

SOP PAYMENT TO VENDORS

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TABLE OF CONTENTS

Aim One 2

Working Assumption..... 2

Procedure 2

 Stage One: Flagging Invoices for Payment – Automatic 2

 Stage Two: Preparing Payments..... 2

 Stage Three: Checking Payments 3

 Stage Four: Finalising Payments 3

 Stage Five: Setting Up Check Printing 3

 Stage Six: Printing Checks 3

 Results..... 4

Aim Two 4

Working Assumption..... 4

Setups 4

Prodedure 5

 Stage One: Preparing the Payment 5

 Stage Two: Printing to Check..... 5

 Results..... 5

Aim Three 6

Working Assumption..... 6

Procedure 6

 Stage One: Preparing Bank Transfer payments..... 6

 Stage Two: Finalising Payments 6

 Stage Three: Printing Transfer Confirmations 6

 Results..... 7

AIM ONE

Preparing checks to vendors in batch on the basis of purchase invoices recorded in the system

WORKING ASSUMPTION

The system contains purchase invoices with a status that allows payment.

PROCEDURE

STAGE ONE: FLAGGING INVOICES FOR PAYMENT – AUTOMATIC

1. Enter the Flag Invoices for Payment form and retrieve all purchase invoices that have not yet been paid.
2. Flag the Checking column of any invoice for which you do not want to prepare payment.
3. To flag a batch of invoice, run the Flag invoices for Payment program, specifying the vendor that you want to pay, and the range of invoice dates for which to prepare the payment.
4. To view the flagged invoices, enter the Flag Invoices for Payment form and retrieve all records. You can remove or add the check mark for a specific invoice manually.
5. To flag a single invoice, flag the Prepare Payment column in the Flag Invoice for Payment form (without running the program).
6. To automatically split payments to a vendor into equal monthly instalments, flag the invoice(s) for which to split payments and run the Split Payment program from the list of Direct Activations. The instalments created by the program appear in the Payments for Invoice sub-level form.
7. To split a payment into instalments manually:
 - Retrieve the vendor invoice that you want to split.
 - Enter the Payment Instalments sub-level form.
 - Record the sum of the partial payment in the Amount of Payment column.
 - Record the date of the payments in the Payment Date.

STAGE TWO: PREPARING PAYMENTS

In this stage we will prepare payments for the invoices flagged in the previous step.

1. Run the Prepare Payments program.
2. Select the bank from which the checks will be prepared and specify their dates.

STAGE THREE: CHECKING PAYMENTS

In this stage we will check the payments that were prepared.

1. Enter the Check Payments form and retrieve all of the payments prepared in the previous step.
2. Check the payments details. If necessary, you can make revisions in the Payment Details, Flag Invoices for Payment or Check Payment- Add'l Details sub-level form.

STAGE FOUR: FINALISING PAYMENTS

In this stage we will finalise the payments that were prepared and checked, prior to printing the actual checks.

1. Run the Finalise Payments program.
2. In the query form that opens, retrieve all of the payments awaiting finalisation.
3. If a payment is displayed that you do not want to finalise, you can remove it from the list by pressing F7.
4. Close the form. The program will finalise all the selected payments and display a message when it ends.

STAGE FIVE: SETTING UP CHECK PRINTING

In this stage we will set up the required definitions for printing checks.

The systems allow you to print checks with or without using a Word Template. To update the default check printing definitions, run one of the following programs (depending on the print program you use):

- Definitions for Check Printing
- Design Word Template for Checks

NOTE: if you work with the Rich Interface, checks must be printed based on a Word template. For details, see the User Interface Guide

STAGE SIX: PRINTING CHECKS

In this stage we will print the actual checks, using the relevant printing program.

1. Run either of the following check printing programs:
 - Print Checks – To print checks without a Word Template (Windows Only).
 - Print Checks Via Word Template – to print checks based on a Word Template.
2. If you are printing checks based on a Word Template, choose the desired Template.
3. In the query form that opens, retrieve the final payments for which you want to print checks – you can retrieve all or some of the final payments. Since you can only print

multiple checks from one bank account at a time, it is advisable to retrieve payments per account. In any case, only payments that have no value in the Check Number column will appear in the form.

4. To remove a specific check from the list, clear the line by pressing F7.
5. Close the form. The dialogue box that opens automatically displays the number of the first check to be printed in the From Check Number column (according to the current value appearing for the account in question in the Next Check to Print column of the Bank Accounts form). It may be revised.
6. In the Max.Checks to Print column, specify the number of checks you want to print. NOTE: the number of copies of each check that will be printed is determined by the CheckCopies constant, defined in the Financial Constants form.
7. If an error is encountered when printing a check, make a note that the check number in question has been cancelled (in order to monitor the sequence of check numbers), and reprint the payment with a different check number:
 - Enter the Check Payments form, specify the Vendor's Account and Check Number and click Void the Check from the list of Direct Activations.
 - Enter the Update Check Numbers form, retrieve the cancelled payment and delete its number. This allows you to include the payment in the next round of check preparation.

RESULTS

- An invoice for which a check is prepared is reconciled against the payment.
- If the check only constitutes partial payment of a given invoice, the current payment appears in the Priori Payments on Invoice sub-level of the Flag Invoices for Payment form.
- When the payment is finalised a journal entry is posted automatically to the ledger.

AIM TWO

Preparing a single check on the basis of a vendor invoice recorded in the system

WORKING ASSUMPTION

The system contains purchase invoices with a status that allows payment.

SETUPS

The system allows you to print checks with or without using a Word Template. To update the default check printing definitions, run either of the following programs (depending on the print program you use):

- Definitions for Check Printing
- Design Word Template for Checks

NOTE: if you work with the Rich Interface, checks must be printed based on a Word Template. For details, see the User Interface Guide.

PRODEDURE

STAGE ONE: PREPARING THE PAYMENT

1. Enter the Check Payments form.
2. Specify the Vendors Account and Paying Bank Account.
3. Check the Values appearing in the Check Date column and the Currency column (in the Payment Data tab).
4. If the payment is for a purchase invoice, enter the Flag Invoices for Payment sub-level form and flag the Pay column for every invoice that you want to pay with the current check.
5. In the Payment Details sub-level form specify the Sum, or leave the amount that appears automatically.
6. Return to the upper-level form and change the Status of the payment to Approved.
7. From the Check Payment form, click the finalise payments from the list of Direct Activations.

STAGE TWO: PRINTING TO CHECK

1. Select Print Checks Via Word Template from the list of Direct Activations, specifying the desired Template. NOTE: to use the Print Checks program, follow the directions for printing a batch of checks (Stage Six) and retrieve a single payment document.
2. The Check Number is filled in automatically based on the Next Check to Print column of the Bank Accounts form. Revise if necessary, then click OK to confirm. NOTE: The number of copies that will be printed is determined by the CheckCopies constant, defined in the Financial Constant form.
3. If you want to reprint the check:
 - Enter the Update Check Numbers form, retrieve the payment in question and delete the number of the check.
 - Enter the Check Payments form, retrieve the payment in question and rerun the check printing program, specifying the original check number.

RESULTS

- Any invoice for which the check is prepared is reconciled against the payment.
- If the check only constitutes partial payment of a given invoice, the current payment appears in the Priori Payments on Invoice sub-level of the Flag Invoices for Payment form.

- When the payment is finalised a journal entry is posted automatically to the ledger.

AIM THREE

Preparing bank transfers in batch on the basis of purchase invoices recorded in the system,

WORKING ASSUMPTION

The system contains purchase invoice with a status that allows payment.

PROCEDURE

STAGE ONE: PREPARING BANK TRANSFER PAYMENTS

1. Enter the Payments by Bank Transfer form.
2. Specify the Vendor's Account and Paying Bank Account.
3. Check the Values appearing in the Payment Date column and the Currency column (in the Payment Data Tab).
4. If the payment is for a purchase invoice, enter the Flag Invoices for Payment sub-level form and flag the Pay column for every invoice that you want to pay with the current transfer.
5. Enter the parallel Payment Details sub-level form and check the payment sums.
6. If the transfer constitutes partial payment of a given invoice, change the payment amount in the Sum column.
7. Return to the upper-level form and change the Status of the payment to Approved.

STAGE TWO: FINALISING PAYMENTS

1. Run the Finalise Bank Transfers program.
2. In the query form that opens, retrieve all of the payments awaiting finalisation. TIP: if a payment is displayed that you do not yet want to finalise, you can remove it from the list by pressing F7.
3. Exit the form.
4. To Finalise a single bank transfer, enter the Payment by Bank Transfers form, retrieve the desired payment and click Finalise Bank Transfer Payment from the list of Direct Activations.

STAGE THREE: PRINTING TRANSFER CONFIRMATIONS

1. Enter the Payments by Bank Transfer form and retrieve the transfer payment that you want to print.

2. Click Print Bank Transfer (Bank Copy) or Print Bank Transfer (Vend Copy) from the list of Direct Activations to print a confirmation to send to the bank and the vendor, respectively.

RESULTS

- An invoice for which a bank transfer is prepared is reconciled against the payment.
- If the transfer only constitutes Partial Payment for Invoice sub-level of the Flag Invoices for Payment form.
- When the payment is finalised a journal entry is posted automatically to the ledger.