

## Chapter Seven

# CASH POSTING

### About this Chapter

This Chapter shows you how to input Open Item and On Account payments to the Sales and Nominal Ledgers using the **Cash posting** command.

Also explained are the procedures for posting payments with discounts, and for allocating On Account payments to specific items outstanding on Sales Ledger accounts.

## **Introduction**

You can use the **Cash posting** command to enter payments to the Sales Ledger in either of the following two ways:

- **As Open Item payments:** This means that payments received are allocated to specific items outstanding on an account.
- **As On Account payments:** This means that payments received are credited to the account as a whole, rather than allocated to one or more outstanding items on that account.

Note that part paid invoices are recorded as outstanding until they are fully paid.

A total of the payments entered with **Cash posting** is calculated and displayed by the system when you exit the command. If this total is incorrect, you may re-enter the payments; if you accept the total as correct, the system generates a daybook showing the payments which you have entered.

Payments entered under the **Cash posting** command are posted directly to the Sales and Nominal Ledgers. Note that this command only works if you have a printer attached to your computer.

## Cash Posting Defaults

On selecting the **Cash posting** command from the Sales Ledger Menu, you are asked to specify the Cash Posting Defaults. These are the parameters which will apply to the one or more payments about to be entered. They are as follows:

- **NL Posting Date:** This is the date used for Nominal Ledger postings. It defaults to the system date.
- **Bank Account:** This is a Bank Account to which payments will be made. Bank Accounts must be already set up on the Nominal Ledger.
- **Display paid items:** To facilitate data entry, it is possible to display those invoices which have already been paid. Enter **Y** if you want fully paid invoices to be displayed; **N** if not. It is not possible to reverse the recording of a receipt for a paid invoice.

Once the Cash Posting Defaults have been set, you are ready to make cash postings.

If at any stage you want to alter the Cash Posting defaults, press function key **F0** to return to the Defaults screen you may want to do so if, for example, certain customers have special bank accounts or if a different NL posting date is required.

## **Entering the Payment Details**

The system displays the prompt:

Enter Account No., ? for short name index or 'E' to end  
? \_\_\_\_\_

You may specify the Sales Ledger account to which you want to make postings in either of two ways. You may enter the Account Code directly; alternatively, enter? to be shown the Short Names of all accounts set up on the Sales Ledger.

On selecting an account, the Name and the Address of the account are displayed, and you are prompted to enter the following:

- **Cheque No.:** Leave blank if no cheque or other reference number is available.
- **Enter amount:** Enter here the amount of the payment.
- **Enter 'A' if on a/c:** Enter (in upper-case) the letter **A** if the payment is an On Account payment; press the **Return** key if the payment is an Open Item payment.

You are now asked if the information you have entered above is correct. Enter **I** to re-enter the details; otherwise, press **Return**.

Which actions you perform next are determined by whether you have specified the payment received as an On Account payment or an Open Item payment. The next two sections of this Chapter describe the procedures for entering On Account payments and Open Item payments respectively.

## On Account Payments

If the payment is On Account, you are prompted to respond to the following four data fields:

- **Date:** Enter the date of the On Account payment; the field defaults to the system date.
- **Invoice no.:** Enter the number of the On Account payment. This may be the Invoice Number to which the receipt refers.
- **Reference:** Enter any reference information which you want to associate with the particular On Account payment. If you leave this field blank, the system will refer to the payment simply as **On A/C**.
- **Amount:** This field reproduces the amount which you previously entered.

Note that under the **Display account details** command, described in Chapter Nine, an On Account payment will be listed on a separate line, with a minus sign before the financial amount. This is because On Account payments are amounts subtracted from the sum outstanding on the account.

Having completed the entry of an On Account payment, the screen returns to the prompt which requests an Account Code or Short Name and the transaction is recorded on the Daybook. From this screen, you may post further payments to the same account, to another account, or exit from the **Cash posting** command and return to the Sales Ledger Menu.

If you select the option '**E**' to end at this prompt, the system displays the amount of the On Account payment which you have entered and asks you if this figure is correct. If the figure is incorrect, type **I** and re-enter the On Account payment; the previous entry will be cancelled. Otherwise, press **Return**; the system completes the Daybook and you are shown the Sales Ledger Menu.

## **Open Item Payments**

If you specify a payment as an Open Item payment, the payment is allocated against one (or more) individual items. The SL Cash Posting Table, which lists invoices on the account, is now shown on your screen. Whether both paid and outstanding invoices appear is determined by your response to the **Display paid items** prompt on the Cash Posting Defaults screen.

The cursor appears in the column headed S and you are prompted to enter (in upper-case) either **X** to clear, **P** to part pay, **D** to discount or **E** to end.

- **X**: This fully pays off the item and decrements the cash balance by the amount of the item. PX will appear beside fully paid invoices in the **Display account details** command.
- **P**: This allocates a part payment against the item. On entering **P** you are then prompted for the amount of the part payment. Enter the amount in the Payment column.
- **D**: This records that the invoice is fully paid with a discount. Enter the amount of the discount payment in the Payment column.

When you have finished allocating payments, press **E** to end and the transaction is recorded on the Daybook. If, however, there is a difference between the payment amount entered at the earlier prompt and the sum of the amounts which you have allocated on the Cash Posting Table, the system displays the difference and prompts you to select one of the options shown in Figure 7.1.

From this prompt, select the appropriate method for handling the difference between the amount on the sales invoice and the amount which you have entered for payment. Options **C** and **R** allow you to continue the allocation or to reallocate amounts.