

# ASICOMP.COM

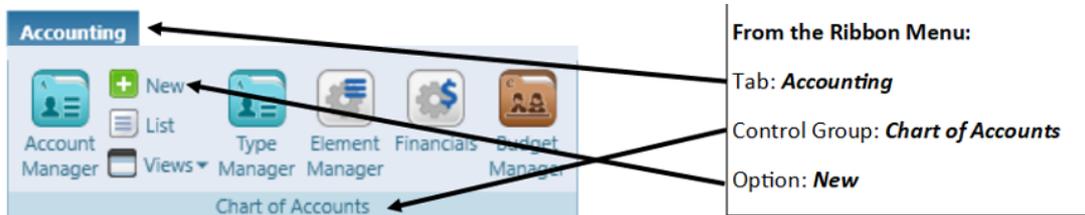
Portal > Knowledgebase > ASI SmartBooks Knowledgebase > Vendors > How Do You Pay a Vendor with a Credit Card?

## How Do You Pay a Vendor with a Credit Card?

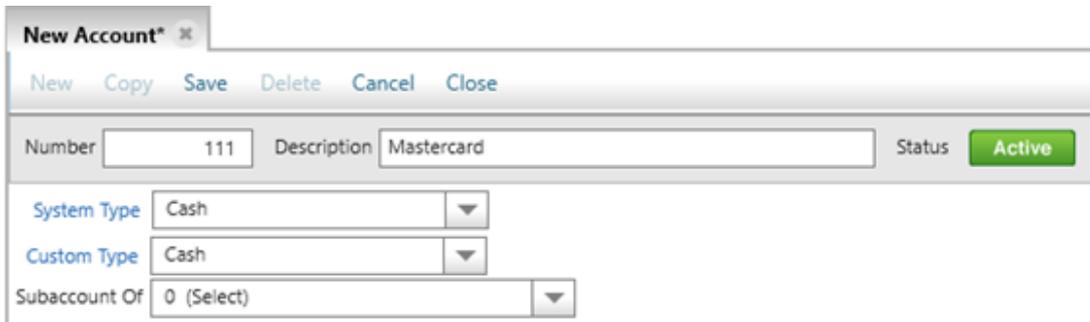
Tammy Mason - 2022-07-18 - in Vendors

### How Do You Pay a Vendor with a Credit Card?

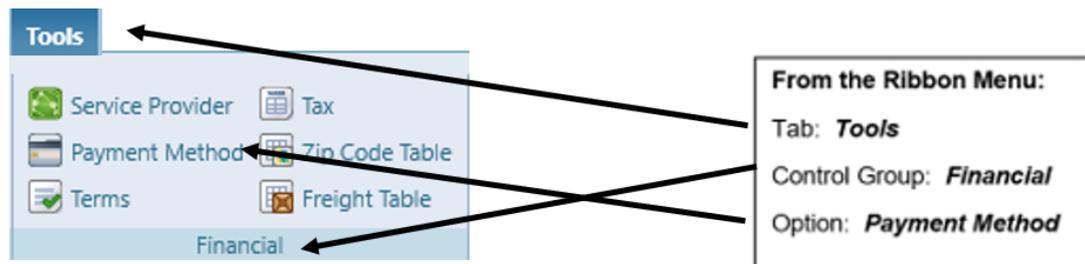
Be sure to setup a general ledger account for each credit card that will be used to pay vendors invoices:



For ease of reconciliation and position on your financial statements, create this general ledger with a Type of Cash. Click **Save**.



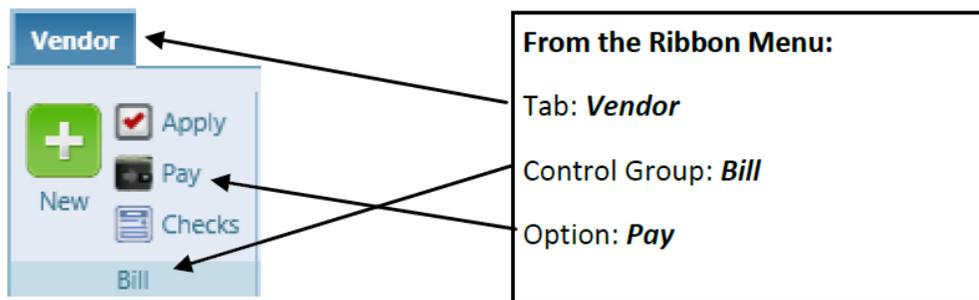
### Create a Payment Method



New Copy Save Delete Cancel Close			
Type	Vendor		
Description	Pay with Mastercard	<input checked="" type="checkbox"/> Credit Card	<input type="checkbox"/> Check
Account	111 Mastercard	Edit	

Click new. Type will be vendor; description is pay vendor with Visa or Mastercard, card and the general ledger will be the account setup for this credit card. This will not create a printed check so don't check the checkbox for Check.

## 2. Pay Vendor.



### **If a credit card is used to pay the order vendor's invoice:**

In Bill-New, enter the invoice amount as you normally would.

In Bill-Apply, enter the order number and distribute to the proper ledger account ( like 135)

In Bill-Pay, change the ledger number for cash, to be the general ledger account number set up for that credit card and enter a handwritten check. For reference instead of a check number, use the order the invoice is paying for.

### **If a credit card is used to pay an advance to a vendor for an order.**

In Bill-New enter the advance amount, changing the **classification to advance**.

Enter the order number the advance is for and the amount of the advance.

In Bill-Pay, **change the payment method, to be the one set up for that credit card** and enter a handwritten check, again using the order number in the reference field.

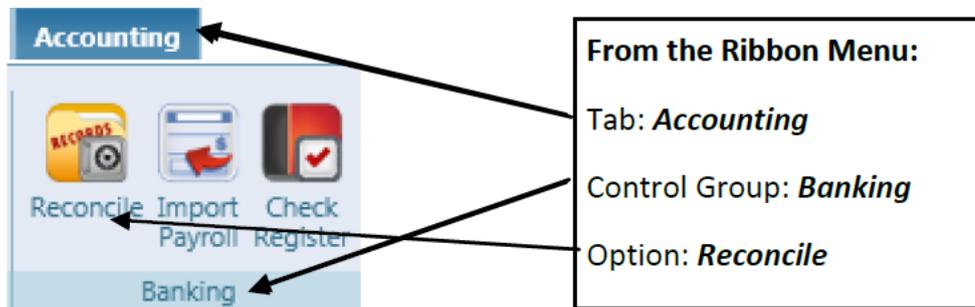
When the order has shipped to the customer an invoice will need to be expensed to the proper ledger accounts.

A. Enter the vendors invoice in Bill-New.

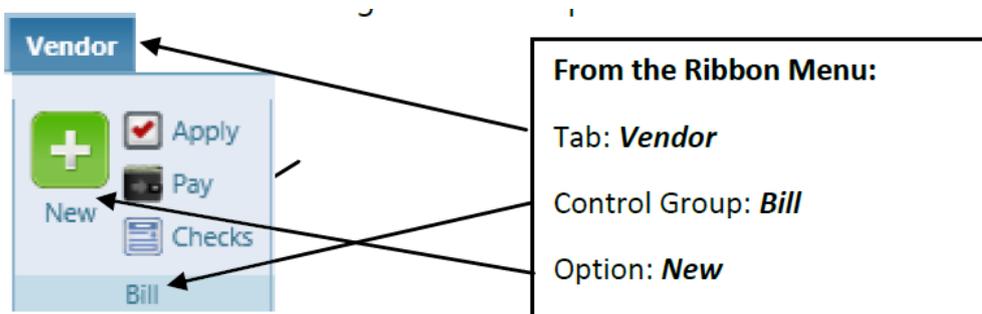
B. In Bill-Apply put to the proper ledger accounts.

C. In Bill-Pay, select the invoice just entered and the advance from step #1 and process.

### When the Credit Card statement comes in:



1. Under Accounting-Banking-Reconcile., select the account setup for this credit card. This will be a list of vendor advances and payments that have been entered into the computer. Compare to your credit card bill to see if there are any on the credit card bill that are not showing entered in the computer. Enter any that are missing into the computer.



2. Then in Bill-New for the amount on the credit card statement.

3. In Bill-Apply, expand **non-order** and apply to the general ledger account setup for this credit card ( the same account you were just looking at in step #1 here). Any amounts on the credit card that aren't charges to vendors on orders, like lunch or office supplies would need to be applied to the proper general ledger account and not the credit card general ledger account.

4. In Bill-Pay, you will write the check as normal using your 100 or cash account.

### NOTES:

\* When you get the credit card statement, the balance in your Credit Card

Ledger should equal your new statement balance if you have everything recorded properly. Any miscellaneous charges (not made for orders) should be recorded as Ledger transactions when you are reconciling your statement to the proper ledger account. This is also how you would record any interest expense.

\* When you are done reconciling, the credit card account should have a credit balance equal to your statement balance.

\* When you make your payment (after you reconcile), do a bill new to your credit card as the amount of your payment and in bill apply, apply it to the credit card general ledger account.