

Long Business Systems, Inc

Management Software Solutions

We help businesses manage for success

Cleveland – Columbus – Cincinnati - Pittsburgh



Using Down Payment Invoices

Presented by: Vicki Smith

Agenda:

- Settings – G/L Account Determinations
- How to Create Down Payment Invoices
- How to Record Incoming or Outgoing Payments
- How to Apply Down Payment Invoices to Regular Invoices
- General Ledger Transactions
- Tip of the Day



When to use Down Payment Invoices

- Used when payments are required in advance from customers or vendors
 - Way to create a payment not based on a regular invoice
 - Relevant for both sales and purchasing documents
 - Has own numbering series
 - Is cleared by an Incoming Payment
 - Does not affect on hand balances or stock valuation
 - *Note: Customer deposits entered on the sales order are recorded as Down Payments*



GL Account Determinations

- Sales Payment Advances
 - Liability account used to record the potential or “deferred revenue” represented by these down payments
- Purchasing Payment Advances
 - Liability account used to record the potential or “accrued expense” represented by these pre-payments to the vendor
- *Go to: Administration > Setup > Financial > GL Account Determinations > Sales & Purchase Tabs*



Document Numbering

- Define a numbering series for Down Payments
 - Watch for overlap with regular AR & AP Invoices

Document Numbering - Setup				
Document	Default Series	First No.	Next No.	Last No.
Goods Issue	Primary	1		6
Inventory Transfer Request	Primary	1		2
Inventory Transfers	Primary	1		5
Landed Costs	Primary	1		1
Inventory Revaluation	Primary	1		1
Service Call	Primary	1		30
Production Orders	Primary	1		157
A/R Down Payment	Primary	4000	4000	
A/P Down Payment	Primary	5000	5000	
Inventory Posting	Primary	1		9

- *Go To: Administration > System Initialization > Document Numbering*

Creating Down Payment Invoices

- Use “Copy to” function to create from Sales or Purchase Order
 - Click on “copy to” and select *AR or AP Down Payment*
 - Enter the DPM % to calculate the down payment amount
 - Add any text or payment instructions and then click *Add*
 - You can have multiple down payment invoices against a document
- Note: DPM % can be greater than 100% if freight or sales tax need to be included



Down Payment Invoice

A/R Down Payment Invoice

Customer: C40000
Name: Earthshaker Corporation
Contact Person: Bob McKensly
Customer Ref. No.:
Local Currency:

No. Primary 4001
Status Open
Posting Date 05/12/2015
Due Date 06/11/2015
Document Date 05/12/2015

Contents Logistics Accounting Attachments

Item/Service Type: Item Summary Type: No Summary

#	Item No.	Item Description	Quantity	Unit Price	Total (LC)	Tax ...
1	A00001	J.B. Officeprint 1420	1	\$ 3,000.00	\$ 3,000.00	LG
2	A00004	Rainbow Color Printer 5.0	2	\$ 625.00	\$ 1,250.00	LG
3	A00006	Rainbow 1200 Laser Series	10	\$ 500.00	\$ 5,000.00	LG
4	A00004	Rainbow Color Printer 5.0	10	\$ 625.00	\$ 6,250.00	LG
5						

Sales Employee: Sophie Klogg
Owner: Klogg, Sophie

Total Before Discount: \$ 15,500.00
DPM: 100 % \$ 15,500.00
Rounding: \$ 0.00
Tax:
Total: \$ 15,500.00
Applied Amount:
Balance Due: \$ 15,500.00

Payment Order Run:
Remarks: Based On Sales Orders 397.

Add Cancel Copy From Copy To

Tracking Down Payments

- Open Items List
 - View Down Payments – Unpaid
 - View Down Payments – Not Fully Applied
- Right Click on Sales or Purchasing documents
 - Relationship Map
 - Related Down Payment Transactions

#	Origin	Origin No.	Posting Date	Date Applied	Amount	Open Balance	Applied Amount	Date Closed
1	▼ DT	→ 4002	05/12/2015		\$ 15,500.00	\$ 15,500.00		

How to Record Payments

- Payments are handled in same way as regular invoices
 - Down Payment invoices are referenced with “DT” for origin code
- Use *Incoming Payments* to record customer down payments
- Use *Outgoing Payments* to issue vendor down payments



Incoming Payment

Incoming Payments

Code: C40000
 Name: Earthshaker Corporation
 Bill To: Earthshaker Corporation
 18700 MacArthur Blvd
 Irvine CA 92612
 USA
 Contact Person: Bob McKensly
 Project:

Customer
 Vendor
 Account

No. Primary: 242
 Posting Date: 05/12/2015
 Due Date: 05/12/2015
 Document Date: 05/12/2015
 Reference:
 Transaction No.:

Selected	Documen...	Documen...	Date	*	Overdue ...	Total	Balance Due	Total Before ...	Cash Discount %	Total Discount	Total Payment
<input type="checkbox"/>	384	IN	04/14/2015		-2	\$ 125.00	\$ 125.00	\$ 125.00	0.000		\$ 125.00
<input type="checkbox"/>	383	IN	04/14/2015		-2	\$ 312.50	\$ 312.50	\$ 312.50	0.000		\$ 312.50
<input type="checkbox"/>	382	IN	04/14/2015		-2	\$ 500.00	\$ 500.00	\$ 500.00	0.000		\$ 500.00
<input checked="" type="checkbox"/>	4002	DT	05/12/2015		-30	\$ 15,500.00	\$ 15,500.00	\$ 15,500.00	0.000		\$ 15,500.00

Payment on Account 0.00

Total Amount Due \$ 15,500.00
 Open Balance

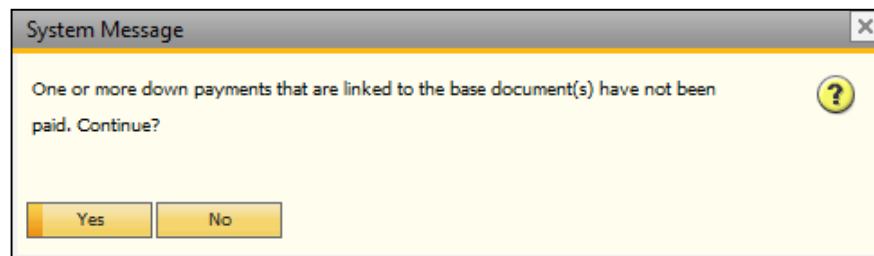
Remarks
 Journal Remarks: Incoming Payments - C40000

Create Payment Wizard

Add Cancel Deselect All Select All Add in Sequence

After Payment

- Once paid, continue with your normal process
 - Sales Order, create a Delivery and AR Invoice
 - Purchase Order, create a Goods Receipt PO and AP Invoice
- *Down Payment Invoices need to be paid before creating further transactions*
 - If not paid, the user will receive an error message when creating a target document



Applying Down Payments

- Apply Down Payment Invoices paid to AR and AP Invoices
- *Note: The final AR or AP Invoice may have a zero Total*

A/R Invoice

Customer: C40000
Name: Earthshaker Corporation
Contact: Bob McKensly
Customer Ref. No.: 123456
Local Currency: [Dropdown]

No.: Primary 385
Status: Open
Posting Date: 05/12/2015
Due Date: 06/11/2015
Document Date: 05/12/2015

Contents | Logistics | Accounting | Attachments

Item/Service Type: Item Summary Type: No Summary

#	Type	Item No.	Item Description	Quantity	Unit Price	Total (LC)	Tax Code
1		A00001	J.B. Officeprint 1420	1	\$ 3,000.00	\$ 3,000.00	LG
2		A00004	Rainbow Color Printer 5.0	2	\$ 625.00	\$ 1,250.00	LG
3		A00006	Rainbow 1200 Laser Series	10	\$ 500.00	\$ 5,000.00	LG
4		A00004	Rainbow Color Printer 5.0	10	\$ 625.00	\$ 6,250.00	LG
5							

Sales Employee: Sophie Klogg
Owner: Klogg, Sophie

Payment Order Run:

Remarks: Based On Sales Orders 399.
Based On Deliveries 389.

Total Before Discount: \$ 15,500.00
Discount: %
Total Down Payment: \$ 15,500.00
Freight: [Dropdown]
Rounding: \$ 0.00
Tax: [Dropdown]
Total: \$ 0.00
Applied Amount: [Dropdown]
Balance Due: [Dropdown]

Add Cancel Copy From Copy To

General Ledger Transactions

Standard Process - AR Down Payment Invoices						
[A]		[B]		[C]		
AR Down Payment Invoice		Payment Received		AR Invoice - Apply DT		
DR	CR	DR	CR	DR	CR	
Acct. Rec.	DT Account	Cash	Acct Rec.	DT Account	Revenue	
Standard Process - AP Down Payment Invoices						
[A]		[B]		[C]		
AP Down Payment Invoice		Payment Sent		AP Invoice - Apply DT		
DR	CR	DR	CR	DR	CR	
DT Account	Acct Payable	Acct. Payable	Cash	Expense/Inven	DT Account	



Tip of the Day – Incoming Partial Payments

- When processing partial Incoming Payments
 - *Update the Total Payment Amount in the document row before going to the Payment Means window*

Selected	Documen...	Documen...	Date	*	Overdue ...	Total	Balance Due	Total Before Discount	Cash Discount %	Total Discount	Total Payment
<input type="checkbox"/>	382	IN	04/14/2015		-2	\$ 500.00	\$ 500.00	\$ 500.00	0.000		\$ 500.00
<input type="checkbox"/>	383	IN	04/14/2015		-2	\$ 312.50	\$ 312.50	\$ 312.50	0.000		\$ 312.50
<input type="checkbox"/>	384	IN	04/14/2015		-2	\$ 125.00	\$ 125.00	\$ 125.00	0.000		\$ 125.00
<input checked="" type="checkbox"/>	4003	DT	05/12/2015		-30	\$ 15,500.00	\$ 15,500.00	\$ 7,000.00	0.000		\$ 7,000.00

Payment on Account: 0.00

Total Amount Due: \$ 7,000.00

Open Balance:

Created by Payment Wizard:

Buttons: Add, Cancel, Deselect All, Select All, Add in Sequence

Long Business Systems, Inc. (LBSi)

- **Next Meetings:**

- Tuesday, June 16, 2015
 - Sales Opportunities
- Tuesday, July 14, 2015
 - Managing Projects



Long Business Systems, Inc

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SAP® Certified
Associate



Thank you for taking time to participate in the SAP Business One User Group Meeting.

Please take a few minutes to provide us with feedback and suggestions going forward.

- We are always looking for new clients to work with. And we would like to find more clients and partners like you – companies that are engaged, smart, and focused on their future.
- Can you help us out by referring LBSi to someone who could benefit from our services?

