

QuickLabs

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Settle Up Fast with Quickbooks' Bill Paying Tools

Some of the financial crystal ball-types are telling us there are signs that the recession may be drawing some of its last breaths. But those bills are still coming in, and you may have had a long, dry summer and less income that you can use to meet those business obligations.

The desktop versions of QuickBooks can help. They can't magically make more money appear in your coffers, but they can help you manage your bills so you're always aware of what's coming up and don't get any nasty surprises. This keeps both you and your vendors happy, and minimizes the chance of affecting your credit report adversely. You can also maximize cash flow by being hyper-aware of when each bill is due and timing them appropriately.

(These bill-paying tools are available in all QuickBooks versions above Simple Start.)

Enter first, then pay

Of course, you can mimic your old manual method of bill paying by simply using QuickBooks' check-writing convention. But if you do this, you risk paying the bill twice. If you follow the process shown in **Figure 1** by entering and the then paying, you'll ensure that you record the expense in the same period it occurred.

To start, click the Enter Bills or Vendors/Enter Bills icon. The Enter Bills dialog box opens as shown in **Figure 2**. If you received a bill, be sure that box in the upper right is checked, and that the Bill radio button is filled in.

Next, click the arrow next to the Vendor line to select an existing vendor or add a new vendor. Change the date if necessary, and enter a reference number (this may avoid confusion later). Then, enter the amount due.



Figure 1: You'll find these icons on QuickBooks' graphical flow chart.

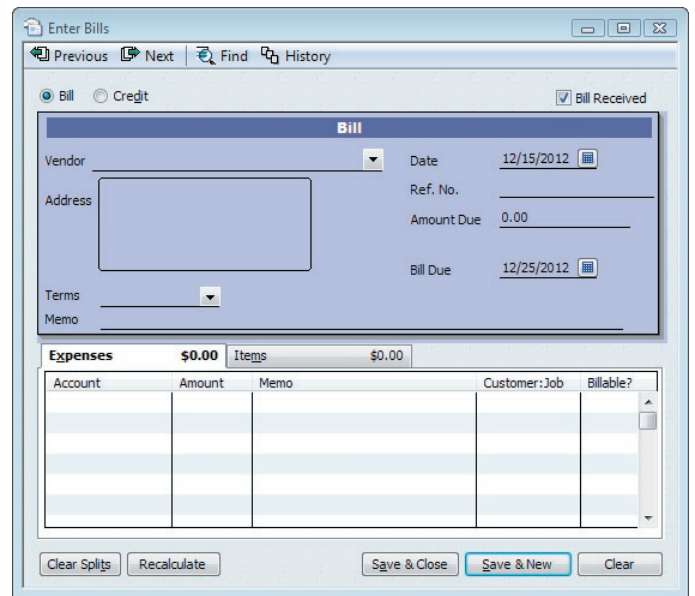


Figure 2: Start in the Enter Bills dialog box.



QuickLabs is the number one QuickBooks affiliate site on the internet. QuickLabs is owned and operated by Darryl Abrahms. He is a recognized expert in QuickBooks and has been a QuickBooks consultant since 1993, He is a charter member of Intuit's QuickBooks Professional Advisors program and has been a Certified QuickBooks Professional Advisor since 1999.

When you initially set up vendors, you either set up terms for each vendor or accepted the default. So the Terms field should already be filled in, and will generate the correct bill due date. Enter a descriptive memo in that field if you'd like.

Tip: Use the right-click menu when you're entering bills to see more options.

Since this was an expense, you'll want to record it as such. Make sure the Expenses tab is highlighted, and click in the Account field. Click the arrow that appears to drop down the list, and select the appropriate expense type. Fill in the rest of the field on the line, making sure to check the Billable box if this is something you can bill back to a customer. If the expense needs to be split into separate categories, create a new line and amount for each. Your bill now looks something like **Figure 3**.

Click the Items tab and fill out the fields there if your expense involves products. You must have Inventory turned on to do this. Click Save & Close or Save & New. QuickBooks now works in the background, increasing Accounts Payable and dropping the bill into several reports.

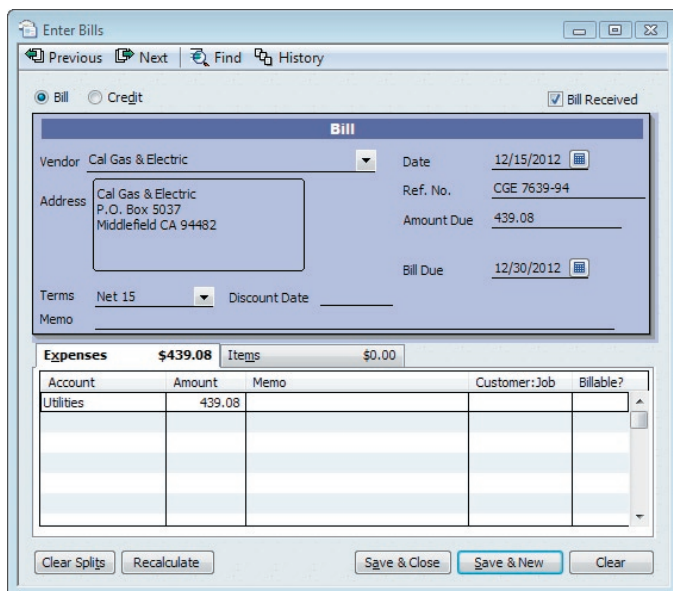


Figure 3: Make sure your completed bill entry screen is as complete as possible.

Paying your debts

When it's time to pony up, click on the Pay Bills icon, or click Vendors/Pay Bills. You'll see a screen similar to **Figure 4**. Check the radio button next to the correct preference to view all bills, or to limit the list to those on or before a specific date. Put a check mark next to the bill(s) you want to pay. The correct amount should fill in by default, but you can change this to make a partial payment.

If you want to view the bill, take a discount, or use credits, click on those buttons. Select a payment date, method (check or credit card), and toggle to the correct account if it's not showing.

Once you've paid a bill, your Accounts Payable and checkbook balances decrease, and the vendor balance and reports are updated. QuickBooks stamps a PAID watermark on the bill to avoid confusion later on.

Tip: To find bills you've already paid, go to the Vendor Center.

So stop stacking your bills on an old spindle and ruffling through them every day to see what's due. You'll find that there are numerous benefits to using QuickBooks' bill-paying features, such as an improved credit rating, a dearth of past-due notices, and better cash flow .

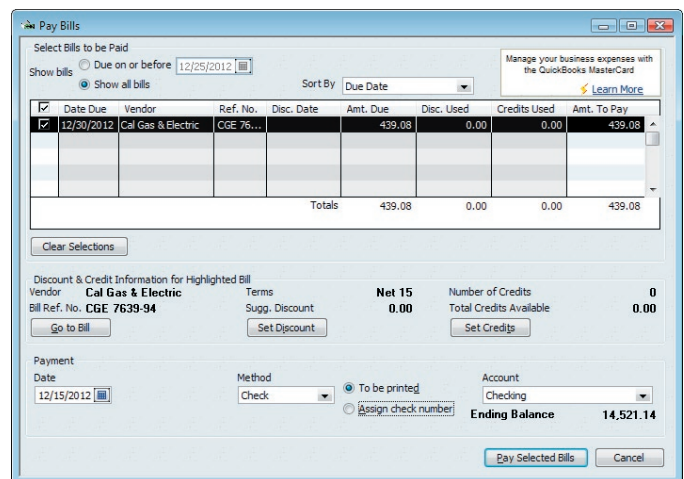


Figure 4: The Pay Bills dialog box makes it easy to finish the job.

Employee Benefits: Too Much? Too Little?

According to a 2008 Bureau of Labor Statistics report, 61% of private industry employees had access to paid retirement benefits. Medical care benefits were available to 71% of private industry workers. Employers paid 83% of the cost of premiums for single coverage and 71% of the cost for family coverage for workers participating in employer-sponsored medical plans. How does your business measure up? Few small businesses in this economy would likely feel they're offering too much, so you're probably looking for way to cut. There's no magic formula, but your accountant can help you determine if benefits are taking up a disproportionate amount of your bottom line.

Communicate, communicate, communicate

Who's in charge of communicating with your employees about benefits? If you don't have a full-time human resources professional, it's probably you – or nobody. Someone needs to be researching and communicating about benefits regularly, emphasizing that benefits are an important part of compensation. This person can contribute to the company's blog or Twitter presence, continuing to outline what's available and providing an area for employee input. He or she should look for free or low-cost benefit opportunities, and occasionally evaluate current retirement and medical plans, comparison-shopping for better opportunities with reduced fees.

Ask select employees (or all, if you're a small shop) to lunch, to discuss benefits frankly. What's missing? What do they like that they would hate to lose? This gives the benefits person a chance to say a few words about why you can't do more. Your employees are already nervous about their jobs. It's better to be frank with them than be silent. Have a contest—with a prize, like an afternoon off or company swag or a restaurant gift card—that asks employees to come up with ideas for saving money on benefits.

Retirement

If you're fully matching employee retirement accounts, great. This is an area where you can trim down if you're having budget problems: consider decreasing your match. If things are good, bump it up some. It's good for morale, and encourages employees to save.

Whatever your contribution to your employees' retirement, there are inexpensive and free ways to help them plan for retirement. Bring in a financial advisor for presentations. He or she can cover topics like budgeting, ways to reduce debt, and asset allocation. Use social media here, too, or at least a physical bulletin board in a prominent place. Where can employees go for good investing and retirement advice? Encourage employees to visit their portfolios frequently and use the resources offered by your plan provider, to ensure a potentially profitable mix of holdings.

Health Care

Make sure they understand the wellness programs that are available to them, to minimize both your health care costs and theirs. Some insurance companies offer a discount if you make a specified number of visits to a participating health club every month. Bring in a professional for a stress evaluation/reduction session or series. Post notices about local health screenings. And be a good example.

Health care costs killing you? Consider switching to a combination high-deductible/Health Savings Account (HSA) plan. If you must cut health care entirely, try to contribute at least \$100/month to each employee to subsidize their health care. Many states have low-income health care programs; do a search on the Web and have this information available. Another option is to contribute less to your employees' plan. It's better than cutting it entirely. But again, it's very important to communicate well with your employees when changes like this occur.

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