The *QuickBooks*™ *Client Newsletter*

Helping You Grow a Profitable Business with QuickBooks™ Software

From the office of:

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Working with Checks in QuickBooks

Online banking may get all the headlines, but there are many small businesses that still prefer paper checks. QuickBooks can accommodate them.

"I don't write checks anymore," you hear a lot of people say these days. Debit cards, smartphone payment apps, and online banking have replaced the old paper checkbook for a lot of consumers.

That's fine if you are at Starbucks or the grocery store, but many small businesses still prefer to issue paper checks to pay bills, cover expenses, and make product and service purchases. QuickBooks provides tools that help you create, print, and track checks.

But you don't just head to the **Write Checks** window every time something needs to be paid. There are numerous times when you would record a payment in a different area of the program. For example, if you've already created a bill in **Enter Bills**, you'd go to the **Pay Bills** screen to dispatch a check.

*Once you've recorded a bill in **Enter Bills**, you must visit the **Pay Bills** screen to dispatch a check, otherwise you will duplicate the expense. The image above shows the bottom of that screen.*

Other examples here include:

- Issuing paychecks (click the **Pay Employees** icon),
- Submitting payroll taxes and liabilities (**Pay Liabilities** icon), and
- Paying sales taxes (**Manage sales tax** icon).

Simple Steps

Let's say you asked an employee to go to an office supply store to pick up some copy paper because you ran short before your normal shipment came in. If you knew the exact amount it would cost, you could write a check directly to the shop. But the employee agrees to pay for it and be reimbursed.

Click the **Write Checks** icon on the home page. If the **BANK ACCOUNT** that's showing isn't the correct one, click the arrow to the right of that field and select the right one. Unless you've written a check to that employee before, he won't be in the **Vendor** list that opens when you click the arrow to the right of **PAY TO THE ORDER OF**. Enter his name in that field.

The **Name Not Found** window opens. If this was a new vendor that you would be working with again, you'd click **Set Up** and follow the instructions in the step-by-step wizard that opened. Since this isn't the case, click **Quick Add**. In the window that opens, click the button next to **Vendor**.

*Note: If you're using a payroll application, you already have an employee record for that individual, which would have filled in automatically when you started typing the name. Since this is a **Non-Payroll Transaction**, it won't get mixed up with his payroll records as long as you assign the correct account.*
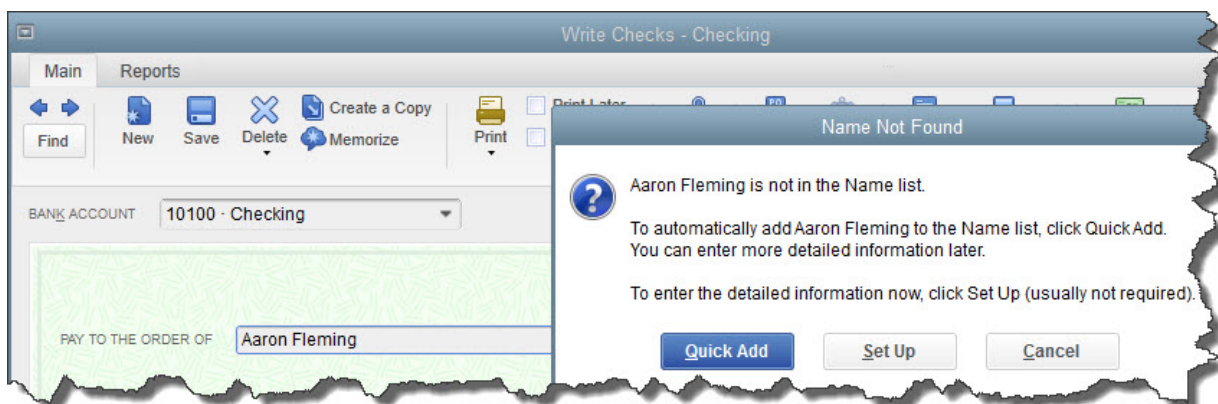

*If you don't want to create an entire record for the payee of a check, you can just click **Quick Add**.*

QuickBooks will then return you to the check-writing screen, where you can verify the check number and date, and enter the amount. Fill in the **MEMO** field so you remember the reason for the payment.

At the bottom of the screen, you will see a tabbed register. The **Expenses** tab should be highlighted and the amount of your check entered. Click the down arrow in the field under **ACCOUNT** to open the list, and select **Office Supplies**. The **AMOUNT** should fill in automatically. Not sure which account to select, and what the remaining three columns mean? Ask us.

*Note: You would only enter the expense under the **Items** tab if you were buying inventory items or paying job-related costs.*
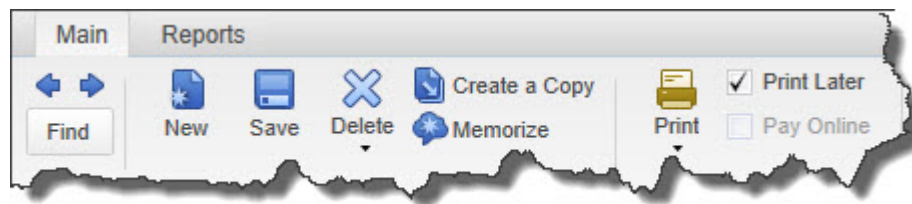
*Warning: If you're planning to print the check, be sure to check the **Print Later** box in the horizontal toolbar at the top of the screen.*

When you are finished, save the transaction. Since you want to pay the employee right away, click the **Print Checks** icon and click in the field in front of the correct check to select it, click **OK**.

Easy, But Tricky

QuickBooks makes the mechanics of writing checks easy. Simple as it is, though, a lot can go wrong if you, for example:

- Issue a check from the wrong screen,
- Classify a check incorrectly, or,
- Skip a step.

We encourage you to set up a learning session with us if you are new to check-writing in QuickBooks or are confused about any of its attributes. We will be happy to help ensure that your accounts payable activities will result in accurate record keeping.

We hope you find these QuickBooks tips helpful. Please visit our company website http://www.accountingconnections.org often as it is updated constantly and offers a wealth of QuickBooks, Accounting and

tax information, along with links to better serve your business needs. Our QuickBooks Tips newsletters are archived on our website as well.

Accounting and Taxation is **our** business; having us a part of your team allows **you** to concentrate on **your** core business.

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