

A2000ERP ~ SALES

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 institution. 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**

The screenshot displays two windows from the A2000ERP software. The top window is 'Customer Sales Order' and the bottom window is 'Customer Invoice on Order'. A red arrow points from the 'ADD' button in the top window to the 'ADD' button in the bottom window.

Customer Sales Order Details:

- Type: CO, No: 10, Ref No./Doc No.: COR-0000010, Date: 01-Mar-20
- Customer: CZ9001, Zebra Construction Pte Ltd
- Customer PO: PO 55688
- Delivery Date: 01-Mar-20
- Indicative WH: 1W39PANDA
- Product: 40 - Sales of Cabin
- Quantity: 4.00, UOM: Uom, Unit Price: 50,000.0000, Value: 200,000.00

Customer Invoice on Order Details:

- Type: CE, No: 9, Ref No./Doc No.: INV 11-22-33, Date: 05-Mar-20
- Customer: CZ9001, Zebra Construction Pte Ltd
- Doc Date: 14-Feb-20, Our DO: 15-Mar-20
- Customer PO: PO 55688
- Delivery Date: 01-Mar-20
- Product: 40 - Sales of Cabin
- Quantity: 4.00, UOM: Uom, Unit Price: 50,000.0000, Value: 200,000.00

| SrNo | Product | Product | Warehouse | Quantity | Unit Price | UOM | Value | Balance |
|------|---------------------|---------------------|-----------|----------|-------------|-----|------------|---------|
| 1 | 40 - Sales of Cabin | | W39PANDA | 4.00 | 50,000.0000 | Uom | 200,000.00 | 0.00 |
| | Description | 40 - Sales of Cabin | | | | | | |
| | | | W39PANDA | 0.00 | | | 0.00 | 0.00 |
| | Description | | | | | | | |

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

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Cash Bank Book

ADD GC EDIT

Cash / Bank Book

Type GC No 7 Ref No./Doc No. RECEIPT 01 Date 01-Mar-20

Default Customer Supplier Employee Recipient / Payee FACTORING OF INVOICE 11-22-33 (50% OF \$200,000)

Bank BEA-SGD-1 BEA (S\$) Acct 1: (Current) Cheque No UOB 568971

PDSU None NA NA NA

Currency SGD Exchange Rate 1

Narration FACTORING OF INVOICE 11-22-33 (50% OF \$200,000.00)

Detail Attachment Custom

| SrNo | Account | Detail | Debit Amt | Credit Amt | Base Amt |
|------|--------------------------------|------------------------|-----------|------------|-------------|
| 1 | 34200 Factoring S\$ Acct - HLF | S B | 0.00 | 100,000.00 | -100,000.00 |
| | GST applicable | Type Supply GST 7% GST | 7.00% | 0.00 | 0.00 |
| | | S B | 0.00 | 0.00 | 0.00 |
| | | GST | 7.00% | 0.00 | 0.00 |

Cheque UOB 568971 was received from HLF for the factoring of Inv 11-22-33 and it was banked into BEA Bank

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

Accounts Receivable Transaction

ADD RR EDIT CUSTOMER

Accounts Receivable Transaction

Type RR No 5 Ref No./Doc No. RR-0000004 Date 01-Mar-20

Customer CZ9001 Zebra Construction Pte Ltd Bank FA-SGD-HLF

Sales Person Cheque No UOB 568971

Contact Person Narration FACTORING OF Zebra Constructjion INVOICE 11-22-33 (50%)

PDSU None NA NA NA

Currency SGD Exchange Rate 1

Receivable Detail Attachment Custom

| SN | Account | Receipt/Debit Amt | Payment/Credit Amt | Debit Amt |
|--------|--|-------------------|--------------------|------------|
| 1 | 34200 Factoring S\$ Acct - HLF | 100,000.00 | 0.00 | 100,000.00 |
| | FACTORING OF Zebra Construction INVOICE 11-22- B | S | | |
| | | | 0.00 | 0.00 |
| | | B | S | |
| Totals | | 100,000.00 | 0.00 | 100,000.00 |

Take up RR transactions to reduce the debt owed to Company A

| Type | Trn No | Doc No | Debit Amt | Credit Amt |
|----------|--------|--------------|------------|------------|
| CE | 9 | INV 11-22-33 | 100,000.00 | 0.00 |
| Currency | | SGD | 0.00 | 0.00 |
| | | | 0.00 | 0.00 |
| | | | 0.00 | 0.00 |
| Totals | | | 100,000.00 | 0.00 |

Bank In Date From Bank Total Balance 100,000.00 Cleared Exch Gain/Loss 0.00

EXCHANGE RATE BATCH ALLOCATION PREVIEW SAVE EXIT

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

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Accounts Receivable Transaction

ADD
RR
EDIT
CUSTOMER

Type
RR
No
6
Ref No./Doc No.
RR-0000005
Date
14-Mar-20
Bank
FA-SGD-HLF
Cheque No
UOB 556692
Narration
Factoring on INVOICE 11-22-33 (Bal 50%)
Customer
CZ9001
Zebra Construction Pte Ltd
Sales Person
Contact Person
PDSU
None
NA
NA
NA
Currency
SGD
Exchange Rate
1

Receivable Detail
Attachment
Custom

| SN | Account | Receipt/Debit Amt | Payment/Credit Amt | Debit Amt |
|--------|---|-------------------|--------------------|------------|
| 1 | 34200 Factoring S\$ Acct - HLF | 80,000.00 | 0.00 | 80,000.00 |
| | Factoring on INVOICE 11-22-33 (Bal 50%) | | | |
| 2 | 80150 Bank Factoring Charges | 20,000.00 | 0.00 | 20,000.00 |
| | Factoring Charges on INVOICE 11-22-33 (Bal 50%) | | | |
| | | 0.00 | 0.00 | |
| Totals | | 100,000.00 | 0.00 | 100,000.00 |

| Type | Trn No | Doc No | Debit Amt | Credit Amt |
|----------|--------|--------------|------------|------------|
| CE | 9 | INV 11-22-33 | 100,000.00 | 0.00 |
| Currency | | SGD | 0.00 | 0.00 |
| | | | 0.00 | 0.00 |
| Currency | | | 0.00 | 0.00 |
| Totals | | | 100,000.00 | 0.00 |

Bank In Date
From Bank
Total
100,000.00
Balance
Cleared
Exch Gain/Loss
0.00

EXCHANGE RATE
BATCH ALLOCATION

PREVIEW
SAVE
EXIT

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

Cash Bank Book

ADD

GC

EDIT

Cash / Bank Book

Type

GC

No

8

Ref No./Doc No.

RECEIPT 02

Date

14-Mar-20

☒ Default
 ☐ Customer
 ☐ Supplier
 ☐ Employee
 Recipient / Payee

FACTORING OF INVOICE 11-22-33 (BAL LESS CHG)

Bank

FA-SGD-HLF

Factoring S\$ - HLF

Cheque No

UOB 556692

PDSU

None

NA

NA

NA

Currency

SGD

Exchange Rate

1

Narration

Detail

Attachment

Custom

| SrNo | Account | Detail | Debit Amt | Credit Amt | Base Amt |
|--|--|--------|-----------|------------|--------------------|
| 1 | 00400 BEA (S\$) Acct 1: (Current) | S B | 80,000.00 | 0.00 | 80,000.00 |
| | GST Applicable <input type="checkbox"/> Type Supply GST 7% GST | 7.00% | 0.00 | 0.00 | |
| | | S B | 0.00 | 0.00 | 0.00 |
| | GST Applicable <input type="checkbox"/> Type Supply GST 7% GST | 7.00% | 0.00 | 0.00 | |
| | | | | | 0.00 |
| <div> <div>\$80,000.00 was banked into BEA Bank</div> </div> | | | | | |
| Debit - Credit | | | 80,000.00 | | |
| Totals | | | 80,000.00 | 0.00 | 80,000.00 |
| GST Amount | | | 0.00 | 0.00 | Rounding Diff 0.00 |

Bank-In Date

From Bank

Debit Balance

80,000.00

GST Amount

0.00

Total

80,000.00

Clone

PREVIEW

SAVE

EXIT

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Unique solution ID: #1060

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