Accounts Payable Fields in Vendor Maintenance

When we first introduced the benefits of using the Accounts Payable application, we mentioned that the application gives you the ability to maintain Vendor lists to make it easier for you to manage your vendor relationships.

As you already know, Vendor Records are used throughout the Eagle for Windows system, and setting these records optimally will provide a useful default for their behavior throughout the system, requiring less input from your employees.

In this way, you limit decision-making to your most qualified staff and maintain more control over the way you prefer to run your business.

You may have already learned about Vendor Record Maintenance in another Training on Demand module.

However, in this class we will focus on the Vendor Record fields that are relevant to Accounts Payable, particularly those on the Main, Accounts Payable, History, and Contacts tabs.

Topics

- Main Tab

- Accounts Payable Tab

- History/Contacts Tabs

Main Tab

You can open Vendor Maintenance from the Accounts Payable - Setup menu in Eagle Browser or by typing MVR into the Launch Bar.

Let's start on the Main tab and look at the first relevant field for Accounts Payable purposes, which is Pay to Vendor.

Use this field if you receive a product or service from one vendor, but have to submit payment to another.

This type of payment is common if you are part of a large buying group or a co-op.

You normally receive the merchandise directly from the vendor; however, you submit payment to the coop or buying group.

Assign the correct pay-to-vendor if applicable to the vendor record in question.

If you are using multiple AP directories, then specify the directory for the corresponding store in field next to Pay to Vendor.

This field must be set for each store in Vendor Maintenance.

Next let's look at the address related fields.

If there is no remit to vendor and the vendor receives payment at the same address as their physical office address, then the system will use these address fields during the check writing process.

If the vendor's billing address is different than the physical address, you should use this set of fields on the Accounts Payable tab to enter the Remit To payment address.

One thing to be aware of is that the country code in this screen is specified in the Modify Store Record, or MSR function.

If Country Code in MSR is left blank, it is by default set to USA here in Vendor Maintenance.

 If it set to C, then the country code will appear as CAN.

Back on the Main tab…

The Assigned customer # refers to any unique ID that your vendor has assigned to you in order to identify you in their system.

This number will print on computer printed checks.

The Codes boxes here at the bottom are used if you pass off purchases to Accounts Payable.

If so, set position code 1 to N, position code 2 to O, position code 3 to A and position code 4 to P.

Accounts Payable Tab

Let's move on to the Accounts Payable tab.

As you might expect, the fields here are dedicated strictly to the Accounts Payable application.

If you use multiple AP liability accounts when processing invoices and payments select the correct AP Account Number in this first field.

If you only use a single Accounts Payable account, then leave this field Blank and the system will use the default Accounts Payable account specified in the AP control file.

If you use multiple AP accounts, be sure to assign the appropriate AP account to your Vendor record,

Then all vouchers created in Accounts Payable for this vendor will automatically hit the correct AP account in General Ledger.

As with all the account fields, the Accounts Payable account you select here must first exist in your Chart of Accounts.

Finally, be sure to not confuse this field with your expense distribution for that vendor.

Use the Auto Distribute feature if the entire vendor payment is always distributed against the same general ledger account or accounts.

If you have Auto Distribute set to yes when creating an AP voucher, Eagle will automatically distribute the invoice amount saving you time and guaranteeing more accuracy.

This is not a required setting and it is recommended it only be used for your service suppliers and not your merchandise vendors if you use Temporary vouchers.

To make use of this feature, click the Auto Distribute Hyperlink.

With the correct vendor selected in the Vendor field, click Add.

Specify the account number along with the percentage of the payment that will be posted towards that account.

For example, you are paying your electric bill, and you have a two-store establishment.

Normally you split your electric bill fifty-fifty between the stores.

Let's assume that the expense account for Electric in Store 1 is 6535-100 and 6535-200 for Store 2.

So, you would enter 6535-100 as the account number and 50 for Distribution Percentage and click OK.

Then enter 6535-200 as the account number and 50 for the remaining distribution percentage in the next field.

Click OK and Close the window since you've distributed 100% of the expense.

Keep in mind that the Add box will continue to display until a value of 100% has been reached.

Once Auto Distribution is set up, whenever you create an AP voucher for this vendor, the system will automatically post 50% of the total amount under account 6535-100 and the remaining 50% under 6535-200.

As you can see, this is a useful feature when you split expenses among profit centers.

You will have an opportunity to make final modifications to the distributed amounts, if necessary, before posting the voucher for payment.

If you want to be prompted to enter distribution amounts for multiple accounts for a particular vendor, but the distribution percentages often change, completing the Auto-Distribution fields can be an unconventional but useful way to accomplish this.

Just enter place-holder percentages for the pertinent accounts.

Then, when you create an invoice, you'll be prompted to review and accept or modify the distribution percentage.

The next two fields specify whether the Vendor's legal ID on file is their Federal Tax ID or their Social Security Number.

The Tax ID is used when a vendor is an established business entity, while Social Security numbers are used for any of your 1099 vendors.

These fields are irrelevant to Canadian customers or vendors.

The Temp/Perm field determines whether this vendor is a Permanent Vendor—one with whom you do business on a regular basis, or a Temporary Vendor with whom you rarely do business.

Certain Accounts Payable reports allow you to exclude Temporary Vendors from the results.

However, the Temporary Vendors will remain in the system until you run the APVM – legacy report, at which time they will be purged.

The 1099 Category field determines the type of compensation the vendor receives from you for tax purposes.

The Vendor Status field tells Eagle whether payments to the Vendor are affected by various conditions or agreements.

For instance, if you are having a dispute about any outstanding invoices with this Vendor, coding the Vendor Status as H tells Eagle to put a Hold on payments.

This way, when the system selects invoices to be paid, this Vendor's invoices, although due, will not be paid.

If you always take a discount from this Vendor regardless of the discount days, you'll flag the Status as A.

This tells the system to discard the Discount Date field altogether when the system is selecting the invoices to be paid; instead it simply looks at the invoice due date.

Finally, you'll use flag N if the Vendor is not a Merchandise Vendor, which means that the Vendor's record cannot be used on a purchase order.

If none of the above conditions or situations apply to the selected Vendor, then leave the Status field blank.

The next relevant Accounts Payable field is Bank Code – this field is helpful only if you use multiple bank codes in your business.

Here you'll assign the bank code that represents the checking account you want to be used when paying this Vendor.

If you set Option ID 9011 "Execute separate check runs for bank codes assigned to vendors in MVR" to Yes, then all invoices for this vendor will be automatically assigned this Bank Code.

Separate check runs can be run by bank code to help you better manage Vendor payments.

If this field is left blank, then the system will use your default bank code.

Terms Code is another field you should complete for all your Vendor records.

Depending on individual negotiations, this code can be different for each vendor; therefore, there is no default value that is assigned system-wide.

If this field is left blank and this is a Merchandise Vendor, you must assign a Terms Code when creating a PO for the Vendor.

The PO Terms Code will then be honored when creating Temporary vouchers if you use accrued accounting.

We address the creation of Payment Terms Codes in a separate Accounts Payable module; please complete that module if you are not sure how to create your Terms Codes.

The Print On Checks field, here, specifies which address is printed on the checks to this Vendor.

If they are to be sent to the physical address specified on the Main tab, you can leave this field set to No.

However, if the check must be sent to a different address, select Yes and enter the Remit to Address.

Keep in mind that you'll always want to start with the first of the three address lines; if it is not filled out, Eagle will automatically revert to the Main Tab address for check printing purposes.

Finally, you can specify the language that should be used for any international vendors in the Vendor Language field.

Once you've completed all the fields on the AP tab, click Change to save the new information under the Vendor record.

History/Contacts Tabs

Before we end this lesson, let's take a quick look at two more areas of the Vendor Record that relate to Accounts Payable.

If you jump to the History tab, you will be able to review Accounts Payable history for this vendor, including the payments made and any discounts taken or lost for both this year and the prior.

You can use this information to further negotiate payment terms with your vendors.

And finally, you should use the Contacts tab to enter the contact information for your Customer Service representative for a particular vendor.

Start by clicking the Add link.

The screen that pops up allows you to enter all the essential contact information for your rep.

It is possible to enter multiple such contacts.

From a best practices perspective, it is advisable that you enter as much relevant information as possible in the vendor record, so that the system serves as your central repository for all business-related needs.

This wraps up our review of all the fields related to Accounts Payable in the vendor record.

Once you've entered the information we've discussed today for a particular vendor, it can be used to automatically populate the related fields in any Accounts Payable document that you create for that vendor.

Your AP staff won't have to rely on their memory of the different agreements you have with each vendor or spend time looking up details when processing AP documents.

Having these defaults in place will also make your Accounts Payable processing faster and more accurate.

We recommend that you review your vendor records to ensure they are set up optimally to get the utmost out of your Eagle system.

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