

Recording Vendor Rebates

From time to time you may receive a rebate from a supplier, either as a credit against your vendor account to apply to outstanding invoices, or as a payment into your bank account.

You must first decide how you want to account for the rebates, either as a credit against a 5-XXXX Cost of Goods account in your General Ledger or as income reported against a 4-XXXX Income GL account. This decision will also affect how the rebates are reported in GST Sessions (your BAS).

NOTE: If you are new to Jim2 you may want to discuss this with your accountant, or refer back to your previous system to see how you previously recorded vendor rebates.

RECORDING VENDOR REBATES AS INCOME

If you want vendor rebates reported as a credit in the 5-XXXX COGS area of the General Ledger to reduce your overall Cost of Sales, simply add a negative expense PO to the vendor, and select the required 5-XXXX account (Purchases>Add Purchase>Type=Expense and make negative by putting a minus sign (-) before the amount).

RECORDING VENDOR REBATES AS INCOME

If you want vendor rebates reported as income against a 4-XXXX Income GL account, then you must invoice the supplier for the rebate so it reports as a 'sale' and therefore income. You must add a 'journal' stock pointing to an income account (you may need to add a new income account and journal type Stock GL Group for this purpose).

Edit the cardfile and make the vendor a customer as well as a vendor, add a job and invoice them for the value of the rebate. Then edit the debtor account and add a Creditors Contra to 'pay' the invoice and move the value to the creditor account where it will appear as a credit to apply to invoices.

For further assistance or information please call Happen support on 02 9570 4696 or email support@happen.biz