Paying a Vendor

Last Modified on 12/23/2020 3:05 pm EST

Payments to vendors can be easily processed as cash, checks, or wire transfers from three aACE modules: Purchase Orders (POs), Purchases, or Disbursements. Remember that these transactions are all contained within the aACE accounting system; there is no integration to your bank account. After processing a transaction in aACE, you must still manually withdraw the cash, send the check, or process the wire transfer.

Note: If you have integrated payment processing, you can use a slightly different workflow to pay a vendor with a credit card (http://aace5.knowledgeowl.com/help/entering-credit-card-purchases).

Payments from the Purchase Orders Module

You can apply a payment to a vendor at the Purchase Orders module. When you apply payment here, the system automatically creates a related purchase record, applies the funds, and closes the records.

1. Navigate from **Main Menu** > **Accts Payable** > **Purchase Orders**, then use the Quick Search (http://aace5.knowledgeowl.com/help/using-the-quick-search-bar) bar to locate the desired PO record.
2. At the details view Totals section, click the Payment Due **Plus** (➕) icon.
3. At the Enter Payment dialog, record the necessary details:
   - Payment — Enter the amount.
   - Payment Method — Mark the desired radial button, then enter any necessary supporting data (e.g. check number).
4. Click **Apply Payment**.

To review the automatically created purchase record *and* disbursement record navigate from PO Management tab > Purchases subtab > Purchases go-to link > Disbursements go-to link.

Payments from the Purchases Module

When you purchase an item and want to immediately pay the vendor using petty cash, a check, or wire transfer, you can create the purchase and enter the payment in a single process. You can apply overpayments that exceed the current purchase to other GL accounts.

1. Navigate from **Main Menu** > **Accts Payable** > **Purchases**, then use the Quick Search

(http://aace5.knowledgeowl.com/help/using-the-quick-search-bar) bar to locate the desired purchase record. You can also save and open a new purchase (http://aace5.knowledgeowl.com/help/entering-purchases).

2. At the Disbursements subtab, click the **Plus** (➕) button.
3. At the new disbursement record, enter the necessary payment info (e.g. payment method, etc).
   For details, see the following section on payments from the Disbursements module.
4. Click **Save** and **Post**.

Payments from the Disbursements Module

In addition to making payments to vendors, you can use this module to create a new, Other-type disbursement to initiate refunds to customers (https://aace5.knowledgeowl.com/help/processing-refunds-for-customer-payments) or to log payments directly to a GL account (e.g. to record checks for sales commissions).

1. Navigate from **Main Menu** > **Accts Payable** > **Disbursements**.
2. In the menu bar, click **New** > **Vendor Payment**.
3. Enter the payment info, including:
   - Company — Specify the vendor.
     All open purchases for that vendor are populated in the Purchases list. Purchases with zero Amounts will be ignored; however, you can click the Delete icon (✖) to manually remove a line from the list.
   - Amount — Specify the payment amount.
   - Payment Method — Specify the method.
     The default bank account is populated. If needed, you can manually select a different GL account.
   - Purchases — Click the double-chevron icon (») to transfer the total amount from the Suggested Balance column to the Amount column or you can manually enter a partial amount.
     Note: aACE will validate the amounts to ensure the disbursement balances. If needed, you can adjust the amounts (https://aace5.knowledgeowl.com/help/using-the-adjustment-field-in-disbursements). You can also apply overpayments that exceed the current purchase to other GL accounts.
4. Click **Save** and **Post**.