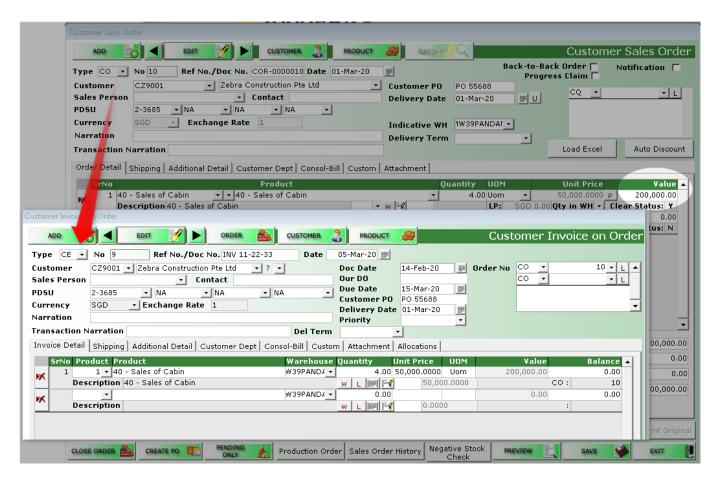
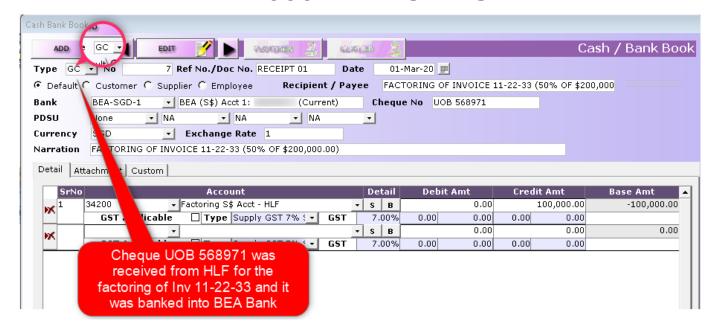
How to do book in transactions when we do factoring of Sales Invoices?

Factoring is the process where a company sells their receivables to a financial institution, so that a long term project with long receivable cycle can be funded by advance from the financial instution. For example:

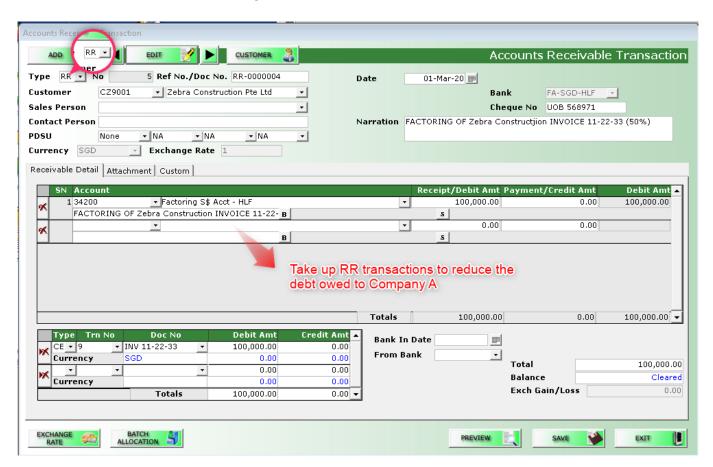
1. On 1st Mar 2020, Company A sold goods to Zebra Construction Pte Ltd and raised Inv 11-22-33 for **\$200,000.00**



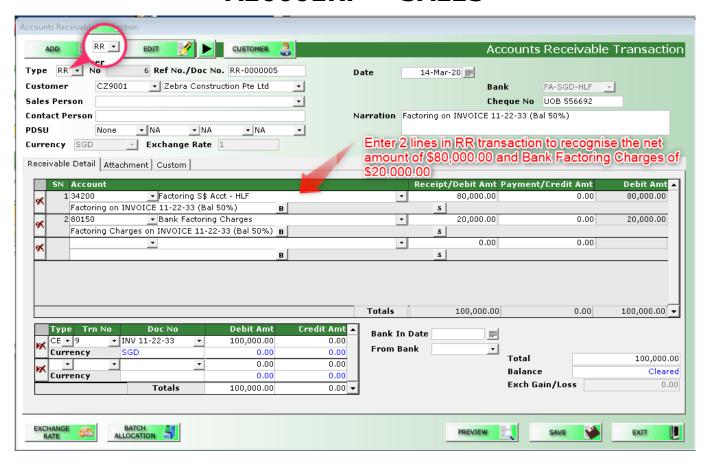
2. Company A factored Sales Invoice 11-22-33 to HLF (financial instution). HLF then pays Company A an initial \$100,000.00 and it was deposited into BEA Bank.



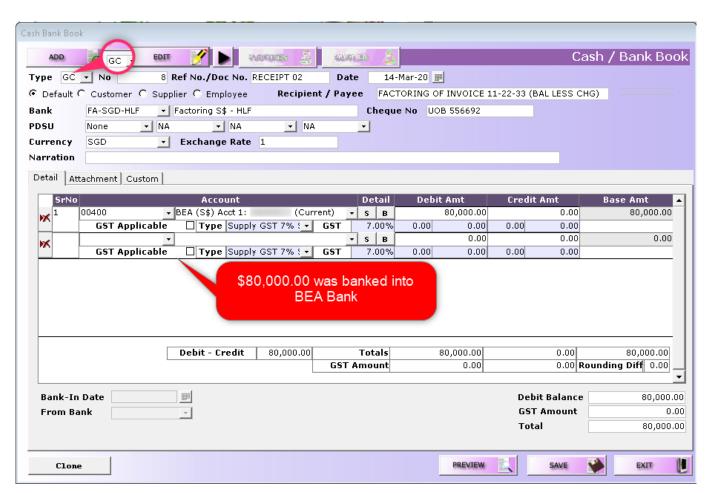
3. Reduce the amount owed by Customer to Company A. Note that the receiving bank code is the HLF factoring account.



4. On 14 Mar 2020, when Customer paid HLF the full \$200,000.00. HLF released 2nd and final payment to Company A \$80,000 which was made of \$100,000.00. Assuming that it is after less "Factoring Charges" of \$20,000.00



5. Received \$80,000.00 into BEA Bank.



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Unique solution ID: #1060

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