

# Lesson 3: Suppliers and Accounts Payable

## Lesson Objectives

In this lesson, you will learn how to work with the Suppliers page, how to manage supplier information and how to move around and process transactions in the Supplier Centre. Upon successful completion of this lesson, you should know how to do the following:

- work with the Supplier page
- manage terms
- manage tags
- create and modify supplier records
- make purchases by entering supplier bills
- make purchases by writing cheques
- create memorized payment transactions
- issue and fill purchase orders
- receive supplier bills
- find and modify supplier bills
- pay supplier bills
- print cheques
- run supplier reports

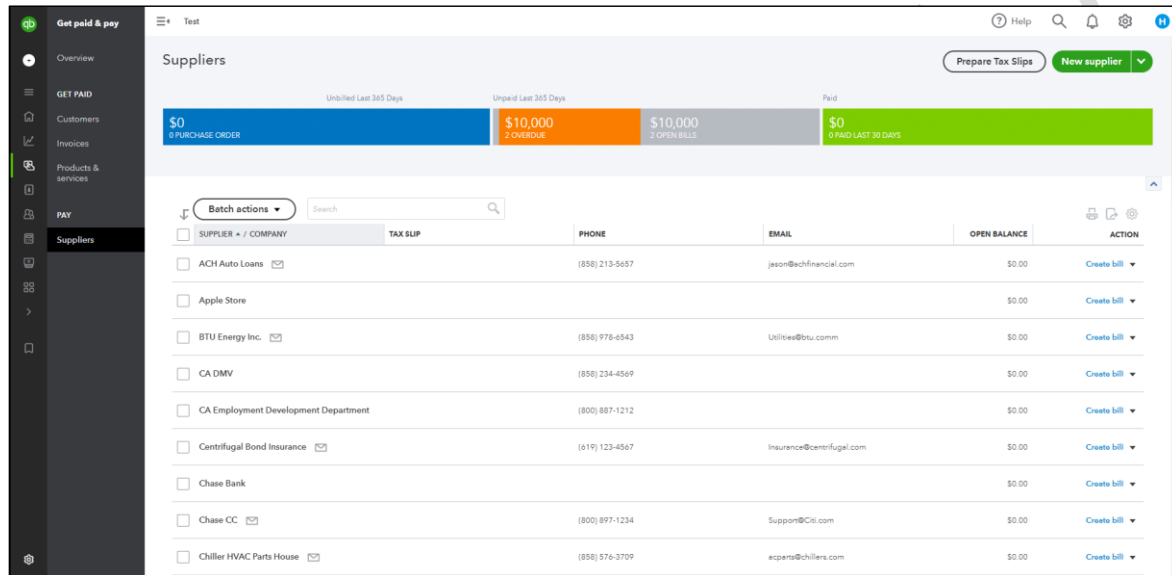
# Suppliers

## Working with the Suppliers Page

The Suppliers page is a single place that gathers all the relevant transactions and other information, such as the names and addresses of your suppliers.

To access the Supplier page, select **Get paid & pay** and then **Suppliers** from the quick menu.

The toolbar buttons allow access to a variety of tasks, including creating new suppliers and transactions.



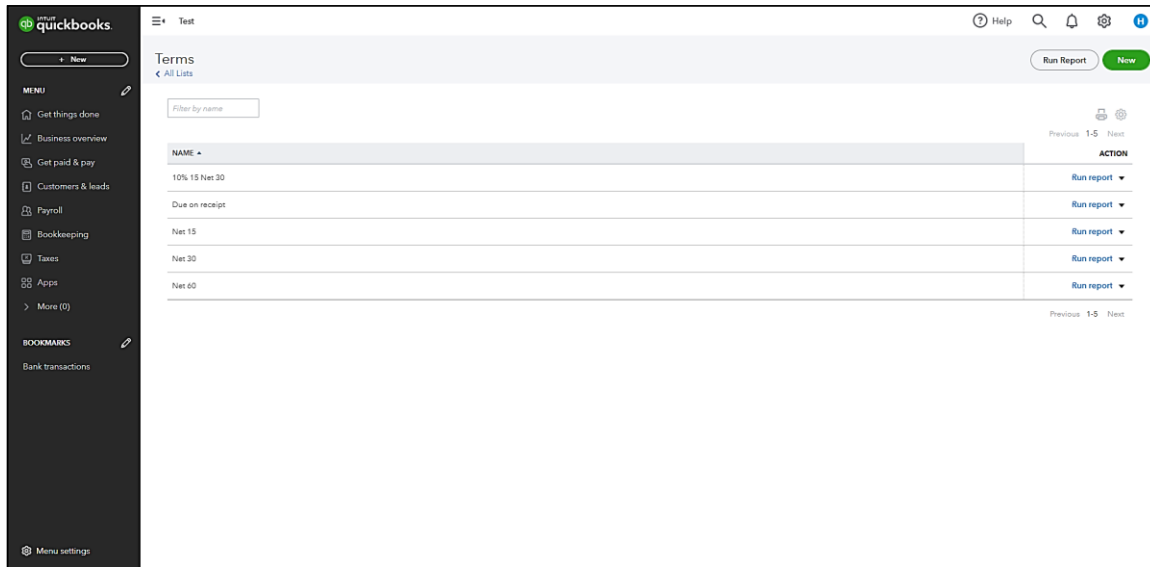
<b>New supplier</b>	Opens the window for adding a new supplier or multiple suppliers.
<b>Print</b>	Supplier List, Supplier Information, Supplier Transaction List.
<b>Export to Excel</b>	Exports Supplier List.
<b>Bill Tracker</b>	The colored bar at the top of the page tracks your outstanding payables by date, due date, and status. This tracker can be used to filter the suppliers list, at bottom of the page, with suppliers related to the bill's selected status.

## Managing Terms

To encourage your customers to pay for the service or product you provide early, you can have an early pay discount. This discount applies to invoices only and not sales receipts and you need this agreement to be mentioned in the invoice as a term. These terms are identified through the Terms list. The early pay discount is a percentage of the sale you are making and has to be paid on a specific date. The discount applies only if the customer pays on the discount date. The customer can choose not to use the discount.

To be able to use discounts and define their terms, you must first activate the Discount feature from the QuickBooks settings. As you have now activated the discount, you can find a new account created in your Chart of Accounts named **Discounts given** which lets you keep track of the discounts you give to customers and suppliers.

To open the Terms list, select the gear button from the top right of the page, then **All Lists**, and then **Terms**.



The Terms list already has some terms automatically added by QuickBooks Online. You can add to, edit, or delete them. Before adding a term, you need to first understand the terminology:

<b>Due on Receipt</b>	This term means that the customer must pay on the day they receive the invoice.
<b>Net 15</b>	This term means that the customer must pay the full amount within 15 days from date of receiving the invoice.
<b>10% 15 Net 30</b>	This term means that the customer receives a 10% discount if they pay within 15 days from the date of receiving the invoice. If not, then they have to pay the full amount within 30 days from the date of receiving the invoice.

## Learn the Skill

In this exercise, you will add a discount term.

1. Open **Terms** list.
2. Select **New** button.

**New Term**

\* Name

Due in fixed number of days

days

Due by certain day of the month

day of month

Due the next month if issued within

days of due date

Cancel Save

3. In the **Name** box, enter: 10% 15 Net 30.
4. Keep the **Due in fixed number of days** option selected and enter 15 in the box below it.
5. Select **Save**.

## Managing Tags

QuickBooks Online provides tags for no financial reason. They are available to keep your finances organized and convenient for fast recognition. Tags can be added to expenses and invoices. Through the Tags list, you can track your incoming and outgoing transactions through the tags added to them. Tags are completely customizable. You can create tag groups and add tags to them.

To open the Tags list, select the settings gear icon, then under **LISTS**, select **Tags**.

Bookkeeping

Test

Help

Give feedback

### Tags

MONEY IN

Get more details about what you earn

See how it works (3:38)

\$0.00 Aerobics classes

\$0.00 Yoga classes

Start tagging transactions

See all untagged transactions

Search by tag name

New

MONEY OUT

This year

Employees

\$0.00

Total money out

\$0.00 Employees Benefits

\$0.00 Employees Wages

TAGS AND TAG GROUPS

TRANSACTIONS ACTION

1 transaction Run report

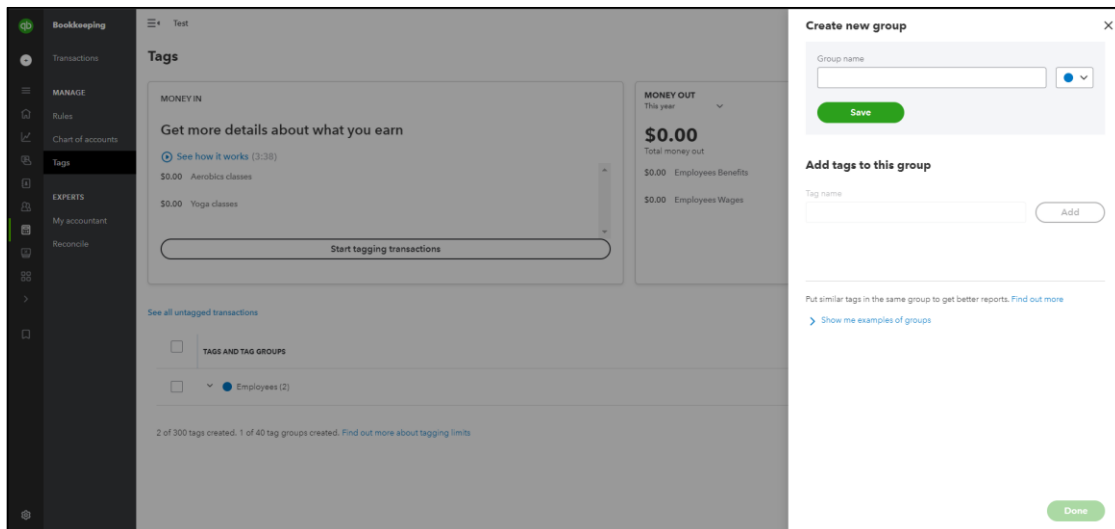
2 of 300 tags created. 1 of 40 tag groups created. Find out more about tagging limits

You can view transactions grouped by whether they brought money in or out of your business. You can also filter each group by a specific period of time. There's a drop-down list under each Money in and Money out header with a time period.

## Learn the Skill

In this exercise, you will learn how to create a tag group and add tags to it.

1. From the top right of the list, select **New** and then select **Tag group**.



2. In the **Group name** box, enter: **Face Masks**
3. From the color picker, select a color to assign to the tag group and select **Save**.
4. In the **Add tags to this group** section, in the **Tag name** box, enter: **Exfoliating** and select **Add**.
5. At the bottom of the panel select **Done**.

## Managing the Suppliers List

There are a variety of lists in QuickBooks. All list management tasks are performed in a similar manner in these lists. Entries in these lists can be added, edited, or deleted as needed.

### Learn the Skill

In this exercise, you will work with the Suppliers list to adjust the list views.

1. Open the **Suppliers** page.
2. Select the **SUPPLIER/COMPANY** title bar twice to sort the list of suppliers by name in descending order.

## Modifying Suppliers

You can update the information about a supplier whenever needed, such as when something about them has changed or to correct mistyped information.

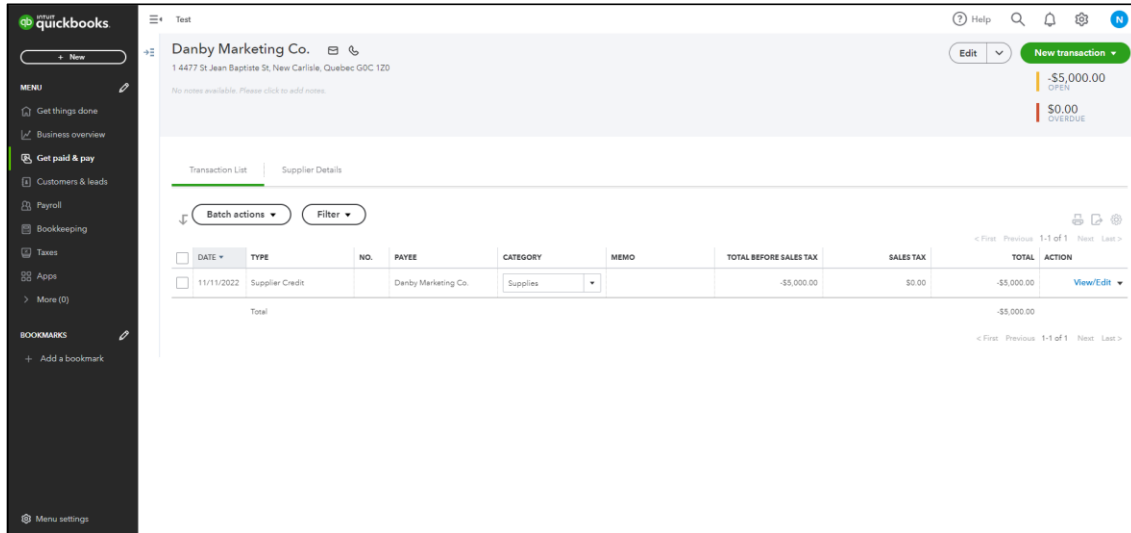
To locate and modify a supplier's record, select the supplier from the supplier's name column, since the name is hyperlinked, from the Suppliers list or double-click the supplier to open the supplier's information page. You can also access this menu by selecting a supplier, and then selecting **Edit** from the top of the page.

You will not be able to remove a supplier if it contains any open items (unpaid invoices).

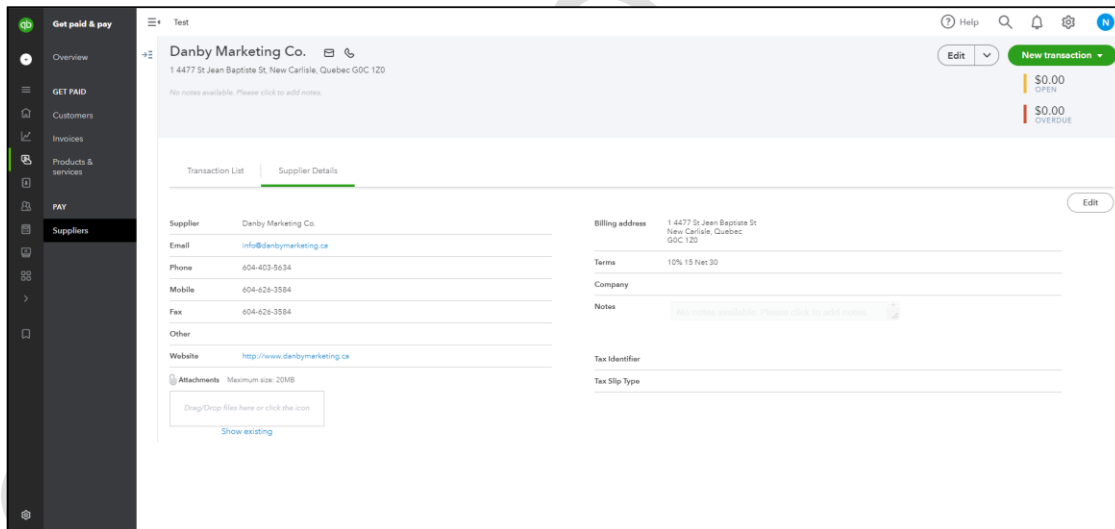
## Learn the Skill

In this exercise, you will learn how to modify the information recorded for an existing supplier.

1. On the **Suppliers** page, double-click **Danby Marketing Co.** to display the Supplier's page, which displays two tabs **Transactions** and **Supplier Details**.



2. Select the **Supplier Details** tab.



Assume that this supplier has just accepted a new partner, and the name of the company must be changed.

3. Select **Edit** button from either of the following marked locations to open the supplier's information window.

## Memorized Payment Transactions

Memorized payment transactions can be created for those payments that need to be made on a regular basis. This means that you do not have to re-key all of the data that is repeated on every transaction once the memorized transaction has been created.

## Learn the Skill

In this exercise, you will create a memorized transaction for the monthly janitorial expense as per the new arrangement with Broman's Janitorial Services.

1. Select **New** in the quick list and the under Suppliers select **Cheque**.
2. If necessary, select the **Bank Account** drop-down list button and select **BMO Chequing**.
3. Select the **Payee** drop-down list then select **Add New**
4. In the new supplier window, enter Supplier display name as **Broman's Janitorial Services** and then select **Save**.
5. In the **Cheque** window, enter the following data:

Date	March 15, 2023
Account	Office expenses
Amount	400.00
Memo	Monthly cleaning contract
Print Later	Yes

6. At the bottom, select **Make recurring**.
7. Enter the following values or options in the **Memorize Transaction** dialog box:

Type	Reminder
Remind	5
Interval	Monthly on the first day
Start date	1/3/2023
End	By 31/12/2023

The completed dialog box should appear similar to the following:

8. Select **Save template** at the bottom.

This transaction appears in the Recurring Transactions list.

# Creating Purchase Orders

A purchase order is a request to buy inventory or other items from a supplier. QuickBooks lets you prepare, store, and print purchase orders.

However, by issuing the purchase order, you are making a firm commitment to the supplier that you will accept the goods and services when they are delivered, and you will pay for them according to the payment terms offered to you on the invoice. From a legal perspective, a supplier may sue a customer who has issued a purchase order, for failure to accept the goods or services.

When you fill in a purchase order, the program automatically updates the quantity on order. When a shipment arrives, you can quickly fill all or part of the order. If you receive a partial shipment, the program keeps track of the back-ordered items and quantities.

Before creating purchase orders, you must activate the use of purchase orders from the Account and Settings under Expenses. You can also enable purchase order numbers, if not, a number is assigned automatically by QuickBooks.

## Learn the Skill

In this exercise, you will learn how to create a purchase order for goods to be delivered in the future.

- From the quick access menu, select **New** and then **Purchase order**.

You can also create a purchase order from the New transaction list on the Supplier's information page.

- Select the **Supplier** drop-down list button then select **Walters Browne & Associates**.
- Complete the Purchase Order as follows:

Product/Service	Cosmetics Face masks:Coal Mask
Description	Cleansing mask made of coal
Quantity	1
Rate	7
Amount	7.00

**Purchase Order no.1002**

Supplier: Walters Browne & Associates | Email: info@claritymarketing.ca | Clear

Amount: **\$7.00**

PO no.: 1002

Purchase Order date: 1/11/2022

Shipping address: Walters Browne & Associates, 1427 St. Jean Baptiste St, New Canaan, Ontario, L2C 1Z3

Shipping address: [Blank]

Ship via: [Blank]

Category details: [Blank]

#	PRODUCT/SERVICE	DESCRIPTION	QTY ON HAND	RATE	AMOUNT	CUSTOMER / PROJECT
1	Cosmetics Face masks:Coal Mask	Cleansing mask made of coal	1	7	7.00	
						Subtotal
						Total
						\$7.00

Your message to supplier: [Blank]

Save **Save and Close**



## Finding and Modifying Bills

You can modify bills after they have been entered and saved. The basic process involves redisplaying the bill, making the necessary changes, and then saving it again.

If you wish to cancel the entire supplier bill, you can simply select **Edit, Void** from the menu bar.

The same procedure applies to adjust or void any purchase orders that have been recorded in the system.

### Learn the Skill

In this exercise, you will learn how to modify a bill created earlier.

1. Search for bill number **10509** and open the bill.

You can also find the bill on the supplier's page and select **View/Edit** from the ACTION column.

2. Change the quantity value in the Qty column from 20 to **35**.

The updated bill should appear as shown on the following page.

Bill no. 10509

Supplier: Vikings Browne & Associates

Balance Due: \$140.00

Make payment

Mailing address: Vikings Browne & Associates, 1427 St. Jean Baptiste St., New Carleton Place, ON L3B 1Z8

Terms: 10/15 Net 30

Bill date: 10/15/2022

Due date: 11/15/2022

Bill no.: 10509

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE	AMOUNT	BELIEVABLE	CUSTOMER / PROJECT
1	Cosmetics Pura-matis Coal Mask	Cleansing mask made of coal	20	7	140.00		

Subtotal: \$140.00

Total: \$140.00

3. Select **Save and close**.

## Connecting Your Bank or Credit Card

QuickBooks Online provides you with the feature of connecting your bank account or credit card. This allows you to use these connected accounts to pay for your transactions if you choose not to issue cheques. You can also pull your account's transactions up to a certain period of your choice. If your bank doesn't allow displaying your past transactions on this type of connection, you can acquire a file with these transactions and upload them to your QuickBooks.

### Learn the Skill

In this exercise, you will learn how to connect your bank account or credit card.

1. On the quick menu, select **Bookkeeping** then select **Transactions**.

# Printing Cheques

Cheques can be printed in two ways using QuickBooks.

**IMPORTANT!** The Print Cheques option is different than simply writing a cheque not associated with a bill, which is done through **Banking, Write Cheques**, or with the **Cheques** button in the Banking navigator.

Cheques can be printed in a batch or individually. When printing in the batch form, you will be required to select the cheque(s) you wish to print from the Select Cheques to Print dialog box. At this time, you should confirm the bank account and the first cheque number.

## Learn the Skill

In this exercise, you will learn how to print outstanding cheques.

1. Select **New** from the quick menu, then select **Print cheques**.

As you are printing cheques for the first time, the layout customization appears.

The Print Cheques window confirms your printer settings and how you are printing. It also informs you of how many cheques you are printing and the total value of these cheques.

QuickBooks has two types of cheques that you can print. You are required to have pre-printed cheques for all types.

### Voucher

This form will print the cheque on the top portion of a letter size page. The middle section and the bottom section of the page provide the payment information.

### Standard

This form will print three cheques to a letter-size page. There is no payment information printed on the cheques.

## Practice the Skill

The following additional exercise covers many of the items discussed in this Lesson. The Practice the Skill exercises are included as extra practice and may be completed by the learners in class or on their own. Your instructor has access to the Answer Key for these exercises.

1. Complete the following inventory purchases as of March 31, 2017 (Pay Later).

Moir Piano, Bill MP 539

1 of item P-109 Piano @ \$1,200 each

Plus Freight charges of \$75. Total invoice \$1,338.75.

2. Using Cheque 355, complete the following purchase dated March 31, 2023. Bought from Burnaby Office Supply, Invoice BOS 632, office expenses for a total of \$154.80 plus.

## Lesson Summary

In this lesson, you learned how to work with transactions in the Supplier page, including how to do the following:

- work with the Supplier page
- Manage terms
- Manage tags
- create and modify supplier records
- make purchases by entering supplier bills
- make purchases by writing cheques
- create memorized payment transactions
- issue and fill purchase orders
- receive supplier bills
- find and modify supplier bills
- pay supplier bills
- print cheques
- run supplier reports

## Practice Questions

1. To display the Supplier page, you would:
  - a. Select the Suppliers icon on the Icon bar.
  - b. Select Get paid & pay, Suppliers from the quick menu.
  - c. Select the Suppliers icon in the Supplier's section of the Home Page tab.
  - d. All of the above.
2. To pay an entered bill from a supplier, you would:
  - a. Write a cheque
  - b. Use the General Journal
  - c. Use the Pay Bills window
3. All purchases have to go through Bills.
  - a. True
  - b. False
4. What is the purpose behind memorized transactions?