How To: Contra a Sales Invoice With a Supplier's Invoice

This document outlines a process of offsetting how to contra a sales invoice with a supplier invoice.

An example of this is where installers purchase goods from the store as well as is owed money by the store for installation services.

Here is an example of this scenario:

Rob the Floor Layer has purchased materials worth $500 from the store

Rob is also owed $1500 for installation services for which he has submitted invoices.

Rob owes the store $500 and the store owes Rob $1500.00. The store will deduct the $500.00 from the payment they make to Rob.
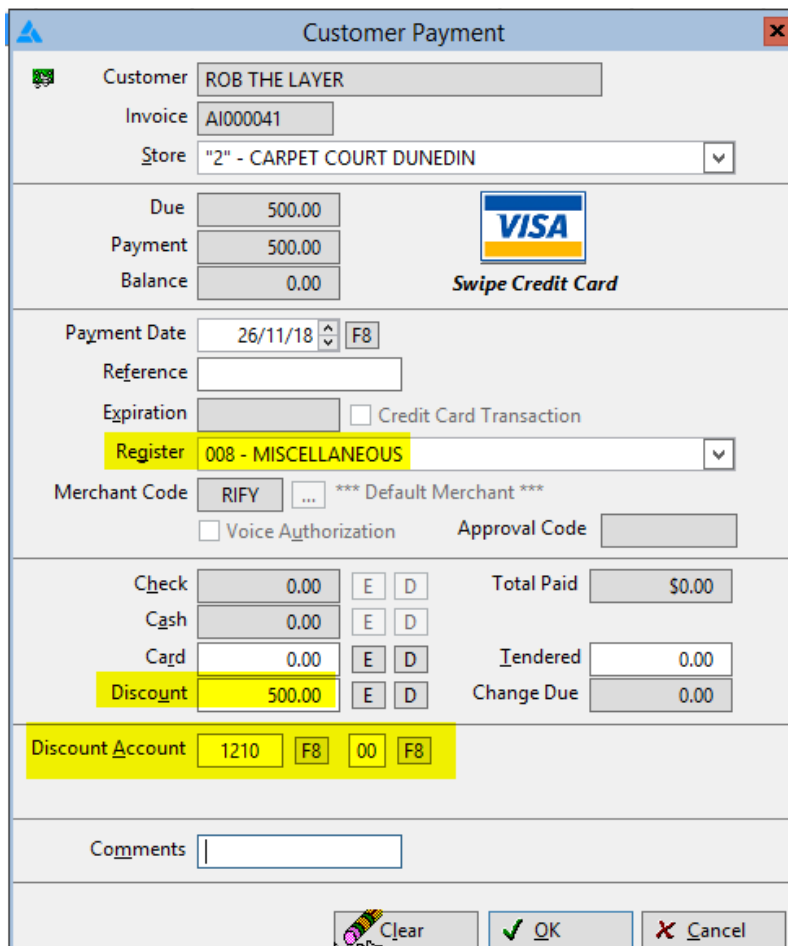
1. Process a Customer Discount Payment on Robs Invoice in Order Entry.

PROCESS

In Order Entry:

Receive in the $500 he owes you and record it against the Miscellaneous register.

Change the Discount Account GL account to a clearing account (in this scenario it has been changed to 1210 which is an AR Clearing Account in Current Assets)
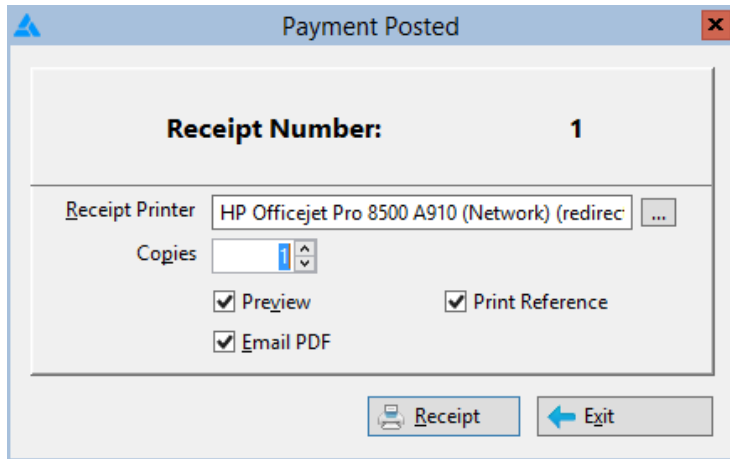
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Click OK to post.

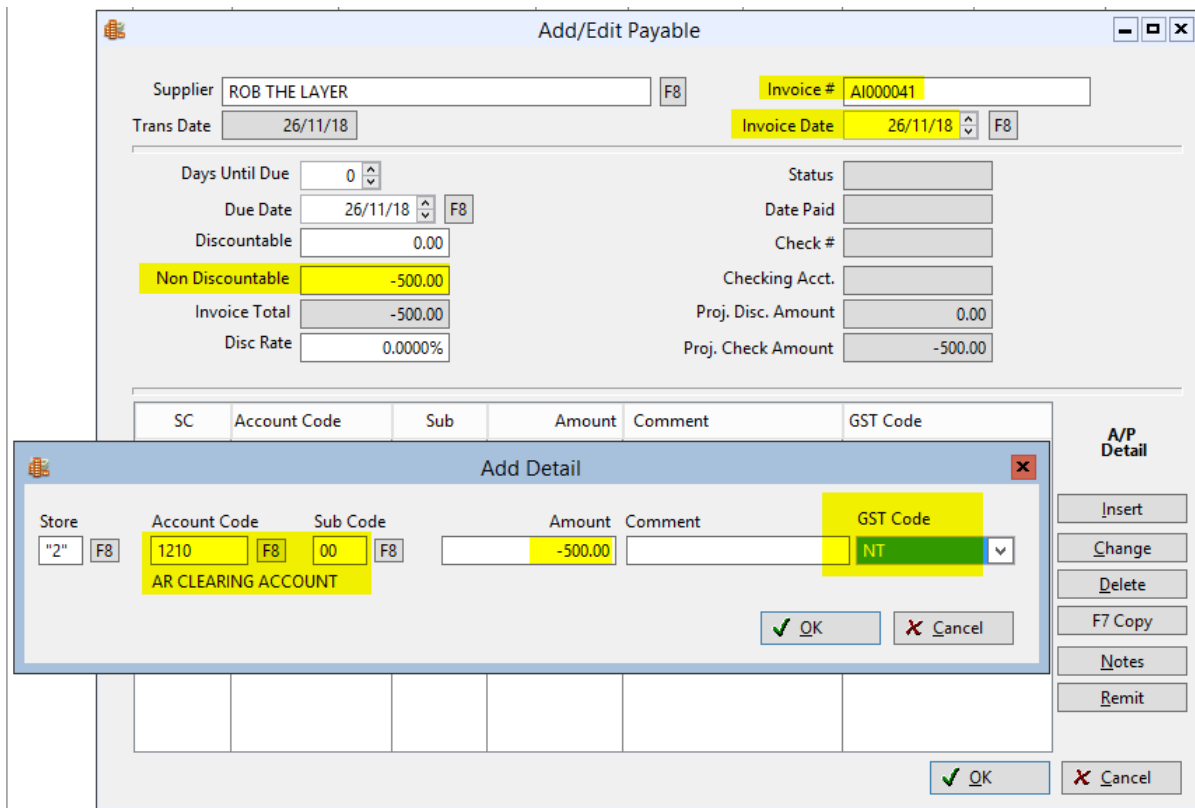A message to print the receipt will be the next screen

Click Exit to continue

In Accounts Payable:

Create a credit AP in Accounts payable.

- The Invoice # should be the Order Entry number
- The Invoice Date should match the Customer Discount Payment date in Order Entry
- The Invoice total should match the Customer Discount Value in Order Entry
- The GL Dissection should be the clearing account the Customer Discount Payment was coded to. In this example 12101, AR Clearing Account.
- The GST Code on the AP should be NT.

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