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Working with Vendors



Tracking expenses properly is very important for your financial statements as well as for keeping your vendors happy!

A vendor is essentially anyone to whom you pay money. However, this does not include employees.

A vendor could be the electric company, the organization to which you pay taxes, a merchandise supplier, or subcontractors you pay to do work for your customers. QuickBooks allows you to produce 1099 tax forms for subcontractors at the end of the year. In this chapter, you will examine the QuickBooks lists, activities, and reports that allow you to effectively deal with vendors.

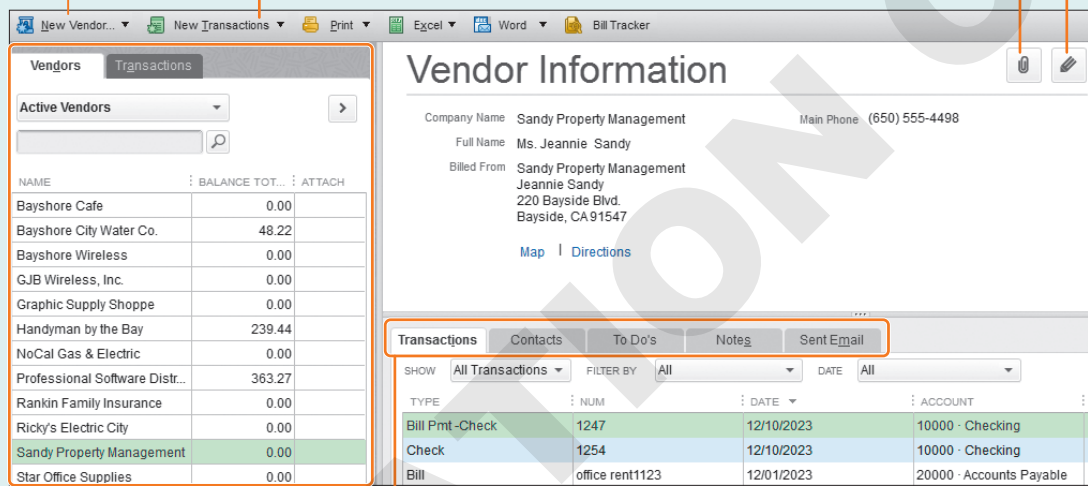
LEARNING OBJECTIVES

- ▶ Identify features of the Vendor Center and Vendor List
- ▶ Enter and pay bills
- ▶ Write and print checks
- ▶ Correct errors in vendor transactions
- ▶ Produce vendor and profit & loss reports

Project: Average Guy Designs

Now that Guy Marshall has set up his customers and entered transactions related to them, he needs to set up the Vendor List before he can track expenses. These transactions include entering and paying bills and writing checks. Guy will also learn how to produce reports that will provide relevant vendor information as well as a profit & loss report.

You can access the Vendor List and activities (entering and paying bills) from the Vendor Center, pictured below. When you select a vendor from the Vendor Center, it provides an all-in-one look at that vendor's information, bills, and payments.



The screenshot shows the QuickBooks Vendor Center interface. On the left, the 'Vendors' tab is active, displaying a list of vendors with columns for NAME, BALANCE TOT..., and ATTACH. The 'Sandy Property Management' vendor is highlighted. On the right, the 'Vendor Information' tab is active, showing details for 'Sandy Property Management' including Company Name, Full Name, Billed From, and Main Phone. Below this, the 'Transactions' tab is active, showing a list of transactions with columns for TYPE, NUM, DATE, and ACCOUNT. Annotations with orange arrows point to various features: 'Add a new vendor' points to the 'New Vendor...' button; 'Create transactions for the selected vendor' points to the 'New Transactions' button; 'Attach files to the selected vendor' points to the paperclip icon; 'Modify information using the Edit button' points to the edit icon; 'See active vendors in this area' points to the 'Active Vendors' dropdown; and 'Create To Do's and view Sent Email using the tabs' points to the 'To Do's' and 'Sent Email' tabs.

Annotations:

- Add a new vendor
- Create transactions for the selected vendor
- Attach files to the selected vendor
- Modify information using the Edit button
- See active vendors in this area
- Create To Do's and view Sent Email using the tabs

The Vendor Center

The Vendor Center contains the Vendor List, which is used in various forms and reports. Each vendor's record in the list is organized into five tabs: Address Info, Payment Settings, Tax Settings, Account Settings, and Additional Info, where you can create custom fields to store additional data. Keep in mind that the more information you enter for each vendor, the better your customized reports will be because you can sort, group, and filter your reports using information pulled from the vendor records. This list can even be exported to contact management software such as Microsoft® Outlook.

The Vendor List

Setting up the Vendor List is a necessary function and will allow you to customize each vendor so that it makes other functions easier. Some of the customizations available to you are setting Vendor IDs for 1099 vendors, setting default accounts such as Utilities for your Electricity vendor, and storing the type of vendor, such as service provider.

Creating a New Vendor

You can access the Vendor List via the menu or Home Page. Subcontractors should be set up as vendors, not as employees. Vendors can either be created ahead of time or “on the fly” when you are entering a bill for them.

Each tab holds additional fields to track vendor information.

Contact fields on the Address Info tab are customizable.

Vendors→Vendor Center: New Vendor→New Vendor

Setting Up Default Expense Accounts for a Vendor

In QuickBooks, when you add a new vendor, you have the option to associate up to three expense accounts with that vendor. These accounts will automatically fill in when you enter a bill for this vendor. By setting up expense account information to be prefilled, tracking expenses is easier and faster.

Once set up, when that vendor is entered in the Enter Bills, Write Checks, or Enter Credit Card Charges windows, QuickBooks will automatically fill in the expense account names for you. You can always choose to override the default accounts that are filled in by changing them in the individual transaction window. If there are fewer than three expense accounts for a vendor, just leave the additional account prefill fields blank.

Set up default expense accounts for a vendor here.

Editing an Existing Vendor

Once created, the vendor can always be edited through the Vendor Center. The only item that cannot be edited after you have created and saved a new vendor is the opening balance (it must be adjusted through the accounts payable register). When you change the information for a vendor, including the vendor’s name, it will be reflected in both future and past transactions.

Deleting a Vendor

You can delete a vendor from the Vendor List *as long as you have not used it in a transaction*. If you have used it in a transaction, you can make it inactive, but you cannot delete it until after you close the books for a period.

Making a Vendor Inactive

If you have a vendor with whom you are no longer working, you cannot delete the vendor from the associated list if that vendor has been involved in any transactions. What you can do is make the vendor inactive. If you find you need a list entry again for that vendor, you can reactivate it.

Merge Duplicate Vendors

Occasionally, you may find that you have two records created for the same list entry. QuickBooks allows you to merge these duplicate entries into one. You perform the merge by editing one of the entries and changing its name to match the other exactly. The two entries will permanently become one and all prior transactions with the merged list entry will reflect the change in name. Refer to QuickBooks Help in addition to the following regarding merging vendors:

- You can merge up to four vendors at a time.
- You cannot merge vendors with online transactions or direct deposits.
- You can merge vendors only when you are logged in as a QuickBooks “Admin” user.

Warning! Merging list entries cannot be undone!

DEVELOP YOUR SKILLS 3-1

In this exercise, you will manage the Vendor List for Average Guy Designs by adding, editing, merging, and deleting vendors. The password for all files unless otherwise stated is Password1. Leave the company file open unless otherwise instructed.

1. Start QuickBooks 2019 and toggle to Pro, if necessary.
2. Choose **File**→**Open or Restore Company**.
3. Open **DYS_Chapter03 (Company)** or restore **DYS_Chapter03 (Portable)** from your file storage location and save your file as: **DYS_Chapter03 Average Guy Designs**

Edit an Existing Vendor

When this vendor was created, the address and phone number for Graphic Supply Shoppe wasn't available, so you will add it now.

4. Click the **Vendors**  button in the Vendors area of the Home Page.
5. From the list of vendors, double-click **Graphic Supply Shoppe** to open it for editing.

Tip! When you double-click a record on the Vendor List, QuickBooks opens it for editing. You could also single-click the vendor you wish to open and then click the **Edit** button.



6. Enter the following information to edit the vendor:
 - Main Phone: **(212) 555-6743**
 - Address Details Billed From: **302 E 44th St.** **New York, NY 10017**
7. Click **Copy>>** to copy the Billed From address to the Shipped From field and then click **OK** to accept the address.
8. Click **OK** to complete the change to the vendor record.

Add a New Vendor

Next you will add a new vendor to the list.

9. Click the **New Vendor** button on the toolbar of the Vendor Center and then choose **New Vendor**.
10. Enter this information to complete the vendor record:
 - Vendor Name: **GJB Wireless, Inc.**
 - Company Name: **GJB Wireless, Inc.**
 - Full Name: **Mr. Amir Dhanu**
 - Job Title: **Business Sales Rep**
 - Main Phone: **(650) 555-1112**
 - Address Details Billed From: **721 Chicago Ave.** **Bayshore, CA 91547**
11. Click **Copy>>** to copy the Billed From address to the Shipped From field and then click **OK** to accept the address.
12. From the New Vendor window, click the **Payment Settings** tab and enter the payment information:
 - Account No: **E31W006**
 - Payment Terms: **Net 30**
13. Click the **Additional Info** tab and choose **Service Providers** from the Vendor Type list.
14. Click **OK** to create the new vendor record.

Delete a Vendor

Guy has not purchased anything from Paper Palace yet, and the company has just gone out of business. You will now delete this company from the Vendor List.

15. Click the **Paper Palace** record in the Vendor List to select it.
16. Choose **Edit→Delete Vendor** from the QuickBooks menu bar.
QuickBooks asks you to confirm the deletion. QuickBooks wants to ensure that you don't delete anything by accident; it will always ask you to confirm deletions.
17. Click **OK** to confirm the deletion.
18. Close the Vendor Center window.

Entering Bills

After you have set up your initial Vendor List, you can begin to enter spending transactions. In this section, you will learn to enter bills and use accounts payable, which is the account credited when bills are entered. When you enter a bill, you *must* specify a vendor because accounts payable will be credited by the transaction.

When entering bills, you need to decide if the expenditure is for an expense or for items that you will add to your inventory, if you are tracking inventory.

The Ribbon shows commands such as Memorize and Pay Bill.

This area provides a snapshot of information for the selected vendor.

This drop-down arrow ▼ allows you to select an existing vendor, and stored information will fill in.

To pass on an expense to a customer, select the Customer:Job and check the Billable column.

The Importance of Entering Reference Numbers and Memos


When entering a bill, it is very important to enter reference information or the bill number in the Ref. No. field and notes in the Memo fields. The first memo field is for information that will print on a check created when you pay this bill. The second memo field is for internal use and can include any information that you want to track. The memo information displays in reports, is searchable, and can aid you if you are looking for a bill.

Passing on Expenses to Customers

When you enter a bill, you may be purchasing equipment or supplies or incurring a consultant's fee that you want to pass on to the customer. QuickBooks allows you to easily indicate which expenses are to be billed to a customer by providing a "Billable?" column in the Enter Bills window. When

you make an item billable to a specific customer, the next time you invoice that customer you will be asked if you'd like to add the outstanding billable time and costs to the invoice.

Billable Time/Costs ✕



The customer or job you've selected has outstanding billable time and/or costs.

Do you want to:

☒ **Select the outstanding billable time and costs to add to this invoice?**

☐ **Exclude outstanding billable time and costs at this time? (You may add these later by clicking the Add Time/Costs button at the top of the invoice.)**

FLASHBACK TO GAAP: COST

Remember that when a company purchases assets, it should record them at cost, not fair market value. For example, if you bought an item worth \$750 for \$100, the item should be recorded at \$100.


The cost of goods sold (COGS) comprises expenses that are directly related to the manufacture or acquisition of products or services that the company sells. Some expenses that might be considered COGS are labor, raw materials, depreciation, and overhead. You cannot pass on the COGS to a customer (it is instead incorporated into the final price of the product), so make sure that you use the proper type of account (expense) if the costs are to be billed to your customer.

BEHIND THE SCENES

When entering bills, QuickBooks takes care of all the accounting for you. Here is an illustration of the accounting going on behind the scenes.


20000•Accounts Payable	63300•Insurance Expense
<div style="display: flex; justify-content: space-between; border-left: 1px solid black; border-right: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; right: 10px; top: 10px;">125.49</div> </div>	<div style="display: flex; justify-content: space-between; border-left: 1px solid black; border-right: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; left: 10px; top: 10px;">125.49</div> </div>
<div style="display: flex; justify-content: space-between; border-left: 1px solid black; border-right: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; right: 10px; top: 10px;">Rankin Family Insurance</div> </div>	
<div style="display: flex; justify-content: space-between; border-left: 1px solid black; border-right: 1px solid black; height: 100px; position: relative;"> <div style="position: absolute; right: 10px; top: 10px;">125.49</div> </div>	

QuickBooks credits the subregister for the vendor (Rankin Family Insurance) along with Accounts Payable.

 **Vendors→Enter Bills**


DEVELOP YOUR SKILLS 3-2

In this exercise, you will enter bills, track expenses, and enter a vendor “on the fly.” You just received a bill for Internet service that you will enter into QuickBooks.

1. Click the **Enter Bills**  task icon in the Vendors area of the Home Page.
2. Click the **Vendor** drop-down arrow ▼ on the bill and then choose **GJB Wireless, Inc.**
Look at the form and notice that the vendor’s address and terms fill in for you from the underlying list and that the due date is calculated.
3. Enter this information to create a bill:
 - Date: **091023**
The date will format correctly after you leave this field.
 - Ref. No.: **Inv 0616 08/2023**
 - Amount Due: **61.28**
 - Memo: **GJB Wireless, Internet Service 08/2023**
4. Account column under the Expenses tab: Type **co** and then choose **61700•Computer and Internet Expenses**.
When you typed co, QuickBooks filled in Computer and Internet Expenses from the underlying list for you (in this case, the Chart of Accounts).

Set Default Accounts for a Vendor

You know that all bills for GJB Wireless, Inc., will use the same expense account, so you will now edit the vendor and set the account prefills right from the Enter Bills window.

5. Click the **Edit**  button in the history pane of the Enter Bills window to display the Edit Vendor window.
6. Click the **Account Settings** tab and then choose **61700•Computer and Internet Expenses** from the first drop-down list.
7. Click **OK** to save the changes to the vendor record and return to the bill.
8. Change the Terms on the bill to **Net 15**.
Whenever you make a change to a vendor’s information on a form such as the Enter Bills window, QuickBooks asks whether you want to make that change permanent when you save. Otherwise, the new information will appear only on the current form.
9. Click **Save & New** to enter the bill and then click **Yes** to change the default Terms for the vendor. Leave the Enter Bills window open for the next step.

BEHIND THE SCENES BRIEF

61700•Computer and Internet Expenses DR 61.28; 20000•Accounts Payable CR
<61.28>

Enter a Bill for a Vendor Not on the Vendor List

When you enter a vendor name that is not on the Vendor List, QuickBooks allows you to add it to the Vendor List “on the fly.”

10. In the Vendor field at the top of a new bill, type **Rankin Family Insurance** and then tap **Tab**.

A *Vendor Not Found* window will appear.

11. Click **Set Up**.

You could have chosen to Quick Add the vendor, in which case you could proceed with the bill; however, you would have to return to the Vendor List at a later time and edit the entry to enter all the vendor information in your company file.

12. Enter the following information to create the new vendor:

- Company Name: **Rankin Family Insurance**
- Full Name: **Mrs. Mary Rankin**
- Job Title: **Owner/Agent**
- Main Phone: **(650) 555-7762**
- Address Details Billed From: **1456 Pine St.** **Enter** **Bayshore, CA 91547**

13. Click **Copy>>** and then click **OK** to copy the address to the Shipped From field.

14. Click **OK** to accept the information for the new vendor.

15. Enter this information to create the bill:

- Date: **091023**
- Ref. No: **Inv 769 08/2023**
- Amount Due: **125.49**
- Memo: **Rankin, Inv 769 08/2023**

A good practice is to fill in both memo fields; you can copy the memo from the first memo field into the memo field on the expense line, if that is faster for you.

- Account: Type **ins** and choose **63300•Insurance Expense**

BEHIND THE SCENES BRIEF

63300•Insurance Expense DR 125.49; 20000•Accounts Payable CR <125.49>

16. Click **Save & Close** to record the bill.

Paying Bills

When you have entered your bills, you will need to pay them in a timely manner. In QuickBooks, you use the Pay Bills window to debit accounts payable. The other half of the equation (the account that will be credited) depends on the account from which you withdraw funds (or charge, in the case of bill payment by credit card).

Warning! When you have used the Enter Bills window, make sure you use the Pay Bills window to issue the payment—not the Write Checks window! If you use the Write Checks window, it will not pay off the bill, thus you will expense the purchase twice and not “clear out” the entry in the accounts payable account.

Choose which bills to pay; note discount and credit information.

Use Filter By for bills for a specific vendor.

Use Sort By to see choices for viewing your bills in a chosen order.

Choose the option you want to use to sort your bills.

	DATE DUE	VENDOR	REF. NO.	DISC. %	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	09/20/2023	Rankin Family Insuran	Inv 769 08/2023		125.49	0.00	0.00	125.49
<input type="checkbox"/>	09/25/2023	GJB Wireless, Inc.	Inv 0616 08/2023		61.28	0.00	0.00	0.00

Payment Details

At the bottom of the Pay Bills window, you must make three important choices regarding your payment: Payment Date, Payment Method, and Payment Account.

- **Payment Date**—Make sure you select the date you want the payment to be reflected in your bank and Accounts Payable accounts.
- **Payment Method**—You can choose how you will pay the bill. If you choose to pay by check, you must select whether you will print the check later in a batch, or at the time and assign it a check number. If you choose to pay by credit card, you must have a credit card account set up prior to selecting it from the Payment Method drop-down list.
- **Payment Account**—You can select to pay the bill from any bank account you have set up. When you select an account, QuickBooks will show you the ending balance for the account so you can ensure you have enough money to pay the bill. Make sure to select the proper account, as it will be credited behind the scenes!

PAYMENT			
Date	Method	Account	
09/10/2023	Check	10000 - Checking	
	<input checked="" type="radio"/> To be printed <input type="radio"/> Assign check number	Ending Balance	
		4,009.68	

Bill payment options

The Payment Summary Window


When you have chosen to pay the selected bills in the Pay Bills window, QuickBooks will display a Payment Summary window. There are three options available to you from this window: pay another bill, print checks, or close the window.

BEHIND THE SCENES

Let's look at the accounting scenario that results when you pay bills.


20000•Accounts Payable	10000•Checking
125.49	125.49
Rankin Family Insurance	
125.49	

QuickBooks debits the subregister for the vendor (Rankin Family Insurance) along with Accounts Payable.

 Vendors→Pay Bills

DEVELOP YOUR SKILLS 3-3

In this exercise, you will enter a partial payment for one of the bills because the service hasn't been completed. You will complete this task for Guy by using the Pay Bills window because the bills were originally entered in the Enter Bills window and, therefore, are "sitting" in Accounts Payable.

1. Click the **Pay Bills**  task icon in the Vendor area of the Home Page.
2. Click in the checkbox beside the bill due for **Rankin Family Insurance**.
3. In the Payment section at the bottom of window, enter the following:
 - Date: **091823**
 - Method: **Check**
 - Click **To Be Printed**
 - Account: **10000•Checking**

- Click the **Pay Selected Bills** button.

BEHIND THE SCENES BRIEF

20000•Accounts Payable DR 125.49; **10000•Checking CR <125.49>**

- Click **Pay More Bills** in the Payment Summary window.

Make a Partial Bill Payment

You will now help Guy to pay a partial amount of a bill due.

- Click in the checkbox beside the bill due for **GJB Wireless, Inc.** to select it.
- Double-click on **61.28** in the Amt. To Pay column to select it for the GJB Wireless, Inc., bill, type **50**, and tap **Tab**.
- Click the **Pay Selected Bills** button to complete the transaction.
- Click **Pay More Bills** in the Payment Summary window.

Take a look at the current bills to be paid in the Pay Bills window. Notice that the bill for GJB Wireless, Inc., is still on the list, but only for the remaining amount due of \$11.28.

BEHIND THE SCENES BRIEF

20000•Accounts Payable DR 50.00; **10000•Checking CR <50.00>**

- Close the Pay Bills window.

Writing and Printing Checks

If you are using the cash basis of accounting, you do not have to use the enter bills and pay bills features of QuickBooks—even though they are useful features for managing cash flow. Instead, you can simply write a check to pay for your expenditures when they are due and expense them properly. Additionally, if you handwrite a check for which there was no bill entered into QuickBooks, you will not use the pay bills feature.

Warning!

Remember that if you use the Enter Bills feature, you must use the Pay Bills feature for the bills you have entered! If you don't, your expenses will be overstated, funds will remain in Accounts Payable, and your reports will not reflect accurate amounts.

Check to Pay Bills



When you open the Write Checks window and try to pay a vendor for whom there is an outstanding bill, QuickBooks will display a Check for Bills window.

The Check for Bills feature was actually a “slip-stream” feature implemented in a later release of QuickBooks 2018. However, in QuickBooks 2019, the default is the “Go to Pay Bills” button rather than the “Write your check” one.

DUE DATE	AMOUNT DUE	REF. NO.
12/31/2023	48.22	

When you try to write a check for a vendor for whom there is an outstanding bill, you will see this window displayed to help you make sure you don't get yourself in trouble!

As with the Pay Bills window, you must decide from which account to issue the check and whether to print the check or add it to a batch for later printing.

The Print Later option sets the check number TO PRINT.

This field allows you to choose the account that the transaction is affecting.

The Pay to the Order of field will prefill the information from the underlying list.

Banking→Write Checks

Print Checks Setup

To be sure every item prints in the proper location on the checks, you will need to align the checks to your printer. If you change your printer, you will have to realign your checks. It is important to select the check style that matches the checks you have purchased and to print a sample check to ensure proper alignment. Uploading a signature graphic file instead of manually signing each check is a great time-saving feature, although caution should be applied if others have access to the Write Checks feature.

Printing Checks

When you choose to print your checks in the Pay Bills and Write Checks windows, QuickBooks will “hold” all of them in a queue until you are ready to print a batch of them.

Select Checks to Print			
Bank Account	10000 · Checking		First Check Number
		1247	
Select Checks to print, then click OK.			
There are 2 Checks to print for \$875.00.			
✓	DATE	PAYEE	AMOUNT
✓	12/10/2023	Ricky's Electric City	125.00
✓	12/30/2023	Sandy Property Managem...	750.00

Choose which checks from your batch to print.

BEHIND THE SCENES

The behind the scenes accounting that occurs when you write a check is a hybrid of the two previous transactions (Enter Bills and Pay Bills), with the elimination of Accounts Payable, the middle man.


67100 • Rent Expense	10000 • Checking
750.00	750.00

File → Printer Setup

File → Print Forms → Checks

DEVELOP YOUR SKILLS 3-4

In this exercise, you will pay for expenses with both printed and handwritten checks.

1. Click the **Write Checks**  task icon in the Banking area of the Home Page.
2. Complete the check with this information:
 - Ensure the **Print Later** checkbox on the Ribbon is checked
 - Bank Account: **10000•Checking**
 - Date: **121023**
 - Pay to the Order of: **Sandy Property Management**
 - Amount to Pay: **750**
 - Memo: **Sandy Property, Rent 01/2024**
 - Account: **67100•Rent Expense**

BEHIND THE SCENES BRIEF

67100•Rent Expense DR 750.00; 10000•Checking CR <750.00>

3. Click **Save & New** to record this check and leave the Write Checks window open.

Record a Handwritten Check

You may not always be at your computer when you wish to write a check. In this situation, Guy has taken his checkbook while entertaining a client, and you need to record the handwritten check.

4. Click to remove the checkmark from the **Print Later** box, so the check number field can be edited.
5. Enter this information to record the handwritten check:
 - No: **1248**
 - Date: **123023**
 - Pay to the Order of: **Bayshore Cafe** (then and choose **Quick Add**, choose **Vendor**, and then click **OK**)
 - Amount: **37.49**
 - Memo: **Bayshore Cafe, Lunch with Client 12/2023**
 - Account: Type **me** (choose **64300•Meals and Entertainment**)

BEHIND THE SCENES BRIEF

64300•Meals and Entertainment DR 37.49; 10000•Checking CR <37.49>

6. Click **Save & Close** to complete the transaction.

Print a Batch of Checks

After you have indicated that checks are to be printed, you need to issue a separate command to print them.

- Click the **Print Checks**  task icon in the Banking area of the Home Page.

Note! If you don't see the Print Checks task icon, use the sizing arrow to make the Home Page larger or choose File→Print Forms→Checks.




- Enter **1249** as the first check number.
By default, all of the checks will be selected.
- Click the checkmark to the left of **Sandy Property Management** to deselect it and then click **OK**.
- Click the **Printer Name** drop-down arrow ▼ and choose the correct printer or PDF driver.
At this point you can verify that the correct printer is selected. You can choose a PDF driver to send the checks to a file in order to not waste paper and ink on practice checks.
- Ensure that **Voucher** is chosen as the check style and then click **Print**. If you choose to print to PDF, click **Save** to choose to save the PDF in your default file location.
When complete, QuickBooks will display a Print Checks - Confirmation window. Here you have the opportunity to reprint any checks that did not print correctly or to troubleshoot the order in which your checks printed.
- Click **OK** in the Print Checks - Confirmation window.
Notice that there are links to help you if your checks do not print correctly.

Editing Vendor Transactions

QuickBooks tries very hard to make sure you don't make errors that will affect what happens behind the scenes, as shown by the Open Bills Exist window that is displayed. However, sometimes users still end up making mistakes that need to be corrected!

Open Bills Exist



There are open bills for this vendor, as shown below.

Using the Write Checks window to pay an open bill will cause your **accounts payable balance to be incorrect**.

DUE DATE	AMOUNT DUE	REF. NO.
11/24/2023	245.00	

Do you want to cancel your entries and go to the Pay Bills window?

Go To Pay Bills
Continue Writing Check

The Open Bills Exist window is displayed when you try to write a check to a vendor for whom you have an outstanding bill.

Fixing Errors

The following table outlines a common vendor-related error as well as an error that occurs in the Write Checks window, the effects of the errors behind the scenes, and how to correct them.

✓ Best Practice

After a transaction has been cleared during the reconciliation process, it should not be changed. Because each situation may require a different solution, you may want to check with an accountant.

COMMON ERRORS AND FIXES

Error	Effect Behind the Scenes	The Fix
A bill is entered but the Pay Bills window is not used when the payment is made.	Your expenses will be double-stated and Accounts Payable for the vendor is not “cleared out.”	Void the check or credit card payment for the expense and then enter the transaction properly using the Pay Bills window.
A “regular” check was cut to pay payroll or sales tax liabilities.	The liability accounts are not cleared out; QuickBooks payroll essentially has a second set of books that are affected only when you pay the liabilities through the proper method.	Void the “regular” check and then process the payment through the proper method (Pay Payroll Liabilities or Pay Sales Tax).

FLASHBACK TO GAAP: PRUDENCE

Remember that if you need to choose between two solutions, pick the one that is less likely to overstate assets and income.

DEVELOP YOUR SKILLS 3-5

In this exercise, you will find and edit a bill. You will start by helping Guy to edit the bill for Ricky's Electric City for 3-D Printer Repair, as it should have been for \$225.00 rather than \$125.00.

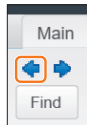
1. Choose **Edit→Find**.
2. Be sure the **Simple** tab is selected and then enter the following information:
 - Transaction Type: **Bill**
 - Vendor: **Ricky's Electric City**
3. Click the **Find** button, single-click the bill for **Repair 3-D Printer** in the results list, and then click the **Go To** button.
4. Change the **Amount Due** on the bill to: **225 . 00**
5. Click **Save & Close**; click **Yes** to record the transaction with the changes.
6. Close the Find window.

Void a Check and Pay a Bill with a Check

Unfortunately, Guy has already gone straight to the Write Checks window to pay the Bayshore City Water bill and has written a check for this expense. You must fix Guy's mistake by voiding the check and reentering the payment correctly using the Pay Bills window.

By writing a check for an outstanding bill in the Write Checks window, Guy has stated the expense twice and has not cleared the amount from Accounts Payable.

7. Choose **Banking**→**Write Checks**.
8. Click the **Previous** button, above the Find button, until the check to Bayshore City Water that Guy entered on 11/12/2023 is displayed.



You can look for a transaction by using the Previous and Next buttons if you believe the transaction to be easy to locate. If not, use the Find or Search feature.

9. Choose **Edit**→**Void Check**.
10. Set the check number to: **VOID 1251**
11. In the Memo field, after VOID:, as an explanation, type: **incorrectly entered, reprocessed through pay bills**
12. Click **Save & Close** to close the Write Checks window and click **No, Just Void the Check** in the QuickBooks window, if necessary.
 You would click Yes if the check was written in the prior period. Because this check was written in the same period, no journal entry is necessary. Since Guy has already sent this check to the vendor, you will want the date and number of the bill payment check to match what he originally entered.
13. Choose **Vendors**→**Pay Bills** to properly pay the bill.
14. Enter the payment correctly:
 - Click in the checkbox to select the **Bayshore City Water** bill.
 - Payment Date: **111223**
 - Payment Method: **Check**
 - Check No.: Click in the checkbox to select **Assign Account Number**.
 - Account: **10000•Checking**

BEHIND THE SCENES BRIEF

10000•Checking DR 525.37; **68600•Utilities: 68620 Water CR <525.37>**
 20000•Accounts Payable DR 525.37; **10000•Checking CR <525.37>**

15. Click **Pay Selected Bills**, enter **1251** in the Assign Check Numbers window, and click **OK**.
16. Click **Done** in the payment summary window.

Before moving on, think about what you have just completed and make sure you understand the “why” behind it. You have deleted the overstated expenses by voiding the check and have “cleared out” Accounts Payable for Bayshore City Water by processing the payment correctly.

Producing Vendor and Profit & Loss Reports

After you have recorded your vendor-related transactions, QuickBooks has many reports that you can produce to view your data. The general types of reports are:

- List reports
- Summary reports that subtotal your data and provide a summary
- Transaction reports that show each transaction that makes up the subtotal found in a summary report

If you wish to see all transactions grouped by vendor, there are two different reports you can run. The *Vendor Balance Detail* report (found in the Vendors & Payables category) shows only those transactions affecting Accounts Payable (transactions entered and paid as “bills”). The *Expense by Vendor* reports (both summary and detail, found in the Company & Financial category) show transactions made by all payment methods.

QuickZoom

QuickBooks has a great feature called QuickZoom. This feature allows you to zoom through underlying subreports until you reach the form where the data was originally entered. This can be extremely useful if you have questions as to where a figure in a report comes from. You can even edit the source transaction once you have QuickZoomed to it, if you desire.

Average Guy Designs, Chapter 3									
Custom Transaction Detail Report									
All Transactions									
Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Bill	09/10/2023	Inv 0...	GJB Wireless, Inc.	GJB Wirele...	20000 · Account...		61700 · Com...	61.28	61.28
Bill Pmt -Check	09/18/2023	1250	GJB Wireless, Inc.	E31W006	20000 · Account...		10000 · Che...	-50.00	11.28
Total								11.28	11.28

The zoom pointer indicates that you can double-click to dive deeper into your data. The number of layers to zoom through depends on the type of report (or graph) with which you started. Here, a double-click would open the Enter Bills window with the transaction for GJB Wireless, Inc., displayed.

The Profit & Loss (P&L) Report

Now that you have recorded both income and expenses, you will be able to run a meaningful **profit & loss (P&L) report**. It is important to make sure all income and expense transactions are entered so that income is matched to expenses for the period you are reporting. The P&L report will reflect all transactions that have affected income and expense accounts. The profit & loss report is also called an income statement, and these terms can be used interchangeably.

🔗 Reports→Report Center: Company & Financial→Profit & Loss | Reports→Company & Financial→Profit & Loss

FLASHBACK TO GAAP: MATCHING

Remember that expenses need to be matched with revenues from the same accounting period.

DEVELOP YOUR SKILLS 3-6

In this exercise, you will produce a vendor summary report, a vendor detail report, and a profit & loss report. You will use the QuickZoom feature to drill down into your data to see where the data originated, and you can edit the source transaction after you've QuickZoomed to it. You will start by creating a report that shows what you owe all vendors. Then you will use QuickZoom to see the details of where a balance originated.

1. Choose **Reports→Vendors & Payables→Vendor Balance Detail.**

You can generate reports through the Report Center or the menu bar with the same result. The report will be displayed with the date range of All selected, as it is the default for this particular report.

2. Place your mouse pointer over the total amount due of 11.28 for GJB Wireless, Inc., until you see the zoom pointer and then double-click.

A Custom Vendor Transaction Detail report will be displayed that shows the transactions leading to the balance for GJB Wireless, Inc. If the Bill Payments (Check) window appears instead, you zoomed in on the 11.28 to the right of Bill Pmt-Check instead of the Total for GJB Wireless.

3. Place your mouse pointer over the Bill dated 09/10/2023 that you entered for this vendor until you see the zoom pointer and then double-click.

The Enter Bills window will open with the bill that you entered for this vendor earlier in this chapter. If need be, you could edit the transaction at this point.

4. Choose **Window→Close All, clicking **No** if asked to memorize any of the reports displayed.**

Display a Vendor Summary Report

Now you will create a report that shows a summary of all expenses by vendor, regardless of payment method.

5. Choose **Reports→Company & Financial→Expenses by Vendor Summary.**

6. Type **a to set the date range to **All**. Resize the report window to see all the data, if necessary.**

The Expenses by Vendor Summary report will be displayed, listing the total amount ever paid or accrued for each active vendor.

7. Close the report, clicking **No when asked if you want to memorize it.**

Create a Profit & Loss Report

Guy would now like to see whether the company had a net income or loss for December based on the transactions entered.

8. Choose **Reports→Company & Financial→Profit & Loss Standard.**

Remember, you can display all reports available through the Report Center via the menu bar as well.

9. Set the correct date range:

- From: **120123**
- To: **123123**

10. Click **Refresh** on the Report toolbar. Resize the report window to see all the data, if necessary.

Average Guy Designs, Chapter 3	
Profit & Loss	
December 2023	
	Dec 23
Income	
42700 · Photography Income	200.00
43200 · Design Income	4,345.00
48800 · Print Layout Income	520.00
Total Income	5,065.00
Gross Profit	5,065.00
Expense	
61500 · Job Materials	195.50
64300 · Meals and Entertainment	37.49
64900 · Office Supplies	352.00
67100 · Rent Expense	1,500.00
68600 · Utilities	
68620 · Water	525.37
Total 68600 · Utilities	525.37
Total Expense	2,610.36
Net Income	2,454.64

You will see a report that shows your total income and expenses for the time period along with the resulting net income (or loss). The date range was set to Custom on the toolbar. QuickBooks gives you the option to set the exact date range you desire in your reports.

11. Close the Profit & Loss report, choosing not to memorize it.

Working with QuickBooks Graphs

QuickBooks provides several graphs along with the preset reports. QuickBooks graphs are accessible through the Reports option on the menu bar or through the Report Center.

Types of QuickBooks Graphs

Following are the six graphs provided by QuickBooks. If you can't find a graph that suits your needs, you always have the option of exporting a report to Microsoft Excel and using Excel's much more advanced charting features to analyze your data.

The graphs provided in QuickBooks include:

- Income and Expense
- Net Worth
- Accounts Receivable
- Sales
- Accounts Payable
- Budget vs. Actual

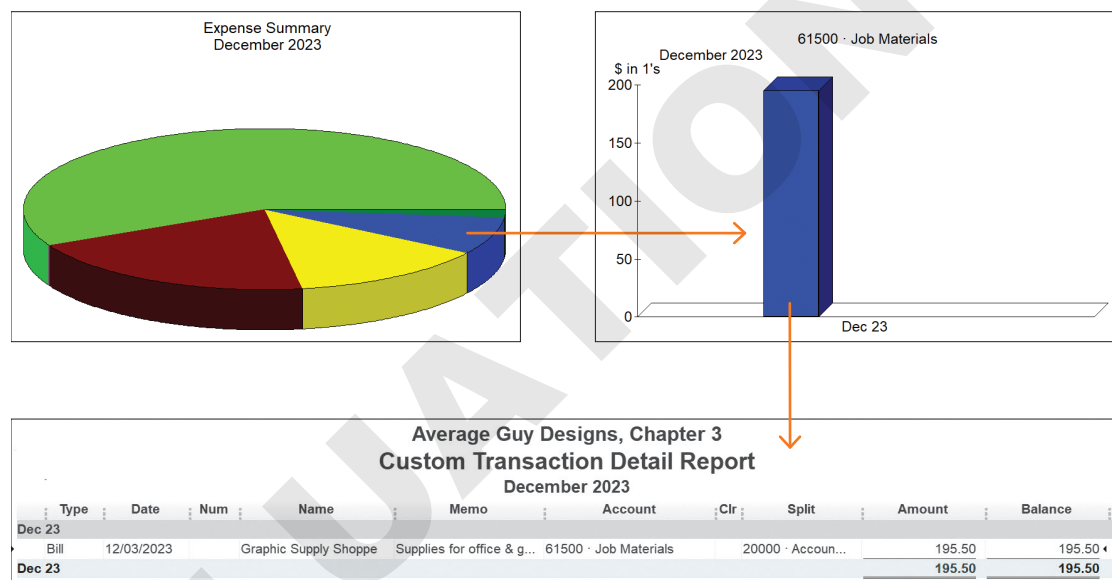
The Graph Toolbar

The Graph toolbar displays different buttons depending on which graph you have created. Once you have created your graph, you can use the Graph toolbar to do a variety of tasks such as customize your graph by date, choose how to view your data, or print your graph.

For some graphs, there are also buttons at the bottom of the window that allow you to choose how to view the pie chart data at the bottom of the window (e.g., by Income or by Expense).

QuickZooming with Graphs

The QuickZoom feature you used previously in this chapter for reports is also available with graphs. You simply double-click on a portion of a graph (when you see the QuickZoom pointer) to zoom in and see where the data comes from.



Notice that when you QuickZoom on a pie chart, you see a bar graph. When you QuickZoom on a bar graph, you see a report showing where the data originated.

DEVELOP YOUR SKILLS 3-7

In this exercise, you will display an Income and Expense Graph for the month of December 2023.

1. Choose **Reports**→**Company & Financial**→**Income & Expense Graph**.
2. Click the **Dates** button on the toolbar and set the correct date range:
 - From: **120123**
 - To: **123123**

3. Click **OK**.

You will see a bar chart at the top of the window showing both income and expenses. At the bottom you will see a pie chart of the expenses. Next you will change the pie chart to display the income.

4. Click the **Income** button at the bottom of the window.

The pie chart now shows the distribution of income between accounts.

5. Close all windows, keeping the company file open if you are continuing on to Tackle the Tasks, or close it if you are done with the chapter.

EVALUATION ONLY

Tackle the Tasks

Now is your chance to work a little more with Average Guy Designs and apply the skills that you have learned in this chapter to accomplish additional tasks. You will use the same company file you used in the Develop Your Skills exercises throughout this chapter. Enter the following transactions, referring to the concepts in the chapter as necessary. If you are using the trial software for this course on your computer or in a lab at school, you must toggle to the Pro edition every time you start QuickBooks.

Add a Vendor	<p>Enter the following vendors:</p> <p>Professional Software Distributors; 6439 Washington Square, Wausau, WI 54401; Contact: Abby Gibbs, Manager, (715) 555-9922; Acct #: PR203X; Vendor Type: Supplies; Net 15; Account Settings: 61700•Computer and Internet Expenses</p> <p>Handyman by the Bay; 16 Spruce Street, Bayshore, CA 91547; Contact: Bryan Duffy, Manager, (631) 555-1212; Acct #: 20944; Vendor Type: Service Providers; Net 30; Account Settings: 67200•Repair and Maintenance</p> <p>Star Office Supplies; 40 Noor Ave., S. San Francisco, CA 94080; Contact: Jim Nadiera, Manager, (650) 555-9999; Acct#: 87340; Vendor Type: Supplies; Net 30; Account Settings: 64900•Office Supplies</p>
Enter Bills	<p>Enter the following bills, making sure to enter a memo for each as well:</p> <p>Professional Software Distributors; Dated: 12/26/2023; Amt. \$563.27; Ref. No.: Inv 17-222; Acct: 61700•Computer and Internet Expenses</p> <p>Handyman by the Bay; Dated: 12/02/2023 Amt. \$239.44; Ref. No.: Inv 16-001; Acct: 67200•Repairs and Maintenance</p> <p>NoCal Gas & Electric; Dated: 12/15/2023; Amt. \$82.37; Ref. No. Inv. 1223-73642; Acct: 68610 Gas & Electric</p> <p>Bayshore City Water; Dated: 12/15/2023; Amt. \$48.22; Ref. No.: Inv. 9435D1; Due: 12/31/2023; Acct: 68620•Water</p>
Pay Bills	<p>On 12/31/2023, pay all bills due on or before 12/30/2023; Acct.: Checking; check to be printed.</p> <p>Choose Pay More Bills, then on 12/31/2023 pay \$200 towards the bill for Professional Software Distributors, to be printed.</p>
Write and Print Checks	<p>Write a check on 12/31/2023 to Star Office Supplies for \$36.21 for Office Supplies; check #1252.</p> <p>Print all checks waiting in the queue; first check #1253.</p>
Generate Reports	<p>Create reports that will answer the following questions:</p> <ul style="list-style-type: none"> • Which bills are due as of 01/09/2024? • What is the company's current balance with each vendor? • What is the contact information and current balance for each vendor? • Did the business have a profit or a loss during December 2023?

Self-Assessment

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

1. In QuickBooks, subcontractors are considered vendors. True False
2. Vendors must be entered into the Vendor List before you can enter a bill for them. True False
3. You can delete a vendor from the Vendor List as long as it has been used fewer than ten times in transactions. True False
4. When you use the Enter Bills window in QuickBooks, you MUST specify a vendor. True False
5. You can choose a payment method from the Pay Bills window. True False
6. You must use the Enter Bills and Pay Bills features to account for expenses; you CANNOT just write a check. True False
7. If you use the cash basis of accounting, you MUST use the Write Checks window (not the Enter Bills window) when paying bills. True False
8. QuickZoom allows you to quickly print a report for a single list record. True False
9. If you accidentally merge two list entries, you can choose to undo the action. True False
10. You have to enter only your income transactions to create an accurate Profit & Loss report. True False
11. When you pay a bill, which account is debited?
 - A. Accounts Payable
 - B. Checking
 - C. Accounts Receivable
 - D. Telephone Expense
12. Which of the following is NOT one of the five tabs shown when editing a vendor's record?
 - A. Payment Settings
 - B. Report Settings
 - C. Tax Settings
 - D. Account Settings
13. What will prevent you from deleting a vendor record from the Vendor List?
 - A. You have previously edited the vendor's information.
 - B. You entered an account number for the vendor.
 - C. You used the vendor in a transaction.
 - D. All of these options

Reinforce Your Skills

Emily Holly's company, Electrical Energy, Inc., has purchased supplies and is working with several new vendors. As QuickBooks coordinator you now need to enter vendors, enter and pay bills, and write checks in the Vendor Center. The password for all files unless otherwise stated is Password1. Leave the company file open unless otherwise instructed. If you are using the trial software on your computer or in a lab at school, remember to toggle to the Pro edition every time you start QuickBooks.

REINFORCE YOUR SKILLS 3-1

Manage the Vendor List

In this exercise, you will work with the Vendor List for Electrical Energy, Inc. You will edit an existing vendor, create a new vendor, and delete a vendor. To begin, Ace Hardware has changed its name to Four Brothers Hardware. You will make that change in QuickBooks.

1. Choose **File→Open or Restore Company**.
2. Open **RYS_Chapter03 (Company)** or restore **RYS_Chapter03 (Portable)** from your file storage location and save your file as: **RYS_Chapter03 Electrical Energy**
3. Choose **Vendors→Vendor Center**.
4. Double-click **Ace Hardware** to open it for editing.
5. Change the vendor's name to: **Four Brothers Hardware**

You will have to change the name in four separate places, including the Vendor Name, Company Name, and Billed From address on the Address Info tab and on the Payment Settings tab in the Print Name on Check As field. This new name will be reflected in all transactions that deal with this vendor—past and present.

6. Click **OK** to accept the change.

Add a New Vendor

Emily has begun to purchase job supplies from a new vendor in Oregon. You will set up the company as a vendor.

7. Click the **New Vendor** button and then choose **New Vendor**.
8. Enter the following information to create a new vendor:
 - Company Name: **Valley Building Supply**
 - Contact Name: **Ms. Carmela Hutch**
 - Job Title: **Owner**
 - Phone: **(914) 555-9438**
 - Fax: **(914) 555-9455**
 - Address: **256 Main Street** **White Plains, NY 10601**

- Account #: **84-976**
 - Terms: **Net 15**
 - Vendor Type: **Materials**
9. Click **OK** to accept the new vendor record.

Delete a Vendor

10. Click **Computer Suppliers** to select it.
11. Choose **Edit→Delete Vendor**.
12. Click **OK** to confirm the deletion.
13. Close the Vendor Center window and leave the company file open.

REINFORCE YOUR SKILLS 3-2

Enter and Pay Bills

In this exercise, you will enter a bill Emily just received. You will also pay all bills due by a certain date.

1. Choose **Vendors→Enter Bills**.
2. Enter this information to complete the bill:
 - Vendor: **Valley Building Supply**
 - Date: **121923**
 - Ref. No.: **Valley Bldg, 12/2023**
 - Amount: **\$100.00**
 - Memo: **Valley Bldg, Plugs and Switches 12/2023**
 - Account: **51400•Job Materials Purchased**
3. Click **Save & Close** to enter the transaction and close the window and click **Yes** in the Future Transactions window, if necessary.

Pay a Bill

4. Open the Pay Bills window by choosing **Vendors→Pay Bills**.
5. Choose **Show All Bills** (you should see one) and select the bill for **Valley Building Supply**.
6. Set the date to **122323** and set the check to be printed from the Checking account.
7. Click **Pay Selected Bills** to record the payment and close the window; click **Yes** in the Future Transactions window, if necessary.
8. Click **Done** in the Payment Summary Window and leave the company file open.

REINFORCE YOUR SKILLS 3-3**Write and Print Checks**

In this exercise, you will write a check for an expense and print the checks you have created.

1. Choose **Banking**→**Write Checks**.
2. Set the check to print later.
3. Enter this information to complete the check:
 - Date: **122623**
 - Pay to the Order of: **Westchester County** (Quick Add it as a **Vendor**)
 - Amount: **\$250**
 - Memo: **Business License, 2024**
 - Account: **61000•Business License and Permits**
4. Click **Save & Close** to accept the transaction and close the window; click **Yes** in the Future Transactions window, if necessary.

Print a Batch of Checks

5. Choose **File**→**Print Forms**→**Checks**.

Notice that, by default, QuickBooks selects all checks; you can change this if you need to.
6. Ensure that **Checking** is the bank account and then enter **11353** as the first check number.
7. Click **OK** to move to the Print Checks window.

At this point you can verify that the correct printer and check style are selected. You can choose to print to PDF to send the checks to a file in order to not waste paper and ink on practice checks.
8. Click **Print**, and if you have chosen to create a PDF file, click **Save** after you have chosen where to save the checks.
9. Click **OK** in the Print Checks - Confirmation window and leave the company file open.

REINFORCE YOUR SKILLS 3-4**Find and Edit a Transaction**

In this exercise, you will use the Find feature to locate a transaction rather than click the Previous button repeatedly. You also will edit the date to ensure accurate record keeping as Emily realized an incorrect date was entered on the April Con Edison bill.

1. Choose **Edit**→**Find**.
2. Choose **Bill** as the Transaction Type and **Con Edison** as the Vendor.
3. Enter the date range as **04/01/2023** to **04/30/2023** and then click **Find**.

4. Double-click the bill dated **04/16/2023** in the bottom portion of the window.

The Enter Bills window will open; leave it open for the next step.

Edit a Transaction

5. Change the date of the bill to **041023** and add a Memo: **Con Ed, 04/2023**
6. Click **Save & Close**, choose **Yes** to record the change, and click **Yes** in the Future Transactions window, if necessary.
7. Close the Find window and leave the company file open.

REINFORCE YOUR SKILLS 3-5

Create Vendor and P&L Reports

In this exercise, you will run vendor and P&L reports for Electrical Energy, Inc.

1. Choose **Reports**→**Vendors & Payables**→**Vendor Balance Summary**.
You should see that you currently owe no vendors.
2. Choose **Reports**→**Company & Financial**→**Profit & Loss Standard**.
3. Type **a** to set the date range to **All**.
4. Choose **Window**→**Close All**, choosing not to memorize either report.
5. Close the company file.

Apply Your Skills

Wet Noses Veterinary Clinic has not had time to maintain its vendor records. You will manage the vendor list, enter and pay bills, write checks, and edit transactions to bring the company QuickBooks file up-to-date. The password for all files unless otherwise stated is Password1. After starting QuickBooks, remember to toggle to Pro as necessary.

APPLY YOUR SKILLS 3-1 QG

Work with the Vendor List

In this exercise, you will manage the Vendor List and create a report of vendors with contact information for Wet Noses Veterinary Clinic.

1. Open **AYS_A1_Chapter03 (Company)** or restore **AYS_A1_Chapter03 (Portable)** from your file storage location and save your file as: **AYS_A1_Chapter03 Wet Noses Clinic**
2. Using the following information, create three new Vendor List entries.

Vendor 1:

- Name: **Casey's Consulting**
- Contact Name: **Ms. Casey Scripps**
- Job Title: **Owner**
- Phone: **425-555-9569**
- Fax: **425-555-9568**
- Address: **902 Creekview Dr.** Enter **Kirkland, WA 98034**
- Account No.: **JR154**
- Terms: **Due on Receipt**
- Type: **Consultant**

Vendor 2:

- Name: **Take a Walk**
- Contact Name: **Ms. Shannon High**
- Job Title: **Walker**
- Phone: **206-555-9433**
- Fax: **206-555-9434**
- Address: **13602 75th Ave. NE** Enter **Seattle, WA 98132**
- Account No.: **VET87**
- Terms: **Net 15**
- Type: **Service Providers**

Vendor 3:

- Name: **Billy's Van Service**
- Contact Name: **Mr. Billy Ranch**
- Job Title: **President**


- Phone: **425-555-4477**
 - Fax: **425-555-4478**
 - Address: **9501 NE 182nd Pl.** **Bothell, WA 98011**
 - Account No.: **BB23**
 - Terms: **Net 15**
 - Type: **Service Providers**
3. Edit the **Puget Sound Power Company** vendor record to display **Shaunda Jones** as the contact.
 4. Add these vendor types to the existing vendor records, adding a new entry to the **Vendor Type List** when necessary:
 - Wyland Broadband: **Service Providers**
 - Northshore Water Company: **Utilities**
 - Oberg Property Management: **Service Providers**
 - Puget Sound Power Company: **Utilities**
 - Seattle Vet Supply: **Suppliers**
 - Whoville Office Supplies: **Supplies**
 - Brian's Pet Taxi: **Service Providers**
 5. Run the **Vendor Contact List** report to display your list of vendors with contact information.
 6. Click the **Excel** button and export this list to a new worksheet, saving the worksheet to your file storage location as: **CH3_A1 Vendor Contact List**
 7. Close the company file.

APPLY YOUR SKILLS 3-2 QG

Enter and Pay Bills

In this exercise, you will first manage expenses incurred by Wet Noses Veterinary Clinic, run a report showing all unpaid bills, and then pay the bills.


1. Open **AYS_A2_Chapter03 (Company)** or restore **AYS_A2_Chapter03 (Portable)** from your file storage location and save your file as: **AYS_A2_Chapter03 Wet Noses Clinic**
2. On 07/02/2023, Dr. James received a bill from Seattle Vet Supply for **\$3,813.58**. It should be broken down by account as follows: \$1,773.25 for medical supplies, \$1,056.92 for vaccines, and \$983.41 for medicines. The Ref. No. is: **Inv 77-9-56** and the memo is: **Seattle Vet, Inv 77-9-56 07/2023**
3. Enter a bill received on 07/08/2023 from Northshore Water Company for **\$210.67**. The Ref. No. is **Water Bill, 07/2023** and the memo is: **Northshore Water, Water Bill 07/2023**
4. On 07/18/2023, a bill was received from Puget Sound Power Company for **\$241.33**. The Ref. No. is **Power Bill, 07/2023** and the memo is: **Puget Sound Power, Power Bill 07/2023**

5. Enter a bill received on 07/21/2023 from Wyland Broadband for **\$159.44**. It should be broken down by account as follows: \$55.99 for Internet service and \$103.45 for telephone service. The Ref. No. is **Int/Phone 07/2023** and the memo is: **Wyland, Int/Phone, 07/2023**
6. Run the **Unpaid Bills Detail** report for **All** dates to determine which bills are outstanding and to see the total amount payable.
7. Click the **Excel**  button and export this list to a new worksheet, saving the worksheet to your file storage location as: **CH3_A2 Unpaid Bills**
8. On 07/22/2023, Sadie decided to sit down and pay her bills. Pay all of the bills due on or before 07/22/2023. You will print the checks later.
9. Close the company file.

APPLY YOUR SKILLS 3-3

Write Checks, Find and Adjust a Bill, and Print Checks

In this exercise, you will write checks for Dr. James, and you will record an adjusted amount for the bill from Wyland Broadband. Use the Find feature to locate the transaction. Then you will print checks.

1. Open **AYS_A3_Chapter03 (Company)** or restore **AYS_A3_Chapter03 (Portable)** from your file storage location and save your file as: **AYS_A3_Chapter03 Wet Noses Clinic**
2. Dr. James took her employees for a working lunch at **Rose's Cafe** on **07/24/2023**. She wrote a check at the restaurant for **\$84.35**, using check number **1418**, for the **Meals and Entertainment** expense. Memo: **Working lunch for staff: 7/2023**
3. Sadie received a bill from **Animal Lovers** for an advertisement for **\$135.00** on **07/25/2023**. Because she just paid her bills, she has decided to simply write a check for the expense and will print it later. Memo: **Animal Lovers: Advertisement**
4. Locate the **Wyland Broadband** bill dated **07/21/2023** and increase the Computer and Internet Expenses portion of the bill by \$40.00, to **\$95.99**, which leads to a revised total due of \$199.44.
5. Run the **Vendor Balance Detail** report for July 1 through 31, 2023.
6. Click the **Excel**  button and export this list to a new worksheet, saving the worksheet to your storage location as: **CH3_A3 Vendor Balance Detail**
7. Print to PDF all checks in the queue using **1419** as the first check number.
8. Close the company file.



Extend Your Skills

Before You Begin: Open **EYS_Chapter03 (Company)** or restore **EYS_Chapter03 (Portable)** or from your file storage location.

You have been hired by Arlaine Cervantes to help her with her organization's books. She is the founder of Niños del Lago, a nonprofit organization that provides impoverished Guatemalan children with an engaging educational camp experience. You have just sat down at your desk and opened a large envelope from her with a variety of documents and noticed that you have several emails from her as well. It is your job to sort through the papers and emails and make sense of what you find, entering information into QuickBooks whenever appropriate and answering any other questions in a word-processing document saved as: **EYS_Chapter03 _LastnameFirstinitial**. Remember, you are digging through papers you just dumped out of an envelope and addressing random emails from Arlaine, so it is up to you to determine the correct order in which to complete the tasks.

- Sticky note: New source for cultural competency books—enter Woods Publishing Company as a vendor: 921 Pamela Lake Drive, Pittsburg, KS 66762; (620) 555-2211; Terms—Net 30; Contact—Pam Woods.
- Bill: From Network Links (for website hosting), dated 7/3/2019, for \$34.57, due 7/13/2019.
- Canceled check: Written to USPS for stamps on 7/2/2019 for \$25.10, number 1003.
- Sticky note dated 7/15/2019: There are some checks that can be used with the printer. Could you please print checks for any bills that I didn't write a check for?
- Note: Would like to track employee anniversaries. How can I do that?
- Scribbled on a scrap of paper: I need a report that shows all of the bills that have been entered into QuickBooks.
- Packing slip and bill: Materials received for a cultural competency seminar; need to enter the bill for \$124.32, payable to Chandler Distributors, dated 7/1/2019, terms Net 15. (Arlaine is not tracking inventory in QuickBooks.)
- Carbon copies of checks: Used to pay Network Links (#1004, 7/7/2019, for full amount) and Hernandez Catering (#1005, 7/15/2019, for full amount).
- Note: We have donors who are referred to us by a local service organization. Can we include them in the customer type list?
- Bill: From Child Play, Inc. for supplies for the camp, dated 7/5/2019, for \$1,212.65, due 7/15/2019.
- Printed email message from accountant: Please send a report that shows the amount owed to each vendor as of 7/10/2019.
- Bill: From Hernandez Catering for food provided at a fundraising event in California, dated 7/8/2019, payment due on receipt, for \$167.21.