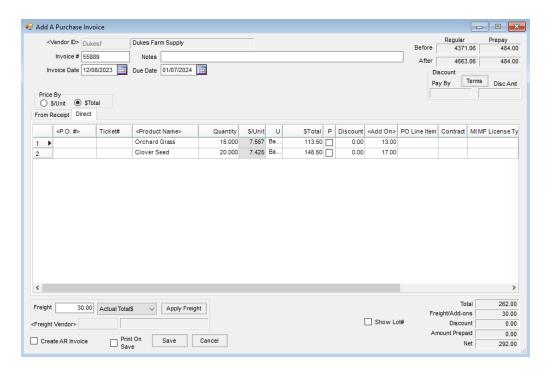
Purchase Invoices

Last Modified on 03/31/2025 8:36 am CDT

See Purchasing 101 for more information regarding the full purchasing process.

Add Purchase Invoice



- 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.

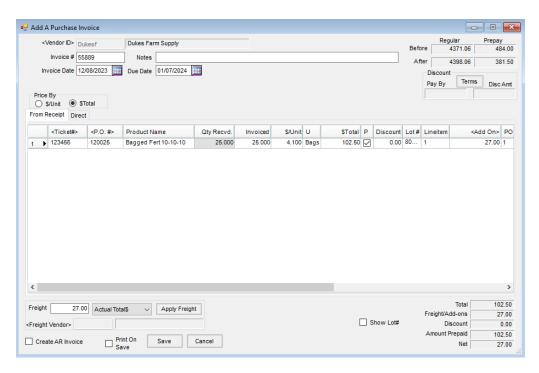
- P.O. # If a PO was entered in the Agvance system for this Product, select the items being processed by double-clicking on the <P.O. #> heading. All POs for this Vendor display. Select the Products on this Invoice. This is particularly important if the PO was prepaid.
- **Ticket#** Optionally, the bill 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*.



- **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:

 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:
 - 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.
 - 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:
 - Originated with Purchase Receipt Inventory is adjusted by any changes to the quantities entered at the receipt.
 - 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 x 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	Estimated Payables	
Product being invoiced	account	
Amount accrued at the Purchase Receipt for the		Inventory account for the
Product being invoiced		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.