



How To Create Vendor Bills in GnuCash



Lesson Overview

In **GnuCash**, a **vendor bill** is a record of money your business owes to a supplier for goods or services received. This is part of your **Accounts Payable (A/P)** system, which helps you track unpaid bills and manage outgoing cash.

Lesson Objective

By the end of this lesson, you will be able to:

- Enter a vendor bill correctly
 - Understand how bills affect your financial records
 - Assign expenses to the correct accounts
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Step 1: Create a Vendor Bill

1. Select **Business > Vendor > New Bill**
 2. Choose the vendor from the list
 3. Enter:
 - Bill Date (date on the invoice)
 - Due Date (based on payment terms)
 - Bill ID/Invoice Number (for tracking)
 - Job (optional) if using vendor jobs
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Step 2: Enter Line Items

For each item on the bill, enter:

- **Date**
 - **Description** (what you purchased)
 - **Quantity**
 - **Unit Price**
 - **Expense Account** (important!)
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Step 4: Review and Save

- Verify totals (GnuCash calculates automatically)
- Click **OK** to save the bill

The bill is now recorded in Accounts Payable and shows as money you owe.

Key Concept

When you create a vendor bill in GnuCash:

- Your **expenses increase**
- Your **Accounts Payable (liability) increases**

This means you are recognizing the expense *before* paying it.

Bonus Tip

Using vendor bills instead of simple expense entries helps you:

- Track unpaid bills
- Avoid missed payments

- Maintain accurate financial reports
- Prepare for tax reporting more easily