

PAYING & ENTERING RJO BILLS

QuickBooks will not allow you to pay two separate vendors (like Stuller & Rembrandt Charm Co) on one check and have the payee be "RJO". So we have to use a 2 prong approach. We will have a new "faux" bank account called "RJO Exchange Account. We will pay off the bills for many different vendors using this "faux" bank account

This will mark the bills as "Paid" in QuickBooks and will show us with one balance number in the faux "RJO Exchange Account" how much we owe RJO.

Next we make out a check payable to "RJO Incorporated" and on the expense line we will choose the "RJO Exchange Bank Account".

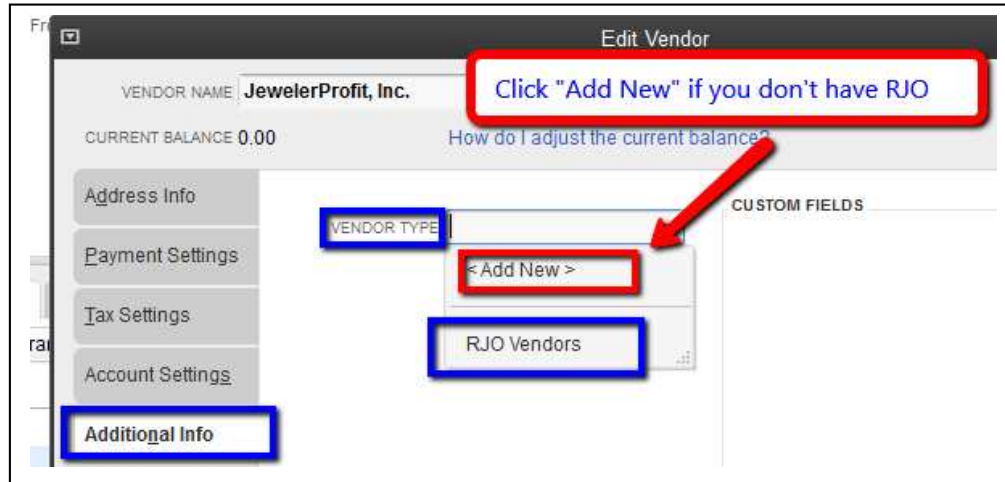
Done!

So here's the detail. First we have to set this up properly. If you don't have the vendors from whom you buy through RJO in QuickBooks you'll need to add them.

- A. If you don't have the vendor in QuickBooks at all.
 1. Go to the icon bar and choose "Vendors".
 2. Upper left corner click on **New Vendor**.
 3. Follow instructions as below for editing a vendor for stores who have them in.
 4. The new vendor screen is pretty self-explanatory, just **one single difference**.
- B. Editing an existing vendor. (Adding a new **RJO vendor is done this way**).
 1. Go to Vendors on icon bar.
 2. A list pops up on the left. Find the RJO vendor.
 3. Double click to open or right click and hit "edit".
 4. There are three places you'll see the vendor's name. In the **very top box ADD RJO-**
In front of the name. The other two boxes can be left alone. The top box **VENDOR NAME** box just add the "RJO-". Will look this way

The screenshot shows the 'Edit Vendor' window in QuickBooks. At the top, the 'VENDOR NAME' field is highlighted with a red arrow and contains the text 'RJO-Stuller Settings'. Below this, the 'CURRENT BALANCE' is 0.00. The 'Address Info' section includes fields for 'COMPANY NAME' (Stuller Settings), 'FULL NAME' (Mr./Ms./J., First, M.I., Last), and 'JOB TITLE'. The 'Account Settings' section includes fields for 'Main Phone' (800-877-7777), 'Work Phone', 'Mobile', 'Fax' (800-444-4741), 'Main Email', 'CC Email', and 'Website'. The 'ADDRESS DETAILS' section includes 'BILLED FROM' (Stuller Settings, PO Box 77777, Lafayette LA 70598-7777) and 'SHIPPED FROM'. At the bottom, there are 'OK', 'Cancel', and 'Help' buttons, and a checkbox for 'Vendor is inactive'.

When you enter or edit an RJO vendor also click on "Additional Info" tab on the left. This will show us a "Vendor Type" list. If this is an RJO vendor choose **RJO** as the vendor type. This allows us to run an Accounts Payable report of just RJO vendors we owe. You'll see that saved report on your icon bar.



The reason for placing "RJO-" in front of the vendors name is for SORTING when we pay bills. All of the vendors we owe **through RJO** will be grouped together. This shows all RJO bills we owe All vendors and alphabetically at the "R's" are all RJO vendors. Easy to click them and at bottom click to pay with the RJO Exchange Bank Account.

Pay Bills

Select Bills to be Paid

Show bills Due on or before 12/25/2011 Show all bills

Filter By: All vendors

Sort By: Vendor

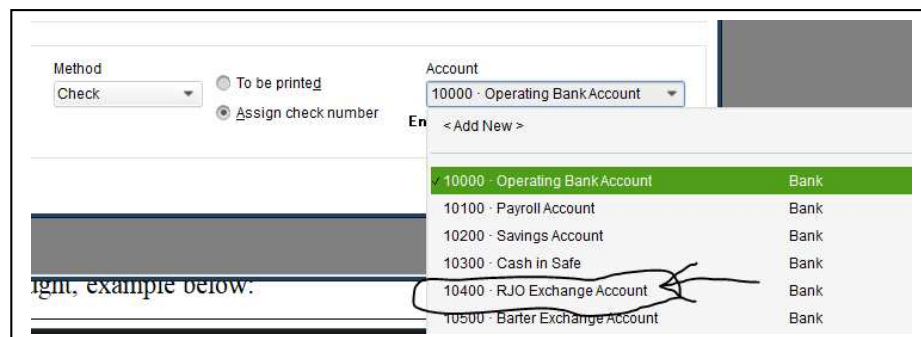
<input type="checkbox"/>	Date Due	Vendor	Ref. No.	Disc. Date	Amt. Due	Disc. Used	Credits Used	Amt. To Pay
<input type="checkbox"/>	01/09/2012	Heritage Management ...	765		1,250.00	0.00	0.00	0.00
<input type="checkbox"/>	07/31/2010	Rio Grande			325.00	0.00	0.00	0.00
<input type="checkbox"/>	01/29/2012	Rio Grande	23434		350.23	0.00	0.00	0.00
<input type="checkbox"/>	07/17/2010	RJO-Barbery Coast Je...			2,548.45	0.00	0.00	0.00
<input type="checkbox"/>	07/31/2010	RJO-Hoover & Strong			652.32	0.00	0.00	652.32
<input checked="" type="checkbox"/>	01/29/2012	RJO-Hoover & Strong	1245		654.25	0.00	0.00	654.25
<input checked="" type="checkbox"/>	07/17/2010	RJO-RQC	44466		877.36	0.00	0.00	877.36
<input checked="" type="checkbox"/>	08/06/2010	RJO-Stuller Settings	779712		1,381.32	0.00	0.00	1,381.32
<input checked="" type="checkbox"/>	12/25/2011	RJO-Stuller Settings	7784		784.50	0.00	0.00	784.50
<input checked="" type="checkbox"/>	01/29/2012	RJO-Stuller Settings	658		162.20	0.00	0.00	162.20
<input type="checkbox"/>	07/30/2010	Royal Touch	144646		472.36	0.00	0.00	0.00
Totals					13,196.71	0.00	0.00	4,511.95

Clear Selections

Discount & Credit Information for Highlighted Bill

Vendor: **RJO-Stuller Settings** Terms: **Net 30** Number of Credits: **0**

Bill Ref. No. **658** Sugg. Discount: **0.00** Total Credits Available: **0.00**



Entering a bill for an RJO vendor is done the same way as any other vendor, on the expense tab enter what you bought, example below:

The screenshot shows the 'Enter Bills' window with the following details:

- Vendor:** RJO-Stuller Settings
- Address:** Stuller Settings, PO Box 7777, LaFayette, LA 87777
- Date:** 12/30/2011
- Ref. No.:** 658
- Amount Due:** 162.20
- Bill Due:** 01/29/2012
- Terms:** Net 30
- Bill Received:**

The **Expenses** tab shows:

Account	Amount	Memo	Customer:Job	Billable?
5050 - Findings/Mtgs/Gold/Stones	162.20			

So when we go to Pay Bills and pay all of the vendors we owe with RJO but instead of using our regular bank account we'll use the RJO Exchange Bank Account just to **mark the bills as "Paid"**. Vendors are now paid! Then we write the check from our regular bank account and on the expense tab use the "RJO Exchange" bank account and mail *that check*. Now RJO corporation is paid. Done.

All of these vendors bills are now marked "Paid". The ending balance in this faux "RJO Exchange Bank Account is negative because there is no money in this account *yet* and it shows how much we will have to send a single check to RJO. So hold on.....

The screenshot shows the 'Printed Bill' window with the following details:

- Terms:** Net 30
- Sugg. Discount:** 0.00
- Number of Credits:** 0
- Total Credits Available:** 0.00
- Method:** Check
- Account:** 1025 - RJO Exchange Account
- Ending Balance:** -4,511.95

Callouts in the image:

- A blue arrow points to the **Method** dropdown menu.
- A blue arrow points to the **Account** dropdown menu.
- A blue box highlights the **Ending Balance** of -4,511.95 with the text: "This negative number is the total of how much we will owe RJO".
- A blue box highlights the **Pay Selected Bills** button with the text: "Click 'Pay Selected Bills'".

1. Doing it this way allows you to track bills for RJO vendors by their name not RJO.
2. QuickBooks will combine the total of checks written by the RJO bank account so you know how much you owe RJO as one single check.
3. RJO knows who you owe, you can just go online and pay RJO. You could also still mail a paper check if you so choose.

So print the "checks" on plain paper. You can "see" the voucher with invoice numbers. Tear off the bottom one for you, the rest is going to be sent to RJO with a real check from your real bank account. This is what the plain paper will look like.

12/30/2011

RJO-Hoover & Strong ***1,306.57

One Thousand Three Hundred Six and 57/100*****

RJO-Hoover & Strong

RJO-Hoover & Strong			12/30/2011			
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/1/2010	Bill		652.32	652.32		652.32
12/30/2011	Bill	1245	654.25	654.25		654.25
				Check Amount		1,306.57

Send the whole TOP portion to RJO.
Tear this portion off and attach to your files.

RJO Exchange Accou	1,306.57					
RJO-Hoover & Strong			12/30/2011			
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
7/1/2010	Bill		652.32	652.32		652.32
12/30/2011	Bill	1245	654.25	654.25		654.25
				Check Amount		1,306.57

Go to your chart of accounts and you'll see the RJO Exchange account is overdrawn. If you open the register you'll see the vendors are paid:

Name	Type	Balance Total	Attach
1000 · Operating Account	Bank	45,446.62	
1005 · Payroll Account	Bank	0.00	
1010 · Savings/Money Market	Bank	0.00	
1020 · Cash In Safe	Bank	0.00	
1025 · RJO Exchange Account	Bank	-4,511.95	

Date	Number	Payee	Payment	Deposit	Balance
12/30/2011	4	RJO-Hoover & Strong	1,306.57		-1,306.57
	BILLPMT	2000 · Accounts Payal			
12/30/2011	5	RJO-RQC	877.36		-2,183.93
	BILLPMT	2000 · Accounts Payal 23233			
12/30/2011	6	RJO-Stuller Settings	2,328.02		-4,511.95
	BILLPMT	2000 · Accounts Payal			
12/15/2011					
	Number	Payee	Payment	Deposit	
		Account			
Ending balance					-4,511.95

this is how much we owe RJO

NOW TO PAY RJO:

1. Write a check to RJO from your *regular operating bank account*.
2. On the expense tab, scroll UP and chose the **RJO Exchange Bank Account**.
The account remember is overdrawn in the RJO Exchange account (\$4511.95), this is how much we make the real check out for to pay.
3. Print *this check on a real check* and mail it along with the faux checks that have the vendors name on it and the invoice numbers you are paying.
OR in the check number field type "Pd Online" and not print vouchers.
4. By using the RJO Exchange Account on the expense tab we have now filled the overdrawn account back up to zero and have paid RJO.

Write Checks - Operating Account

Bank Account: 1000 · Operating Account Ending Balance: 45,446.62

No. 1572
Date 12/15/2011
\$ 4,511.95

Pay to the Order of RJO

Four thousand five hundred eleven and 95/100* Dollars

Address: RJO
50 Brunswick Court
Iowa City IA 52240-2862

Memo

Expenses \$4,511.95 Items \$0.00 Online Payment To be printed

Account	Amount	Memo	Customer:Job	Billable?
10 Exchange Account	4,511.95			
< Add New >				
1000 · Operating Account		Bank		
1005 · Payroll Account		Bank		
1010 · Savings/Money Market		Bank		
1020 · Cash In Safe		Bank		
1025 · RJO Exchange Account		Bank		
1200 · Accounts Receivable		Accounts Receivable		
12100 · Inventory Asset		Other Current Asset		

1025 · RJO Exchange Account

Go to... Print... Edit Transaction QuickReport Download Bank Statement

Date	Number	Payee	Payment	Deposit	Balance
	Type	Account			
12/30/2011	4	RJO-Hoover & Strong	1,306.57		-1,306.57
	BILLPMT	2000 · Accounts Payal			
12/30/2011	5	RJO-RQC	877.36		-2,183.93
	BILLPMT	2000 · Accounts Payal 23233			
12/30/2011	6	RJO-Stuller Settings	2,328.02		-4,511.95
	BILLPMT	2000 · Accounts Payal			
12/31/2011	1572	RJO		4,511.95	0.00
	CHK	1000 · Operating Acc			
12/15/2011					
					Ending balance 0.00

Splits 1-Line Sort by Date, Type, Number/... Record Restore

The REAL check you wrote to RJO brought thr RJO Exchange Account back up to zero balance.

This account should be zero balance when you start and a zero balance when you are finished. It will when you use credits from a vendor against that same vendor (i.e. use a Stuller credit to lower a Stuller bill).

You have accomplished your tasks and have ability to see bills that are RJO vendors.

USING A CREDIT FOR ONE RJO VENDOR ON ANOTHER RJO VENDOR'S BILL

The RJO organization allows a store to pay one vendor but use another vendor's credit to lower your payment. They can do this because you make your payment to RJO not any vendor.

QuickBooks **does not** allow you to use one vendor's credit to pay another. So we have a work around. We will have to make two journal entries to move the credit from one vendor to another vendor. A 2 step simple process. In your QuickBooks file I have saved the two journal entries.

1. Of course your first course of action is to issue the credit as you always would to the original vendor then we'll move it.
2. This credit will sit within QuickBooks and if you do not want to use it for that vendor when you pay bills click "set credits" and uncheck the credit you do not wish to use.
3. It could be weeks or month later when you decide to use a credit from RJO vendor #1 and against a bill you owe with RJO vendor #2. When that occurs use the two journal entries to move the credit from one vendor to another.
4. Then you go to **Pay Bills** can pay the "other" RJO vendor with that vendor's credit.

Here's an ABC approach to this system:

1. We have bought \$100 from Stuller in October:

The screenshot shows the 'Enter Bills' window in QuickBooks. The 'Bill' tab is selected. The vendor is 'RJO-Stuller' and the date is '10/02/2013'. The address is 'Stuller, PO Box 87777, Lafayette LA 70598-7777'. The amount due is \$100.00 and the bill due date is '12/11/2013'. The terms are 'Net 30'. The expenses table shows:

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLABLE?
13000 - Stock & Spec Ord...	100.00			
55100 - Findings/Atgs/Gol...	0.00			
66530 - Freight Into Store	0.00			

2. The next month we returned an item and entered a \$25 credit from Stuller to our account.

The screenshot shows the 'Enter Bills' window in QuickBooks with the 'Credit' tab selected. The vendor is 'RJO-Stuller' and the date is '11/11/2013'. The credit amount is \$25.00. The expenses table shows:

ACCOUNT	AMOUNT	MEMO	CUSTOMER	BILLABLE?
13000 - Stock & Spec...	25.00			
55100 - Findings/Atgs/...	0.00			
66530 - Freight Into Sto...	0.00			

- Accounts payable report shows we owe them \$100 and have a credit for \$25, net due to Stuller = \$75.00.

Type	Date	Num	Due Date	Aging	Open Balance
RJO-Stuller					
Credit	11/11/2013				-25.00
Bill	10/02/2013		11/01/2013	10	100.00
Total RJO-Stuller					75.00
TOTAL					75.00

- Now we go to MemTx and open our memorized Journal Entry to open: RJO-Move Credit-Task #1
This moves the credit away from Stuller into our RJO “wash account”.
Be sure to enter the vendor’s name in the far right hand “Name” field.

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILLA
			Task #1-Move Credit FROM vendor to		
			"wash" account		
17000 - Accounts Payable		25.00	CREDIT amount of credit	RJO-Stuller	
10500 - Wash Account for RJO-Zero	25.00		DEBIT same amount		
Totals	25.00	25.00			

- Save and close and if you look at the Accounts Payable Unpaid Bills report you'll see that we have zeroed out the \$25 credit and we go back to owing Stuller \$100.

Type	Date	Num	Due Date	Aging	Open Balance
RJO-Stuller					
Credit	11/11/2013				-25.00
General Journal	11/11/2013	3			25.00
Bill	10/02/2013		11/01/2013	10	100.00
Total RJO-Stuller					100.00
TOTAL					100.00

6. If we take a look at the 10500: Wash Account for RJO-Zero account is has a \$25.00 positive amount in it:

NAME	TYPE	BALAN...	ATTA...
10000 - Operating Bank Account	Bank	0.00	
10100 - Payroll Account	Bank	0.00	
10200 - Savings Account	Bank	0.00	
10300 - Cash in Safe	Bank	0.00	
10400 - RJO Exchange Account	Bank	0.00	
10500 - Wash Account for RJO-Zero	Bank	25.00	
10600 - Barter Exchange Account	Bank	0.00	
12000 - Edge Pass Thru Account-Zero!	Accounts Receivable	0.00	
13000 - Stock & Spec Order Inventory	Other Current Asset	75.00	
13500 - MEMO & CONSIGN-DONT USE	Other Current Asset	0.00	

7. Next we make another journal entry to move that credit from the wash account to Rembrandt charm.

Make General Journal Entries

DATE: 11/11/2013 ENTRY NO.: 5 ADJUSTING ENTRY

ACCOUNT	DEBIT	CREDIT	MEMO	NAME	BILL
			Task #1-Move Credit FROM vendor to "wash" account		
17000 - Accounts Payable	25.00		DEBIT amount of credit	RJO-Rembrandt Charm	
10500 - Wash Account for RJO-Zero		25.00	CREDIT same amount		
Totals	25.00	25.00			

Buttons: Save & Close, Save & New, Revert

8. Looking on our accounts payable detail report you'll see the credit has been moved from Stuller and given to Rembrandt Charm company:

2014 Edge QuickBooks Jewelry Store
Unpaid Bills Detail
As of November 11, 2013

Type	Date	Num	Due Date	Aging	Open Balance
RJO-Rembrandt Charm					
General Journal	11/11/2013				-25.00
Bill	11/11/2013				200.00
Total RJO-Rembrandt Charm					175.00
RJO-Stuller					
Credit	11/11/2013				-25.00
General Journal	11/11/2013	3			25.00
Bill	10/02/2013		11/01/2013	10	100.00
Total RJO-Stuller					100.00
TOTAL					275.00

Annotations: "Owe Rembrandt \$25 LESS" (circled in red), "Still owe Stuller \$100" (circled in red)

- Going to “Pay Bills” we have to check all boxes for both vendors. This will use all credits and journal entries up and we are now in fine shape. Print vouchers as normal per instructions many pages up. You may want to hand write notes on your copy as well as RJO’s copies to make sure everyone understands what has occurred.

SELECT BILLS TO BE PAID

Show bills Due on or before 11/21/2013 Show all bills

Filter By Sort By Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	11/01/2013	RJO-Stuller			100.00	0.00	0.00	100.00
<input checked="" type="checkbox"/>		RJO-Stuller	3		25.00	0.00	25.00	0.00
<input type="checkbox"/>	11/21/2013	RJO-Rembrandt Ch...			200.00	0.00	0.00	0.00
Totals					325.00	0.00	25.00	100.00

Clear Selections

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor **RJO-Stuller** Terms **Net 30** Number of Credits **0**

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

Set Credits

PAYMENT

Date 11/21/2013

To be printed Assign check number

Account 10000 - Operating Bank Account

Ending Balance -100.00

Pay Selected Bills Cancel

Click the first two lines for Stuller. This will apply the journal entry to Stuller so we pay them their full amount as we will use their credit to Rembrandt Charm

- Then when we also go to pay Rembrandt Charm the journal entry will show up as a credit to be used:

SELECT BILLS TO BE PAID

Show bills Due on or before 11/21/2013 Show all bills

Filter By Sort By Due Date

<input checked="" type="checkbox"/>	DATE DUE	VENDOR	REF. NO.	DISC. DATE	AMT. DUE	DISC. USED	CREDITS USED	AMT. TO PAY
<input checked="" type="checkbox"/>	11/01/2013	RJO-Stuller			100.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>		RJO-Stuller	3		25.00	0.00	0.00	0.00
<input checked="" type="checkbox"/>	11/21/2013	RJO-Rembrandt Ch...			200.00	0.00	25.00	175.00
Totals					325.00	0.00	25.00	175.00

Clear Selections

QuickBooks has automatically used the credit we did from the journal entry

DISCOUNT & CREDIT INFORMATION FOR HIGHLIGHTED BILL

Vendor **RJO-Rembrandt Charm** Amount Due **200.00**

Ref. No. **11/11/2013** Discount Used **0.00**

Date **11/11/2013** Original Amt. **200.00**

Set Credits

Account 10000 - Operating Bank Account

Ending Balance -175.00

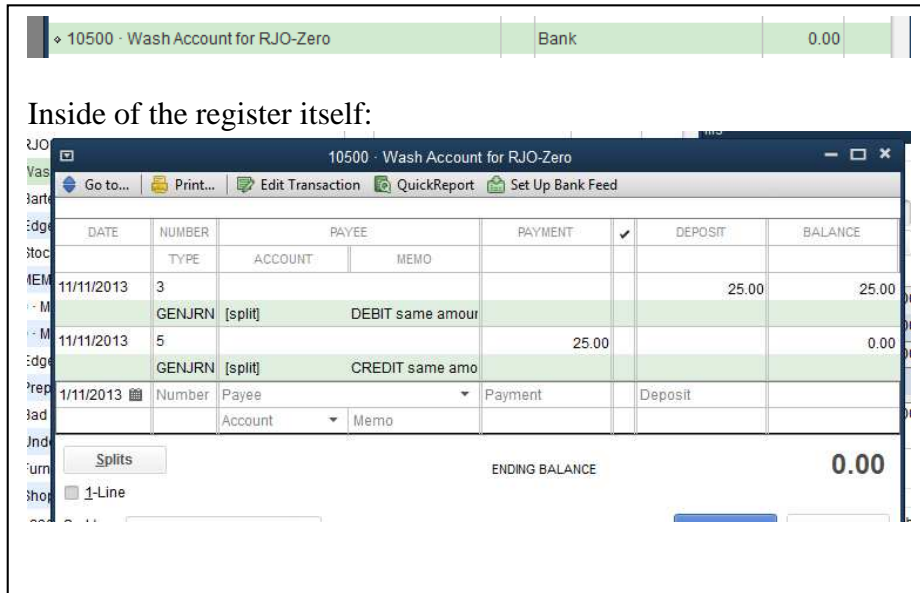
Pay Selected Bills Cancel

This is from the journal entry

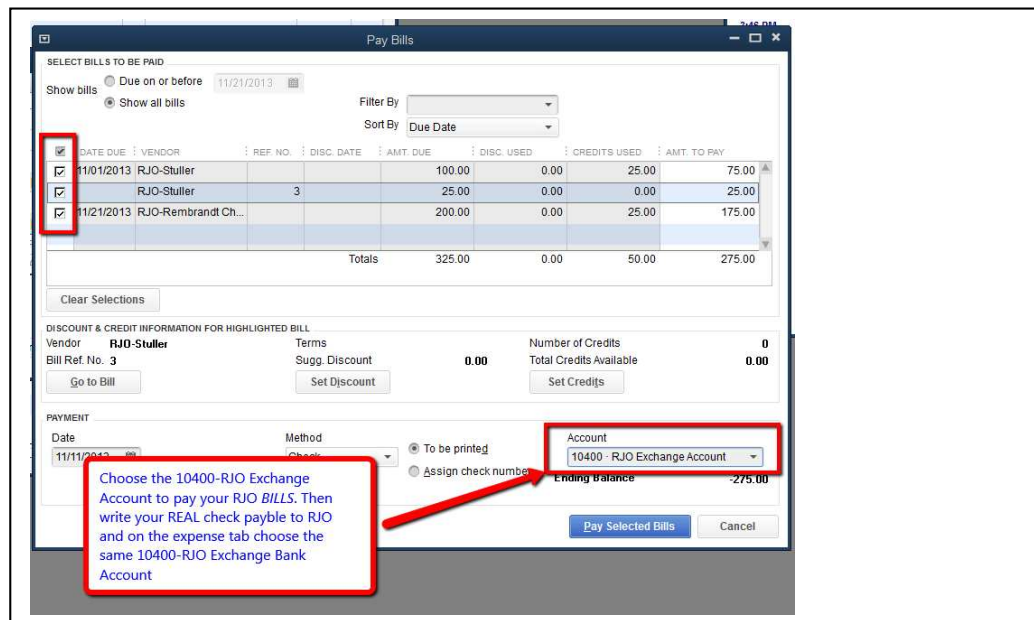
<input checked="" type="checkbox"/>	DATE	REF. NO.	CREDIT AMT.	AMT. TO USE	CREDIT BALANCE
<input checked="" type="checkbox"/>	11/11/2013	5	25.00	25.00	0.00
Totals			25.00	25.00	0.00

Done Cancel Help

11. Our 10500- Wash Account for RJO-Zero account is now zero:



12. Of course we click on ALL vendors at once to pay RJO and pay off the vendors as described way above on this document. Of course this doesn't happen very often



End of RJO