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Auto-Generate Due To/From Entries

If a payment batch includes invoices expensed to multiple funds, this optional setting will direct the system to auto-generate journal entry records for due to/from entries to move the cash credits to a primary payment fund.

The following is an example of the process:

Invoices were expensed as follows: $100 to Fund 01, $50 to Fund 02, and $100 to Fund 03. These invoices were tagged to pay a total of $250 from the main operating checkbook, where Fund 01 is the designated payment fund.

When payments are generated, the system will **always** credit cash and debit accounts payable in each fund:

PAYMENT ENTRY										
	DEBIT	CREDIT		DEBIT	CREDIT		DEBIT	CREDIT		
FUND 01 AP	100		FUND 02 AP	50		FUND 03 AP	100			
FUND 01 CASH		(100)	FUND 02 CASH		(50)	FUND 03 CASH		(100)		

If the checkbook is set to auto-generate due to/from entries, in addition to the above entries, the following journal entry records will be automatically created:

AUTO-GENERATED DUE-TO/DUE-FROM ENTRIES								
	DEBIT	CREDIT		DEBIT	CREDIT		DEBIT	CREDIT
FUND 01 DUE FROM	150		FUND 02 CASH	50		FUND 03 CASH	100	
FUND 01 CASH		(150)	FUND 02 DUE TO		(50)	FUND 03 DUE TO		(100)

The net effect of entries resulting from the payment batch is as follows:

NET GL IMPACT OF PAYMENT AND DUE-TO/DUE-FROM ENTRIES								
	DEBIT	CREDIT		DEBIT	CREDIT		DEBIT	CREDIT
FUND 01 DUE FROM	150		FUND 02 AP	50		FUND 03 AP	100	
FUND 01 AP	100		FUND 02 DUE TO		(50)	FUND 03 DUE TO		(100)
FUND 01 CASH		(250)						

Note: *When a payment batch is posted, the system generates the CD (CR Cash; DR A/P) and JE (Due-To/Due-From entries) within the same batch. Therefore, if for any reason the payment batch is deleted, the corresponding Due-To/Due-From entries are deleted as well.*

Required Setups for Auto-Generating Due To/From Entries Between Funds

Settings > Accounts Payable > Payment Options. Set Payment Process as "Multiple funds per checking account".

Setting > Accounts Payable > Checkbooks. Edit any checkbook for which payments are to be made for multiple funds. On the right side of the screen, check the box "Auto-generate due to/from entries".

Note that the "Auto-generate due to/from entries" checkbox is only visible if the "Payment Process" option is set to "Multiple funds per checking account".

Complete the following:

Payment Fund:	01	Operating Fund
Due To Account:	00-000-7605-00000	
Due From Account:	00-000-6811-00000	
Source:	JE	

- **Payment Fund:** The Fund number where the total payments will be credited.

- **Due To Account:** The GL account to which the Due-To entries will be credited. Enter the account number without the fund. This account number must exist for every fund other than the Payment Fund. Go to *Records > Accounts to add Account numbers* as needed.

- **Due From Account:** The GL account to which the Due-From entries will be debited. Enter the account number without the fund. This account number must exist for the Payment Fund. Go to *Records > Accounts to add Account numbers* as needed.

- **Source:** The Due-To/Due-From entries will be assigned this source code. You may prefer source JE or this can be a source that represents Due To/Due From entries only. Note: Source codes are maintained in *Settings > General Ledger > Sources.*