

How do I process invoices from a credit card company and still track detail invoices from vendors?

Background

Several schools have expressed a need to track detailed invoices from vendors (e.g. Office Max) when staff using credit cards (e.g. American Express) to purchase goods from such vendors. In this example, employees would go to Office Max and buy goods for a month. At the end of the month, American Express would send a statement for each credit card (normally each employee has a card). American Express would be expecting to be paid ONE check for all those “invoices” or statements. On the other hand, an invoice would come from each of the vendor detailing the specific products purchased from specific vendors, in this case Office Max. To be able to send Amex one check and still track vendor specific invoices, the school needs to setup a clearing account and process invoices as follows:

Setup a **Clearing Account** in General Ledger

When an invoice is posted in AP Invoice Posting

American Express Invoice	
Debit	Credit
Clearing Account	Accounts Payable

When an invoice is paid in AP Cash Disbursement

American Express Invoice	
Debit	Credit
Accounts Payable	Cash

When an invoice is posted in AP Invoice Posting

Office Max Invoice	
Debit	Credit
Technology Expense	Accounts Payable

When an invoice is “paid” in AP Bank Drafts - Select the **Clearing Account** as the Cash Account

Office Max Invoice	
Debit	Credit
Accounts Payable	Clearing Account