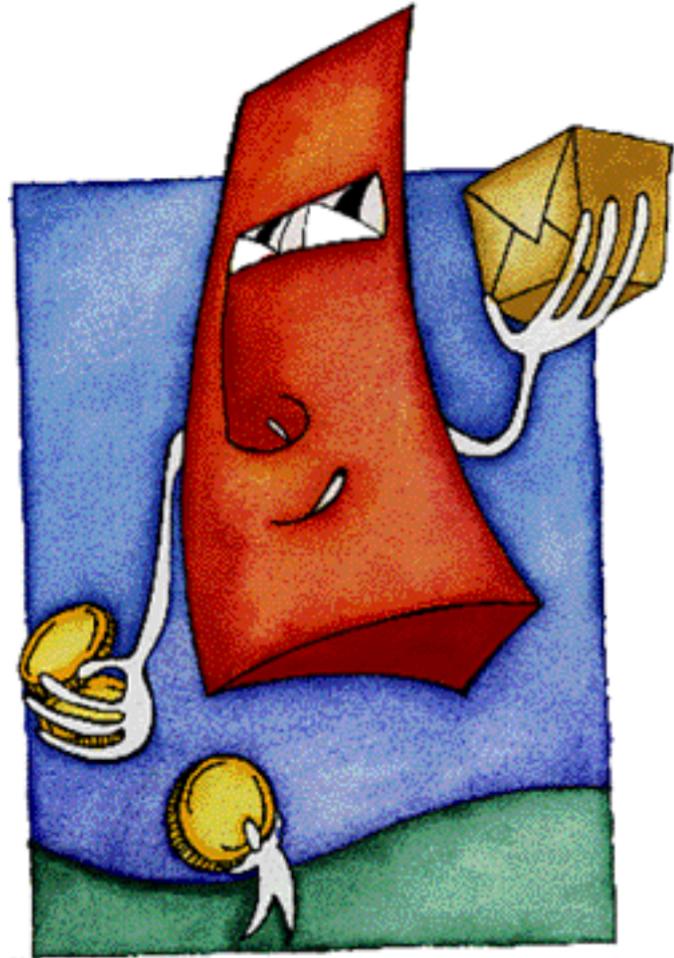# Purchase Transactions

12

Introducing Purchase Transactions

This chapter examines how you enter the transactions which record and analyse your business expenditure. Before you can produce any Purchase transactions you shuold have…

• Created a General Ledger account structure.

• Set up a Purchase Allocation structure.

• Entered at least one Supplier.

In Bottom Line, the process of preparing a purchase transaction is:

1. Locate the supplier icon (or name) and single click to select it.

2. Choose the transaction you require from the Purchase menu…

Each time you post a transaction to a supplier account, the current balance is increased or decreased accordingly. Using this information, a variety of reports can be produced enabling you to keep track of the amounts owed and amounts paid.

Having entered one or more transactions, the purchase details can then be posted to the General Ledger to update the Balance Sheet and Profit & Loss Account. Posting to the General Ledger is described at the end of this chapter however, let's start by looking at the actual purchase transactions themselves…

Purchase

Purchase Account Details...	⌘D
Enter Invoice...	⌘I
Enter Credit Note...	
Enter Payments...	⌘Y
Enter Refund...	
Enter Other Transactions...	
Allocate Unallocated Cash...	
Automatic Payment...	
Generate Automatic Invoice...	
Clear Allocated Transactions	

Locate your supplier first

The supplier database can be organised hierachically as described in Chapter 11 to assist the process of locating an individual supplier. However, you may prefer to locate a supplier by name using the Find command from the Edit menu as described in Chapter 19.

Purchase Invoices

Whenever you buy goods or services, your supplier issues a formal record — or **invoice** itemising what you have bought, the amount owing and when you should pay.

On receiving a supplier invoice you will want to allocate the cost to relevant accounts and summaries, this is how you enter its details into the Purchase Ledger…

In the Purchase Ledger window, double click the category which contains the relevant supplier account…

04 Printing/Stationery

From the open category window, locate then click the supplier account icon (or name) to select it. There is no need to double click.

Express Office

Purchase

Purchase Account Details… ⌘D
Enter Invoice… ⌘I
Enter Credit Note…

EITHER, choose Enter Invoice from the Purchase menu…
…OR, press ⌘-I instead.

You see the Invoice window for the selected supplier account – for more details…

Purchase Invoice

Express Office Supplies

Purchase Invoice

Invoice No: 101
Reference:

Date:	12-Aug-1997	Days before payment: 7
Goods:		Total Goods: 0.00
E.S. Discount:	0.00	…if paid by 19-Aug-1997

Entering the Invoice Details

This is how you complete a Purchase Invoice…

Invoice No: For auditing purposes, an internal filing number is automatically assigned to this invoice. Only edit this number in exceptional circumstances.

Purchase Invoice

Express Office Supplies

Purchase Invoice

Invoice No:	101
Reference:	97/08/29758

Date:	12-Aug-1997	Days before payment:	7
Goods:	390.00	Total Goods:	0.00
E.S. Discount:	39.00	…if paid by	19-Aug-1997
VAT:	56.19		

Reference: Enter the supplier's invoice number. This will enable you to match this posting to the original invoice.

Date: Enter the date on the supplier's invoice — **not** the date on which you are posting this invoice. Once saved, Bottom Line uses the invoice date together with the number of **Days Before Payment** (taken from the supplier's account details) to calculate when payment is due.

Entering the Invoice Details (continued)

Express Office Supplies

Purchase Invoice

Invoice No: 101
Reference: 97/08/29758

Date: 12-Aug-1997   Days before payment: 7
Goods: 390.00 Total Goods: 0.00
E.S. Discount: 39.00 …if paid by 19-Aug-1997
VAT: 56.19

Enter the total **VAT** amount.

If applicable, enter the amount to be deducted for **early settlement**…

…then, if necessary, edit the qualifying date.

Enter the total value of the **goods** or services, excluding VAT but prior to deduction of early settlement discount.

Early Settlement Details

As explained in the previous chapter, some suppliers may offer a special discount as an incentive for early payment. If you have specified an Early Settlement discount when setting up the supplier account then Bottom Line displays the amount to be deducted in the **E. S. Discount** box. You can, of course, edit this suggested amount if the supplier's invoice specifies a different early settlement discount.

Furthermore, in order to qualify for this discount, Bottom Line suggests a date by which you should pay the invoice. This date is also based on the early settlement details you may have entered when setting up the supplier account — if incorrect, edit the date displayed in the **…if paid by** box as necessary.

The Invoice Items

The remainder of this window consists of 25 lines in which you can record an itemised breakdown of the actual transaction. For each line…

Enter the purchase analysis **code** which maps this item to the correct Asset or Expense account in the General Ledger (and maps it to the relevant cost category within the Purchase Ledger). If you have not set up these Purchase Analysis codes turn to Chapter 10.

> ### More about analysis codes
>
> To help you remember which analysis codes to use, you can print a list as described in the next chapter. You can also open the Purchase Analysis window to display the list of codes, or use the Find command from the Edit menu as described in Chapter 19.

Purchase Invoice

Express Office Supplies

Purchase Invoice

Invoice No: 101
Reference: 97/08/29758

Date:	12-Aug-1997	Days before payment: 7
Goods:	390.00	Total Goods: 390.00
E.S. Discount:	39.00	...if paid by 19-Aug-1997
VAT:	56.19	

Code	Description	Value	VAT
6	Furniture	250.00	1
9	Printing	75.00	1
10	Stationery	31.75	1
11	Books & subs	33.25	0

When you click inside (or tab to) the next entry box, Bottom Line displays the code's description. It also displays any preset values you entered when setting up this code — these values can be amended as described on the next page …

Invoice Items (continued)

Invoicing by Instalments

If you have arranged to pay a supplier invoice by instalments, you should enter an invoice for each instalment. Some suppliers will provide a schedule of payments including due dates and VAT payable but otherwise each invoice should carry the suppliers tax point date and the VAT relating to that instalment.

This will facilitate the allocation of each amount paid (as described later in this chapter) and is especially important where you are taking advantage of Cash Accounting for VAT.

Purchase Invoice

Express Office Supplies

Purchase Invoice

Invoice No: 101
Reference: 97/08/29758

Date: 12-Aug-1997
Goods: 390.00
E.S. Discount: 39.00
VAT: 56.19

Days before payment: 7
Total Goods: 390.00
...if paid by 19-Aug-1997

Code	Description	Value	VAT
6	Furniture	250.00	1
9	Printing	75.00	1
10	Stationery	31.75	1
11	Books & subs	33.25	0

Enter (or edit) the **value** of this item, excluding VAT.

For this item, Bottom Line displays the preset **VAT** code taken from the VAT Details panel — or, replaces it with the one you have specified for this analysis code. If incorrect, enter the VAT analysis code applicable to this item.

Completing the invoice

Repeat these steps to enter each remaining item. As you complete each analysis line, notice that the program displays the **Total Goods** amount entered so far.

Once you have finished entering all the items on this invoice (and when the **Total Goods** amount equals the **Goods** amount) click Save to accept the details and to proceed to the VAT Panel which is described overleaf…

Purchase Invoice

Express Office Supplies

Purchase Invoice

Invoice No: 101

Reference: 97/08/29758

Date:	12-Aug-1997	Days before payment: 7
Goods:	390.00	Total Goods: 390.00
E.S. Discount:	39.00	…if paid by 19-Aug-1997
VAT:	56.19	

Code	Description	Value	VAT
6	Furniture	250.00	1
9	Printing	75.00	1
10	Stationery	31.75	1
11	Books & subs	33.25	0
			1
			1

Save | Ignore | Close

Click here to close the window. You will be asked to save or ignore any un-saved changes.
Click here to cancel the Invoice entry.
Click here to proceed to the next dialogue box…

Checking the VAT

Having accepted the invoice details, Bottom Line uses the rate set for each VAT code to calculate the actual VAT amounts for this invoice.

Before you can accept the VAT Alterations dialogue, the sum of the apportioned VAT amounts must equal the Total VAT figure taken from the Invoice window. You can remedy any discrepencies as shown opposite…

However! For major discrepencies, click Cancel to return to the Invoice window. You can then check the VAT code and amount for each item against the original supplier invoice, make any necessary adjustments then click Save to re-display the VAT dialogue.

For minor discrepancies, use these edit boxes to adjust the individual amounts calculated for each VAT code…

UAT code	Goods	UAT
0	33.25	0.00
1	356.75	56.19
2	0.00	0.00
3	0.00	0.00
4	0.00	0.00
5	0.00	0.00
	Total Uat	56.19

UAT Alterations

[Cancel]   [OK]

…and / or adjust the total VAT amount to match the VAT amount on the supplier invoice.

Click here to return to the Invoice window for corrections to the VAT codes or net values.

Click here to post the invoice to the supplier account.

VAT on Early Settlement Discounts

At the time this software is published, the VAT ruling on Early Settlement Discounts is that VAT is not levied on an invoice for the amount discounted. As a result, Bottom Line calculates the VAT on each item using the discounted value. However, if your supplier is unaware of this ruling, the invoice may contain VAT on the full amount. If this is the case, you should edit the VAT amounts to ensure compliance with the supplier's invoice.

Posting the Invoice

Once everything is in order, click the OK button in the VAT Alterations dialogue box to…

• Post the invoice to the supplier account. The supplier's balance will now be increased by the total amount invoiced.

• Update the relevant purchase analysis categories with the net value of each item and, unless you are operating a Customs & Excise Cash Accounting scheme, update the VAT amounts from which your VAT Return figures will be derived.

• Queue the transaction in readiness for posting to the General Ledger.

You can now continue to enter other supplier invoices in the same way. When you have finished entering your supplier transactions, turn to the end of this chapter to find out how you .

Purchase Credit Notes

There may be times when you are entitled to a rebate from a particular supplier — for example, when you return goods. In these circumstances, the supplier will issue a **credit note** authorising the amount(s) to be deducted from your balance.

Credit notes are simply invoices in reverse, resulting in the cancellation of all or part of the original transaction. It works like this…

The credit note details are entered in exactly the same way as an invoice but, on posting to the supplier account, Bottom Line **reduces** the balance by the specified amount so that you no longer owe the supplier so much. On posting to the General Ledger, the value of the returned goods are credited from the relevant Asset or Expense account thereby reducing the cost of the original purchase amounts.

This is how you enter a supplier's credit note…

Locate and select the supplier icon (or name) as you would for an invoice…

Purchase

Purchase Account Details...	⌘D
Enter Invoice...	⌘I
Enter Credit Note...	
Enter Payments...	⌘Y
Enter Refund...	
Enter Other Transactions...	
Allocate Unallocated Cash...	
Automatic Payment...	
Generate Automatic Invoice...	
Clear Allocated Transactions	

Choose Enter Credit Note from the Purchase menu then enter the credit note details in exactly the same way you would for an invoice…

Purchase Credit Note

Express Office Supplies

Credit Note

Cr Note No: 123

Reference: 95/08/43945

Date:	16-Aug-95	Days before payment: 30
Goods:	125.00	Total Goods: 125.00
VAT:	21.88	

Code	Description	Value	VAT
6	Furniture	125.00	1
			1

Purchase Credit Notes (continued)

You can also use the credit note facility to rectify a supplier invoice which has been entered incorrectly — either the wrong amount has been posted or it has been posted to the wrong supplier account. To do this, create a credit note and enter the details so that they correspond exactly with the original invoice posting. On saving the credit note, the original invoice will be reversed and you are now able to re-enter the invoice correctly.

Allocating credit notes

If you post a credit note which completely reverses a previously entered invoice then use the Allocate Unallocated Cash option (described later in this chapter) to match the two transactions.

Supplier Payments

In Bottom Line, you can enter the amounts paid to suppliers in one of two ways…

- Individually — by selecting each supplier account in turn. In addition to posting the amount paid, you are able to allocate the payment to the specific invoices and generate a Remittance Advice Note.

- Automatically — by selecting invoices to be paid by a specified due date.

We will be looking at Automatic Payments later in this chapter so, for now, let's concentrate on the entry of individual payments.

The first step is to open the Payment window for the relevant supplier as described opposite…

Locate the relevant supplier account in the usual way then click its icon (or name) to select it.

Express Office

Purchase

Purchase Account Details…	⌘D
Enter Invoice…	⌘I
Enter Credit Note…	
Enter Payments…	⌘Y
Enter Refund…	
Enter Other Transactions…	

EITHER, choose Enter Payments from the Purchase menu to display the Payment window for this supplier…

…OR, press ⌘-Y.

Payment

Express Office Supplies

Payment

Reference:	Cq 423		
Date Paid:	12-Aug-1997	Remittance Number:	198
Amount:	558.93	Total Allocated:	0.00
Paid by:	Cheque ▼	…from Current Account	

Item	Amount	Allocate	Early Settlement		
			Amount	Date	Allocate
95/08/29758	446.19	☐	39.00	17-Aug-97	☐
95/08/43945	-146.88	☐			

Entering a Purchase Payment (continued)

In the Payment window you will see the transactions (such as invoices and credit notes) that have already been entered for this supplier. In the first part of the window, enter the payment details as follows…

Enter a suitable **reference** — for example, the cheque number — which will help you identify this particular payment.

Enter the date on which the payment was made— **not** the date on which you are entering this transaction into the Purchase Ledger.

Enter the **amount** paid.

For auditing purposes, Bottom Line generates a **remittance number** for this payment. This number can be edited if required.

Payment

Express Office Supplies

Payment

Reference:	Cq 423		
Date Paid:	12-Aug-1997	Remittance Number:	198
Amount:	558.93	Total Allocated:	0.00
Paid by:	Cheque ▼	…from Current Account	

Item	Amount	Allocate	Early Settlement		
			Amount	Date	Allocate
95/08/29758	446.19	☐	39.00	17-Aug-97	☐
95/08/43945	-146.88	☐			

The method of payment is preset to Cheque. Use the pop-up menu if you want to specify a cash payment or one made by credit card or standing order. Having made your selection, Bottom Line displays the name of the account (as specified in the Purchase Account Details panel) to which the payment will be credited.

Entering a Purchase Payment (continued)

You now have the option of matching the amount paid to specific transactions. Do this by clicking the **Allocate** check box(es) for the relevant invoice(s) and, if appropriate, credit note(s).

Furthermore, if you are taking advantage of any early settlement discount offered, click the relevant Early Settlement Discount **Allocate** check box.

In this area, use the check boxes to allocate the total amount paid to previously entered transactions.

Having fully allocated the payment, it can be accepted by producing a Remittance Advice Note which documents the transactions being paid. Further details about printing the Remittance Advice Note can be found on the

Payment

Express Office Supplies

Payment

Reference:	Cq 423
Date Paid:	12-Aug-1997	Remittance Number:	198
Amount:	558.93	Total Allocated:	558.93
Paid by:	Cheque	...from Current Account

| Item | Amount | Allocate | Early Settlement | | |
			Amount	Date	Allocate
97/08/29758	446.19	☒	39.00	17-Aug-1997	☐
97/08/43945	-146.88	☒			
97/08/59723	284.17	☒	24.55	25-Aug-1997	☒
97/08/69364	64.82	☐	5.60	31-Aug-1997	☐

Preview | Batch | Print | Ignore

Click here to erase the payment entries.

Click here to post the payment and print the Remittance Note immediately.

Click here to post the payment and print the Remittance Note at a later date.

Click here to view the Remittance Advice Note on screen.

Printing the Remittance Advice Note

In the same way as you would print a Sales Invoice, you can **Print** the remittance advice note immediately — or you can use the **Batch** option to store it, along with any other remittance advice notes, for printing at a more convenient time. Turn to Chapter 13 for more information on printing individual or batched remittance notes. You can also **Preview** the remittance details on screen.

Once you have accepted the payment…

• The supplier's balance is decreased by the total amount paid.

• If you are operating a Customs and Excise Cash Accounting scheme then, provided that you have fully allocated the payment, Bottom Line updates the VAT amounts from which your VAT Return figures are derived.

• The transaction is queued in readiness for posting to the General Ledger. Payments are credited from the General Ledger account which you have specified for that payment method (cash, cheque, credit card or standing order) in the Purchase Account Details panel.

Unallocated Payments

If you are unable to match the full amount being paid to specific transactions -for example, when you are making a payment on account or a part payment — then leave the Allocation check boxes blank. Once saved the payment you have just entered can be allocated at a later date using the Allocate Unallocated Cash option as described later in this chapter.

The Allocate Unallocated Cash option is of particular significance if you are operating a Customs and Excise Cash Accounting scheme. You should use this option **as soon as you are able** to clear any unallocated payments thus allowing the completed transactions to be incorporated into your VAT Return figures.

Purchase Refunds

When returning purchases, we have seen that a supplier may settle your claim by issuing a credit note.

When a credit note is issued, it can often be offset against an unpaid invoice or future purchases. However! There may not be any future purchases and you may have already paid the original invoice. In these circumstances, the supplier will have to refund your money. To record this transaction…

Enter the credit note authorising the refund as described a few pages back.

Enter the refund in exactly the same way as you would for a payment …

Locate the relevant supplier account in the usual way then click its icon (or name) to select it.

Choose Enter Refund from the Purchase menu to display the following window for the selected supplier…

Purchase

Purchase Account Details...	⌘D
Enter Invoice...	⌘I
Enter Credit Note...	
Enter Payments...	⌘Y
Enter Refund...	
Enter Other Transactions...	

Purchase Refund

Haden Group plc

Refund

Reference:	CR 29756	
Date of Refund:	24-Aug-1997	Refund Number: 199
Amount:	217.67	Total Allocated: -217.67
Re-paid by:	Cheque ▼	...to Current Account

Enter the refund reference, date and amount then select the method of re-payment from the pop-up menu.

In this area, use the check box(es) to allocate the total refund amount to previously entered transactions. (Refunds will match negative values.)

Item	Amount	Allocate	Early Settlement		
			Amount	Date	Allocate
CR 29756	-217.67	☒			

Save | Ignore | Close

Purchase Refunds (continued)

Purchase Refund

Haden Group plc

Refund

Reference: CR 29756
Date of Refund: 24-Aug-1997   Remittance Number: 199
Amount: 217.67   Total Allocated: -217.67
Re-paid by: Cheque   ▼   ...to Current Account

Item	Amount	Allocate	Early Settlement		
			Amount	Date	Allocate
CR 29756	-217.67	🖐			

Save | Ignore | Close

OR, click here to close the window. You will be asked to save or ignore any unsaved changes.

OR, click here to cancel this transaction.

Click here to post the refund to the supplier account.

Correcting Payments

The Refund option can also be used to reverse a payment which has been incorrectly entered — either the wrong amount has been posted or it has been posted to the wrong supplier account.

To do this…

• Open the Refund window for the relevant supplier.

• Enter a suitable reference which indicates an adjustment.

• Specify the amount and method of payment to be reversed.

• Allocate the 'refund' to the previously entered (and incorrect) payment.

After posting the refund, you can then re-enter the payment correctly.

Other Transactions

There may be times when it is not possible to allocate invoices to payments and vice versa. Furthermore, there will be monies which have to be written off or odd amounts of cash which hang around un-cleared for months. It is on these occasions when the Other Transactions facility comes into its own. This command allows entry of the two types of transaction…

• Miscellaneous Debit

• Miscellaneous Credit

To enter a Miscellaneous Debit or Credit, follow the steps described here …

Locate the relevant supplier account in the usual way then click its icon (or name) to select it.

Counterpoint

Choose Enter Other Transactions from the Purchase menu to display the following window for the selected supplier…

Purchase

Purchase Account Details... ⌘D

Enter Invoice... ⌘I
Enter Credit Note...
Enter Payments... ⌘Y
Enter Refund...
Enter Other Transactions...
Allocate Unallocated Cash...
Automatic Payment...

Other Transactions (continued)

Transaction Type: The Miscellaneous Debit option is pre-selected — select Miscellaneous Credit from the pop-up menu if required.

Specify the purchase **Analysis Code** which maps this transaction to the correct General Ledger account then…

Enter the **Amount** (excluding VAT) to be debited or credited.

Enter a suitable transaction **reference**… …and the **date**.

Other Transaction

Counterpoint

Transaction type: Misc Debit ▼

Other Transaction

Reference: Correction   Date: 24-Aug-1997

Analysis code: 34   Amount: 0.01

VAT code: 0   VAT:

Save   Ignore   Close

On saving the transaction, Bottom Line increases or decreases the supplier balance by the relevant amount and queues the transaction for posting to the General Ledger. The transaction itself is cleared from the supplier's account using the Allocate Unallocated Cash option described overleaf.

Enter the **VAT code** for the General Ledger VAT account to be debited/credited…

…and the **VAT** amount.

Click **Save** to accept the transaction …or **Ignore** or **Close** as before.

Allocating Unallocated Cash

Under normal circumstances, whenever you enter a payment, you have the opportunity to match the payment with the invoice(s) being paid. However, there may be times when that allocation is unavailable — for example, when you make a payment in advance.

The process of allocating unusual items allows you to 'close' items which would otherwise remain 'open' (or current). For example, if you have received a credit note which cancels an invoice then the transactions remain open until you match the credit note with the invoice.

This menu command is not, therefore, a transaction in itself but a way of tidying up previous transactions. Once allocated, the completed transactions are cleared at next end of period.

Reducing the clutter

If you have a large number of allocated transactions occupying valuable real estate in your transaction windows or on your reports, there is no need to wait for the next end of period to clear them. You can choose Clear Allocated Transactions from the Purchase menu to reduce the amount of clutter but first you should Print and Clear the Supplier Audit Report and Purchase Daybook.

Locate the relevant supplier account and select it as before.

Choose Allocate Unallocated Cash from the Purchase menu to display the following window for the selected supplier…

Purchase

Purchase Account Details... ⌘D

Enter Invoice... ⌘I
Enter Credit Note...
Enter Payments... ⌘Y
Enter Refund...
Enter Other Transactions...
Allocate Unallocated Cash...
Automatic Payment...

Purchase Transactions

Allocating Unallocated Cash (continued)

Notice that the Allocating Unallocated Cash window is similar to the standard Payments window. Referring to our example below, complete the allocation as follows…

> ### Cash Accounting VAT
>
> The Cash Accounting option does not register the refund of VAT in your VAT Return until the payment has been allocated it is therefore important that these allocations are not delayed.

Our example shows the allocation of three uncleared transactions for this supplier. The allocation involves a payment on account; an invoice which has been subsequently entered; and the debiting of a one penny error in payment which was entered using the Other Transactions facility as described in the last section.

Furthermore, if an early settlement discount applies, the program displays the relevant details and you are able to specify any discount taken by clicking the appropriate Early Settlement Date **Allocate** check box(es).

Enter a suitable **reference**

Enter the **date** on which later of the transactions took place (ignoring adjustments like a Miscellaneous Debit), as opposed to the current date.

Item	Amount	Allocate	Early Settlement		
			Amount	Date	Allocate
PYMNT	-902.40	☒			
Inv 279	902.39	☒			
M DR	0.01	☒			

In this area, you will see a list of un-cleared transactions for this supplier. Use the **Allocate** check box(es) to match transactions to each other.

When you have finished and the 'Remainder to Allocate' figure is zero, click **Save** to post the allocation(s).
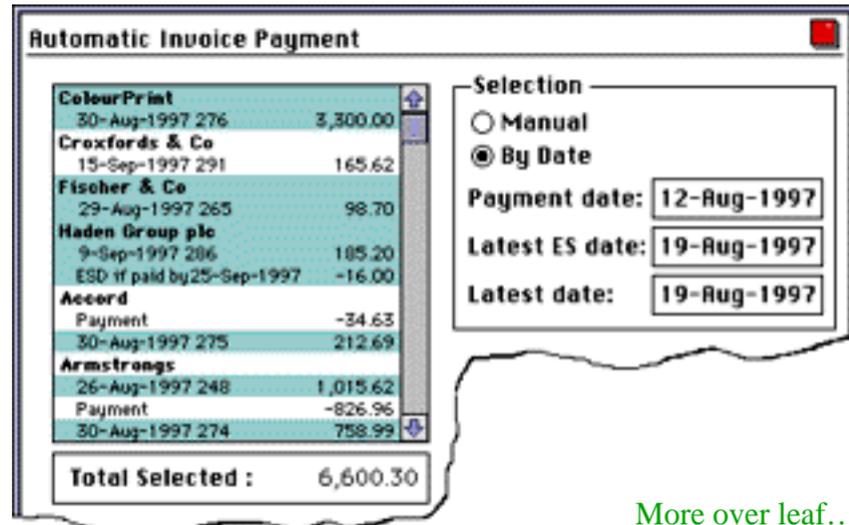
Chapter 12 - 22

Automatic Payments

So far, we have seen how you enter and allocate payments by selecting each supplier account in turn. If you have a large number of different supplier invoices to settle in a payment run then entering each payment on an individual basis can be quite a time consuming affair.

For this reason, Bottom Line includes an **Automatic Payment** facility which allows you to view all the invoices held on the system, irrespective of the supplier. From this list, you are able to select the invoices you want to pay, the method of payment and whether the total amount to be paid represents a single transaction or a batch of individual supplier payments. You also have the opportunity to offset any unallocated prepayments or credit notes against the invoices being paid.

Purchase

Purchase Account Details...	⌘D
Enter Invoice...	⌘I
Enter Credit Note...	
Enter Payments...	⌘Y
Enter Refund...	
Enter Other Transactions...	
Allocate Unallocated Cash...	
Automatic Payment...	
Generate Automatic Invoice...	
Clear Allocated Transactions	

Choose Automatic Payment from
the Purchase menu to display this
dialogue box…

Automatic Invoice Payment

ColourPrint	
30-Aug-1997 276	3,300.00
Croxfords & Co	
15-Sep-1997 291	165.62
Fischer & Co	
29-Aug-1997 265	98.70
Haden Group plc	
9-Sep-1997 206	185.20
ESD if paid by 25-Sep-1997	-16.00
Accord	
Payment	-34.63
30-Aug-1997 275	212.69
Armstrongs	
26-Aug-1997 248	1,015.62
Payment	-826.96
30-Aug-1997 274	758.99

Selection

○ Manual
◉ By Date

Payment date: 12-Aug-1997

Latest ES date: 19-Aug-1997

Latest date: 19-Aug-1997

Total Selected :	6,600.30

Automatic Payments (continued)…

Notice that…

- The list box on the left side of the panel includes all invoices, credit notes and payments which you have entered (but not yet allocated) for all supplier accounts. Any early settlement discount details appear below the relevant invoice line.

- In the top right hand box, the **By Date** option is selected and Bottom Line uses your system date to set the **Payment Date**. The two end dates — **Early Settlement Date** and **Latest Date** — are both preset to be one week later than your system date.

As a result of these preset dates, the program pre-selects all invoices that you need to pay over the next week either because they are due — or you may want to pay before the discount period expires. The total value of the highlighted items is displayed below the list box.

You can, of course, customise these selections as described on this page and the next…

Payment Date: If necessary, reset the date on which the invoice(s) are being paid. When you do this, Bottom Line re-selects the invoices to be paid.

Automatic Invoice Payment		
ColourPrint		
30-Aug-1997 276	3,300.00	
Croxfords & Co		
15-Sep-1997 291	165.62	
Fischer & Co		
29-Aug-1997 265	98.70	
Haden Group plc		
9-Sep-1997 286	185.20	
ESD if paid by25-Sep-1997	-16.00	
Accord		
Payment	-34.63	
30-Aug-1997 275	212.69	
Armstrongs		
26-Aug-1997 248	1,015.62	
Payment	-826.96	
30-Aug-1997 274	758.99	

Total Selected : 6,600.30

Selection
- ○ Manual
- ◉ By Date

Payment date: 12-Aug-1997

Latest ES date: 19-Aug-1997

Latest date: 19-Aug-1997

Latest Date: Edit this date to extend or shorten the selection time span for those invoices which need to be paid.

Latest ES Date: Edit this date to extend or shorten the selection time span for invoices which qualify for early settlement discount.

Automatic Payments (continued)…

To customise the initial date selection, click the relevant item to include (or exclude) it for payment

Having used the Selection list box to set the time span, you can 'fine tune' the date selection by hand-picking the invoices that you want to include or exclude for payment. To do this, click the required invoice item to select (or deselect) it — this, in turn, increases (or decreases) the selected total. Since you are not longer selecting by date alone, the selection method now switches to **Manual**.

For the relevant suppliers, you can also manually select any **credit notes** or **prepayments** that you want to offset against the invoices being paid. These items are shown as negative values and, once selected, are deducted from total amount(s) paid.

Having highlighted the items to be paid and you are satisfied that your bank account can withstand the onslaught, you are now ready to enter the **Payment** details…

The method of payment is preset to Cheque. Use the pop-up menu if you want to specify a cash payment or one made by credit card or standing order.

Automatic Invoice Payment

ColourPrint	
30-Aug-1997 276	3,300.00
Croxfords & Co	
15-Sep-1997 291	165.62
Fischer & Co	
29-Aug-1997 265	98.70
Haden Group plc	
9-Sep-1997 286	185.20
ESD if paid by 25-Sep-1997	-16.00
Accord	
Payment	-34.63
30-Aug-1997 275	212.69
Armstrongs	
26-Aug-1997 248	1,015.62
Payment	-826.96
30-Aug-1997 274	758.99

Total Selected : 6,600.30

Selection
- ○ Manual
- ◉ By Date

Payment date: 23-Sep-1997
Latest ES date: 30-Sep-1997
Latest date: 30-Sep-1997

Payment
Pay By : Cheque ▼
First Ref : 605
☒ Increment Reference

[Cancel] [Print] [Batch]

The total cost of paying selected invoices is shown in this box.

Use the pop-up menu to select the method of payment.

Automatic Payments (continued)

If you are paying a number of different suppliers, each of whom require a separate cheque then enter the number of the first cheque to be issued in the **First Ref** box and leave the **Increment Reference** option selected. This way, Bottom Line numbers the payment to each supplier in step with the number of cheques you need to write.

Alternatively, to settle the total amount with a single payment, type the reference in the **First Ref** box then click the **Increment Reference** so that the cross disappears.

There is a note about Incremental Reference numbers on the

Automatic Invoice Payment

ColourPrint	
30-Aug-1997 276	3,800.00
Crexfords & Co	
15-Sep-1997 291	165.62
Fischer & Co	
29-Aug-1997 265	98.70
Haden Group plc	
9-Sep-1997 286	185.20
ESD if paid by 25-Sep-1997	-16.00
Accord	
Payment	-34.63
30-Aug-1997 275	212.69
Armstrongs	
26-Aug-1997 248	1,015.62
Payment	-826.96
30-Aug-1997 274	758.99

Total Selected : 6,600.30

Selection
- ○ Manual
- ● By Date

Payment date: 23-Sep-1997

Latest ES date: 30-Sep-1997

Latest date: 30-Sep-1997

Payment

Pay By : Cheque ▼

First Ref : 605

☒ Increment Reference

[Cancel] [Print] [Batch]

Enter a reference for the first supplier payment.

De-select this box if settlement of the selected items form part of a single payment.

Click Batch to post the payment(s) and print the Remittance Note(s) later.

Click Print to post the payment(s) and print the Remittance Note(s) immediately.

Click Cancel to cancel the payment(s)

Automatic Payments (continued)

More about Incremental numbers…

During an automatic payment run, Bottom Line numbers each payment according to the number of Remittance Advice Notes generated — and each Remittance Advice Note can record a maximum of 50 transactions. Therefore, if you are paying more than 50 items for a particular supplier then the payment will, in fact, be allocated two (or more) numbers — one for each Remittance Advice Note produced.

When you enter the First Ref number you can add a non-numeric prefix to the number which will prefix all additional references.

For example you may enter Chq#365 as your first reference. If you generate five auto-payments they will be referenced Chq#365, Chq#366, Chq#367, Chq#368 & Chq#369.

Posting Automatic Payments

The final step is to post the payment(s) by either printing the Remittance Advice Note(s) immediately — or batching them. The batched documents can then be printed at another, more convenient, time. Once posted…

• Bottom Line deducts the amount paid to each supplier from their account balance **and** clears the paid invoices (along with any selected credit notes or prepayments).

• If you are operating a Customs and Excise Cash Accounting scheme, the program updates the VAT amounts from which your VAT Return figures are derived.

• The payment(s) are queued in readiness for posting to the General Ledger. On posting, the total amount is credited from the General Ledger account which you have specified for that particular method of payment (cash, cheque, credit card or standing order) in the Purchase Account Details panel.

Generating Automatic Invoices

In the previous chapter — under the section entitled Creating a Supplier Account — you will find details of how you use the Auto Purchase facility to provide preset invoice details for individual suppliers. Having set up this information, you can select and generate pre-prepared invoices for the current period as follows…
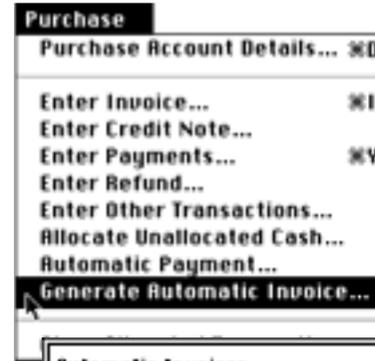
The dialogue box lists the supplier accounts which contain the necessary information to generate a preset invoice — together with the total value of each invoice.

To raise an invoice, click the relevant supplier to high-light it. .
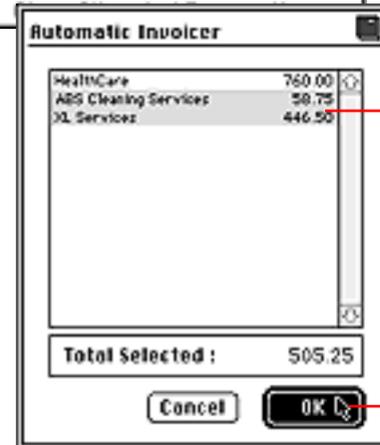
If you do not want to generate a particular invoice for this period — for example, you want to ignore an invoice which needs to be prepared at quarterly or annual intervals — then leave the supplier deselected.

Once you have made your selection, click OK to…

- Post the preset invoice to each of the selected supplier accounts. Each supplier's balance is now increased by the total amount invoiced.

- Update the relevant purchase analysis category with the net value of each invoice and update the VAT amounts if appropriate.

- Queue the invoice(s) in readiness for posting to the General Ledger.

Purchase

Purchase Account Details...	⌘D
Enter Invoice...	⌘I
Enter Credit Note...	
Enter Payments...	⌘Y
Enter Refund...	
Enter Other Transactions...	
Allocate Unallocated Cash...	
Automatic Payment...	
Generate Automatic Invoice...	

Choose Generate Automatic Invoice from the Purchase menu to display this dialogue…

Automatic Invoicer

HealthCare	760.00
ABS Cleaning Services	58.75
XL Services	446.50

Total Selected : 505.25

[Cancel] [OK]

Click to select the supplier account(s) to be invoiced. If you inadvertently select the wrong account, click again to deselect it.

Click here to post the preset invoices to the selected supplier accounts.

Viewing Supplier Transactions

The next chapter describes how you can print an [Account Status report](#) which lists current transactions held for all suppliers or for selected supplier(s).

You can also access the current transactions for a particular supplier as described opposite…

Having opened the Current Transactions window, you now see all the open invoices, credit notes, receipts, refunds and miscellaneous transactions currently associated with this account.

Notice that different icons are used to represent each type of transaction.

To open a current transaction and view its contents, simply double click the relevant icon.

When you open a **payment**, the details are presented as a fully fledged **Remittance Advice Note** which can be printed as described in the next chapter.

For the other types of transaction, the relevant details appear in a summary window.

Locate the relevant supplier account then double click its icon (or name) to open it.

Double click the Current Transactions icon to reveal all the transactions currently entered against the supplier account…

Once you have finished, click the close box in the top left corner of the Transactions window then use the same method to close the supplier window.

Posting Purchase Transactions to the General Ledger

Having entered transactions to the Purchase Ledger they are not automatically posted to the General Ledger. When you have prepared one or more transactions in the Purchase Ledger, you are now ready to transmit the information about these transactions to the relevant General Ledger accounts. This, in turn will update the Balance Sheet and Profit & Loss Account.

You may post this information as frequently as you like but, in any case, ensure that the information is posted before looking at the General Ledger reports or the Reconciliation facility.

This is how you post the purchase transactions to the General Ledger…

EITHER,

Click here to post the purchase transactions to the relevant General Ledger accounts.

OR,

Choose Post from Purchase Ledger from the General menu.

Post… …haste

Bottom Line only allows you to post from the Purchase Ledger if it is currently in the same accounting period as the General Ledger. This means that if you have 'Period Ended' the Purchase Ledger ahead of the General Ledger, the program stubbornly refuses to post the purchase transactions until the General Ledger catches up.

To ensure that your Purchase Ledger transactions have been posted to the correct General Ledger accounts, you are advised to print a Transaction List as described in Chapter 16.

Spotting Mistakes

Having printed a Transaction List, you may discover that a purchase transaction has been inadvertently posted to the wrong General Ledger account, use the Journal facility described in Chapter 15 to make the necessary adjustments.

Furthermore, you should watch out for any postings to your nominated Purchase Suspense account since this signifies a communications breakdown between a purchase analysis code and its General Ledger account. Once again, use the Journal facility to rectify the posting.