

Purchase Add-On for Vendor Partial Prepay

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The Purchase Add-on Charge method may be used for handling partial vendor prepay. This situation is designed for those who do not intend to pay the remainder of their vendor contracts until shipment is received.

Setup

1. Set up Purchase Add-On Charges at *Accounting / Setup / Inventory / Purchase Add-on Charges*. Select **Add** to create a new Purchase Add-On Charge.
2. Enter the *ID* and *Description* for the Add-on Charge and select the appropriate *Rate* and *Bill* type.
 - The *Rate* type can be edited on the Purchase Order depending on the contract type being prepaid. If a *Classification* is selected, the Add-on Charge defaults onto any line item containing a product with a matching *Classification*.
3. Select the *Included in Vendor's Bill* option to influence the amount paid.

Note: *Percent* or *Flat Rate* may also be used following the rules below. If used, the *Percent* down and amount due and the *Flat Rate* down and amount due must be manually calculated.

Percent Scenario

1. Add a Purchase Order at *Accounting / Inventory / Purchase Orders* and select the *Prepay* option on the *Add a Purchase Order* window.
2. Select the Products and set the *\$/Unit* for each.
3. Double-click in the *Add On* column to open the *Purchase Add-on Charges* window and double-click the *Charge ID* column heading to select the appropriate Purchase Add-on Charge.
4. In the *Purchase Add-on Charges* window, set the *Rate* as the unpaid percent as a negative and set the *Calculate As* type to *Percent*. Select the *P* checkbox.
5. Double-click on the *Charge ID* column heading again and select the same Purchase Add-on Charge.
6. Set the *Rate* as the unpaid percent as a positive and set the *Calculate As* type to *Percent*. Do not select the *P* checkbox for this line.
7. Choose **Calculate**. Each add-on charge row now displays the *Charge \$* to apply to the Vendor's Bill which is the total amount due to the vendor upon delivery. Select **Save** to return to the Purchase Order.
8. Select **Apply**. The Purchase Order now displays the product at the contracted price with the prepaid amount. The Add-on Charge reflects the amount due to the vendor upon delivery.

As Purchase Receipts are entered against the PO, the Add-on Charge follows through based on the Purchase Order set up and quantity received. The Purchase Receipt can then be imported into a Purchase Invoice. The Add-on Charges set up on the Purchase Order follow through the Purchase Receipt into the Purchase Invoice.

If the Purchase Order is not applied to the Purchase Receipt, the Add-on Charge won't flow through but can be re-

entered on the Purchase Invoice.

Note: The *Per Billing Unit* or *Flat Rate Down* can also be used following the rules above. The *Per Billing Unit* and *Amount Due* or the *Flat Rate \$ Down* and *Amount Due* will have to be manually calculated.