

Purchase Invoices

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See [Purchasing 101](#) for more information regarding the full purchasing process.

More information on Purchase Invoices in Agvance SKY can be found [here](#).

Add Purchase Invoice

The screenshot displays the 'Add A Purchase Invoice' window. Key elements include:

- Vendor Information:** Vendor ID: Dukesf, Vendor Name: Dukes Farm Supply.
- Invoice Details:** Invoice #: 55889, Invoice Date: 12/08/2023, Due Date: 01/07/2024.
- Summary Table:**

| | Regular | Prepay |
|--------|---------|--------|
| Before | 4371.06 | 484.00 |
| After | 4663.06 | 484.00 |
- Item Table:**

| <P.O. #> | Ticket# | <Product Name> | Quantity | \$/Unit | U | \$Total | P | Discount | <Add On> | PO Line Item | Contract | MIMF License Ty |
|----------|---------|----------------|----------|---------|-------|---------|---|----------|----------|--------------|----------|-----------------|
| 1 | | Orchard Grass | 15.000 | 7.567 | Ba... | 113.50 | | 0.00 | 13.00 | | | |
| 2 | | Clover Seed | 20.000 | 7.425 | Ba... | 148.50 | | 0.00 | 17.00 | | | |
- Bottom Summary Table:**

| | |
|-----------------|--------|
| Total | 262.00 |
| Freight/Add-ons | 30.00 |
| Discount | 0.00 |
| Amount Prepaid | 0.00 |
| Net | 292.00 |

- **Vendor ID** – Double-click in this field and select from the list of Vendors. The current and Prepay balances display to the right.
- **Invoice #** – Enter the unique Invoice number for this Vendor.
- **Invoice Date/Due Date** – Enter these dates.
- **Notes** – Comments may optionally be entered on this Invoice for later reference.
- **Terms** – If discounts are offered on the Invoice, once the Products are entered, select **Terms**. Use a predefined discount option or enter the discount information directly. Enter either a flat or graduated discount offering (up to five levels) and key in a percentage or flat dollar amount of the discount. If the Vendor has a standard discount structure, it can be set up at *Hub / Setup / Payment Terms*. It may also be set on the Vendor’s file to default. This *Terms Code* default is found at *Accounting / File / Open / Vendor* on the *Profile* tab. Any discounts used are prorated across all items on the purchase based on percent of total dollars.
- **Price By** – Choose which column is the known dollar figure and which will be calculated. The chosen column is editable and the other will calculate. When using *\$/Unit*, double-clicking in that column displays the various Pricing Levels for that line item.

- **Freight** – If the freight charge is part of the bill from the Product Vendor, select either *Actual Total\$* or *Actual \$/Unit*. If the freight charge will be billed through a third party, select *Estimated Total\$* or *Estimated \$/Unit*. In either case, when the freight is applied, it is prorated over all line items on the Invoice based on the total cost. If the Products have mixed Inventory Units, prorate the cost manually by scrolling in the grid to the right and overriding the freight amounts. Applying freight to a Purchase Invoice causes additional posting to occur.
- **Show Lot #** – This option causes the *Product* grid to display an additional column for *Lot #*. A Lot Number may be entered for any line item on the Invoice.

Direct Product Grid

Use this tab if the Product on the Invoice was not entered on a Purchase Receipt.

Check the *Sales Tax Paid* option to indicate sales tax has been paid. Selecting this option populates the *Sales Tax Paid* column in the Motor Fuel module at *Reports / Preview Purchases*.

Note: By right-clicking on any line item in the grid, a pop-up window displays the *Department ID* and *Item ID*. For multiple Location companies, this is helpful to verify the correct department was selected. It also displays the discount and/or freight prorated to each item.

- **P.O. #** – If a PO was entered in the Agvance system for this Product, select the items being processed by double-clicking on the <P.O. #> heading. All POs for this Vendor display. Select the Products on this Invoice. This is particularly important if the PO was prepaid.
- **Ticket#** – Optionally, the bill of lading ticket number may be entered manually.
- **Product Name** – If Purchase Orders are not being used, double-click the <Product Name> heading and select the Products to be invoiced. Either enter the quantities at the *Select Products* screen or back on the *Direct* tab.
- **Lot #** – If the *Show Lot#* option in the lower portion of the screen is selected, the *Lot #* column will be visible. If the Product has a Lot Number, it can be entered in this column.
- **Quantity** – Indicate the quantity invoiced in the Product's Inventory Units.
- **\$/Unit** – The unit price calculates when the *\$Total* amount is entered if the *Price By* option is set to *\$Total*. If the *Price By* option is set to *\$/Unit*, the unit price is entered in this area and the *\$Total* amount calculates.
- **U** – The billing unit of measure displays in this area.
- **\$Total** – Enter the total dollars charged for this line item. The *\$/Unit* (based on the products billing unit) calculates and displays in the shaded area. Verify this amount with the Vendor Invoice.
- **Container ID** – If a refillable container is used for this Product which requires tracking, double-click in this column and select an existing Container or add a new Container.
- **P** – A checkmark here indicates that Prepay is being used. If a prepaid Purchase Order was entered when the Product was ordered and that PO was referenced here, this column will have a checkmark. Otherwise, outstanding Prepay may be used by selecting this column. If this column is checked for all items on the Purchase Invoice and the net amount of this Purchase Invoice is zero, no A/P Bill is created when the Invoice

is saved.

- **Discount** – The discount is calculated by the information under **Terms**.
- **Deptid** – The Department ID for the selected Product is displayed.
- **Prodid** – The Product ID for the selected Product displays here.
- **Add On** – If Add-On charges apply to the line item, they either automatically default here or can be manually added. These charges are calculated into the cost of the Product.
- **PO Line Item** – If a Purchase Order is referenced on this line item, the corresponding line item from the Purchase Order is listed in this area.
- **Contract** – If the line item is part of a Vendor contract, the contract number from the Purchase Order displays in this area.

From Receipt Product Grid

Use this tab if the Product on the Invoice was entered into the system on a Purchase Receipt. This marks the Purchase Receipt as processed, creates an unpaid Bill, updates costs, and affects the General Ledger.

Check the *Sales Tax Paid* option to indicate sales tax has been paid. Selecting this option populates the *Sales Tax Paid* column in the Motor Fuel module at *Reports / Preview Purchases*.

The screenshot shows the 'Add A Purchase Invoice' window. At the top, it displays Vendor ID 'Dukesf' and Vendor Name 'Dukes Farm Supply'. Invoice # is 55889, Invoice Date is 12/08/2023, and Due Date is 01/07/2024. A summary table shows 'Before' amounts of 4371.06 (Regular) and 484.00 (Prepay), and 'After' amounts of 4398.06 (Regular) and 381.50 (Prepay). The 'Price By' section has radio buttons for '\$/Unit' and '\$Total', with '\$Total' selected. Below is the 'From Receipt' tab with a 'Direct' sub-tab. A table lists one line item: Ticket# 123456, P.O. # 120025, Product Name 'Bagged Fert 10-10-10', Qty Recvd. 25.000, Invoiced 25.000, \$/Unit 4.100, U 'Bags', \$Total 102.50, P checked, Discount 0.00, Lot # 80..., Lineitem 1, and <Add On> 27.00. At the bottom, there are fields for Freight (27.00), Actual Total, and Apply Freight. A summary table on the right shows Total 102.50, Freight/Add-ons 27.00, Discount 0.00, Amount Prepaid 102.50, and Net 27.00. Buttons for 'Save' and 'Cancel' are at the bottom.

| | Regular | Prepay |
|--------|---------|--------|
| Before | 4371.06 | 484.00 |
| After | 4398.06 | 381.50 |

| <Ticket#> | <P.O. #> | Product Name | Qty Recvd. | Invoiced | \$/Unit | U | \$Total | P | Discount | Lot # | Lineitem | <Add On> | PO | |
|-----------|----------|--------------|----------------------|----------|---------|-------|---------|--------|-------------------------------------|-------|----------|----------|-------|---|
| 1 | 123456 | 120025 | Bagged Fert 10-10-10 | 25.000 | 25.000 | 4.100 | Bags | 102.50 | <input checked="" type="checkbox"/> | 0.00 | 80... | 1 | 27.00 | 1 |

| Total | 102.50 |
|-----------------|--------|
| Freight/Add-ons | 27.00 |
| Discount | 0.00 |
| Amount Prepaid | 102.50 |
| Net | 27.00 |

- **Ticket#** – Double-click on this heading to display all unprocessed Purchase Receipts in the system for this Vendor. Any or all items from the receipt may then be selected.
- **P.O. #** – The PO number automatically displays if the PO was referenced on the original Purchase Receipt.
- **Product Name** – The Product Name displays automatically from the selected receipts. Items not on the Purchase Receipt cannot be added to this *From Receipt* tab. If additional items that were not on the receipt are

being invoiced, select the *Direct* tab and enter the items there.

- **Qty Recvd.** – The total quantity received on the original receipt is displayed.
- **Invoiced** – Enter the quantity to process on this Invoice based on the Product's Inventory Units.
- **\$/Unit** – This calculates automatically as the *\$Total* (based on the Product's Billing Units) is entered. The *\$/Unit* can be verified on the Invoice.
- **U** – The billing unit of measure displays in this area.
- **\$Total** – Enter the total dollars charged for this line item. The *\$/Unit* calculates and displays in the shaded area.
- **P** – A checkmark here indicates that Prepay is being used. If a prepaid PO was entered when the Product was ordered and that PO was referenced here, this column will have a checkmark. Otherwise, an outstanding Prepay balance may be used by checking this box. If this column is checked for all items on the Purchase Invoice and the net amount of this Purchase Invoice is zero, no A/P Bill will be created when the Invoice is saved.
- **Discount** – The discount is calculated by the information under **Terms**.
- **Deptid** – The Department ID for the selected Product is displayed.
- **Prodid** – This displays the Product ID for the selected Product.
- **Lot #** – If the Product has a Lot Number, it may be entered in this column.
- **Lineitem** – The line item from the Purchase Receipt for this Product is displayed.
- **Add On** – If Add-On charges apply to the line item, they either automatically default here or may be manually added. These charges are calculated into the cost of the Product.
- **PO Line Item** – If a Purchase Order is referenced on this line item, the corresponding line item from the Purchase Order is listed in this area.
- **Contract** – If the line item is part of a Vendor contract, the contract number from the Purchase Order displays in this area.
- **Container ID** – Double-click and select the refillable Container if applicable to this Product, or add a new refillable Container.

Infrequent Scenarios

When the invoice for the Product is received, enter the cost of the new Product along with due dates and any discounts at *Inventory / Purchase Invoicing*. This function updates the Average and Last Costs of the Product based on the pricing on this invoice. It also enters an unpaid Bill in the *Accounts Payable* area.

Bills for Product purchased for resale are automatically entered into the Accounts Payable portion of the program as Purchase Invoices are processed. Other non-inventory invoices may be handled in one of two ways:

1. Enter them as unpaid Bills and therefore manage and pay them through the Accounts Payable area along with purchased Product invoices. This method best utilizes the capabilities of the program and is the type of bill

handling.

2. Manage the Vendor invoices manually and record the expense as the payment is made rather than when the bill is received.

When entering a Purchase Invoice, either refer to an existing Purchase Receipt on the *From Receipt* tab, or enter the receipt of product for the first time at the *Direct* tab, optionally referencing a Purchase Order. Both tabs may be used on the same Purchase Invoice. This is useful when the Vendor's invoice includes an item not previously entered on a receipt in addition to the product that was previously received.

The *Price By* option allows either *\$/Unit* or *Total \$* to be entered on each line item. The entire Purchase Invoice must have only one *Price By* style. It cannot contain a mixture of styles.

Once an Invoice is received for a Purchase Receipt, it is processed in this area using the *From Receipt* tab.

Some may choose to skip the Purchase Receipt step and enter Product received only when it is invoiced using the *Direct* tab. This practice will sacrifice accurate inventory quantities day by day but is acceptable if not desiring tight, real-time inventory management. A combination of some Products may be entered on each tab.

Inventory Protection

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.

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:
 - o The product is returned and a check is received for it. In this case, when the check is received, select the Credit Invoice at *A/P / Pay Bills*, and, with the *Memo Check* option selected and *Checking Account* set to the Cash on Hand (Undeposited Cash) account, choose **OK**.
 - o 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.

Posting Notes

- **Purchase Invoice** – This is saved in the purchase tables.
- **Inventory Quantities** – The Product On Hand quantity is updated according to the following rules:
 - o **Originated with Purchase Receipt** – Inventory is adjusted by any changes to the quantities entered at the receipt.
 - o **Originated here at the Invoice** – Inventory is adjusted by the quantities entered here.

In either case, entries to the inventory tables are made recording the quantity in or out.

Product Costs

For the purpose of this section, the old amount is the on-hand quantity of Product minus any unprocessed Purchase Receipts. The old \$ is the previous Average Cost. The new amount is the entire quantity of that Product on this Purchase Invoice and the new \$ is $((\$ Total - discount + freight) / Quantity)$.

Weighted Average is calculated based on the following formula:

$$((old\ amount * old\ \$) + (new\ amount * new\ \$)) / (old\ amount + new\ amount)$$

- **Last Cost** – The previous Last Cost is replaced with the new cost. If the new cost price varies from the last cost by more than the tolerance percentage set at *Setup / Preferences* on the *Inventory* tab, then a warning appears.

Vendor Balance

- **Non-Prepaid** – A positive purchase increases the Vendor balance and decreases if negative. If this is the Freight Vendor as well, the actual freight is included in this figure.
- **Prepaid** – A positive purchase decreases the Vendor Prepay balance and increases if negative.
- **Accounts Payable Unpaid Bill file** – An unpaid Bill is created if non-prepaid.
- **General Ledger** – A payable-type Vendor Journal Entry is made and the G/L account balances are updated.

| Vendor Journal Entry | Debits | Credits |
|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------------------------|
| Gross figure owed Vendor | | Accounts Payable (Vendor's Location) |
| Purchase account for total of each department's purchases. Any discounts taken will be posted when the bill is paid. | Inventory Asset if using Transactional Posting or Cost of Goods if not | |
| Freight (if used) Either actual or estimated | Freight Expense | |
| Estimated freight (if used) | | Default Location's Estimated Freight Liability Acct |
| Discount (first listed if > 1) | Total Disc to the Location's A/P Disc Acct | Each department's discount acct, its portion of total |

If using the *Accrue Estimated Purchases* option, a Journal Entry is created to reverse the accrued entry or the portion of the accrued entry if the entire Purchase Receipt is not imported into the Purchase Invoice.

| Vendor Journal Entry | Debits | Credits |
|----------------------|--------|---------|
|----------------------|--------|---------|

| | | |
|-----------------------------------------------------------------------|----------------------------|--------------------------------------|
| Amount accrued at the Purchase Receipt for the Product being invoiced | Estimated Payables account | |
| Amount accrued at the Purchase Receipt for the Product being invoiced | | Inventory account for the Department |

If any accrual-type Add-On Charges were entered, each add-on charge creates a Journal Entry.

- **Purchase Receipt** – If used, the corresponding receipt is marked as *Completed*.
- **Purchase Order** – If used, the invoiced amount is incremented by the quantity entered at the Purchase Invoice. If filled, it is marked as such.
- **Discount Posting** – As the Purchase Invoice is saved, the discount posting appears to offset itself, debiting and crediting the same dollar figure. When the Bill is paid, the actual discount taken is credited to the Location's A/P Discount account, leaving the net effect at the Department discount accounts.