

How Do You Handle when the Vendor Bills the Customer?

Tammy Mason - 2017-09-15 - in Customer

How Do You Handle when the Vendor Bills the Customer?

This is a situation where you send the order to the supplier. The supplier ships the order and invoices the customer. The supplier then sends you a commission check. The procedure outlined below will create an order history record, update the customer's master for sales and record the commission check from the supplier.

1. Enter the order and send it to the supplier.
2. When you receive the commission check from the supplier, you know that the merchandise has been shipped to the customer. Therefore, you want to enter the order you entered in #1 to be billed. Even though you are not billing the customer (because the supplier did), you still must enter a billing to update the customer's sales figures in the customer master. If you are not going to pay sales tax for the bill, make sure to answer "n" to sales tax.
3. Print the invoice. Do not send it to the customer.
4. In Cash Receipts you will adjust the customer's invoice off to sales and freight. (accrual only: You must adjust sales off to the sales account (300), freight off to the freight account (310) and sales tax off to the sales tax payable account-228, If you charged sales tax on the invoice. You then must make a sales tax code adjustment to reduce the tax codes for this invoice.
5. Enter a non-customer payment for the commission check from your supplier to your commission income accounting code or some other appropriate accounting code.