PENTAGON *2000 Software, Inc.*

Pentagon 2000 Software

Credit Card Transactions Process

Version 8.0

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Important:
Use your TAB key to move from field to field or use your mouse left click to click on the appropriate field in each module.

CREDIT CARD BANK SETUP

Credit Card Accounts must be set up in the system as a Bank in which you will make Accounts Payable transactions through – Credit Card Payments

- General Ledger Code –

  a   Go to the Financials Menu
  b   Select the Administration sub-menu
  c   Open the General Ledger Codes sub-menu
  d   Double click on View / Build Tree
  e   Add a new General Ledger Code Detail under the Assets Series
  f   Click OK and Close when done
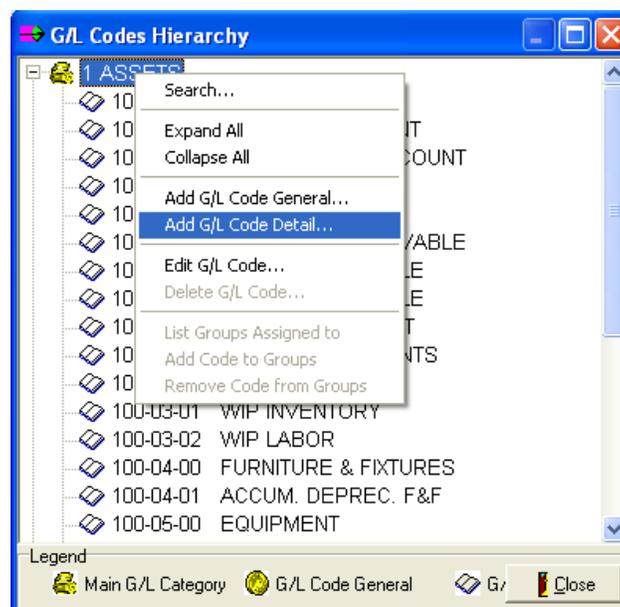
NOTE: This Credit Card Account can also be categorized as a Liability if applicable

- Credit Card Bank –

  a   Go to the Financials Menu
  b   Select the Administration sub-menu
  c   Double click on the Banks List
  d   Add a new Bank for this Credit Card Account – Amex, Providian, Visa

  NOTE: Add a NEW Bank unless the Credit Card has been issued by an existing Bank in your system. In that case, you'd add a NEW Account for the specified Bank

CREDIT CARD BANK SETUP (continued)

By mandate, the Credit Card Bank must have the following information as shown:

CREDIT CARD VENDOR SETUP
Credit Card Vendors must be set up in the system in which corresponding Statements to as well as Remitting Payments to.

- Add a Vendors File –

  a   Assign the Account Code and Name
  b   Approve the new Vendor Account and remove the Hold on the Account
  c   Set a Credit Limit
  d   Default the Terms for Credit Card Statements – commonly Net 30
  e   Default the General Ledger Account Table for the Goods Line **(noted below)**

CREDIT CARD ACCOUNT TABLE SETUP

The purpose of creating a unique General Ledger Account Table per Credit Card General Ledger Account is to balance out the General Ledger and ultimately washing the Credit Card General Ledger Account as well as the Accounts Payable Account.

This unique Table will be applied to the itemized line on the Credit Card Statement / Miscellaneous Invoice for the Goods previously purchased and received.

This Setup procedure as well as the other Setup procedures in the document only need to be done once. It is important that the Setup is done correctly from the beginning as to ensure the validity of current and future General Ledger Transactions pertaining to the "Credit Card Payment for Goods" scenario.

- Go to the Financials Menu
- Select the Administration sub-menu
- Double click on GL Accounts Table
- Hit Add for the New GL Accounts Table record, set up as follows –

  a The type of this Table should be set to Purchase
  b Make sure the Table is Active
  c Assign a Table Code and Name – corresponding to the Credit Card Account
  d In the Sub Totals Tab, the Debit must go to the Credit Card Account
  e In the Sub Totals Tab, the Credit must go to the Accounts Payable Account
  f Click OK and Close when done

NOTE: Please review the General Ledger Transactions Procedure for CC spreadsheet for a basic analyztion using T Accounts

CREDIT CARD TRANSACTION DATA ENTRY PROCESS

STEP 1. VENDOR INVOICE

- The Goods are Purchased through a PO and Received, then Invoiced

- The Invoice is approved for Accounts Payable and Posted to GL

STEP 2. ACCOUNTS PAYABLE CREDIT CARD TRANSACTION

- An Accounts Payable Disbursement must be posted in the system for the Credit Card Transaction

- The Credit Card Payment is applied to the Vendor Invoice for the Goods Received

- The Credit Card Payment is Posted to GL

STEP 3. MISCELLANEOUS INVOICE

- The Credit Card Statement comes in the mail and must be entered in the system as a Miscellaneous Invoice

- The Miscellaneous Invoice will be added for the Credit Card Vendor

- The Miscellaneous Invoice must be marked for GL Line Tracking

- Each itemized line must be assigned its corresponding Expense GL Table

- The Goods line must be assigned the unique Credit Card Account GL Table

CREDIT CARD TRANSACTION DATA ENTRY PROCESS

STEP 3. MISCELLANEOUS INVOICE (continued)

- The Invoice is approved for Accounts Payable and Posted to GL

STEP 4. ACCOUNTS PAYABLE CHECK PAYMENT

- An Accounts Payable Disbursement is created in the system for the Payable Invoice

- The Accounts Payable Check (either manual or automatic) is applied to the Miscellaneous Invoice for the Credit Card Statement

- The Accounts Payable Check is Posted to GL