

ALTERNATE WAYS TO PAY THE BILLS

Not all bills come in the mail and get paid by a cheque. Sometimes you use a company **VISA** card or your **FCC Line of Credit** to make supplier purchases. How does all that get recorded in agre?

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Paying for Non-Inventory Purchases with a Company Credit Card

Here's the Scenario

- You use a company **VISA card** to pay for employee **cell phone charges** from SaskTel and for **office supplies** from Staples
- Phone bills from **SaskTel** arrive in the mail
- Office supplies are purchased by driving over to **Staples** and picking up paper and toner using the company card to pay
- The **VISA bill** comes in the mail (or you check your balance online)
- You pay the VISA bill online over the Internet

One-Time Setup Tasks

- [Create a GL Account](#) called **Corporate Visa Card** (this would be a liability account, a 2). When setting this account up, check the box next to **Reconcile this account** - this will allow you to use the bank reconciliation process to reconcile the credit card statement and the GL account.
- [Create an AP Payment Type](#) called **Corporate Visa**, and associate it with the **Corporate Visa Card GL account**.
- [Create an AP Payment Type](#) called **Internet**, and associate it with the bank account the money comes out of.

Recording the Transactions

Now that everything is setup, it's time to go shopping.

Add the Merchant Purchase Invoices

- When you get back from **Staples**, create a **Purchase Invoice** (supplier = Staples) for the office supplies, which is a [non-inventory purchase](#), referencing the **Office Supplies GL expense account** (a 6 account).
- When the **SaskTel** bill arrives, create a **Purchase Invoice** for the phone bill (supplier = SaskTel), which is a [non-inventory purchase](#), referencing the **Telephone GL expense account** (a 6 account).

Record the Payments to Merchants

When paying with a credit card, it's important to **record the payment right away**, since it will show up on your VISA account as soon as the merchant puts it through. You don't want to leave these ones sitting until the 'monthly payment run'.

- Pull up the supplier account for **Staples**, and click [Pay Supplier](#)
- Use the payment type of **Corporate Visa**.
- Pull up the supplier account for **SaskTel**, and click [Pay Supplier](#)
- Use the payment type of **Corporate Visa**.

The net effect is to draw funds from the Corporate Visa GL to pay the Telephone and Office Supply expenses.

Reconcile the VISA Account

- When the VISA bill arrives:
 - it will show the **SaskTel** payment as one line item.
 - it will show the **Staples** purchase as another line item.
 - other expenses, such as **interest charges** directly from VISA, may also be shown.
- **Reconcile** the Visa bill the same way you'd do a bank reconciliation, except choose the **Corporate VISA Card GL account** instead of a bank account.
 - remember to enter the balance on your VISA statement as a *negative* value (unless your actually have a credit balance, then enter it as a positive number)
 - match up the entries on the VISA statement with the entries that appear in the reconciliation window
 - add any that are missing (like fees or interest charges) using the **Add Journal Entry** button at the bottom of the window.

Add the VISA Purchase Invoice

- Add a **Purchase Invoice** (supplier = VISA) for the VISA bill, which is a **non-inventory purchase**, and reference the **Corporate VISA Card GL account**.

Pay VISA

- Decide how much you're going to pay towards the VISA bill:
 - possibly the statement amount, but you may have already made payments that are not reflected in the statement balance
 - you may want to make a partial payment and carry a balance until next month
 - you may want to pay extra to cover things you know are coming due soon
- Pull up the supplier account for **VISA**, and click **Pay Supplier**
 - Use the payment type of **Internet**.
 - This will draw funds from the GL account associated with the **Internet** payment method (presumably one of your bank accounts) and use them to reduce the amount owing to the credit card company.

Note

this amount will show up on your next credit card statement and in the next reconciliation process (so it should match what VISA says you paid them!)

What's My VISA Card Balance?

At any time between statements, if you want to know what your accumulated amount owing to VISA is (as recorded in agrē), you can check the balance of the **Corporate VISA Card GL account**.

- run the **General Ledger > Reports > Account Transaction Detail** report for the Corporate VISA Card GL account
- it contains the sum of transactions paid *by* VISA and amounts paid *to* VISA.

Paying for Inventory Purchases with your FCC Line of Credit

Here's the Scenario

- You use your company's **FCC Line of Credit** to pay for purchases from Agrico
- Product arrives from Agrico and gets received
- Purchase Invoice arrives from Agrico and shows it has been paid by FCC
- The **FCC Statement** arrives (or you check your balance online)
- You **pay the FCC Line of Credit**

One-Time Setup Tasks

- [Create a GL Account](#) called **FCC Line of Credit** (this would be a liability account, a 2). When setting this account up, check the box next to **Reconcile this account** - this will allow you to use the bank reconciliation process to reconcile the FCC statement and the GL account.
- [Create an AP Payment Type](#) called **FCC Line of Credit**, and associate it with the **FCC Line of Credit GL account**.

Recording the Transactions

Receiving the Inventory

- When the product arrives from Agrico, receive it via Inventory Receipt as usual.

Adding the Purchase Invoice

- When the Purchase Invoice arrives from Agrico, enter it into the system as usual and associate it with the inventory receipt from the step above.

Recording the Payment

When paying with your FCC Line of Credit, it's important to **record the payment right away**, since it will show up on your FCC Line of Credit as soon as the supplier puts it through. You don't want to leave these ones sitting until the 'monthly payment run'.

- Pull up the supplier account for **Agrico**, and click [Pay Supplier](#)
Use the payment type of **FCC Line of Credit**

The net effect is to draw funds from the FCC Line of Credit GL to pay for the supplier purchases.

Reconcile the FCC Line of Credit

When the FCC Statement arrives it will show the **Agrico** payment as one line item.

- [Reconcile](#) the FCC Statement the same way you'd do a bank reconciliation, except choose the **FCC Line of Credit GL account** instead of the bank account.
Remember to enter the balance on your FCC statement as a *negative* value (unless your FCC account actually has a credit balance, then enter it as a positive number).
- Match up the entries on the FCC statement with the entries that appear in the reconciliation window.
- Add any that are missing (like fees or interest charges) using the [Add Journal Entry](#) button at the bottom of the window.

Add the FCC Purchase Invoice

- Add a **Purchase Invoice** (supplier = FCC) for the FCC Statement, which is a [non inventory purchase](#), and reference the **FCC Line of Credit GL account**.

Pay FCC

- Decide how much you're going to pay towards the FCC Statement:
 - possibly the entire statement amount, but you may have already made payments that are not reflected in the statement balance
 - you may want to make a partial payment and carry a balance until next month
 - you may want to pay extra to cover things you know are coming due soon
- Pull up the supplier account for **FCC**, and click [Pay Supplier](#)
 - Select the payment type you're using to pay FCC
 - This will draw funds from the GL account associated with that particular payment method (likely one of your bank accounts) and use them to reduce the amount owing to FCC.

Note

this amount will show up on your next FCC statement and will be part of the next reconciliation cycle so it should match what FCC says you paid them

What's My FCC Line of Credit Balance?

At any time between statements, if you want to know what your accumulated amount owing to FCC is (as recorded in *agrē*), you can check the balance of the **FCC Line of Credit GL account**.

- Run the **General Ledger > Reports > Account Transaction Detail** report for the FCC Line of Credit GL account. It contains the sum of transactions paid *by* FCC and amounts paid *to* FCC.
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