

How Do I Buy Something On Payments?

Summary

Often when purchasing a piece of equipment there are installment terms within the contract. These can range from a simple "4 easy payments" like model to a more phased payment approach for larger projects. In this article, we will look at how to set up payment terms to handle these types of situations.

Setup & Configuration

1. Navigate to Administration -> Set Up -> Business Partners -> Payment Terms



2. From within the *Payment Terms* window, create a new *Payment Term Code*. In this example, we will use "4 Easy Payments".



- 3. Now define the *Start From* criteria. This start date determines when the first payment is due, most often, this is 30 days from when the invoice is created.
 - 1. **Note:** You may also set a start date to as a number of days from month end, month start, half month by selecting the option from the drop down menu. For example, if you have a payment that is due 5 days following month end, you can select Month End from the drop down menu, then + 5 days.

Payment Terms Code	4 Easy Payments				
Due Date Based on		Doc	ument Dat		
Start From	▼ +	0	Months	+ 30	Days
Tolerance Days					
No. of Installments	0				
BP Fields					
Total Discount %		0.00)		
Interest % on Receivables		0.00)		
Price List		OR			
Max. Credit		0.00)		
Constant Lines		0.00			

4.

- 5. Next, click on the golden link arrow () on the *No. of Installments* row to open the Installments window.
- 6. Within the *Installments* window, you will define the number of payments necessary as the **No. of Installments**, we will use 4 payments in this example.
- 7. The *Credit Method* specified is how the system will create a credit memo if it's created against the invoice should the credit memo not be for the full amount of the invoice.
 - 1. *First Installment* The credit memo amount will be applied to the first installment, then the second, etc.
 - 2. *Last Installment* The credit memo amount will be applied to the last installment, then the second to last, etc.
 - 3. *Equally* The credit memo amount will be applied equally across each installment according to the % defined.



No. of Installments	4
Credit Method	Last Installment
Apply Tax in First I	nstaller First Installment
Undate Tax Propor	tionally Last Installment

- 8. Taxes can be applied to the first installment only, or updated proportionally according to the percentage of each payment. The later is the most common scenario.
- 9. Next, specific the installment due dates. These are based on the total amount of month & days for each row starting from the invoice due date. *If you want the first installment due date to be the same as the invoice due date enter* **<u>0</u>** *in the* **month** & **days** *fields.*
- 10. Lastly, enter the percentage amount for each installment payments, this percent of the overall invoice amount that you will pay. In our example, we have a payment due every month at differing amounts.

	No.	of Installments	4		
	Crea	dit Method	First Instal	ment 🔻	
	0	<u>A</u> pply Tax in First I Update Tax Propor	installment tionally		
	#	Month	Days	%	2
	1	1	0	20.00	
	2	2	0	30.00	
	3	3	0	40.00	
	4	4	0	10.00	
ŀ					
				100.00	

12. Once you finished, press the *Update* button to be taken back to the *Payment Terms* setup window, then press the *Add* button to create the new payment term.



13. Lastly, apply this payment term to your vendor by navigating to the **Business Partner Master Data** for the applicable vendor, selecting the *Payment Terms* tab, and then choosing the new payment terms from the drop down menu.

Business	Partner M	aster Data	à							
Code I	Manual	V1049	Vendor	-			Local Cur	rency	•	
Name		Brewing Net	WS		Account Ba	alance		-1,69	0.00	
Foreign Nam	ne				Goods Rec	eipt POs			0.00	
Group		Vendors		-	Purchase C	orders		-10,00	0.00	
Currency		US Dollar		-						
Federal lax.	ID			10						
Genera	al Contact	Per <u>s</u> ons <u>A</u>	ddresses	Paym	ent Terms	Payment Run	Accounting	Propertijes	Remar <u>k</u> s	Atta <u>c</u> hm
Ge <u>n</u> era Payment Te	al Contact	Persons A	addresses	Paym •	ent Terms	Payment Run	Accounting	Propertijes	Remar <u>k</u> s	Atta <u>c</u> hm
Ge <u>n</u> era Payment Te Interest on	el Contact erms Arrears %	Pergons <u>A</u> Easy Paym	uddresses nents	Paym •	ent Terms	Payment Run	Accounting	Propertjes	Remar <u>k</u> s	Attachm
Ge <u>n</u> eral Payment Te Interest on Price List	al Contact erms Arrears %	Persons <u>A</u> Easy Paym OR	ddresses	Paym v	ent Terms	Payment Run	Accounting	Propertijes	Remar <u>k</u> s	Attachm
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General Payment Te Interest on A Price List Total Discou Credit Limit	erms Arrears % unt %	Pergons <u>A</u> Easy Paym OR 0.00	addresses nents	Paym T	ent Terms	Payment Run	Accounting	Properties	Remar <u>k</u> s	Atta <u>c</u> hm
General Payment Te Interest on A Price List Total Discou Credit Limit Commitmen	al Contact i erms Arrears % unt %	Persons <u>A</u> Easy Paym OR 0.00 0.00	addresses nents	Paym	Average Priority	Payment Run	Accounting	Properties	Remar <u>k</u> s	Atta <u>c</u> hm
Ge <u>n</u> eral Payment Te Interest on / Price List Total Discou Credit Limit Commitment	al Contact i erms Arrears % unt % it Limit	Pergons <u>A</u> Easy Paym OR 0.00 0.00	addresses nents	Paym	Average Priority Default I	Payment Run Delay BAN	Accounting	Properties	Remar <u>k</u> s	Attachm

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