



QuickBooks

Cleaning up Negative Accounts Receivable/Payable (Cash Basis Taxpayer)

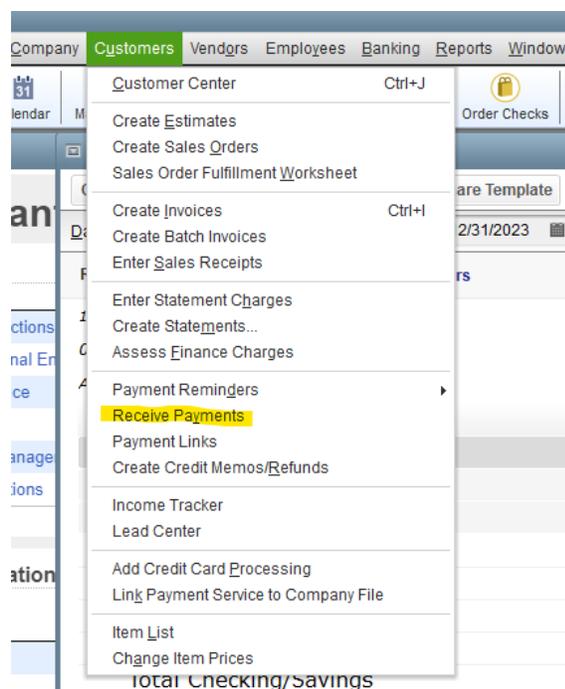
A negative A/R or A/P balance means one of two things – payments were received/made but not applied to an open invoice/bill – or- there is a legitimate credit or prepayment applied to a customer or vendor (not usual).

Cash basis taxpayers report income when received and expenses when paid, meaning A/R and A/P should not show up on your Balance Sheet. If it does, you'll need to do some work to clear it up.

You can Google “how to clean up A/R and A/P in QuickBooks” many videos and help articles will appear to choose from. We would recommend any threads from Intuit’s support website to start.

Enter payments received from customers/clients or paid to vendors in the appropriate Menu ribbon item [Customers or Vendors] and do not use the check register as this will cause problems.

Customers (A/R) – how to apply a payment received





When you open “Receive Payments” [customer], choose the customer and enter the data for the payment.

*If no invoices show up in the list, you likely never entered an invoice. You will need to go back to the Customer Center and choose create invoice. Make sure the date for the invoice you enter is the correct year. Save the invoice and close.

Then go back into Receive Payment and the invoice should show up for the customer with a checkbox that you can apply the payment to. Choose the invoice, make sure the bottom right corner looks correctly applied and save and close.

The screenshot shows the 'Receive Payments' window with the following details:

- Customer Payment** (Title)
- CUSTOMER BALANCE**: 0.00
- RECEIVED FROM**: [Dropdown menu]
- PAYMENT AMOUNT**: 0.00
- DATE**: 03/04/2024
- REFERENCE #**: [Text field]
- Payment Method**: CASH, CHECK (selected), Visa, e-CHECK, MORE
- Table**:

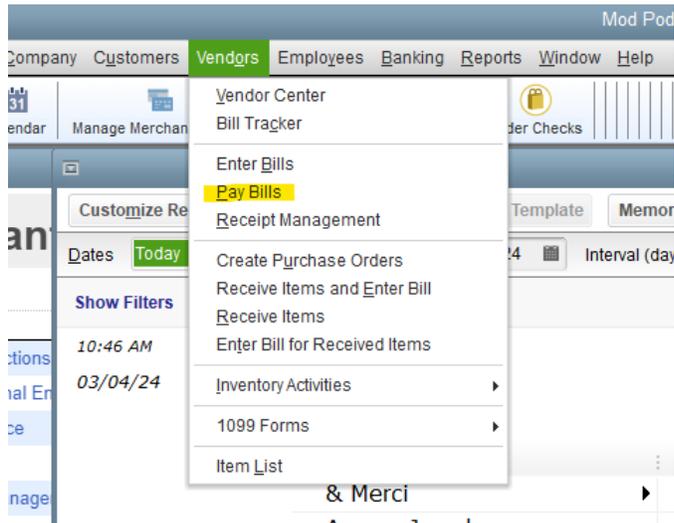
DATE	NUMBER	ORIG. AMT.	AMT. DUE	PAYMENT
[Yellow]				
[Yellow]				
[Yellow]				
Totals			0.00	0.00
- AMOUNTS FOR SELECTED INVOICES**:

AMOUNT DUE	0.00
APPLIED	0.00
DISCOUNT AND CREDITS APPLIED	0.00
- Buttons**: Save & Close, Save & New, Clear



For A/P [Vendor] – how to apply a payment to a vendor

Record payments to vendors in the vendor center under Pay Bills.



A list will populate with all open accounts payable [Bills] entered. This is where you will choose which bill to apply to payment against.

*If you have no bills entered for that Vendor, you will need to go back into the Vendor Center menu and “Enter Bills” and enter the bill, make sure to pay attention to the date. Save and Close and then you should be able to go back into Vendor and Pay Bills and choose the Bill to apply the payment against



Pay Bills

SELECT BILLS TO BE PAID

Show bills Due on or before 03/14/2024 Show all bills

Filter By

Sort By Vendor

<input type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input type="checkbox"/>	01/25/2024		flash-fdmp		540.00	0.00	0.00	0.00
<input type="checkbox"/>	01/11/2024		528447		537.00	0.00	0.00	0.00
<input type="checkbox"/>	01/07/2024		j2eubqmt7		390.53	0.00	0.00	0.00
<input type="checkbox"/>	01/12/2024		12636		443.52	0.00	0.00	0.00
<input type="checkbox"/>	03/11/2024		18653		265.65	0.00	0.00	0.00
<input type="checkbox"/>	01/13/2024		NPCDW765HW		210.00	0.00	0.00	0.00
<input type="checkbox"/>	12/07/2023		73UEERTQ94		137.50	0.00	0.00	0.00
<input type="checkbox"/>	01/13/2024				102.63	0.00	0.00	0.00
<input type="checkbox"/>	01/11/2024		1083347635		36.95	0.00	0.00	0.00
<input type="checkbox"/>	01/02/2024				6.02	0.00	0.00	0.00
<input type="checkbox"/>	01/03/2024		00033780		282.00	0.00	0.00	0.00
Totals					3,428.77	0.00	0.00	0.00

Select All Bills

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor Terms Number of Credits 0

Bill Ref. No. Sugg. Discount 0.00 Total Credits Available 0.00

Go to Bill Set Discount Set Credits

PAYMENT

Date 03/04/2024 Method Check To be printed Assign check number Account 1010 - Citizens checking Ending Balance 0.00

Pay Selected Bills Cancel