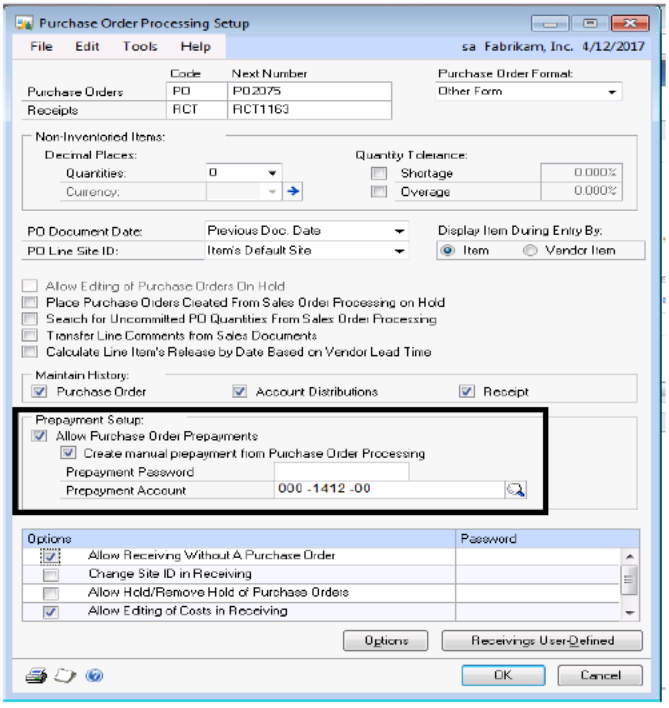
Prepayment in Purchase Order

- Generate manual or computer check payments against your purchase order prior to invoicing it.
- You must be registered for both Purchase Order Processing and Payables Management to use the prepayment functionality. You will be prevented from un-registering the Payables Management or Purchase Order Processing modules if the feature has been activated in Purchase Order Processing Setup.
- On previous versions, you would not be able to enter prepayment information on your purchase order. Instead you would have to do a separate prepayment in Payables Management for the vendor and remember that it was associated with your PO once the invoice came in.

Changes to Windows: There are several windows with updates to accommodate the prepayments functionality as well as a couple of new ones.

1. A Prepayment Setup area has been added to Purchase Order Processing Setup.

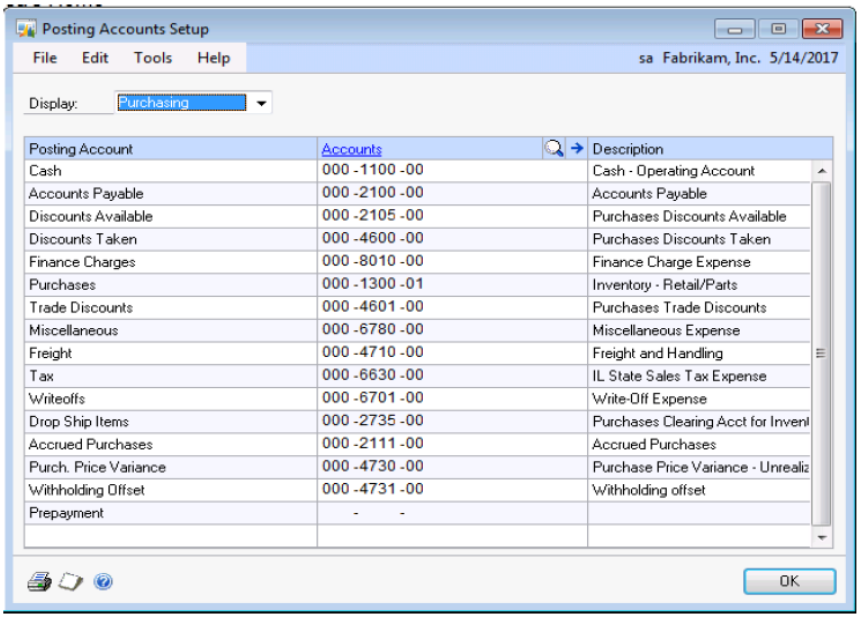


- You can mark Allow Purchase Order Prepayments at any time. You cannot unmark it if there are unposted prepayments, or a prepayment amount on an open PO. You will receive the message "*Unprocessed prepayments exist. You must process or remove the prepayments before unmarking the Allow Purchase Order Prepayments option*."
- You are not able to mark Allow Purchase Order Prepayments if you are registered for Project Accounting, Analytical Accounting, or the Multi-dimensional Analysis (MDA) modules.

- You can also require a Prepayment Password to control who has access to entering prepayments in Purchasing Prepayment Entry. If the field is left blank, no password is needed to enter prepayments. The password can be up to 10 alphanumeric characters.

2. Posting Accounts Setup window

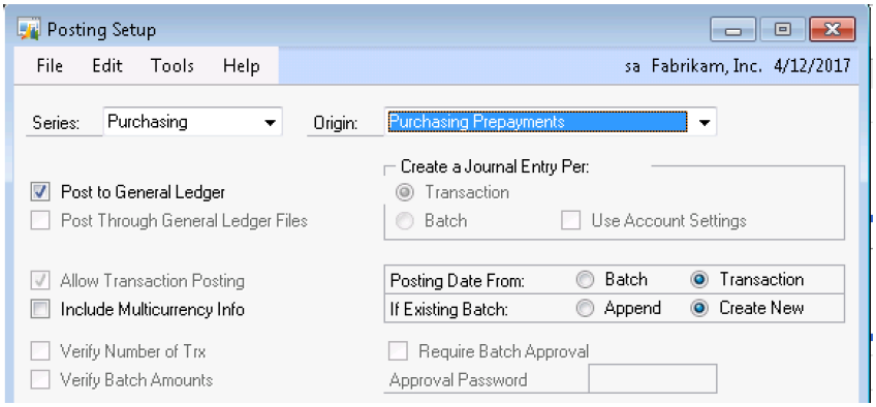
A new posting account of Prepayment has been added to the Posting Accounts Setup window. This account will be visible if you chose *All* or *Purchasing* for Display. To open the Posting Accounts Setup window on the Microsoft Dynamics GP menu, point to Tools, point to Setup, point to Posting, and then click Posting Accounts.



- The Prepayment posting account will default into the Purchasing Prepayment Entry window if an account is not entered in the Prepayment Account field of Purchase Order Processing Setup. This account can be changed on the PO at the time the prepayment is entered or any time before it is processed.

3. Posting Setup

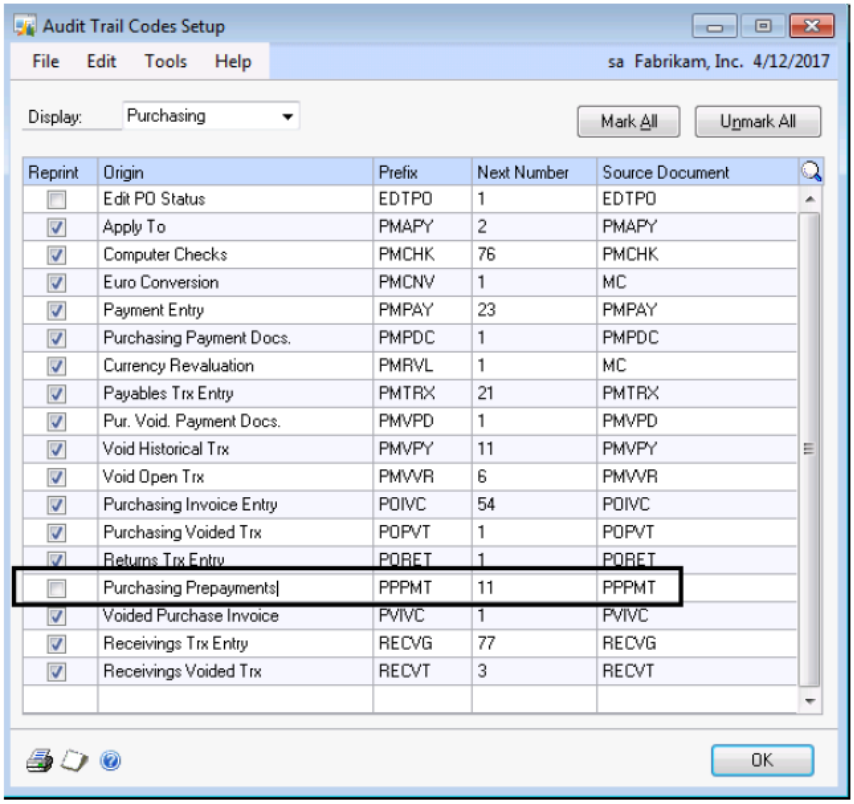
An additional Origin of *Purchasing Prepayments* has been added to Posting Setup. Since prepayments is always a transaction level posting, the Post Through General Ledger Files is not available as transaction level posting always only posts To GL. To open the Posting Setup window on the Microsoft Dynamics GP menu, point to Tools, point to Setup, point to Posting, and then click Posting.



- The Apply To Posting Journal is added as an additional report to the *Receivings Trx Entry* and *Purchasing Invoice Entry* Origins.

4. Audit Trail Codes Setup Window

A new audit trail code is added for Purchasing Prepayments in the Audit Trail Code Setup window. To access Audit Trail Code Setup from the Microsoft Dynamics GP menu, point to Tools, point to Setup, point to Posting, and then click Audit Trail Codes.



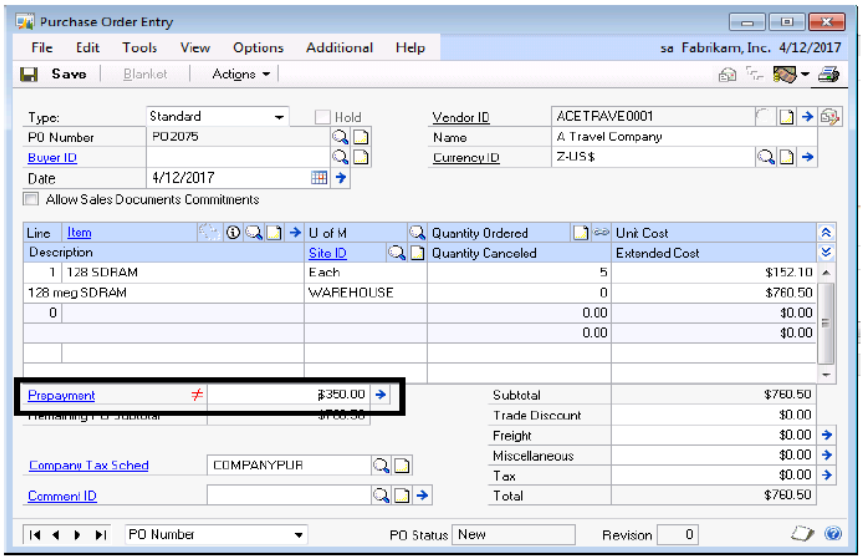
Reprint	Origin	Prefix	Next Number	Source Document
☐	Edit PO Status	EDTPO	1	EDTPO
☑	Apply To	PMAPY	2	PMAPY
☑	Computer Checks	PMCHK	76	PMCHK
☑	Euro Conversion	PMCNV	1	MC
☑	Payment Entry	PMPAY	23	PMPAY
☑	Purchasing Payment Docs.	PMPDC	1	PMPDC
☑	Currency Revaluation	PMRVL	1	MC
☑	Payables Trx Entry	PMTRX	21	PMTRX
☑	Pur. Void. Payment Docs.	PMVPD	1	PMVPD
☑	Void Historical Trx	PMVPY	11	PMVPY
☑	Void Open Trx	PMVVR	6	PMVVR
☑	Purchasing Invoice Entry	POIVC	54	POIVC
☑	Purchasing Voided Trx	POPVT	1	POPVT
☑	Returns Trx Entry	PORET	1	PORET
☐	Purchasing Prepayments	PPPMT	11	PPPMT
☑	Voided Purchase Invoice	PVIVC	1	PVIVC
☑	Receivings Trx Entry	RECVG	77	RECVG
☑	Receivings Voided Trx	RECVT	3	RECVT

- You cannot reprint posting journals for purchasing prepayments. Therefore, the Reprint checkbox cannot be marked.

5. Purchase Order Entry Window

A Prepayment field is added to Purchase Order Entry, and is only visible when Prepayments are activated in Purchase Order Processing Setup. Use this field to enter the amount of the prepayment that is to be paid to the vendor. To open the Purchase Order Entry window on the Transactions menu, point to Purchasing, and then click Purchase Order Entry.

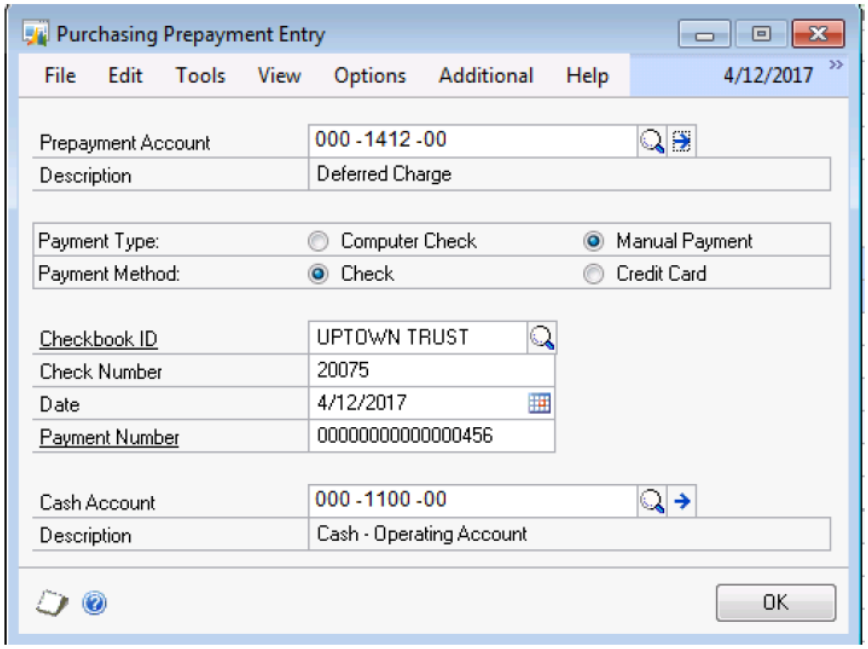
A red "Not Equal Sign" icon will be visible by the amount field if the payment has not been posted in Payables Management or if the payment has been voided in Payables Management.



- If a prepayment amount is entered and Workflow is being used, you will only be able to continue if the vendor has been approved with a status of: Approval, No Approval Needed, Workflow Ended, or Not Activated.
- If you choose to use the PO Copy functionality with a PO that has a Prepayment, the prepayment amount will not be copied to the new PO.

New: Purchasing Prepayment Entry window

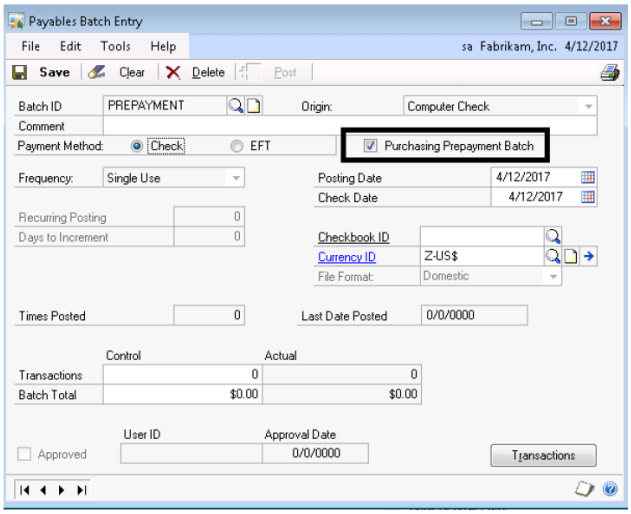
- Once a prepayment amount has been entered, click the expansion arrow on Prepayment to open the Purchasing Prepayment Entry window. You must enter a prepayment amount before accessing this window. However, it is not a required step to open this window since the Payment Type will default to Computer Check.
- If a Prepayment Password was entered in Purchase Order Processing Setup, you will be prompted to enter it in order to open Purchasing Prepayment Entry.



- If Create Manual Payments from Purchase Order Processing is not marked in POP Setup, then Manual Payment will not be available in this window. Then, the only change that can be made is to the Prepayment Account number.
- Prepayment Account must be populated in this window. If there is no account, you will receive a distribution error when you save the PO.
- If PO Approvals or PO Workflow is being used, you will not be able to select Manual Payment until the PO has been approved.

Payables Batch Entry Window

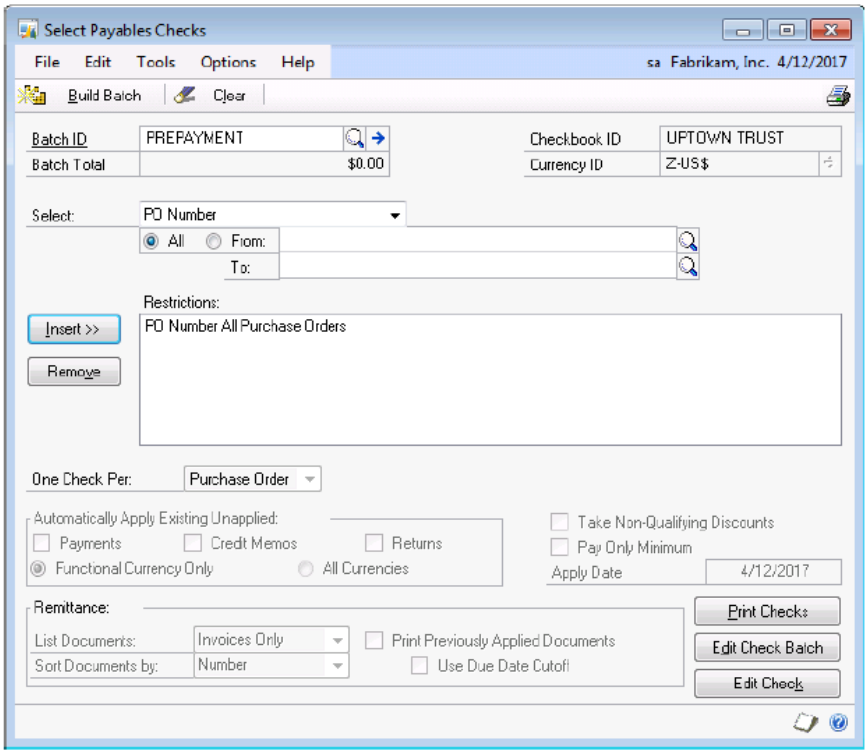
- A new checkbox of Purchasing Prepayment Batch has been added to Payables Batch Entry. This will enable you to process computer checks for your prepayments.



- This option is hidden until the Origin of *Computer Check* is chosen. It is not available unless Allow Purchase Order Prepayments is selected in Purchase Order Processing Setup.

Select Payables Checks window

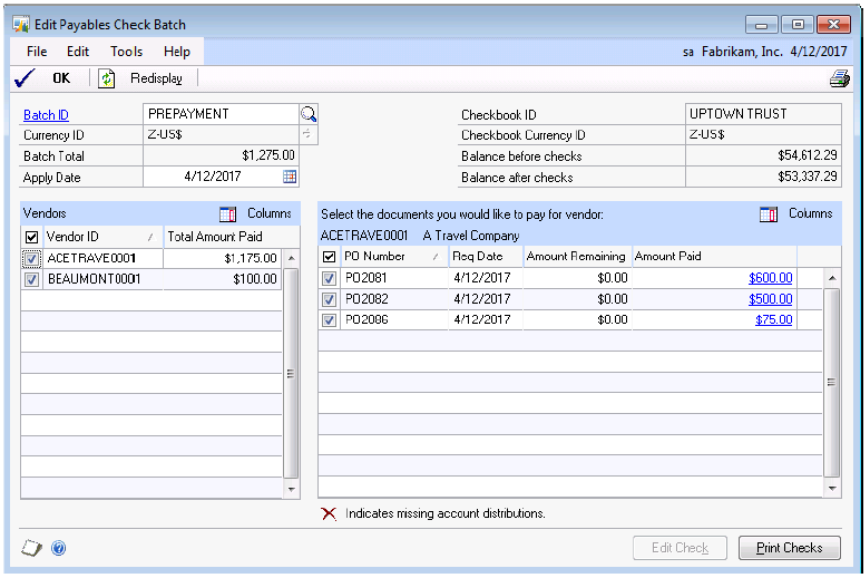
- The Select dropdown in the Select Payables Checks window differs when the Batch ID selected is marked as a Purchasing Prepayment Batch. PO Number has been added to the dropdown and several other options are removed.



- Once the PO Number or Vendor of the prepayment has been inserted, the batch can be built to make a computer check for the prepayment. One check will be printed per purchase order when the batch being used is marked as a prepayment batch.

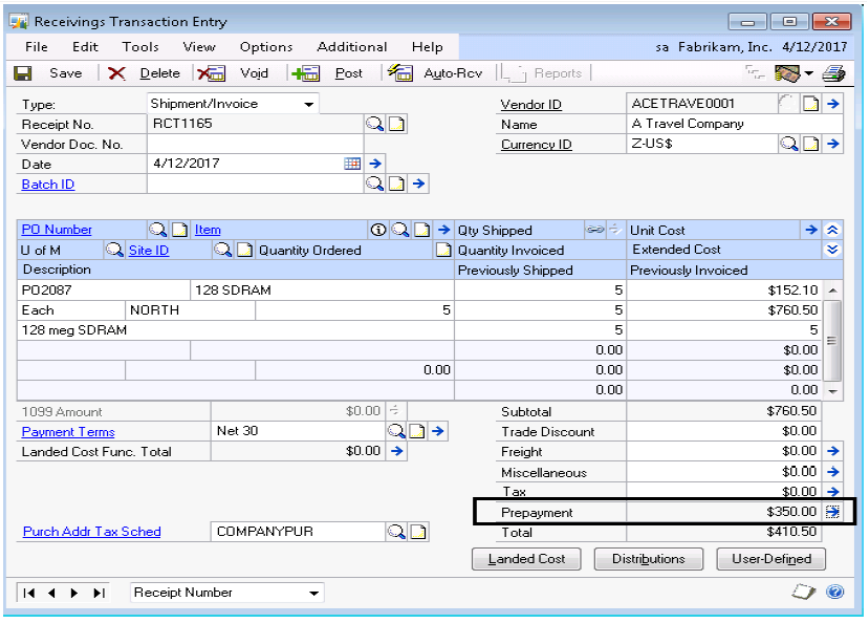
Edit Payables Check Batch window

- After building the batch, use Edit Payables Check Batch to review or edit the documents being included in the check run. The PO Number field will display which purchase order the prepayment check is being created for.



Receivings Transaction Entry/Purchasing Invoice Entry windows

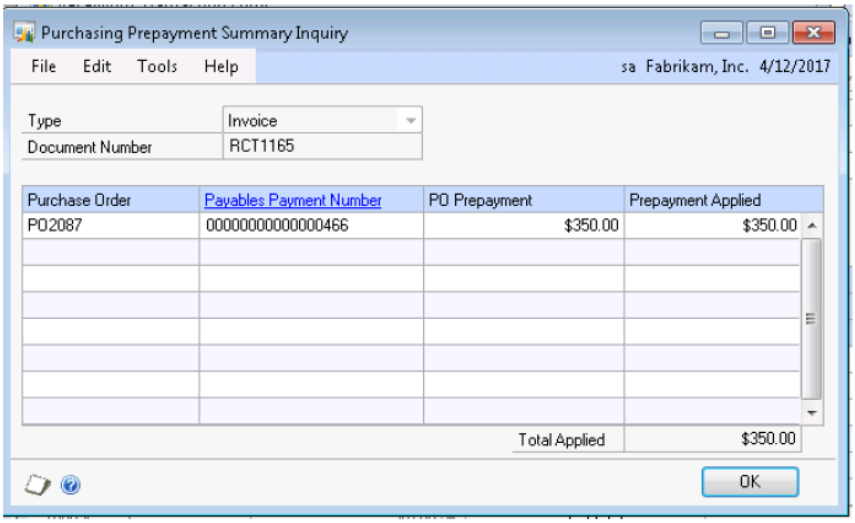
- A display field to show the Prepayment amount associated with the PO has been added to both Receivings Transaction Entry and Purchasing Invoice Entry. The prepayment amount will default from the PO, and cannot be changed.



- When you use the Auto-Receive or Auto-Invoice functionality, purchase orders with unposted prepayments, a prepayment built in a batch, or with a different Currency ID will not appear in the Vendor Purchase Order List.

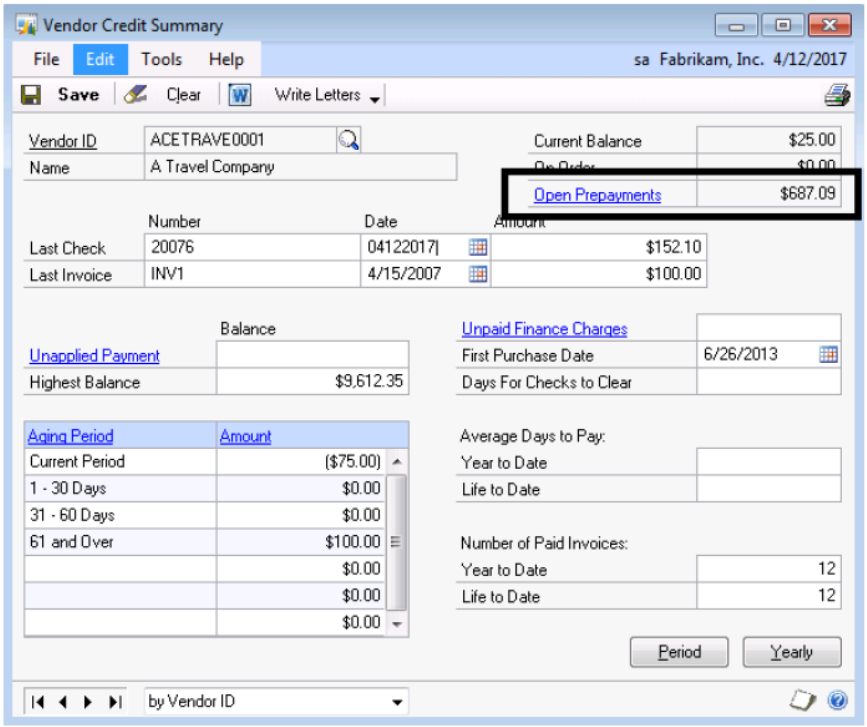
New: Purchasing Prepayment Summary Inquiry window

- You can use the expansion arrow on Prepayment to open the Purchasing Prepayment Summary Inquiry window and view the details of the payment. This shows the total prepayment amount as well as the amount of the prepayment that has been applied. The Total Applied field shows the total of prepayments consumed for all of the purchase orders on the shipment/invoice or invoice. Drillback on the Payables Payment Number for further review.



Vendor Credit Summary \ Vendor Credit Summary Inquiry windows

- Open Prepayments has been added to Vendor Credit Summary and Vendor Credit Summary Inquiry; to display the total of all posted prepayments currently on open purchase orders minus prepayments on posted shipment, shipment/invoice or invoice documents.
- The prepayment amount is not included in the Current Balance amount as the prepayment is a deferred charge and not a liability.
- Use the drillback on Open Payments to open the Payables Transaction Inquiry - Vendor window. This will display all documents for the selected vendor, and not just prepayments.



New: Apply Documents Posting Journal

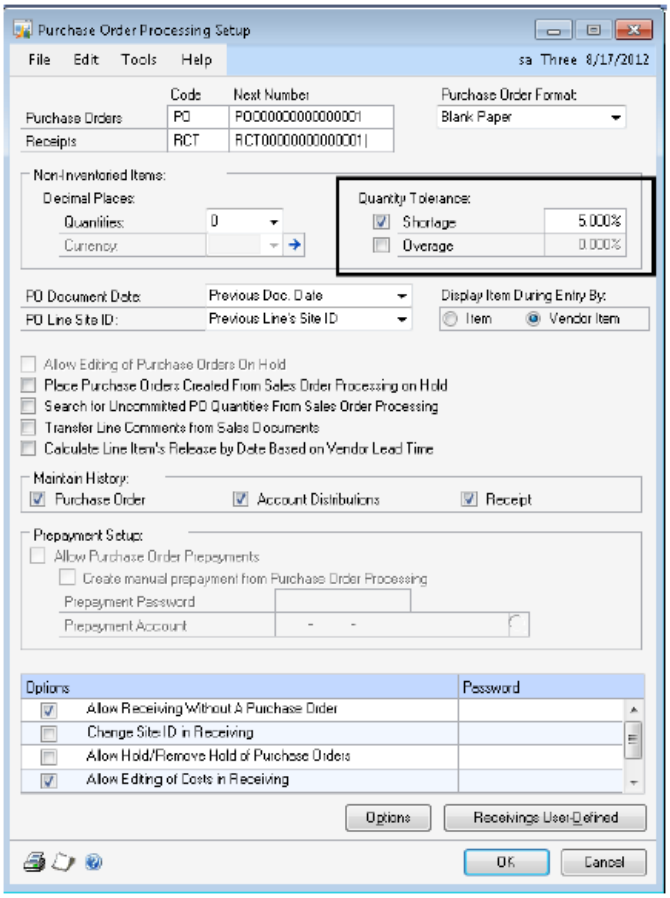
- The Apply Documents Posting Journal is a new report added to show prepayments used as part of the receiving and invoicing process.

PO Tolerance

- Set up tolerance percentages for shortage and overage values to have better control over your incoming inventory.
- Two new checkboxes for Quantity Tolerance have been added to a variety of windows through Purchase Order Processing and Inventory depending on which type of item is being used. The shortage feature adds the ability for the system to automatically mark a line as fully received or closed if the quantity received is short within a certain percentage of the quantity ordered. The status of the line will be dependent on whether the line has been invoiced.
- The overage feature will allow the system to set limits on the total quantity a user is able to receive over the quantity ordered on the Purchase Order.
- In Microsoft Dynamics GP 2010 and previous versions, you do not have the ability to have a shortage or overage functionality without purchasing a customization or using Project Accounting.

Purchase Order Processing Setup window

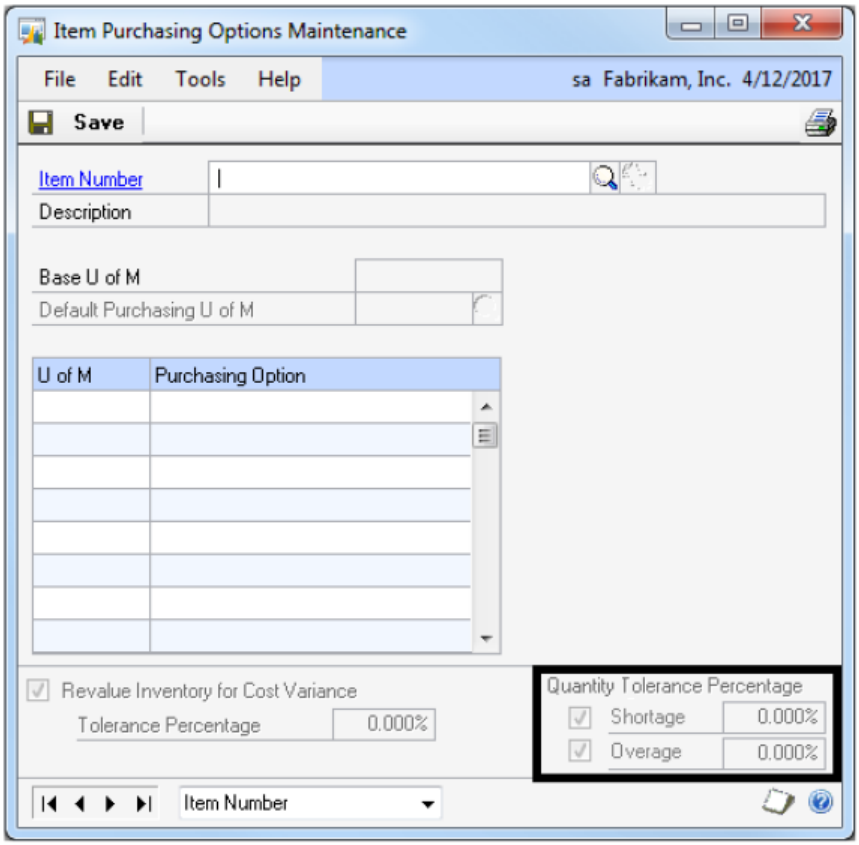
- A quantity tolerance for shortage and overage is available on the Purchase Order Processing Setup window for non-inventory items. By default, these options will be turned off. The tolerance percent fields will allow numbers from 0 - 99.999.



- The overage and shortage fields will have a percentage mask, as both fields will be defined as an integer. This is the same for every window where users set up percentages.
- Project Accounting Changes: Currently the PA Purchase Order Processing Setup Options window has an option to Exceed Total PO Quantity. By adding the quantity overage functionality in the POP Setup window and the Item Card/Class windows, the exceed option is removed from the PA window. The Project Accounting code will now look at the POP Setup (POP40100) table and Item Master (IV00101) table for the setup of the overage.

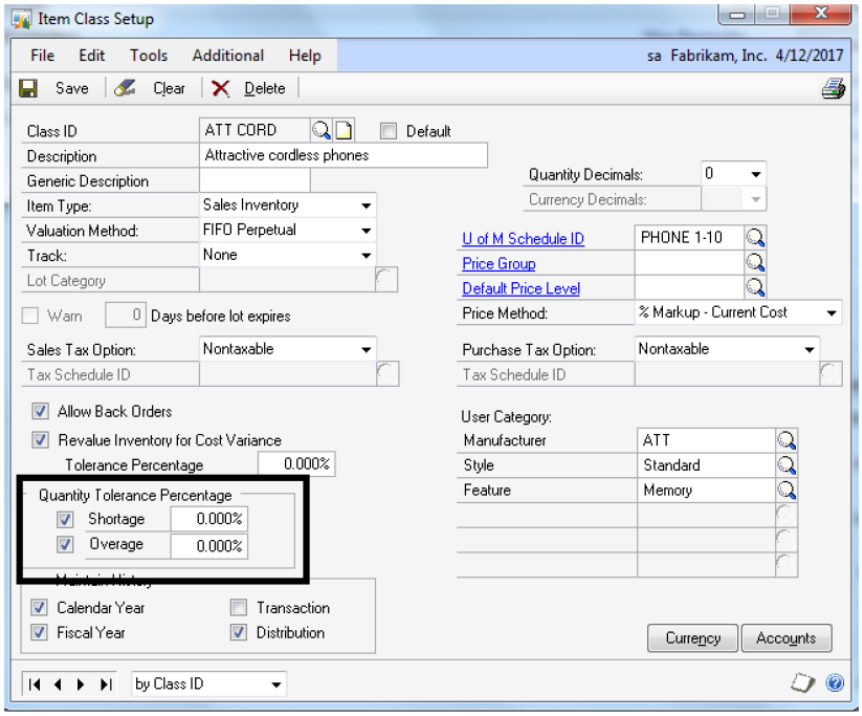
Item Purchasing Options Maintenance window

- The Item Purchasing Options window has the two additional fields to set the Quantity Tolerance (Overage and Shortage) Percentage for an item. This feature is only available for items with an Item Type of Sales Inventory or Discontinued. If the item is setup with any other Item Type the Quantity Tolerance Percentages will be hidden and not show on the window.



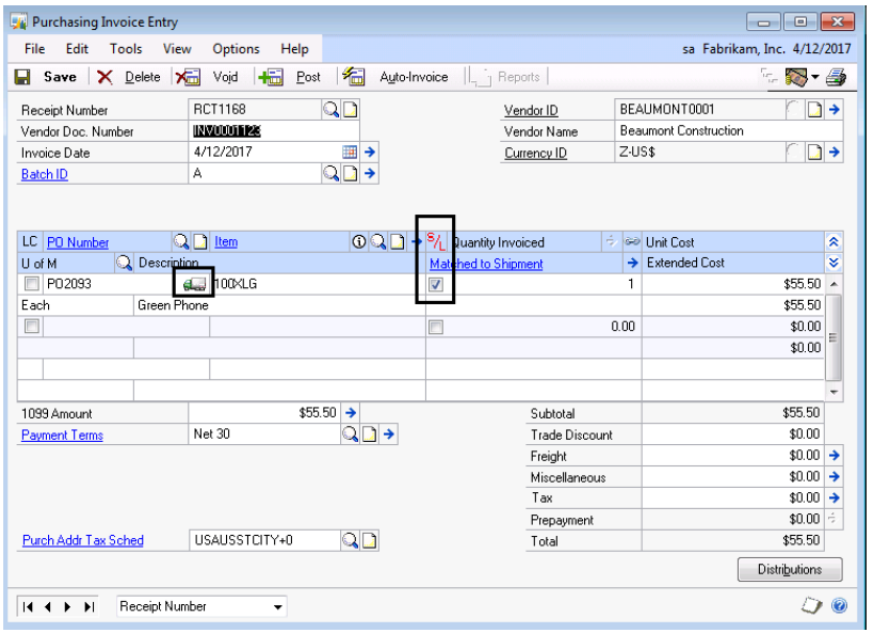
Item Class Setup window

- The Item Class Setup window has Quantity Tolerance Percentage fields as well. These fields will roll down to the items assigned to the class when changes are made to the field and you indicate you would like to roll-down changes.



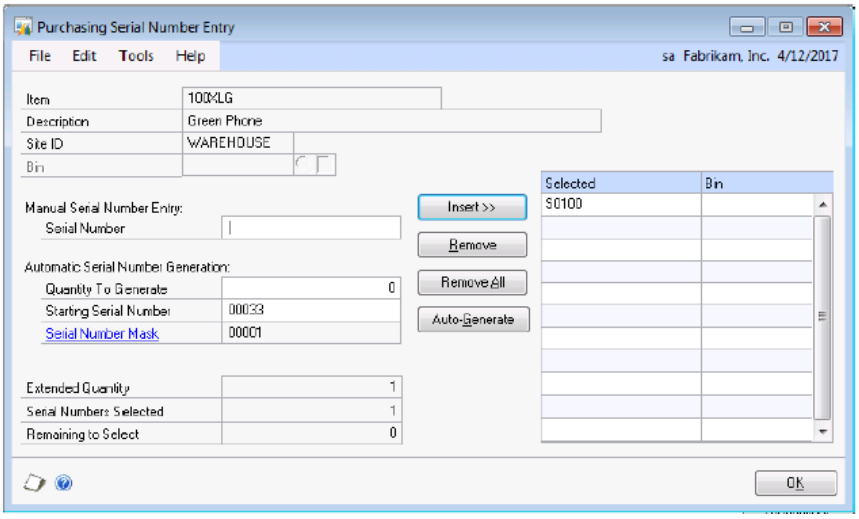
Tracking Serial and Lot Numbers on drop-ship POs

- You are now able to add the serial number or lot number of the item that you are invoicing when a drop-ship purchase order is involved. This allows better controls on the items being invoiced without first having to bring them into your inventory.
- On previous versions of Microsoft Dynamics GP, when you invoiced a drop-ship PO the serial or lot number associated with the item would have to be entered as a note or comment to track the information.



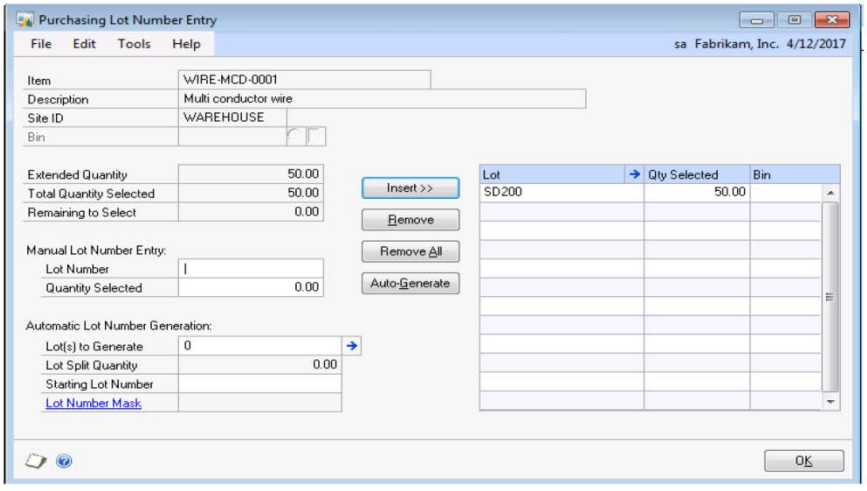
- **Purchasing Invoice Inquiry Zoom** will also display the S/L checkbox, and truck icon. From there click the Qty Invoiced expansion arrow to open the **Purchasing Serial-Lot Number Inquiry Zoom** and review the serial and lot numbers used.

- **Purchasing Serial Number Entry window:** This is not a new window, however being able to access it from the Purchasing Invoice Entry window is new. **Purchasing Serial Number Entry** will open automatically when you click to mark the S/L checkbox.



- Use the Purchasing Serial Number Entry window to enter or auto-generate the serial number of the item that is being sent directly to the customer.

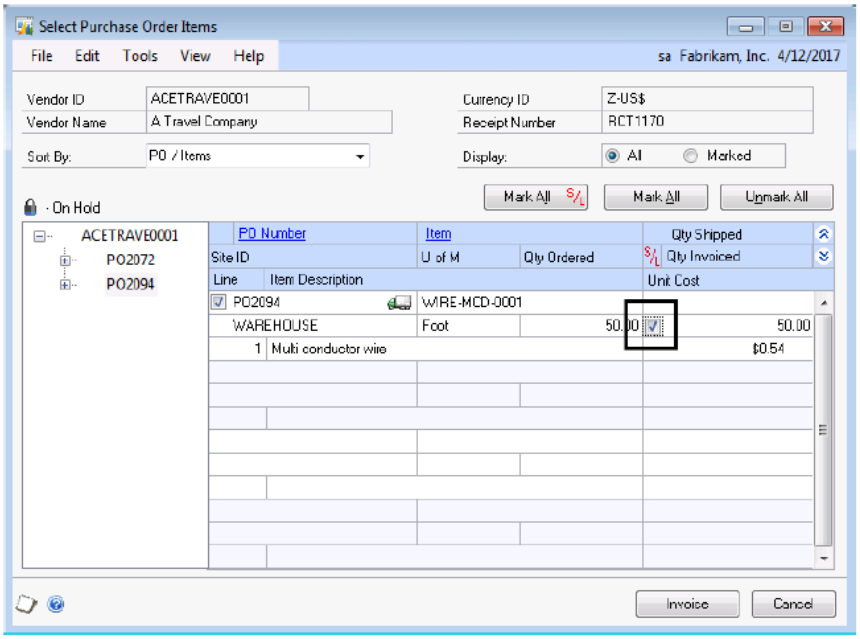
- **Purchasing Lot Number Entry window** is not a new window, however being able to access it from the Purchasing Invoice Entry window is new. **Purchasing Lot Number Entry** will open automatically when you click to mark the S/L checkbox.



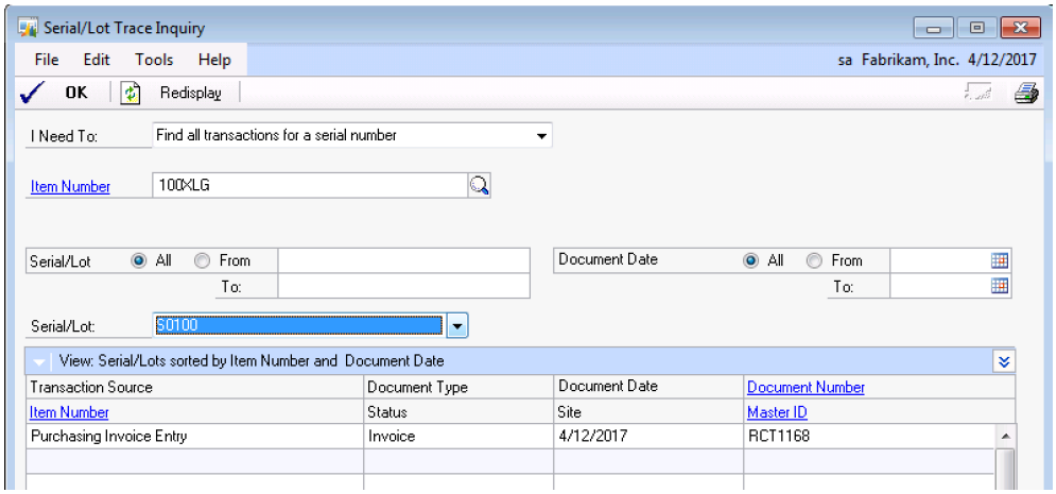
- Use the Purchasing Lot Number Entry window to enter or auto-generate the lot number of the item that is being sent directly to the customer.

Select Purchase Order Items window

- When you auto-invoice a drop-ship purchase order you can mark the S/L checkbox in the Select Purchase Order Items window to designate that you would like to track the serial or lot number for that item. If the box is marked, when you click **Invoice** the Purchasing Serial Number Entry or Purchasing Lot Number Entry window will open so you can enter your serial or lot number.



- A new button of **Mark All S/L** is available. Click **Mark All S/L** to mark the S/L checkbox on all of the line items. Only line items that meet the qualifications (for example serialized and drop-shipped) will be marked and the remaining will be left unmarked.
- **Mark All S/L** does not mark the line item for invoicing. Use **Mark All** for that purpose. If the line item is marked for invoicing and for tracking serial and lot numbers, you can use **Unmark All** to unmark both of those checkboxes.
- The same truck icon is visible in this window for any drop-ship items regardless of whether or not they are tracking serial or lot numbers.

Serial/Lot Trace Inquiry window

- Invoicing transactions will now display in **Serial/Lot Trace Inquiry** if the serial or lot number was tracked on the purchasing invoice. This allows you to easily determine, before or after the posting has been done, what serial numbers you have received from what vendors and which customers you have sold them to.