Vendor Purchases via Credit Card

Purpose of this document

This document describes how to setup and record Vendor purchases made via credit card by associating the purchase with the Buy-From and Pay-To.

Ceres Object release 5.00.00 is required for the functionality described in this document.

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Overview

Normally, to record vendor purchases Ceres utilizes the Pay-to Vendor functionality. This option has several drawbacks for purchases with credit cards including.

a. The process is time consuming in that data must be re-keyed and then reconciled against the credit card statement.
b. The purchase transaction shows up under the Pay-to Vendor, not the Buy-from Vendor.
c. Subsequent to posting, the purchase appears as if it had been made from the Pay to Vendor when it was made from the Buy-from Vendor.
d. 1099 amount is attached to the Pay-to Vendor not the Buy-from Vendor.

The credit card functionality solves all of the above issues. Also, with the vendor purchases via credit card functionality, the credit card transactions can be imported. Each credit card transaction will be associated with Buy-From Vendor and a Pay-To Vendor for tracking and reporting purposes. Assumptions that factor into this functionality includes.

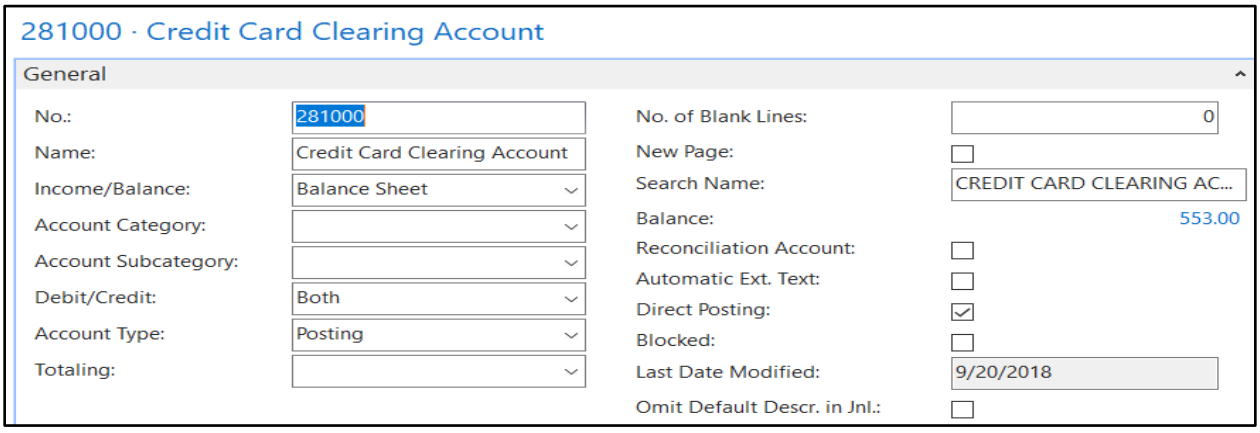
a. A Vendor will be created for each credit card (i.e. a Vendor for each credit card the food bank is billed for).
b. A unique Credit Card Payment Method will be setup and linked to each Credit Card Vendor.
c. The Credit Card Payment method will not allow an invoice to be subject to 1099 to comply with the 1099-K requirements which requires the credit card processor to report 1099 amounts for credit card payments.

Setup

Various components must be setup before the vendor credit card functionality can be deployed. The setup is outlined below.

G/L Clearing Account

1. Setup a G/L Clearing Account. This Account will be used to clear the Buy-From Vendor transactions. G/L Accounts can be accessed from Departments → Financial Management → General Ledger → Lists → Chart of Accounts.



Credit Card Payment Methods

1. Define a unique Payment Method for each credit card the food bank is billed for. Payment Methods can be accessed from Departments → Financial Management → Payables →Administration → Setup → Payment Methods.

2. Click New on the Home Tab to create a new Payment Method.

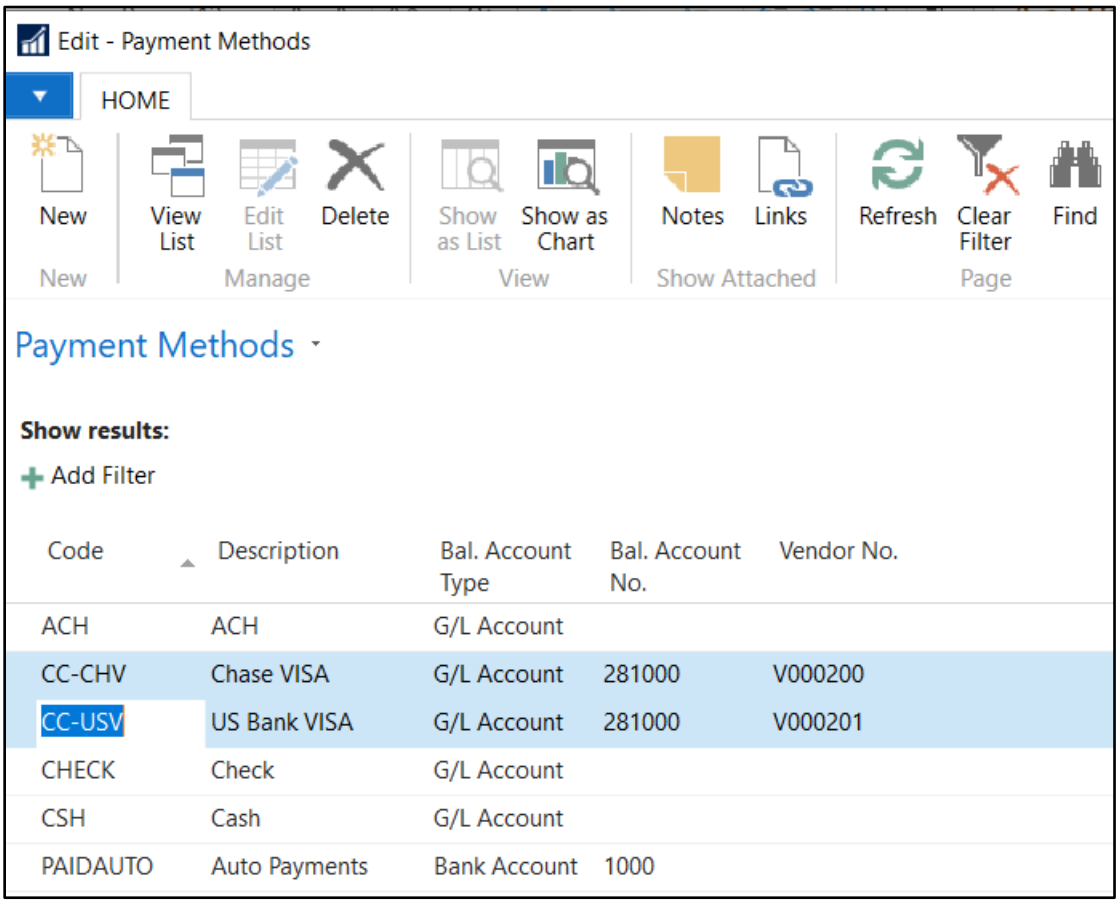
3. Enter a Code and Description. Link the G/L Clearing Account to each credit card Payment Method as follows.

   Bal. Account Type: Must be G/L Account.

   Bal Account No: G/L Clearing Account. This is the G/L Account that is used to clear the credit card transactions associated with the Buy-From Vendor and the Pay-To Vendor.

   Vendor No.:- Link each Payment Method to a Credit Card Vendor.

   In the example below, CC-CHV and CC-USV were setup as credit card Payment Methods. Both Payment Methods are linked to the 281000 - Credit Card Clearing Account. Payment Method CC-CHV is linked to Vendor V000200 – Chase VISA and Payment Method CC-USV is linked to Vendor V000201 – US Bank VISA.



Code	Description	Bal. Account Type	Bal. Account No.	Vendor No.
ACH	ACH	G/L Account		
CC-CHV	Chase VISA	G/L Account	281000	V000200
CC-USV	US Bank VISA	G/L Account	281000	V000201
CHECK	Check	G/L Account		
CSH	Cash	G/L Account		
PAIDAUTO	Auto Payments	Bank Account	1000	

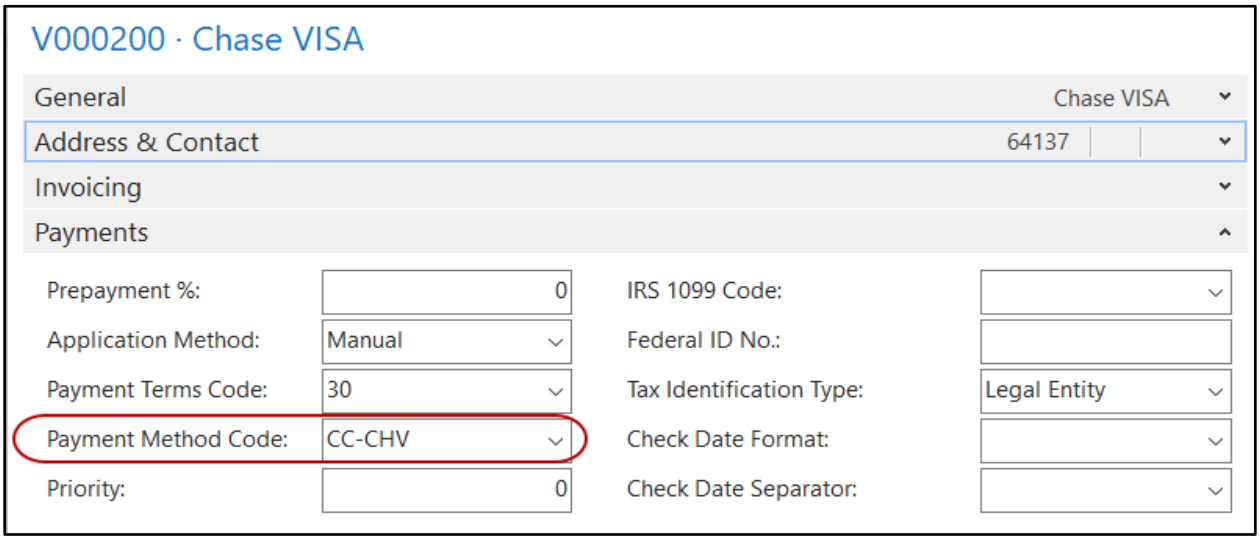
Credit Card Vendors

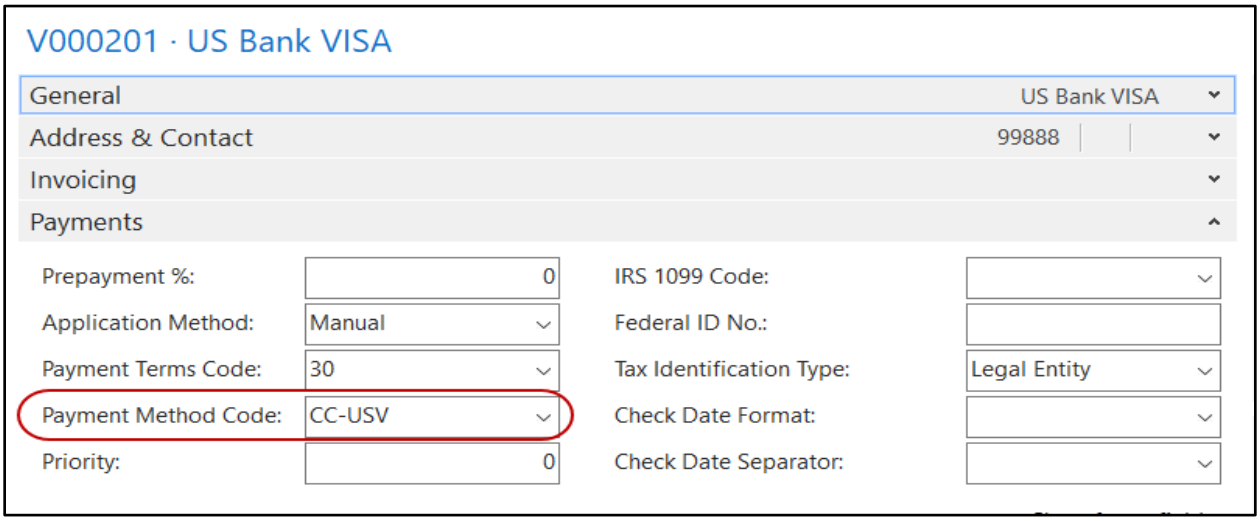
1. Create a vendor for each credit card the food bank is billed for. Vendors can be accessed from Departments → Financial Management → Payables → Lists → Vendors.

2. Link each credit card vendor to a unique credit card Payment Method.

3. Leave the IRS 1099 Code field blank. The credit card Payment Method will not allow an invoice to be subject to 1099 to comply with the 1099-K requirements which requires the credit card processor to report 1099 amounts for credit card payments.

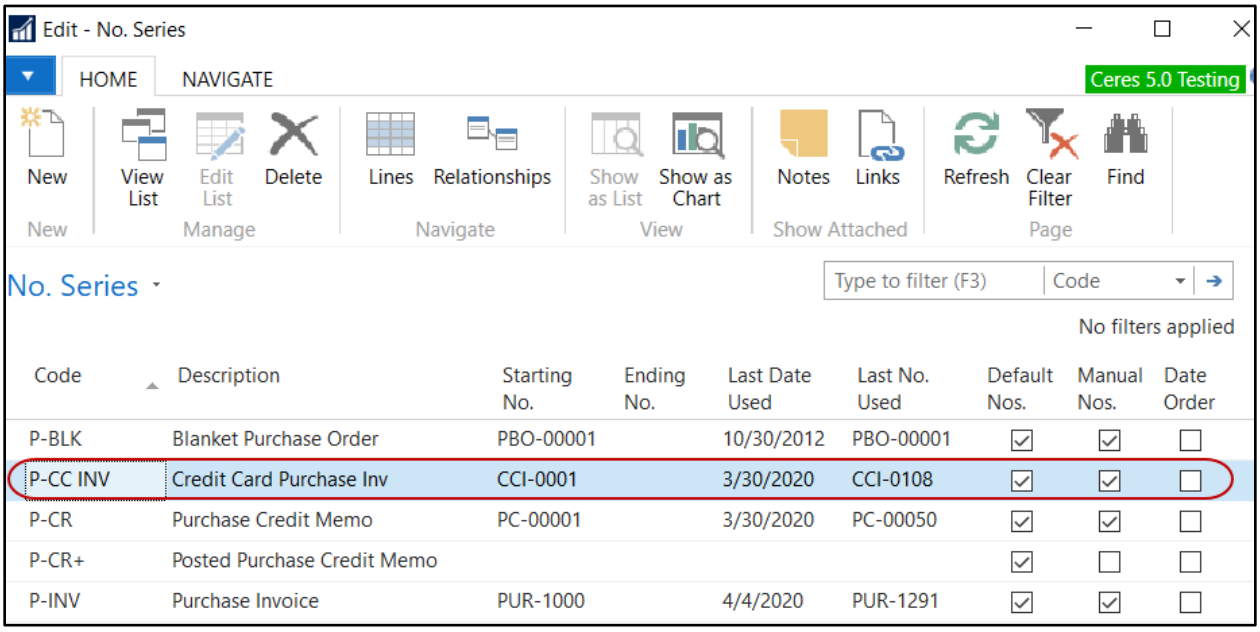
   In the below example, two credit card vendors were created. Vendor V00200 - Chase VISA is linked to the CC-CHV Payment Method, and Vendor V00201 - US Bank VISA is linked to the CC-USV Payment Method.



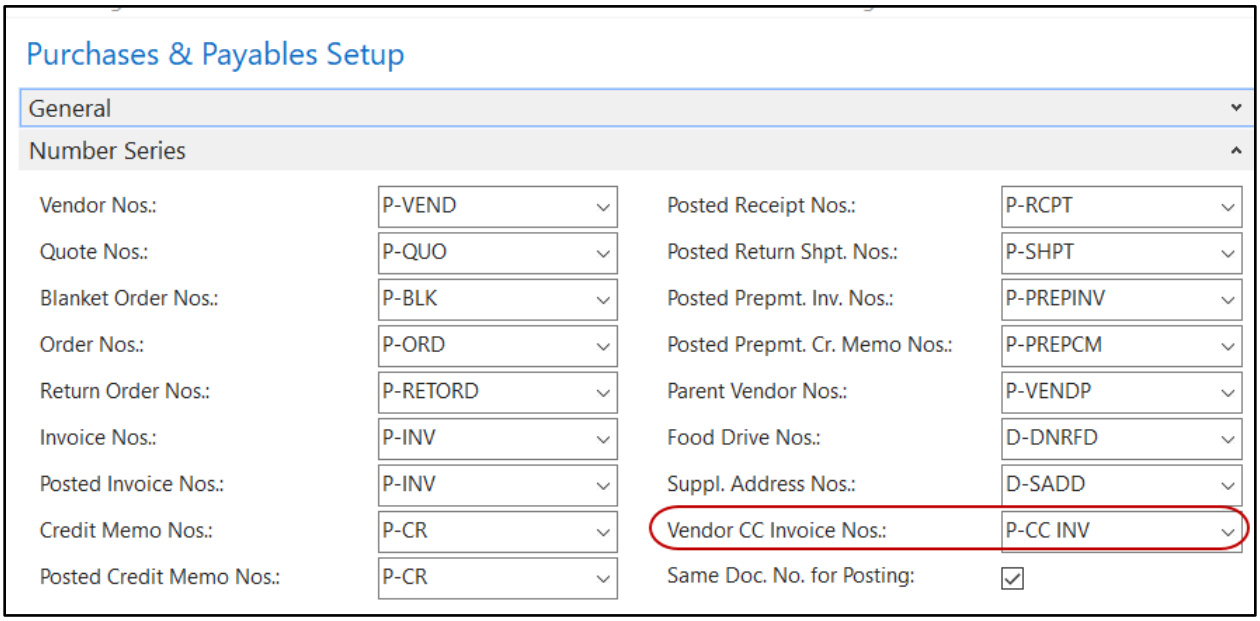


Credit Card Purchase Invoice Numbers

1. Setup a Vendor CC Invoice Number Series with a Starting Number. The No Series Setup can be accessed from Departments → Financial Management → Administration → Setup → No. Series. This is the No. Series that will be assigned to create purchase invoices when the credit card transactions are imported. Manually entered credit card transactions will be assigned whatever Number Series is selected when the purchase invoice is created.



2. Link a No Series to the Vendor CC Invoice Nos. field in the Purchases & Payables Setup.



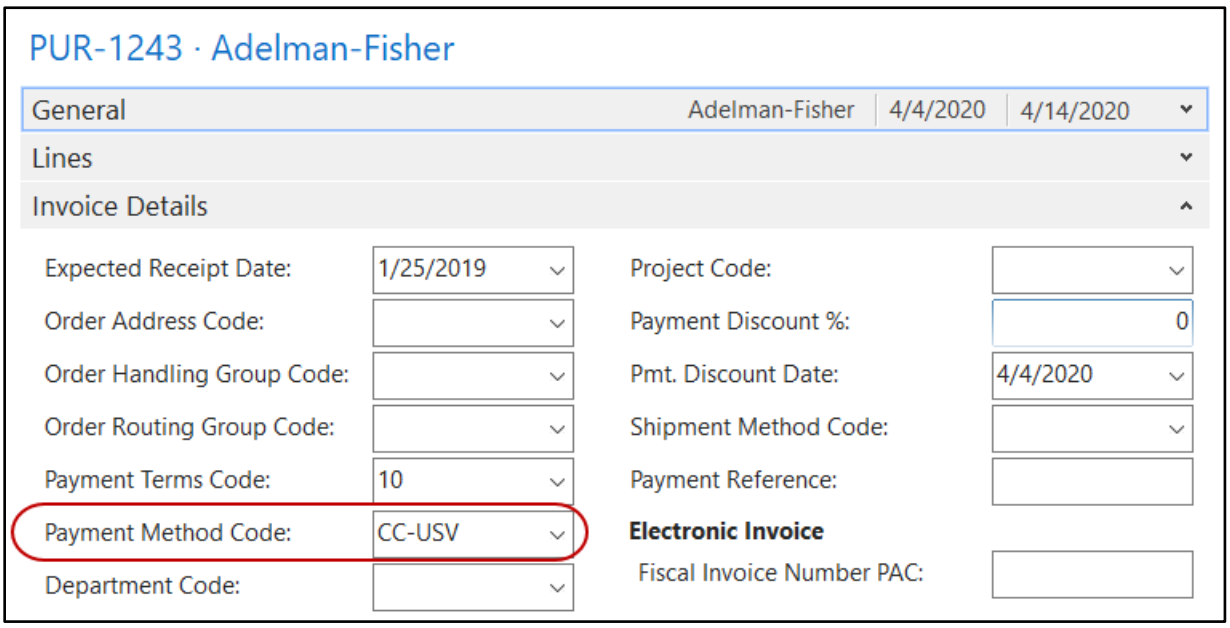
Processing Credit Card Purchases

There are two different ways to process credit card purchases; manual entry and importing of the transactions.

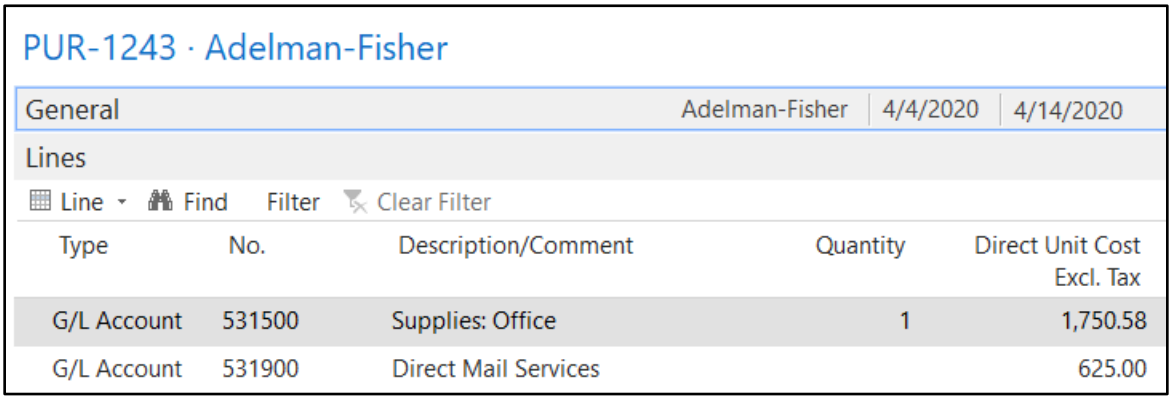
Manual Entry of Credit Card Purchases

1. Create a purchase invoice or purchase order. In the Buy-From Vendor No, select the vendor who the transaction was purchased from. This requires a vendor be setup for each entity you purchase from even though the transaction will be paid via the credit card vendor.

2. On the Invoice Details FastTab, select a credit card Payment Method. The Payment Method that is selected should align with the credit card that was used for this purchase.



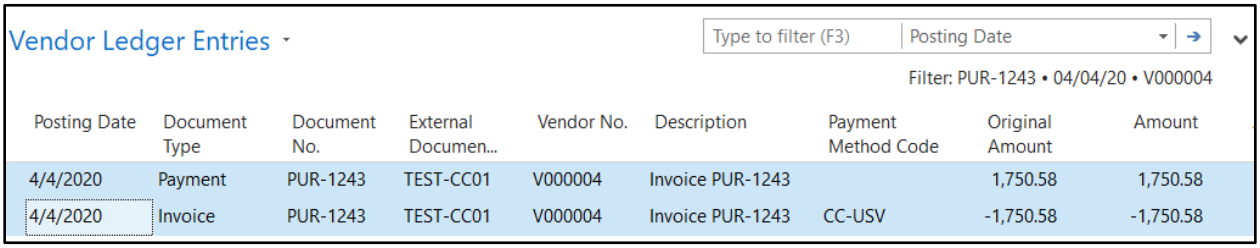
3. Enter the purchase invoice lines like you normally would. A single invoice can be entered for each transaction or transactions can be combined on a document. The key is that transactions need to be entered based on the vendor they were purchased from.



4. Post the purchase invoice. When the invoice is posted, entries will be created for both the Buy-From Vendor (vendor entered on the purchase invoice) and the Pay-To Vendor (credit card vendor).

5. Two entries will be recorded (Invoice and Payment) for the Buy-From vendor. Whereas a single entry (Invoice) will automatically be records for the Pay-To Vendor. This allows the original transaction to be tracked against the Buy-From Vendor, and the payment to be tracked and made against the Pay-To Vendor.

Buy-From Vendor (entered on purchase invoice) Ledger Entries



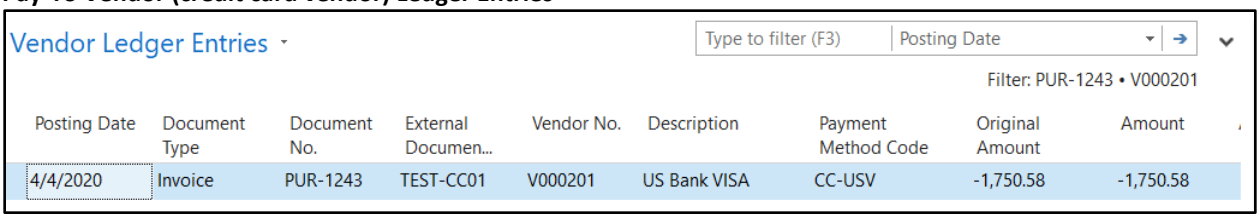
Vendor Ledger Entries

Type to filter (F3) | Posting Date

Filter: PUR-1243 • 04/04/20 • V000004

Posting Date	Document Type	Document No.	External Documen...	Vendor No.	Description	Payment Method Code	Original Amount	Amount
4/4/2020	Payment	PUR-1243	TEST-CC01	V000004	Invoice PUR-1243		1,750.58	1,750.58
4/4/2020	Invoice	PUR-1243	TEST-CC01	V000004	Invoice PUR-1243	CC-USV	-1,750.58	-1,750.58

Pay-To Vendor (credit card vendor) Ledger Entries



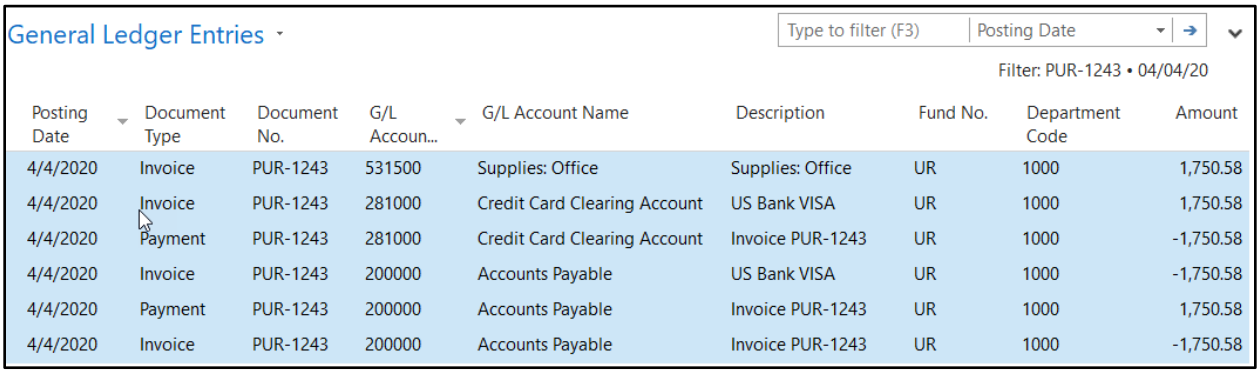
Vendor Ledger Entries

Type to filter (F3) | Posting Date

Filter: PUR-1243 • V000201

Posting Date	Document Type	Document No.	External Documen...	Vendor No.	Description	Payment Method Code	Original Amount	Amount
4/4/2020	Invoice	PUR-1243	TEST-CC01	V000201	US Bank VISA	CC-USV	-1,750.58	-1,750.58

6. The G/L clearing account (account 281000 in this instance) associated with the credit card Payment Method, was used to offset the Payment to the Buy-From Vendor and to record the Invoice to the Pay-To Vendor. The net effect is $0 in the G/L Clearing Account. The G/L accounts that were entered on the purchase invoice lines, posted as is and are associated with the Invoice to the Buy-from Vendor. Please note the Source Name (Vendor Name) associated with the transaction displays in the General Ledger Entries.



General Ledger Entries

Type to filter (F3) | Posting Date

Filter: PUR-1243 • 04/04/20

Posting Date	Document Type	Document No.	G/L Accoun...	G/L Account Name	Description	Fund No.	Department Code	Amount
4/4/2020	Invoice	PUR-1243	531500	Supplies: Office	Supplies: Office	UR	1000	1,750.58
4/4/2020	Invoice	PUR-1243	281000	Credit Card Clearing Account	US Bank VISA	UR	1000	1,750.58
4/4/2020	Payment	PUR-1243	281000	Credit Card Clearing Account	Invoice PUR-1243	UR	1000	-1,750.58
4/4/2020	Invoice	PUR-1243	200000	Accounts Payable	US Bank VISA	UR	1000	-1,750.58
4/4/2020	Payment	PUR-1243	200000	Accounts Payable	Invoice PUR-1243	UR	1000	1,750.58
4/4/2020	Invoice	PUR-1243	200000	Accounts Payable	Invoice PUR-1243	UR	1000	-1,750.58

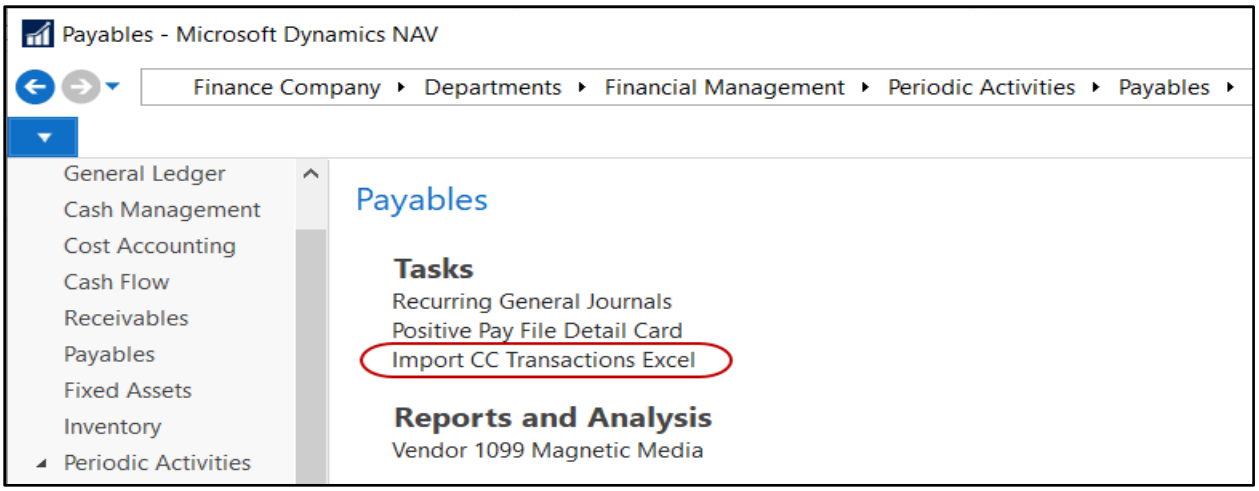
7. Credit card purchases can be reversed via a purchase credit memo. On the purchase credit memo select the same Buy-From Vendor and the credit card Payment Method that was used for the

original transaction. If the Copy Document functionality is used, the Payment Method Code is copied along with the amount and other parameters.

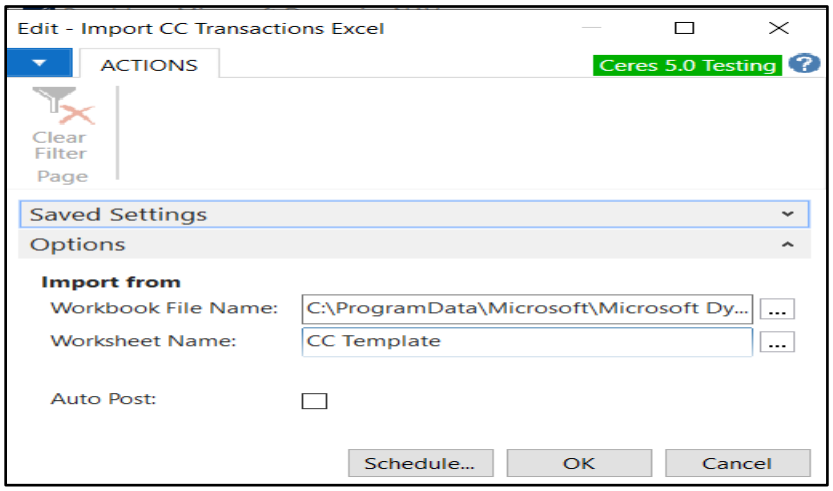
Importing Credit Card Purchases

1. Credit card purchases can be imported from an Excel file by running the Import CC Transactions Excel function.

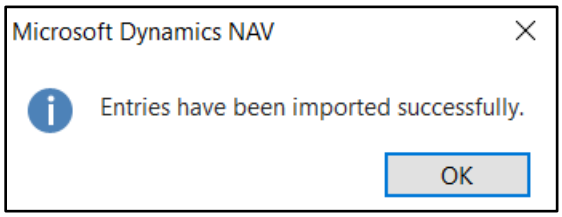
2. The import is accessed from Departments → Financial Management → Periodic Activities → Payables → Import CC Transactions Excel. Purchase invoices are created for each combination of Vendor No., External Doc No., Payment Method Code, Fund No, and Global Dimensions when the Excel file is imported.



3. From the Import CC Transactions Excel Page, select the Workbook File Name and the Worksheet Name. Toggle the Auto Post field to automatically post the purchase invoices that are created. If Auto Post is not selected, when the import runs, the purchase invoices that were created will need to be posted manually.



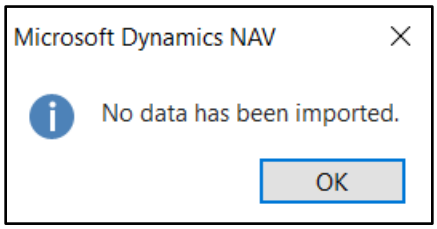
4. Click the OK button to launch the import. An import dialog will pop indicating % complete. Once the import has completed, a message will pop up indicating the entries have been successfully imported.



5. As noted above, a separate purchase invoice will be created for each combination of Vendor No., External Doc No., Payment Method Code, Fund No, and Global Dimensions when the Excel file is imported.

6. The purchase Invoice number that is assigned is based on No Series assigned to the Vendor Invoice Nos. field in the Purchases & Payables Setup.

7. If invalid data exists in the data file (such as an invalid Vendor No, Fund No, G/L Account No, Dimension Code), or if the data file is blank, the below message will pop up. Because the file could contain multiple errors, the message will not display the errors that was encountered.



Note: It is important to note or record the errors encountered to be able to identify the transactions that have errors that need to be resolved.

8. The import will continue even if invalid data is encountered. For each transaction combination, a separate purchase invoice will be created regardless if purchase lines could not be created because of invalid data (invalid purchase documents will not be posted). The data can be updated in the file and then re-imported. Before re-importing verify which transactions have been created and what data was imported. Depending on the volume of transactions, it may be easier create a data file just for the transactions that did not import and/or had errors. You may also manually update the purchase invoices with the correct data or delete all of the purchase invoices that were created and the re-import the entire file.

Note: If you re-import the entire file after correcting the errors be sure to delete all of the purchase invoices that were previously created, or the re-import will produce duplicate transactions.

9. If Auto Post was not selected when the import was run, the purchase invoices that were created will need to be posted. In the below example, the purchase invoices that were created from the import are easily identified by the CCI-XXX No. that was assigned. Review and update the purchase Invoices as needed and then post.

Purchase Invoices

No.	Buy-from Vendor No.	Buy-from Vendor Name	State
CCI-0099	V000202	Southwest Airlines	AZ
CCI-0100	V000037	Home Depot	NV
CCI-0101	V000202	Southwest Airlines	AZ
CCI-0102	V000037	Home Depot	NV
CCI-0103	V000202	Southwest Airlines	AZ
CCI-0104	V000037	Home Depot	NV
CCI-0105	V000202	Southwest Airlines	AZ

10. To import the transactions, the Excel file (xlsx format) must be defined as follows.

Vendor Purchases via CC Import Template.x

a. **Posting Date** - Posting Date of the purchase. Acceptable date formats are YYYY/MM/DD or MM/DD/YYYY.

b. **Amount** - $ amount of the purchase. Amounts formatted with $ and commas, such as $1,124.13 can be imported.

c. **Description** – Text to describe the purchase.

d. **Payment Method** - Credit Card Payment Method. The Payment Method that is selected should align with the credit card that was used for this purchase.

e. **Vendor No** - Buy-From Vendor No. or the Vendor who the transaction was purchased from.

f. **G/L Account No.** - Account No. you want this transaction to post to.

g. **Fund No.** - Fund No you want this transaction to post

h. **External Document No.** – Document No associated with this transaction.

i. **Global Dimension** 1 - Dimension (Global 1) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

j. **Global Dimension 2** - Dimension (Global 2) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

k. **Shortcut Dimension 3** - Dimension (Shortcut 3) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

l. **Shortcut Dimension 4** - Dimension (Shortcut 4) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

m. **Shortcut Dimension 5** - Dimension (Shortcut 5) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

n. **Shortcut Dimension 6** - Dimension (Shortcut 6) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

o. **Shortcut Dimension 7** - Dimension (Shortcut 7) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

p. **Shortcut Dimension 8** - Dimension (Shortcut 8) you want this transactions to post to. This may differ from food bank to food bank. Dimensions that are in use defined in the General Ledger Setup.

Transactional Data: Enter the transactional data starting in Row 2. Row 1 is reserved for the File Header.

File Type: Save the Excel file with an extension of CSV.

File Format: Save the file in as an Excel file in xlsx format. Do not delete the File Header. Instead save the file with the File Headers (Row 1) intact.

Related Topics

1. Vendor Overview
2. Purchase Invoice Overview
3. Purchase Credit Memo Overview