



Pay Bills by Credit Card

Property Management Solutions for Over 30 Years

Overview

If you use a company credit card to pay some of your bills, you can use the following method to post those transactions. We recommend that you check with your accountant before proceeding.

One Time

- Set up an Account Code for the credit card with an [Account Type] of Current Assets, marking the checkboxes for Bank Account and Checking Account
- Set up a Bill Code for Pay Credit Card Bill that points to an Account Code of Pay Credit Card Bill with an [Account Type] of Expense.
- Set up another Posting Table with the Credit Card Bank as the [Checking Bank Account].
- Set up another Management Group (e.g. Mgmt Group B) with new Posting Table. This is so you can use the <<AP, Scheduled Payables>> function to pay invoices by credit card and maintain invoice and vendor history.

1. Invoice From Vendor

- When you receive the invoice from the vendor that will be paid by credit card, post a Journal Transfer, Bank Account Checking
 - Line Item 1 -- Account - Expense Account (e.g. Plumbing), Ledger – Owner or Unit
 - Line Item 2 -- Account - Expense Account (same code as above), Ledger - Mgmt Group B

Account and Ledger	Debit or Credit	Amount
PLUMBING: Plumbing	Debit	\$275.00
FAIR436: 436 Fairway Drive		
PLUMBING: Plumbing	Debit	(\$275.00)
MGMT B: Mgmt Group B [Management Group]	Management Group	

Doing this will take the money from the owner and put it in the Mgmt Group B ledger until you post the charge. You may want to enter a memo that it was paid by credit card.

2. Pay Invoices (Post the Credit Card Charge)

- A. Enter invoices that you will pay by credit card using Mgmt Group B as the [Bill To] and use <<AP, Scheduled Payables>> to pay the vendors, printing the checks on blank paper, beginning with check #1. They can serve as your credit card receipts.

OR

- B. Or use <<AP, Single Check>> to pay the vendors, using Mgmt Group B as the [Bill To]. Checks can be printed on blank paper or posted as [Handwritten].

This posts the charge in the credit card bank. You can see it in GL, Bank History.

Date	Check	Description	Additions	Subtractions	Date Cleared
12/12/2018	1	Victor Garcia		\$275.00	

The amount will show in AP, Vendor History and be included in the 1099 amount for the vendor. To also have Invoice History you will have to use the Invoice/Scheduled Payables method A above.

3. When You Receive the Credit Card Bill

When you receive the credit card bill you can reconcile it against the charges you have paid using the <<GL, Bank Reconciliation>> function.

4. When You Pay Credit Card Bill

- Go to <<AP, Transfer Check>>
 - Write Check From Bank - Checking Bank Account
 - Deposit Into Bank - CC Bank Account
 - Payee is CC Company, where check is being mailed
 - Ledger is Mgmt Group B
 - Bill Code - Pay Credit Card Bill

Transfer Check (Post Check and Corresponding Receipt)

Posting Date: 12/12/2018 Hand Written

Reference: DECEMBER 12, 2018

Payee: CC COMPANY: Credit Card Company [Vendor] Vendor

Write Check From Bank: CHECKING: Bank Account Checking

Deposit Into Bank: CREDIT CARD: Credit Card

Check Number: 2

Check Total: \$275.00

Memo:

Ledger: MGMT B: Mgmt Group B [Management Group] Management Group

Bill Code: PAY CC BILL: Pay Credit Card Bill

Amount: \$275.00

- Go to <<GL, Deposit Receipts>> for the CC Bank Account and post the deposit.

When you post you may get a message that there is not enough money in the bank account,

Information

Mgmt Group B does not have sufficient funds to cover the check. The balance after posting the item of \$275.00 will be (\$275.00). Do you still want to post this check?

Yes No

but after posting the bank accounts in both management groups will be at a net \$0 for the set of transactions posted.

Step	1 Mgmt Group B Balance	2 Mgmt Group B money in Checking Bank Account	3 Mgmt Group B money in Credit Card Bank Acct	4 Mgmt Group B Net Cash
1	+100	+100		
2	-100		-100	0
4		-100	+100	0

- Column 1 shows a net balance change of zero. When you transfer the money from the owner it increases the balance, when you pay the vendor it decreases the balance, leaving a net of zero.
- Column 2 shows an increase in the Checking Bank Account for Mgmt Group B at step 1, but the owner(s) cash in the bank account has decreased so the net to the bank account is zero. When the credit card bill is paid (step 4) the money comes from the Checking Bank Account and zeros out the increase in the Mgmt Group B, It does take the money from the bank balance.
- Column 3 shows a decrease in the Credit Card bank account when the charge is posted. When the credit card bill is paid that bank account is increased, resulting in a net of zero.