

## ACCOUNTS PAYABLE (CREDITORS)

### How to Add a Supplier

- <AP> <Suppliers>
- <New>
- Enter code and click <Create>
- Enter all details.
- <Supplier Name and Address> will include the company name and postal address
- <Contact person> will be the customer services rep who looks after your account
- <Phone number>
- <Credit Limit>, if one applies to your account
- A default <General Ledger Code> can be entered if you wish. For many suppliers the same code will apply for all purchases from that supplier. For example, almost all goods bought from your stationery supplier use the Office Stationery or a similar general ledger code. Set up this GL code as the default for this supplier, so that the code defaults into the field on the invoice screen each time you enter invoices for this supplier. The code can be changed if needed.
- <Terms> options for this supplier can be selected if they have been set up in your system.
- Past Budget and Actual figures (which cannot be edited) and Future figures (which can be) are also stored here and displayed on the Details Screen.

### How to Enter Supplier Invoices

On a daily (or whatever you select) basis you need to enter the invoices received from your suppliers. Make sure you change the default (today's) date to the invoice date. You will need to enter the Date Due if it is different from the terms set up for this supplier.

Supplier Invoices need to be entered to give accurate forecasting of cash flow requirements and to allow payments to be made and allocated. The Invoice List screen lists the selected Invoice Headers.

To enter supplier invoices

1. <AP>
  2. <Invoices> The default selection is unposted invoices, which is what you need. Click <OK> The list screen should be blank.
  3. Click <New Invoice> to add an invoice.
  4. Enter the <supplier code>, <invoice date>, <Notes> etc.
- After entering the Invoice date the Supplier's <Terms> will be applied (if set up - see Terms drop down box on Supplier detail screen) to calculate the <Due Date> for payment. You can then change this if you need to enter a different due date.
5. Click <Add Item> or Alt A to put in individual items.
  6. If a GL code has been put in this supplier's record, it will default into the "Src Ref" field, but this can be changed for this item if necessary. To find another code, click in the cell then click on the dropdown box – make your selection from the list of GL codes.
- If an invoice contains several items you can add a line by clicking <Add item> to enter each of them, and use the notes field towards the right hand side to put in details of the item. Provided you have a general ledger code set up for it, you can enter freight or courier charges as a line item, if you want to separate them for reporting purposes.
7. Unless it is required, you can simplify data entry by leaving the <DD/Inventory> checkbox unchecked. This will compress the line entry details to just the entries required to do General Ledger code entries (To enter invoices with receipted purchase orders, see below).
  8. To remove or adjust GST, change it in the <Plus GST> field. If you make a mistake, and cannot remember the correct amount (and it is not on the invoice) you can temporarily change price or quantity on one of the line items, tab off it, and then re-enter the correct amount. GST will show in the "plus GST" field. You can also correct rounding of GST here, so that the entry agrees with your supplier's invoice.
  9. The invoice total will show in the Total field (it cannot be edited). If you have entered a discount percentage on an item line, the total will show the amount including the discount.
  10. After entering a batch of Invoices you should print the batch report and check that they are correct, backup, then <Post> the batch
  11. Posting confirms the entries into the Printcost system allowing payment to be allocated to them and create Unposted entries in the General Ledger system. The Supplier files are also updated.

## 12. Print a Creditors Trial Balance (Report 137).

If you need to reprint a list of invoices after they are posted, they can be selected by going to

- <Select>, <Reset>, and move the slider bar to the right
- <New Selection>
- <Date Expected> which is the same as due date
- Enter a range of dates, <Show All>, <OK>

## How to Process Credits or Discounts

Negative value credit or discount supplier invoices can be entered as negative invoices through "Invoices" (AP Payments must be used to pay suppliers – this is the recommended way to use Printcost Accounts Payable). If payments are created manually against supplier accounts, credit journals need to be created through "Transactions".

Through Invoices (only if using AP Payments):

1. Either the quantity or the value can be entered as a negative (we recommend using quantity, to keep any record of quantity on hand correct). If a negative value is put in, the system will suggest that it should be a negative quantity. Negative invoices entered this way will print out on the remittance slip and the negative amount allocated against the cheque payment. AP Payments is the recommended method of paying suppliers.
2. Credit journal transactions for credits or discounts must be created for a positive amount, posted and manually allocated against an invoice if Transactions are entered manually to "pay" the outstanding invoices, rather than using Payments.

## How to Pay Supplier Invoices

Accounts Payable, Payments is designed for making creditor payments. The monthly ageing for supplier invoices is done before the invoices are paid, as the payments belong to the month following invoices. For example, October invoices are entered and posted in October and early in November (to whatever date you close off). The creditors are aged, and then the payments are done later in the November period.

1. Click <Payments>. The filter screen will appear.
2. The *Quick Pick* is *Transactions due for Payment*. Click <Show All>, <OK>. (You can change this selection if you need to, perhaps to make a payment to a particular supplier. Use the quick pick and add *Supplier code*, *Alpha Equals* and the code, then OK)
1. Now you need to enter the amounts to be paid. If paying all (or most) amounts as per the list, click *Default amount to pay* which puts the default amount outstanding into the Amount to pay fields.
2. Credits entered as negative invoices will be included in the list for payment. By processing them this way they are included on the remittance advice and allocated against the cheque payment. If the credit is for the full amount of the invoice, both will appear on the list for payment and the system will create a payment called Zerocheque for them.
3. If some payments are for different amounts, or are not to be paid at present, you can select any line and change or delete the amount to be paid in the field at the top of the screen. Press Enter, or use the Remove button to take the record off the list.
4. The Set to Pay amounts are totalled for each supplier, so that only one cheque or remittance is printed per supplier.
5. After a batch of payments has been added, you should print out the proforma cheque report (report 92) and check it. Once it is correct,
6. Click *Print Cheques*. You do not actually have to physically print the cheques to use this. If you do not have cheque printing set up, (ie if you handwrite your cheques) a list of cheques to be written will be printed. MAKE SURE that the *next cheque number* as shown on the screen is correct, (ie the same as the next available cheque in the chequebook) and click OK. The cheque numbers carry through to general ledger and are used in the bank reconciliation.
7. There is an option to pay by Direct Credit. The supplier's bank account number is set up on the Supplier Details screen.

As the system processes the payments, the screen will flash (as in printing a batch of debtor invoices).

8. A message appears for you to check the payments - you must check the list printed out while this message is on the screen.

9. When the cheques or the list have printed, accept it if correct. If you physically print cheques and have a problem printing them, do not Clear the data. You can reprint the "cheques" as many times as you need to. Accept them when correct and the payments will be automatically allocated to the invoices as per the list.
10. An unposted batch for these payments will now be generated in General Ledger.

Some users make payments by entering a credit transaction for the amount paid, posting it, and allocating the invoices to be paid against it. This is not our recommended method of paying supplier invoices as it involves re-keying and is open to errors.

## Supplier invoices with receipted purchase orders to be attached:

- Enter the supplier invoice details, and click the DD/Inventory Entry button.
- Click the Attach DD button. A dropdown box with a list of outstanding receipted purchase orders will appear for you to make your selection.
- Click the order and the relevant lines you need and then OK to attach it to the invoice. The details from the purchase order will appear on the invoice lines. Change any price information if required.
- If all goods on the purchase order have not yet been supplied, use the Remove Line button to take off the items not yet supplied.
- If an invoice is for only part of a purchase order, and has already been attached once, you need to Add Item, then key in the purchase order reference in the Source ref field on each line.

## How to Enter Transactions other than Cheque Payments

- The Transactions list allows any combination of Supplier Transactions to be selected and Posted, Allocated or Reported.
- If Payments is not used, AP Transactions should be used to enter credit note details (as credit journal transactions) from suppliers.
  1. <Transactions> <Create New Record> <Credit Journal>
  2. Enter details of the credit, with the amount entered as positive. (Entering the transaction as a credit puts it on the opposite side of the ledger from the invoice it relates to).
  3. If the credit relates to an old invoice that has already been paid, you may want to make a note of the invoice number in the Alt Reference field.
  4. After entering and posting credit journals payments in Transactions you must allocate them to the appropriate invoices before the remittance is printed. (A Reverse Allocation button is available to correct wrong allocations).
  5. Any unallocated journals will generate a warning when processing Payments. Journals will not print on the remittance slip. It is also a good idea to keep a hard copy (printout) of the batch details that have been entered.
  6. Negative payments can be entered to reverse a cheque or payment entered in error.

## When a cheque needs to be replaced

- Create a new invoice for the supplier, for the cancelled amount, using your bank account GL code rather than the usual one.
- Post and pay this invoice using the new cheque number.
- When doing the bank reconciliation, there will be 2 cheques and a debit amount. Tick the cancelled cheque number and the debit amount to clear them, and process the new cheque in the usual way.

## Accounts Payable End of Month

- At the end of each month (or when you close off the creditors' accounts for the month) you will want to print out various reports to confirm that all the data has been entered correctly. This will probably include an aged trial balance.
- Go to <Transactions>, <Reset> and select <Transactions not fully allocated> from the Quick Picks. Allocate them.
- Go to <Reports> and select Creditors Outstanding balance report.

- Finally after all procedures have been completed for the month end you will want to age the Accounts Payable.
- Get all users off Printcost and make a BACK UP.
- <Functions>
- <Age>
- <Financial Period End>
- Tick <Accounts Payable> (include Annual Age if applicable.)<Age>.
- This is done before the payments are made, as the payments are generally made in the month after the invoices are received.