db distributor

AP Daily and Periodic Processing

Daily Processing – Invoice Entry

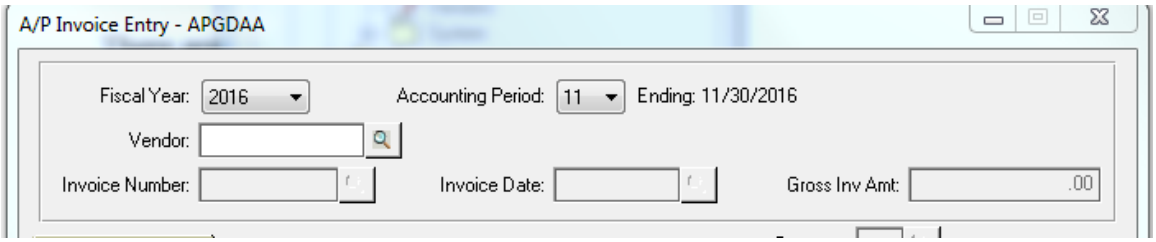
Vendor invoices that are received as the result of a purchase order are entered using the DemandBridge purchase order receiving program. Purchase order receiving integrates with order entry, purchase order entry, accounts payable invoice entry and your accounts receivable billing programs, a very powerful combination.

You will use the Accounts Payable Invoice Entry program to enter payables for expenses like rent, utilities, employee expense account, etc. You will also use it to adjust previously entered invoices.

There are three panels in Accounts Payable Invoice Entry, but very little data entry as most of the fields populate with data from the vendor master file. Other fields automatically calculate.

Invoice Entry Setup

Upon selecting the Invoice Entry Program, the Fiscal Year and Accounting Period will default to the earliest unclosed period, and you will be positioned for entry at the Vendor Code.



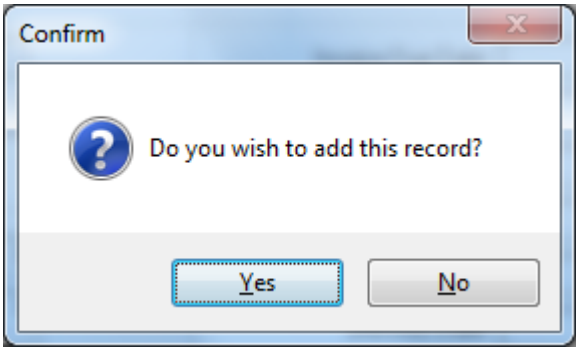
If you need to change the period and/or year, click into those fields and choose the correct entries from the drop list. You can choose the vendor code from the query, or key it's in. Enter the vendor invoice number exactly as it appears on your invoice. If it is an expense not generally associated with an invoice, you should assign your own invoice number. If you choose to assign a number based upon the date, consider assigning it in the following format:

YYMMDD

By doing so, your reports and queries will also list the invoices in chronological order.

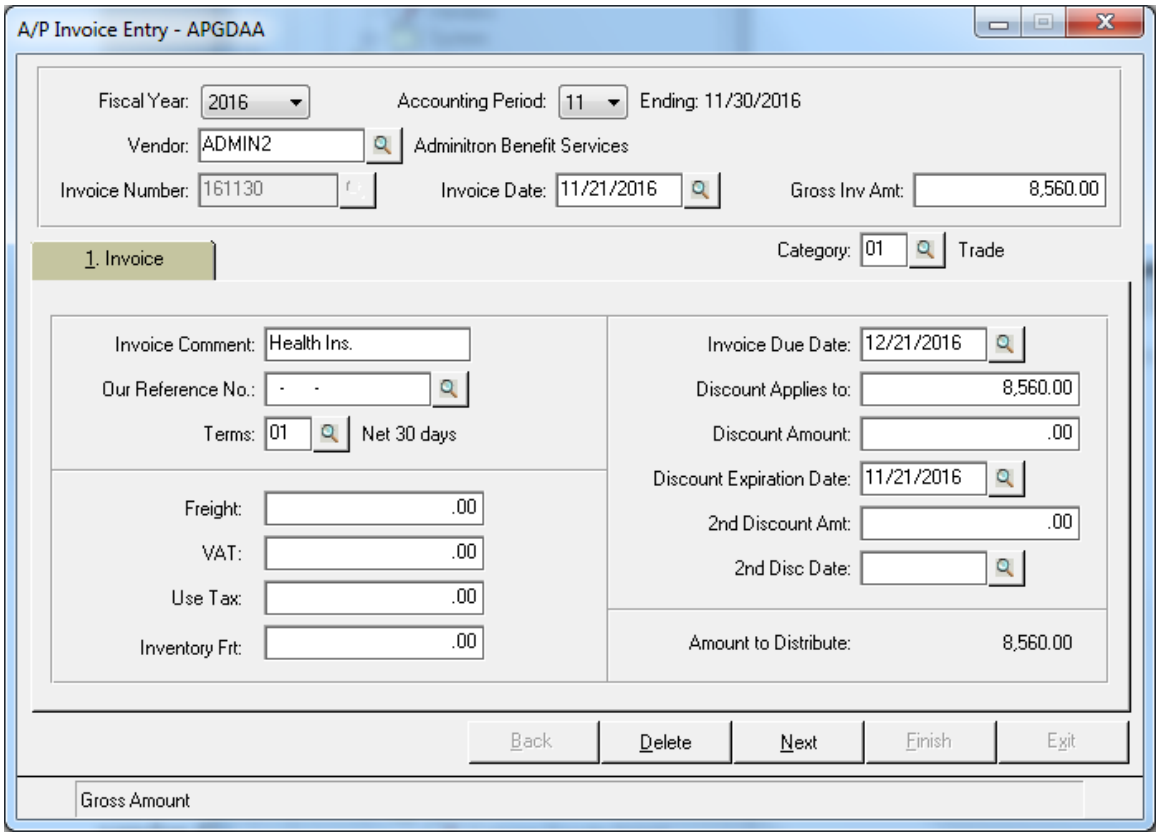
Note: Invoice numbers must be unique. If you enter an invoice number that already exists, you will be prompted that the invoice is already on file and you will be given the opportunity to proceed to adjust it.

Once you enter a new invoice number and press the enter key, a prompt will ask you to confirm that you have entered the information correctly and that you wish to add the record.



Upon clicking **Yes**, you will be positioned at the date field. You can accept the defaulted date or change it, then key in the invoice amount. If you are entering a credit memo, key in the amount as a negative number. Notice that there is a field where you can enter the invoice number to which you want to apply the credit memo.

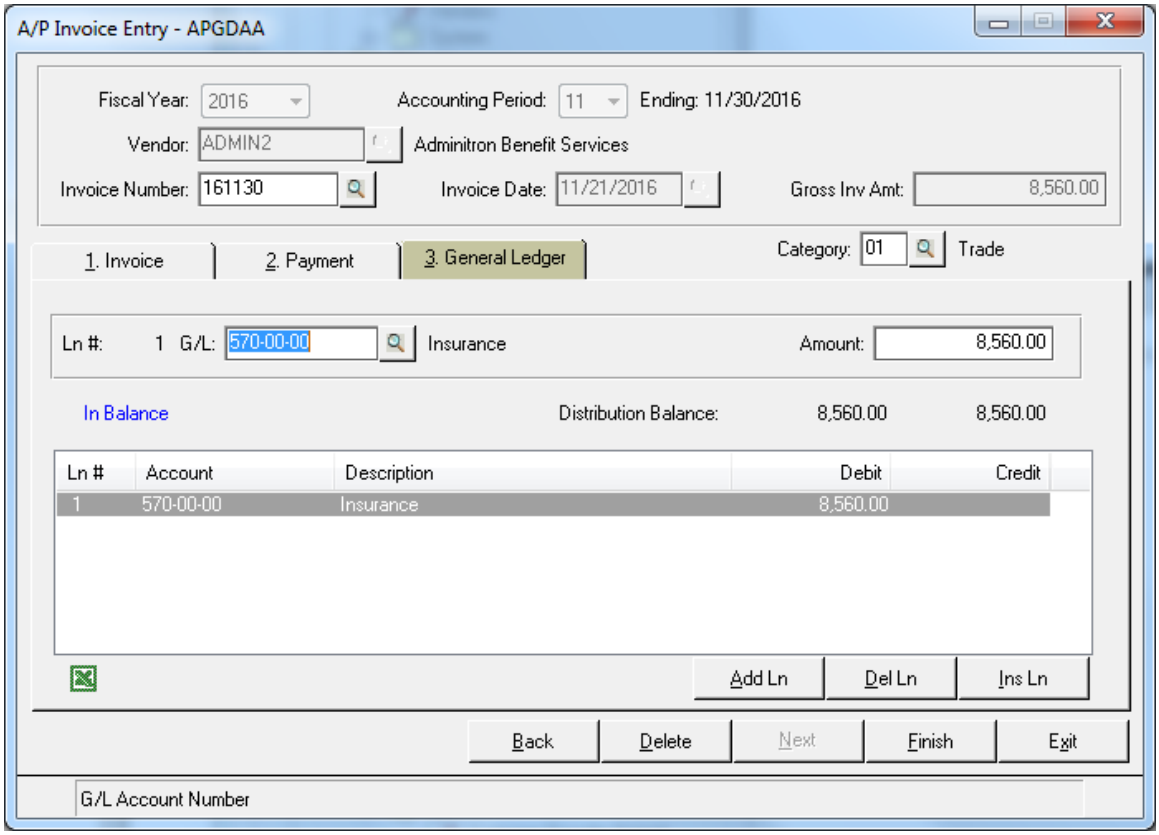
Accounts Payable Invoice Entry – Invoice Tab



Information will default from the vendor master file. Also, the due date and any applicable discount and discount date will be calculated based upon the terms code in the vendor file. If necessary, the Terms Code can be overridden causing these entries to be recalculated.

The **Invoice Comment** has defaulted from the Standard Comment field in your vendor master file. **Our Reference Number** is normally used for your purchase order number to the vendor. Had this invoice been the result of a purchase order, that number would have displayed.

The additional fields that were established by your entries in "Invoice Entry Options" have displayed. In this case the fields were freight and sales tax. If there are no freight or sales tax entries, simply click the **Next** button. The navigation automatically takes you to the third tab where the general ledger posting has already been made.



You can accept the defaulted general ledger posting and click **finish**. You would then be able to enter the next vendor invoice.

If you need to change the general ledger posting, click on the line.

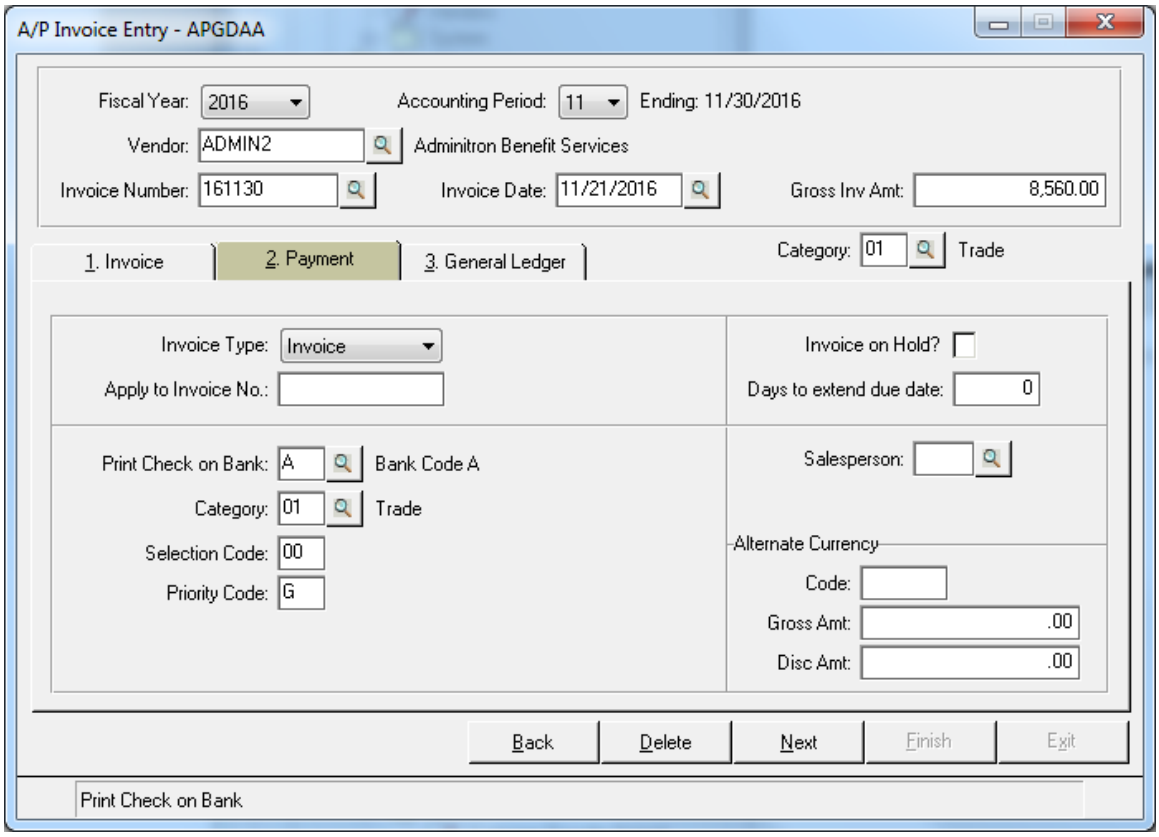
You now have the option to modify the general ledger account and/or the amount, add, delete or insert lines.

Tab one, the invoice data tab and tab two the general ledger tab were discussed, but what about tab two. Rarely, do you need to make any entries on this tab, but if you do simply click Back from the General Ledger Tab.

Information included on Tab 2 - The drop list for Invoice types has five options:

- Invoice
- Return
- Adjustment
- Debit Memo
- Credit Memo

Normally your entry will be set to an Invoice. If the Gross Amount entered is negative, it will be set to a Credit Memo. If you are adjusting an invoice it will be set to an Adjustment.



On occasion, you may want to enter a vendor invoice, but put it on hold. This will prevent the invoice from being automatically selected during check processing.

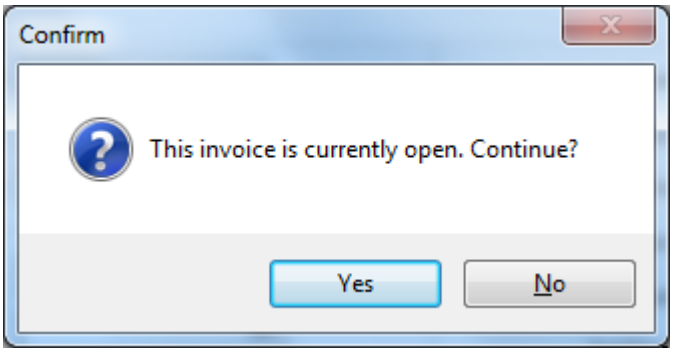
It is also on this panel that you may direct this invoice to be paid out of a different Bank Account. This would be used in the event a specific invoice is designated to be paid by a credit card.

When a Vendor sends you a Credit Memo, enter the original invoice number for Apply to Invoice Number field. This is for information purposes only.

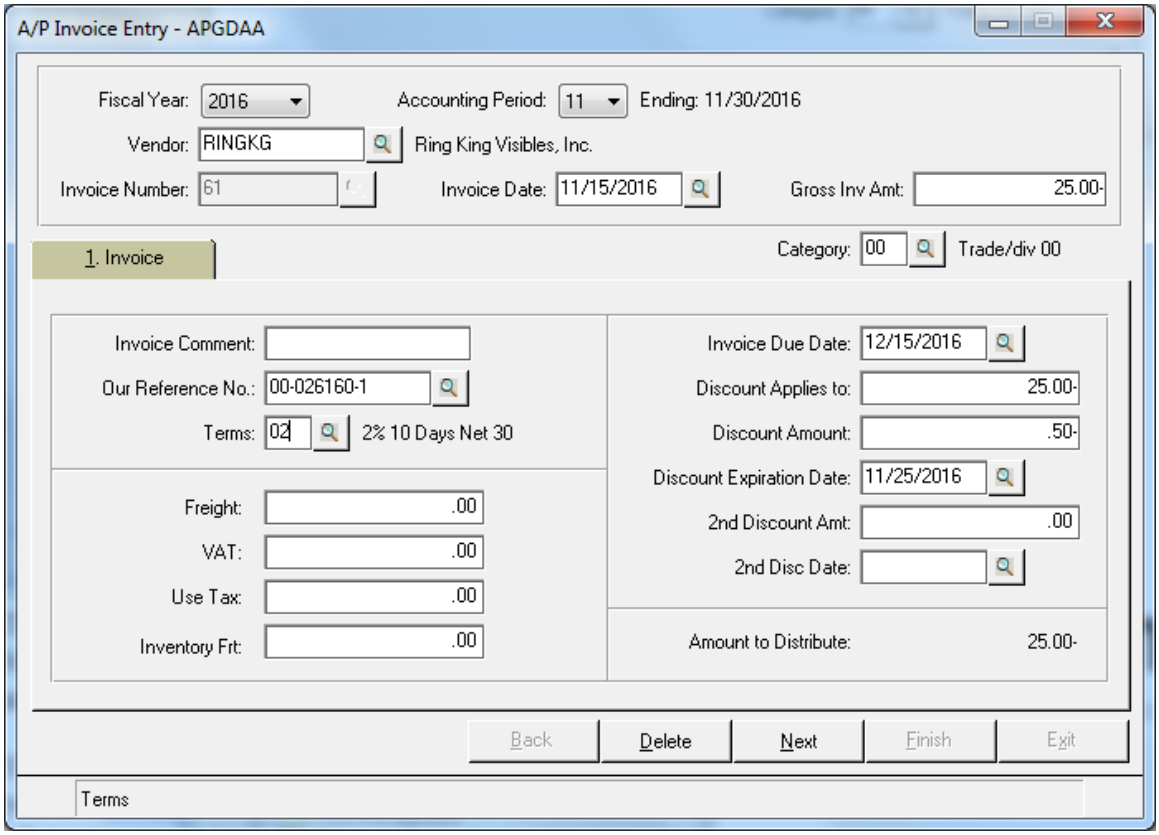
How to Adjust a Previously Entered Vendor Invoice

Until you have run your Purchase Journal and given the "Update" command, you will be able to make changes to the vendor invoices you have entered. If you have already updated an invoice, you will use the invoice entry program to adjust it.

Simply enter the Vendor Code and the Invoice Number you want to adjust. Make certain that you enter the invoice number exactly as it was entered originally. When you enter an invoice that is in the Open Invoice File, you will receive the following prompt.



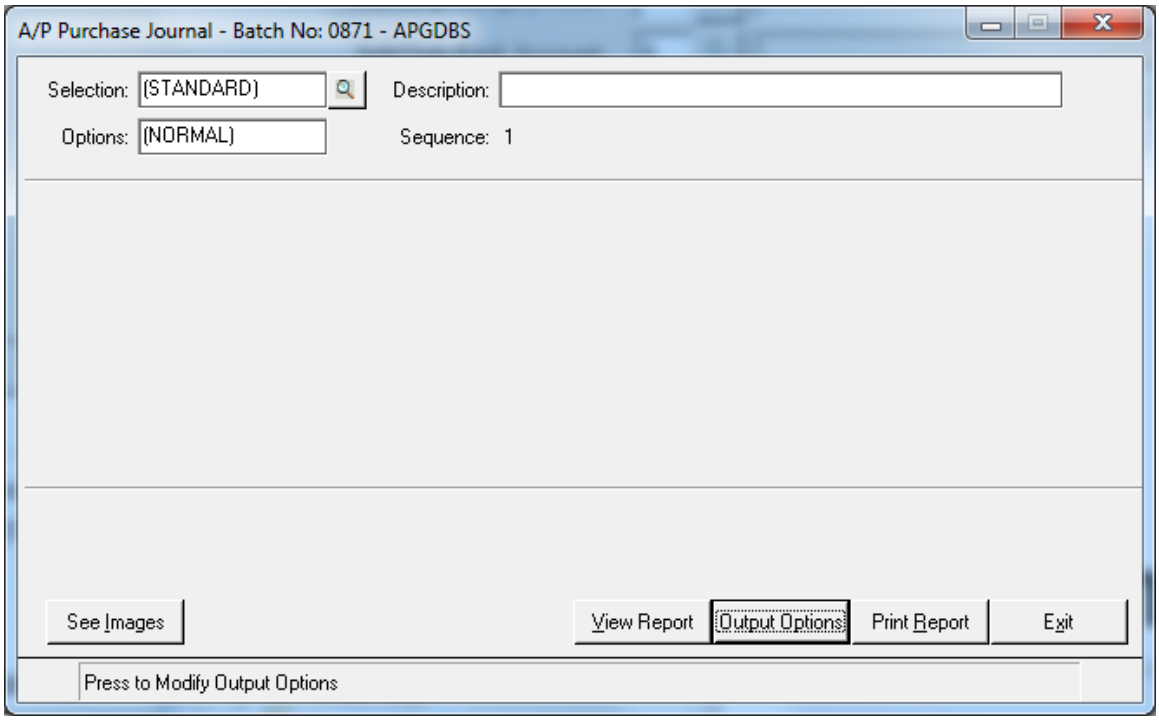
Click **Yes**. The date of the original invoice will display. You can accept this date or assign your adjustment the current date. If you are adjusted an invoice down by $25, enter the amount as a negative number ($-25.00).



The Invoice Type will automatically change to reflect that this transaction is a Credit Memo. If you had entered a positive number, the Invoice Type would have been set to an Adjustment.

Notice that a negative discount has been calculated. Make any changes that might be necessary, and then click **Next**. Enter the General Ledger Account for the adjustment and click **Finish**.

Purchases Journal and Update



The Purchases Journal lists each Invoice Entry made since the last update. This report is used to check the Invoice entries for accuracy. If you need to correct an entry, proceed as follows:

1. Do not update
2. Reselect the Invoice Entry Program
3. Recall the Entry and either make the necessary corrections or delete the entry
4. Exit the Invoice Entry Program
5. Reselect the Purchases Journal Program

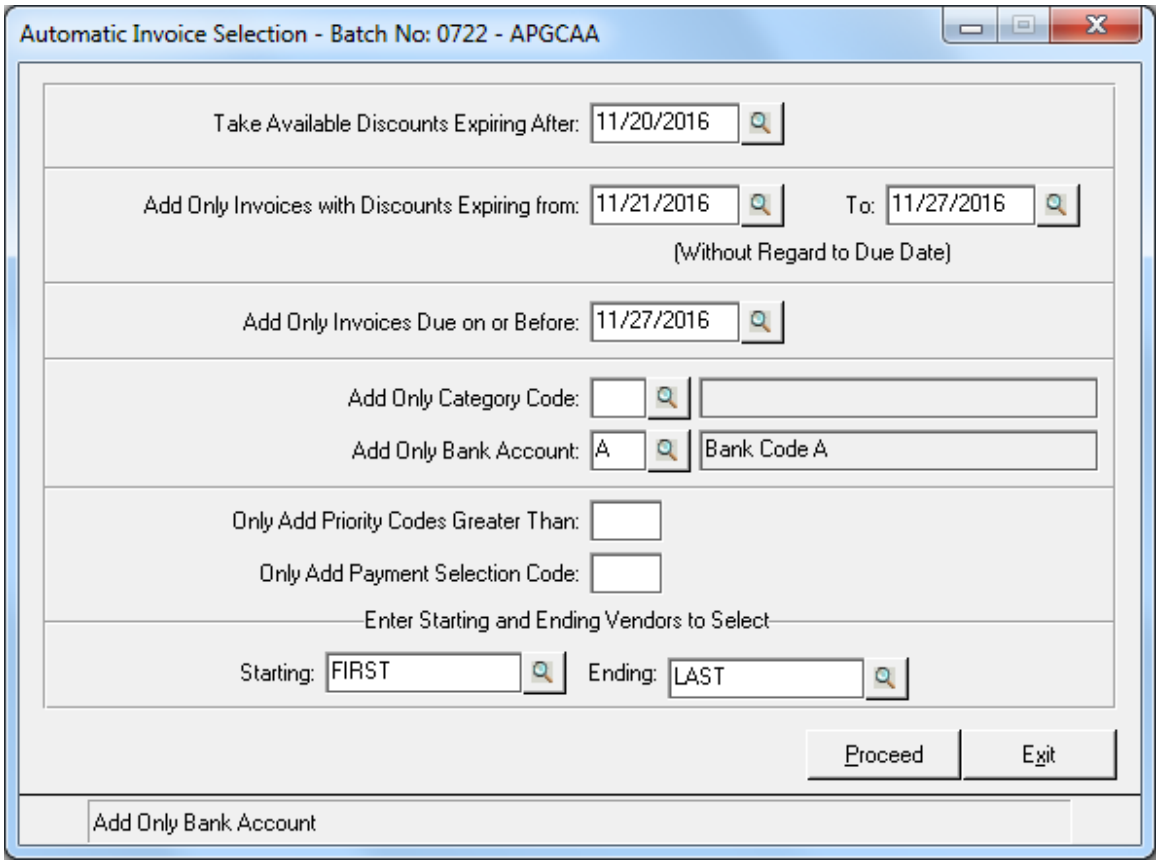
After verifying that the Invoice Entries are correct, proceed with the update.
The update will perform the following functions:

- Creates an Open Invoice for the Vendor
- Accumulates to the Vendor's Balance
- Accumulates to the Vendor's Statistics
- Makes accrual postings to the General Ledger Detail Transaction File
- Retains general ledger postings for optional printing on journals and reports or for making cash basis postings the General Ledger Detail Transaction file when the invoice is paid
- Clears the Invoice Entry File

Automatic Check Processing

Check Processing is fast and easy! The first step is to determine which invoices to pay. For this purpose, there is a program called Automatic Invoice Selection.

Automatic Invoice Selection



Use this panel to enter one or more criteria upon which you want to select invoices for payment.

Take available discounts expiring after

The first field is not used for selection. This field is used to determine whether the discount should be taken on the invoices selected. Each invoice selected for payment that has a discount available will be checked against this date. If the invoice's discount due date is on or after the date entered, then the discount will be considered still available and will be

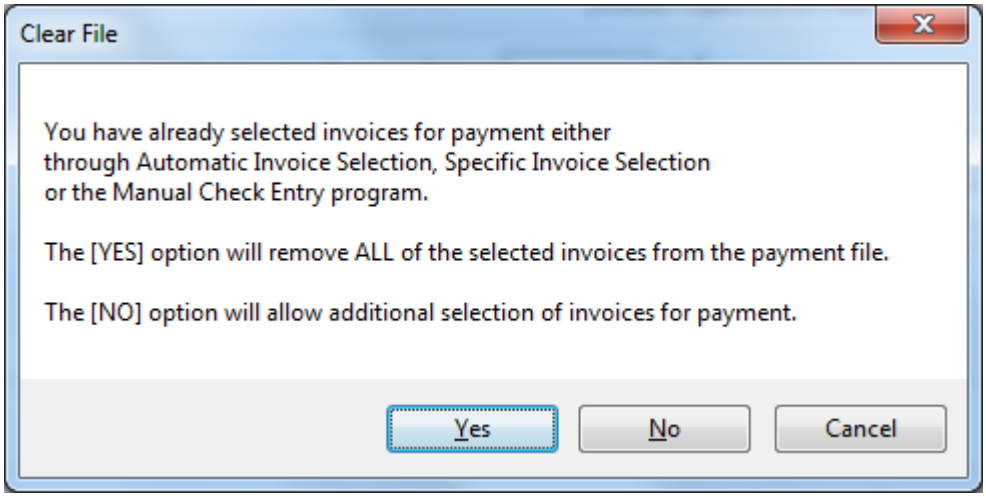
taken. If the discount due date proceeds this date the discount will not be taken. The only exception to this rule is when a vendor has been coded to always take a past due discount.

The remaining fields on this screen are used to select the invoices. You can use one or all the options. The open invoice file will be processed and any invoice, that meets all the criteria you specified, will be recorded in the Invoice Selection Work Files. To indicate that a selection option is not to be used, leave it blank.

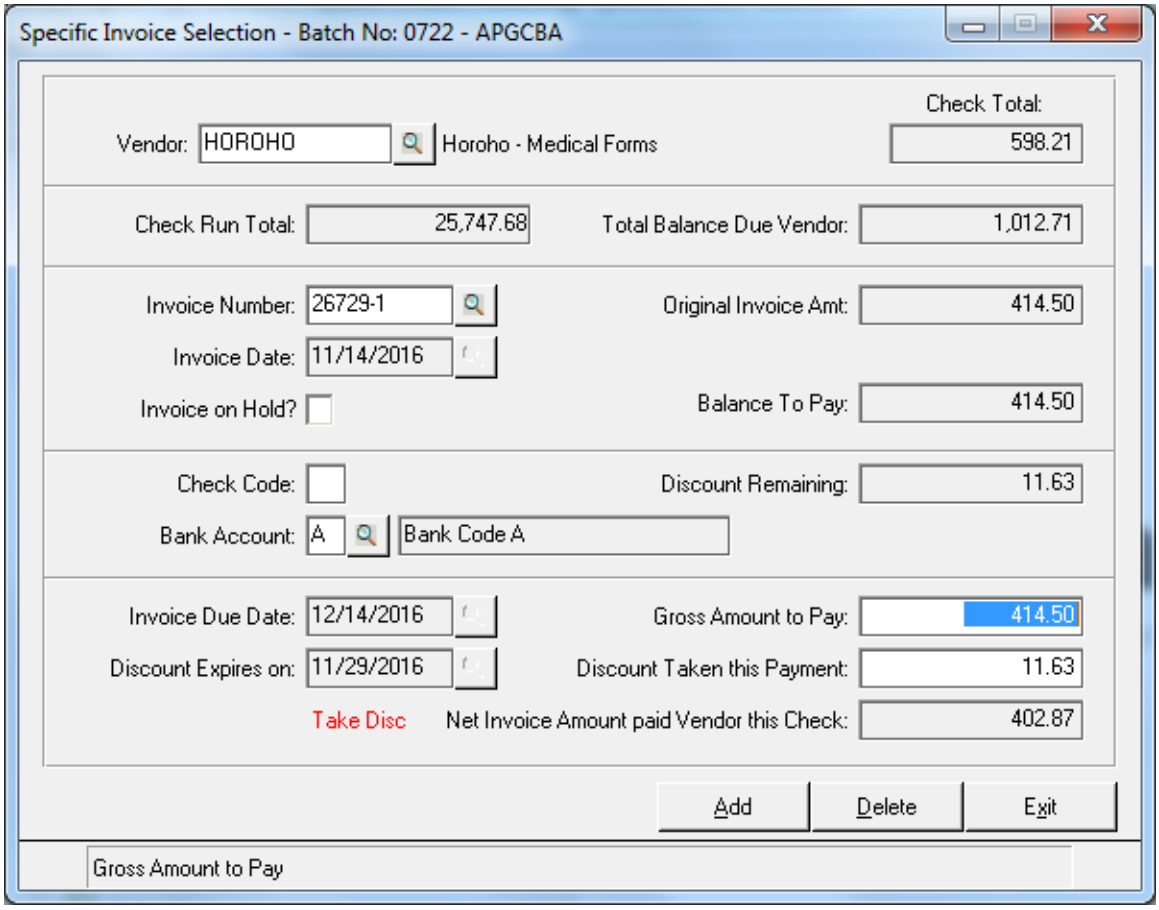
When the process is complete, if desired, you may repeat it with another set of criteria.

Specific Invoice Selection

This program is used to modify the Invoice Selection Work File. If you have selected invoices using the Automatic Invoice Selection, when you first chose the Specific Invoice Selection Program, the following prompt will appear.



To add to or delete from the invoices that were previously selected, click **No**. If you wanted to clear the payment selection file and start over, click **Yes**. To exit this program entirely, click **Cancel**.



If you do want to edit the payment selection, enter the vendor code. Enter the specific invoices you want to de-select or add to the payment selection.

After entering the vendor Code and Invoice Number of an open invoice you can:

- Add an invoice, which was not previously selected for payment.
- Delete an invoice, which was previously selected for payment.
- Modify the amount to be paid on an invoice.

Suggested Payment Report

This report will list by vendor all the invoices selected for payment. Also, on the report will be Vendor Totals and company totals showing the total cash requirements assuming the check will be written for all the invoices reported. Review this report and then chose automatic or specific payment selection to fine-tune your selections.

Check Printing

From the invoices selected, checks will be printed. The check stub will list each invoice being paid. If there are more invoices that can fit on a single check stub, the program, will void the check portion and continue to another check stub until all invoices have been printed. The checks that are voided during this process will automatically be voided in the system as well.

Be sure that the Fiscal Year and Accounting period for these checks is correct. Verify that the Starting Check Number matches that on the first check on which the printer can print. You will be given an option to print test patterns to align the checks in the printer. If you chose this option, the check upon which the test pattern was printed will automatically be voided.

In the case you are restarting check printing due to a printer malfunction or a break in your checks you will also be given the option to restart printing checks at a specific vendor. DemandBridge will automatically void the check that was ruined during the printing malfunction.

Cash Disbursements Journal/Update

This report lists each check written and the invoices, which were paid.

The update following the Journal does the following:

- Creates a transaction record in the Open Invoice File for the Vendor
- Accumulates to the Vendor's Balance
- Creates an entry in the outstanding checks of the bank reconciliation system.
- Accumulates to Vendor 1099 figures, if applicable
- Accumulates to the Vendor's Statistics
- Creates an entry in the monthly disbursements file
- Makes the appropriate postings to the General Ledger Detail Transaction File
- Clears the Invoice Selection Work File

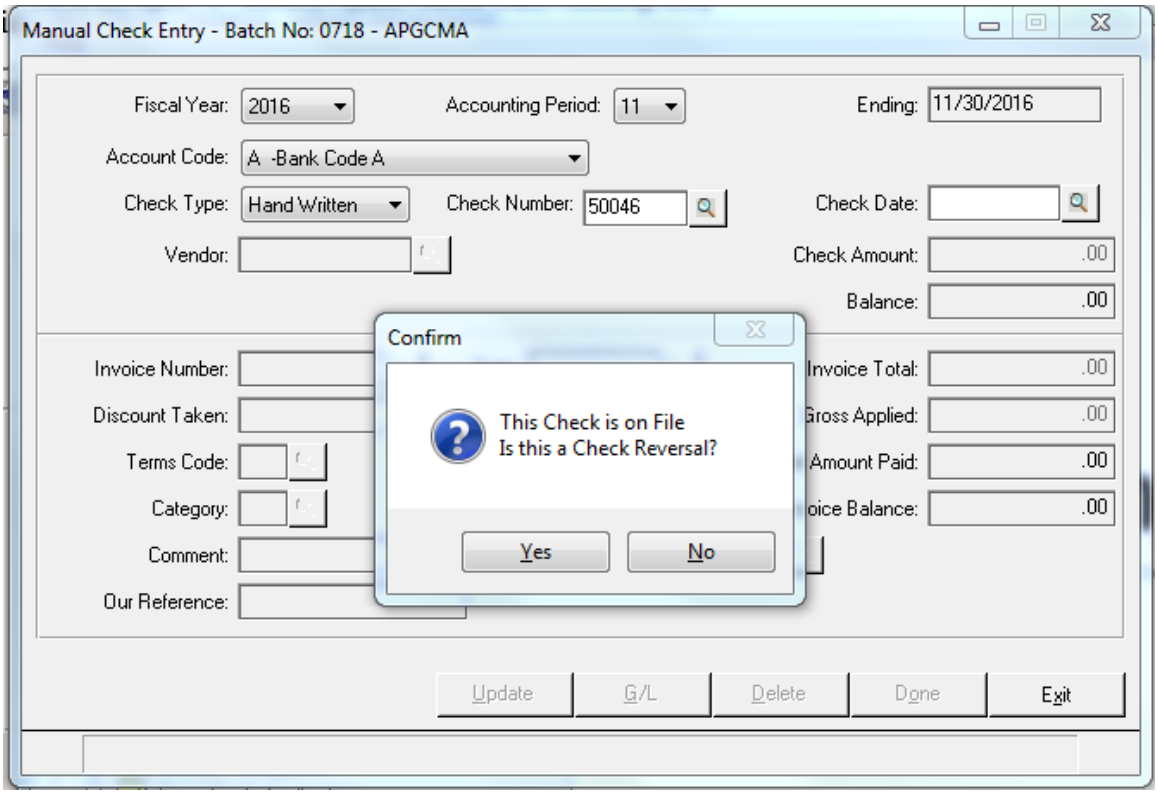
Manual Check Processing

There are times when it is necessary to write manual (handwritten) checks. You may also need to reverse or void a check. The Manual Check program is used for these options.
Upon selecting the program the default Fiscal year and Accounting period will display.

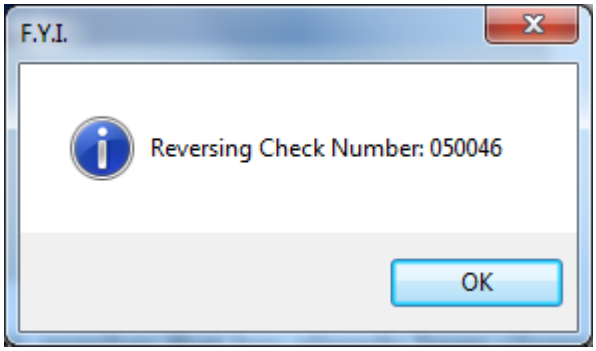
The valid Check Types are:

Reversal - Used to reverse a previously created or entered check.
Handwritten – Used to enter checks not computer generated.
Void – Use to record check number not assigned to a transaction.

A ***Reversal*** is used to adjust a previously written check. An example of this is a check printed by the computer or entered and updated in the manual check entry, then for some reason is not given to the vendor or perhaps is lost in transit. Upon entering the check number, if the check detail is still in the computer, the reversal process is automatic. Just click **Yes**, when prompted

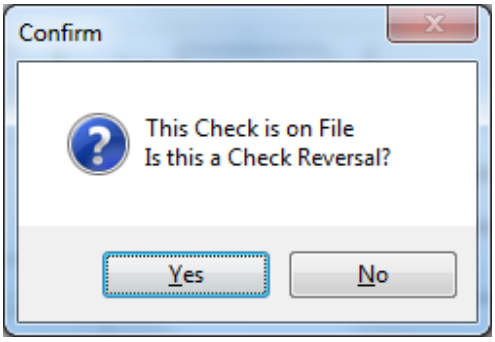


You will receive the following confirmation. Upon clicking **OK**, the screen will clear, and the check reversal entry will be completed.

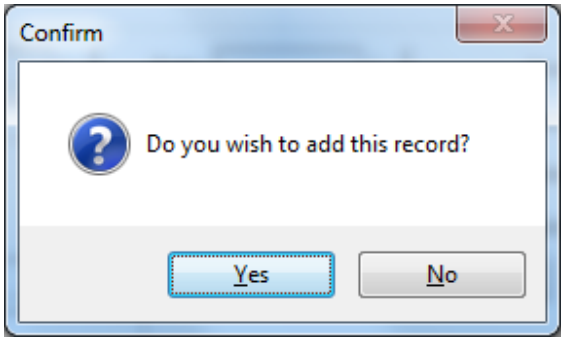


If you enter a very old check number that has already been cleared from your data files. DemandBridge will not be able to retrieve the information necessary to perform an automatic reversal. In this instance, you will need to enter all the information. The amounts entered will need to be entered as negative numbers. Notice the two different prompts.

Check found for automatic reversal



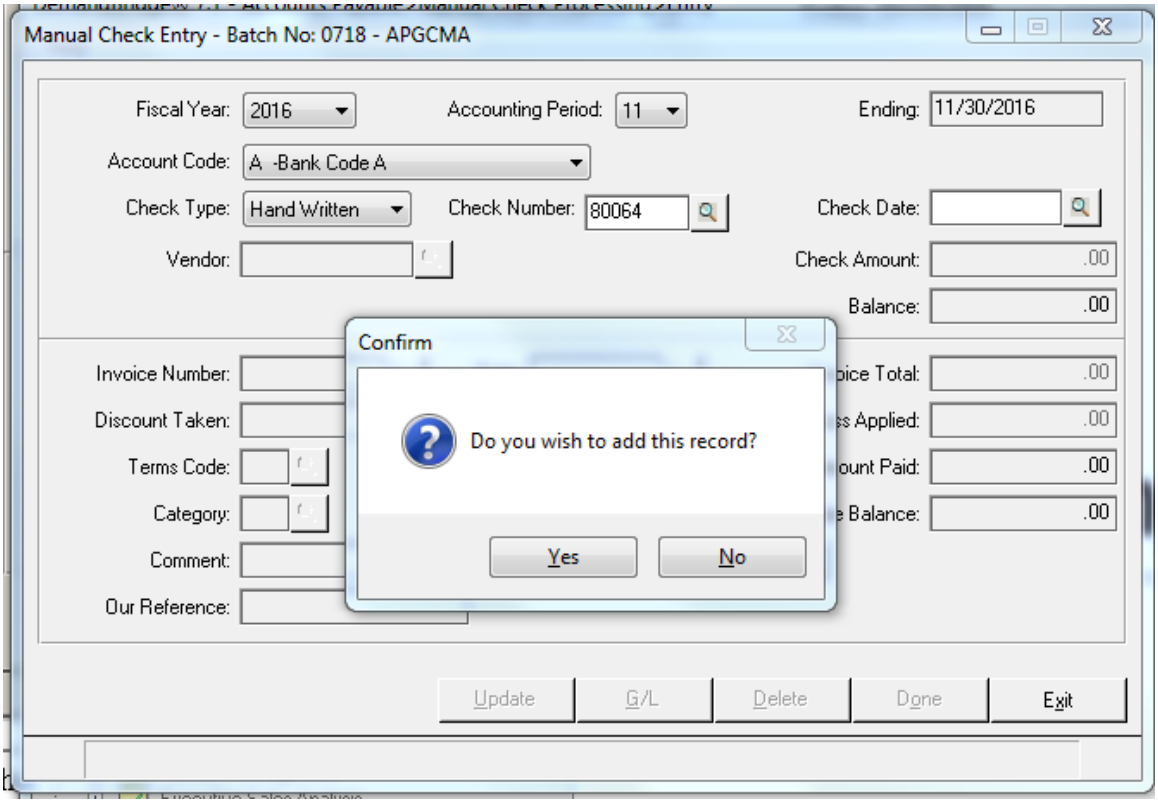
Data not found. Enter Data with Negative numbers.



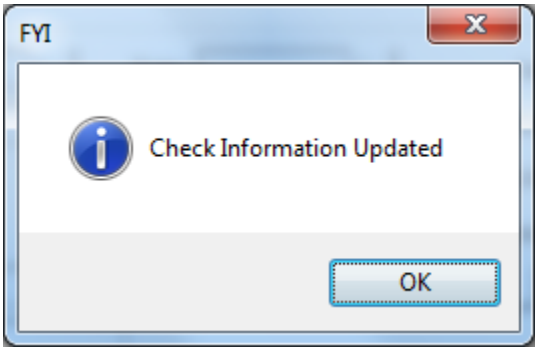
A ***Handwritten*** check type is used to record checks that are not computer generated. There are two steps in entering a manual check. The first step is to record the check data and the second step will be to enter one or more invoices that the check is settling. This second step varies depending upon whether the invoice

Entering the Check Data

As in all other account related entries, make certain that the fiscal year and account period are correct. Enter the bank account code for the account the check was written. Choose "Handwritten" from the drop list of check types. After entering the check number, the following prompt will ask you to confirm that you want to add this entry.



Click **Yes**, and proceed to enter the check date, the Vendor code and the check amount. Click **OK** (below) to confirm that the information is correct.

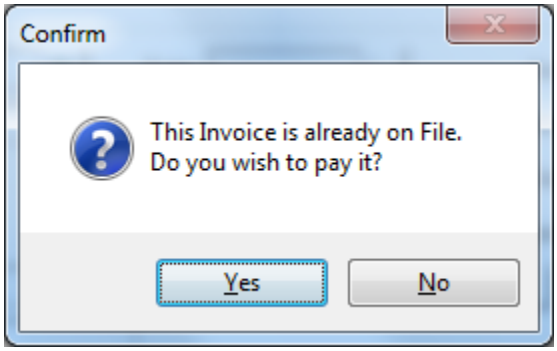


The amount you entered as the check amount will also populate the "Balance" field. Since a check can be made up of more than one invoice, the balance is the amount remaining to be distributed from this check. This "Balance" field will adjust with each vendor invoice you pay. You will not be able to exit this program until this amount has been fully distributed.

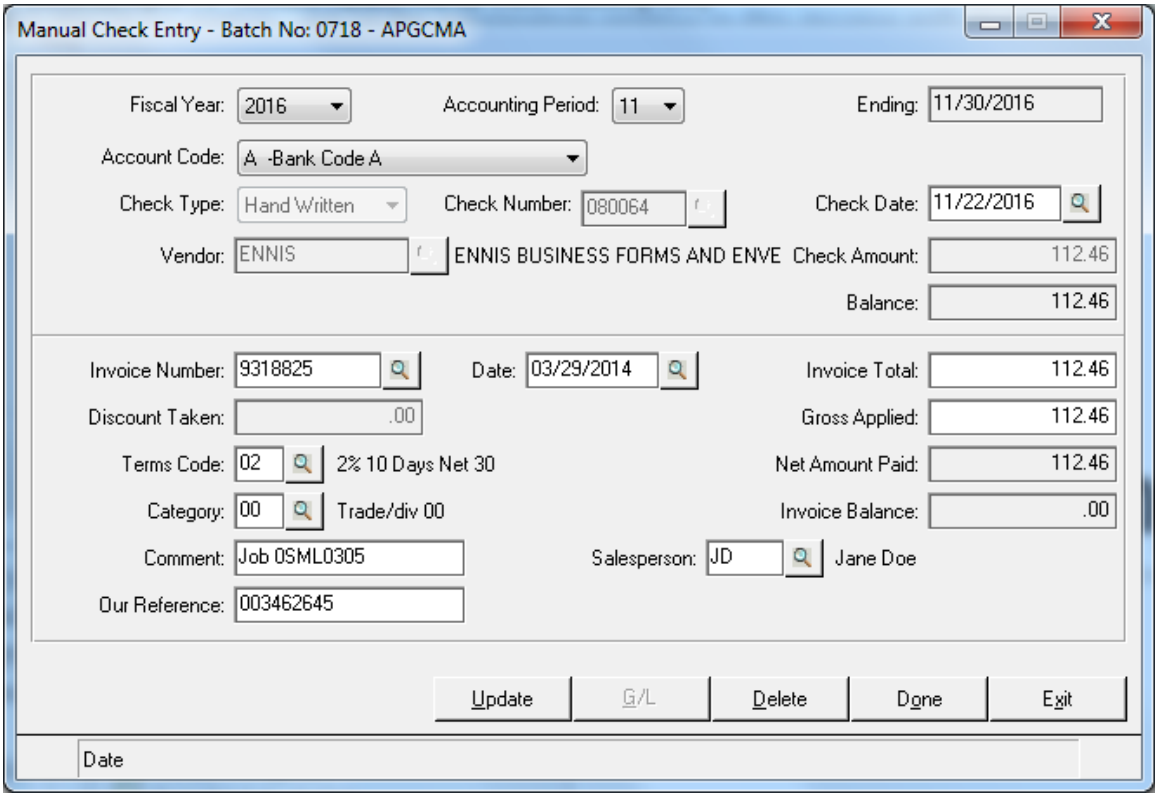
Manual Check Invoice Entry

There are two situations regarding the Invoice Number. Either the invoice is new, or it already is on file. If the invoice number is on file, all the data will be defaulted, and no General Ledger distribution will be made. If this is a new invoice, enter the requested information including the General Ledger distribution.

This example will show how to pay an invoice that is already on file. Enter the invoice number. The follow prompt will confirm that you have entered a valid invoice number.



Click **Yes**. All the information relative to this invoice will display.

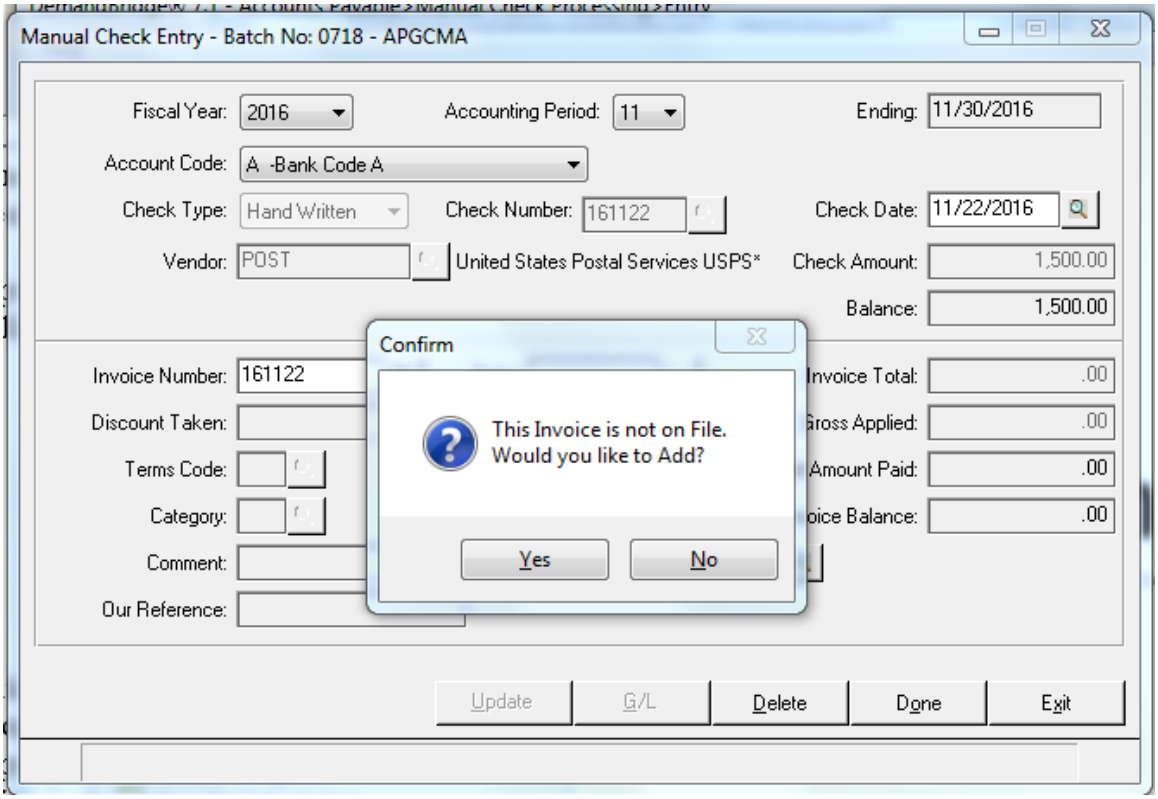


If you intend to pay this invoice in full, you can accept the defaulted date and simply click **Update**. If you are making a partial payment, enter the "Gross Applied" field the amount you want to pay. The Net Amount Paid is calculated to be the Gross Amount less any Discount taken.

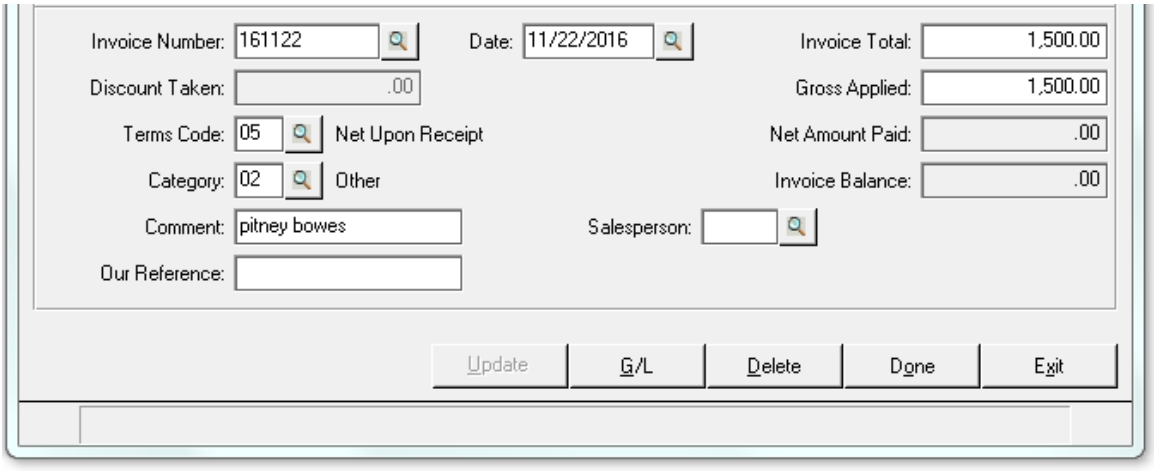
Click **Update**. The amount you entered for the payment of this invoice has reduced your "Balance" on the check. Proceed to enter all the invoices that you intend to pay.

The next example will be on how to set up and pay a new invoice, that is, one that has not been previously entered into the system.

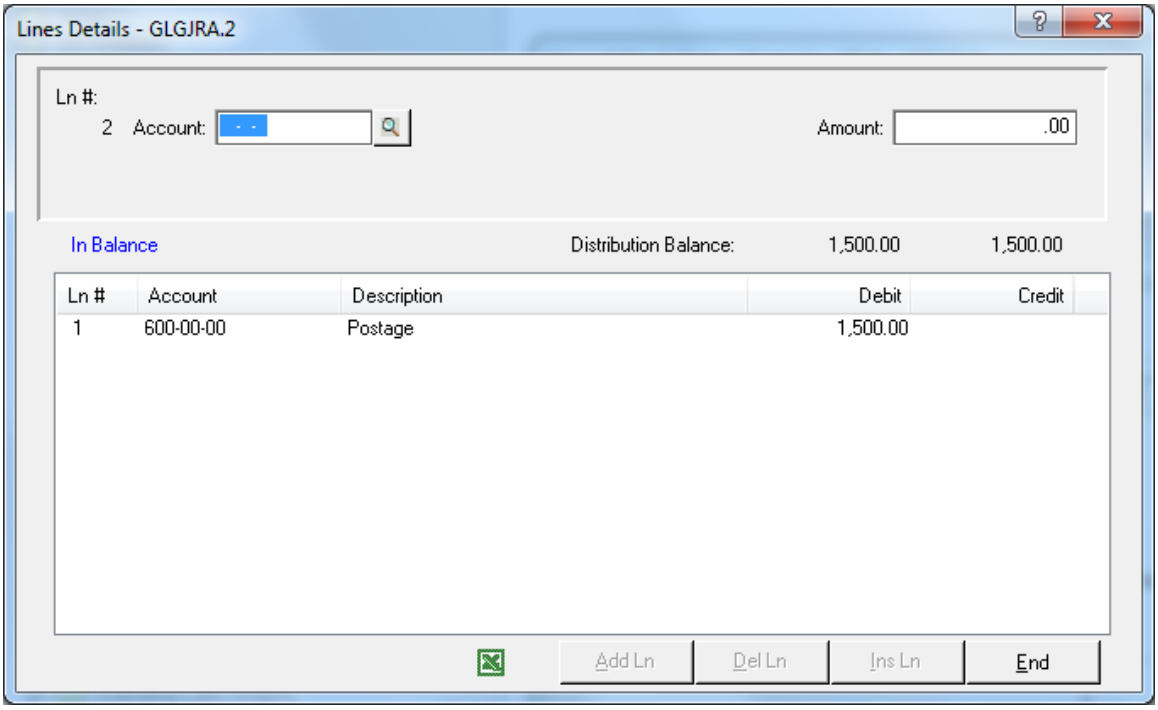
Upon entering an invoice number that the system does not recognize, you will receive the following prompt.



Click **Yes** and proceed to enter the invoice date and the invoice total. The program will assume that you want to pay this amount and will populate the Gross Applied field. You can change it as needed. Also, enter any comment or reference that might be applicable. Since you are entering a brand-new invoice, you will need to enter the general ledger account to post.



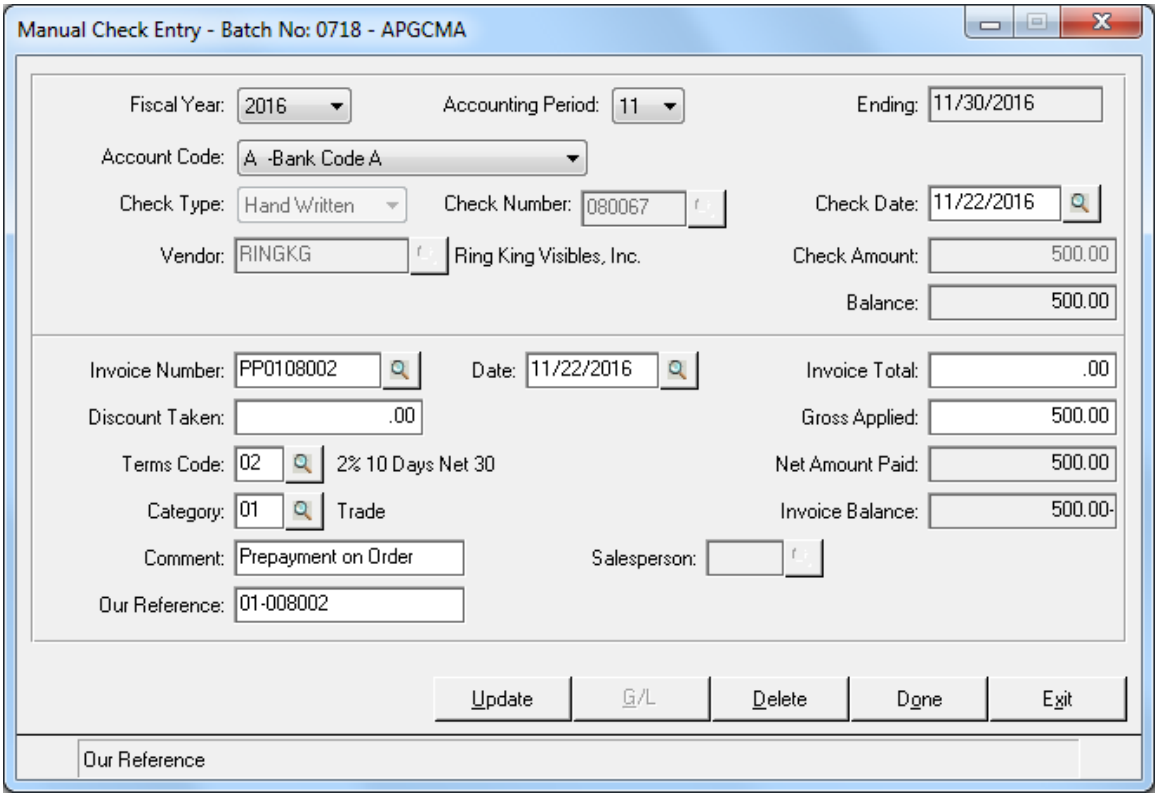
It you use the enter key to move through the fields to enter the values for this invoice, you will automatically be taken to the G/L screen. Of course, you can simply click the G/L button to proceed to the next panel.



If there is a general ledger account stored in the vendor master file, it will default, otherwise you will need to assign one now. Note that the amount can be distributed to multiple general ledger accounts if needed.

How to Enter a Vendor Pre-Payment

Use the Manual Check Entry Program to record vendor prepayments. Proceed as you would in entering any manual check. The difference rests in the fact that the invoice amount will be zero. This procedure will set up a credit transaction in your vendor file while at the same time producing a check.



Since you do not yet have an invoice from the vendor, you will need to assign your own transaction number here. If the prepayment is for an order you have received, you might want to use the prefix "PP" for prepayment along with the order number.

Notice that the amount of the invoice is zero, the payment is the amount of your check and the Invoice Balance is a credit of $500.

Void Checks

To have a complete Monthly Disbursements Report you also can record a Void check number. Voided checks are checks that were not automatically generated or previously entered. They are check numbers that have been ruined for some reason. To enter a Void Check, simply choose Check Type of "Void" from the drop list and enter the date and the check number.

Manual Check Audit Report

The Manual Check Audit Report lists all the checks entered in the Manual Check Entry Program.

The update following the Manual Check Audit Report does the following

- Creates invoice and payment transaction records in the Open Invoice File
- Adjusts the Vendor's Balance, if applicable
- Creates an outstanding check record in the Bank Reconciliation file.
- Adjusts the Vendor 1099 figures, if applicable
- Accumulates to the Vendor's Statistics
- Creates an entry in the monthly disbursements file
- Makes the appropriate postings to the General Ledger Detail Transaction File
- Clears the Manual Check Entry File