Auto Cheque Processing

Set Cheque Date

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à1. SET CHEQUE DATE

Required

Automatic cheques are those that pay invoices which have previously been entered to existing vendors via **2. Accounts payable à 4. transaction processing à 1. transaction input** or through the **PO Matching** processes. You can print the cheques and statements, which is the payment advice or remittance sheets for instances when there are more than 14 invoices being paid on one cheque, or hand-write your own cheques and just print the statements.

To start the process, enter in the date to use as the **cheque date** for this batch of cheques. Any invoice with a payment or discount due date on or before this date will be flagged for payment during this process. You may enter a date in the future, but you may not enter any date prior to the current one.

Transaction Purge

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à2. TRANSACTION PURGE

Optional

Run this to clear out all paid invoices and invoices with credit memos that cancel each other. This process will not destroy any outstanding invoices or credits and you may run this function at any time or many times during a month. Should you choose not to run this with each cheque run process, the same function is accessible from the **accounts payable à ap month end** menu.

Set Vendor Hold Status

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à1. SET VENDOR HOLD STATUS

Optional

When you do not wish to have a cheque generated to a particular vendor regardless of the state of the account or the due date of any particular invoice, set the **Hold?** field to [**Y**] and then indicate

the **hold expiry** date when the **Hold** status will be lifted. This vendor will be completely skipped during the selection of invoices.

Placing a vendor on hold is different than deferring payment until a later date. Normally used is cases of dispute, setting a vendor on hold means that the vendor will not be considered for payment until the hold status is removed via this menu option.

Set Invoice Hold Status

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à2.SET INVOICE HOLD STATUS

Optional

Sometimes, not all invoices on a vendor account are to be held back from being considered for payment until a specified date. In that instance, this function will hold only those invoices specifically selected. Enter the vendor number, or use the [**tab**] to search for a vendor number, then enter the specific invoice to be held. The invoice number must match exactly to the one on file, including leading zeros and/or any spaces.

Placing an invoice on hold is different than deferring payment until a later date. It means that the invoice will not be considered for payment until the hold status has been removed and is normally used in cases of dispute.

Cash Requirements – All Vendors

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à3.CASH REQ-ALL VENDORS

Optional

Run this report when you want a listing of all vendors with outstanding invoices due on or prior to the cheque date you entered in the **set cheque date** menu function. If you choose to include the holds, then they will appear on the report for you to decide whether or not they can be considered for payment, in which case, you must remove the hold status on the vendor or invoice using the **set vendor** (or **invoice**) **hold status** function.

Cash Requirements – Selected Vendors

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à4.CASH REQ-SELECTED VENDORS

Optional

This is identical to the **Cash Requirements – All Vendors** function, except that you need to specify the vendor number (up to 16). If they have outstanding invoices with payment due dates on or prior to the cheque date you entered earlier, then they will appear on the report. The same rules apply for holds as with the **All Vendors** option.

Invoice Payment Deferral

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à5.INVOICE PAYMENT DEFERRAL

Optional

Deferring an invoice is **moving** the payment due date forward, past the cheque date you set earlier, effectively removing that particular invoice from the list of those to be paid in this cheque run. This is different than a hold as the hold process keeps all original dates, and will not consider the invoice for payment until the hold is removed.

Deferring actually changes the payment due date, (although ageing is not affected) so that the invoice is considered for payment again once the new payment date falls on or before the cheque date you select in a subsequent cheque run. If any vendor accounts have a credit balance (they owe you), then those documents must be deferred as well prior to continuing.

Payment Deferral – by Vendor

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à6. PAYMENT DEFERRAL BY VENDOR

Optional

This is the same as the **By Invoice** option but is used if you need to defer multiple invoices for a particular vendor. There is an option to defer all invoices to the new payment and discount dates you enter, or just selected invoices. Even invoices that have previously been placed on hold will be deferred and will have new payment and discount dates applied from this function.

> Deferring an invoice has no affect on the hold process.

Deferred Invoice Report

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à3. CASH REQUIREMENTS…à7. DEFERRED INVOICE REPORT

Optional

This report will print invoice information for the vendor(s) selected, as long as the vendor has deferred invoices. The **Vendor number** and **name, invoice number, invoice date** and (new) **payment date** are printed as well as ageing information (will be the same as prior to the deferment since the invoice date hasn't been changed), the **discount amount** and the new **discount date**. Included on this report are not only deferrals just completed, but also any invoice that has been deferred since the last time the **Auto-Cheque** process was completed.

Cheque Calculation

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à4. CHEQUE CALCULATION

Required

Once you have finalized the decisions on which vendors and invoices are to be paid by using the **Hold** and **Defer** functions to remove invoices from eligibility, use the **cheque Calculation** option to prepare the file from which the physical cheques and/or statements will be created and printed.

> This step may **not** be skipped for it is the foundation for all remaining cheque run tasks.

You can enter in a minimum cheque value (the default was set in **9. SYSTEM UTILITIES à 3. SYSTEM SETUP à 2. Accounts payable à 1. SYSTEM PARAMETERS**. Either choose all vendors/invoices or again select specific vendors.

If you choose to create cheques for **all**, then all invoices with a payment date on or prior to the cheque date set earlier will be paid. If you choose to only pay selected vendors, then you have the opportunity to do that, as well as selecting the payment due date for each vendor. Pressing [**ENTER**] through the due date field here will default to the cheque date you set as the first step in this process. Any date is permitted when selecting specific vendors, even those in future periods.

Should you be required to make changes to the invoices or vendors that are selected for payment, this step may be re-run as many times as required as long as the step for **auto-cheque / statement create** has not been run. In that instance, a warning message **data already exists. Continue and overwrite ?** will be shown. To continue, reply [**y**]. Any information previously created will be removed and will need to be re-created.

Cheque Register

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à5. CHEQUE REGISTER

Required

This report prints the information for the selected vendors and associated invoices and shows the cheque number, the vendor number and name, the invoice number, date, reference number type,

gross amount, any penalty or discount amount and the net amount. Each vendor is totalled to provide a total cheque amount.

This is the last opportunity available for correcting any errors or omissions for this cheque run. You may go back to the **cheque calculation** step to re-do it as many times as you need to in order make the data correct.

Cheque / Statement Create

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à6. CHEQUE PRINT…à1.CHEQUE/STATEMENT CREATE

> This step is Required and the **POINT OF NO RETURN**

Once this step is taken, the choices made in the steps above cannot be changed, as this is the process that physically creates the cheque and statement print files. A statement is automatically created for any cheque that has more than 14 invoices being paid. The stub portion of these cheques will be printed with the message **see attached statement**.

Cheque Alignment

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à6. CHEQUE PRINT…à2.CHEQUE ALIGNMENT

Optional

Switch to your cheque forms and use the alignment to ensure that they will be printed correctly.

Cheque Print

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à6. CHEQUE PRINT…à3.CHEQUE PRINT

Required

Once the alignment is correct, print the cheque forms. If a problem with the physical printing of the cheques arises (ribbon break, paper jam etc), the cheques may be reprinted. However, this means that the entire cheque run would reprint.

Cheque STATEMENTS - ONLY

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à6. CHEQUE PRINT…à4.CHEQUE STATEMENTS - ONLY

Cheque Update

2. ACCOUNTS PAYABLE…à6. AUTO CHEQUE PROCESSING…à7. CHEQUE UPDATE

Required

Once the cheques have successfully printed, the last step is to apply the payments to the invoices on the vendor account and create the correct journal entries in the **General Ledger**.

The **Update** will post the cheques against the invoices paid and purge them from the vendor file. As with other Updates, a **Transaction Journal** and **General Ledger Summary Journal** will be printed.

Revision #1
Created 2018-11-14 13:48:19 UTC by Jim
Updated 2021-09-15 23:56:00 UTC by Jim