How to Manage Vendor Prepayments in Acumatica

Hi everyone. In this video, we will be walking through vendor prepayments within Acumatica. So to start, I'll go over to my payables module, and we'll go ahead and create the prepayment within the checks and payments screen. So I'll go ahead and create a new record here. And the first thing I'll do is, I'm going to change this type from payment. It's going to default to payment. I'm going to change it to prepayment. So in this case, I'm going to go ahead and create the prepayment, and then we can see how we would apply that to future bills for our, for this vendor specifically.

So I'm going to create a prepayment to AA services vendor, and maybe I'll do $5,000. I'll give that a description, and I'm going to go ahead and save it. You'll also see that the default payment methods are defaulting in from that vendor record. In this video, I'll go ahead and pay via check. Again for that $5,000 I'll go ahead and remove the hold. So here I'm creating this prepayment amount. I'll go ahead and process this as I would a typical check. Process this check, we'll see this check form, and then I can go ahead and release the payment. Perfect.

So now I'll go back to my checks and payments screen, and we can see I have that prepayment $5,000 and it's still open. So it's in an open status at this point. So now maybe I have some AP bills that I want to go ahead and pay, and I'm going to pay using that prepayment amount that I already have for that vendor. So I'm going to go ahead, I just created a new AP bill, and I'll use that same vendor. In this case, maybe we just have, you know, basic consulting services, 20 hours. Let's just say $50 an hour. So there we'll see it's $1,000 here, and if I go to my application screen, this is where I'll see that prepayment amount. So you'll see it's available that $5,000 of prepayment. And if I click this auto apply, it's going to automatically apply that payment. So there we'll see that $1,000, it changes the balance of the prepayment to $4000. So was $5,000 balance, now it's $4000, since it's subtracting that $1,000 bill, I'm going to apply that and I'm going to remove the hold.

Once I do that, I'll release it. And then we can see that this bill has changed to closed since it applied that payment, and then if I drill down into this prepayment, we'll see that that still remains open because it has an unapplied balance of $4000. So next I could go ahead and create a new bill for the same vendor, and this time we'll do the remaining amount, $4000 okay? I save that, then I'll go back to my Applications tab again. We'll see that prepayment. So anytime there's open, prepayments against a vendor, that will show up on your AP Bills Applications tab. So you can choose to apply those or not. In this case I will. I'm going to auto apply, and then we'll see that change. So it's applying that full, full $4,000 and that will bring that prepayment balance to zero. So again, I'll remove this hold and release this. Same thing, that AP Bill has a status of closed and then if I drill down into this prepayment we'll also see that it has the status of closed.

Now it's been fully applied to AP bills. And I can go over to my financial tab, we can drill down into what this looks like on the journal transaction side. So pretty straightforward in terms of that AP bill. And then I can take a look at that prepayment as well. So we'll see we have that deposit to the vendor being credited, and then that Accounts Payable being debited.

So pretty straightforward, and that's how we would go about managing prepayments to vendors, and then we can choose to apply those on the AP bill, and we can see that effect on that prepayment amount and the balance remaining.