

MODULE 4: CASH MANAGEMENT – RECEIVABLES AND PAYABLES

Module Overview

Cash management in Microsoft Dynamics® NAV 2013 is used to manage the company's bank accounts.

One of the main features of cash management is the Bank Account Card. The Bank Account Card contains all the company's bank details. On the Bank Account Card, users can perform the following:

- Process payments received from customers.
- Process payments to vendors.
- Void posted checks (known as financial voiding).

In Cash management, receivables and payables play an important role.

In the receivables management area, all information for a customer is kept in a customer card. This includes all customer ledger entries and detailed ledger entries.

The basic functions in receivables cash management include the following:

- Applying and posting customer payments.
- Unapplying and reversing posted entries.

In the payables management area, vendor information is kept on vendor cards. This includes vendor ledger entries and detailed ledger entries. Payables Management helps companies manage vendor payments more effectively and build up a comprehensive vendor database.

Objectives

The objectives are:

- Describe the Bank Account Card.
- Explain the Payments FastTab on the customer card.
- Explain the Payments FastTab on the vendor card.
- Show how to enter and post payments received from customers, by using cash receipt journals.
- Show how to enter and post payments to vendors by using the payment journal.

- Explain the Suggest Vendor Payments batch job.
- Explain how to print and post payables checks.
- Explain and show how to financially void a check.
- Explain how to void and reprint computer checks.
- Explain how to apply entries to customer and vendor ledger entries.
- Explain how to unapply entries to customer and vendor ledger entries.
- Explain how to reverse customer ledger entries posted by using journals.

Bank Account Overview

For each transaction made in Microsoft Dynamics NAV 2013 that uses a bank account, the system will post an entry in the bank account ledger. The bank account posting group that is assigned to each bank account is used to post the related general ledger (G/L) entries with the transaction.

Additionally, if the user makes a manual or computer check payment, the system posts an entry to the check ledger to record the check transaction and the current status of the check.

Each bank account has its own card that contains different kinds of information. On the bank account card, you enter information that is specific to the individual bank account, and you can change this information, if this is necessary.

Bank Account Window

To access the **Bank Account** window from the navigation pane, click the **Departments** button, click **Financial Management**, click **Cash Management**, and then click **Bank Accounts**.

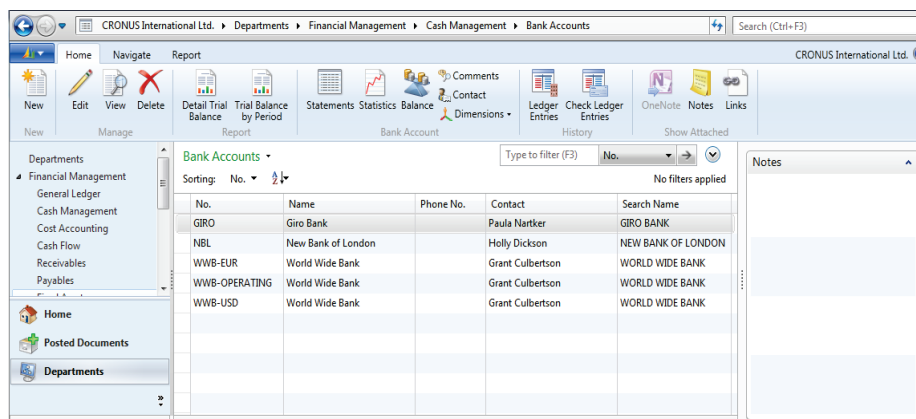


FIGURE 4.1: BANK ACCOUNT WINDOW

The **Bank Account** window provides an overview of all the bank accounts that are created in Microsoft Dynamics NAV 2013. To create a new bank account, or change an existing one, double-click the bank account to locate the bank account card.

Bank Account Card

The Bank Account card has four FastTabs:

- General
- Communication
- Posting
- Transfer

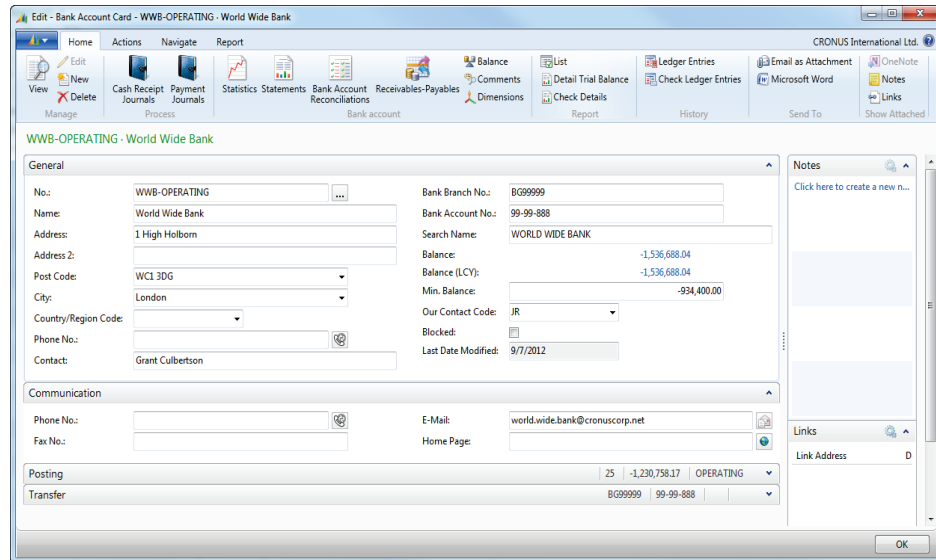


FIGURE 4.2: BANK ACCOUNT CARD GENERAL AND COMMUNICATION FASTTAB

General FastTab

The **General** FastTab contains all the general information about the bank where the account is held, such as the name, address, and contact person.

In addition to this information, the **General** FastTab includes the following fields:

- **No.** – A unique identifier to represent the bank account. This field is not used to specify the bank account number.
- **Bank Branch No.** – The alphanumeric code used to represent the bank branch number for the bank account. All banks have a number series that specifies the bank branch where the account is opened.
- **Bank Account No.** – The bank account number that is used by the bank.
- **Balance** – Displays the bank account's balance denominated in the bank's currency.

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- **Balance (LCY)** – Displays the bank account’s balance in the local currency. For the bank account in local currency, the **Balance** and **Balance (LCY)** show the same amount.
- **Min. Balance** - The minimum balance the bank account can have. The amount is in the currency of the bank account and it can be positive or negative.
- **Our Contact Code** – The contact person in the user's company that is responsible for the bank account. In the program, this must be someone set up in the **Salespeople/Purchasers** table.
- **Blocked** – Specifies to block the bank account by selecting the check box. If you block the bank account, you will be unable to select the bank account on a journal line in the **Account No.** field or on an invoice in the **Bal. Account No.** field.

Communication FastTab

The **Communication** FastTab contains the following information:

- Telephone and fax numbers
- Email
- Home page addresses for the bank

Posting FastTab

All the posting information is entered on the **Posting** FastTab of the bank account card.

The screenshot shows the 'Edit - Bank Account Card - WWB-OPERATING - World Wide Bank' window. The 'Posting' FastTab is active, displaying the following fields:

Posting	
Currency Code:	
Last Check No.:	199
Transit No.:	
Last Statement No.:	25
Balance Last Statement:	-1,230,758.17
Bank Acc. Posting Group:	OPERATING

The 'Transfer' FastTab is also visible, displaying the following fields:

Transfer	
Bank Branch No.:	BG99999
Bank Account No.:	99-99-888
Transit No.:	
SWIFT Code:	
IBAN:	

FIGURE 4.3: BANK ACCOUNT CARD POSTING AND TRANSFER FASTTAB

The **Posting** FastTab contains the following fields:

- **Currency Code** – The currency for the bank account. The following rules apply for check payments and bank account currencies:
 - If the **Currency Code** field of a bank account is blank, you can only make check payments in local currency (LCY) for that account. If a currency code is selected in this field, only use this bank account to receive and make payments in the currency selected in this field.
 - If a currency code is not selected, you can receive payments by using any currency including LCY. Non-check payments can use any currency including LCY. You can only make check payments in LCY.
- **Last Check No.** – If you are using checks, specify the last check number that is used. The program updates this number every time that a new check is printed.
- **Transit No.** – An alphanumeric code used to represent the bank where the account is held.
- **Last Statement No** – The statement number of the last Bank Account Statement reconciled in the program.
- **Balance Last Statement** – The statement ending balance of the last Bank Account Statement reconciled in the program.
- **Bank Acc. Posting Group** – The posting group assigned to this bank account. Microsoft Dynamics NAV 2013 uses this to post the related G/L entries for each transaction by using the bank account.

Transfer FastTab

The **Transfer** FastTab contains the following fields that you must have to make transfers to and from the bank account:

- **Bank Branch No.** – Defaults from the **General** FastTab.
- **Bank Account No.** – Defaults from the **General** FastTab.
- **Transit No.** – Defaults from the **Posting** FastTab.
- **SWIFT Code** – The international bank identifier code (BIC) that is assigned to the bank. SWIFT Codes are typically used in automatic payment transactions.
- **IBAN** – The bank account's International Bank Account Number (IBAN). The program checks whether the IBAN entered has the correct format and length.

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Bank Account Card Ribbon

You can use the **Bank Account Card** ribbon for single-click access to several functions and overviews. The following tabs are available in the ribbon:

- Home
- Actions
- Navigate
- Report

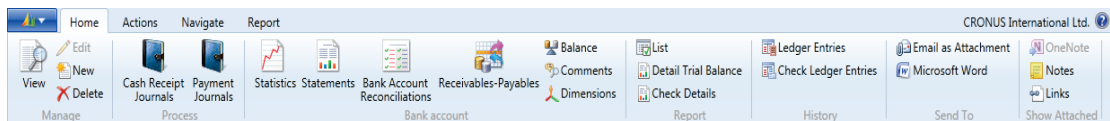


FIGURE 4.4: BANK ACCOUNT CARD RIBBON

From the **Home** tab, you can view, edit, or create a new bank account.

The following single-click accesses are also available from the **Home** tab:

- **Cash Receipt Journals** – Use to register and post payments from customers.
- **Payment Journals** – Use to register and post payments to vendors.
- **Statistics** – Displays the current balance for the account in the bank account currency and LCY and comparative figures from prior periods.
- **Statements** – Displays the reconciled Bank Account Statements for this bank account.
- **Bank Account Reconciliation** – Displays the Bank Acc. Reconciliation List. This is described later in this module.
- **Receivables-Payables** – Contains a summary of receivables and payables.
- **List** – Displays a list of all bank accounts in the system.
- **Detail Trial Balance** – Displays options to print a detail trial balance for bank accounts.
- **Check Details** – Displays options to print a detailed trial balance for selected checks.

The **Actions** tab also provides access to the cash receipts journals and the payment journals.

You can use the **Navigate** tab to display information about the balances and transaction amounts for the bank account.

The **Navigate** tab provides single-click access to the following functions and overviews:

- **Statistics** – Same function as on the **Home** tab.
- **Comments** – Displays or enters any detailed comments that relate to this bank account.
- **Dimensions** – Displays or enters default dimensions for this bank account.
- **Balance** – Displays the **Bank Account Balance** window. It shows the balance or net change in the bank account in the bank account currency and LCY over time.
- **Statements** – Same function as on the **Home** tab.
- **Ledger Entries** – Displays bank account ledger entries for this bank account.
- **Check Ledger Entries** -Displays only the check ledger entries for this bank account. Use this option to financially void checks, as is described in the "Financially Voiding Checks" topic in lesson "Voiding Checks" in this course.
- **Contact** – Displays the company contact card for this bank account. When you create a new bank account, the system also creates and links a Company contact card to the bank account.
- **Online Map** – Displays information about what map to display in the online map. The online map is set up in the **Online Map Setup** window.
- **Bank Account Reconciliations** – Same function as on the **Home** tab.
- **Receivables-Payables** – Same function as on the **Home** tab.

You can run the following reports on the **Report** tab and also access them from the **Home** tab:

- **List**
- **Detail Trial Balance**
- **Receivables-Payables**
- **Check Details**

Lab 4.1: Create a Bank Account

Scenario

CRONUS International Ltd. recently opened a new account at the Super Krone Bank in Denmark. As the accounting manager, it is your responsibility to set up the bank account in Microsoft Dynamics NAV 2013 with the criteria shown in the following table.

Field	Value
Bank No.	SK Bank - DK
Name	SK Bank Denmark
Address	1-3 Remouladevej
City	Vedbaek
Post Code	DK-2950
Country/Region Code	DK
Phone No.	46 75 75 34
Contact Name	Anne Hellung-Larsen
Bank Branch No.	2396824
Bank Account No.	9652833

Additionally, Linda Martin is the resource responsible for all interactions with this bank. The bank's currency is Danish Kroner (DKK) and the bank must be assigned to the Currencies posting group.

Close the **Bank Account Card** when you have finished the setup process.

Exercise 1: Create a Bank Account

Task 1: Create the bank account in the Bank Account Card window

High Level Steps

1. Open the **Bank Account Card** and insert a new record.
2. Complete each FastTab by using the criteria that is specified in the scenario.

Detailed Steps

1. Open the **Bank Account Card** and insert a new record.
 - a. In the **Search** box, enter **Bank Accounts** and then select the related link.
 - b. Click **New** in the ribbon.

2. Complete each FastTab by using the criteria that is specified in the scenario.
 - a. In the **No.** field, enter SK Bank / DK.
 - b. In the **Name** field, enter Super Krone Bank.
 - c. In the **Address** field, enter Remouladevej 1-3.
 - d. In the **Post Code** field, click the drop-down list and select DK-2950 and then click **Enter**.
 - e. In the **Country/Region Code** field, click the drop-down list and then select DK from the list.
 - f. In the **Phone No.** field, enter 46 75 75 34 and then click **Enter**.
 - g. In the **Contact** field, enter Ann Hellung/Larsen and then click **Enter**.
 - h. In the **Bank Branch No.** field, enter 2396824 and then click **Enter**.
 - i. In the **Bank Account No.** field, enter 9652833 and then click **Enter**.
 - j. In the **Our Contact Code** field, click the drop-down list and then select Linda Martin.
 - k. On the **Posting** FastTab, in the **Currency Code** field, click the drop-down list and then select DKK.
 - l. In the **Bank Account Posting Group** field, click the drop-down list and then select CURRENCIES.
 - m. Click **OK**.

Customer Overview

To manage the total finances of the company, you must be able to manage customer data. In Microsoft Dynamics NAV 2013, customer master data is maintained in customer cards. The customer card is used for customers in receivables management, financial management, and order management.

Customers Window

To access the **Customers** window from the navigation pane, click the **Departments** button, click **Financial Management**, click **Receivables**, and then click **Customers**.

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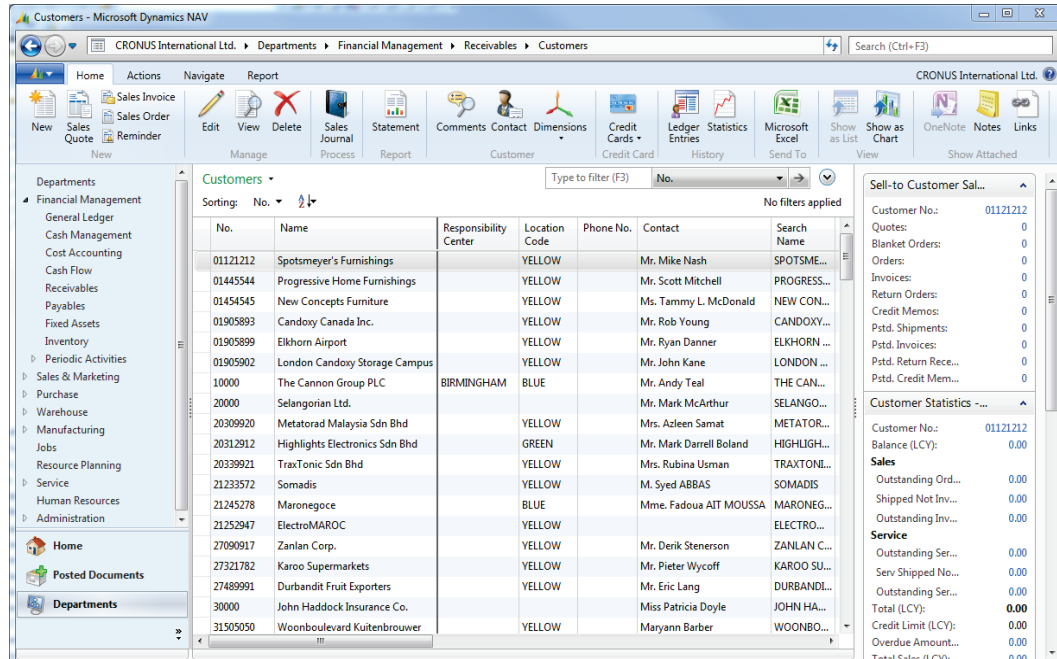


FIGURE 4.5: CUSTOMERS WINDOW

The customer window provides an overview of the customers who are created in Microsoft Dynamics NAV 2013. To create a new customer, or change an existing one, double-click the customer for which you want to locate the customer card.

Customer Card and Receivables

The **Payments** FastTab on the customer card is used to define how customer's payments are managed.

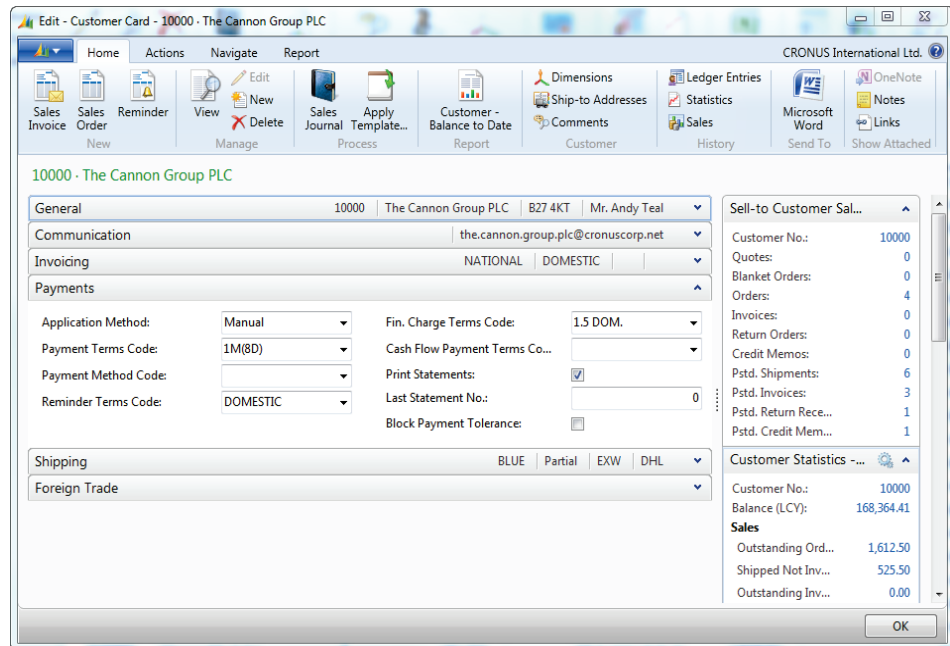


FIGURE 4.6: CUSTOMER CARD PAYMENTS FASTTAB

The **Payments** FastTab contains the following fields:

- **Application Method** – Specify how to apply payments for this customer. The following options are available:
 - **Manual** – Payments are only applied if you specify a document.
 - **Apply to Oldest** – If you do not specify a document for the payment to be applied to, payments are applied to the oldest of the customer’s open entries.
- **Payments Terms Code** – Specifies a code for the payment terms that you will grant the customer. The payment term determines the due date of the invoices and credit memos the customer will receive. You also use the payment terms to specify the payment discount percentage.
- **Payment Method Code** – Specifies a code for the method that the customer usually uses to submit payment. To view the payment methods in the **Payment Methods** window, click the field.
- **Reminder Terms Code** – Specifies a reminder terms code for the customer. To view the reminder terms codes in the **Reminder Terms** window, click the field.
- **Finance Charge Terms Code** – Specifies a code that will be used to compute finance charges, such as interests, for the customer.
- **Cash Flow Payments Term Code** – Specifies a payment term that will be used for calculating cash flow. Cash flow payment terms are used in the **Cash Flow Forecast Card** window.

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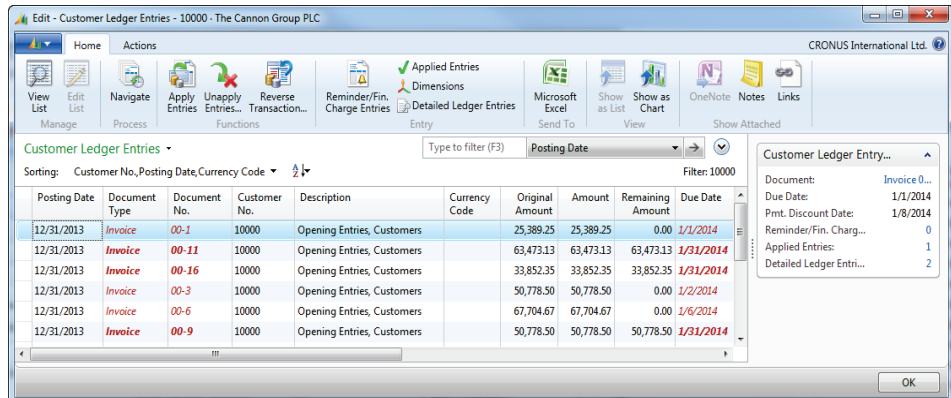
- **Print Statements** – Specifies whether to include this customer when you print statements.
- **Last Statement No.** – Shows the number for the last statement that is printed for this customer.
- **Block Payment Tolerance** – Specifies that the customer is not allowed payment tolerance.

Analyzing Receivables

When you post transactions to customers in Microsoft Dynamics NAV 2013, the following customer entries are created:

- Customer ledger entries
- Detailed customer ledger entries

Customer entries provide more information about customers and sales business. Customer ledger entries are posted entries from sales documents such as, sales orders and sales invoices.



Posting Date	Document Type	Document No.	Customer No.	Description	Currency Code	Original Amount	Amount	Remaining Amount	Due Date
12/31/2013	Invoice	00-1	10000	Opening Entries, Customers		25,389.25	25,389.25	0.00	1/1/2014
12/31/2013	Invoice	00-11	10000	Opening Entries, Customers		63,473.13	63,473.13	63,473.13	1/31/2014
12/31/2013	Invoice	00-16	10000	Opening Entries, Customers		33,852.35	33,852.35	33,852.35	1/31/2014
12/31/2013	Invoice	00-3	10000	Opening Entries, Customers		50,778.50	50,778.50	0.00	1/2/2014
12/31/2013	Invoice	00-6	10000	Opening Entries, Customers		67,704.67	67,704.67	0.00	1/6/2014
12/31/2013	Invoice	00-9	10000	Opening Entries, Customers		50,778.50	50,778.50	50,778.50	1/31/2014

FIGURE 4.7: CUSTOMER LEDGER ENTRIES



Note: The system shows open entries that have past their due date in bold, italic and red.

To view the detail of a customer ledger entry, you can drill down on the amount fields to the detailed customer ledger entries.

The Customer Entries Diagram figure shows the structure of the entries.

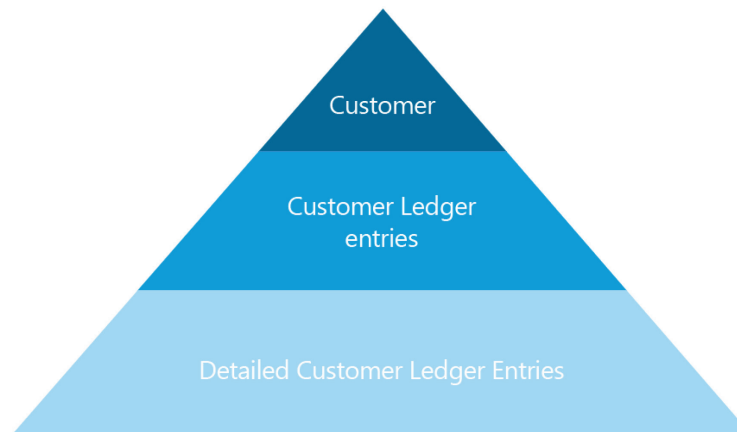


FIGURE 4.8: CUSTOMER ENTRIES DIAGRAM

The detailed customer ledger entries store the actual amounts of the customer transactions, such as an invoice. The customer ledger entries show the amounts as FlowFields.

Examples of where additional detailed customer ledger entries are created to change the customer ledger entries include the following:

- Foreign currency exchange rates
- Payment discounts
- Payment tolerances
- Applications
- Rounding

The Detailed Cust. Ledger Entries window figure shows the two detailed customer ledger entries of one (applied) customer ledger entry.

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Posting Date	Entry Type	Document Type	Document No.	Customer No.	Currency Code	Amount	Amount (LCY)	Initial Entry Due Date	Entry No.
12/31/2013	Initial Entry	Invoice	00-1	10000		25,389.25	25,389.25	1/1/2014	1
1/12/2014	Application	Payment	2596	10000		-25,389.25	-25,389.25	1/1/2014	36

FIGURE 4.9: DETAILED CUST. LEDGER ENTRIES WINDOW

Vendor Overview

To manage the total finances of the company, you must be able to manage vendor data and vendor payments. This helps avoid penalty fees if there is a late payment, maintain a good relationship with the vendors, and to receive a discount if the company makes an early payment.

Vendor Window

To access the **Vendors** window from the navigation pane, click the **Departments** button, click **Financial Management**, click **Payables**, and then click **Vendors**.

No.	Name	Responsibility Center	Location Code	Phone No.	Contact	Search Name
01254796	Progressive Home Furnishings				Mr. Michael Sean Ray	PROGRESSIVE HO...
01587796	Custom Metals Incorporated				Mr. Peter Houston	CUSTOM METALS ...
01863656	American Wood Exports				Mr. Jeff D. Henshaw	AMERICAN WOOD...
01905283	Mundersand Corporation				Mr. Mike Hines	MUNDERSAND CO...
01905382	NewCaSup				Mr. Toby Nixon	NEWCASUP
01905777	OakvilleWorld				Mr. Sean P. Alexander	OAKVILLEWORLD
10000	London Postmaster	LONDON			Mrs. Carol Philips	LONDON POSTM...
20000	AR Day Property Management	LONDON	YELLOW		Mr. Frank Lee	AR DAY PROPERT...
20300190	Malay-Dan Export Unit Sdn Bhd		YELLOW		Mr. Fabrice Perez	MALAY-DAN EXP...
20319939	KDHSLS9 Sdn Bhd				Mr. Toh Chin Theng	KDHSLS9 SDN BHD
20323323	Tengah Butong Sdn Bhd				Mrs. Anisah Yooosof	TENGAH BUTONG...
21201892	Tespro Maroc				M. Charaf HAMZAOLJI	TEXPRO MAROC
21218838	Top Bureau		BLUE		M. Fadi FAKHOURI	TOP BUREAU
21248839	Comacycle					COMACYCLE
27299299	Big S Video				Mr. Kevin Kennedy	BIG S VIDEO
27833998	Jewel Gold Mine				Mr. Craig Dewar	JEWEL GOLD MINE
77880098	Mountain Fisheries				Mrs. Corinna Rolander	MOUNTAIN FISHE...

FIGURE 4.10: VENDORS WINDOW

The vendor window shows the most relevant vendor information. You can use the vendor card to view additional information, to create a new vendor, or to change an existing vendor.

Vendor Card and Payables

The **Payments** FastTab on the Vendor Card is used to define how payments to vendors are managed.

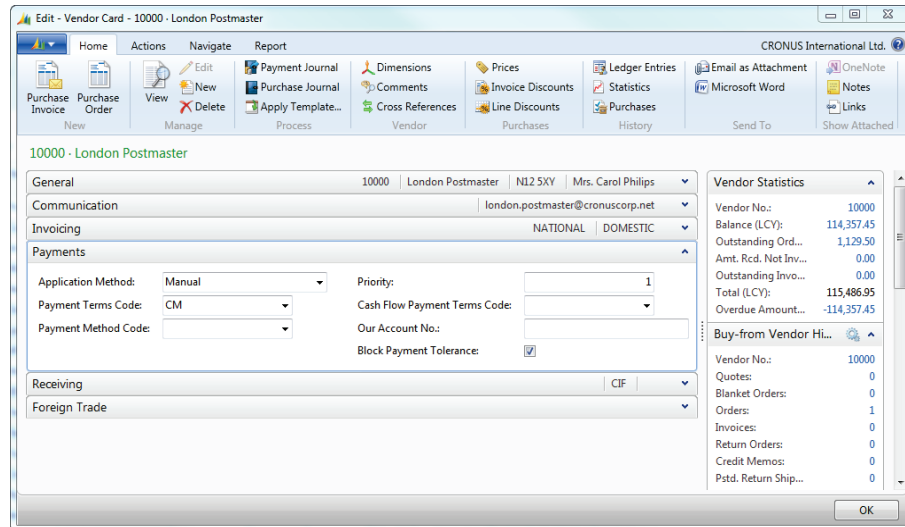


FIGURE 4.11: VENDOR CARD PAYMENTS FASTTAB

The **Payments** FastTab contains following fields:

- **Application Method** – Specify how to apply payments for this customer. The following options are available:
 - **Manual** – Payments are only applied if you specify a document.
 - **Apply to Oldest** – If you do not specify a document for the payment to be applied to, payments are applied to the oldest of the customer's open entries.
- **Payments Terms Code** – Specifies a code for the payment terms that you will grant the customer. The payment term determines the due date of the invoices and credit memos from the vendor. You also use the payment terms to specify the payment discount percentage.
- **Payment Method Code** – Specifies a code for the method that the customer usually uses to submit payment. To view the payment methods in the **Payment Methods** window, click the field.
- **Priority** – Specifies a number that corresponds to the priority you give the vendor. The **Priority** field can be used if you have only a limited amount available for payments.
- **Cash Flow Payments Term Code** – Specifies a payment term that will be used for calculating cash flow. Cash flow payment terms are used in the **Cash Flow Forecast Card** window.

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- **Our Account No.** – Specifies your account number with the vendor, if you have one.
- **Block Payment Tolerance** – Specifies that a vendor is not allowed payment tolerance.

Analyzing Payables

Similar to customers, vendor postings also result in two vendor entries:

- Vendor ledger entries
- Detailed vendor ledger entries

Vendor entries behave exactly like customer entries. Therefore, for more information, refer to the topic “Analyzing Receivables” in this module.

Cash Receipt Journal and Payment Journal Overview

In Microsoft Dynamics NAV 2013, payments received from customers are recorded in the **Cash Receipt Journal**.

The Cash Receipt Journal can be accessed from the following two areas on the financial management menu:

- Cash Management
- Receivables

Payments to vendors are created and posted in the **Payment Journal**. You can use the payment journal to quickly record and post handwritten checks. Computer checks for open invoices can be entered manually, or by using the **Suggest Vendor Payments** batch job.

The Payment Journal can be accessed from the following two areas on the Financial Management menu:

- Cash Management
- Payables

Entering Cash Receipts

When payments from customers are received, they are recorded in the cash receipt journal. You can apply payments to open customer ledger entries, by using the **Apply Entries** function.

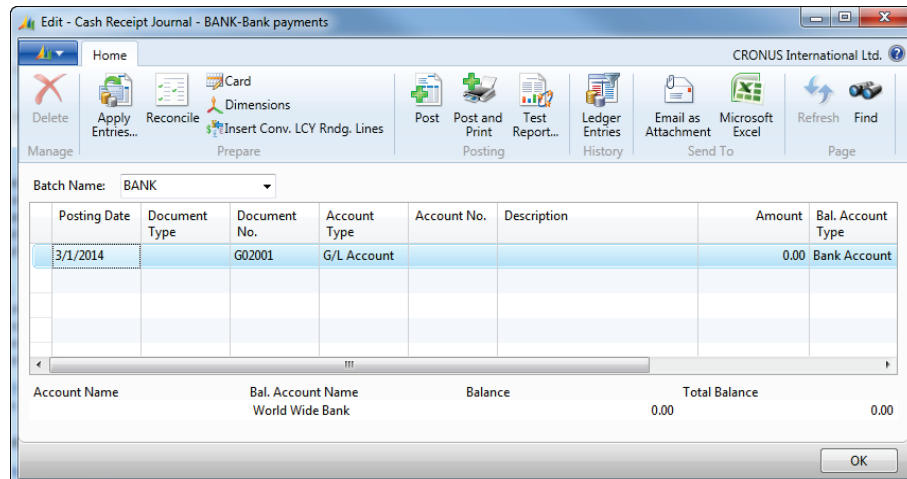



FIGURE 4.12: CASH RECEIPT JOURNAL WINDOW

The following fields are important when you enter and post a cash receipt:

- **Document Type:** When you receive payments from customers, select the document type **Payment**. For payments that you send to customers, the document type should be **Refund**.
- **Account Type:** The account type is set to **Customer**.
- **Bal. Account Type:** To post the payment to a bank account, select **Bank Account** in this field.
- **Bal. Account No.:** Select the bank account on which to post the payment.

 **Note:** You can set up the balancing account type and balancing account number on the journal batch. Then they are populated automatically on the journal line when a payment is entered.

Demonstration: Enter Cash Receipt Payments

Scenario: On January 14, 2014, Arnie, the accounts receivable administrator at CRONUS International Ltd. receives a payment from customer 10000, The Cannon Group PLC. The following table shows the breakdown of the 63,269.04 LCY payment.

Invoice/Document No.	Amount (LCY)
00-16	30,000.00
103005	8,269.04
n/a	25,000.00

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The 30,000.00 is a partial payment for Document No. 00-16 and the payment for Document No. 103005 is a full amount.

Because the 25,000.00 LCY is not assigned to an invoice, Arnie decides to apply the amount to the customer account without applying it to a particular invoice.

The Cash Receipt Journal is used to post the payment.

Demonstration Steps

1. Enter the payment for this customer.
 - a. In the **Search** box, enter **Cash Receipt Journals**, and then select the related link.
 - b. In the **Batch Name** field, click the drop-down list and select Bank and then click **OK**.
 - c. In the **Posting Date** field, type 01/14/14.
 - d. In the **Document Type** field, click the drop-down list and then select **Payment**.
 - e. In the **Account Type** field, click the drop-down list and then select **Customer**.
 - f. In the **Account No.** field, type 10000.
 - g. In the **Amount** field, type -63269.04.
 - h. In the **Home** tab on the ribbon, click **Apply Entries**.
 - i. In the line for **Document No.** 00-16, select the **Amount to Apply** field and then type 30000.
 - j. Press **TAB** or **ENTER**. This is the partial amount that is applied to invoice 00-16.
 - k. Locate and select the line for **Document No.** 103005.
 - l. Click Set Applies-to ID. This is the full amount that is applied to invoice 103005.
The Amount field at the bottom of the window contains - 25,000.00. This is the open amount that will be posted to the customer account without having it be applied to an invoice.
 - m. Click **OK**.

The **Bal. Account No.** field is populated with the WWB-OPERATING bank account. This is set up on the Bank batch.

To post the Cash Receipt Journal, follow these steps.

- a. Click **Post**.
- b. Click **Yes** to post the journal lines.
- c. Click **OK**.
- d. Click **OK** to close the **Cash Receipt Journal**.

To review the entry posted to the bank account, follow these steps.

- a. In the **Cash Management** folder, click **Bank Accounts**.
- b. Locate and select bank account WWB-OPERATING.
- c. In the **Navigate** tab on the ribbon, click **Ledger Entries**.
- d. Locate the payment line dated 01/14/14 for 63,269.04. This entry represents the payment that is posted in the cash receipt journal.
- e. Close the **Bank Account Ledger Entries** window.

To review the posted Customer Ledger Entries for this payment, follow these steps.

- a. On the Financial Management menu, click **Receivables > Customers**.
- b. Locate and select customer 10000, The Cannon Group PLC.
- c. In the **Home** tab on the ribbon, click **Ledger Entries**.
- d. Review the payment lines. The **Remaining Amount** field for the:
 - Partly paid invoice (00-16) displays the unpaid amount of 3,852.35.
 - Fully paid invoice (103005) displays a zero balance.
 - Payment line dated 01/14/14 displays the open - 25,000.00 credit that is not applied to any invoice.
- e. Click **OK** to close the **Customer Ledger Entries**.

Entering Payments

You can use the payment journal to prepare and post payments to vendors. With the **Apply Entries** function, you can apply payments to open vendor ledger entries.

When a vendor is paid by using a handwritten check, you can enter a line in the payment journal, by using the bank payment type Manual Check. This creates a corresponding check ledger entry for the amount.

Handwritten checks are quickly recorded and posted.

Printed computer checks can be entered:

- Manually
- By using the Suggest Vendor Payments batch job

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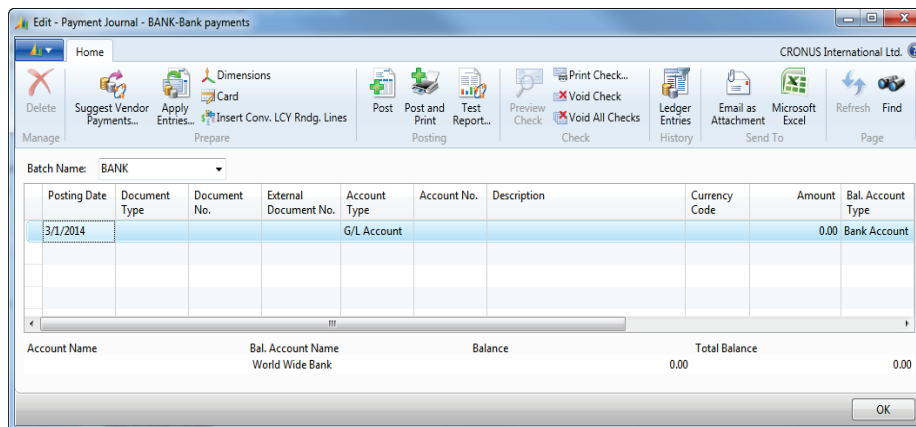


FIGURE 4.13: PAYMENT JOURNAL WINDOW

The following fields are important when you enter and post a payment:

- **Document Type:** When you make payments to vendors, select the document type **Payment**. For payments that are created by vendors, the document type should be **Refund**.
- **Account Type:** The account type is set to **Vendor** for recording vendor payments.
- **Bal. Account Type:** To post the payment to a bank account, select **Bank Account** in this field.
- **Bal. Account No.:** Select the bank account on which to post the payment.
- **Bank Payment Type:** Select one of the following options:
 - <Blank>: The payment is created without a check.
 - **Computer Check:** Checks are printed from the payment journal.
 - **Manual Check:** Use a handwritten check to pay the vendor.

The **Document No.** field represents the check number and is populated based on the selections in the **Bank Payment Type** field.

When you process manual checks, the **Bank Payment Type** is set to **Manual Check**, and the check number is entered in the **Document No.** field.

For computer checks, the **Bank Payment Type** is set to **Computer Check** and the **Document No.** field is specified as follows:

- To print one check for each vendor:
 - The **Document No.** field is left empty.
 - The **Document No.** field is populated with the check numbers that are specified during the check printing process.

- To print multiple checks for each vendor:
 - Create separate lines for each vendor payment.
 - In the **Document No.** field on each line, indicate separate check numbers, for example, enter 1 on the first line, 2 in the next line, and so on.
 - During the check printing process, Microsoft Dynamics NAV 2013 recognizes that the numbers are different and prints multiple checks.

Bank Account Currency Restrictions on Payments

The currency of the bank account can limit the currency of payments that are made by using the bank account. The following table provides a summary of currency restrictions for bank accounts.

Bank Account Currency Code	Bank Payment Type = Computer Check or Manual Check	Bank Payment Type = Blank
Blank (LCY)	Checks are only printed for LCY payment lines. Only LCY payment lines post.	Payment lines with any currency code including LCY post.
Currency Code	Checks are only printed for payment lines with the same currency code as the bank account. Only payment lines with the same currency code as the bank account post.	Only payment lines with the same currency code as the bank account post.

Demonstration: Enter and Post Payables Checks

Scenario: April, the accounts payable coordinator at CRONUS International Ltd., is informed of two checks that were handwritten in January, as shown in the following table.

Vendor	Date	Check No.	Amount (LCY)	Applies to
10000	01/21/14	1201	8,245.76	Document No. 108019
50000	01/28/14	1203	1,500.00	Deposit for future work

April enters and posts these checks in the Payment Journal as manual checks.

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Demonstration Steps

1. Enter the two manual checks and apply if this is possible.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. In the **Batch Name** field, click the drop-down list and then select Bank.
 - c. Click **OK**.
 - d. In the **Posting Date** field, enter 01/21/14.
 - e. In the **Document Type** field, click the drop-down list and then select Payment.
 - f. In the **Document No.** field, enter 1201.
 - g. In the **Account Type** field, click the drop-down list and then select Vendor.
 - h. In the **Account No.** field, enter 10000.
 - i. Click **Apply Entries**.
 - j. Click the line for **Document No.** 108019.
 - k. Click **Set Applies-to ID**.
 - l. Click **OK**.

The **Amount** field is populated with the invoice amount: 8,245.76.

- a. Make sure that the **Bal. Account No.** field contains the WWB-OPERATING bank account. This is set up on the Bank batch.
- b. In the **Bank Payment Type** field, click the drop-down list and select Manual Check.

To enter the second manual check and post the Payment Journal, follow these steps.

- a. Click the next line.
- b. In the **Posting Date** field, enter 01/28/14.
- c. In the **Document No.** field, enter 1203.
- d. In the **Account Type** field, click the drop-down list and then select Vendor.
- e. In the **Account No.** field, enter 50000.
- f. In the **Amount** field, enter 1500.
- g. In the **Bank Payment Type** field, click the drop-down list and select **Manual Check**.
- h. Click **Post**.
- i. Click **Yes** to post the journal lines.
- j. Click **OK**.
- k. Close the **Payment Journal**.

To review the posted entries to the bank account, follow these steps.

- a. In the **Cash Management** page, click **Bank Accounts**.
- b. Locate and select bank account WWB-OPERATING.
- c. Click **Check Ledger Entries** in the ribbon.

Check No. 1201 and 1203 represent the manual checks posted to this bank account.

- a. Click **Close** in the **Check Ledger Entries** window.

To review the posted entries to the vendors, follow these steps.

- a. On the **Financial Management** page, click **Payables > Vendors**.
- b. Locate and select vendor 10000.
- c. Click **Ledger Entries** in the ribbon.
- d. Locate the payment line dated 01/21/14 and the line for Document No. 108019.

Because a full payment is applied completely to the invoice, the **Remaining Amount** field on both lines displays 0.00.

- a. Close the **Vendor Ledger Entries** window.
- b. Locate and select vendor 50000.
- c. Click **Ledger Entries** in the ribbon.
- d. Locate the payment line dated 01/28/14. Because this payment is not applied to a specific invoice, the **Remaining Amount** field displays the full amount of the payment.
- e. Close the **Vendor Ledger Entries** window.

Lab 4.2: Apply and Post Cash Receipts

Scenario

On January 28, 2014, you receive a 154,251.63 LCY payment from customer 30000, John Haddock Insurance Co. This payment is for the following invoices.

Invoice/Document No.	Amount (LCY)
00-10	76,167.75
00-13	40,000.00
n/a	38,083.88

As the accounts receivable administrator for CRONUS International Ltd., it is your responsibility to apply and post this payment to this customer's invoices. Use the Bank batch for this posting.

After you post it, review the posted customer ledger entries.

Exercise 1: Enter, Apply, and Post the Cash Receipt Journal

Task 1: Create the payment line for customer 30000.

High Level Steps

1. Open the Bank batch in the Cash Receipt Journal.
2. Create the payment line for customer 30000.

Detailed Steps

1. Open the Bank batch in the Cash Receipt Journal.
 - a. In the **Search** box, enter **Cash Receipt Journals**, and then select the related links.
 - b. Make sure that the **Bank** batch is selected.
2. Create the payment line for customer 30000.
 - a. In the **Posting Date** field, enter 01/28/14.
 - b. In the **Document Type** field, click the drop-down list and then select **Payment**.
 - c. In the **Account Type** field, click the drop-down list and then select **Customer**.
 - d. In the **Account No.** field, enter 30000.
 - e. In the **Amount** field, enter -154,251.63.

Task 2: Apply the full and partial payments.

High Level Steps

1. Apply the entries.

Detailed Steps

1. Apply the entries.
 - a. In the ribbon, click **Apply Entries**.
 - b. Locate and select the line for **Document No.** 00-10.
 - c. In the ribbon, click **Set Applies-to ID**.
 - d. Locate and select the line for **Document No.** 00-13.
 - e. Click the **Amount to Apply** field and then enter 40.000.00.
 - f. Verify that the **Balance** field at the bottom of the window is -38,083.88.
 - g. Click **OK**.

Task 3: Post the journal lines

High Level Steps

1. Post the journal lines.

Detailed Steps

1. Post the journal lines.
 - a. Click **Post**.
 - b. Click **Yes** to post the journal lines.
 - c. Click **OK**.
 - d. Close the **Cash Receipt Journal** window.

Task 4: Review the customer ledger entries.

High Level Steps

1. Open the **Customer Card** window and review the posted entries for this payment.
2. Access the **Customer Ledger Entries** window.
3. Review the posted entries for this payment.

Detailed Steps

1. Open the **Customer Card** window and review the posted entries for this payment.
 - a. On the **Financial Management** menu, click **Receivables > Customers**.
 - b. Locate and select customer 30000, "John Haddock Insurance Co."

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2. Access the **Customer Ledger Entries** window.
 - a. Click **Ledger Entries**.

3. Review the posted entries for this payment.
 - a. Review the posted entries.
 - **Document No.** 00-10 has a **Remaining Amount** of 0.00.
 - **Document No.** 00-13 has a **Remaining Amount** of 40,399.29.
 - The payment line posted on 01/28/14 has a **Remaining Amount** of -38,083.88.
 - b. Close the **Customer Ledger Entries** and **Customer Card** windows.

Lab 4.3: Enter and Post Manual Checks

Scenario

In January, two manual checks are written:

- On 01/08/14, check number 1200, for 8,132.00 LCY, for Document No. 108018, to vendor 10000, London Postmaster.
- On 01/23/14, check number 1202, for 2,850.00 LCY, for a delivery that required payment on delivery to vendor 60000, Grassblue Ltd.

The invoice for the check to vendor 60000 is still not received. But because it is approaching the end of the month, the check must be recorded.

As the accounts payable coordinator at CRONUS International Ltd, it is your responsibility to apply and post these manual checks to the worldwide operating bank account, by using the Bank batch.

Exercise 1: Enter, Apply and Post the Payment Journal Using Manual Checks.

Task 1: Enter both manual checks in the Payment Journal, and apply if this is possible.

High Level Steps

1. Open the **Payment Journal** and apply if possible.

Detailed Steps

1. Open the **Payment Journal** and apply if possible.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Make sure that the **Bank** batch is selected.
 - c. In the **Posting Date** field, enter 01/08/14.
 - d. In the **Document Type** field, click the drop-down list and select **Payment**.
 - e. In the **Document No.** field, enter 1200.
 - f. In the **Account Type** field, click the drop-down list and select **Vendor**.
 - g. In the **Account No.** field, enter 10000.
 - h. Click **Apply Entries**.
 - i. Click the line for **Document No.** 108018.
 - j. Click **Set Applies-to ID**.
 - k. Click **OK**.

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- l. In the **Bank Payment Type** field, click the drop-down list and select **Manual Check**.
- m. Click the next line.
- n. In the **Posting Date** field, enter 01/23/14.
- o. In the **Document No.** field, enter 1202.
- p. In the **Account No.** field, enter 60000.
- q. In the **Amount** field, enter 2850.
- r. In the **Bank Payment Type** field, click the drop-down list and select **Manual Check**.

Task 2: Post the Journal.

High Level Steps

1. Post the journal.

Detailed Steps

1. Post the journal.
 - a. Click **Post** in the ribbon.
 - b. Click **Yes** to post the journal lines.
 - c. Click **OK**.

Suggest Vendor Payments

In the Payment Journal, the Suggest Vendor Payments function processes open vendor ledger entries, and creates payment suggestions based on criteria such as the following:

- Specific vendors
- Due Dates
- Vendor Priority

The Suggest Vendor Payments function can also be run to include payments for which you can obtain a discount, and to summarize a suggested line for each vendor, by dimension.

Suggest Vendor Payments Batch Job Overview

The Suggest Vendor Payments batch job contains two FastTabs:

- **Vendor**
- **Options**

To open the batch job, click **Suggest Vendor Payments** in the **Home** tab in the ribbon.

On the **Vendor** FastTab, filter the suggestion lines by vendor information. Additional filters can be added in a blank line.

To suggest vendor payments for all vendors, do not set filters on this FastTab.

Options

Find Payments

Last Payment Date:

Find Payment Discounts:

Use Vendor Priority:

Available Amount (LCY):

Summarize Results

Summarize per Vendor:

By Dimension:

Fill in Journal Lines

Posting Date:

Starting Document No.:

New Doc. No. per Line:

Bal. Account Type:

Bal. Account No.:

Bank Payment Type:

Vendor

Show results:

Where No. is Enter a value.

And Payment Method Code is Enter a value.

OK Cancel

The **Options** FastTab is used to determine how the batch job is executed and contains the following fields:

- **Last Payment Date** – The latest payment date that can appear on the vendor ledger entries to be included in the batch job.
 - Only entries that have a due date or a payment discount date either before or on this date are included.

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- If this date is earlier than the system date, the system displays a warning message.
- **Find Payment Discounts** – If this field is selected the batch job includes vendor ledger entries for which a payment discount can be received.
- **Use Vendor Priority** – If this field is selected, the contents of the Priority field on the Vendor Cards determine in which order vendor entries are suggested for payment by the batch job.
Microsoft Dynamics NAV 2013 always prioritizes vendors for payment suggestions if an available amount is specified in the Available Amount (LCY) field.
- **Available Amount (LCY)** – Indicates that there is a maximum amount available (in local currency) for payments. Therefore, the batch job:
 - Creates a payment suggestion from this amount and the vendor priority.
 - Only includes vendor entries that can be paid fully.
- **Summarize per Vendor** – If this field is selected, the batch job suggests one line for each vendor, for each currency in which the vendor has ledger entries.
If this field is not selected, the batch job suggests one line for each invoice.
- **By Dimension** – If the **Summarize per Vendor** check box contains a check mark select the dimensions to group the suggested payments. Based on the selected dimensions, Microsoft Dynamics NAV 2013:
 - Calculates a total amount for each dimension value that is contained in the outstanding vendor ledger entries.
 - Transfers each amount and the dimension value to a new payment line.
- **Posting Date** – The posting date that appears on the lines that the batch job inserts in the Payment Journal.
- **Starting Document No.** – Automatically populated with the next available number in the number series for the journal batch that is linked to the payment journal.
This field can also be filled in manually.
- **New Doc. No. per Line** – If this field is selected, the batch job fills in the payment journal lines with consecutive document numbers, starting with the document number that is specified in the Starting Document No. field.
This check box must contain a check mark if:
 - The **Bank Payment Type** field is set to Manual Check.
 - The **Summarize per Vendor** field does not contain a check mark.

- **Bal. Account Type** – The balance account type to be used in the batch job. The options are as follows:
 - G/L Account
 - Bank Account
- **Bal. Account No.** – Either the G/L Account or Bank Account number.
- **Bank Payment Type** – If the **Bal. Account Type** is set to Bank Account the selection in this field determines whether the suggested lines are Manual Checks or Computer Checks.



Note: If Bank Account is selected and the bank account contained in the **Bal. Account No.** field has a currency code other than LCY, only those entries with the same currency as the bank account are included in the batch job.

Demonstration: Suggest Vendor Payments for Local Vendors

Scenario: On the fifteenth of each month, April, the accounts payable coordinator, pays invoices for local vendors. Today is January 15, 2014, and she must run the Suggest Vendor Payments batch job as follows:

- For all open entries that are due on or before January 25, 2014.
- For vendors from Great Britain (GB).
- To search for payment discounts.

The checks are printed to create a single check for each vendor.

Demonstration Steps

1. Run the Suggest Vendor Payments batch job for all local vendors.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Make sure that the Bank batch is selected.
 - c. Click **Suggest Vendor Payments**.
 - d. Open the **Options** FastTab.
 - e. In the **Last Payment Date** field, enter 01/25/14.
 - f. Click the **Find Payment Discounts** check box.
 - g. In the **Posting Date** field, enter 01/15/14.
 - h. In the **Starting Document No.** field, enter CH001.
 - i. In the **Bal. Account Type** field, click the drop-down list and then select **Bank Account**.
 - j. In the **Bal. Account No.** field, click the drop-down list and select WWB-OPERATING and then click **OK**.

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- k. In the **Bank Payment Type** field, click the drop-down list and then select **Computer Check**.
- l. In the **Vendor** FastTab, click the **Payment Method Code** drop-down list and select **Country/Region Code**.
- m. In the **Enter a value** field for the **Country/Region Code** line, select GB.
- n. Click **OK**.
- o. Click **OK** to the message that asks whether you still want to run the batch job, because the payment date is earlier than 01/23/14.
- p. Click **OK** to the message that suggested vendor payments lines for all currencies that are created.

To verify that open entries continue to be included in the Suggest Vendor Payments batch job, follow these steps.

- a. Delete all Payment Journal lines.
- b. Run the same Suggest Vendor Payment process by clicking **Suggest Vendor Payments**.
- c. Click **OK**.
- d. Click **OK** to the message that states lines are created.

Be aware that the lines all appear again.

Until open entries are closed, they will appear in the Suggest Vendor Payment process if they are within the set filters and parameters.

To prepare for the "Suggest Payments for a Single Vendor" demonstration, delete all the Payment Journal lines again.

Suggest Payments Using Vendor Priority

Use vendor priority when there are limited funds available to pay vendors. Therefore, you must prioritize the order in which vendors are paid. Vendor priority is set on the **Payments** FastTab of the **Vendor Card**.

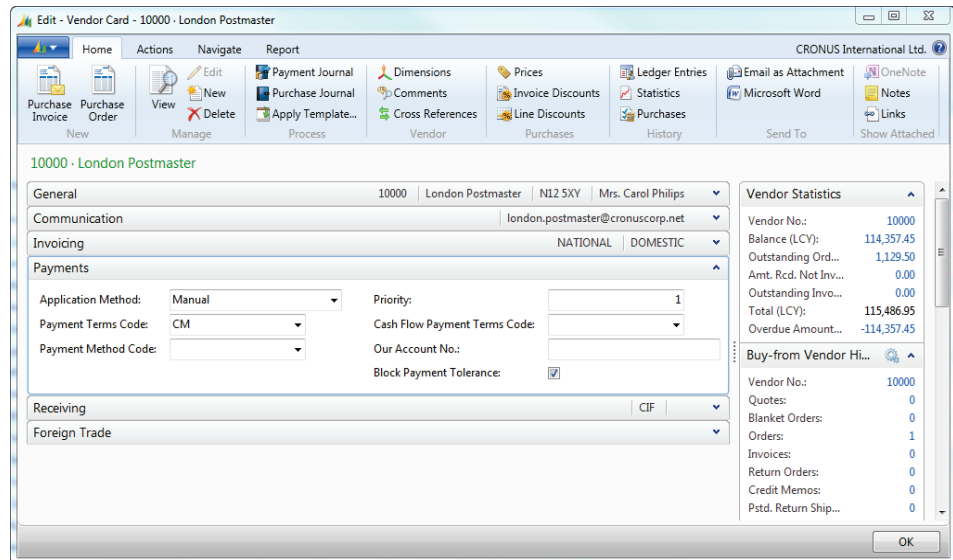


FIGURE 4.15: VENDOR CARD PAYMENTS FASTTAB™

To determine which specific payments to suggest, Microsoft Dynamics NAV 2013 applies the following rules:

- Only vendor entries that can be fully paid are suggested.
- All Priority 1 vendor entries that can be fully paid within the **Available Amount (LCY)** are suggested first. Any vendor entries for lesser priority vendors that can be fully paid within the remaining amount are then suggested.
- For each vendor, the batch job suggests amounts based on the **Due Date** of the vendor ledger entries for that vendor. Invoices with the earliest due date are suggested first.

When specifying an **Available Amount (LCY)** in the **Suggest Vendor Payments** batch job, Microsoft Dynamics NAV 2013, does not automatically calculate the payment tolerance and the payment discount tolerance when suggesting the amounts to pay.

This lesson includes a demonstration that will show how to use vendor priorities that have specified available amounts. To provide a controlled demonstration environment, only two vendors are included. Typically when you are using vendor priority, specific vendors are not filtered.

Demonstration: Use Vendor Priority and Available Amounts

Scenario: On the twenty-fifth of each month, April, the accounts payable coordinator, pays all open vendor invoices. However, this month there is a limited fund issue because of previous holiday expenses. The accountant has informed April to use vendor priority to allocate the 100,000 available for payments.

April learns that vendor 10000 has Priority 1 and vendor 20000 has Priority 2. The following table shows the ledger entries that are ready for payment this month.

Vendor	Document No.	Due Date	Amount (LCY)
10000	5578	01/17/14	-24,156.97
	5672	01/18/14	-57,976.72
	108023	01/31/14	-15,846.00
20000	108017	12/31/13	-1,535.63
	108025	01/31/14	-1,368.90

Because of the limited funds, April also decides to search for available discounts when she runs the **Suggest Vendor Payments** batch job.

Demonstration Steps

1. Run the Suggest Vendor Payments batch job by using vendor priority and available amounts.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Click **Suggest Vendor Payments**.
 - c. In the **Last Payment Date** field, enter 01/31/14.
 - d. Click the **Find Payment Discounts** check box to insert a check mark.
 - e. Select the **Use Vendor Priority** check box.
 - f. In the **Available Amount (LCY)** field, enter 100000.
 - g. In the **Posting Date** field, enter 01/24/14.
 - h. In the **Bal. Account Type** field, click the drop-down list and select Bank Account.
 - i. In the **Bal. Account No.** field, click the drop-down list and select WWB-OPERATING.
 - j. Click **OK**.
 - k. In the **Bank Payment Type** field, click the drop-down list and select Computer Check.

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- l. On the **Vendor** FastTab, set a filter for the No. line, enter 10000..20000.
- m. Click **OK**.
- n. Click **OK** to the message that suggested that the vendor payment lines for all currencies are created.

The batch job suggests payments totaling less than 100,000.00 LCY. The following table shows how Microsoft Dynamics NAV 2013 applied the vendor priority rules to suggest the payments in the demonstration.

Vendor by Priority	Document Number	Amount	Available Amount (LCY)	Remaining Available Amount (LCY)	Payment Line
10000	5578	-24,156.97	100,000	75,843.03	Yes
	5672	-57,976.72	75,843.03	17,866.31	Yes
	108023	-15,846.00	17,866.31	2,020.31	Yes
20000	108017	-1,535.63	2,020.31	484,68	Yes
	108025	-1,368.90			No



Note: *The payments suggested by the batch job are listed by vendor order in the Payment Journal. They are not listed in the order of vendor priority or in the order they are suggested.*

Do not delete the suggested vendor payment lines for vendors 10000 and 20000. These entries are used in the Print Computer Checks demonstration.

Lab 4.4: Suggest Vendor Payments for a Single Vendor

Scenario

On the twenty-fifth of each month, the **Suggest Vendor Payments** batch job is run for vendor 30000, CoolWood Technologies, for any credit memos and all payments that are expected by the end of the month. It is January 25, 2014, and as the accounts payable coordinator, it is your responsibility to run the batch job by using the following criteria:

- Use the Bank batch.
- Have the batch job search for payment discounts.
- Post one single payment to this vendor.
- Use Starting Document No. CWT 012514.

After you run the batch job:

- Print a single check for all invoices to a file that is named CWTChecks 012514.
- Post the checks.

Exercise 1: Suggest Vendor Payments for a Single Vendor

Task 1: Set up and Run the Suggest Vendor Payments Batch Job

High Level Steps

1. Run the **Suggest Vendor Payments** batch job.

Detailed Steps

1. Run the **Suggest Vendor Payments** batch job.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Make sure that the Bank batch is selected.
 - c. Click **Suggest Vendor Payments**.
 - d. Enter the following information on the **Options** FastTab.
 - i. In the **Last Payment Date** field, enter 01/31/14.
 - ii. Make sure that the **Find Payment Discounts** check box is selected.
 - iii. Select the **Summarize per Vendor** check box.
 - iv. In the **Posting Date** field, enter 01/24/14.
 - v. In the **Starting Document No.** field, enter CWT 012514.
 - vi. In the **Bal. Account Type** field, click the drop-down list and select **Bank Account**.

- vii. In the **Bal. Account No.** field, click the drop-down list and select the WWB-OPERATING bank.
- viii. In the **Bank Payment Type** field, click the drop-down list and select **Computer Check**.
- e. On the **Vendor** FastTab, click **Add Filter** and point to **No**.
- f. In the **Enter a value** field, enter 30000.
- g. Clear any other filters on this FastTab.
- h. Click **OK** to run the batch job.
- i. Click **OK** to the message about currencies.

Task 2: Print the Check

High Level Steps

1. Print the check as stated in the scenario.

Detailed Steps

1. Print the check as stated in the scenario.
 - a. Locate the line for vendor 30000.
 - b. In the **Account No.** field, right-click on 3000, and choose **Filter to this Value**.
 - c. Click **Print Check**.
 - d. In the **Options** FastTab, do the following:
 - i. Make sure that the **Bank Account** field is set to WWB-OPERATING.
 - ii. Make sure that the **One Check per Vendor per Document No.** check box is not selected.
 - e. Click **Print**.
 - f. In the **Check - Print** window, click the **Print to file** check box to insert a check mark.
 - g. Click **OK**.
 - h. In the **Output File Name** field, enter CWTChecks 012514.
 - i. Click **OK**.
 - j. Close the **Microsoft Office Document Imaging** window if it appears.

Task 3: Post the Journal

High Level Steps

1. Post the journal.

Detailed Steps

1. Post the journal.
 - a. In the ribbon, click **Post**.
 - b. Click **Yes** to post the journal lines.
 - c. Click **OK**.
 - d. Close the **Payment Journal**.

Print and Post Payables Checks

Both suggested payments and manually entered payments can be printed and posted.

Check printing is affected by the settings in the **Document No.** on the **Suggest Vendor Payments** batch job and **One Check per Vendor per Document** fields on the **Print Check** report.

Computer Check Printing

You can print computer checks from the Payment Journal, by clicking **Print Check** on the ribbon.

The **Check** report contains two FastTabs:

- **Options**
- **Gen. Journal Line**

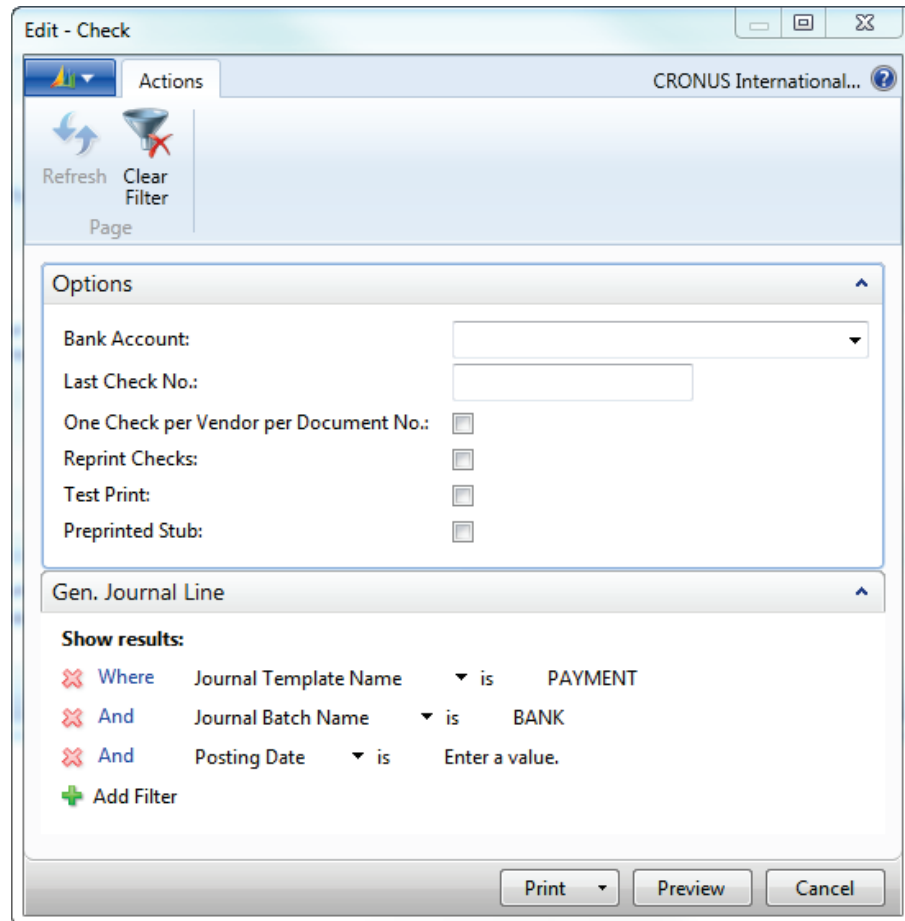


FIGURE 4.16: PRINT CHECK REQUEST PAGE

The **Options** FastTab is used to determine how the batch job is executed and contains the following fields:

- **Bank Account** – The bank account that the printed checks are drawn from.
- **Last Check No.** – Automatically updated with the last check number that is used for the selected bank account. This field is not updated if the Last Check No. field is not populated on the selected bank account's card.
- **One Check per Vendor per Document No.** – If this field is selected only one check for each vendor, for each document number, is printed.
- **Reprint Checks** – If printed checks have to be reprinted before you post, click to insert a check mark to reprint the checks.
- **Test Print** – If this field is selected the checks are printed on blank paper.
- **Preprinted Stub** – If this field is selected it will indicate that check forms with preprinted stubs are used.

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The **Gen. Journal Line** FastTab is populated with the journal name and batch. Additional filters can be added in a blank line.

Demonstration: Print Computer Checks

Scenario: In the "Use Vendor Priority and Available Amount" demonstration, April ran the Suggest Vendor Payments batch job for vendors 10000 and 20000. April now prints those checks by using the World Wide operating bank account. For this demonstration, the checks are printed to a file that is named Checks 012514.

Demonstration Steps

1. Print computer checks.
 - a. In the **Payment Journal** with the checks ready to print, click **Print Check** in the ribbon.
 - b. In the **Bank Account** field, click the drop-down list and select WWB-OPERATING.
 - c. Press **TAB**, the **Last Check No.** field is populated with the last check number that is used for the World Wide operating bank account.
 - d. Select the **One Check per Vendor per Document No.** check box.
 - e. Click **Print**.
 - f. In the **Check - Print** window, click the **Print to file** check box to insert a check mark.
 - g. Click **OK**.
 - h. In the **Output File Name** field, enter Check 012514.
 - i. Click **OK**.

The printed check lines are updated, and, depending on the printing setup, the images of the printed checks can appear in the **Microsoft Office Document Imaging** window.

Review the printed checks and check lines.

- If the printed check images appear:
 - One check is printed for each vendor.
 - Document numbers and amounts of the entries are individually displayed on the check stubs.
- On the payment journal lines:
 - The **Document No.** field is updated with the next check number that is from the selected bank account.
 - A balancing bank account entry is inserted for each vendor payment for the full amount of the payment.

- The **Bank Payment Type** on the suggested lines is blank and the balancing bank account entry line is populated with Computer Check.

Document Number and Computer Check Printing

In Microsoft Dynamics NAV 2013, the number of checks to print and the check amount is determined by the following information:

- Selection of the **One Check per Vendor per Document** field in the Check report.
- Contents of the **Document No.** field in the **Payment Journal** window.

These fields affect one another, based on how entries are created in the following ways:

- **Document No.** in the Payment Journal, with and without summarizing by vendor.
- **One Check per Vendor per Document No.** field in the Check report.

When you are using the Suggest Vendor Payments batch job to populate the payment journal lines, the system specifies a starting document number. The following table shows the results when the batch job is run without selecting the **Summarize per Vendor** check box.

Number of Vendors	Starting Document No. field	Result in the Payment Journal Window
One Vendor	Empty	<ul style="list-style-type: none"> • One payment line for each open vendor ledger entry for the vendor. Each payment line: • Is applied to the related open vendor ledger entry. • Has an empty Document No. field.
One Vendor	Contains a document number	<ul style="list-style-type: none"> • One payment line for each open vendor ledger entry for the vendor. Each payment line: • Is applied to the related open vendor ledger entry. • With the same currency has the same Document No.

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Number of Vendors	Starting Document No. field	Result in the Payment Journal Window
Multiple Vendors	Empty	<ul style="list-style-type: none"> • One payment line for each open vendor ledger entry for each vendor. Each payment line: • Is applied to the related open vendor ledger entry • Has an empty Document No. field.
Multiple Vendors	Contains a document number	<ul style="list-style-type: none"> • One payment line for each open vendor ledger entry for each vendor. Each payment line: • Is applied to the related open vendor ledger entry. • For the same vendor, with the same currency, has the same document number.

If the **Summarize per Vendor** check box is selected on the **Suggest Vendor Payments** batch job, the payment lines are populated as shown in the following table.

Number of Vendors	Starting Document No. field	Result in the Payment Journal Window
One Vendor only	Contains a document number	<ul style="list-style-type: none"> • One payment line for each currency, summarize the open vendor ledger entries with the same currency. Each payment line: • Is applied to the related open vendor ledger entries. • Has a different currency and different document number.
Multiple Vendors	Contains a document number	<ul style="list-style-type: none"> • For each vendor, one payment line for each currency, summarize the open vendor ledger entries with the same currency. • Each payment line is applied to the related open vendor ledger entries. • For each vendor, each payment line has a different currency and different document number.



Note: If you add a check mark in the **New Doc. No. per Line** check box and enter a document number in the **Starting Document No.** field, each suggested payment line has a different document number.

There are two options when you print checks:

- Print a check for each payment line.
- Sum payment lines into a single check.

The following table shows how the **One Check per Vendor per Document No.** field and **Document No.** field together affect how payment lines are created and printed. These payment lines are created and printed based on the assumption that the payment lines are in the same currency as the bank account contained in the **Bal. Account No.** field.

One Check per Vendor per Document No. field	Document No. in Payment Journal window	Number and Amount of Checks Printed
Empty	Blank	A check is printed for each payment line. If any payment line contains a negative amount, an error occurs and the program does not print checks for the remaining payment lines after the negative amount.
Empty	Contains a document number	A check is printed for each payment line. If any payment line contains a negative amount, an error occurs and the program does not print checks for the remaining payment lines after the negative amount.
Contains a check mark	Blank	<ul style="list-style-type: none"> • One check for each vendor is printed. For each vendor: • The check amount is the net amount of all the payment lines for that vendor. • The balancing bank account on all payment lines is cleared and a new payment line is created for the net amount. <p>The Account No. for the new payment line is the balancing bank account.</p>

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One Check per Vendor per Document No. field	Document No. in Payment Journal window	Number and Amount of Checks Printed
Contains a check mark	Contains a document number	<ul style="list-style-type: none">• One check for each vendor, for each document a number is printed. For each vendor:• The check amount is the net amount of the payment lines with the same Document No.• The balancing bank account on payment lines with the same Document No. is cleared and a new payment line is created for the net amount.• The Account No. for the new payment line is the balancing bank account.

Demonstration: Post the Payment Journal

Scenario: Now that all checks printed successfully, April can post the Payment Journal.

The **Payment Journal** is still populated from the previous demonstrations with the payment entries for vendors 10000, 20000, and 30000.

Demonstration Steps

1. Post the payment journal with printed checks.
 - a. In the **Search** box, enter **Payment Journal**, and then select the related link.
 - b. Click **Post**.
 - c. Click **Yes** to post the journal lines.
 - d. Click **OK**.
 - e. Close the **Payment Journal** window.

Voiding Checks

Voiding checks is performed when handwritten checks are not cleared by the bank, or when computer checks must be deleted or reprinted.

In Microsoft Dynamics NAV 2013, you can void checks two ways—financially void posted checks and void unposted checks.

Financially Voiding Checks

A posted check that must be voided is known as a financial void. When financially voiding a check, make sure that all financial transactions that result from the check payment are also canceled. In Microsoft Dynamics NAV 2013, users can unapply and void the check and the transactions, void only the check, and enter a date to use for the void.

In Microsoft Dynamics NAV 2013, financial voids are made from the Bank Account Card.

Demonstration: Financially Voiding a Check

Scenario: On January 10, 2014, April, the accounts payable coordinator at CRONUS International Ltd., posts a manual check to vendor 20000, AR Day Property Management, for invoice 108017.

Three weeks later, she receives a call from the accounts receivable clerk at London Postmaster, stating that payment on invoice 108017 is past due. April explains to the vendor that she sent check number 1204 three weeks ago, and that it must be lost in the mail. April tells the vendor a new check will be sent by overnight delivery.

April contacts Phyllis, the accounting manager at CRONUS International Ltd., and asks Phyllis to financially void the check so that a new check can be issued.

As soon as the check is financially voided, Phyllis reviews the entries to verify that all the transactions are successfully voided and then she notifies April that the check can be reissued.

Demonstration Steps

1. Post the manual check for London Postmaster.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Make sure that the Bank batch is selected.
 - c. Click **OK**.
 - d. In the **Posting Date** field, enter 01/31/14.

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- e. In the **Document Type** field, click the drop-down list and select **Payment**.
 - f. In the **Document No.** field, enter 1204.
 - g. In the **Account Type** field, click the drop-down list and select **Vendor**.
 - h. In the **Account No.** field, enter 20000.
 - i. Click **Apply Entries**.
 - j. Click the line for **Document No.** 108025.
 - k. Click **Set Applies-to ID**.
 - l. Click **OK**.
 - m. In the **Bank Payment Type** field, click the drop-down list and select **Manual Check**.
 - n. Click **Post**.
 - o. Click **Yes** to post the journal lines.
 - p. Click **OK** to the message that the lines are successfully posted.
 - q. Close the **Payment Journal** window.
2. Financially void check 1204.
 - a. On the navigation pane, click **Departments**, click **Financial Management**, click **Cash Management**, and then select **Bank Accounts**.
 - b. Locate and select bank WWB-OPERATING.
 - c. Click **Check Ledger Entries** in the **Home** tab of the ribbon.
 - d. Locate and select check number 1204.

The **Entry Status** field is set to Posted.

1. Click **Void Check** in the **Home** tab of the ribbon. The **Confirm Financial Void** window appears.
2. In the **Void Date** field, enter 02/21/14.
3. Verify that the **Type of Void** field has the **Unapply and void check** option selected.
4. Click **Yes**.

The **Entry Status** field is set to Financially Voided.

5. Close the **Check Ledger Entries** window.
6. Review the Vendor Ledger Entries to verify that the check is voided correctly on the vendor.
7. Use the Payment Journal to verify that the invoice (Document Number 108025) is available for repayment.

To review the vendor ledger entries and invoice availability, follow these steps.

1. On the navigation pane, click **Departments**, > **Financial Management** > **Payables** > **Vendors**.
2. Locate and select vendor 20000, AR Day Property Management.
3. Click **Ledger Entries**.

The line for check 1204 is displayed as voided on 02/21/14.

4. Close the **Vendor Ledger Entries** window.
5. In the navigation pane, click **Payables** and then select **Payment Journals**.
6. In the **Account No.** field, click the drop-down list and select 20000.
7. Click **Apply Entries**. Document Number 108025 is displayed as an open invoice, ready for payment.
8. Close the **Apply Vendor Entries** window.
9. Delete the line and then close the **Payment Journal** window.

Void Unposted Checks

Before you post a check, if you must delete or reprint a check, you can void it in the Payment Journal. After you void a check, you can delete or reprint the payment lines(s) from the journal.

To void a single printed but unposted check, follow these steps.

1. In the **Search** box, enter **Payment Journals**, and select the related link.
2. In the **Batch Name** field, click the drop-down list and select the appropriate batch.
3. Click **OK**.
4. In the Payment Journal lines, click the line for the check to be voided.
5. Click **Void Check**.
6. Click **Yes** to the message that asks to void the check.

Now that the check is voided, you can delete or reprint it from the payment journal.

To void all printed but unposted checks in a batch, follow these steps.

1. On the navigation pane, click **Departments**, click **Financial Management**, click **Payables**, and then select **Payment Journals**.
2. In the **Batch Name** field, click the drop-down list and select the appropriate batch.
3. Click **OK**.

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4. Click **Void All Checks** in the **Home** tab of the ribbon.
5. Click **Yes** to the message that asks to void all checks.



Note: Voiding an unposted check automatically clears the **Check Printed** check box. You can add this field by using the **Choose Columns** function.

After all checks are voided, you can delete or reprint them from the payment journal.

Reprint Voided Checks

When you print checks, the **Last Check No.** in the Check report is updated automatically with the last printed check number. When you reprint checks, make sure that the correct check number will be used. For example, if the check number must be 206, then enter 205 in this field.

To reprint a single voided check, follow these steps.

1. In the **Search** box, enter **Payment Journals**, and then select the related link.
2. Select the relevant batch.
3. Click the line with the voided check.
4. Click **Print Check**.
5. Update the **Last Check No.**
6. Click to insert a check mark in the **Reprint Checks** check box.
7. Click **Print**.

Lab 4.5: Financially Void a Check

Scenario

In the "Enter and Post Manual Checks" lab, a manual check payment of 8,132.00 LCY (number 1200) for invoice 108018, is posted to London Postmaster. On January 29, 2014, the payables clerk at London Postmaster calls to inquire on the status of the payment. You review the payments for this vendor and discover you sent the check weeks ago. As a result, you are asked to resubmit payment.

As the accounting manager, you financially void the check in the World Wide Bank operating account by using the following criteria:

- Void date of 01/29/14.
- Review the Bank Ledger Entries for the voided check, by using Field filters.

The check is resubmitted by the accounts payable coordinator in the next check run.

Exercise 1: Financially Void a Check

Task 1: Void a Check

High Level Steps

1. Open the **Bank Account Card** for the World Wide Bank operating account, access the **Check Ledger Entries**, and void check number 1200 by using the information specified in the scenario.

Detailed Steps

1. Open the **Bank Account Card** for the World Wide Bank operating account, access the **Check Ledger Entries**, and void check number 1200 by using the information specified in the scenario.
 - a. In the **Search** box, enter **Bank Accounts**, and then select the related link.
 - b. Locate and select bank WWB-OPERATING.
 - c. In the **Navigate** tab of the ribbon, click **Check Ledger Entries**.
 - d. Locate and select check number 1200.
 - e. In the **Home** tab of the ribbon, click **Void Check**.
 - f. In the **Void Date** field, enter 01/29/14.
 - g. Verify that the **Type of Void** field has the **Unapply and void check** option selected.
 - h. Click **Yes**.
 - i. Close the **Check Ledger Entries** window.

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Task 2: Review the Entries

High Level Steps

1. Access the **Bank Account Ledger Entries** and review the check entries of check number 1200.

Detailed Steps

1. Access the **Bank Account Ledger Entries** and review the check entries of check number 1200.
 - a. In the **Navigate** tab of the ribbon, click **Ledger Entries**.
 - b. Set the **Filter** field to **Document No.**
 - c. In the **Type to filter** field, enter 1200 and press **search**.
 - d. Review the two check entries. The date for the line of the voided check is 01/29/14.
 - e. Close the **Bank Account Ledger Entries** window.

Lab 4.6: Void a Check

Scenario

On February 1 2014, invoice F8306 for office supplies for an amount of 800.00 (exclusive VAT), is received from vendor 40000. The invoice is posted and it is approved for payment on February 10 2014. After you run the Suggest Vendor Payments batch job for vendor 40000, the check is printed to a file that is named VOID001.

Before the check is posted, the office manager informs you that there is still a problem and this invoice cannot yet be paid. Void and delete the payment line.

Exercise 1: Void a Check

Task 1: Run the Suggest Vendor Payments Batch

High Level Steps

1. Post the purchase invoice from vendor 61000.
2. Open the Payment Journal window and run the Suggest Vendor Payment batch by using the criteria that is specified in the scenario.

Detailed Steps

1. Post the purchase invoice from vendor 61000.
 - a. In the **Search** box, enter **Purchase Invoices**, and then select the related link.
 - b. In the **Home** tab, click **New**.
 - c. In the **Buy-from Vendor No.** field, enter 40000.
 - d. In the **Posting Date** field, enter 02/01/14.
 - e. In the **Vendor Invoice No.** field, enter F8306.
 - f. In the **Lines** FastTab, enter G/L Account in the **Type** field.
 - g. In the **No.** field, enter 8210.
 - h. In the **Quantity** field, enter 1.
 - i. In the **Direct Unit Cost Excl. VAT** field, enter 800.
 - j. In the **Home** tab, click **Post**.
 - k. Click **Yes**.
2. Open the Payment Journal window and run the Suggest Vendor Payment batch by using the criteria that is specified in the scenario.
 - a. In the **Search** box, enter **Payment Journals**, and then select the related link.
 - b. Click **Suggest Vendor Payments**.
 - c. In the **Last Payment Date** field, enter 02/20/14.
 - d. Make sure that the vendor priority fields are empty.

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- e. In the **Posting Date** field, enter 02/10/14.
- f. In the **Bal. Account Type** field, click the drop-down list and select Bank Account.
- g. In the **Bal. Account No.** field, click the drop-down list and select WWB-OPERATING.
- h. In the **Bank Payment Type** field, click the drop-down list and select Computer Check.
- i. On the **Vendor** FastTab, click **Add Filter** and point to **No**.
- j. In the **Enter a value** field, enter 40000.
- k. Clear any other filters on this FastTab.
- l. Click **OK** to run the batch job.
- m. Click **OK** to the message about currencies.

Task 2: Print and Void the Check

High Level Steps

1. Open the Check report and print the check based on the criteria that is specified in the scenario and void the check based on the criteria that is specified in the scenario.

Detailed Steps


1. Open the Check report and print the check based on the criteria that is specified in the scenario and void the check based on the criteria that is specified in the scenario.
 - a. Click **Print Check**.
 - b. In the **Bank Account** field, click the drop-down list and then select WWB-OPERATING.
 - c. Press **TAB**.
 - d. Make sure that the **One Check per Vendor per Document No.** check box does not contain a check mark.
 - e. Click **Print**.
 - f. In the **Check - Print** window, click the **Print to file** check box to insert a check mark.
 - g. Click **OK**.
 - h. In the **Output File Name** field, enter VOID001.
 - i. Note the check number.
 - j. Click **Void Check**.
 - k. Click **Yes** to void the check.
 - l. Click **Delete** in the ribbon.
 - m. Click **Yes** to delete the line.
 - n. Close the **Payment Journal** window.

Applying Payments

Users can apply payments to customer or vendor ledger entries when the payment is processed and, or after a payment is processed without an application to an entry.

Some methods to apply payments in the cash receipt journal or payment journal include the following:

- Post a payment to a single invoice.
- Post a payment to multiple invoices.
- Post a partial payment to a single invoice.
- Post a partial payment to multiple invoices.
- Apply payments after posting.


 **Note:** Applying payments is the same in receivables management and payables management. The demonstrations in this lesson are based on customer payments. However, the same applies to vendor payments.

Application Methods

When users post payments without an application to an entry, the option that is selected in the **Application Method** field on the **Payments** FastTab of the customer's card, determines how the open payment is managed in the customer ledger entries.

The two application method options are **Manual** and **Apply to Oldest**.

When the **Manual** option is selected, the payment that is posted to a customer's or vendor's account is not applied to an invoice and it remains an open payment in the customer or vendor ledger entries.

 **Note:** Most customers and vendors that are set up in Microsoft Dynamics NAV use the Manual application method.

When the **Apply to Oldest** option is selected, the payment that is posted to the customer's or the vendor's account is automatically applied to the customer's or the vendor's oldest open entries.

The option selected does not affect how applications are made when users post a payment. However, the user must understand how the application method affects the unapplied entries.

Apply Customer Entries Window Overview

You can use the **Apply Customer Entries** window to apply open customer ledger entries for relevant customers. You can access this window from several areas in Microsoft Dynamics NAV 2013. This includes the **Cash Receipt Journal**, where you can apply payments to entries before they are posted, and the **Customer Ledger Entries**, where you can apply payments that are posted and but not yet applied.

To open the **Apply Customer Entries** window from these windows, click **Apply Entries** in the ribbon.

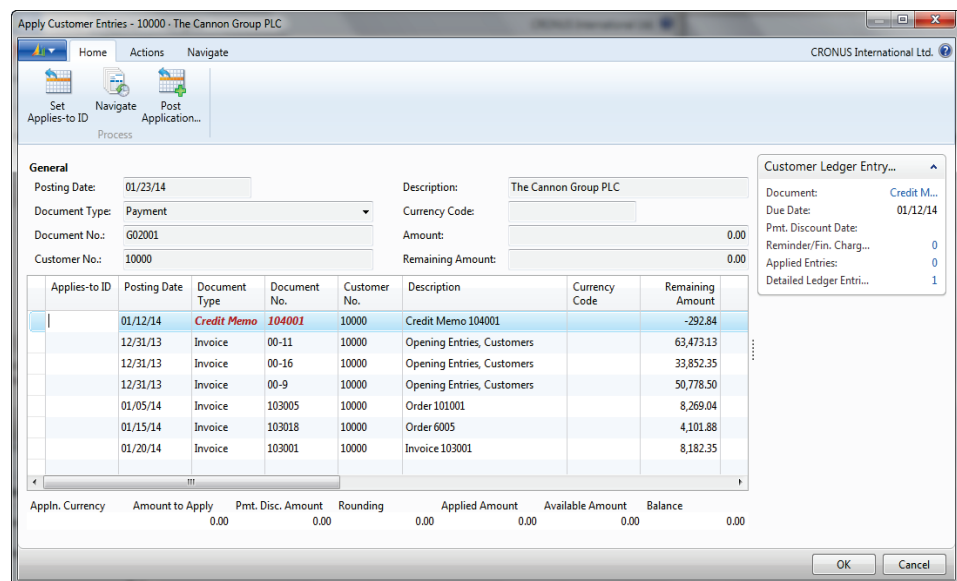


FIGURE 4.17: APPLY CUSTOMER ENTRIES

The **Apply Customer Entries** window contains the following five areas:

- General header
- Ribbon
- Lines
- Balancing application fields
- FactBox

The General Header contains the applying entry information. This entry determines whether the payment discounts, tolerances, and achieved gains or losses on currencies are offered for the entry.

The lines area shows each open transaction and it is used to determine the entries that will be applied to it. You can edit the following fields:

- **Applies-to ID** – Identifies who or what is making the application and if it must be posted to the application.
- **Amount to Apply** – Used for partial payments to specify the exact amount to apply to the applying entry.
- **Due Date** – Indicates when an invoice is expected to be paid
- **Pmt. Discount Date** – Indicates the date on which the amount in the entry must be paid for a payment discount to be obtained.
- **Pmt. Disc. Tolerance Date** – Indicates the latest date on which the amount in the entry must be paid for payment discount tolerance to be granted.
- **Remaining Pmt. Disc. Possible** – Identifies the remaining payment discount that can be received if the payment is made before the payment discount date.
- **Max. Payment Tolerance** – Identifies the maximum tolerated amount that the amount in the entry can differ from the amount on the invoice or credit memo.

Underneath the lines are the following balancing fields that are used to track the application:

- Appln. Currency
- Amount to Apply
- Pmt. Disc. Amount
- Rounding
- Applied Amount
- Available Amount
- Balance

The **Home** tab of the ribbon includes the following three options:

- **Set Applies-to ID** – Used to set the **Applies-to ID** field on the line for each line that is applied against the **Applying Entry** in the **General** FastTab.
- **Navigate** – Used to navigate on the line that is highlighted.
- **Post Application** – Used to post the application when users are applying previously posted entries.

The FactBox on the Apply Customer Entries Card displays the **Customer Ledger Entry Details**.

Demonstration: Post a Payment for Multiple Sales Documents

Scenario: On January 21, 2014, Phyllis, the accounting manager at CRONUS International Ltd., receives a euro payment of 6,000.00 for customer 49633663 for the following documents:

- Invoice 2808
- Invoice 2809
- Credit memo 2810

Phyllis applies and posts the payment using the cash receipt journal.

Demonstration Steps

1. Apply and post the payment.
 - a. In the **Search** box, enter **Cash Receipt Journals**, and then select the related link.
 - b. Select the BANK cash receipt journal.
 - c. Click the batch name, and then click **New** to create a new batch.
 - d. Enter euro in the **Name** field.
 - e. Enter "euro payments" in the **Description** field.
 - f. In the **Bal. Account Type**, select **Bank Account**.
 - g. In the **Bal. Account No.**, select WWB-EUR.
 - h. Click **OK** to select the new batch.
 - i. In the **Posting Date** field, enter 01/25/14.
 - j. In the **Document Type** field, select **Payment**.
 - k. Update the **Type** field, select Customer.
 - l. In the **Account No.** field, click the drop-down list and select customer 49633663.
 - m. Click **OK**.
 - n. Click **Apply Entries**.
 - o. Click the line with invoice 2808 to apply the payment to it.
 - p. Click **Set Applies-to ID**.
 - q. Repeat steps 15 and 16 for invoice 2809 and credit memo 2810.
 - r. Verify that the **Balance** field at the bottom of the window is 6,000.00
 - s. Click **OK**.
 - t. Make sure that the **Bal. Account Type** and **Bal. Account Number** fields indicate the bank account.
 - u. Click **Post**.
 - v. Click **Yes** to post the journal

- w. Click **OK**.
- x. Close the **Cash Receipt Journal**.

Demonstration: Applying Entries After Posting

When you post a payment or credit memo without applying it to an open customer or vendor ledger entry, you can apply it later from the **Customer Ledger Entries** or **Vendor Ledger Entries** window.

Scenario: On January 31, 2014, a manual check payment for 70,860.66 LCY is sent to vendor 30000, CoolWood Technologies. April, the accounts payable coordinator, manually posts check number 1205 to the vendor account without applying it to a particular invoice.

Some days later, she realizes that this payment must be applied to document number 12345.

Demonstration Steps

1. Manually post the check.
 - a. In the **Search** box, enter **Payment Journals**, and then click the related link.
 - b. Make sure that the Bank batch is selected.
 - c. In the **Posting Date** field, enter 01/31/14.
 - d. In the **Document Type** field, click the drop-down list and select **Payment**.
 - e. In the **Document No.** field, enter 1205.
 - f. In the **Account Type** field, click the drop-down list and then select **Vendor**.
 - g. In the **Account No.** field, enter 30000.
 - h. In the **Amount** field, enter 70860.66.
 - i. Make sure that the WWB-OPERATING bank account is selected.
 - j. In the **Bank Payment Type** field, click the drop-down list and then select **Manual Check**.
 - k. Click **Post**.
 - l. Click **Yes** to post the journal lines.
 - m. Click **OK**.
 - n. Close the **Payment Journal** window.
2. Apply the posted payment to the open invoice.
 - a. In the Payables folder, click **Vendors**.
 - b. Locate and select vendor account 30000.
 - c. Click **Ledger Entries**.
 - d. Click the payment line dated 01/31/14. The amount is 70,860.66.

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- e. Click **Actions**, point to **Function**, and then select **Apply Entries**.
 - i. The **General** FastTab in the header is populated with the payment information.
 - ii. The payment line is removed from the lines so that it cannot be selected as an applied-to entry.
- f. In the lines, click the line for **Document No.** 12388. The amount is -105,952.82.
- g. Click **Set Applies-to ID**.

The **Balance** field at the bottom of the window displays -35,092.16. This is the remaining amount.

To post the application, follow these steps.

- a. Click **Post Application**.
- b. Click **OK** without changing the fields.
- c. Click **OK** to the message that the application is posted.

Close the **Apply Vendor Entries** and **Vendor Ledger Entries** windows.

Unapply Customer and Vendor Ledger Entries

You can use the Unapply Customer Ledger Entries functionality to reverse entries while you make sure that the correct application is processed. This functionality is available from the **Customer Ledger Entries** window and the **Detailed Cust. Ledg. Entries** window.

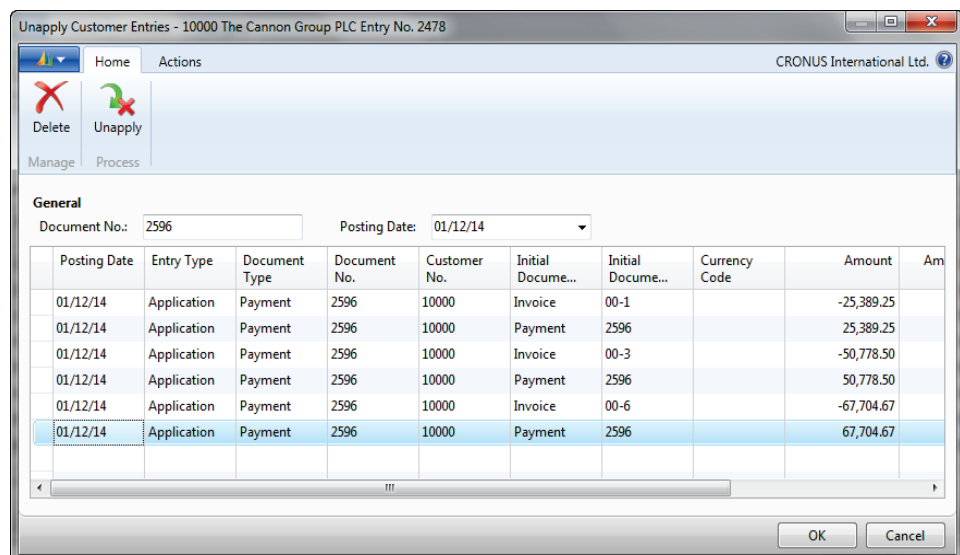


FIGURE 4.18: UNAPPLY CUSTOMER ENTRIES WINDOW

When you unapply applications that are already posted, you can reopen closed customer ledger entries. All G/L postings that might be derived from an incorrect application, such as payment discounts and currency gains and, or losses, are also corrected when an entry is unapplied.



Note: You can only unapply from the bottom up. Therefore, if an entry is applied by more than one application entry, the last application entry must be unapplied first.

Unapplying a Ledger Entry

To unapply a ledger entry from the Customer Ledger Entries window, follow these steps.

1. On the navigation pane, click **Departments > Financial Management > Receivables**, and then select **Customers**.
2. Locate and select the customer to unapply entries for.
3. In the ribbon, click **Ledger Entries**.
4. Click the line with the entry to unapply.
5. In the ribbon, click **Unapply Entries**. The **Unapply Customer Entries** window shows the original detailed ledger entries that can be used to unapply the original entry.
6. Click **Unapply**.
7. Click **Yes** to unapply the entries. When the entry is unapplied, a new entry is created by using an opposite sign in the **Amount** field.
8. Click **OK** to the message that the entries are unapplied.
9. In the **Customer Ledger Entries** window, review the unapplied entries:
 - The **Remaining Amount** field contains the relevant unapplied amount.
 - The **Open** check box is checked to indicate that the unapplied entries are open.

Now you can apply the open amount to the correct entry by using the Apply Customer Entries functionality.



Note: To view a complete overview of all the entries that resulted from a transaction, use the **Navigate** function on the ribbon.



Note: Vendor ledger entries are unapplied in the same manner.

Lab 4.7: Unapply Posted Ledger Entries

Scenario

In late January, you receive a 50,778.50 LCY payment from customer 20000, Selangorian Ltd., for Document No. 00-8. As you start to apply the payment, you realize that a temporary employee incorrectly applied two credit memos to this invoice.

After additional investigation, you realize that these credit memos are to be applied to the invoices that correspond to the credit memo amounts. The following table shows these credit memos and the invoices in the order in which they are applied.

Credit Memo	Invoice/Document No.	Amount
104002	103008	787.40
104003	103014	1,145.33

As the accounts receivable administrator, it is your responsibility to correct this error. Use the Unapply Customer Entries function to reverse the application and then correctly apply the credit memos to the invoices.

The payment for Document No. 00-8 is not posted in this lab.

Exercise 1: Unapply Posted Ledger Entries

Task 1: Unapply the Credit Memo

High Level Steps

1. Open the Customer Ledger Entries for customer 20000 and unapply the entries.

Detailed Steps

1. Open the Customer Ledger Entries for customer 20000 and unapply the entries.
 - a. On the navigation pane, click **Departments > Financial Management > Receivables**, and then select **Customers**.
 - b. Locate and select customer 20000.
 - c. Click **Ledger Entries**.
 - d. Click the line for credit memo 104003. The amount is -1,145.33.
 - e. In the ribbon, click **Unapply Entries**.
 - f. Click **Unapply**.
 - g. Click **Yes** to unapply the entries.
 - h. Click **OK** to the message that the entry is unapplied.

- i. Click the line for credit memo 104002. The amount is -787.40.
- j. In the ribbon, click **Unapply Entries**.
- k. Click **Unapply**.
- l. Click **Yes** to unapply the entries.
- m. Click **OK** to the message that the entry is unapplied.

Task 2: Apply the Credit Memo

High Level Steps

1. Open the **Apply Customer Entries** window for credit memo 104002 and set it as the applying entry.
2. Set Document No. 103008 as the Applies-to ID and post the application.
3. Open the **Apply Customer Entries** window for credit memo 104003 and set it as the applying entry.
4. Set Document No. 103014 as the Applies-to ID and post the Application.

Detailed Steps

1. Open the **Apply Customer Entries** window for credit memo 104002 and set it as the applying entry.
 - a. Click the line for **Document No. 104002**.
 - b. In the ribbon, click **Apply Entries**.
2. Set Document No. 103008 as the Applies-to ID and post the application.
 - a. Click the line for invoice 103008.
 - b. Click **Set Applies-to ID**.
 - c. Click **Post Application**.
 - d. Click **OK** to post the application.
 - e. Click **OK** to the message that the application is posted.
3. Open the **Apply Customer Entries** window for credit memo 104003 and set it as the applying entry.
 - a. Click the line for **Document No. 104003**.
 - b. In the ribbon, click **Apply Entries**.
4. Set Document No. 103014 as the Applies-to ID and post the Application.
 - a. Click the line for **invoice 103014**.
 - b. Click **Set Applies-to ID**.
 - c. Click **Post Application**.
 - d. Click **OK** to post the application.
 - e. Click **OK** to the message that the application is posted.
 - f. Close the **Customer Ledger Entries**.

Reversal of Posted Journals

In Microsoft Dynamics NAV 2013, incorrect customer ledger entries posted from a journal, such as the Sales Journal or Cash Receipt Journal, can be reversed to correct the entries.

The following are conditions of using this reversal functionality:

- Entries must be generated from a general journal line or from a previous reversal.
- Customer Ledger Entries must not be applied.
- Bank Ledger Entries must not be closed by reconciliation.
- The total amount of G/L Entries to be reversed must equal zero.

Before you reverse an applied customer ledger entry, you must unapply the entry.

During the reversal process, you can create and post correcting entries with the same document number and posting date as the original entry for each line in the entry. After you reverse an entry, you can enter and post the correct entries manually.

Demonstration: Reverse a Posted Journal Entry

Scenario: When the beginning balance is posted on 12/31/13 for customer 10000, an error is entered for invoice 00-1. An incorrect amount of 25,389.25 LCY posted instead of the correct amount of 23,589.25 LCY.

Because this invoice is already paid (on 1/17/14 with Document No. 2597) and it is entered through a journal, it must be reversed.

Cassie, the accountant, wants you to make the reversing entry and then later she will post the correction and refund the customer. Before you can reverse the entry, you must unapply the payment.

Demonstration Steps

1. Unapply the invoice as specified in the scenario.
 - a. On the navigation pane, click the **Departments > Financial Management > Receivables**, and then select **Customers**.
 - b. Locate and select customer 10000.
 - c. Click **Ledger Entries**.
 - d. With the line for **Document No. 00-1** selected, in the ribbon, click **Unapply Entries**.
 - e. Click the first line for **Document No. 00-1**.
 - f. Click **Unapply**.

- g. Click **Yes** to unapply the entry.
 - h. Click **OK** to the message that the entry is unapplied.

2. Reverse the journal entry as specified in the scenario.
 - a. With the line for **Document No.** 00-1 selected, in the ribbon, click **Reverse Transaction**.
 - b. Click **Reverse**.
 - c. Click **Yes** to reverse the entry.
 - d. Click **OK** to the message that the entry is reversed.
 - e. Close the **Customer Ledger Entries** and **Customer Card** windows.

Module Review

Module Review and Takeaways

Cash Management is an important feature of Microsoft Dynamics NAV 2013 because it manages all payments in a company. Understanding how to use the banking features and the reconciliation process provides an increased awareness of a company's financial status.

The Check functions in Cash Management provide companies with a secure process when they use checks for payment and must void a check.

Receivables and payables management helps keep track of open balances and all entries that are posted to customers and vendors.

Test Your Knowledge

Test your knowledge with the following questions.

1. When you post a manual or computer check, what is posted to record the check transaction and the current status of the check?
 - () Bank Account Ledger Entry
 - () Detailed Bank Account Ledger Entry
 - () Check Ledger Entry
 - () Detailed Check Ledger Entry
2. On the Bank Account Card, what makes the program post the related G/L entries for each transaction by using the bank account?
 - () Posting Account No.
 - () Bank Acc. Posting Group
 - () Bank Account No.
 - () Bank Acc. G/L Group
3. Where are Application Methods specified?
 - () Cash Receipt Journal
 - () Customer Card

- Customer Ledger Entries
 - Detailed Customer Ledger Entries
4. In what window are actual posted customer entries amounts located?
- Posted Customer Ledger Entries window
 - Customer Ledger Entries window
 - Detailed Ledger Entries window
 - Detailed Customer Ledger Entries window
5. What should you do when a handwritten check is refused by the bank?
- Void the check
 - Financially void the check
 - Reprint the check
 - Unapply the vendor ledger entries
6. What is not true about the Suggest Vendor Payments batch job?
- The Suggest Vendor Payments batch job always searches for a payment discount.
 - The vendor priority can be used in combination with an available amount.
 - The Suggest Vendor Payments batch job can be used to create computer checks.
 - You can use the Suggest Vendor Payments batch job to summarize payments by vendor and by dimension.

Test Your Knowledge Solutions

Module Review and Takeaways

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