

How to Record Pre-Payment for a Purchase Order

1. Click on Purchase Order\Setup\Purchase Order Options. Choose the Additional Tab. Enter the Pre-Paid Expense account in the Payable Deposit field. This is the account that you will record the vendor required Pre-Payment to when you enter the invoice for the Pre-Payment.

Purchase Order Options (ABC) 7/24/2013

1. Main | 2. Additional | 3. Generate | 4. Entry | 5. Line Entry | 6. Printing | 7. History

Post Registers to General Ledger in Detail

Format for Posting Comments to General Ledger

Receipt and Return Comments: Vendor Name + Reference No.

Material Requisition Comments: Name + Issue No.

Default General Ledger Accounts

Material Requisition Expense	635-01-00	Warehouse supplies
Special Item Cost	450-01-00	Purchases
Payable Deposit	128-00-00	Pre-Paid Expense
Prepaid Freight Expense		

Accept Cancel [Printer Icon] [Refresh Icon]

2. Create the Purchase Order for the products that you are ordering.

Purchase Order Entry (ABC) 7/24/2013

Order Number: 0010019 | User: sjd

Order Date: 7/24/2013 | Order Type: Standard Order | Master/Repeat PO:

Vendor No.: 01-CONT | Container Corporation Of Usa

Order Status: New | Required Date: 7/24/2013

1099 Form: None | 1099 Box:

Sales Tax Schedule: DEFAULT | Use Tax:

Purchase Address:

Ship-To Address: 0000 | ABC Distributing Company

Terms Code: 03 | NET END OF MONTH

Ship Via: | FOB:

Warehouse: 000 | CENTRAL WAREHOUSE

Confirm To:

E-mail:

Telephone: (312) 555-7721 | Ext:

Fax: | Batch Fax:

Comment:

On Hold: | Print Order:

Buttons: Quick Print... | Accept | Cancel | Delete | |

Purchase Order Entry (ABC) 7/24/2013

Order Number: 0010019 | User: sjd

1. Header | 2. Address | 3. Lines | 4. Totals

Quick Row: 1

	Item Code	Ordered	Back Ordered	Unit Cost	Extension	Comment
1	6657-24-20-12	100.00	.00	101.809	10,180.90	
2		.00	.00	.000	.00	

Description: SOUND CVR 24.5"W 20"D 12"H LQ

Warehouse: 000

Unit of Measure: EACH

Qty Received: .00

Total Amount: 10,180.90

Buttons: Quick Print... | Accept | Cancel | Delete | |

- Click on Accounts Payable\Main\Invoice Data Entry. Enter a new invoice for the amount of deposit that the vendor requires. You can use the PO number preceded by the letter P.

- The amount of the pre-payment should be posted to your Pre-Paid Expense account.

	G/L Account	Description	Amount	Comment
1	128-00-00	Pre-Paid Expense	5,090.45	
2			.00	

5. This will post a Debit to Pre-Paid Expense and a Credit to Accounts Payable.

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Accounts Payable Invoice Register - Recap By Division
Journal Posting Date: 7/24/2013
Register Number: AP-000015

ABC Distribution and Service Corp. (ABC)

Division Number: 01 TRADE ACCOUNTS PAYABLE

G/L Account	Description	Debit	Credit
128-00-00	Pre-Paid Expense	5,090.45	
200-01-00	Accounts payable - trade		5,090.45
Division 01 Total:		5,090.45	5,090.45

6. Process payment to the vendor as normal.

Note: You do NOT have to process a manual check for the invoice. Process your invoice payments as usual.

The screenshot shows a software window titled "Manual Check and Payment Entry (ABC) 7/24/2013". The window contains the following fields and controls:

- Bank Code: D
- Payment Type: Check
- Check No.: 000001
- Cash Account: 101-01-00
- Check Date: 7/24/2013
- Check Amount: 5,090.45
- Vendor No.: 01-CONT
- Vendor Name: Container Corporation Of Usa
- Comment: (empty text box)

At the bottom of the window, there are buttons for "Accept", "Cancel", "Delete", a printer icon, and a refresh icon.

7. Go back to the Purchase Order Entry. Select the original Purchase Order and enter the amount of the Pre-Payment into the Less Prepaid Amount field. Also enter the Check Number that the Pre-Payment was paid on. Notice that the Order Balance has been reduced.

SAP Purchase Order Entry (ABC) 7/24/2013

Order Number: 0010019 | Defaults... | Vendor...

1. Header | 2. Address | 3. Lines | 4. Totals | User: sjd

Order Date: 7/24/2013 | Order Type: Standard Order | Order Status: New | Tax Detail...

Vendor No.: 01-CONT | Container Corporation Of Usa

Taxable Purchases	.00	Last Receipt Number	
Nontaxable Purchases	10,180.90	Last Receipt Date	
Freight Amount	.00	Last Invoice Number	
Sales Tax Amount	.00	Last Invoice Date	
Order Total	10,180.90	Completed Date	
Less Prepaid Amount	5,090.45	Invoiced to Date	.00
Prepaid Check Number	000001		
Order Balance	5,090.45		

Prepaid Freight: .00

Quick Print... | Accept | Cancel | Delete | [Print Icon] | [Help Icon]

8. Enter Receipt of Goods as normal.

Receipt of Goods Entry (ABC) 7/24/2013

Receipt Number 001009

1. Header | 2. Address | 3. Lines | 4. Totals

Receipt Date 7/24/2013

Purchase Order Number 0010019 Invoice Number Invoice Date

Vendor No. 01-CONT Container Corporation Of Usa

Order Type Standard Order
 Order Status New
 Required Date 7/24/2013

1099 Form None
 1099 Box

Sales Tax
 Schedule DEFAULT
 Default Tax Schedule
 Use Tax

Purchase Address
 Ship-To Address 0000 ABC Distributing Company
 Terms Code 03 NET END OF MONTH
 Ship Via FOB
 Warehouse 000 CENTRAL WAREHOUSE

Confirm To
 E-mail
 Telephone (312) 555-7721 Ext
 Comment

Accept Cancel Delete

Receipt of Goods Entry (ABC) 7/24/2013

Receipt Number 001009

1. Header | 2. Address | 3. Lines | 4. Totals

Quick Row 2

	Item Code	Ordered	Received	Unit Cost	Extension	Comm
1	6657-24-20-12	100.00	100.00	101.809	10,180.90	
2		.00	.00	.000	.00	

Description
 Warehouse
 Unit of Measure
 Back Ordered .00

Total Amount 10,180.90

Accept Cancel Delete

SAP Receipt of Goods Entry (ABC) 7/24/2013

Receipt Number: 001009

1. Header | 2. Address | 3. Lines | 4. Totals

Purchase Order Number: 0010019

Vendor No.: 01-CONT Container Corporation Of Usa

Taxable Receipts: .00

Nontaxable Receipts: 10,180.90

Receipt Total: 10,180.90

Buttons: Accept, Cancel, Delete, Print, Refresh

9. Post the Receipt of Goods. This will be a Debit to Inventory and a Credit to Purchases Clearing.

ABC_PO_DailyTransactionRegister_20130724_000.PDF - Adobe Reader

File Edit View Document Tools Window Help

1 / 1 101% Find

Daily Transaction Register

ABC Distribution and Service Corp. (ABC)

Postings For: 7/24/2013

Source Journal	Account Number	Account Description/Posting Comment	Debit	Credit
PO-000002	115-00-03	Inventory - Central Warehouse	10,180.90	
	200-03-00	Purchases clearing account		10,180.90
		Container Corporation Of Usa REC:G001009		
		Container Corporation Of Usa REC:G001009		
Journal 000002 Totals:			<u>10,180.90</u>	<u>10,180.90</u>
Source PO Totals:			<u>10,180.90</u>	<u>10,180.90</u>
7/24/2013 Totals:			<u>10,180.90</u>	<u>10,180.90</u>
Report Totals:			<u>10,180.90</u>	<u>10,180.90</u>

10. When the invoice is received, it should be for the balance of the Purchase Order. Enter the Invoice through Receipt of Invoice.

Receipt of Invoice Entry (ABC) 7/24/2013

Receipt Number: 001005

1. Header | 2. Address | 3. Lines | 4. Totals

Purchase Order Number: 0010019 | Invoice Number: 34587 | Invoice Date: 7/24/2013

Vendor No.: 01-CONT | Container Corporation Of Usa

Order Type: Standard Order | Order Status: Back Order | Required Date: 7/24/2013

1099 Form: None | 1099 Box: []

Sales Tax: Schedule: DEFAULT | Use Tax:

Purchase Address: [] | Ship-To Address: 0000 | ABC Distributing Company | Terms Code: 03 | NET END OF MONTH | Ship Via: [] | FOB: [] | Warehouse: 000 | CENTRAL WAREHOUSE

Confirm To: [] | E-mail: [] | Telephone: (312) 555-7721 | Ext: [] | Comment: []

Buttons: Accept, Cancel, Delete, []

Receipt of Invoice Entry (ABC) 7/24/2013

Receipt Number: 001005

1. Header | 2. Address | 3. Lines | 4. Totals

Quick Row: 2

	Item Code	Ordered	Invoiced	Unit Cost	Extension	Com
1	6657-24-20-12	100.00	100.00	101.809	10,180.90	
2	[]	.00	.00	.000	.00	

Description: [] | Warehouse: [] | Unit of Measure: [] | Qty Received: .00

Total Amount: 10,180.90

Buttons: Accept, Cancel, Delete, []

sage Receipt of Invoice Entry (ABC) 7/24/2013

Receipt Number: 001005 [Defaults...] [Vendor...]

1. Header | 2. Address | 3. Lines | 4. Totals

Purchase Order Number: 0010019 Hold Payment: Tax Detail...

Vendor No.: 01-CONT Container Corporation Of Usa Invoice Number: 34587

<table border="1"> <tr><td>Taxable Purchases</td><td>.00</td></tr> <tr><td>Nontaxable Purchases</td><td>10,180.90</td></tr> <tr><td>Freight Amount</td><td>.00</td></tr> <tr><td>Sales Tax Amount</td><td>.00</td></tr> <tr><td>Invoice Total</td><td>10,180.90</td></tr> </table>	Taxable Purchases	.00	Nontaxable Purchases	10,180.90	Freight Amount	.00	Sales Tax Amount	.00	Invoice Total	10,180.90	<table border="1"> <tr><td>COD Number</td><td></td></tr> <tr><td>Less COD Amount</td><td>.00</td></tr> <tr><td>COD Check Number</td><td></td></tr> <tr><td>Bank Code</td><td>A Security Pacific Checking</td></tr> </table>	COD Number		Less COD Amount	.00	COD Check Number		Bank Code	A Security Pacific Checking
Taxable Purchases	.00																		
Nontaxable Purchases	10,180.90																		
Freight Amount	.00																		
Sales Tax Amount	.00																		
Invoice Total	10,180.90																		
COD Number																			
Less COD Amount	.00																		
COD Check Number																			
Bank Code	A Security Pacific Checking																		
<table border="1"> <tr><td>Prepayment Available</td><td>5,090.45</td></tr> <tr><td>Prepayment Applied</td><td>5,090.45</td></tr> <tr><td>Prepaid Check Number</td><td>000001</td></tr> </table>	Prepayment Available	5,090.45	Prepayment Applied	5,090.45	Prepaid Check Number	000001	<table border="1"> <tr><td>Invoice Balance</td><td>5,090.45</td></tr> <tr><td>Invoice Due Date</td><td>7/30/2013</td></tr> <tr><td>Discount Date</td><td></td></tr> <tr><td>Discount Amount</td><td>.00</td></tr> <tr><td>Prepaid Freight</td><td>.00</td></tr> </table>	Invoice Balance	5,090.45	Invoice Due Date	7/30/2013	Discount Date		Discount Amount	.00	Prepaid Freight	.00		
Prepayment Available	5,090.45																		
Prepayment Applied	5,090.45																		
Prepaid Check Number	000001																		
Invoice Balance	5,090.45																		
Invoice Due Date	7/30/2013																		
Discount Date																			
Discount Amount	.00																		
Prepaid Freight	.00																		

[Accept] [Cancel] [Delete] [Print] [Refresh]

11. The posting of the invoice will Credit Pre-Paid Expense, clearing out the pre-payment from this account. It will Credit Accounts Payable for the balance of the invoice and will Debit Purchases Clearing for the entire amount, clearing out the balance from the Receipt of Goods posting.

ABC_PO_DailyTransactionRegister_20130724_001.PDF - Adobe Reader

Daily Transaction Register
ABC Distribution and Service Corp. (ABC)

Postings For: 7/24/2013

Source Journal	Account Number	Account Description/Posting Comment	Debit	Credit
PO-000003	128-00-00	Pre-Paid Expense Container Corporation Of Usa INV:34587		5,090.45
	200-01-00	Accounts payable - trade P/O RECEIPT ENTRY DIV:01		5,090.45
	200-03-00	Purchases clearing account Container Corporation Of Usa INV:34587	10,180.90	
Journal 000003 Totals:			10,180.90	10,180.90
Source PO Totals:			10,180.90	10,180.90
7/24/2013 Totals:			10,180.90	10,180.90
Report Totals:			10,180.90	10,180.90

12. The vendor invoices will reflect only the unpaid balance of the invoice from the PO.

Sage Vendor Maintenance (ABC) 7/24/2013

Vendor No. 01-CONT
Name Container Corporation Of Usa

1. Main | 2. Additional | 3. Statistics | 4. Summary | 5. History | 6. Invoices | 7. Transactions | 8. Checks | 9. P/Os

Invoice No.	Inv Date	Inv Due Date	Disc Date	Amount	Discount	Balance	Comment	Terms
34587	7/24/2013	7/30/2013		10,180.45	0.00	5,090.45		03
P0010019	7/24/2013	7/30/2013		5,090.45	0.00	0.00		03
0001053190	5/31/2010	6/30/2010		50,553.00	0.00	50,553.00	Monthly Purchases	03
0002053190	5/31/2010	6/30/2010		3,905.00	0.00	0.00	Warehouse Supplies	03
1053190	5/31/2010	6/30/2010		0.00	0.00	0.00		03
2053190	5/31/2010	6/30/2010		3,905.00	0.00	0.00		03
3456	5/4/2010	5/30/2010		675.43	0.00	0.00		03
10234719	5/1/2010	5/30/2010		12,540.00	0.00	0.00		03
444567	5/1/2010	5/30/2010		99,222.00	0.00	99,222.00		03

Trans Date	Trans Type	Trans Amount	Discount	Check Date	Check No.
5/31/2010	Invoice	3,905.00	0.00		
5/31/2010	Payment	3,905.00	0.00	5/31/2010	001714
5/31/2010	Adjustment	3,905.00	0.00		

Balance	Current	30 Days	45 Days	60 Days	90 Days
135,976.94	5,090.45	0.00	0.00	0.00	130,886.49

Accept Cancel Delete