

Generic Product Method of Partially Prepaying Vendors

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This method is divided into two procedures, and the approach used will depend on whether or not the total value will ever be fully paid or if it is considered a down payment and will not be fully paid.

Procedure 1 (partial payment is only payment)

Example: Propane sometimes is prepaid \$.05/gal at time of order. The actual product cost is \$ 1.10/gal.

1. Enter a Quick Check for the amount of the prepay. Check the prepay box to designate the dollars are vendor prepay. The expense account will be Accounts Payable.
2. When the Purchase Invoice arrives, select the propane product for the entire quantity received using the gross price \$ 1.10/gal (including the prepay dollars).
3. Add two misc line items (ex. Propane Prepay); one line will be positive for the prepaid quantity and dollars and marked as Paid and the other will be unpaid for a negative of the same quantity and dollars.

	<P.O. #>	Ticket#	<Product Name>	Quantity	\$/Unit	U	\$Total	P	Discoun
1			Propane	500.000	1.100	Gal	550.00	<input type="checkbox"/>	0.00
2			Propane Prepay	500.000	0.050	Each	25.00	<input checked="" type="checkbox"/>	0.00
3			Propane Prepay	-500.000	0.050	Each	-25.00	<input type="checkbox"/>	0.00

	Regular	Prepay
Before	10677.70	2500.00
After	11202.70	2475.00

	Total
Total	550.00
Freight/Add-ons	0.00
Discount	0.00
Amount Prepaid	25.00
Net	525.00

4. Save the purchase invoice. The unpaid bill created will be for the unpaid portion only.

Procedure 2 (prepay will eventually be fully paid)

Using the example from Method 1:

1. Enter a prepaid Purchase Order for the entire amount of the contract. [X gallons at \$1.10/gallon]
2. Partially pay the resulting bill at the agreed on deposit price. [X gallons at \$0.05/gallon]
3. Change the due date on the bill to the next payment date.

Using this method, Agvance will display the correct overall balances through entries to the prepay balance and

offsetting entries to the regular balance. When the bill is fully paid, the prepay balance will be correct and no offsetting entries will remain on the regular balance.