

# Seed Discount Management (Discount/Rebate After the Season)

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Seed purchasing, because of the discounts and rebates given by seed vendors, creates a challenge to maintain an accurate cost on seed until the discounts are issued. This information helps establish a standard practice for the handling of seed to enable managing the cost of seed more accurately throughout the fiscal year. The following steps set a more accurate cost on seed, which enables accurate management of profit margins, markups, and financial reports.

In addition to each seed Vendor, a corresponding Vendor for the seed discount management should be set up. To create the Vendor for discount management, it is recommended use the regular seed Vendor's name with *Discount* at the end. This is recommended so as to not accidentally take the estimated discount/rebate against a real Vendor invoice.

The screenshot shows a software window titled "Edit A Vendor - ABCDisc ABC Seed Discount". The window has a tabbed interface with "Profile" selected. The form contains the following fields and controls:

- Vendor ID: ABCDisc
- Location: 00MAIN (dropdown)
- Our Account#: (empty)
- Vendor Name: ABC Seed Discount
- Address 1: (empty)
- Address 2: 123 Sterling Ave
- City: Mariette
- State: GA (dropdown)
- Zip: 55555
- Terms Code: (dropdown)
- Buttons: Classifications, Attachments, Attributes
- Notes: (text area)
- Phone # 1, Phone # 2, Fax #: (empty)
- Home Page, Email: (empty)
- Inactive:
- <Country>: (empty)
- Navigation: Back, Forward, Home, Refresh icons
- Buttons: Save, Cancel

## Accounting for Seed Rebates / Discounts

1. As seed is received, enter Purchase Receipts for bags of seed, pallets, etc. to the regular seed Vendor account.

**Edit a Purchase Receipt**

Ship Date: 03/06/2026 Warehouse Transfer  In-Transit

<Vendor> ABCSeed ABC Seed Company

Ticket # 800330848 Control # 00M2788

Load #

	<P.O. #>	<Product Name>	Lot #	Received	Unit	Invoiced	Est. Cost	<Add On>	Frei
1		Asgrow Beans AG3302		924.000	Bags	0.000	0.000		0
2		Pallets		14.000	Bags	0.000	0.000		0

Freight: 0 Apply Freight  Make PO

<Freight Vendor>

Notes

Import Scale Ticket  Show Lot# Save Cancel

- As invoices arrive, enter Purchase Invoices to the regular seed Vendor account, pull in the Purchase Receipt on the *From Receipt* tab, and on the *Direct* tab, record any credits/price adjustments not on the Purchase Receipt.

**Add A Purchase Invoice**

<Vendor ID> ABCSeed ABC Seed Company

Invoice # 2106003 Notes

Invoice Date 03/06/2026 Due Date 04/06/2026

Price By  \$/Unit  \$Total

From Receipt Direct

	<Ticket#>	<P.O. #>	Product Name	Qty Recvd.	Invoiced	\$/Unit	U	\$Total
1	800330848		Asgrow Beans AG3302	924.000	924.000	23.920	Bags	22102.08
2	800330848		Pallets	14.000	14.000	15.000	Bags	210.00

Freight: Actual Total\$ Apply Freight  Show Lot#

<Freight Vendor>

Create AR Invoice  Print On Save Save Cancel

	Regular	Prepay
Before	0.00	0.00
After	21711.48	0.00

Discount Pay By Terms Disc Amt

Total	21711.48
Freight/Add-ons	0.00
Discount	0.00
Amount Prepaid	0.00
Net	21711.48

**Add A Purchase Invoice**

<Vendor ID> ABCSeed    ABC Seed Company

Invoice # 2106003    Notes

Invoice Date 03/06/2026    Due Date 04/06/2026

Price By  
 \$/Unit     \$Total

From Receipt    Direct

	<P.O. #>	Ticket#	<Product Name>	Quantity	\$/Unit	U	\$Total	P
1			Asgrow Beans AG3302	0.000	0.000	Bags	-369.60	<input type="checkbox"/>
2			Hauling	-1.000	231.000	Bags	-231.00	<input type="checkbox"/>

Freight    Actual Total\$    Apply Freight

<Freight Vendor>    Show Lot#

Create AR Invoice     Print On Save    Save    Cancel

	Regular	Prepay
Before	0.00	0.00
After	21711.48	0.00
Discount		
Pay By	Terms	Disc Amt
Total	21711.48	
Freight/Add-ons	0.00	
Discount	0.00	
Amount Prepaid	0.00	
Net	21711.48	

- Immediately following the entry of the Purchase Invoices on the regular seed Vendor, enter Purchase Invoices to the seed discount Vendor for the same seed Product with a zero quantity and accruing the amount of the discount anticipated on the seed.

**Add A Purchase Invoice**

<Vendor ID> ABCDisc    ABC Seed Discount

Invoice # 3106002    Notes

Invoice Date 03/06/2026    Due Date 04/06/2026

Price By  
 \$/Unit     \$Total

From Receipt    Direct

	<P.O. #>	Ticket#	<Product Name>	Quantity	\$/Unit	U	\$Total	P
1			Asgrow Beans AG3302	0.000	0.000	Bags	-2431.23	<input type="checkbox"/>

Freight    Actual Total\$    Apply Freight

<Freight Vendor>    Show Lot#

Create AR Invoice     Print On Save    Save    Cancel

	Regular	Prepay
Before	-431.23	0.00
After	-2862.46	0.00
Discount		
Pay By	Terms	Disc Amt
Total	-2431.23	
Freight/Add-ons	0.00	
Discount	0.00	
Amount Prepaid	0.00	
Net	-2431.23	

- At the end of the season when the actual discount is received from the regular seed Vendor, it might come in two different ways. The following are suggestions on how to handle each way.
  - If the discount/rebate is received in the form of a credit invoice, enter a negative A/P Bill to the regular seed Vendor using the COGS (purchase) account for seed as the expense. Issue a Memo Check for the seed discount Vendor to reconcile the accrued discount with the actual discount issued. Change the

checking account to the COGS (purchase) account for seed.

**Add a Bill**

<Vendor> ABCSeed | ABC Seed Company | Regular -2862.46 | Prepay 0.00

Bill Date: 03/06/2026  
 Due Date: 04/06/2026  
 Invoice #: 2166apdisc

Use Prepay   
 On Hold  Post to Prior Month   
 1099 Amount:  Last Years Dataset: (None) v  
 1099 Pay

Discount: Terms   
 Pay by date:  Disc Amt:

Predefined Split  
 Split ID:   
 Amount:   
 Acct ID:  Apply

Notes:

<G/L Account>	Description	\$ Amount	Comment	Quantity
5530000-00	Purchases - Seed Soybeans	-2500.00		

Gross \$: -2500.00  
 Discount:   
 Net \$: -2500.00

Buttons: Import File, Import PO, Save, Cancel

**Pay Bills for 00MAIN**

Include Bills due on or before what date: 04/06/2026  
 Check Date: 04/06/2026

<Checking Account> 1010000-00 | Checking Account - 1st National  
 Starting Check #: 51898 | Bal: 345219.90

Print:  Checks,  Memo Checks,  Print,  Preview, Pre-Check Run

	Vendor Name	Vendor ID	Invoice#	Due Date	Bill Amt	Paid Amt	Discount	Payment
1	ABC Seed...	ABCDisc	8576132	10/14/2021	-2431....	0.00	0.00	-2431.23

Seek Vendor ID:

Total for: 0.00 | Total: -2431.23

Sort By:  ID,  Name

Buttons: Tag/Untag This Vendor, Tag All, Untag All, Apply, OK, Cancel

- o If the discount/rebate is received in the form of a check from the Vendor, enter the check using a Journal Entry. Debit Undeposited Cash to include the check in the deposit or will be the checking account if either the check has already been deposited or should not be included in the deposit for another reason. Credit the COGS (purchase) account for seed. Issue a Memo Check for the seed discount Vendor to reconcile the accrued discount with the actual discount issued. Change the checking

account to the COGS (purchase) account for seed.

**Add a General Journal Entry**

J.E. Number: 331  PrePay

Date: 04/06/2026

Vendor ID:

Reference: credit1234

Description: seed credit

J.E. Type:  General  Vendor A/P  Customer A/R

Predefined Split: Split ID:   Debit  Credit  
Amount:  Acct ID:

	<Account>	Account Name	Debit \$	Credit \$	Comment
1	1010000-00	Checking Account - 1st National	2500.00	0.00	
2	5530000-00	Purchases - Seed Soybeans	0.00	2500.00	

Print Form    Period: Current    Totals: 2500.00    2500.00    Difference = \$0.00

Details     Future Journal Entry     Reverse Next Month     Show Quantity