

# Respray Reimbursement

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Reimbursement for respraying a Customer's Field may be handled a variety of ways by the chemical Vendor. Three of the most common methods are outlined below. It is helpful to have an account called Respray Clearing to track the billing and reimbursement of these jobs through that account. It is recommended that this account be a liability account so the balance does not clear at end of year.

Add a Pay Method for *Respray* at *Setup / A/R / Pay Methods* posting to the Respray Clearing General Ledger Account.

**Note:** When setting up the Pay Method, multiple-Location companies should set the appropriate General Ledger Account for each Location in the grid.

**Note:** Each of the following respray options suggests invoicing the Customer. Some prefer to invoice the Vendor rather than the Customer. This works, but the application of Product to the Customer's Field will not be recorded. Another option is to enter a split bill with 100% of the Product going to the Vendor and 0% to the Customer.

## Vendor Pays with Check

1. Invoice the Customer for the respray job. This gets the inventory activity recorded and the Product application in the Field history.
2. At the *Payment on Accounts* screen, enter a payment for the amount of the Invoice created in Step 1 using *Respray* as the *Pay Method*. Select the respray Invoice in the grid and save the payment. This clears the Bill from the Customer account and debits the Respray Clearing account.
3. When the Vendor check arrives, add a General Journal Entry debiting the Cash on Hand (or undeposited cash) account and crediting the Respray Clearing account.

## Vendor Pays with New Product

1. Invoice the Customer for the respray job. This gets the inventory activity recorded and the product application in the field history.
2. At the *Payment on Accounts* screen, enter a payment for the amount of the Invoice created in Step 1 using *Respray* as the *Pay Method*. Select the respray Invoice in the grid and save the payment. This clears the Bill from the Customer account and debits the Respray Clearing account.
3. Enter a Purchase Invoice for the reimbursement Product at a reasonable cost (so Product cost does not get skewed).
4. Issue a Memo Check at *A/P / Pay Bills* for the Vendor Invoice created. Replace the checking account with the Respray Clearing account before saving.

## Vendor Issues Credit on Account

1. Invoice the Customer for the respray job. This gets the inventory activity recorded and the Product application in the Field history.
2. At the *Payment on Accounts* screen, enter a payment for the amount of the Invoice created in Step 1 using *Respray* as the *Pay Method*. Mark the respray Invoice in the grid and save the payment. This clears the Bill from the Customer account and debits the Re-spray Clearing account.
3. Enter a credit A/P Bill (negative dollar amount) selecting the Respray Clearing account as the expense account. This credit can be applied against existing or future Invoices with the Vendor.