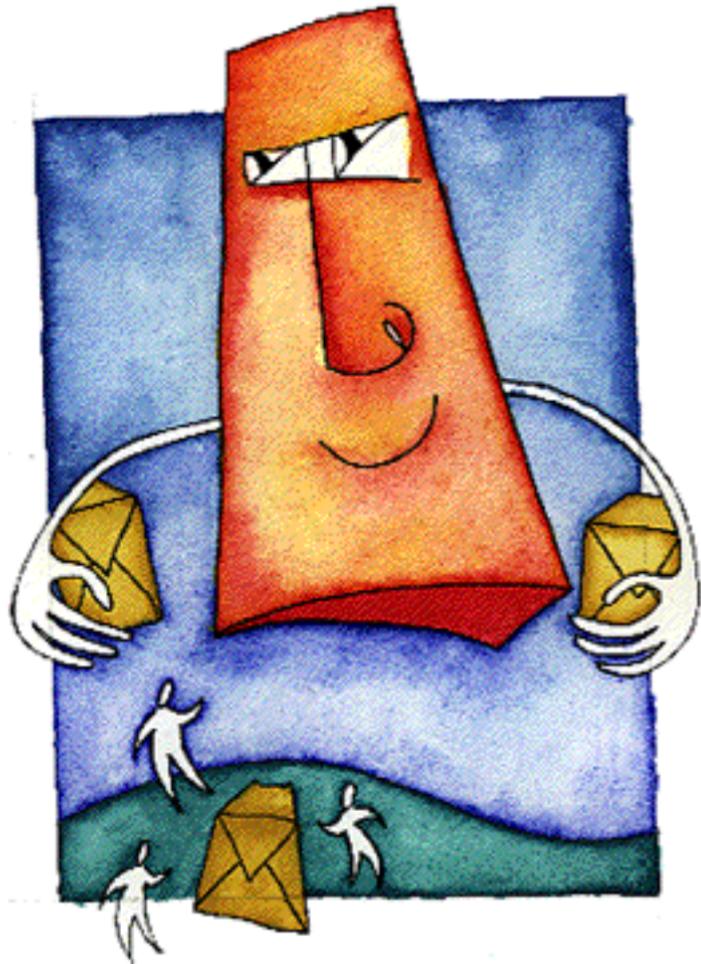*Building the*

# Supplier
# Database

# 11

## Organising Supplier Accounts

At the heart of the Purchase Ledger lie the **supplier accounts**.

These are the documents which record the trading details — address, credit terms, purchase history — for each supplier. Invoices, credit notes, payments or refunds are then entered against each account which automatically increase or decrease the balance to provide a constantly updated record of what you have paid and what you owe to whom.

This chapter looks at how you create supplier accounts. It also looks at how you create your own supplier categories in which to organise and group the individual accounts in a logical and meaningful fashion. These categories enable you to locate suppliers more easily from the database.

You can create up to 30 supplier categories — and each category can hold up to 100 separate supplier accounts — so you can arrange the supplier database to suit your own particular needs.

For example, you may want to organise your supplier accounts alphabetically or by geographical region. A third option is to group the supplier accounts according to the type of services or products they provide.

You can assign short reference names to the individual supplier accounts which are used to sort reports or screen views in alphabetic order.

Before you start adding the supplier accounts, you may want to devise a simple indexing system which will help you group and retrieve information quickly and easily.

### A point of order...

Supplier category and account reference names are sorted into numerical then alphabetical order both on the screen and on the relevant supplier reports. Therefore, if you want to organise information other than alphabetically, you can prefix each name with a number — as illustrated by the example on the next page…

**Supplier database...**

Purchase Ledger

**Supplier categories...**

01 General Suppliers  02 Raw Materials  03 Equipmt/Plant  04 Printing  05 Office/Utilities

**Supplier accounts...**

01 RTB Ltd.  02 Phalein  03 Bell & Sons  04 Contract Tools

**Reports...**

Categories

Accounts

**01 General Suppliers**
01 Hammonds
02 Bonchurch & Co.
03 Harwood plc
**02 Raw Materials**
01 Gt. Northern
02 Knight Ltd.
03 Trace Elements
**03 Equipmt/Plant**
01 RTB Ltd.
02 Phalein
03 Bell & Sons
04 Contract Tools
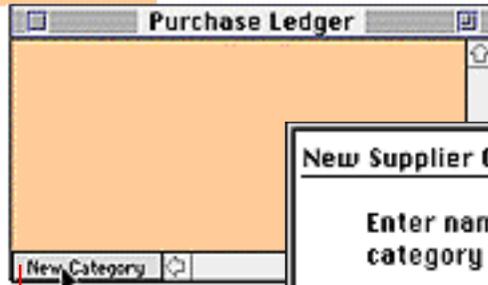
**Organising Supplier Accounts**

## Creating a Supplier Category

Having decided how to organise your suppliers, you are ready to enter the categories in which the supplier accounts are stored.  Create a supplier category like this…

*Purchases*

Ledger

Double click the Purchase Ledger icon to open it…

**Purchase Ledger**

New Category

In the bottom left corner of the Purchase Ledger window, click the New Category button to display this dialogue...

**New Supplier Category**

Enter name of the new supplier category :

01 General

Cancel        OK

Type a suitable name then click OK to add the new supplier category to the Purchase Ledger window…

**Purchase Ledger**

01 General

New Category

Notice that once you have created a supplier category, an icon representing it appears in the Purchase Ledger window.  Bear in mind that you do not need to enter all the supplier categories in one go.
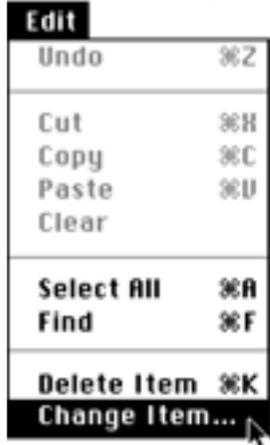
## Supplier categories (continued)

### Re-naming a supplier category

If you want to change the name of an existing supplier category —

for example, to change the order in which it appears on reports



(and on the screen) then click the relevant category icon and choose Change Item from the Edit menu. You can re-name the supplier category from this dialogue box…

```
Edit
Undo          ⌘Z

Cut           ⌘X
Copy          ⌘C
Paste         ⌘V
Clear

Select All    ⌘A
Find          ⌘F

Delete Item   ⌘K
Change Item...
```

**Change Supplier Category**

Old Name : 01 General

New Name  06 General

[ Cancel ]   [ OK ]

### Deleting a supplier category

You are also able to delete a supplier category provided that any supplier accounts it contains have been transferred to other categories or deleted — turn to the to find out how this is done. Once empty, select the unwanted category then choose Delete Item from the Edit menu to remove it.

### Viewing supplier categories

Existing supplier categories can be viewed as icons as shown on the …or they can be viewed as a list by choosing the By Name option from the View menu.

## Creating a Supplier Account

Having created one or more supplier categories, you can now start entering the actual supplier accounts…

Double click the supplier category to which the new account is to be added…

… then click the **New Supplier** button in the bottom left comer of the category window.

The top part of the window is where you record the supplier's business details, enter them as described <u>over the page…</u>

## Supplier Business Details

**Name:** Enter the supplier's full business name.

**Address:** Type the supplier's business address in the four lines provided.

**Contact:** If applicable, enter the name of the person to contact.



**New Supplier Details**

*New Supplier*

Name:
Strand Property Services Ltd.

Address: The Old Brewery
16 Pump Lane
Radstock
RU5 1HY

0732 764242

Contact: John Brice

0732 764243

VAT No: GB ▼ 167 9364 46

Use this box to enter the supplier's **fax number**.

This is where you enter the supplier's **telephone number**.

## VAT Information Required…

When completing your VAT returns, you are required to provide separate VAT information regarding supplies purchased from other member states of the European Community (EC).

Bottom Line extracts VAT information for EC acquisitions according to the country identifier that you use to prefix the supplier's VAT registration number.

You will notice that the country identifier is preset to GB — use this prefix when setting up an account for a supplier based in the UK.  For a country outside the EC, select the blank option from the pop-up menu.

If the supplier is based in another EC member state, use the pop-up menu to select the correct country identifier — for example, FR for France; ES for Spain.

Transactions posted to suppliers with prefixes other than GB or blank will be treated as EC acquisitions and recorded in the appropriate manner on your [VAT Return report](#).

Having set the country identifier, enter the supplier's VAT registration number.

**New Supplier Details**

*New Supplier*

Name:
Strand Property Services Ltd.

Address: The Old Brewery
16 Pump Lane
Radstock
RU5 1HY

0732 764242

Contact: John Brice

0732 764243

VAT No: GB ▼ 167 9364.46

For a non-UK supplier, click here to select the country identifier from the pop-up menu.  You can type the identifier if you prefer.

Having specified the country identifier, enter the supplier's VAT registration number.

## Supplier Terms

Whatever goods or services you receive from this supplier then, sooner or later, you will be expected to settle the bill. The supplier may insist on payment at the time of purchase or, preferably, allow you to repay the amount owing within an agreed period of time.

Use the **Payment Terms** option to specify the number of days credit — starting from zero for immediate payment.

Whenever you post an invoice to this account, Bottom Line looks at the invoice date you have entered then uses the specified number of days credit to calculate when payment is due. Any invoices remaining unpaid beyond the specified time are classified overdue.



**New Supplier Details**

**Name:**
Strand Property Services Ltd.

*New Supplier*

**Address:** The Old Brewery
16 Pump Lane      0732 764242
Radstock
RU5 1HY

**Contact:** John Brice      0732 764243

**VAT No:** GB ▼ 167 9364 46

— Terms —

**Payment Terms:** 30 days

**Early Settlement Discount:** 5.00 % ...if paid within 7 days

Enter the number of days credit allowed by your supplier in their terms.

### Remembering to pay on time

Either the Automatic Payment facility or the reports, Aged Creditors and Suggested Open Item Payments can remind you which invoices are due for payment before the supplier decides to do it for you…

In addition to normal credit facilities, some suppliers offer an **Early Settlement Discount**. This is a special arrangement where the supplier allows you to deduct a specified percentage from the invoiced amount in exchange for early payment.

If an Early Settlement Discount is offered, enter the discount percentage allowed for early payment and the number of days allowed for qualification. Having entered these details, Bottom Line calculates the discount allowed for each invoice raised against this supplier as described in the next chapter.



| New Supplier Details | |
| Name: | Strand Property Services Ltd. |

**Name:** Strand Property Services Ltd.

**Address:** The Old Brewery
16 Pump Lane
Radstock
RU5 1HY

0732 764242

**Contact:** John Brice    0732 764243

**VAT No:** GB  ▼  167 9364 46

**Terms**

**Payment Terms:** 30 days

**Early Settlement Discount:** 5.00 % ...if paid within 7 days

If applicable, enter the discount percentage that this supplier allows you for early payment…

…then enter the number of days which allow you to qualify for that discount.

**More about Early Settlement Discounts**

You should ensure that you have set up a General Ledger account to benefit from any Early Settlement Discounts — and that you have entered the number of that account in the Purchase Accounts Details window (as described in the previous chapter).

## Balances

Unless you are starting a new business, you will need to transfer all uncleared invoices, credit notes and payments for each existing supplier. However! Before you enter the outstanding supplier balances, you are advised to read the notes on these entries

**Balance Due for Payment:**
EITHER, leave this entry blank so that the un-cleared invoices and credit notes can be posted to this account...

…OR, type the total amount that has yet to be paid to this supplier.

**Unallocated Payments:**
EITHER, leave this entry blank so that any prepayments can be posted to this account...

…OR, type the total amount paid to this supplier that has not yet been allocated.

**New Supplier Details**

*New Supplier*

**Name:**
Strand Property Services Ltd.

**Address:** The Old Brewery
16 Pump Lane
Radstock
RU5 1HY

**Contact:** John Brice

**VAT No:** GB ▼ 167 9364 46

0732 764242

0732 764243

┌─ Balances ─────────────────────┐
**Due for payment:** 0.00
**Unallocated payments:** 0.00

┌─ Turnover ─────────────────────┐
**This year:** 2500.00
**Last year:** 4200.00

┌─ Auto Purchases ───────────────┐
☒ **Auto Purchase**  **Amount:** 500.00  **+VAT:** 87.50
**Last Paid:** 5  **Analysis Code:** 12  **VAT Code:** 1

Save   Ignore   Close

### Balances (continued)

To ensure continuity with your previous books. you may need to carry forward the amount outstanding for this supplier account.  You can do this in one of two ways...

The first, and strictly correct, way is to leave the **Balance Due for Payment** entry blank and to post all un-cleared invoices and credit notes to this account — as described in the .  When you do this Bottom Line updates the Balance field in the Supplier account with the relevant amount(s) — and, on posting to the General Ledger, adjusts the relevant Asset or Expense account balances.

The second option is to type a single balance amount in the Supplier record — which, in turn, will update the Purchase Ledger but **not** the General Ledger.  The facility to directly enter the Balance amount is only available during the initial setting up period — once this period is closed, the supplier balance can only be updated by posting the relevant transactions.

The **Unallocated Payments** entry records the total money paid on account to this supplier that has yet to be allocated to specific invoices and/or credit notes.  If you are transferring an existing supplier account then you are faced with the same choice as above…
…Do you take the (initially) easy option of entering the unallocated payments as a lump amount or do you post them individually?  Having made your decision, either type the amount — or, leave this entry blank in preparation for posting each unallocated payment.

---

#### Entering Cash Values

The cash values — Balance Due, Unallocated Payments and Turnover — need only be entered if there are 'open items' — such as unpaid invoices, unallocated credit notes or prepayments to this supplier.

---

#### Cutting Corners

Entering a single balance amount is quicker than posting the outstanding transactions one at a time.  HOWEVER! If you do this you will need to keep referring back to your previous books to check which payment matches which transaction until, eventually, all the items are cleared.  In other words, entering a single balance amount may be easier at the outset but could cause more work in the long run.

## Turnover

If switching to Bottom Line part way through your financial year, you can use the **Turnover This Year** entry to transfer the net value of business transacted with this supplier for the current year.

Similarly, use the **Turnover Last Year** entry to transfer the value of business conducted with this supplier for the previous year.

If applicable, enter the total value of transactions with this supplier for the year to date…

…and for the previous year.



**New Supplier Details**

**Name:**
Strand Property Services Ltd.

**Address:** The Old Brewery
16 Pump Lane
0732 764242

**Balances**

Due for payment: 0.00

Unallocated payments: 0.00

**Turnover**

This year: 2500.00

Last year: 4200.00

**Auto Purchases**

☒ Auto Purchase   **Amount:** 500.00   **+VAT:** 87.50

**Last Paid:** 5   **Analysis Code:** 12   **VAT Code:** 1

Save   Ignore   Close

### More about turnover

There is no need to enter the turnover amounts straight away.  In fact, it is advisable to postpone entry of the current turnover until you have posted any outstanding transactions to this account.  You can then return to this window and top up the net turnover figure so that it correlates with your existing books

Once you have set up the turnover, Bottom Line maintains these figures for you.

## Auto Purchases

For some suppliers, you may need to raise invoices each accounting period which always contain the same purchase information — for example, when paying the rent for your business premises.

To avoid repeating the same invoice details every accounting period, Bottom Line provides an Auto Purchase template which allows you to set up the standard purchase information like this…

Enter the last period in which an invoice was generated.

**New Supplier Details**

*New Supplier*

**Name:**
Strand Property Services Ltd.

**Address:** The Old Brewery
16 Pump Lane
0732 764242

Click here to select the automatic purchase facility.

Enter the invoice amount, excluding VAT…       …enter the VAT amount.

**Auto Purchases**

☒ **Auto Purchase**    **Amount:** 500.00    **+VAT:** 87.50

**Last Paid:** 5    **Analysis Code:** 12    **VAT Code:** 1

Save  Ignore  Close

Enter the analysis code to map the purchase to the correct General Ledger account.

Enter the code for the VAT rate to be applied.

### Generating an Automatic Invoice

Once the purchase template has been set up, you can produce an Automatic Invoice for the current period by first selecting the relevant supplier account then choosing Generate Automatic Invoice from the Purchase menu.

## Saving the Supplier Account

Having entered the relevant information, save the supplier account as shown here. Once saved, the new supplier account appears in the appropriate category window.

**New Supplier Details**

Name:
Strand Property Services Ltd.

*New Supplier*

Address: The Old Brewery
16 Pump Lane

0732 764242

Strand Property

Type a short unique reference name for this account.

**Auto Purchases**

☒ Auto Purchase    Amount: 500.00    +VAT:

Last Paid: 5    Analysis Code: 12    VAT Code:

Save | Ignore | Close

Click here to close the window. If any un-saved details are detected, you will be asked to save or ignore any changes.

Click here to erase the new account.

Click here to add the supplier account to the database. You will now see this dialogue…

**New Supplier**

Supplier Name:

Strand Property

Supplier Category:

01 General
02 Raw Materials
03 Equipment/Plant
04 Printing/Stationery
05 Office/Utilities
06 Insurance/Pensions

Click the supplier category in which you want to save the account.

Cancel

OK

Click OK to add the new account.

## Modifying a Supplier Account

If, at any time, you want to check or modify the details for a particular supplier then open the relevant category and account like this…
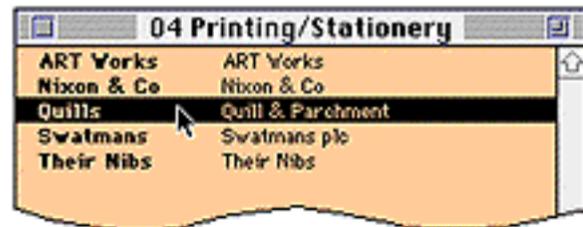
From the Purchase Ledger window, double click the supplier category containing the account you want to change.

EITHER, by icon…          OR, by name…

Double click the relevant account icon or name to open it.

Double click the Supplier Details icon to access and modify the existing details for this supplier then…

…make changes in the usual way.

If you intend to edit the Balance amounts then

**Alter Supplier Details**

Name:
Quill & Parchment

Address: 15, High Street
Staverford
Cambs
CA12 6BJ

0623 923838

Contact: Aisha

0623 923839

VAT No: GB ▼ 586 8342 21

### Editing Cash Values

In order to correct any initial errors quickly and with the minimum of fuss, the Alter Supplier Details window includes the facility to edit cash values, as well as text entries. This facility also offers flexibility over the entry of turnover values which you may want to enter immediately or postpone to another, more convenient, time.

However! You should take care when modifying the entries for **Balance Due** and **Unallocated Payments**.

You may only edit these values during the initial setting up period — and each time you do this, Bottom Line reminds you that any changes will not be reflected in the General Ledger. ..

You have manually altered the current balance. This alteration will not be reflected in the balance sheet. Is this OK?

Cancel    OK

Once you have closed the start-up period the integrity of each account balance is then maintained by posting the relevant transactions — as described in the next chapter.

### Viewing supplier accounts

The accounts assigned to each supplier category can be viewed in one of two ways — as icons or as a list of account names.

To switch from one mode to another, choose the relevant option – By Icon or By Name – from the View menu.

## Re-organising Supplier Accounts

As the supplier database expands, you may find that you want to reorganise your supplier accounts — for example, to relieve any categories which are bulging at the seams.

Use Change Item from the Edit menu to transfer an existing supplier account from one category to another as shown on the



---

### Re-naming a supplier account

You can also use the Change Item command to revise the supplier's short reference name without necessarily moving it into a different category — simply type the new reference name for the account in the Change Supplier dialogue box but leave the existing supplier category unchanged.

### First find your supplier

You can locate a supplier account by first locating the supplier category, opening it then locating the supplier's name.

Alternatively you can choose Find from the Edit menu to locate a supplier by name (or part of the name). Find is explained in Chapter 19.
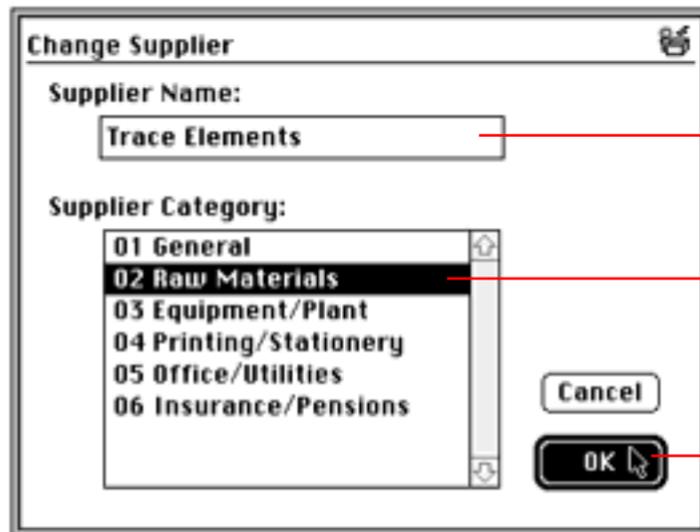
**Transferring a supplier account to a different category**



Open the relevant supplier category then select the account that you want to move by clicking its icon (or if viewing By Name, by clicking the account name).



If necessary, change the account's reference name to match the indexing system in the destination category.

Click the new destination category to select it.

Choose Change Item from the Edit menu to display this dialogue…

Click OK to transfer the account to the selected category.

## Deleting a Supplier Account

Sooner or later you may want to delete all those supplier accounts which are quietly gathering dust. You can do this provided that...

• The account balance is zero.

• There are no transactions associated with this account.

Having satisfied these two conditions, delete the unwanted supplier as described opposite…



**Preserving history**

Bottom Line allows you to delete a supplier provided that you comply with the above conditions.

However! The report 'Supplier List' illustrates turnover for the current and previous years which provide a total for all suppliers in the database. To preserve the integrity of these statistics, you may therefore want to retain suppliers on file for a couple of years until their turnover figures are also zero.



Open the relevant supplier category then select the account that you want to remove by clicking its icon (or name).

Choose **Delete Item** from the Edit menu to display the following dialogue box. . .

…then click the **Delete** button to remove the unwanted supplier account



Are you sure you want to delete the supplier Passe ?

Cancel    Delete