

Inventory Protection

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Vendors sometimes offer to buy back product at the end of the season. Often the product never leaves the premises, but a credit is issued for the product. The vendor then re-bills the product next season.

How to Handle Inventory Protection

1. Enter a negative quantity Direct Purchase Invoice with the cost being credited from the vendor. This enters a credit unpaid bill in A/P Bills and takes the product out of inventory. If the product is being returned, this is the end of the process.
2. Generally, one of the following situations occurs with the inventory:
 - The product is returned and a check is received for it. In this case, when the check is received, select the credit invoice at the *A/P / Pay Bill* screen, and with the *Memo Check* option selected and Checking Account set to the Cash on Hand (Undeposited Cash) account, choose **OK**.
 - The product is kept in the warehouse. Enter a positive quantity Purchase Receipt which brings the product back into the inventory on hand, but not company-owned. Later, when the invoice for the product is received, process the receipt at the *Purchase Invoice* screen.