

Settling Patronage to AR

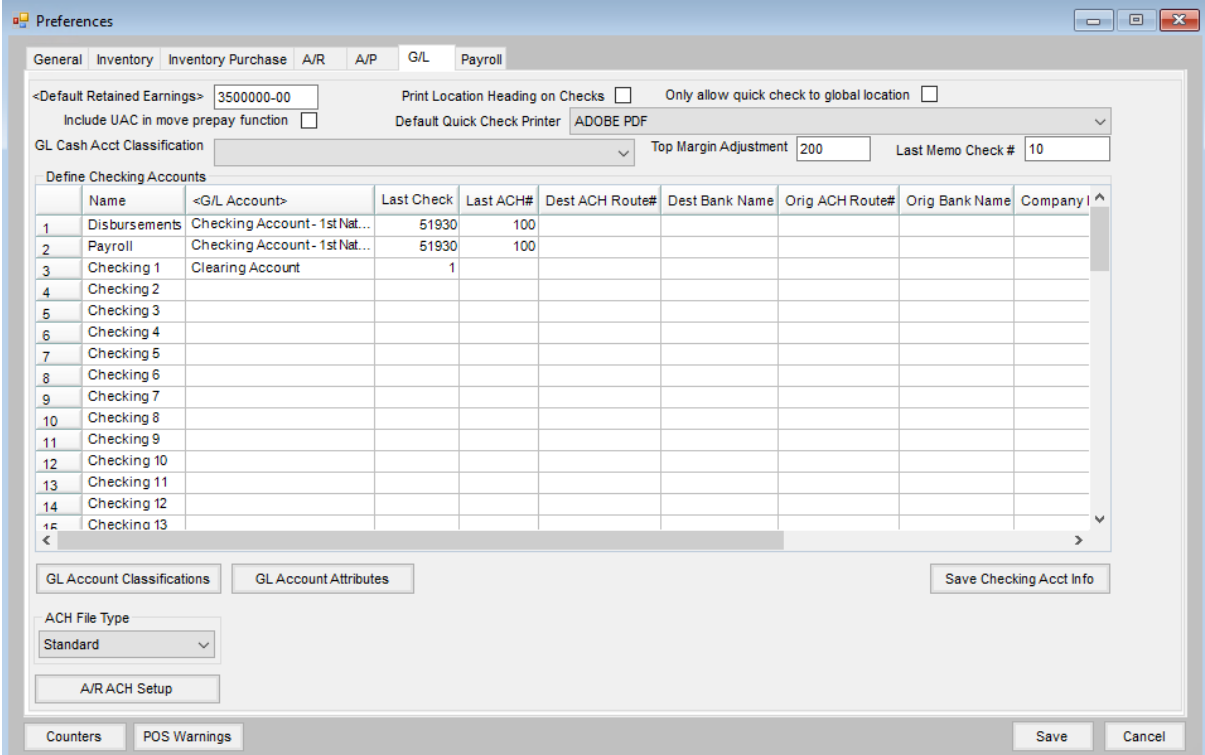
Last Modified on 03/01/2024 10:52 am CST

Sometimes there is a reason to take all or part of a Customer's patronage to pay an Accounts Receivable bill. Several steps must be done to ensure proper posting and clearing of these accounts.

Note: Moving the patronage to A/R is illegal if the customer is in bankruptcy, as it would be seen as circumventing the bankruptcy to seize assets.

Setup

1. Add a new G/L checking account that points to a clearing account in *Accounting / Setup / Preferences / G/L Tab*.



The screenshot shows the 'Preferences' window with the 'G/L' tab selected. The 'Define Checking Accounts' table is visible, listing various accounts and their associated G/L accounts, last check numbers, and ACH details.

	Name	<G/L Account>	Last Check	Last ACH#	Dest ACH Route#	Dest Bank Name	Orig ACH Route#	Orig Bank Name	Company I
1	Disbursements	Checking Account - 1st Nat...	51930	100					
2	Payroll	Checking Account - 1st Nat...	51930	100					
3	Checking 1	Clearing Account	1						
4	Checking 2								
5	Checking 3								
6	Checking 4								
7	Checking 5								
8	Checking 6								
9	Checking 7								
10	Checking 8								
11	Checking 9								
12	Checking 10								
13	Checking 11								
14	Checking 12								
15	Checking 13								

2. Pay out the Certificates. There are two different ways to pay out these Certificates. One is to use the total value of the Certificate. The other way is to settle a fixed dollar amount. Both ways are shown here.
 - o Total value of the certificate(s) is to be transferred.
 1. Select the certificate(s) at *Patronage / Pay / Payout Stocks*.
 2. Use the new checking account set up in *Preferences* or one of the pre-existing checking accounts. Select to pay *Total Value*. Make sure to run the *Pre-scan* first and check for accuracy.

Note: Print the check to plain paper.

o A set dollar amount must be transferred.

1. Run the Patron Equity Report at *Patronage / Reports / Patron Status*. Figure out what stocks to transfer that come closest to the dollar amount to transfer without going over then figure out which stock to use from which to settle the portion.

Patron Equity Report

Selected Patrons, All Stock Classes

<u>Customer ID</u>	<u>Name</u>	<u>Stock#</u>	<u>Class</u>	<u># Shares</u>	<u>Per Share</u>	<u>Total</u>
AndBa	Barry Anderson	0001P	Preferred Stock	1.00	500.00	500.00
		0001RF1997	RF1997	654.36	1.00	654.36
Totals for Barry Anderson				655.36		1154.36

2. In this example, \$1000 needs transferred. First settle the Preferred Stock for \$500 for its Total Value. See the screen shot above on how to set up the *Pay Out* screen for a *Total Value* dollar amount.
3. Next settle the remaining \$500 using the RF1997 stock. After selecting this stock, change the *Payout* to *Flat Amount*. Enter 500 in the box to the right. Run a *Pre-Scan* to check for accuracy.
Note: Print the check to plain paper.

3. Set up a Pay Method at *Accounting / Setup / Pay Methods*. Use the same G/L account used in the new checking account.

	Pay Method	Long Description	<00MAIN>	00MAIN Acct I	Require Signature fc
1	Check	Check	Undeposited Cash	1100000-00	<input type="checkbox"/>
2	Cash	Cash	Undeposited Cash	1100000-00	<input type="checkbox"/>
3	Credit Card	Credit Card	Credit Card Clearing	1102000-00	<input type="checkbox"/>
4	Debit Card	Debit Card	Credit Card Clearing	1102000-00	<input type="checkbox"/>
5	Adjustment	Adjustment	Clearing Account	9999000-00	<input type="checkbox"/>
6	Farm Plan	John Deere Fin...	Clearing Account	9999000-00	<input type="checkbox"/>
7	AMEX	AMEX	Credit Card Clearing	1102000-00	<input type="checkbox"/>
8	Visa	Visa	Credit Card Clearing	1102000-00	<input type="checkbox"/>
9	MasterCard	MasterCard	Credit Card Clearing	1102000-00	<input type="checkbox"/>
10	Discover	Discover	Credit Card Clearing	1102000-00	<input type="checkbox"/>
11	Budget DNU	Budget DNU	Budget Billing Receivable	1220000-00	<input type="checkbox"/>
12	Cash Back	Cash Back	Undeposited Cash	1100000-00	<input type="checkbox"/>
13	Gift Cert	Gift Certificates	Gift Certificates	2730000-00	<input type="checkbox"/>
14	Financed Prod	Financed Prod	Financed Product Clearing	4400000000	<input type="checkbox"/>
15	Respray	Respray	Respray Clearing	1103000-00	<input type="checkbox"/>
16	Bad Debt	Bad Debt Expen...	Bad Debt Expense	6800000-00	<input type="checkbox"/>

4. Apply payment to the Customer's account using this Pay Method.

Payment on Accounts [X]

Date: 03/01/2024 [Calendar] Payment Number: 120336

<Customer ID>: AndBa Barry Anderson

Payment Amount: 1000.00 Regular [v]

Surcharge Amount: 0.00

Payment Collected: 1000.00 [Clear Locks]

Discount Amount: [] <Disc Acct>: 4100000-00

Total Credit: 1000.00 Control #: []

	Regular	Prepay	U/A Cash	Budget
Before	3977.50	12659.25	1500.00	0.00
After	0.00	12659.25	0.00	0.00

Description: []

Sort Invoices by: Standard [v]

Use U/A Cash [Auto Apply]

	Pay Method	Ref #	Pay Amount	Surcharge	Apply
1	Adjustment [v]		1000.00	0.00	[]
2	[v]				[]

	Date	Invoice#	Due	Gross	Unpaid Amt	Disc Date	<Discount>	Payment	Invoice Terms
1	<input checked="" type="checkbox"/>	04/04/2023	1200860	05/15/2023	752.50	752.50	Expired	0.00	752.50 N15
2	<input checked="" type="checkbox"/>	08/29/2023	1200888	09/15/2023	3225.00	3225.00	Expired	0.00	3225.00 N15

Totals: 0.00 3977.50 [View Invoices]

[Apply] [Untag All] [Print Form] Print on Save Issue Check [Save] [Cancel]