

Recording Pre-Bill Product

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Pre-bill is different from vendor prepay in that you receive an invoice up front for the product.

To account for this in Advance:

1. Add a purchase invoice for the product with the value of the prebill. This will put the product value in inventory. The invoice will create a bill to be paid at AP/PayBills.
2. Follow the purchase invoice with a negative purchase receipt for the total quantity of the product
3. When the product is received, add a positive purchase receipt.
4. When the \$0.00 invoice arrives, add a purchase invoice using the offsetting neg and pos purchase receipts. Use the actual cost of the product....not \$0.00.
5. At the end of the season a reconciliation will need to take place. If the total product received is less than originally paid for, then you can process the negative purchase receipt by entering a purchase invoice. Use the from receipt tab to process the negative purchase receipt. This will correct your inventory amount on hand. The purchase invoice will create a negative A/P bill on the vendor's account.

Note: To apply the credit to the vendor's prepay balance, mark the negative purchase invoice prepaid. This will increase the vendor's prepay balance and allow the dollars to be used on future invoices.