Design Document: QuickBooks – All about Vendors

Class Description

Learn how to add, edit, delete, and pay vendors as well as how to set up an accounts payable system in class five of the QuickBooks' series.

**Curriculum Track**

Job & Career

**Audience**

Adult

**Course Length**

90 minutes

**Training Method**

Instructor led hands on

**Purpose**

To introduce user to the workings of QuickBooks software

Equipment Requirements

Projector and projection screen; computers with internet access for the instructor and each participant; laser pointer (recommended)

Software Requirements

Intuit QuickBooks 2015

Material Requirements

Notepaper, Pens or Pencils, Handouts

**Learning Objectives**

At the end of the session, learners will be able to:

1. Set up, Edit, and Delete Vendors
2. Pay Bills
3. Understand an Accounts Payable System

**Assessment Technique(s)**

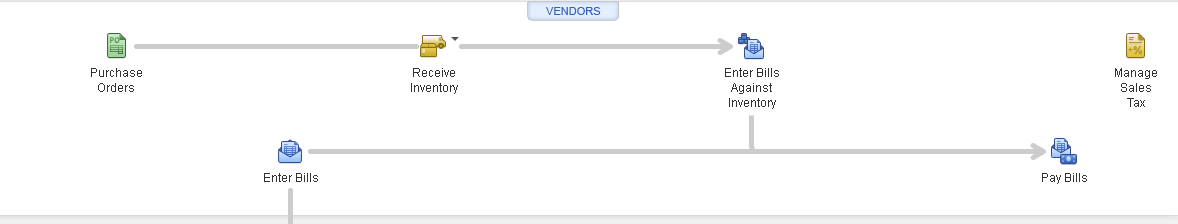
Successful completion of class activities

Content Outline

***Agenda (5 mins.)***

* What are vendors
* Setting Up Vendors
* Paying our bills
* Accounts Payable System

***Topics, Talking Points, and Activities (90 mins.)***

* **What are vendors**
  + In QuickBooks, vendors are individuals or companies that you purchase services or products from
  + With QuickBooks open, explain how the access the vendor module and the vendor list

1. Click Sample **Service Based Business**, then Open
2. Click on **Vendors** in the middle of the Home Screen to make the Vendor List appear. This displays all the vendors on the left (Vendor Center Toolbar) and their specific information on the right.
3. Click on **Computer Services by DJ** and point out where to find personal information such as address, phone number, etc., (top right), and transactions (bottom right)
4. Explain that the **paper clip** in the top right allows scanned documents to be attached to Vendor (similar to the feature in the Customers module)
5. Explain that the **pencil** in the top right, opens the Edit Vendor box (similar to the feature in the Customers module)
6. Click on **Ok** to close

* **Adding New Vendors**
* Demonstrate how to add a new vendor using the **Vendor Center** toolbar

1. Click **New Vendor** and select **New Vendor**. A new window opens that begins with the **Address Info** tab and fields.
   1. In the **Vendor Name** field, type **XYZ Company**
      1. This where you would enter a unique name or code for this vendor. When adding a new vendor, only name is required, all other fields are optional. For demonstration purposes, fill out the remainder of the boxes
   2. In the **Company Name** field, type **XYZ Company**
      1. Unlike the Vendor Name field, where you enter whatever name or code you want to use to identify this customer, this field is where you enter the customer’s name as you want it to appear on invoices and other forms you create. QuickBooks automatically copies what you type here into the Invoice/Bill To box below.
   3. In the **Full Name** field, enter **Ms. Mary Adams**
      1. This is the contact information that will be fed into the **Invoice/Bill To** fields and used on invoices, letters or other company communication. You can see that once you’re done entering info, it will automatically appear in the Invoice box.
      2. You can also enter a Job Title and in the following boxes, you can enter phone numbers, fax numbers, and email or website associated with the vendor. Drop-down menus are available for a variety of options.
   4. In the **Invoice/Bill To** box, type **125 Main St. Elgin, IL 60123**
      1. To edit the address at any time after creating the new vendor, click on the **pencil** icon next to Invoice/Bill to box
      2. Click the **Copy** button to copy address information to the **Ship To** box. This could also be edited to include a different address.
2. Click on the **Payment Settings** tab. This the place to indicate how the vendor pays and how much credit you’re willing to extend. It includes the following fields:
   1. **Account No**. Account numbers are optional in QuickBooks. Large accounting programs often assign unique account numbers to vendors, which reduce the time it takes to locate a vendor’s record.
      1. We will leave this field blank
   2. **Payment Terms**. What you select here represents the payment terms the vendor has agreed to. If you leave this field blank in a vendor’s record, you have to choose the payment terms every time you create an invoice for that vendor.
      1. Select **Net 15** from the list
   3. **Credit Limit**. You can specify the amount of credit that your company has with the vendor. If you do, then QuickBooks warns you when an order or invoice exceeds the limit.
      1. Type in **5000**
3. Click on the **Sales Tax Settings** tab. We will not enter information here but explain the following:
   1. This is where you would enter the vendor tax ID, if they are eligible for a 1099.
4. Click on the **Account Settings** tab.
   1. Accounts you select here will show up automatically in the account fields when you enter a vendor bill.
      1. Enter **Rent Expense**
5. Click on the **Additional Information** tab. You might want to classify vendors so you can send customized communications to each type or determine which types are the most profitable.
   1. Consultant
   2. Service Providers
6. Click **Ok** to apply all changes and close out.

**Activity:** Have the participants complete **Activity #1** on the *Activity Sheet*

* **Editing Vendors**
  + Demonstrate how to change information for a vendor that is already set up

1. From the **Vendor List**, select **XYZ Company**
2. Click on the pencil icon in upper right corner to open the **Edit Vendor** box
   1. Change the address from 123 Oak St to **1225 Main St.**
   2. Click **Ok**
   3. Verify that the address changes in **Vendor Information** area
   * Demonstrate how to Delete vendors. Note that a user can only delete a vendor if no activity has been posted to that vendor.
3. From the **Vendor List**, right-click on **XYZ Company**,
4. Select **Delete Vendor**
5. A message appears, asking if you are sure, click on **YES** to delete
6. Return to the Home Screen

* **Paying Our Bills** 
  + Entering Bills – When you have a business expense, you can handle it in one of the following ways:
    - You can write a check manually and enter the information into a QuickBooks check register later. This doesn’t take advantage of features in QuickBooks, but sometimes it’s necessary. For example, if you purchase supplies at a retail store, they expect payment on the spot, and you may not know the amount in advance.
    - You can use QuickBooks to write and print a check. When you receive a bill that you want to pay immediately, you can write a QuickBooks check more quickly and accurately than you can by hand. An additional advantage is that QuickBooks makes the entry in the checking account register for you.
    - You can use the QuickBooks accounts payable feature to track the amounts you owe to vendors, track your cash flow needs, and handle bills you want to pay later.
    - You can pay by credit card and enter the credit card receipt into QuickBooks later
    - You can enter bills and pay them later for Services and Non-inventory Items
  + Demonstrate how to enter bills with the following steps:
    1. From the Home Screen, select **Enter Bills**. The Enter Bills box will appear. The top half of the window displays fields where you enter the bill; the bottom half is where you can assign the bill amount to different expense accounts, customers, or jobs.
    2. On the Top half of the Enter Bills box, enter the following information:
       - In the **Vendor** drop-down list, select **Bayshore Water**
       - In the date field, select today’s date
       - In the **Reference Number** box, type **12345**. This number is the same as the invoice number.
       - In the **Amount Due** box, type **$255.00**
       - The **Bill Due Date** will default to a 10 day due date. We will leave this.
       - In the **Memo** field, enter **Account Number** **112345.** Use this box to enter anything else that needs to appear on the check
    3. On the bottom half of the Enter Bills box, enter the following information:
       - In the **Account** field under the **Expenses** tab, use the drop-down menu to select **Water** from the Utilities section. This box is where you assign an expense account for the item being billed. The amount is pre-filled.
    4. Click on Save & Close to record the bill and close it

**Activity:** Have participants complete **Activity #2** on the *Activity Sheet*

* **Paying bills later**
  + Demonstrate how to pay bills later with the following steps:

1. From the **Home Screen**, click on **Pay Bills**. The Pay Bills window will appear.
2. Under **Show Bills** at the top, verify that **Show All Bills** is selected
3. Select the bills to be paid by selecting those listed in the box.
   1. Select **Connor Garden Supplies**
4. In the **Payment** area at the bottom of the window, let the date default
5. Verify that **To be Printed** is selected next to the payment **Method**
6. Click on **Pay Selected Bills** then **Done**. A payment summary will appear. After this step, one would normally select Print Checks.

**Activity:** Have Participants complete **Activity #3** on the *Activity Sheet*

* **Paying Bills Now**
  + Demonstrate how to pay bills now
  + From the Home Screen, click on **Write Checks** in the **Banking** Area
  1. In the Write Checks window, allow the **Check Number** and **Date** default to the pre-entered info
  2. In the **Pay to The Order of** field, use the drop-down menu to select **Express Delivery Service**
  3. In the **Dollar** field, type 100.50
  4. In the **Memo** box, type in **Account Number 12345**
  5. Under the **Expenses** tab on the bottom, use the drop-down menu in the first column (**Expense**) to select **Delivery fee**.
  6. Click on **Save and Close**. During this step, one would normally print the check by clicking on Print at the top of the screen. To print the check now we would click on print at top of screen and load check in printer.

**Activity #4:** Have participants complete **Activity #4** on the *Activity Sheet*

* **Accounts Payable System**
  + Some business owners, especially if they own smaller, home-based businesses, pay their bills when they receive them. Most business owners, however, find it more convenient to pay bills less often. (They also like keeping the cash in the company for as long as possible.) If you don’t plan on paying your bills right away, QuickBooks can help you keep track of what you owe and when you owe it. The money you owe for unpaid bills is called accounts payable. QuickBooks uses the Accounts Payable account to track all the money you owe. Like any QuickBooks balance sheet account, the Accounts Payable account has a register where you can view all your bills at once.

***Wrap Up/Closing (5 mins.)***

* Highlight the next QuickBooks class and topics that will be covered will be covered
* Ask if there are questions and answer any that were “parked” during the session
* Thank participants for coming and ask them to complete the class survey before leaving