



## Accounting A/P Checks Payments

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### Purpose:

To outline the process for selecting and paying vendor invoices.

### Procedure:

- 1) Once invoices are entered in Sage or imported from HH2 they are ready for payment.
  - A) See SOP for Other Invoices Not in HH2 and HH2 Document Flow for Invoices for more details.
- 2) Trade invoices are typically paid in 4 batches each month (on the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup>, and between the 20-25<sup>th</sup>)
  - A) The batch of invoices paid on the 5<sup>th</sup> include benefit premiums and any invoices that are due before the 10<sup>th</sup>.
  - B) The batch of invoices paid on the 10<sup>th</sup> include all invoices due for discount, specific invoices that are due on the 10<sup>th</sup>, and any invoices that are due before the 15<sup>th</sup>.
  - C) The batch of invoices paid on the 15<sup>th</sup> includes our Lowe's account, all stone invoices, HUB and Frontgate invoices, and all other invoices that are due before the 20<sup>th</sup>.
  - D) The batch of invoices paid on the 20-25<sup>th</sup> includes our Home Depot account, the remaining open invoices for the current month being paid, and any invoices that are due before the 5<sup>th</sup> of the next month.
- 3) Before each batch of invoices is selected:
  - A) Invoices are separated and totaled by vendor
    - i) If a vendor has more than one invoice to be paid, then all invoice totals are added together and a tape of the total amount to be paid is paper clipped with the invoices and should match the check amount.
    - ii) If a vendor offers a discount, then the gross amount will be included in the invoice(s) total on the tape and then the discount will be deducted as a separate transaction on the tape to show the gross amount and the check amount with discount.
  - B) Once all invoices are totaled, then they are placed in order by vendor number.
  - C) A tape of the sum of all invoices to be paid is clipped to the stack of invoices to make sure the tape amount matches the amount selected to pay in Sage.
- 4) To select invoices for payment:
  - A) Open the Accounts Payable module in Sage 300
    - i) Click the Tasks tab, hover over Select Invoices to pay, and select On Screen List...
    - ii) Click the Conditions button at the bottom of the box
    - iii) Click the Order button under Field Selection
    - iv) Click alphabetical order in the pop-up box and then click OK
    - v) Click Accounts Payable Account in the Field Box, leave the Operator box set to Equal to, and type "2005" in the Value box, then click OK.
    - vi) Click OK when the Condition Selection pop-up box appears
    - vii) Click Start and all open invoices will be listed
  - B) Scroll down by vendor number and select the invoices in the batch



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- i) Double click each invoice to be selected or double click the vendor name to select all invoices.
    - ii) Match the total in the Pay Now box to the total on the tape for that vendor
  - C) Once all invoices have been selected then click OK to save the selections.
- 5) Run a report to ensure that the amount selected matches the tape:
- A) Click the Reports tab and hover over Invoice Registers
    - i) Click Invoices Selected for Payment
    - ii) Click Print Preview
      - (1) All invoices selected will be shown with a grand total at the bottom
    - iii) Make sure the totals match and close the report.
    - iv) Once invoices have been selected and reviewed then checks are printed.
- 6) To print vendor checks:
- A) Go to -> Accounts Payable Module
  - B) Go to -> Reports -> Invoice Register -> Invoices Selected for Payment
    - i) Review report and compare to invoices selected for payment
    - ii) Make any changes, as needed, to add a check or delete a check from the batch
    - iii) Print this report
  - C) Go to -> Tasks -> Print Checks
    - i) Select Default for batch number
    - ii) Enter A/P Checks – Trade or A/P Checks – Sub
    - iii) Date prefills to current date (confirm)
  - D) Click F4 and select bank account
  - E) Confirm starting check is the next check in sequence
  - F) Confirm Check date is the current date
  - G) Click Start button
  - H) Save to A/P printouts folder
  - I) Checks begin to print
  - J) Open and review the Accounts Payable Check Report
    - i) Confirm everything posted with no rejections
    - ii) Confirm amount is correct
    - iii) Confirm GL entry is in balance
  - K) Checks are signed by authorized signer
- 7) After checks are printed and signed:
- A) Tear off the bottom part of each check and keep the check stub with the stack of invoices.
  - B) Insert each check in an envelope and seal.
    - i) If a vendor provides an envelope with their invoice, then that envelope should be used.
  - C) Use the postage meter to put the correct postage on each envelope.
  - D) Take the checks to the front office inbox for the postman to take.
  - E) Put all invoices and check stubs in a file folder labeled with the payment date.
  - F) File the folder in the current invoices filing cabinet in the storage room by payment date.