Partial Prepay to Vendor

Sometimes a partial payment is paid to a vendor to lock in a specific price for product that will be purchased at a later date. An example of this might be prepaying $0.05 per gallon for Propane to the vendor which locks in an actual product cost of $1.05 per gallon.

1. If an add-on charge for partial vendor prepay doesn't already exist, go to *Setup / Inventory / Purchase Add-on Charges* and select **Add** to create a new Purchase Add-on Charge. Enter an *ID*, *Description*, *Rate Type*, and *Bill Type*. The rate may be set as a *Percent*, *Per Billing Unit*, or a *Flat Rate*. This rate type is editable at the Purchase Order depending on the contract type being prepaid. The *Classification* is an optional setting. If used, this add-on Charge defaults onto any line item containing a product with a matching classification. This new add-on must be marked *Included in Vendor's Bill* to influence the amount paid.

2. Add a Purchase Order from *Inventory / Purchase Orders*.

3. Mark the *Prepay* option on the Purchase Order.

4. Select the product being purchased and set the *$/Unit* as the amount being prepaid.

5. Double-click in the *Add-On* field. If the add-on charge doesn't automatically show in the grid, double-click on *<Charge ID>* and select the partial prepay add-on charge.

6. Set the *Rate* as the unpaid amount and set *Calculate as* to *Per Billing Unit*.

7. Choose **Calculate**. This displays the unpaid portion that will later be billed for this Purchase Order. Note that

the New *$/Unit* for this line item displays the full amount of the unit price so the product's cost will be correctly updated.

Purchase Add-on Charges   ✕

Product	Quantity	$/Unit	Unit
Propane	300.000	0.050	Gal

	<Charge ID>	Rate	Calculate as		Charge $	Apply To		<G/L Acct>	<Vendor>	P
1 ▶	DwnPP	1.000000	Per Billing...	⌄	300.00	Vendor's Bill	⌄	5580000-00		☐

$/Unit to be added to the cost	1.0000
Freight $/Unit	0.0000
New $/Unit for this line item	1.0500
Total included in Vendor's Bill	300.00

[Calculate]   [Save]   [Cancel]

8. **Save** the purchase add-on.

9. The Purchase Order now displays the amount booked. Selecting **Apply** calculates the amount of Prepay.

10. The PO can now be received against on a Purchase Receipt as normal. The add-on charge follows through based on the Purchase Order set up and quantity received.

11. The Purchase Receipt can then be imported into a Purchase Invoice. The add-on charges setup on the Purchase Order follow through the Purchase Receipt into the Purchase Invoice.