

## 4

## Working with Vendors



**V**endors are the people and businesses you buy products and services from. In this chapter, you will build a vendor list. You will prepare vendor-related purchase and expense transactions, such as creating an Accounts Payable bill and recording a credit card and debit card purchase. You will also create vendor Accounts Payable and purchase-related management reports to assist with purchase history and unpaid bills.

**LEARNING OBJECTIVES**

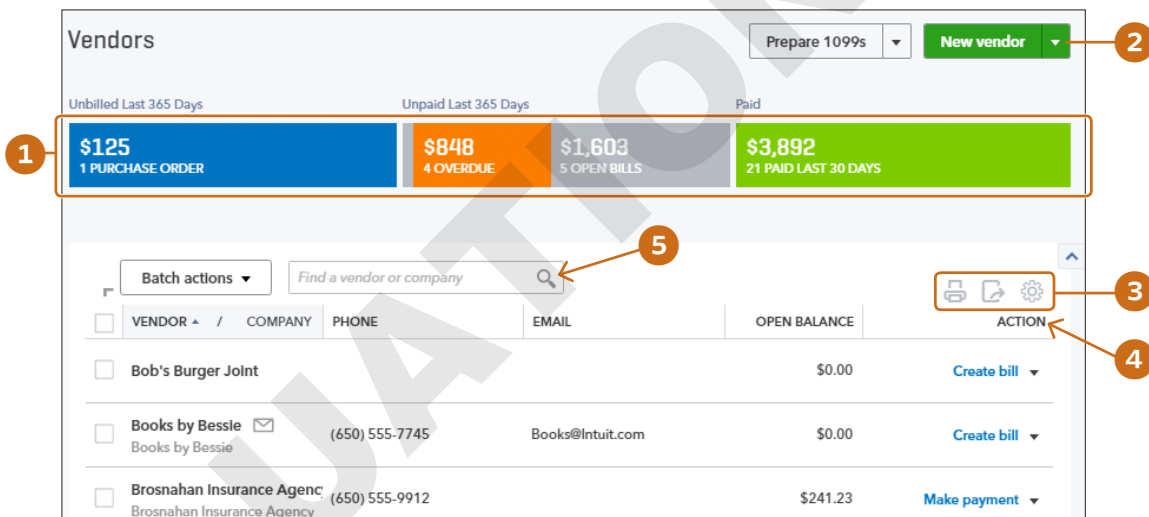
- ▶ Set up vendors
- ▶ Edit settings and preferences
- ▶ Create expense transactions
- ▶ Make payments to vendors
- ▶ Create vendor reports

## Project: Craig's Design and Landscaping Services

Craig Carlson purchases supplies from a number of businesses. He would like to set up all these businesses as vendors in QuickBooks Online. Craig pays for his purchases in several different ways. He has an account with some of his vendors, so that he can make purchases and then receive a bill to be paid later. Craig also uses his credit and debit cards for many purchases.

## The Vendors Center

The Vendors center is located on the Navigation bar. It provides information about your vendors and your transactions with them in a single place. It allows you to perform vendor-related tasks such as searching for vendors, adding vendors, importing vendor lists, editing and merging vendor information, and making vendors inactive. The Vendors center also includes tools that allow you to quickly perform tasks such as printing and exporting vendor lists, and adjusting list settings.



The screenshot shows the 'Vendors' center in QuickBooks Online. At the top, there's a 'Prepare 1099s' dropdown and a 'New vendor' button (callout 2). Below this is a summary bar (callout 1) with four colored boxes: a blue box for '\$125 1 PURCHASE ORDER', an orange box for '\$848 4 OVERDUE', a grey box for '\$1,603 5 OPEN BILLS', and a green box for '\$3,892 21 PAID LAST 30 DAYS'. The main area contains a table of vendors with columns for 'VENDOR / COMPANY', 'PHONE', 'EMAIL', 'OPEN BALANCE', and 'ACTION'. A search bar (callout 5) is at the top of the table. On the right side of the table, there are icons for print, export, and settings (callout 3), and an 'ACTION' column with links like 'Create bill' (callout 4) and 'Make payment'.

VENDOR / COMPANY	PHONE	EMAIL	OPEN BALANCE	ACTION
Bob's Burger Joint			\$0.00	Create bill
Books by Bessie Books by Bessie	(650) 555-7745	Books@Intuit.com	\$0.00	Create bill
Brosnahan Insurance Agenc Brosnahan Insurance Agency	(650) 555-9912		\$241.23	Make payment

- 1 Money bar
- 2 New Vendor icon
- 3 Print, Export, and Settings icons
- 4 Individual vendor actions menu
- 5 Vendor search field

## The Money Bar

The Vendors center's multi-colored money bar gives you a quick snapshot of Accounts Payable, including open, past-due, and paid bills. You can click money bar sections to access more detailed information about these bills.

## The Vendor List

The Vendor list displays vendor names, contact information, and open balances at a glance, as well as detailed transaction information when you select a specific name. The Action menu lets you quickly create transactions for the selected vendor.

You can add vendors individually or you can import them from an Excel or CSV worksheet.

## Adding Vendors

QuickBooks Online does not allow you to add two vendors with the exact name. You must include a middle initial or other distinguishing identifier in the Display Name As field to make the names different.

**TIP!** Using the Vendors center is not the only way to add vendors. You can also add new vendors from within a purchase/expense form by typing the vendor name and adding details as directed.

### ✓ Best Practice

As you create new vendors, enter as much information as possible so you can fully utilize the power of QuickBooks Online data when creating management reports. For example, be sure to include address and contact information in the Vendor list.

### DEVELOP YOUR SKILLS 4-1

*In this exercise, you will add a new vendor in Craig's Design and Landscaping Services.*

**Before You Begin:** Access the QuickBooks Online test drive at <https://qbo.intuit.com/redir/testdrive> and leave the test drive open for the entire chapter.

**NOTE!** Remember, the QuickBooks Online user interface is updated frequently. Some of the names and features in course exercises may be different from what you see on your interface.

1. Click **Vendors** on the Navigation bar.
2. Click the **New Vendor** button at the top-right corner of the browser window.
3. Type **Morning Supplies** as the company name and then tap **Tab**.
4. The display name should fill automatically; if not, type **Morning Supplies** here and then tap **Tab** twice.
5. For the address, type **1458 Magnolia** and tap **Tab**, type **Bayshore** and tap **Tab**, type **CA** and tap **Tab**, and then type **94305** and tap **Tab** four times.
6. Type **650-555-8814** in the Phone field.

7. Choose **Net 10** in the Terms field.

Vendor Information					
Title	First name	Middle name	Last name	Suffix	Email
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="Separate multiple emails with commas"/>
Company			Phone	Mobile	Fax
<input type="text" value="Morning Supplies"/>			<input type="text" value="(650) 555-8814"/>	<input type="text"/>	<input type="text"/>
*Display name as			Other Website		
<input type="text" value="Morning Supplies"/>			<input type="text"/>		
Print on check as <input checked="" type="checkbox"/> Use display name			Billing rate (/hr)	Terms	
<input type="text" value="Morning Supplies"/>			<input type="text"/>	<input type="text" value="Net 10"/>	
Address <a href="#">map</a>			Opening balance	as of	
<input type="text" value="1458 Magnolia"/>			<input type="text"/>	<input type="text" value=""/>	
<input type="text" value="Bayshore"/>		<input type="text" value="CA"/>	Account no.		
<input type="text" value="94305"/>		<input type="text" value="Country"/>	<input type="text" value="Appears in the memo of all payments"/>		
			Tax ID		

8. Click **Save**.

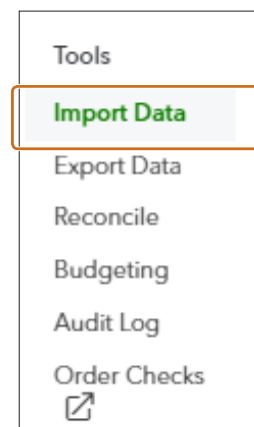
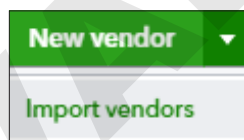
*The Display Name As field is the only required field to set up a new vendor. By completing more fields, you will be able to create more vendor management reports.*

## Importing Vendor Data from an Excel or CSV File

QuickBooks Online allows you to import vendor lists from an Excel or comma-separated values (CSV) worksheet. One way you can import vendor lists is by accessing the Import Data tool from the Gear menu.

The Import Data tool allows you to import information not only about vendors, but also customers, Charts of Accounts, and products and services. The tool includes forms and prompts to help you upload and map your lists to QuickBooks Online format. This feature is a great time saver for existing businesses that have large lists.

QuickBooks Online often provides multiple ways to do something, depending on where you are working within the application. Besides using the Import Data tool, you can also import data from within the Vendors center.



⚙️ Gear ⚙️ → Tools → Import Data

➡️ Vendors Center → New Vendor menu ▼ → Import Vendors



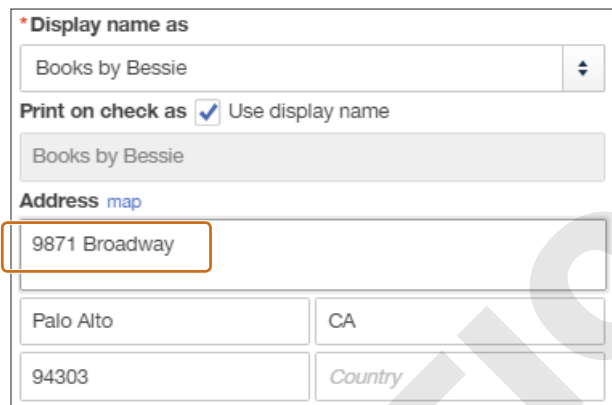
## Editing, Merging, and Making Vendors Inactive

Your Vendor list is customizable. After you add a vendor, you can go back and edit the record. You can also merge two lists if you find that the same vendor is listed twice. Doing so will combine all the vendor's transactions into a single record. Finally, to keep your Vendor list current and less cluttered, you can inactivate vendor records that you are no longer dealing with. As with customers, you can inactivate vendors but never truly delete them.

### DEVELOP YOUR SKILLS 4-2

*In this exercise, you will edit vendor data, merge two vendor records, and make one vendor inactive. Books by Bessie notified you that they had moved. You will start by editing the address.*

1. Choose **Books by Bessie** from the Vendors list.
2. Click the **Edit** button and then type the new address as shown:



\*Display name as  
Books by Bessie

Print on check as ☒ Use display name  
Books by Bessie

Address [map](#)  
9871 Broadway

Palo Alto CA

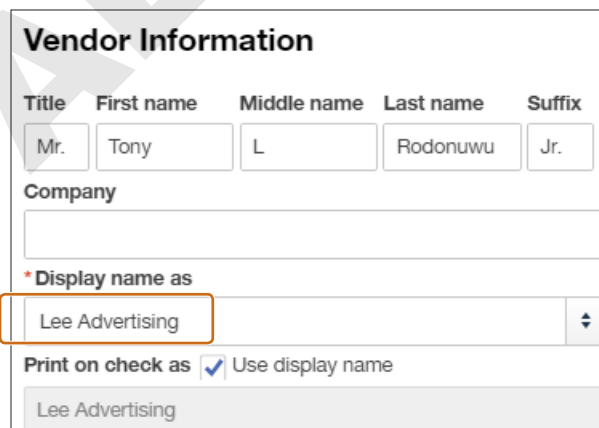
94303 Country

3. Click **Save**.
4. Return to the **Vendors** list.

## Merge Two Vendors

*You have discovered that Lee Advertising is actually owned by Tony Rondonuwu. You will now merge these two records.*

5. Choose **Tony Rondonuwu** from the Vendors list.
6. Click the **Edit** button and then change the display name to: **Lee Advertising**



**Vendor Information**

Title	First name	Middle name	Last name	Suffix
Mr.	Tony	L	Rondonuwu	Jr.

Company

\*Display name as  
Lee Advertising

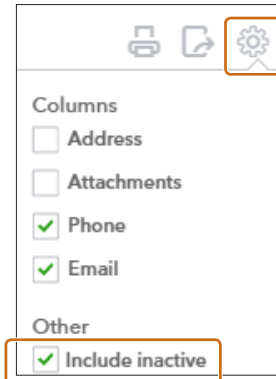
Print on check as ☒ Use display name  
Lee Advertising

7. Click **Save** and confirm the change, and then return to the **Vendors** list.

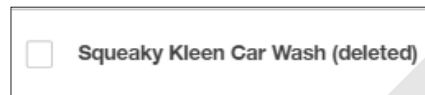
## Make a Vendor Inactive

Craig reviewed the Vendor list and wants to remove old or inactive vendors. Squeaky Kleen Car Wash closed last month, so you will make this vendor inactive.

8. Select **Squeaky Kleen Car Wash** from the Vendors list.
9. Click the **Edit** button and then click **Make Inactive** at the bottom of the window; confirm the change when prompted.
10. Return to the **Vendors** list.
11. To see a complete list of vendors, including inactive vendors, click the **Settings** icon above the Action menu and then click in the checkbox for **Include Inactive**.



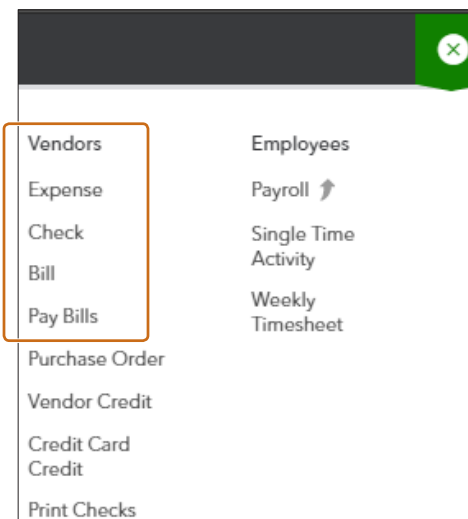
The inactive vendor is now included in the list, but it has been deleted.



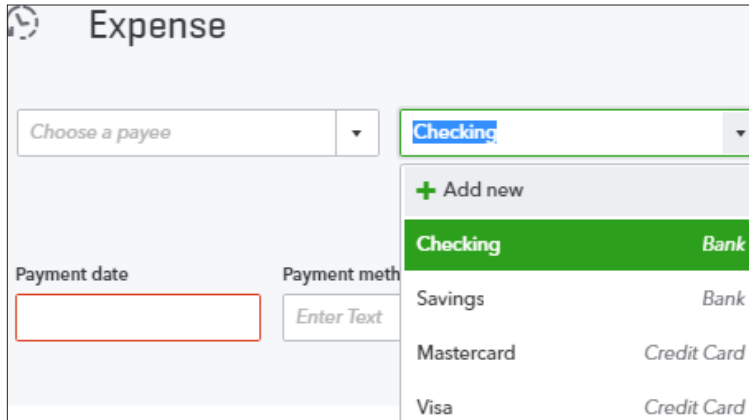
## Creating Vendor Transactions: Purchases and Expenses

Vendor transactions in QuickBooks Online are recorded either as an expense when you pay at the time of purchase, or as a bill if you make a purchase and pay later. Expense forms are used for all payments made with a debit card, credit card, automatic withdrawal, or wire transfer. If you have an account with your vendors, you will enter the bill on the date you made the purchase and pay the bill at a later time.

Remember that all QuickBooks Online forms are intuitive. An expense form will always credit the bank or credit card account chosen. A check form

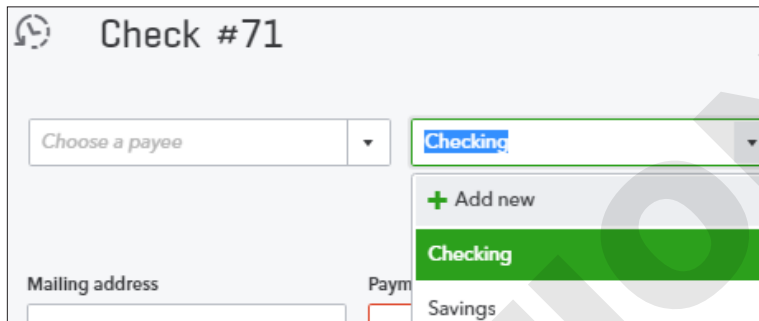


will always credit the bank account chosen. A bill form will always credit Accounts Payable; this default setting cannot be changed.



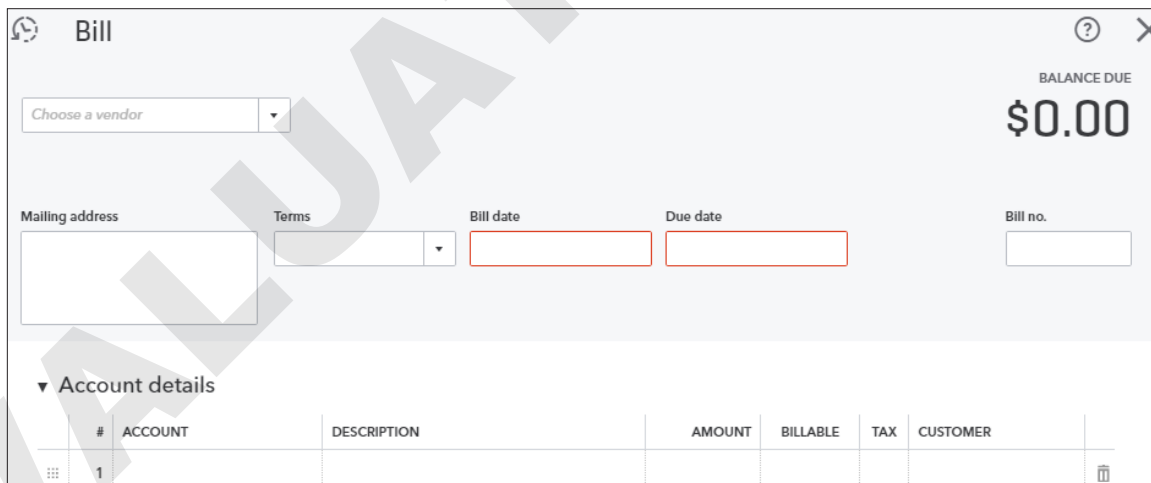
The Expense form shows a dropdown for 'Choose a payee' and a dropdown for 'Checking' which is open, showing a list of accounts: Checking (Bank), Savings (Bank), Mastercard (Credit Card), and Visa (Credit Card). There is a '+ Add new' button above the list. Below the dropdowns are fields for 'Payment date' and 'Payment method' with a text entry button.

Expense form



The Check form is titled 'Check #71'. It features a 'Choose a payee' dropdown and a dropdown for 'Checking' which is open, showing 'Checking' and 'Savings' as options. There is a '+ Add new' button. Below are fields for 'Mailing address' and 'Paym' (partially visible).

Check form



The Bill form is titled 'Bill'. It includes a 'Choose a vendor' dropdown, a 'Mailing address' field, a 'Terms' dropdown, 'Bill date' and 'Due date' fields, and a 'Bill no.' field. The 'BALANCE DUE' is shown as '\$0.00'. Below these fields is an expandable section 'Account details' which contains a table with columns: #, ACCOUNT, DESCRIPTION, AMOUNT, BILLABLE, TAX, and CUSTOMER. The table has one row with the number '1' in the first column.

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1						

Bill form

## BEHIND THE SCENES

In accrual basis accounting, you record the expense when you have the obligation to pay. Remember, QuickBooks Online is a double-entry accounting system, meaning every time one account is affected, there is an equal and opposite effect on a corresponding account. QuickBooks Online handles all the accounting for you. Here is an example of what's happening behind the scenes.

When entering a bill for General Supplies for \$230, the Supplies Expense record increases with a debit and the Accounts Payable (liability) record increases with a credit.

Supplies Expense		Accounts Payable	
230			230

When the bill is paid, the Checking Account record will decrease with a credit, and the Accounts Payable account will decrease with a debit.

Checking Account		Accounts Payable	
	230	230	


## Customizing Expense Form Settings

Before you begin recording expense transactions, decide what information should appear on expense forms and then check that form settings are appropriate for your business. Although you can customize the content of expense forms, using the Edit icon in the Expenses folder, you cannot customize their appearance (as you can with customer forms such as invoices and sales receipts).



In the following figure, all of the defaults are On for Craig's Design and Landscaping.

Account and Settings			
Company	Bills and expenses	Show Items table on expense and purchase forms	On
Sales		Track expenses and items by customer	On
		Make expenses and items billable	On
Expenses		Default bill payment terms	
Advanced	Purchase orders	Use purchase orders	On



When you click the Edit  icon in the Bills and Expenses section, you can change the terms, markup, sales tax, and more.

Company	Bills and expenses	<input checked="" type="checkbox"/> Show Items table on expense and purchase forms ? On <input checked="" type="checkbox"/> Track expenses and items by customer ? On <input checked="" type="checkbox"/> Make expenses and items billable ? On <input type="checkbox"/> Markup with a default rate of 0.00 % ? <input checked="" type="checkbox"/> Track billable expenses and items as income ? <input checked="" type="radio"/> In a single account <input type="radio"/> In multiple accounts ? <input type="checkbox"/> Charge sales tax ? Default bill payment terms <span style="border: 1px solid black; padding: 2px;"> </span>
Sales		
Expenses		
Advanced		
		<div>Cancel <span style="background-color: #28a745; color: white; padding: 5px 10px; border-radius: 3px;">Save</span></div>

 Gear  Account and Settings→Expenses

## Creating Check, Expense, and Bill Records

QuickBooks Online forms are designed to work dynamically with one another. If you link your Chart of Accounts and your Products and Services lists correctly as you prepare your expense or purchase forms, the appropriate accounting transactions will be created when you make a transaction.


If you write a check at the time of a purchase, you will use a check form to record your transaction. If you use a credit card or debit card to pay for items at the time of purchase, you will use an expense form. If you purchase goods and services and pay for them later, then you will enter the transaction in a bill form and pay the bill at a later date.

**WARNING!** It's not a good practice to record expenses on a journal entry or directly on a bank withdrawal form. The profit and loss report would be correct, but the purchases/expenses would not appear on vendor reports.

### DEVELOP YOUR SKILLS 4-3

*In this exercise, you will record a check, a credit card purchase and a debit card purchase for purchases made on September 1, 2021. You will start by recording a purchase made by check at Morning Supplies.*

*Craig stopped by Morning Supplies to purchase some materials he needed. It was a small purchase, so he used a check that he happened to have in his wallet.*

1. Choose **Create**  → **Vendors** → **Check**.
2. Choose **Morning Supplies** as the payee field and tap Tab.
3. Choose **Checking** as the account type, if necessary, and tap Tab.
4. Type **09/01/2021** for the payment date and tap Tab.
5. If necessary, enter **71** as the check number (it will likely autofill for you).
6. Choose **Landscaping Services: Job Materials** in the Account field and tap Tab.

7. Type **Misc. Parts and Plant Feed** in the Description field and tap **Tab**.
8. Type **42.75** in the Amount field.

Check #71

Morning Supplies Checking Balance \$1,158.25

AMOUNT \$42.75

Mailing address: Morning Supplies, 1458 Magnolia, Bayshore, CA 94305

Payment date: 09/01/2021

Check no.: 71

Print later

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Landscaping Services:Job Materials	Misc. Parts and Plant Feed	42.75			

9. Choose to **Save and Close** the check form.

## Create an Expense Form

Craig met Bill for a quick lunch at Bob's Burger Joint on 09/01/2021. Craig paid with his debit card. You will now use an expense form to record the transaction.

**TIP!** When entering an expense transaction, it's important to indicate from which account it was paid.

1. Choose **Create** → **Vendors** → **Expense**.
2. Choose **Bob's Burger Joint** as the payee field and tap **Tab**.
3. Choose **Checking** as the account type, if necessary, and tap **Tab**.
4. Type **09/01/2021** for the payment date and tap **Tab** twice.
5. Type **Debit** in the Ref. No. field and tap **Tab**.
6. Choose **Meals and Entertainment** in the Account field and tap **Tab**.
7. Type **Lunch with Bill** in the Description field and tap **Tab**.
8. Type **24.97** in the Amount field.

Expense #Debit

Bob's Burger Joint Checking Balance \$1,158.25

AMOUNT \$24.97

Payment date: 09/01/2021

Payment method: Enter Text

Ref no.: Debit

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Meals and Entertainment	Lunch with Bill	24.97			

9. Choose **Save**.

Now you will view the accounting behind the scenes for this transaction.

10. In the bottom tray, click the **More** button and then choose **Transaction Journal**.

Craig's Design and Landscaping Services							
JOURNAL							
All Dates							
DATE	TRANSACTION TYPE	NUM	NAME	MEMO/DESCRIPTION	ACCOUNT	DEBIT	CREDIT
09/01/2021	Expense	Debit	Bob's Burger Joint	Lunch with Bill	Checking		\$24.97
					Meals and Entertainment	\$24.97	\$24.97
TOTAL						\$24.97	\$24.97

In this example, Meals and Entertainment is the debit, and Checking is the credit.

## Record a Credit Card Purchase

In this transaction, you will enter a credit card purchase for coffee mugs with a logo from Mahoney Mugs.

11. Choose **Create** → **Vendors** → **Expense**.
12. Complete the Expense form as noted, tapping **Tab** to navigate the fields:
- Payee: **Mahoney Mugs**
  - Account: **Mastercard**
  - Payment Date: **09/01/2021**
  - Ref No.: **MC**
  - Account: **Office Expenses**
  - Description: **Mugs with Logo**
  - Amount: **36.50**

Expense #MC

Mahoney Mugs

Mastercard

Balance \$157.72

AMOUNT

\$36.50

Payment date

09/01/2021

Payment method

Enter Text

Ref no.

MC

Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Office Expenses	Mugs with Logo	36.50			


13. Choose **Save and Close**.

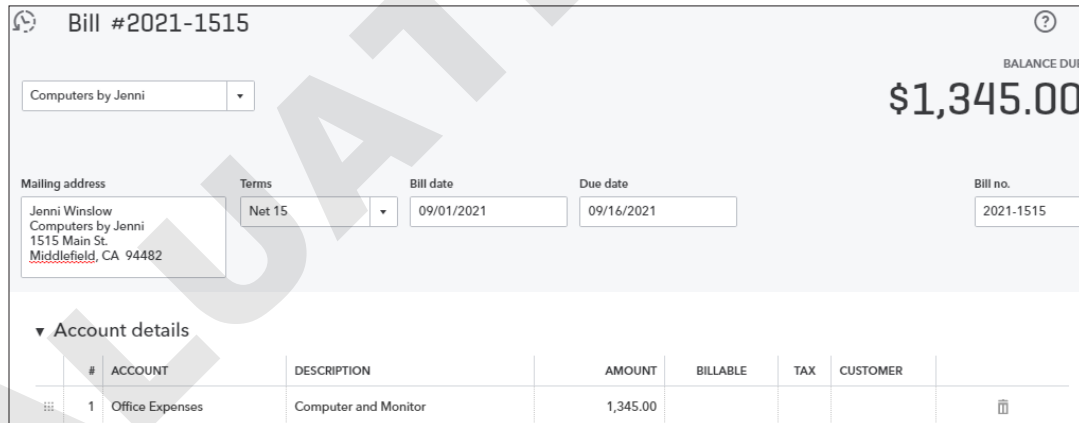
# Managing Accounts Payable

You can use QuickBooks Online to manage your Accounts Payable—that is, purchases that will be paid later, or on account. When vendors send you bills and you enter these bills in QuickBooks Online, you can keep track of the amount you owe for purchases in any given period. As you set up each vendor, you can specify the terms for that vendor. You can also enter the terms directly on the bill form.

## DEVELOP YOUR SKILLS 4-4

*Craig has ordered new computers and monitors for his office from Computers by Jenni. They will be delivered today, 9/1/2021, and the terms are net-15 days. In this exercise, you will enter a bill for purchases made today and payable in fifteen days.*

1. Choose Create  → Vendors → Bill.
2. Complete the Bill form as follows, using **Tab** to navigate the fields:
  - Vendor: Computers by Jenni
  - Terms: Net 15
  - Bill Date: 09/01/2021
  - Bill No.: 2021-1515
  - Account: Office Expenses
  - Description: Computer and Monitor
  - Amount: 1345.00



**Bill #2021-1515**

Computers by Jenni

**BALANCE DUE**  
**\$1,345.00**

Mailing address: Jenni Winslow  
Computers by Jenni  
1515 Main St.  
Middlefield, CA 94482

Terms: Net 15

Bill date: 09/01/2021

Due date: 09/16/2021

Bill no.: 2021-1515

▼ Account details

#	ACCOUNT	DESCRIPTION	AMOUNT	BILLABLE	TAX	CUSTOMER
1	Office Expenses	Computer and Monitor	1,345.00			

3. Choose **Save**.
4. In the bottom tray, choose **More** → **Transaction Journal**.

*Accounts Payable is the credit, which increases liabilities on the balance sheet. Office Supplies is the debit, which increases expenses on the profit and loss statement.*

## Accounts Payable Reports

The Reports center on the Navigation bar contains a number of vendor-related reports to help you manage your Accounts Payable. For example, the Manage Accounts Payable report in the All Reports folder lets you track what you owe and when payments are due so that you can manage your cash flow. The A/P Aging Summary report in the Recommended folder shows your unpaid bills and how long you have owed on them.

Recommended	Frequently Run	My Custom Reports	Management Reports	<b>All Reports</b>
<h3>All Reports</h3> <div> <div> <b>Business Overview</b>            These reports show different perspectives of how your business is doing.         </div> <div> <b>Manage Accounts Payable</b>            These reports show what you owe and when payments are due so you can take advantage of the time you have to pay bills but still make payments on time.         </div> </div> <div> <div> <b>Review Sales</b>            These reports group and total sales in different ways to help analyze your sales to see how you're doing and where you make your money.         </div> <div> <b>Review Expenses and Purchases</b>            These reports total your expenses and purchases and group them in different ways to help you understand what you spend.         </div> <div> <b>Manage Sales Tax</b>            These reports help you manage the sales taxes you collect and then pay the tax agencies.         </div> </div>				

### DEVELOP YOUR SKILLS 4-5

*In this exercise, you will create reports to assist you in managing the Accounts Payable for Craig's Design and Landscaping Services.*

1. Click **Reports** in the Navigation bar.
2. In the Recommended Reports section, click **A/P Aging Summary**.
3. Type **09/30/2021** in the As Of field.
4. Click **Run Report**.

This report summarizes the vendors and the amounts due.

Craig's Design and Landscaping Services						
A/P AGING SUMMARY						
As of September 30, 2021						
	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
Brosnahan Insurance Agency					241.23	\$241.23
Computers by Jenni		1,345.00				\$1,345.00
Diego's Road Warrior Bodyshop					755.00	\$755.00
Norton Lumber and Building Mate...					205.00	\$205.00
PG&E					86.44	\$86.44
Robertson & Associates					315.00	\$315.00
<b>TOTAL</b>	<b>\$0.00</b>	<b>\$1,345.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$1,602.67</b>	<b>\$2,947.67</b>

5. To see details about various totals, click any amount.
6. Review details as you like and then return to the **Reports** center.
7. Click the **All Reports** tab, choose **Manage Accounts Payable**, and then choose **Vendor Balance Summary**.
8. Ensure that **All Dates** appears in the Transaction Date field and then click **Run Report**.

This report gives you similar information as the A/P Aging Summary, but in a different format.

Craig's Design and Landscaping Services	
VENDOR BALANCE SUMMARY	
All Dates	
	TOTAL
Brosnahan Insurance Agency	241.23
Computers by Jenni	1,345.00
Diego's Road Warrior Bodyshop	755.00
Norton Lumber and Building Materials	205.00
PG&E	86.44
Robertson & Associates	315.00
<b>TOTAL</b>	<b>\$2,947.67</b>

Craig would like to know whether any bills are overdue. The A/P Aging Detail Report will provide this information.

9. Return to the **Reports** center.
10. Choose **A/P Aging Detail** and notice the report lists each bill, the number of days it is past due, and the amount.

Craig's Design and Landscaping Services							
A/P AGING DETAIL							
As of November 11, 2016							
DATE	TRANSACTION TYPE	NUM	VENDOR	DUE DATE	PAST DUE	AMOUNT	OPEN BALANCE
~ 31 - 60 days past due							
09/01/2016	Bill		PG&E	10/01/2016	41	86.44	86.44
<b>Total for 31 - 60 days past due</b>						<b>\$86.44</b>	<b>\$86.44</b>
~ 1 - 30 days past due							
10/16/2016	Bill		Robertson & Associates	10/16/2016	26	315.00	315.00
10/16/2016	Bill		Norton Lumber and Building Ma...	10/16/2016	26	205.00	205.00
10/09/2016	Bill		Brosnahan Insurance Agency	10/19/2016	23	241.23	241.23
<b>Total for 1 - 30 days past due</b>						<b>\$761.23</b>	<b>\$761.23</b>
~ Current							
10/14/2016	Bill		Diego's Road Warrior Bodyshop	11/13/2016	-2	755.00	755.00
<b>Total for Current</b>						<b>\$755.00</b>	<b>\$755.00</b>
<b>TOTAL</b>						<b>\$1,602.67</b>	<b>\$1,602.67</b>



**TIP!** You can access similar information on the Vendors center money bar. Click the red Overdue section to display only overdue bills.

**Vendors** [Clear Filter / View All](#) Prepare 1099s New vendor

Unbilled Last 365 Days      Unpaid Last 365 Days      Paid

<b>\$125</b> 1 PURCHASE ORDER	<b>\$848</b> 4 OVERDUE	<b>\$2,948</b> 6 OPEN BILLS	<b>\$3,832</b> 18 PAID LAST 30 DAYS
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Batch actions

<input type="checkbox"/>	VENDOR / COMPANY	PHONE	EMAIL	PENDING BILLS
<input type="checkbox"/>	PG&E	(888) 555-9465	utilities@noemail.com	1 Overdue bill
<input type="checkbox"/>	Norton Lumber and Building Materials	(650) 363-6578	Materials@intuit.com	1 Overdue bill
<input type="checkbox"/>	Brosnahan Insurance Agency	(650) 555-9912		1 Overdue bill
<input type="checkbox"/>	Robertson & Associates	(650) 557-1111		1 Overdue bill

## Other Vendor Reports

The All Reports folder includes a category called Review Expenses and Purchases. These reports provide summaries and/or detailed information about purchases by vendor, as well as purchases by Product/Service.

Recommended    Frequently Run    My Custom Reports    Management Reports    **All Reports**

### All Reports

**Business Overview**

These reports show different perspectives of how your business is doing.

**Manage Accounts Receivable**

These reports let you see who owes you money and how much they owe you so you can get paid.

**Review Sales**

These reports group and total sales in different ways to help analyze your sales to see how you're doing and where you make your money.

**Review Expenses and Purchases**

These reports total your expenses and purchases and group them in different ways to help you understand what you spend.

Reports center → All Reports → Review Expenses and Purchases

## DEVELOP YOUR SKILLS 4-6

In this exercise, you will prepare a vendor report to show Craig the transactions for each vendor last month.

1. Open the **Reports** center and choose **All Reports**→**Review Expenses and Purchases**→**Transaction List by Vendor**.
2. Choose **Last Month** in the Transaction Date field and click **Run Report**.

A partial list of the report appears here. Your dates will vary.

The screenshot shows the 'Transaction List by Vendor' report interface. At the top, the 'Report period' is set to 'Last Month' (highlighted with an orange box), with dates '10/01/2016' to '10/31/2016'. Below this, the 'Rows/columns' section shows 'Group by' set to 'Vendor'. A 'Run report' button is visible. The report title is 'Craig's Design and Landscaping Services' and 'TRANSACTION LIST BY VENDOR' for 'October 2016'. The table below shows transactions for three vendors: Bob's Burger Joint, Books by Bessie, and Brosnahan Insurance Agency.


DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
▼ Bob's Burger Joint						
10/07/2016	Cash Expense		Yes		Checking	-5.66
10/12/2016	Cash Expense		Yes		Checking	-3.86
10/21/2016	Credit Card Expense		Yes	Bought lunch for crew 102	Mastercard	18.97
▼ Books by Bessie						
10/02/2016	Bill		Yes		Accounts Payable (A/P)	75.00
10/14/2016	Bill Payment (Check)	3	Yes		Checking	-75.00
▼ Brosnahan Insurance Agency						
10/09/2016	Bill		Yes	Opening Balance	Accounts Payable (A/P)	2,000.00

## Paying Bills

When you pay bills in QuickBooks Online, you choose the account to make the payment from. When you pay with a check, the Accounts Payable (liability) decreases **and** the checking account balance (asset) decreases. You can also pay bills with a credit card.

## DEVELOP YOUR SKILLS 4-7

In this exercise, you will pay all the bills that are past due and print checks.

1. Choose **Create** →**Vendors**→**Pay Bills**.
2. Choose **Checking** as the payment account and tap **Tab**.
3. Type **09/01/2021** as the payment date field and tap **Tab**.
4. The Starting Check No. field should fill in with check number 72; if not, update it accordingly.

5. Click the checkboxes to the left of the first four vendors (payees).

Filter ▾	Last 365 Days			
<input type="checkbox"/>	PAYEE	REF NO.	DUE DATE ▲	
<input checked="" type="checkbox"/>	PG&E		11/11/2016	!
<input checked="" type="checkbox"/>	Norton Lumber and ...		11/26/2016	!
<input checked="" type="checkbox"/>	Robertson & Associa...		11/26/2016	!
<input checked="" type="checkbox"/>	Brosnahan Insuranc...		11/29/2016	!
<input type="checkbox"/>	Diego's Road Warri...		12/24/2016	
<input type="checkbox"/>	Computers by Jenni	2021-1515	09/16/2021	

## Print Checks

- Click **Save and Print**.
- Choose **Voucher** as the check type.
- Click the **Yes, I'm finished with Setup** button at the bottom-right corner of the browser window.
- At the top of the Print Checks window, verify that **Checking** is selected as the account type.
- Enter **72** in the Starting Check No. field and then click **Preview and Print**.

**Print Checks** ✕

Checking ▾ Balance \$285.61 4 checks selected \$847.67 Add check

Remove from list Sort by Date / Order created ▾ Show all checks ▾ Starting check no. 72 🖨️ ⚙️

<input type="checkbox"/>	DATE	TYPE	PAYEE	AMOUNT
<input checked="" type="checkbox"/>	09/01/2021	Bill Payment (Check)	PG&E	\$86.44
<input checked="" type="checkbox"/>	09/01/2021	Bill Payment (Check)	Norton Lumber and Building Mater...	\$205.00
<input checked="" type="checkbox"/>	09/01/2021	Bill Payment (Check)	Robertson & Associates	\$315.00
<input checked="" type="checkbox"/>	09/01/2021	Bill Payment (Check)	Brosnahan Insurance Agency	\$241.23

Cancel Print setup Order checks Preview and print

*If this were a real work situation, you would now load your checks into your printer. For this example, you will print on plain paper or to a PDF file.*

- On the Print Preview screen, click **Print** and choose to print on blank paper or to a PDF file. (If printing to PDF, choose an appropriate name for the file.)
- Close ✕ the Print Preview screen.
- Click **Done** in the next window and then **Close** ✕ the Print Check window.
- Return to the **Vendors** center.

No bills are overdue now.

# Tackle the Tasks

This is your opportunity to apply some of the skills learned in this chapter to accomplish additional tasks for Craig's Design and Landscaping Services. To refresh your memory, refer to the concepts and Develop Your Skills exercises as needed.

**Before You Begin:** Close the current test drive file and then open a new test drive file.

Task	Use This Information
Set up new vendors	<ul style="list-style-type: none"> <li>Christina Gomez, 456 College Ave., Bayshore, CA 94301</li> <li>Gloria's Garden, 8585 Main Drive, Bayshore, CA 94302</li> <li>KGS Tax and Accounting, PO Box 145, Bayshore, CA 94302</li> </ul>
Create an expense	Paid Gloria's Garden for purchase of Custom Garden Art; Job Expenses: Job Materials account; paid \$255 with check number 76 on 9/01/2021
Create a bill	Billed \$100 by Books by Bessie for accounting services (Legal & Professional Fees account); bill number 2021-902; dated 9/2/2021; due in 15 days
Create a bill	Dated 9/2/2021 from Cal Telephone for purchase of a new speaker gadget for conference room; bill number 15188 for \$89.23; Office Expenses account; due in 15 days
Create an expense	Paid Squeaky Kleen Car Wash \$19.99 with MasterCard on 9/3/2021; Automobile
Pay all the bills	For Books by Bessie and Cal Telephone on 9/17/2021 from the checking account; start with check number 77
Create a Transaction List by Vendor report and export it to Excel (XLSX)	September 1 through September 30, 2021

Your report should look like this.

Craig's Design and Landscaping Services						
TRANSACTION LIST BY VENDOR						
September 2021						
DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	AMOUNT
▼ Books by Bessie						
09/02/2021	Bill	2021-902	Yes		Accounts Payable (A/P)	100.00
09/17/2021	Bill Payment (Check)	77	Yes	1345	Checking	-100.00
▼ Cal Telephone						
09/02/2021	Bill	15188	Yes		Accounts Payable (A/P)	89.23
09/17/2021	Bill Payment (Check)	78	Yes		Checking	-89.23
▼ Gloria's Garden						
09/01/2021	Expense	76	Yes		Checking	-255.00
▼ Squeaky Kleen Car Wash						
09/03/2021	Expense	MC	Yes		Mastercard	19.99

# Self-Assessment

Check your knowledge of this chapter's key concepts and skills using the Self-Assessment quiz here or in your eLab course.

1. You can delete a vendor in QuickBooks Online.
2. You can have two vendors with the same name.
3. A vendor is a person or business you sell services or products to.
4. You can set up a new vendor only from the Vendors center.
5. You can record purchases with a credit card in QuickBooks Online.
6. The Accounts Payable Aging report displays the number of days a bill is past due.
7. You can customize the appearance of a bill form in QuickBooks Online.
8. You can import vendor information into QuickBooks Online.
9. A Vendor Balance Summary report is useful for knowing the total amount purchased from each vendor.
10. Hector is a supplier who sells you products. Which list should you add him to?
  - a. Contacts
  - b. Customer
  - c. Vendor
  - d. Chart of Accounts
11. To enter a transaction for a service paid for using a debit card, you would:
  - a. choose Create→Vendors→Debit Card
  - b. choose Create→Vendors→Payment
  - c. choose Create→Vendors→Expense
  - d. choose Create→Vendors→Bill
12. How can you track Accounts Payable in QuickBooks Online?
  - a. Record an expense and then pay it.
  - b. Enter a bill and then pay it.
  - c. Write a check for the expense.
  - d. You cannot track Accounts Payable in QuickBooks Online.
13. To take a quick look at all past-due bills, you should:
  - a. create a Vendor Transaction report.
  - b. click the red Past Due section on the money bar in the Vendors center.
  - c. create a Chart of Accounts and check the balance in Accounts Payable.
  - d. choose Create→Vendors→Pay Bills.

## Reinforce Your Skills

*For these exercises, you will work with Puppy Luv Pampered Pooch, the company account created in your trial subscription to QuickBooks Online.*

*Sadie has given you some bills that have been paid with a check, debit, or credit card. She also has a few bills that need to be scheduled for payment later. Recording these expenses for Puppy Luv Pampered Pooch is an opportunity to reinforce some of the skills learned about vendors and expenses.*

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### REINFORCE YOUR SKILLS 4-1

#### Add and Edit Vendors

*In this exercise, you will add new vendors to the Puppy Luv Pampered Pooch company file.*

**Before You Begin:** Access your trial subscription to QuickBooks Online. Read any alerts or reminders that appear and close any unnecessary windows.

1. Open the **Vendors** center.
2. Click the **New Vendor** button and set up the following new vendors:
  - Sundown District Water, PO Box 1455P, Los Angeles, CA 90051
  - Silva's Catering, 123 East Southside, Los Angeles, CA 90022; 310-555-1414
  - Steve Nguyen, 78441 Normandie Court, Los Angeles, CA 90005; 310-555-8138
3. Edit the Ace Groomer and Supply Company vendor with this new information:
  - 1475 West Main St.
  - Bullhead City, AZ 86426
  - 800-555-7491
  - Hector@Ace.email.net

---

### REINFORCE YOUR SKILLS 4-2

#### Review and Set Default Expense Settings

*In this exercise, you will review and set the Expense form defaults for Puppy Luv Pampered Pooch.*

1. Choose **Gear**→**Your Company**→**Account and Settings**.
2. Click **Expenses** in the Navigation bar.
3. Edit the default bill payment terms to **Net 15**.
4. Ensure that the option to use purchase orders is turned **Off**.



## REINFORCE YOUR SKILLS 4-3

### Create Purchase and Expense Forms

The Grand Opening party for Puppy Luv Pampered Pooch was a great success. Sadie has given you all the receipts for the party expenses, plus a few bills that need to be scheduled for payment. In this exercise, you will create the purchase/expense transactions for Puppy Luv Pampered Pooch. You will need to add a vendor.

1. Choose **Create→Vendors→Check** and record the following: Check #10006 for \$200 to Silvia's Catering for all food and beverages for the Grand Opening; Meals and Entertainment account; dated 08/01/2021.
2. Choose **Create→Vendors→Expense** and record the following: \$125 paid by debit card to Steve Nguyen for Window Display; Marketing account; paid on 07/28/2021.
3. Choose **Create→Vendors→Bill** and record the following: Bill #2021-115 dated 7/28/2021 for \$55.50; from Bonni's Dog Biskits, 144 Beach Road, Ventura, CA 93003; for some treats for the pooches; Pooch Supplies account; due in 15 days.

## REINFORCE YOUR SKILLS 4-4

### Create a Vendor Report

Sadie would like a report to show all of the vendor transactions to date. In this exercise, you will create some vendor- and expense-related reports for Sadie.

1. Open the **Reports** center.
2. Click the **All Reports** tab, choose **Review Expenses and Purchases**, and then choose **Transaction List by Vendor**.
3. Choose **All Dates** as the report period and then click **Run Report**.

Your report should look like this.

Puppy Luv Pampered Pooch - Your Name							
TRANSACTION LIST BY VENDOR							
All Dates							
▼	DATE	TRANSACTION TYPE	NUM	POSTING	MEMO/DESCRIPTION	ACCOUNT	▼ AMOUNT ▼
<b>Ace Groomer and Supply Company</b>							
	07/05/2021	Check	10001	Yes		Los Angeles City Bank	-16,000.00
<b>Bonni's Dog Biskits</b>							
	07/28/2021	Bill	2021-115	Yes		Accounts Payable	55.50
<b>Capital Properties</b>							
	07/30/2021	Check	10005	Yes	6 Months PP Rent	Los Angeles City Bank	-3,300.00
<b>City of Los Angeles Clerk</b>							
	07/10/2021	Check	10002	Yes	Business License	Los Angeles City Bank	-450.00
<b>Doggies Plus</b>							
	07/15/2021	Check	10003	Yes		Los Angeles City Bank	-2,500.00
<b>George's Pet Media</b>							
	07/17/2021	Check	10004	Yes		Los Angeles City Bank	-800.00
<b>Silva's Catering</b>							
	08/01/2021	Check	10006	Yes		Los Angeles City Bank	-200.00
<b>Steve Nguyen</b>							
	07/28/2021	Expense	DEBIT	Yes		Los Angeles City Bank	-125.00



## Apply Your Skills

Now it's time to use your new skills to prepare all the Puppy Luv Pampered Pooch purchase and expense transactions for the first few weeks of August. The first step in the accounting cycle is to analyze the transaction, determine what accounts will be affected, and then choose the appropriate action—in the right sequence and on the right form. The second step is to record the transaction.

In these exercises, you will perform these steps of the accounting cycle. To simulate a real-world accounting environment, some of the information to be entered is presented in a random fashion—imagine a pile of bills, receipts, and notes that you have to sort through and analyze. Take your time and think carefully about your choices.

---

### APPLY YOUR SKILLS 4-1

#### Add and Edit Vendors

Sadie has been busy looking for new suppliers and networking with local dog breeder associations, shelters, and Chambers of Commerce. She has found a couple new vendors and received additional information from an existing vendor. In this exercise, you will add and edit vendors.

1. Add these vendors:
  - Sundown District Gas and Electric, PO Box 259RT, Los Angeles, CA 90051
  - District Party Décor, 1411 E Magnolia, Los Angeles, CA 90052
2. Edit the George's Pet Media vendor with this new information:
  - 310-555-7711
  - GPM@email.net

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### APPLY YOUR SKILLS 4-2

#### Create Purchase and Expense Transactions

Sadie has left you some receipts for payment made and a few bills to enter. She has written notes so you know which account to record the transaction in. In this exercise, you will create the transactions for these receipts and bills. (Hint: You may need to add vendors and accounts.)

1. Review the list and then create the necessary transactions:
  - Debit card transaction for decorations for the Grand Opening; 7/30/2021 at District Party Décor; \$37.88; Office Supplies
  - Debit card transaction for raffle tickets, tissue paper, and ribbons; \$25.66 at Office Plus; 7/28/2021; Office Supplies
  - Credit card purchase; 7/25/2021; Sundown District Chamber of Commerce lunch meeting; \$45; Meals and Entertainment
  - Credit card purchase; 7/28/2021 for \$389.10 from District Party Décor for rental of tables and chairs, balloons, and music for the Grand Opening party; Equipment Rental Expense
  - Credit card purchase; 7/27/2021 to US Post Office for 100 stamps; \$47.00; Postage
  - Bill dated 7/30/2021 from Sundown District Water for \$16.84; for service from 7/20/2021 to 7/28/2021; due in 15 days; Utilities

- Bill dated 7/30/2021 from PetEdge, PO Box 100, Beverly, MA 01915; for pooch nail clip-pers; bill number 89774; \$48.96; due in 15 days; Pooch Supplies
- Bill dated 7/28/2021 from Designs for You, 1004 Makers Road, Los Angeles, CA 90022; bill number 21-8944; due in 15 days; for 1000 business cards; \$108; Marketing
- Bill dated 8/05/2021 from Sundown District Chamber of Commerce for one-year mem-bership; \$250.00; bill number PLPP 2021; due in 15 days; Dues and Subscriptions

### APPLY YOUR SKILLS 4-3

#### Prepare Report and Pay Bills

Sadie has asked you to provide a list of all unpaid bills. She will advise you about which bills to pay and any additional reports she would like to review. In this exercise, you will prepare a report of unpaid bills for Sadie.

1. Prepare an **A/P Aging Summary** report as of August 15, 2021.
2. Export the report to Excel, saving it in your **Chapter 04** folder as: **CH04 AP Aging 8.15.21**
3. Pay all the bills due by 8/12/2021 on **8/10/2021**. The beginning check number is **10007**.
4. Print the checks to a PDF file and then save checks **10007–10008**.
5. Print a **Vendor Balance Summary** report for all dates.

*The balance should be \$315.80.*

6. Export the report to Excel, saving it in your **Chapter 04** folder as: **CH04 Vendor Balance Summary**

Puppy Luv Pampered Pooch	
VENDOR BALANCE SUMMARY	
All Dates	
	TOTAL
PetEdge	48.96
Sundown District Chamber of Commerce	250.00
Sundown District Water	16.84
<b>TOTAL</b>	<b>\$315.80</b>

7. Prepare a **Transaction List by Vendor** report for all dates; export it to Excel, saving it in your **Chapter 04** folder as: **CH04 Transaction List By Vendor**



**CHECK FIGURE** Your figures should match those shown here.

Account	Balance
Los Angeles City Bank	\$51,920.96
Accounts Payable	\$315.80
City Credit Union	\$481.10