

Processing Credit Card Payments to Vendors in Adagio Payables

1. Setting up

a. In Adagio Ledger:

- i. Create an account in the current liabilities range call “Credit Card Payable.” If you use several credit cards, create an appropriately named one for each card to make reconciliation easier.

b. In Adagio Payables,:

- i. Decide if some vendors will always be paid by the same Credit Card. If so, put the same text (like “VISA”) into the Report Group field in each of those vendors. (*Edit / Vendors / Vendor Information*)

- ii. Select *Edit\ Company Profile / System/Report Options* and uncheck the box *Include bank with control account set*.
- iii. Create a specification to print the advice to be mailed or faxed to the vendors (or to use for your records.) You can base it on the Adagio “additional form” template. Ask your consultant for help on this if needed.

- iv. Create a new “Bank” for each credit card. Select the Credit Card Payable account as the bank :

- v. Click on the *Specifications* tab and select the form you created above for both manual and payment checks:

- vi. Select the *Series* tab and enter the starting tracking number for credit card payments.

- vii. Create a Vendor for each credit card.
 1. Set the appropriate terms.
 2. Use the bank address, etc. for the payments.
 3. Set the Acct/Dept to the Credit Card Payable account.

Acct/Dept 2160

2. Processing Vendor Payments on the Credit Card

- a. Enter vendor invoices as usual.

- b. To pay those vendors with the credit card, select *Payments / Print/Post Checks & Advices*. Select the Credit Card “bank” and the text selection in the *Report Group* field. (Note, do this **before** processing other checks so these vendors will not be selected as part of the regular check run.)

(Accounting: Dr expense and tax credit accounts, Cr Accounts Payable Control.)

- c. Generate and check the payments list as usual.
- d. Click on *Print/Post*. Check that the advice specification is selected as the check and process normally.
- e. Have the payment advices signed and fax or mail them to the vendors.

(Accounting: Dr Accounts Payable Control, Cr Credit Card Payable)

3. Paying the Credit Card bill.

- a. As part of the regular payments run:
 - i. Enter the “invoice” for the credit card in the amount you will pay on the card.

(Accounting: Dr Credit Card Payable, CR Accounts Payable Control)

- ii. Process with other regular checks.

(Accounting: Dr Accounts Payable Control, Cr Bank)

b. With a manual check:

- i. Enter a “Cash Invoice” and print the check for it as usual.

(Accounting: Dr Credit Card Payable, Cr Bank)

4. Notes:

- a. The details of each payment made with the credit card can be listed from the Credit Card Payable account to check against the credit card statement.
- b. Unpaid credit card amounts remain in the Credit Card Payable account until paid.

c. To enter the credit card interest charges:

i. In Adagio Ledger:

1. Debit an appropriate expense account and credit Credit Card Payable.

ii. In Payables.:

1. Create another vendor called Credit Card Interest. Make it part of the Credit Card Report Group.
2. Enter an invoice for this vendor.

(Accounting: DR expense account, CR Credit Card Payable)

3. Process with the other credit card payments but, of course, just file the advice slip.

(Accounting: Dr Credit Card Payable, Cr Accounts Payable Control)