Pay Invoice Through 3rd Party

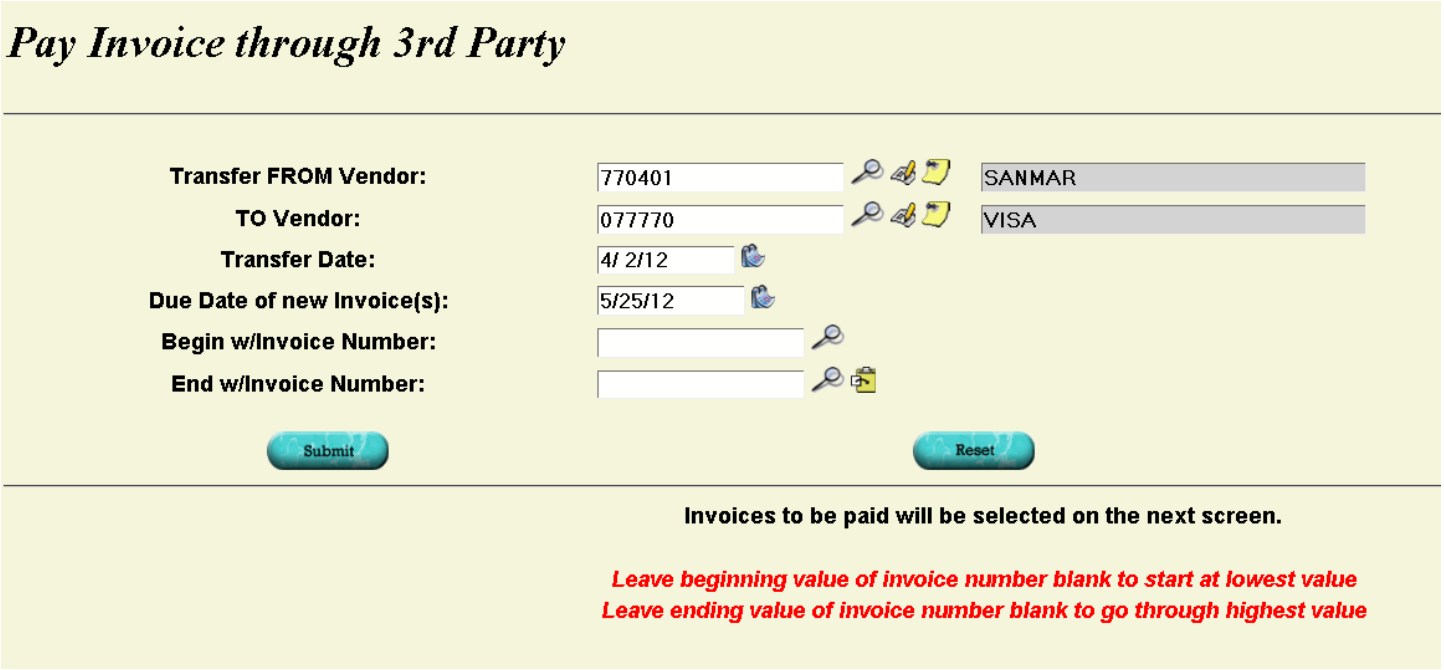
You may "pay" an invoice by transferring the amount of the invoice to another vendor. The most common application of this function would be when you pay a vendor's invoice by putting the payment on a credit card. By first putting the invoice on file under the original vendor, then transferring the balance to your credit card vendor, you have a complete record of your purchases from the original vendor. You also have excellent detail under the credit card vendor for reconciling your credit card statements.

After you have entered the invoice to the original vendor in Accounts Payable and closed the Purchases Journal, go to:

Accounts Payable

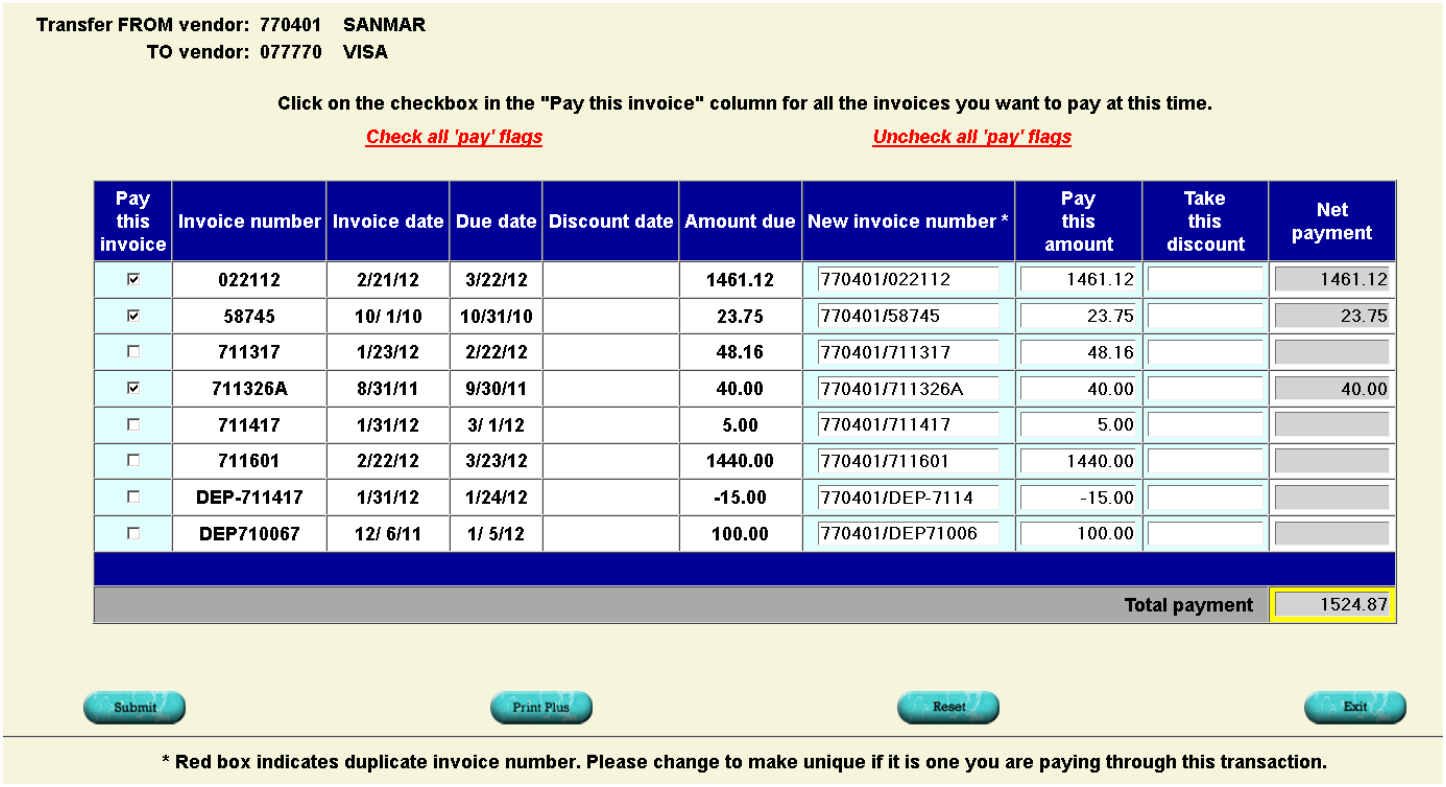
Pay Invoice through 3rd Party.

The screen below will open. Enter the vendor that you are paying with the credit card, then enter the vendor number for the credit card vendor you are using to pay the invoice.



On the next screen you will select the invoices from the original vendor that you want to pay with the credit card. Select the invoices that you want to pay by clicking in the box next to the invoice under the “Pay This Invoice” column.

If you have a RED box around the invoice number, that indicates that you have a duplicate invoice number in the system. You will need to change the invoice number is some way to make it unique.



Transfer FROM vendor: 770401 SANMAR
TO vendor: 077770 VISA

Click on the checkbox in the "Pay this invoice" column for all the invoices you want to pay at this time.

Check all 'pay' flags Uncheck all 'pay' flags

Pay this invoice	Invoice number	Invoice date	Due date	Discount date	Amount due	New invoice number *	Pay this amount	Take this discount	Net payment
☑	022112	2/21/12	3/22/12		1461.12	770401/022112	1461.12		1461.12
☑	58745	10/ 1/10	10/31/10		23.75	770401/58745	23.75		23.75
☐	711317	1/23/12	2/22/12		48.16	770401/711317	48.16		
☑	711326A	8/31/11	9/30/11		40.00	770401/711326A	40.00		40.00
☐	711417	1/31/12	3/ 1/12		5.00	770401/711417	5.00		
☐	711601	2/22/12	3/23/12		1440.00	770401/711601	1440.00		
☐	DEP-711417	1/31/12	1/24/12		-15.00	770401/DEP-7114	-15.00		
☐	DEP710067	12/ 6/11	1/ 5/12		100.00	770401/DEP71006	100.00		
								Total payment	1524.87

Submit Print Plus Reset Exit

* Red box indicates duplicate invoice number. Please change to make unique if it is one you are paying through this transaction.

You will also have the option of printing a letter to the original vendor listing the invoices that you are paying with the credit card and the total balance being paid. **This is optional, but must be done before clicking Submit.**

You can print the letter by clicking Print Plus, select Print Preview to open a PDF of the letter. You can also email the letter from this screen by selecting the E-mail option. Once you have your selection click Submit. This will either open the PDF or it will start the e-mail process.

Once you have completed your selection and have printed the letter, click the Submit button. This will create the transfer and close the window, putting you back on the initial Pay through 3rd Party screen.

If you have no other transfers to complete, click the Exit button to go back to the Main Menu. The system will open a Print option screen for you to print the transfer journal.

The Original vendor will be marked Paid and the check number will be TRNSFR. The credit card vendor will now have an open invoice for each of the selected To Pay Invoices on their file with an invoice number created from the original vendor's Lakeshore Vendor Number / the original invoice number.

For example, in the screen shot above, the original vendor is Sanmar whose vendor number is 770401 and the 1st selected invoice number is 022112. The new invoice number on Visa's account will be 770401/022112.

CALCULATE AND GENERATE TRANSFERS

It has become increasingly common to pay vendors with a credit card. If you enter the vendor's invoice directly under the credit card vendor, you lose the ability to see how much you spent with the actual vendor. To resolve this issue, Lakeshore devised a function that lets you enter the invoice under the original vendor so you retain full payment history for that vendor. Then you "transfer" the invoice to the credit card vendor. The credit card vendor is the one that will actually be paid. There are no journal entries involved unless you take a cash discount.

The original function in Lakeshore let you transfer one invoice from one vendor at a time to the credit card. It is still available. However, this became cumbersome when you had several invoices to pay. We have therefore now set up a new set of functions for these transfers that are similar to the A/P check run so that you can pay several vendors and/or invoices at the same time.

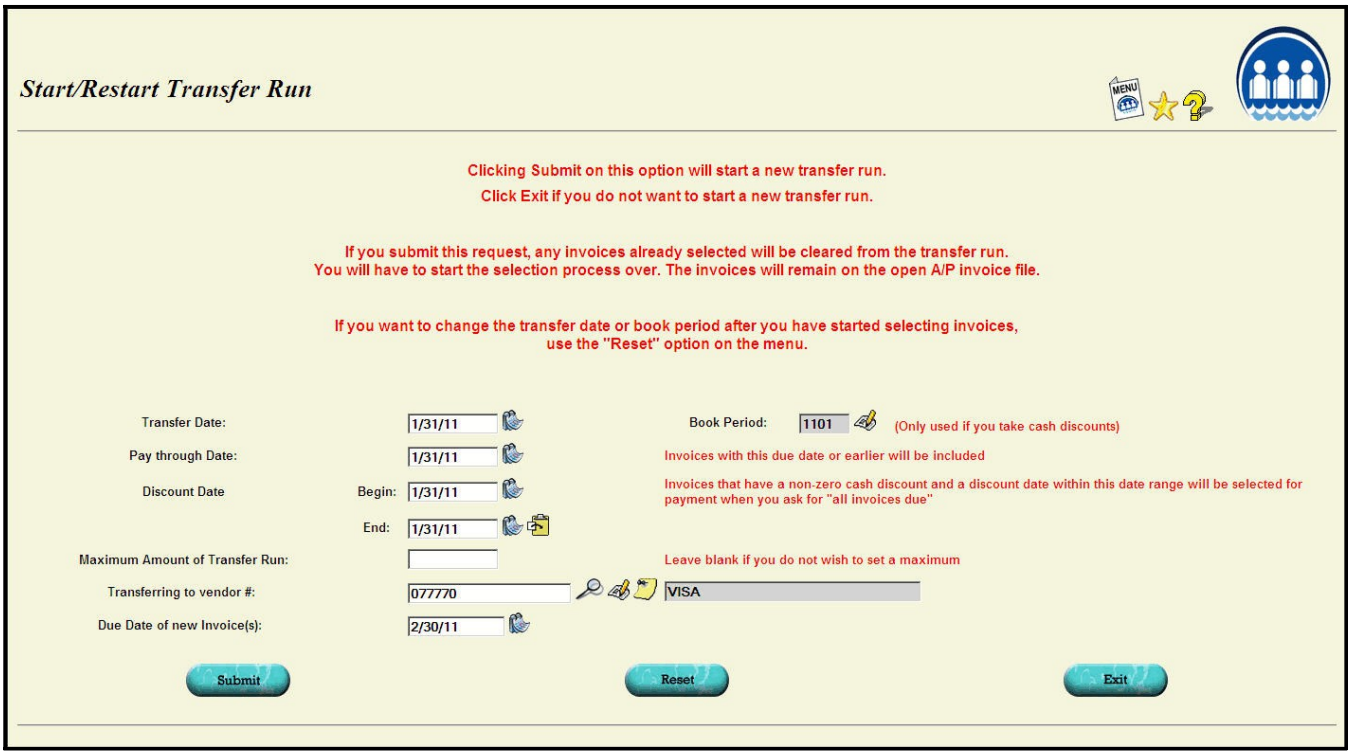
Like the A/P check run, you should continue to enter the vendor's invoices into the system as you normally would and close any journals. Then go to the set of functions on the A/P menu labeled

Calculate and Generate Transfers

Clicking on this option will open up a submenu with the steps to follow for the transfers.

Start/Restart A/P transfer run

Like the check run, this function clears the temporary file that contains a list of the invoices to be paid and establishes the payment date, due date, etc.



Instead of a "check date", you enter a "transfer date". This is the date the charge will be

placed on the credit card. The “pay through “ and discount dates work the same way as they do on a check run.

There are two new fields.

Transferring to vendor # is the vendor number assigned to vendor used to pay the credit card.

Due date of new invoice is the due date that will be assigned to the charges on the credit card.

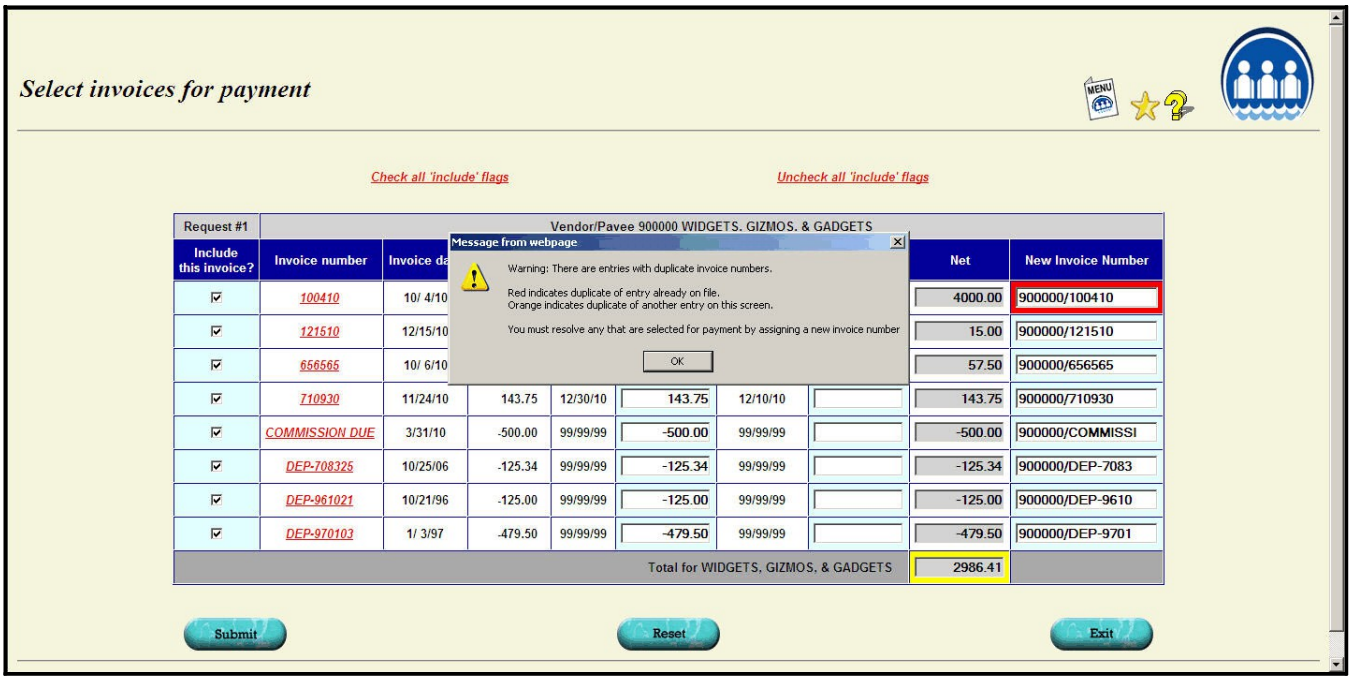
When you submit this request, a temporary file will be created to contain the list of invoices to be paid by the credit card.

Adjust A/P Transfer Run Parameters

You can use this function if you would like to change the “transfer date” or other parameters without clearing the list of invoices selected to be paid.

Select Data for A/P Transfers

The invoice selection process is similar to the one used for A/P checks. The only difference is that the “select all” option will only select data from vendors that are marked as “OK to pay by credit card”. There is a checkbox near the bottom of the vendor update screen that sets this option.



The invoice number for the C/C vendor is initially constructed by combining the number of the vendor you are paying **plus** a forward slash character (/) **plus** as many digits as there is room for from the invoice number you are paying.

So if you are paying vendor 123456 and the invoice number is 543210123456789, then the "invoice number" for the credit card vendor will be 123456/54321012. For vendors that have long invoice number such as Norwood and Sanmar, you may occasionally have a problem with this resulting in duplicate invoice numbers for the new credit card invoice. If that happens you will be warned.

You will see a **red** border around invoice numbers that are a duplicate of one already on file.

You will see an **orange** border around invoice numbers that are a duplicate of one on the same screen.

When this happens, you will need to change the invoice number in some way to make it unique. There are internal fields linking the invoice on file for the original vendor and the one generated for the credit card in case you have to void the transfer later. So, you can change the invoice number as needed to make it unique.

There is a version of the Audit report that you can print to get a final list of the invoices being transferred.

Finalize A/P Transfers

Once you are happy with the list of invoices selected, ask for the "Finalize" function. Like the same step on the A/P check run, **this is the point of no return.** Prior to this step you can restart the transfer run, add or delete invoices, etc. Once you ask for this step, the invoices you are paying will be transferred from the "open" list to the "paid" list. The "check number" will be "TRANSFER". New invoices will be set up on the credit card vendor's open invoice list.

Once you pass this step, if anything is wrong, you will have to use the "Void Payment thru 3rd Party" function to remove the invoices from the credit card vendor and put them back as open invoices on the original vendor's list.

Print Transfer documents (optional)

If you would like, you can print a document to send to each vendor being paid or to print for your records. This step is optional. However, if you want to print the documents, you must do it before finishing out the run.

Close/Print A/P Transfer Register

This will close out the run and give you a record of the transfers. A journal entry will only be made if you take a cash discount on any of the invoices.