payroll ↗

Single Time Activity

Weekly Timesheet

Other

Bank Deposit

Transfer

Journal Entry

Statement

Inventory Qty Adjustment

▶ Show less

- Enter the date as the first of next month.
- Select the appropriate payment account, Payment method, Expense information, and Class.

Expense #952

Tania's Nursery Checking Balance \$2,786.00 **AMOUNT \$1,000.00**

Payment date: 10/01/2017 Payment method: Enter Text Ref no.: 952

#	ACCOUNT	DESCRIPTION	AMOUNT	CLASS
1	Job Expenses:Job Materials:Plants and Soil		1,000.00	Construction/Hardscapes
2				

Add lines Clear all lines

Memo: Total \$1,000.00

Cancel Clear Make recurring Save **Save and new**

- Click the Save and new drop-down arrow and select **Save and close**.

ASSIGN CLASSES TO A SALES RECEIPT TRANSACTION

- Click the **+** sign.
- Because the customer paid at the time of the sale, you don't need to create an invoice. Instead create a **Sales Receipt**.

Create

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge			

[Show less](#)

8. Enter the date as the first of next month.

Sales Receipt

Choose a customer: Email (Separate emails with a comma):

☐ Send later

AMOUNT: **\$0.00**

Billing address:

Sales Receipt date:

Payment method:

Reference no.:

Deposit to:

[Accept payments in QuickBooks](#)

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS
1						
2						

Buttons: Cancel, Clear, Print or Preview, Make recurring, Customize, Save, **Save and send**

9. Select the appropriate payment account, Payment method, Expense information, and Class.

Sales Receipt

Dylan Sollfrank: Email (Separate emails with a comma):

☐ Send later

AMOUNT: **\$337.50**

Billing address:

Sales Receipt date:

Payment method:

Reference no.:

Deposit to:

[Accept payments in QuickBooks](#)


#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	CLASS
1	Design	Custom Design	4.5	75	337.50	Construction/Hardscapes
2						

Buttons: Add lines, Clear all lines

Total: **\$337.50**

10. Select **Save and close**.

ASSIGN CLASSES TO A CHECK TRANSACTION

- Click the  sign.
- Select **Check**. Enter the date as the first of next month.

Check #71

Choose a payee

Checking

Balance \$1,786.00

AMOUNT
\$0.00

Mailing address

Payment date
10/01/2017

Check no.
71

☐ Print later

#	ACCOUNT	DESCRIPTION	AMOUNT	CLASS
1				
2				

Add lines

Clear all lines

Memo

Total \$0.00

Cancel

Clear

Print check

Order checks

Make recurring

More

Save and new

- Enter the payee and payment account.

Check #71

Chin's Gas and Oil

Checking

Balance \$1,786.00

AMOUNT
\$0.00

Mailing address
Chin's Gas and Oil

Payment date
10/01/2017

Check no.
71

☐ Print later

#	ACCOUNT	DESCRIPTION	AMOUNT	CLASS
1				
2				

Add lines

Clear all lines

Memo

Total \$0.00

Cancel

Clear

Print check

Order checks

Make recurring

More

Save and new

14. Select the account details, including assigning a Class.

Check #71

Chin's Gas and Oil

Checking

Balance \$1,786.00

AMOUNT

\$185.00

Mailing address

Chin's Gas and Oil

Payment date

10/01/2017

Check no.

71

☐ Print later

#	ACCOUNT	DESCRIPTION	AMOUNT	CLASS
1	Repairs & Maintenance		185.00	Mowing/Maintenance
2				

Add lines

Clear all lines

Memo

Total

\$185.00

Cancel

Clear

Print check

Order checks

Make recurring

More

Save and new

15. Select [Save and close](#).

RUN A REPORT BASED ON CLASSES

16. Click the [Reports](#) tab.

qb intuit quickbooks

Dashboard

Banking

Sales

Expenses

Employees

Reports

Taxes

Accounting

Apps

- 

This Year-to-date

- ## Classes

Collapse Sort Add notes Edit header

Craig's Design and Landscaping Services

PROFIT AND LOSS BY CLASS
October 2017


	CONSTRUCTION/HARDSCAPES	MOWING/MAINTENANCE	TOTAL
▼ INCOME			
Sales	337.50		\$337.50
Total Income	\$337.50	\$0.00	\$337.50
GROSS PROFIT	\$337.50	\$0.00	\$337.50
▼ EXPENSES			
▼ Job Expenses			\$0.00
▼ Job Materials			\$0.00
Plants and Soil	1,000.00		\$1,000.00
Total Job Materials	1,000.00		\$1,000.00
Total Job Expenses	1,000.00		\$1,000.00
Repairs & Maintena...		185.00	\$185.00
Total Expenses	\$1,000.00	\$185.00	\$1,185.00
NET INCOME	\$ -662.50	\$ -185.00	\$ -847.50

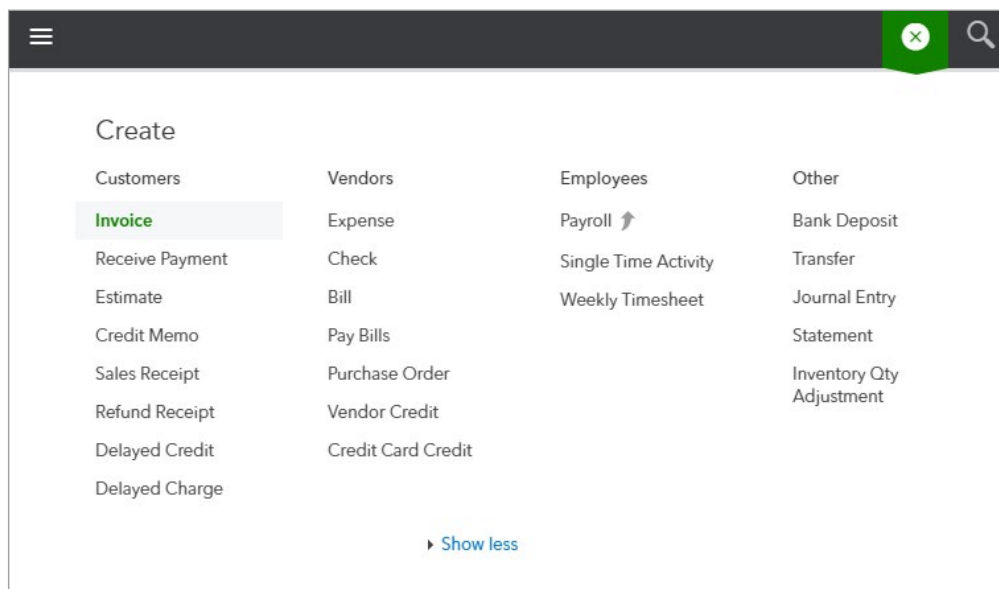
OTE: Any transactions entered within the report's date range not categorized by class will appear in a

HOW TO USE INVOICE AND RECEIVE PAYMENT FROM A CUSTOMER

If you deliver goods or provide services before the customer pays, record the sale with an invoice. Invoices record an increase in sales income and Accounts Receivable, which tracks how much customers owe you. The invoice date reflects the sale date, and the due date tells the customer when payment is due. QuickBooks will automatically calculate the due date for you based on the terms you enter. What are terms? These tell your customer how long they have to pay.

CREATE AND SEND AN INVOICE

1. Click the  sign.
2. Select **Invoice**.



3. Click the **Customer** drop-down arrow and select an existing customer, or add a new one.

Invoice

Choose a customer: **+ Add new**

- Amy's Bird Sanctuary
- Bill's Windsurf Shop
- Cool Cars
- Diego Rodriguez
- Dukes Basketball Camp
- Dylan Sollfrank
- Freeman Sporting Goods
- Geeta Kalapatapu

Email (Separate emails with a comma):

Payment Options [Get set up](#)

☐ Send later [Co/Bcc](#)

☐ Credit card

☐ Free bank transfer [ACH](#)

BALANCE DUE
\$0.00

Terms: **Net 30** Invoice date: Due date:

	DESCRIPTION	QTY	RATE	AMOUNT	CLASS
1					
2					

[Add lines](#) [Clear all lines](#) [Add subtotal](#)

Total **\$0.00**

Message displayed on invoice:

Balance due **\$0.00**

[Cancel](#) [Clear](#) [Print or Preview](#) [Make recurring](#) [Customize](#) [Save](#) [Save and send](#)

4. Click the **Terms** drop down to select when the invoice is due.

Invoice

Jeff's Jalopies

☐ Send later [Co/Bcc](#)

Payment Options [Get set up](#)

☐ Credit card

☐ Free bank transfer [ACH](#)

BALANCE DUE
\$0.00

Billing address: Jeff's Jalopies
12 Willow Rd.
Menlo Park, CA 94305

Terms: **Net 30**

- + Add new
- Due on receipt
- Net 15
- Net 30**
- Net 60

Invoice date: Due date:

#	PRODUCT/SERVICE	QTY	RATE	AMOUNT	CLASS
1					
2					

[Add lines](#) [Clear all lines](#) [Add subtotal](#)

Total **\$0.00**

Message displayed on invoice:

Balance due **\$0.00**

[Cancel](#) [Clear](#) [Print or Preview](#) [Make recurring](#) [Customize](#) [Save](#) [Save and send](#)

- Click the **Product/Service** drop-down arrow to select an existing service. You can also add a new one if necessary. Note: Each product or service “points” to an income account that tells QuickBooks to increase that income account each time you sell that product/service.

Invoice

Jeff's Jalopies

Payment Options [Get set up](#)

BALANCE DUE
\$35.00

+ Add new

Design

Hours

Pest Control Pest Control Services

Pump P461-17

Rocks

Sales

Sales item Save and send this invoice to get paid online.

#	Description	Quantity	Price	Total	Enter Text
1	Pest Control Services	1	35.00	35.00	
2					

Add lines Clear all lines Add subtotal

Total **\$35.00**

Cancel Clear Print or Preview Make recurring Customize Save **Save and send**

- Click **Print or Preview** to view what the invoice you print or send will look like. You can print the invoice directly from this window.

☐ Print later

Print or Preview

Print packing slip

Print or Preview

- To email the invoice, click **Save and send** and follow the steps.

SEE A LIST OF OVERDUE CUSTOMERS

1. Click the **Sales** tab and select **Customers** at the top.

The screenshot shows the QuickBooks interface with the 'Customers' tab selected. The left sidebar lists various categories: Dashboard, Banking, Sales, Expenses, Employees, Reports, Taxes, and Accounting. The main content area is titled 'Customers' and includes a 'New customer' button. Below the title, there are three summary bars: 'Unbilled Last 365 Days' showing \$0 (0 ESTIMATE), 'Unpaid Last 365 Days' showing \$1,237 (1 OVERDUE) and \$2,158 (5 OPEN INVOICES), and 'Paid' showing \$0 (0 PAID LAST 30 DAYS). At the bottom, there is a search bar and a table header with columns: CUSTOMER, COMPANY, PHONE, OPEN BALANCE, and ACTION.

2. Click the **Overdue** filter on the top money bar to see any customers with an overdue balance.

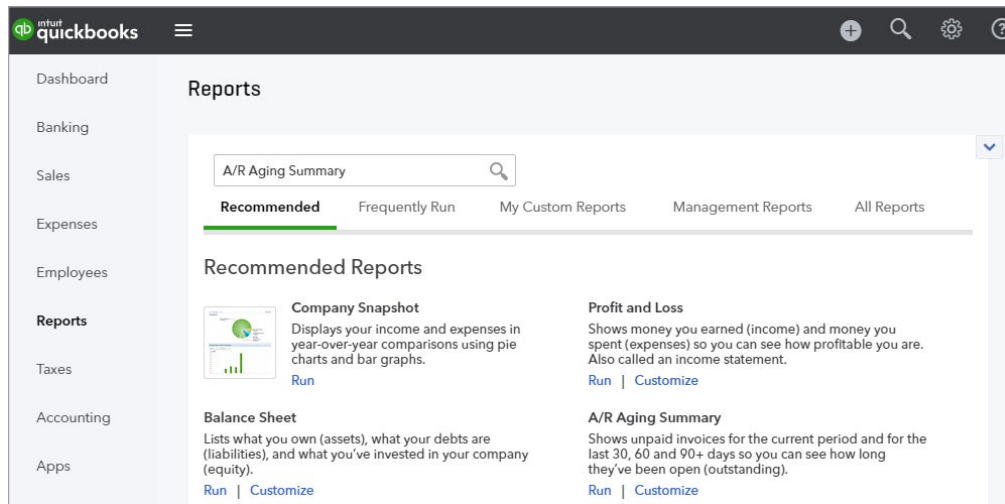
This screenshot shows the same QuickBooks interface, but with the 'Overdue' filter applied. The 'Unpaid Last 365 Days' bar now shows \$1,237 (1 OVERDUE). The table header at the bottom has been updated to include 'PENDING INVOICES' and 'OVERDUE BALANCE' columns, while 'CUSTOMER' and 'COMPANY' are collapsed. A 'Clear Filter / View All' link is visible next to the 'Customers' title.

REVIEW THE ACCOUNTS RECEIVABLE (A/R) AGING SUMMARY REPORT

3. Click the **Reports** tab.

The screenshot shows the QuickBooks sidebar menu. The 'intuit quickbooks' logo is at the top. Below it, the menu items are: Dashboard, Banking, Sales, Expenses, Employees, Reports (which is highlighted with a darker background), Taxes, Accounting, and Apps.

4. Enter **A/R Aging Summary** in the search field.



5. This report displays how much of each customer's balance is current (i.e. not overdue) versus overdue.

RECEIVE AND DEPOSIT INVOICE PAYMENTS (USING UNDEPOSITED FUNDS)

Use the Receive Payment form to record customer payments against invoices. However, to record the deposit correctly you must answer 1 question.

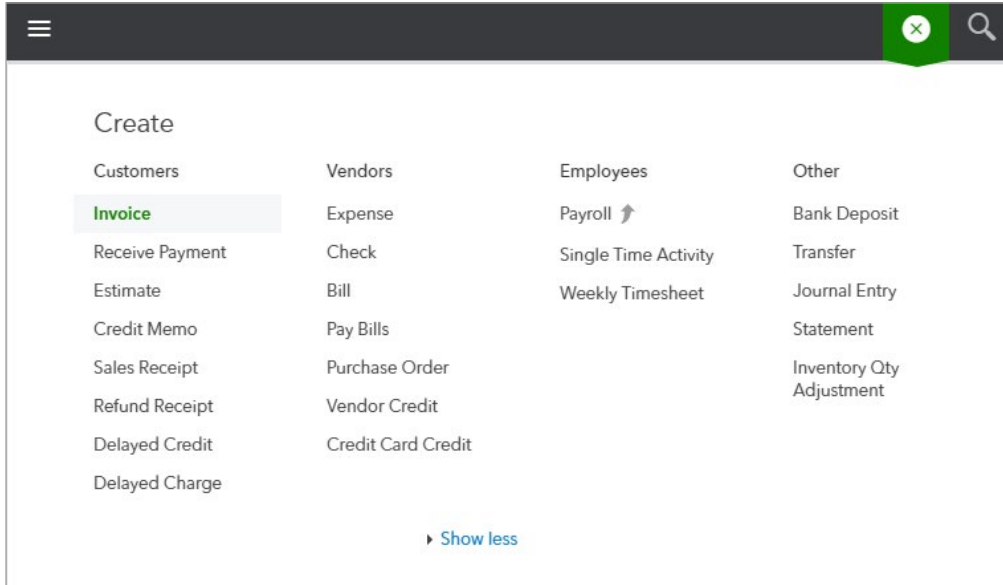
Does this customer payment amount match the actual deposit you made at the bank? If you only deposited that 1 customer payment, the answer is **YES** and you can **record that the customer payment was deposited into the bank account**.

However, in many cases the answer is **NO**. Why? Because most businesses deposit multiple customer payments together. That customer payment is part of a bigger deposit that includes other customer payments. For example, if you receive 3 checks for \$100 each, and make one deposit at the end of the day for \$300, you should **NOT record that each customer payment was deposited into the bank account**. If you do, your QuickBooks records will show 3 deposits of \$100 each, and the bank will show 1 deposit for \$300. You won't be able to reconcile your bank account, and when the bank downloads the deposit of \$300, it won't "match" the 3 deposits of \$100 each.

To solve this issue, deposit each payment to "Undeposited Funds" first, and then deposit the combined amount from Undeposited Funds into the bank account. You learn how in the next steps.

RECEIVE INVOICE PAYMENT

1. Click the  sign.
2. Select **Receive Payment**.

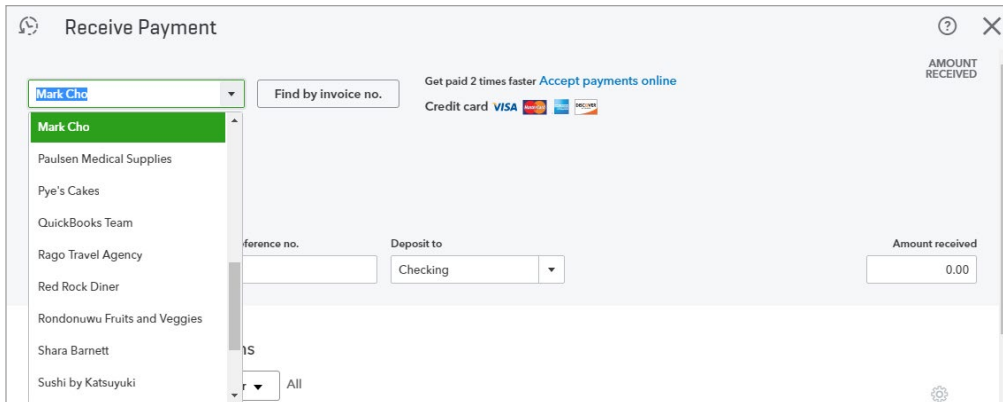


The screenshot shows the 'Create' menu in QuickBooks Online. The menu is organized into four columns: Customers, Vendors, Employees, and Other. The 'Invoice' option is highlighted under the 'Customers' column. Other options include 'Receive Payment', 'Estimate', 'Credit Memo', 'Sales Receipt', 'Refund Receipt', 'Delayed Credit', and 'Delayed Charge' under Customers; 'Expense', 'Check', 'Bill', 'Pay Bills', 'Purchase Order', 'Vendor Credit', and 'Credit Card Credit' under Vendors; 'Payroll', 'Single Time Activity', and 'Weekly Timesheet' under Employees; and 'Bank Deposit', 'Transfer', 'Journal Entry', 'Statement', 'Inventory Qty Adjustment' under Other. A 'Show less' link is at the bottom right.

Customers	Vendors	Employees	Other
Invoice	Expense	Payroll	Bank Deposit
Receive Payment	Check	Single Time Activity	Transfer
Estimate	Bill	Weekly Timesheet	Journal Entry
Credit Memo	Pay Bills		Statement
Sales Receipt	Purchase Order		Inventory Qty Adjustment
Refund Receipt	Vendor Credit		
Delayed Credit	Credit Card Credit		
Delayed Charge			

[Show less](#)




3. Select the **customer**.



The screenshot shows the 'Receive Payment' window in QuickBooks Online. The 'Mark Cho' customer is selected from the dropdown menu. The window includes a search bar for 'Find by invoice no.', a 'Credit card' section with logos for Visa, Mastercard, and American Express, and a 'Deposit to' dropdown menu set to 'Checking'. The 'Amount received' field shows '0.00'. A list of customers is visible on the left, including Paulsen Medical Supplies, Pye's Cakes, QuickBooks Team, Rago Travel Agency, Red Rock Diner, Rondonuwu Fruits and Veggies, Shara Barnett, and Sushi by Katsuyuki.

Receive Payment

Get paid 2 times faster [Accept payments online](#)

Credit card   

Find by invoice no.

Customer: **Mark Cho**

Reference no.

Deposit to: **Checking**

Amount received: **0.00**

Customers list: Paulsen Medical Supplies, Pye's Cakes, QuickBooks Team, Rago Travel Agency, Red Rock Diner, Rondonuwu Fruits and Veggies, Shara Barnett, Sushi by Katsuyuki

4. Enter the remaining information. Receive the payment ten days after the invoice date.
Deposit it to Undeposited Funds.

Receive Payment

AMOUNT RECEIVED

Mark Cho

Find by invoice no.

Get paid 2 times faster [Accept payments online](#)

Credit card

Payment date

10/10/2017

Payment method

Check

Reference no.

Deposit to

Undeposited Funds

Amount received

0.00

Outstanding Transactions

Find Invoice No.

Filter

All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input type="checkbox"/>	Invoice # 1007 (09/14/2016)	10/14/2016	314.28	314.28	

< First Previous 1-1 of 1 Next Last >

Cancel Clear Save and new

5. Select the Outstanding Transaction(s).

Receive Payment

AMOUNT RECEIVED

Mark Cho

Find by invoice no.

Get paid 2 times faster [Accept payments online](#)

Credit card

Payment date

10/10/2017

Payment method

Check

Reference no.

Deposit to

Undeposited Funds

Amount received

314.28

Outstanding Transactions

Find Invoice No.

Filter

All

	DESCRIPTION	DUE DATE	ORIGINAL AMOUNT	OPEN BALANCE	PAYMENT
<input checked="" type="checkbox"/>	Invoice # 1007 (09/14/2016)	10/14/2016	314.28	314.28	314.28

< First Previous 1-1 of 1 Next Last >

Amount to Apply \$314.28

Amount to Credit \$0.00

Clear Payment

Cancel Clear Save and new

6. Enter a Memo. (Optional)
7. Click the [Save and close](#).

You can see the Undeposited Funds account on the Chart of Accounts. In this case, the balance is \$701.28 which represents 2 payments. The \$314.28 payment we just received, and a payment of \$387 that we received earlier.

Chart of Accounts		Reconcile			
Chart of Accounts		Run Report New			
Filter by name					
NAME	TYPE	DETAIL TYPE	QUICKBOOKS BA	BANK BALANCE	ACTION
Checking	Bank	Checking	1,938.50		View register
Accounts Receivable (A/R)	Accounts rec...	Accounts Re...	2,158.22		View register
Inventory Asset	Other Curre...	Inventory	0.00		View register
Uncategorized Asset	Other Curre...	Other Curre...	0.00		View register
Undeposited Funds	Other Curre...	Undeposited...	701.28		View register

Now we'll deposit this amount to the checking account which currently has a balance of \$1,938.50.

RECORD DEPOSIT

1. Click the **+** sign. Say you received other checks as well today, and you need to deposit these at the bank.
2. Select **Bank Deposit**.

×

Create

Customers

Invoice

Receive Payment

Estimate

Credit Memo

Sales Receipt

Refund Receipt

Delayed Credit

Delayed Charge

Vendors

Expense

Check

Bill

Pay Bills

Purchase Order

Vendor Credit

Credit Card Credit

Employees

Payroll

Single Time Activity

Weekly Timesheet

Other

Bank Deposit

Transfer

Journal Entry

Statement

Inventory Qty Adjustment

Show less

3. Click the Account drop-down arrow and select the account to deposit to.

Deposit ? ×

Account: **Checking** ▼ Balance \$1,938.50 Date: 01/18/2017 AMOUNT
\$0.00

[+ Add new](#)

Checking *Bank*

Inventory Asset *Other Current Assets*

Uncategorized Asset *Other Current Assets*

Undeposited Funds *Other Current Assets*

	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input type="checkbox"/>	Mark Cho	10/10/2017	Payment	Check		314.28
<input type="checkbox"/>	Kookies by Kathy	01/18/2017	Payment	Check		387.00

1-2

Select all Clear all

Total 701.28
Selected Payments Total 0.00

Add New Deposits

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT	CLASS
1							
2							

Cancel Clear Print Make recurring **Save and close** ▼

4. Select the payments to deposit.

Deposit ? ×

Account: **Checking** ▼ Balance \$1,938.50 Date: 01/18/2017 AMOUNT
\$701.28

Select Existing Payments

	RECEIVED FROM	DATE	TYPE	PAYMENT METHOD	MEMO	REF NO.	AMOUNT
<input checked="" type="checkbox"/>	Mark Cho	10/10/2017	Payment	Check			314.28
<input checked="" type="checkbox"/>	Kookies by Kathy	01/18/2017	Payment	Check			387.00

1-2

Select all Clear all

Total 701.28
Selected Payments Total 701.28

Add New Deposits

#	RECEIVED FROM	ACCOUNT	DESCRIPTION	PAYMENT METHOD	REF NO.	AMOUNT	CLASS
1							
2							

Cancel Clear Print Make recurring **Save and close** ▼

5. Enter a Memo. (Optional)
6. Click **Save and close**.

Now Undeposited Funds is zero and the checking account reflects the deposit. When you reconcile your bank account, your QuickBooks records will match the bank's records exactly.

Chart of Accounts

Reconcile


Chart of Accounts

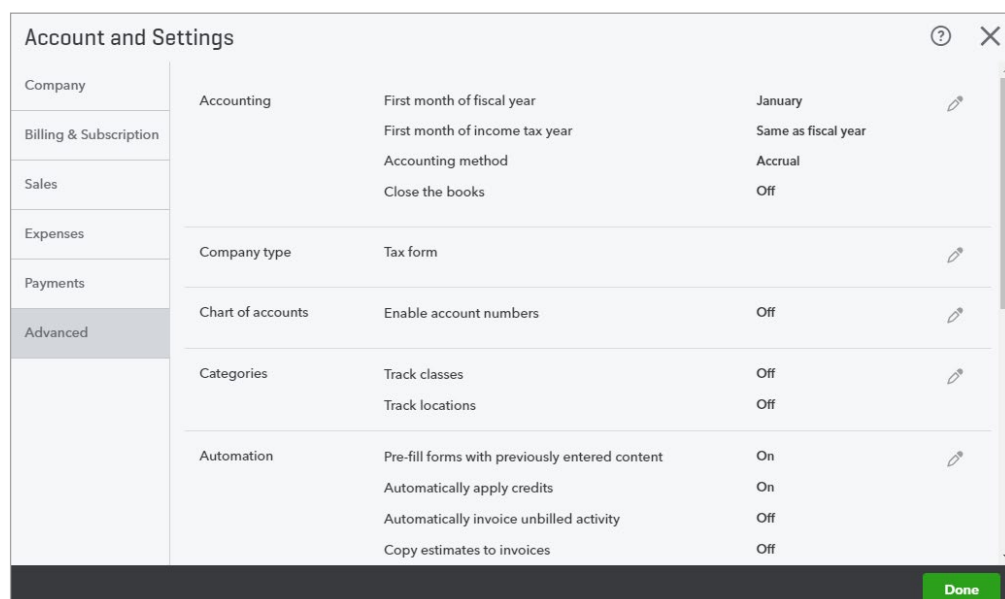
[Run Report](#) [New](#)

NAME	TYPE	DETAIL TYPE	QUICKBOOKS BA	BANK BALANCE	ACTION
Checking	Bank	Checking	2,639.78		View register
Accounts Receivable (A/R)	Accounts rec...	Accounts Re...	2,158.22		View register
Inventory Asset	Other Curre...	Inventory	0.00		View register
Uncategorized Asset	Other Curre...	Other Curre...	0.00		View register
Undeposited Funds	Other Curre...	Undeposited...	0.00		View register

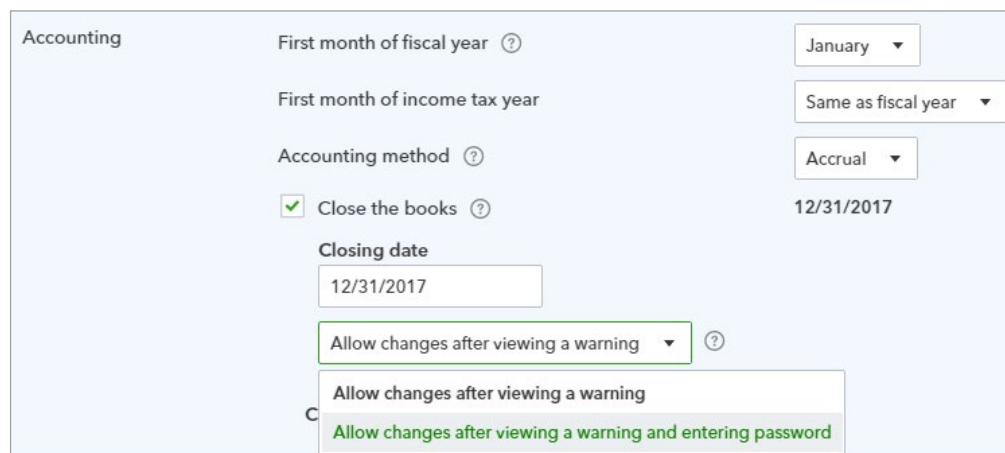
HOW TO SET A CLOSING DATE AND PASSWORD

The Closing Date in QuickBooks essentially “locks” QuickBooks on a certain date to avoid anyone modifying transactions (adding, editing, deleting) dated before that day. This is an important step to close prior accounting periods. If anyone wants/needs to modify a transaction prior to the closing date, they must know the closing date password (if you’ve set one).

1. Click the  icon and select **Account and Settings**.
2. Click the **Advanced** tab on the list to the left.



3. Click in the **Accounting** section.
4. Check the box next to **Close the books**.
5. Enter the **Closing date**.
6. Click the drop-down arrow and select the appropriate option.



7. Enter the password in the Password and Confirm Password fields. (Optional)

Accounting	First month of fiscal year ?	January ▼
	First month of income tax year	Same as fiscal year ▼
	Accounting method ?	Accrual ▼
<input checked="" type="checkbox"/>	Close the books ?	12/31/2017
	Closing date	12/31/2017
	Allow changes after viewing a warning and entering password ▼ ?	
	Password
	Confirm Password
Cancel		Save

8. Click [Save](#) and [Done](#).