PAY A VENDOR'S OUTSTANDING INVOICE

OVERVIEW

Payments of vendors' outstanding invoices are processed and recorded using the Payables Manual Payment Entry and the Apply Payables Documents windows. For invoices that are processed and paid on the same day, see the Purchase Goods or Services Without a Purchase Order section of the Reference material.

After the windows are posted, the accounts payable subsidiary records are updated. Later, when the transaction is posted to the general ledger, accounts payable is debited, cash is credited, and purchase discounts is also credited, if applicable.

QUICK REFERENCE TABLE

Step	Box or Other Location	Procedure
A	Navigation Pane buttons	Click *Purchasing* → *Transactions* → *Manual Payments*.
B	Date	Review the default payment date and change if necessary.
C	Vendor ID	Select the Vendor ID.
D	Payment Method	Select the type of payment.
E	Document No.	Review the default document number and change if necessary.
F	Amount	Type the payment amount.
G	Apply button	Click the Apply button.
H	Check boxes*	Click the Show Details button and select the invoice(s) to which the cash disbursement is being applied.
I	OK button*	Click the OK button in the Apply Payables Documents window.
J	Distribution button	Click the Distribution button.
K	Payables Transaction Entry Distribution window (*not shown*)	Click the Show Details button and verify the general ledger account distributions.
L	Payables Manual Payment Entry window	Review the Payables Manual Payment Entry window for completeness and accuracy.
M	Post button	Post the cash disbursement.

* Steps H and I are in the Apply Payables Documents window.

Payables Manual Payment Entry Window Ⓐ *Purchasing → Transactions → Manual Payments*

Apply Payables Documents Window

EXPENDITURES CYCLE ACTIVITIES – Pay a Vendor's Outstanding Invoice

DETAILED INSTRUCTIONS

A. Click *Purchasing → Transactions → Manual Payments*

▶ *Click Purchasing → Transactions → Manual Payments to access the Payables Manual Payment Entry window.*

B. Review the default payment date and change if necessary

▶ *If the payment date is different than the date shown, type the correct date.*

C. Select the Vendor ID

▶ *Use the adjacent lookup button to select the Vendor ID.*

D. Select the type of payment

▶ *Click on the Check or Cash radio button to indicate the form of payment. Note that for a check you can click on the radio button or click in the Document No. box to move to the next field. Credit card payments are not covered in this project.*

E. Review the default document number and change if necessary

The software automatically assigns the next sequential document number. For checks, the document number is the next sequential check number. For cash payments, the software assigns the next sequential payment number.

▶ *Review the default document number. If it is not correct, type the correct document number.*

F. Type the payment amount

▶ *Type the payment amount.*

G. Click the Apply button

Cash disbursements need to be applied to outstanding invoices. The application process is done through the Apply Payables Documents window, which can be accessed from the Payables Manual Payment Entry window. The Apply Payables Documents window is shown in the Pay a Vendor's Outstanding Invoice section of the Reference material.

▶ *Click the Apply button to access the Apply Payables Documents window.*

H. Click the Show Details button and select the invoice(s) to which the cash disbursement is being applied

The Apply Payables Documents window is similar to the Apply Sales Documents window, which was described in the Receive Goods on a Sales Return section of the Reference material.

▶ *Click the Show Details button to show the detail lines for each invoice in the scrolling window.*

▶ *Locate the invoice(s) to which the cash disbursement is being applied. To apply the cash disbursement to an invoice, click the adjacent check box. When the cash disbursement is fully applied, the amount in the Unapplied Amount box will be zero.*

I.   Click the OK button in the Apply Payables Documents window

▶   *When the cash disbursement has been fully applied, click the OK button to save the information and to return to the Payables Manual Payment Entry window.*

J.   Click the Distribution button

▶   *Click the Distribution button to access the Payables Transaction Entry Distribution window.*

K.   Click the Show Details button and verify the general ledger account distributions

Microsoft Dynamics GP automatically distributes amounts from the transaction to general ledger accounts based on information on file for the selected vendor and bank account.

▶   *Click the Show Details button to show the detail lines for each general ledger account in the scrolling window.*

▶   *Make changes if necessary in the Payables Transaction Entry Distribution window and then click the OK button.*

L.   Review the Payables Manual Payment Entry window for completeness and accuracy

Before a transaction is posted, most errors can be corrected by clicking the box with the error and making the correction. Certain boxes cannot be changed after they are originally completed. Errors in these boxes can only be corrected by deleting the transaction and entering the transaction again.

▶   *Review the window for completeness and accuracy. If you find an error while reviewing the window, click the box with the error and make corrections.*

▶   *If the box with the error cannot be accessed or changed, click the Delete button and click Delete again when asked if you are sure that you want to delete this record. Enter the transaction again by returning to step B.*

M.   Post the cash disbursement

▶   *After you are satisfied with all of the data in the Payables Manual Payment Entry window, click the Post button to post the cash disbursement.*

TRANSACTION REVIEW

After clicking the Post button in the Payables Manual Payment Entry window, you can determine if the transaction has been posted to the subsidiary records by completing the steps that follow. Recall that the transaction has not yet been posted to the general ledger.

▶ *Click Purchasing → Inquiry → Transaction by Vendor to open the Payables Transaction Inquiry – Vendor Window.*

▶ *Use the Vendor ID lookup button to select the vendor from the cash disbursement transaction just posted.*

▶ *Locate the line containing the cash disbursement just posted and click once on the line.* **Hint:** *The letters "PMT" appear in the Type box and the cash disbursement amount appears in the Original Amount box.*

▶ *Zoom on the Document Number description field to access the Payables Payments Zoom window for the selected cash disbursement. When you are done reviewing the transaction, close the window and then close the Payables Transaction Inquiry – Vendor window.*

ERROR CORRECTION AFTER POSTING THE TRANSACTION

If you discover an error after posting the payment of a vendor's outstanding invoice, refer to Appendix A.