

Accounts Payable

Account Payable

Adjusting Invoices, Recurring Vouchers, Vendor Deposits, Different ways to select invoices for Payment, Using the Check Reconciliation Screen, Reconciling Accounts payable to the General Ledger, Paying Invoices and with a Credit Card

ACCOUNTS PAYABLE

Correcting Accounts Payable Invoices

There are two different ways to adjust Accounts Payable invoices in TeamDesign®. The reasons for doing so are varied, but the procedures are quite simple. First locate the correct invoice by choosing **Vendors | Maintenance | DC Vendor | Invoices | Select**. After choosing which vendor invoice screen to enter, click the invoice number button to see a selection of open invoices available for payment adjustment

Financial Data		
Invoice Amount	Freight/Misc	Discount Amount
-200.00	0.00	0.0200
Exchange Rate	Sales TAX/GST/PST	Discount Due
1.000000	0.00	08/30/02

Expense Distribution		
0.00		0.00
150.00	WIP	-200.00
501.00	CCS - Hawthorne	0.00
533.00	CCS - Freight	0.00

Account	Distribution Amount
0.00	0.00

Correcting Dollar Amounts

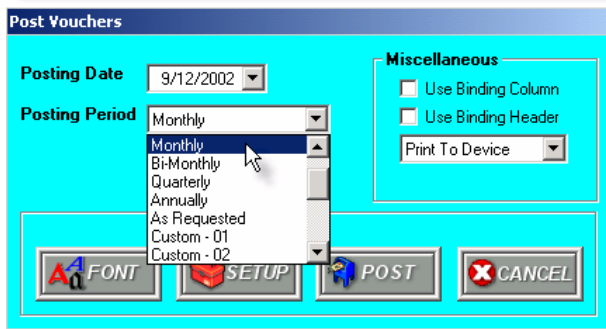
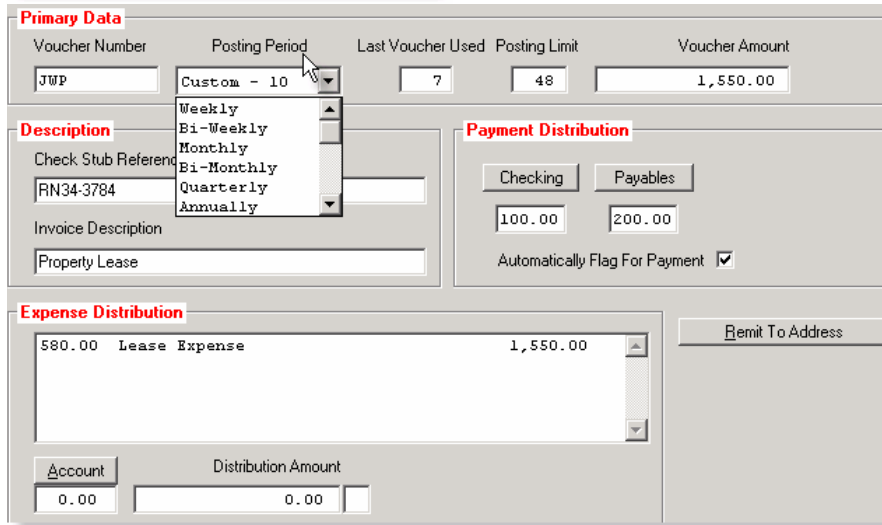
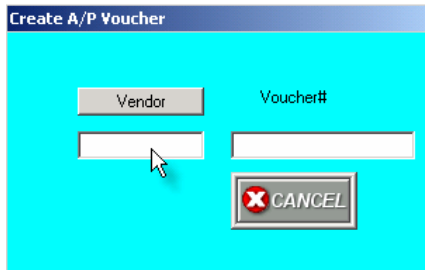
Access the invoice entry screen for the vendor whose invoice needs to be adjusted. Enter the invoice number to adjust. If you do not know the invoice number and the invoice has an open balance, click on the Invoice button to access the 'Invoice Search' window and select the invoice. After entering or selecting the invoice number, tab or enter out of the invoice number field. The system will generate a confirmation message that the invoice already exists and asks if you would like to create an Adjustment. Clicking Yes allows access to the existing invoice and fills in some of the fields from the original invoice entry. Edit the Invoice Date field to reflect the date of the actual adjustment if necessary. Enter the amount of the adjustment in the Invoice Amount field, not the new amount of the invoice. If you are decreasing the invoice amount, enter this number as a negative (-). If you are increasing the invoice amount, enter a positive (+) number. For this example, to decrease the invoice amount by \$35.00, enter -35.00 in the Invoice Amount field. Typically, you would enter the reason you are making the adjustment (keying error, etc.) into the Invoice Description field. Distribute the amount of the adjustment to the correct distribution expense account as you would distribute a regular invoice.

Correcting Account Distribution

To change the original G/L account expense distribution that was entered incorrectly on an accounts payable invoice, select to create an adjustment and leave the Invoice Amount zero. For the expense distribution, enter a negative to the incorrect account and enter a positive amount to the correct expense distribution account.

Recurring Payables

Vouchers are account payable invoices that are repeatedly entered for the same amount, distributed to the same account, and paid at specific time periods and intervals. Examples would include office rent, equipment rental, car payments, etc. To use Recurring Voucher's in TeamDesign®. Go to **Vendors | Transactions | Recurring Vouchers**. This feature enables you to create an accounts payable invoice once, but post multiple times, thereby saving you from having to re-enter the data each time. You determine when it is time to post the vouchers. Along with the standard time periods, such as weekly, monthly, or annually, you can create up to ten "custom" time periods. All appropriate journals are created and the vendor's ledger is updated during the "post" process. In addition, the vouchers can automatically be "flagged" for payment.



Viewing lines and notes of applicable Purchase Order

Notes entered in the comment section on the purchase order transaction screens can now be viewed by clicking on the Purchase Order Notes exist button during accounts payable invoice entry. You may also view the detail line items of the purchase order during the accounts payable invoice entry by clicking on the P/Order detail button.

Primary Data

Purchase Order Notes Exist!

Invoice Number	Received	Inv Date	Due Date
125896	09/12/02	09/12/02	09/27/02

975.00	P/Order Detail
0.00	Payables Received
Purchase Order Number	Proposal Invoice Type
007 000009 00001805	FJC001 Product

TEAM-DESIGN® / Team Talk Database - [INVOICE ENTRY FOR LACKAWANNA FABRICS]

View Accessories Window Help

Primary Data

Invoice Number	Received	Inv Date	Due Date	Purchase Order Number	Proposal	Invoice Type
709780	02/04/02	02/01/02	02/16/02	003 000003 00001313	15770	Product

975.00 P/Order Detail
975.00 Payables Received

Financial Data

Invoice Amount: 0.00
Exchange Rate: 1.000000

Expense Distribution

0.00
0.00
533.00 CGS - Freight
150.00 WIP

Account: 0.00 Dist:

Detail Purchase Order: 003-000003-00001713

Line#	Actual#	Item Number	Description	Ordered	Acknowledged Cost	Extended Co
1	2	FABRIC	FABRIC FOR THE CONFERE	15.00	65.00	975.0

OKAY

14:31:51

Start | Sent Items - M... | C:\Documents... | TEAM-DESIG... | J:\Foster | Adv AP pix.do... | 2:31 PM

Vendor Deposits

Frequently a vendor will request a deposit check at the time an order is placed. A vendor deposit can be achieved in TeamDesign® by entering an accounts payable invoice and selecting the transaction type of "Deposit Request". Once "Deposit Request" is selected, you will notice that the fields within the Financial Data section of the window gray out. The Financial Data fields are not required, as journals are not created until the check is processed. Once the deposit request is paid, a negative entry on the vendor's ledger showing that the vendor owes you money will be created. Should the vendor not deliver the product, you would expect your money to be returned.

Because you do not usually have an actual invoice from the Vendor for a Deposit Request, you will want to create an invoice number that will identify the purpose of the invoice entry. It is recommended to use "DEP" and the Proposal # as the Invoice Number. By doing so, you will be able to quickly identify the Vendor Deposit and the proposal it is associated with. It is also important that the proper Purchase Order Number be entered. This number is the link to the Proposal file.

Not only does TeamDesign® record a credit balance invoice on the vendor's open ledger after the deposit request has been paid, the proper general ledger accounting entries are also created. A debit to the "Vendor Deposit" asset account is created to offset the credit to cash. The deposit is recorded against the proper purchase order and proposal number entered so you can easily identify and choose to "apply the credit" when the actual accounts payable invoice is entered.

TeamDesign® displays deposits in a separate column on the "Aged Accounts Payable" report to easily reconcile the deposits to the balance sheet.

The screenshot shows two parts of the software interface. The top part is a dropdown menu labeled "Invoice Type" with "Deposit Request" selected. The bottom part is a "Payment Distribution" window with three buttons: "Checking" (100.00), "Discount" (700.00), and "Deposits" (135.00). Below these are fields for "Hold Payment Until Manual Release" (unchecked), "Manual Check Number" (0), and "Deposit Request Amount" (0.00).

Additional fields of the Deposit Request invoice entry screen:

Deposit account: In System Configuration, the "Vendor Deposit Asset" account identifies the G/L account number that defaults into the "Deposit" field. The Vendor Deposit Asset account is used instead of the normal A/P trade liability account.

Manual check number: If you want to print a computer check, simply leave the Manual Check Number field blank. After filling in all of the appropriate fields, perform a check run as scheduled. Deposit requests are automatically flagged to be included in the next computer check run. Otherwise, enter the check number of the manual check sent to the vendor and post thru the manual check process.

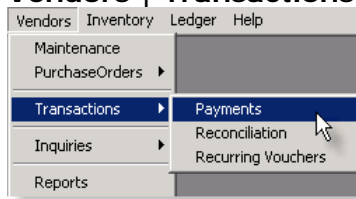
Deposit request amount: Enter the dollar amount of the deposit in this field.

Payments

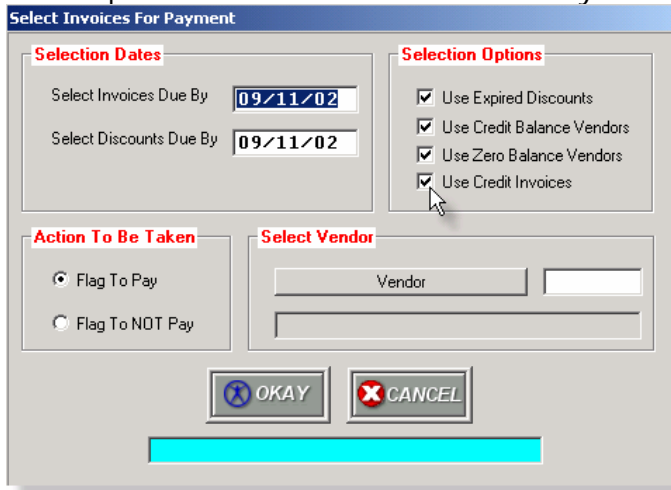
There are five methods of selecting invoices for payment available in TeamDesign®.

Invoice Payment Selection By Vendor

This option enables you to flag or un-flag invoices per individual vendor. Go to **Vendors | Transactions | Payments**



From the 'Vendor Payments' screen, select the Edit, Mass Selection and By Vendor menu options. The "Select Invoices for Payment" window will be displayed.



Select Invoices Due By: Enter the Due Date on or before which you want the system to flag the invoices as to pay.

Select Discounts Due By: Enter the Discount Due Date on or before which you want the system to flag the invoices to pay.

Use Expired Discounts: Designates the system to use the discount amount even though the discount due date has passed.

Action To Be Taken/Flag to Pay: Select this option to automatically flag invoices that match the criteria entered to pay.

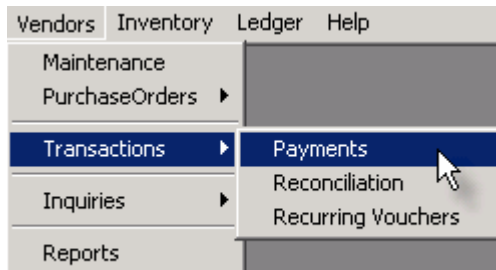
Action To Be Taken/Flag To NOT Pay: Select this option to automatically un-flag invoices that have previously been flagged for payment. If the date used for the original flag for payment was incorrect, this option enables you to mass cancel the selection by using the same Due Date and Discount Due Date.

Select Vendor: Either manually enter the vendor number or click on the Vendor button to access the 'Vendor Search' window. Double-click on the desired vendor. The selected vendor is pulled into the Select Vendor field and invoices matching the criteria will be selected for payment for that specific vendor after clicking the okay button.

You can now go to the vendor's detail ledger and see the invoices that met the criteria are now marked TO PAY with a double asterisk to the left of the invoice number. Those invoices will appear on the check register and on the check run.

Invoice Payment Selection By Due Date

This option flags all invoices for payment regardless of the vendor. Go to **Vendors | Transactions | Payments**



From the 'Vendor Payments' databrowser, select the **Edit, Mass Selection and By Due Date** menu options. The 'Select Invoices for Payment' window is displayed. Refer to the previous section for discussion of the data fields and required entries.

NOTE:

There is not an option provided to select a specific vendor. The system will flag "to pay" ALL invoices for ALL vendors meeting the criteria. When the check register is printed, items are listed alphabetically BY VENDOR and then ascending BY INVOICE NUMBER.

Select All Invoices for a Specific Vendor

Use this flagging option when you want to pay all invoices for a particular vendor regardless of the due date. Go to **Vendors | Transactions | Payments**

From the "Vendor Payments" data browser, double-click on the appropriate Vendor. Then choose Flag For Payment and Select. The 'Payment Selection for Vendor' data browser is displayed.

The screenshot shows a data browser window with a menu open. The menu options are 'Force Payment' (Yes), 'Hold Payment' (Remove), and 'Force Payment ALL' (Yes, Remove). The 'Force Payment ALL' option is selected, and a mouse cursor is pointing at the 'Yes' option. Below the menu is a table with the following data:

Invoice Number	Vendor	Date	Type	Amount
333333	15771	11/01/01	I	975.00
709780	15770	02/01/02	I	975.00
DEP15770	15770	02/04/02	DEPOSIT	0.00
DEP15771	15771	11/02/01	DEPOSIT	0.00
dep	15802	08/21/02	DEPOSIT	0.00

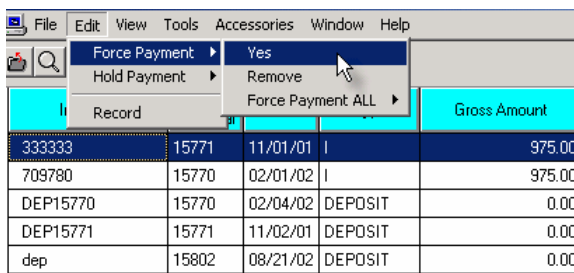
From the 'Payment Selection for Vendor' menu bar, select the Edit, Force Payment, Force Payment All, and Yes menu options. The system flags "to pay" all the open invoices for the vendor.

If you selected All invoices for payment in error, you can easily un-flag the invoices for payment by selecting the Edit, Force Payment, Force Payment All and REMOVE menu options. The system will un-flag all invoices previously flagged for payment.

Flag Invoice for a Specific Vendor:

Use this option to individually flag an invoice for a specific vendor. Go to **Vendors | Transactions | Payments**

From the 'Vendor Payments' data browser, double-click on the appropriate Vendor. Then click Flag For Payment and Select. The 'Payment Selection for Vendor' window is displayed.



Record				Gross Amount
333333	15771	11/01/01		975.00
709780	15770	02/01/02		975.00
DEP15770	15770	02/04/02	DEPOSIT	0.00
DEP15771	15771	11/02/01	DEPOSIT	0.00
dep	15802	08/21/02	DEPOSIT	0.00

Click on the invoice number to highlight the invoice you want to flag. From the 'Payment Selection for Vendor' menu bar, select the Edit, Force Payment, and Yes menu options. The system flags "to pay" only the highlighted invoice.

If you selected an invoice for payment in error, you can un-flag the invoice for payment by selecting the Edit, Force Payment and REMOVE menu options. The system then un-flags the invoice for payment.

The last option is to individually flag an invoice for payment by highlighting the invoice and double-clicking in the <Pay?> column when in the vendor's detail ledger.

Other columns in the 'Vendor Ledger' data browser that may be edited include:

***Check#:** If you have paid the invoice with a manual check, enter the manual check number in this field. Entering a check number in this field flags the invoice as "manual" in the pay field. To access the field, either double-click or click once in the field and press the Enter key.

***Check Amt:** If an invoice has been flagged "to pay", TeamDesign® automatically inserts the open amount of the invoice into this field. If you want to partially pay the invoice, edit the amount by either double-clicking or click in the field once and press the Enter key.

***Check Discount:** If an invoice has been flagged "to pay" and according to the criteria to use the discount, TeamDesign® automatically inserts the amount of the discount into this field. Edit this amount by either double clicking or click in the field once and press the Enter key.

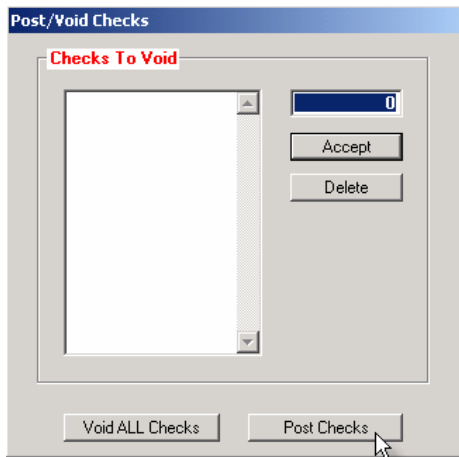
***Checking:** This field defaults to the Checking Account number used at the time the invoice was entered. Change the checking account number by either double-clicking or click once in the field and press the Enter key.

Invoice#	?? Proposal	Date	Type	Gross Amount
**333333	15771	11/01/01	I	975.00
**709780	15770	02/01/02	I	975.00
DEP15770	15770	02/04/02	DEPOSIT	0.00
DEP15771	15771	11/02/01	DEPOSIT	0.00
dep	15802	08/21/02	DEPOSIT	0.00

*Check#	*Gross Check Amt	*Check Discount	<Pay?>
0	975.00	0.00	TO PAY
0	975.00	0.00	TO PAY
0	0.00	0.00	
0	0.00	0.00	
0	0.00	0.00	

Voiding checks during check run

If you have specific checks that need to be voided while performing a computer check run (Vendors | Transactions | Payments, then File | Print Documents | Computer Checks), enter the check number and click on the accept button. The system lists the check to be voided. If you have entered a check number to be voided in error, click on the check number to highlight and click the delete button. The system removes the check number from the list of checks to be voided. When voiding checks in this manner, the invoice(s) for the check will remain as flagged "to pay" on the vendors ledger.



If the whole check run needs to be voided, click on the void all checks button. The system displays a message verifying that you intend to void ALL checks. Clicking on the yes button voids the entire check run. Clicking on the no button posts the check run and voids only single checks previously selected to void. If you void a check in

this manner the invoice(s) for that check will still be flagged as “to pay” on the vendor’s ledger.

Paying an invoice by manual check

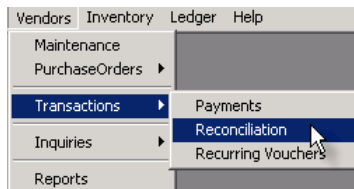
An accounts payable invoice can be designated to pay with a manual check. When entering an accounts payable invoice, enter the appropriate data in the Manual Check Number and Manual Check Amount fields. Click the Okay button. The invoice is automatically flagged as “manual” in the Pay column. If an invoice has already been entered on the vendor's account, you can still record an invoice as paid by a manual check. You will need to access the detail ledger for the vendor whose invoice you wish to pay. After locating the correct invoice, scroll right in the data browser screen until you reach the *Check# column. Access the column and enter the check number used for the manual check. Verify the amount of the check and the check discount amount if taken. This invoice will be recorded as paid after printing and then posting the manual check register.

Very important!

Do not flag manual checks for two fiscal periods at the same time. All invoices that are currently flagged as “manual” will print when running the manual check register, which uses a single posting date. The Cash Disbursement general ledger transactions are then generated during the posting process, which reflects the single date!

Reconciling the Checkbook

The steps to follow when reconciling the checkbook are quite easy. First, go to **Vendors | Transactions | Reconciliation**. Click okay to select the checking account number. Enter all bank Service Charges, withdrawals, etc. by either clicking on Edit | Add Check/Deposit or by creating and posting a manual entry in the CR – Cash Receipts Journal.



If you add items using the Edit | Add Check/Deposit option, you will still need to create a manual type journal to update the activity in the general ledger as this option does not create any accounting transactions.

If you add service charges or similar items using the "CR – Cash Receipts" Journal, posting the journal will automatically update the checkbook. You will not need to manually add items to the check reconciliation.

After all entries have been added, change the status of the checks to either (R)econciled or (V)oid using the bank statement as your guide. Now you are ready to begin comparing your TeamDesign® checkbook to the bank statement.

To verify the checkbook balance, click Tools and choose Summary. Click the Okay button to summarize. The Reconciled G/L Balance should balance to the bank statement. The Outstanding balance is determined by using the calculation of:

$$\begin{aligned}
 & \text{Future G/L balance*} \\
 & + \text{Outstanding Checks} \\
 & - \text{Outstanding Deposits} \\
 & = \text{Reconciled G/L balance}
 \end{aligned}$$

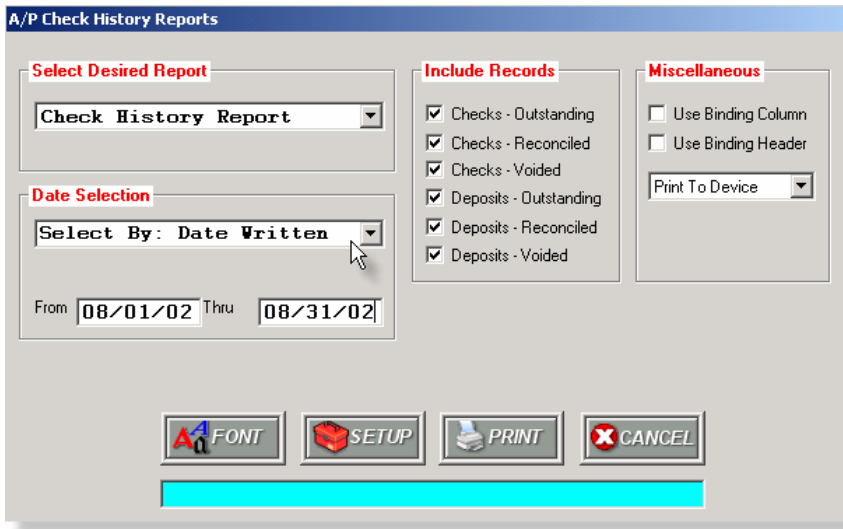
* if different from the Current G/L balance (current g/l balance represents the Cash Account for the current open period)

Voiding Checks thru Check Reconciliation

All voided checks are permanently voided. There is not an "unvoid" function. Even if a check has been previously reconciled, the status can be changed to a voided status. Voiding a check in the check reconciliation will create the necessary general ledger journals and return the invoice(s) to the vendor's open accounts payable ledger without automatically flagging the invoice as to pay again. You can void a check in the reconciliation through a variety of ways. You can use the trashcan icon, choosing edit | void check, control-v, or by clicking on the status of the check and changing it to a V.

Outstanding check/deposit reports

You can run the check history report from within the check reconciliation based on date reconciled, date voided or date written. You can choose to de-select checks or deposits in the "Include Records" section to generate a variety of reports.

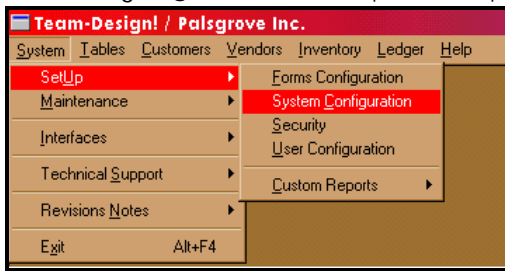


Reconciling Accounts Payable to General Ledger

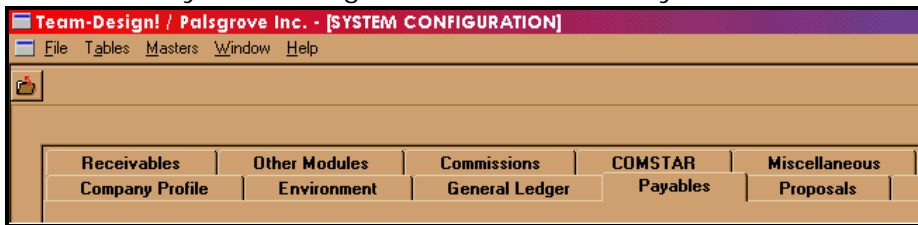
Part of the month end closing process is verifying the balances of the balance sheet accounts. Now suppose the Accounts Payable Aging does not match the balance sheet. What follows is a procedural list of things to do to find the difference(s) of why the aging does not match the balance sheet.

Settings in the System Configuration

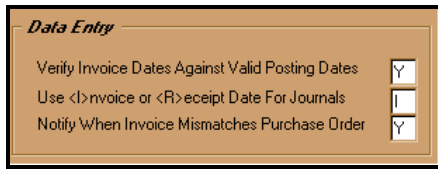
There are some settings in the System Configuration that will impact how you would reconcile the Accounts Payable to the General Ledger. From the main screen of TeamDesign® go to SYSTEM | SETUP | SYSTEM CONFIGURATION:



Once inside System Configuration click on the Payables tab.



On the payables tab you will see a section called Data Entry. Under that section you will see the question use <I>nvoice or <R>eceipt Date For Journals. Check to make sure the answer is an <I> for invoice date.



The screenshot shows a window titled "Data Entry" with three settings:

Verify Invoice Dates Against Valid Posting Dates	<input checked="" type="checkbox"/>
Use <I>nvoice or <R>eceipt Date For Journals	<input type="checkbox"/>
Notify When Invoice Mismatches Purchase Order	<input checked="" type="checkbox"/>

If the answer to the question is <R> for receipt date this could be the problem. The A/P aging report uses either Invoice Date or Due Date to age by, not the receipt date. If this is a <R> for receipt date then change the answer to <I> for invoice date, after a few months it should start balancing. Regardless of the answer it is recommended that you finish reading this document.

When did the Accounts Payable last Reconcile

Determine the last period that the A/P aging matched the Balance Sheet. This might require the running of the Aging and Balance Sheet for prior periods. Once you find the Period that the A/P aging matched the balance sheet the reconciling will start the period after. For Example: If period 1 is in balance and period 2 is out of balance then period 2 is the period you need to start reconciling.

Check the Journals

At the main screen of TeamDesign® go to LEDGER | JOURNAL PROCESSING:



Select A/P at the General Ledger Journal processing screen and make sure that all journals are posted for the month you are trying to reconcile under the AP - Accounts Payable. Also verify all CD – Cash Disbursements have been posted.

GENERAL LEDGER JOURNALS

Select Journal Type

<input type="text" value="0"/> <input type="radio"/> AB - Auto Balance W-I-P	<input type="text" value="0"/> <input type="radio"/> GF - General Journals
<input type="text" value="0"/> <input type="radio"/> AD - Adjustments	<input type="text" value="0"/> <input type="radio"/> IV - Inventory Adjustments
<input type="text" value="41"/> <input checked="" type="radio"/> AP - Accounts Payable	<input type="text" value="0"/> <input type="radio"/> PR - Payroll
<input type="text" value="303"/> <input type="radio"/> AR - Accounts Receivable	<input type="text" value="0"/> <input type="radio"/> RC - Recurring
<input type="text" value="33"/> <input type="radio"/> CD - Cash Disbursements	<input type="radio"/> IM - Import A Journal
<input type="text" value="60"/> <input type="radio"/> CR - Cash Receipts	

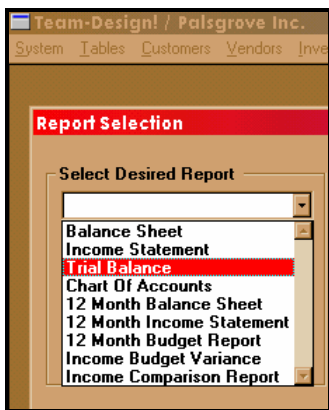
Okay Cancel

Print the Reports

Go to LEDGER/REPORTS:



Under LEDGER/REPORTS select the Trial Balance Report:



Once the Trial Balance report is selected, enter the period being reconciled in the From and Thru Period. Also make sure that the report is run in Detail. This option is under the Print Style section.

NOTE: To run the report for the Accounts Payable Account only, click on smart filter (Express Plus and higher). Under the Available Columns, select Account # and click the include button. This will move the element into the Filter On Columns. Click on the Account# under the Filter On Columns and the Filter Options will become active. Click on Exactly Equal To and enter the A/P Account Number in the blank box that appears. Then click the Okay button and Print the report.

First look at the Trial Balance and make sure all the entries are either CD or AP as TeamDesign® creates these journal type entries from the Sub-Ledger activity. If there are other Journal types, verify whether they affected the sub-ledger account. For Example: If there are journal types of GF then it only affected the General Ledger and not the Sub-Ledger.

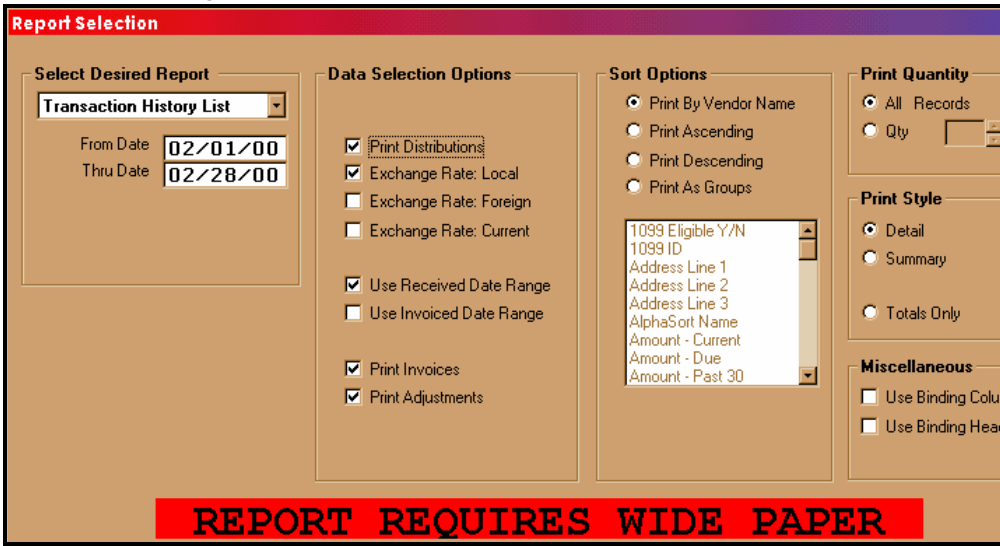
The next step is to go to VENDORS | REPORTS:



Under vendor reports select Transaction History List:



When running the Transaction History List make sure the dates are from the beginning to the end of the period being reconciled. Make sure Invoiced Date Range is clicked and Print Invoices, Print Adjustments, plus Detail for the print style have checks in them. This will show all the invoices entered and Adjustments made during the period being reconciled.



Then under VENDORS | REPORTS also run the 1099 Vendor Payment List:



When running the Vendor Payment List make sure the date range is from the beginning to the end of the month being reconciled. Also make sure the 1099 Vendors only box is unchecked and the Detail button is clicked. This will show all the payments made during the period being reconciled.

Compare Reports

After printing the three reports, take the 1099 Vendor Payment List and the Transaction History List and check it off against the Trial Balance Accounts Payable Account.

You will find an entry or entries on one of the vendor reports that is not on the trial balance or an entry or entries on the trial balance that is not on the sub-ledger reports.

If you find something on the 1099 vendor payment list or Transaction History List that is not on the trial balance, then research further to find out if that entry is posted to the general ledger and if so what period it's posted in. If posted in the wrong period, then reverse the entries posted to the wrong period. Then reverse the new journal created from the reversal and post to the correct period. If the entry did not make journal entries, then just create and post the thru Journal Processing. If a one-sided journal entry is needed, then contact Tech Support.

If you find something on the Trial Balance that is not on the 1099 Vendor Payment List or the Transaction History List, then you will need to research further by going to the vendor's historical ledger. If there is not an entry in the vendor's history, how was the journal entry created. Was the journal entry from the CD or AP journals or a different journal type?

NOTE: Tech support can assist with correcting the error, but it is the User's responsibility of finding out why it is out of balance.

How to Pay Vendor Invoices with a Credit Card

Credit Card Account

First you will first need to set up a GL account number for the credit card account.

Enter the Invoice

When you receive the invoice from the vendor you will need to enter the payable for it. (You will still need to do this step even if you do not receive an invoice from the vendor, you will need to put in a "dummy" invoice.) In your expense distribution you will expense the invoice just as if you were paying it with a check. Over to the right of the screen you will need to change the checking account number to the new credit card GL account you previously set up. When you hit the ok button it will Credit your AP account and Debit your expense distribution account.

Post Dummy Check

You will need to post a check for this payable. This will Debit your AP account and Credit your credit card account. (Remember to change the G/L checking account number field to the credit card G/L number when printing your check register)

Paying the Credit Card Bill

When you receive your credit card bill you will then expense it to the credit card account in the expense distribution. You will leave your checking account number in place over to the right of the screen, then you can cut the check to the credit card company.