The QuickBooks™ Client Newsletter

Helping You Grow a Profitable Business with QuickBooks™ Software

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Working with QuickBooks' Vendor Records

It's important to maintain good relationships with your vendors and suppliers. QuickBooks helps you track your interaction with them.

QuickBooks never forgets. That's one of the reasons you use it. You create a record or transaction, enter a note about a customer, or write a check, and the information gets stored in your QuickBooks file.

If you don't remember exactly where it is, you can search for it. No more flipping through a card file or folder, or digging in drawers.

QuickBooks makes it possible—easy, even—to maintain thorough records of your vendors, the individuals and companies who provide you with office supplies, product parts, computer equipment – everything you need to keep your business operating.

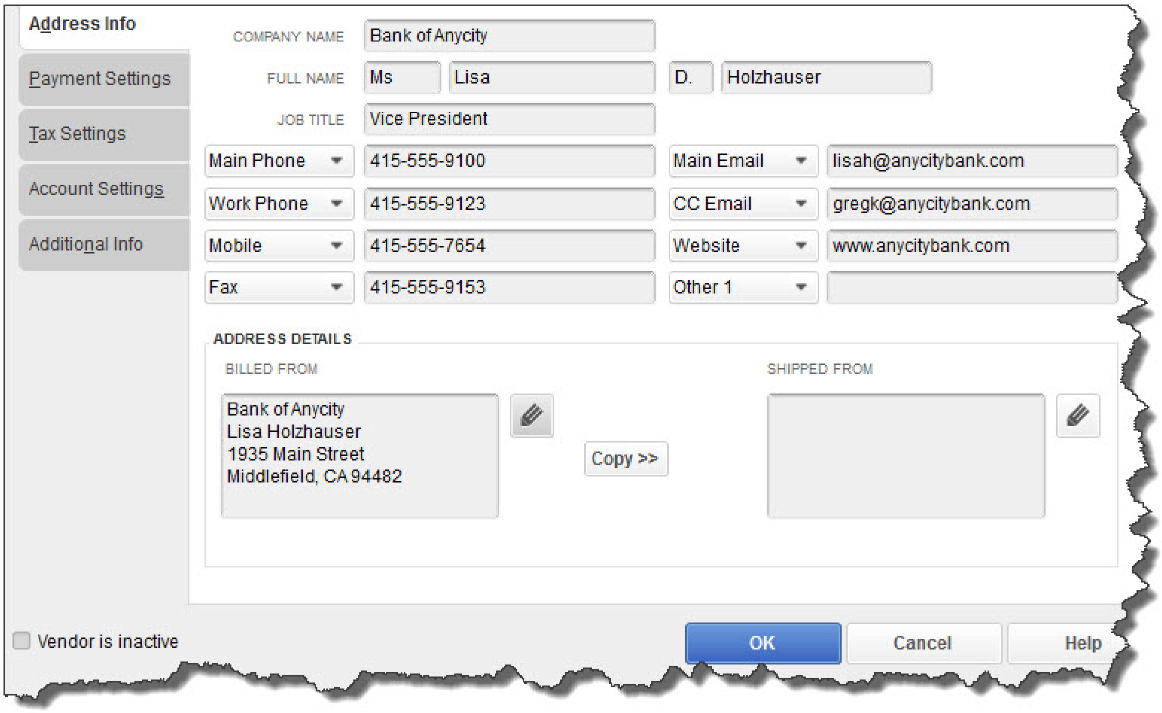
Once you've started building a vendor record, you'll be able to use it in transactions and reports, and to simply refer to it when you need some information.

If you're just starting to use QuickBooks, part of your setup will involve entering vendor details in the record template the software supplies.

If you've been a QuickBooks user for a while but you've only supplied enough information about vendors to create transactions, consider fleshing out those elements of your accounting file as you have time.

Filling in Fields

To create a vendor record, open the **Vendors** menu and select **Vendor Center**. Above the tabbed table, there's a small toolbar. Open the **New Vendor** menu and click on **New Vendor**. A window like this will open.:



You can store an enormous amount of detailed information about your vendors in these record templates.

At the top of the screen (not pictured here) is a box labeled **Vendor Name**. Enter it.

Fill in as many of these fields as you can, then click on the **Payment Settings** tab in the toolbar on the left. The fields in this window—**Payment Terms**, **Credit Limit**, etc.—are optional, but complete what you're able to. The more you can fill out now, the less work you'll have to do later, since much of the information here automatically comes up when you create transactions.

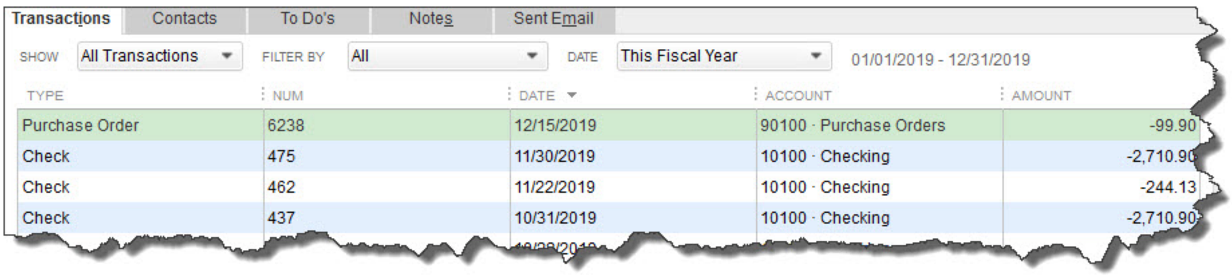
The other tabs here open windows where you can specify:

- **Tax Settings**. Vendor Tax ID and 1099 eligibility.
- **Account Settings**. Here, you can select the default account that should be automatically selected when you enter a bill or expense for this vendor (for example, phone bills=**Utilities:Telephone**). *Talk to us if you don't understand this. It's OK to leave it blank for now*.
- **Additional Info. Vendor Type** (subcontractors, for example) and **Custom Fields** (fields you can define for your own use).

When you're done, click **OK**.

Viewing Your Records

Once you've created one or more vendor records, the **Vendor Center** will display a list of them in its left pane. Click on one to highlight it, and you'll see something like this in the right pane:



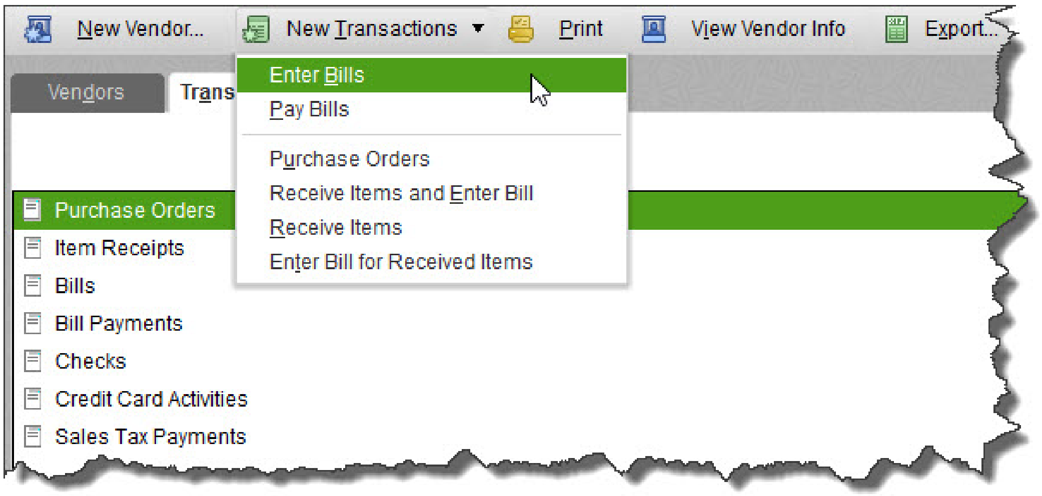
*The **Vendor Information** window displays contact information in the top pane (not pictured here), and additional details below.*

Here's where your conscientious work creating records starts to pay off. Click on any of the five tabs in the top toolbar to display that vendor's **Transactions**, the **Contacts** from that company, any related **To Do's**, **Notes** you've taken, and **Sent Email**. Once your lists grow unwieldy, you can search by a variety of filters.

Using Records in Transactions

There are numerous transaction types that require vendor information, like purchase orders, bills, checks, and sales tax payments. When you open one of these transaction forms and click the down arrow in the **Vendor** field, your list will drop down. Select one, and related details that you've already entered will automatically appear in the correct fields.

You can create vendor transactions from either the home page or the menus. You can also do so from the **Vendor Center**. With either the **Vendors** or **Transactions** tab active, you'd click on the **New Transactions** link in the upper toolbar and select the one you want to launch.



QuickBooks provides numerous paths to creating vendor-related transactions.

The mechanics of filling in the fields in vendor records and using that information in transactions are not overly complicated.

Please understand, if you 'Enter Bills" in the vendor center, then when you are ready to pay that bill, you need to go to the vendor center and choose "Pay Bills" and scroll until you find that vendor Bill. Do NOT "write check" for that will duplicate the expense.

As we have noted here, you may run across unfamiliar concepts. We will be happy to spend some time with you exploring this whole topic, to ensure that your relationships with vendors remain positive.

We hope you find this QuickBooks tip helpful. Please visit our company website http://www.accountingconnections.org often as it is updated constantly and offers a wealth of tax and accounting tips, 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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NATIONAL ASSOCIATION OF ENROLLED AGENTS

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Enrolled Agents are allowed to represent clients before all administrative levels of IRS without their clients' presence (the same as a CPA or Tax Attorney).