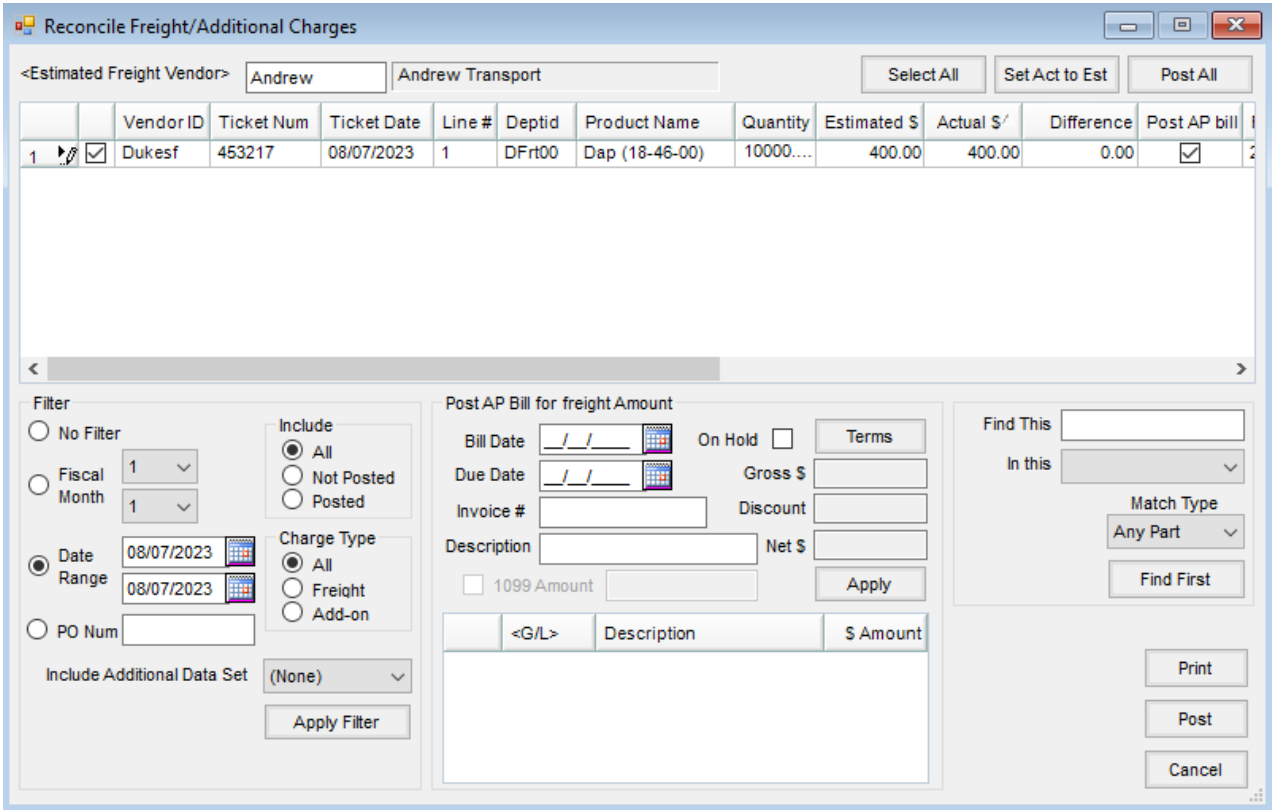# Reconcile Freight and Additional Charges

Last Modified on 08/07/2023 11:43 am CDT

Overview

If Estimated Charges were entered during the purchasing process, this utility is helpful for reconciling the estimated add-on charges with the actual charges. This can by found by going to *A/P / Reconcile Freight/Additional Charges*.

This utility was designed to reconcile estimated freight and accrued add-on charge amounts entered in the *Inventory* area. Select the checkbox in the first column of line items to be reconciled/edited.

- **Estimated Freight Vendor** – Select the freight or add-on charge vendor to be reconciled. The charges display and may be filtered by selecting one of the filter options and choosing **Apply** found in the *Filter* area.
- **Actual $** – Enter the actual amount of the bill in the *Actual $* column.
- **Post AP Bill** – If an A/P Bill is needed, check the *Post AP bill* checkbox which displays the *Post A/P Bill for freight amount* information.
  - **Post A/P Bill for freight amount** – Complete the information from the A/P Bill. Selecting **Apply** displays the general ledger account from the estimation and the dollar amount from the actual amount in the grid. If one or more additional G/L accounts are required for this A/P Bill, double-click on the *G/L* column heading of the grid for additional lines. Choose **Post** to post the items to the general ledger and

the A/P Bills.

- **Select All** – This selects all charges showing in the grid.
- **Set Act to Est** – Quickly set the *Actual $* column to be the same dollar amount as the *Estimated $* column. After using this, edits can be made to the *Actual $* amount as necessary.
- **Post All** – Choose this to select the *Post A/P Bill* column for all the estimated charges showing in the grid.
- **Print** – This will print the grid.
- **Post** – Selecting this will post the journal entry for the difference between the estimated and actual amounts for all selected entries and optionally the A/P Bills.

Reconcile Freight/Additional Charges Process

Reconcile estimated cost to actual cost for freight and additional charges, optionally creating an A/P Bill.

1. Navigate to *Accounting / A/P / Reconcile Freight/Additional Charges.*
2. Select the freight (or add-on) vendor at the *Select Vendors* window. The line items to reconcile display in the grid on the *Reconcile Freight/Additional Charges* window.

3. Choose the line items to be reconciled or choose **Select All** to select all lines.

    Note: The grid is populated based on the criteria selected in the *Filter* section of the *Reconcile Freight/Additional Charges* window. Select **Apply** after changing the criteria.

4. Enter the actual charge in the *Actual $* column.

Estimated $	Actual $	Difference
400.00	400.00	0.00

Note: Selecting **Set Act to Est** changes the amount in the *Actual $* column to the amount in the *Estimated $* column for all selected line items. **Post All** selects the *Post AP Bill* column for all selected line items.

5. If an A/P bill should be created, select the *Post AP Bill* option.

6. In the *Post AP Bill for freight Amount* section, enter the information for the A/P bill. The *Bill Date, Due Date*, and *Invoice #* are required fields. Choose **Apply**.

```
Post AP Bill for freight Amount

Bill Date   08/07/2023          On Hold  ☐       Terms
Due Date    09/15/2023                Gross $        400
Invoice #   857                       Discount
Description                           Net $       400.00
☐ 1099 Amount                            Apply

      <G/L>      Description            $ Amount
 1  ▶ 210000...  Estimated Freight        400.00
```

Note: Be cautious in changing the GL account number listed in the *Post AP Bill for freight Amount* section. The number is automatically populated as indicated below:

- If reconciling estimated freight, it populates from the *Estimated Freight* account number at *Accounting / Setup / Locations* on the *G/L Posting* tab.

- If reconciling add-on charges, it populates from the *G/L Account* number at the *Edit a Purchase Add-on Charge* window at *Accounting / Setup / Inventory / Purchase Add-On Charges*. If no G/L account is indicated, it populates from the same area as estimated freight.

- Journal entries for the difference between estimated and actual costs are automatically made to the account listed above and the G/L account listed as the *Freight/Add On #* at *Accounting / Setup / Inventory Departments* on the *G/L Posting* tab.

7. The *On Hold* option creates the A/P bill and makes the journal entries but hides the A/P Bill at the *Pay Bills* window. To pay the Bill, open it at *Accounting / A/P / Add/Edit Bills* and uncheck the *On Hold* option.

8. Optionally select **Print** to print line items displayed in the grid.

9. Select **Post** to post the line items and the A/P Bills.

Posting Notes

If the option to *Post an A/P Bill* was used, the posting of the bill is identical to the posting that occurs when an A/P Bill is manually added.

- **General Ledger** – A Vendor-Type journal entry is made to move the amount from the Estimated general ledger account to the Actual account. If there's a difference in the *Actual $* compared to the *Estimated $*, the

difference is handled with a journal entry.

Vendor Journal Entry	Debits	Credits
Amount Due vendor on AP Bill (if AP Bill is posted)	Estimated Freight (for the location) or the accrual account	
Amount Due vendor for AP Bill (if AP Bill is posted)		Accounts Payable (for Vendor location)
Difference between Estimated Freight and Actual Freight	Freight/Add-On account from Inventory Department	
Difference between Estimated Freight and Actual Freight		Estimated Freight Account (for the location) or the accrual account