



Purchases and Sales to Head Office

Support Notes

This support notes are suitable for :

- MYOB Accounting
- MYOB Premier
- MYOB PremierPlus

Introduction

This support note outlines the steps to record purchases from the branch stores of a supplier and remits a single payment to the supplier's head office. The same concepts can also be used where sales are made to various customers, but head office pays the account.

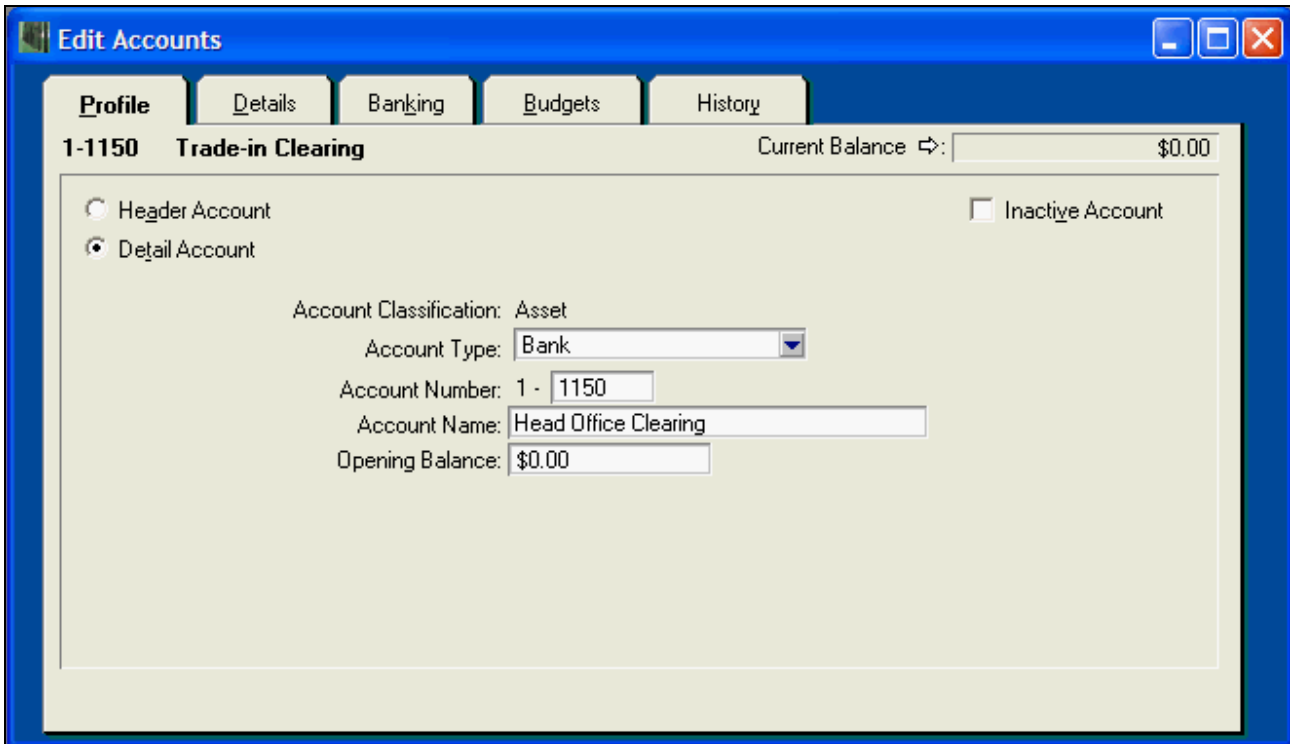
How do I setup MYOB for recording purchases from branches?

All that's needed is a new asset banking account and a new **Card** for the head office.

Setting up a banking account.

1. Go to the **Accounts** command centre and click **Account List**.
2. Select the **Asset** tab and click **New**.
3. Make sure you select **Bank** in the **Account Type** drop-down menu.
4. Give the account a unique number that suits your account list.
5. Name the account Head Office Clearing Account.
6. Click **OK**.

The following window shows the setup of the Head Office Clearing account.



Setup a new Supplier Card

1. Go to the **Lists** menu, choose **Cards** and click the **Supplier** tab.
2. Click **New**.
3. Enter the supplier's Head Office details then click **OK** to return to the **Command Centre**.

How to record the payment to head office for purchases from branch stores

There are only four steps to record these transactions.

Step 1 Enter the purchases from the branch stores

Using the relevant supplier's branch **Card**, enter a **Bill** for the goods or services that have been purchased.

Step 2 Recording the branch payments

Please note:

- If reporting GST on a cash basis, the branch payments should only be recorded when the actual payment to head office is made.

The Head Office Clearing account is used to pay the **Bills** from the branch stores.

1. Go to the **Purchases** command centre and click **Pay Bills**.
2. Click the **Pay From Account** option and then enter the Head Office Clearing account in the adjacent Account field.
3. Select the branch's **Card** and apply a payment against the **Bills** being paid. If all the **Bills** are being paid, click the **Pay All** button.

Repeat this step for all branch Cards that need to have payments applied.

The above steps will:

- close the branch **Bills**; and
- consolidate the value of the branch **Bills** with a series of withdrawals from the Head Office Clearing account.

Step 3 Transfer the branch payments to head office

Record a single **Bill** for head office that is allocated to the Head Office Clearing account. This will clear the balance of the Head Office Clearing account with a deposit posting.

1. Go to the **Purchases** command centre and click **Enter Purchases**.
2. Select Head Office's **Card**.
3. Enter the **Date** and **Memo**.
4. Enter the Head Office Clearing account in the **Acc#** field.
5. Enter the **Amount**, being the total value of all the branch **Bills** that were paid.
6. Enter the N-T **Tax Code** - the GST should have been recorded on the **Bills** entered for the branch stores.
7. Click **Record**.

The window below shows a sample **Bill** for head office (Acc# 1-1150 represents the Head Office Clearing account).

The screenshot displays the 'Purchases - New Service' window. The 'BILL' dropdown is selected. The 'Supplier' is 'Bunnies Hardware - Head Office' and 'Terms' are 'Net 30th after EDM'. The 'Tax Inclusive' checkbox is checked. The 'Ship to' address is 'Clearwater Sdn Bhd, Wisma W/M, 4th Floor, No. 7, Jalan Abang Haji Openg, Tmn Tun Dr Ismail'. The 'Purchase #' is '00000005' and the 'Date' is '21/11/2008'. The 'Supplier Inv#' is empty. A table with columns 'Description', 'Acct#', 'Amount', 'Job', and 'Tax' contains one row with '1-1150', 'RM1,587.00', and 'N-T'. The 'Subtotal' is 'RM1,587.00', 'Freight' is 'RM0.00', and 'Tax' is 'RM0.00'. The 'Total Amount' is 'RM1,587.00'. The 'Comment' is 'Consolidating Branch bills for head Offi'. The 'Paid Today' is 'RM0.00'. The 'Balance Due' is 'RM1,587.00'. The 'Bill Delivery Status' is 'To be Printed'. The 'Rate' is 'MYR' and 'ABC Spell' is checked. The 'Category' is empty. The bottom toolbar includes 'Help F1', 'Print', 'Send To', 'Journal', 'Layout', 'Register', 'Recrd', and 'Cancel'.

Step 4 Close head office's Bill

1. From the **Purchases** command centre, click **Pay Bills**.
2. Click the **Pay From Account** option then select your cheque account.
3. Select the supplier's head office **Card**.
4. Enter the payment details including the **Memo, Cheque Number, Date** and **Amount**.
5. Enter the amount in the **Amount Applied** field against the **Service** type **Bill** that was just created.
6. Click **Record**.

The above steps will:

- Close the Bill for head office; and
- post a withdrawal to your cheque account, which will represent the physical payment.

How can I enter my sales when I receive the payment from head office instead of my customers?

Using **Enter Sales** and **Receive Payments**, the same principals can be applied to your customers.

Please note:

- You will not be able to send a statement to head office showing each **Invoice** entered for the branches. The statement will only show the **Invoice** entered for head office.

When the customer's head office requires a detailed statement

This can be done by:

1. Setting up a **Customer Card** for the head office and for each of the branches.
2. Record all sales to the head office **Card**.
3. When entering the **Invoices**, select the branch's **Shipping Address** by clicking the down arrow next to the **Ship To** field. Select the Other Card option then select the relevant branch Card. The **Invoice** will now show the branch name and address, even though the customer name selected in the **Invoice** is head office's.
4. Setup and use Job Numbers for each branch so that you can track the sales by branch using the Job Numbers.