

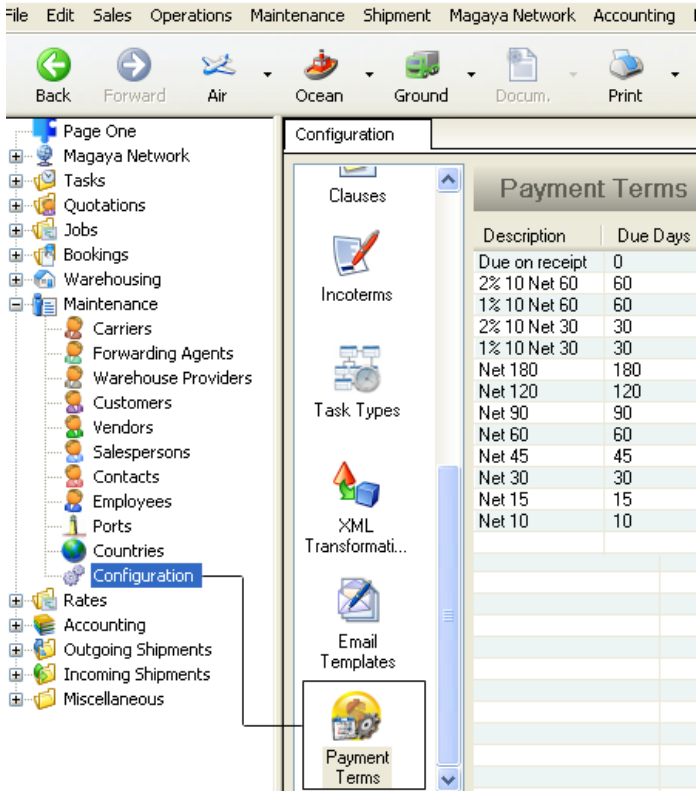
Set Payment Terms

Introduction:

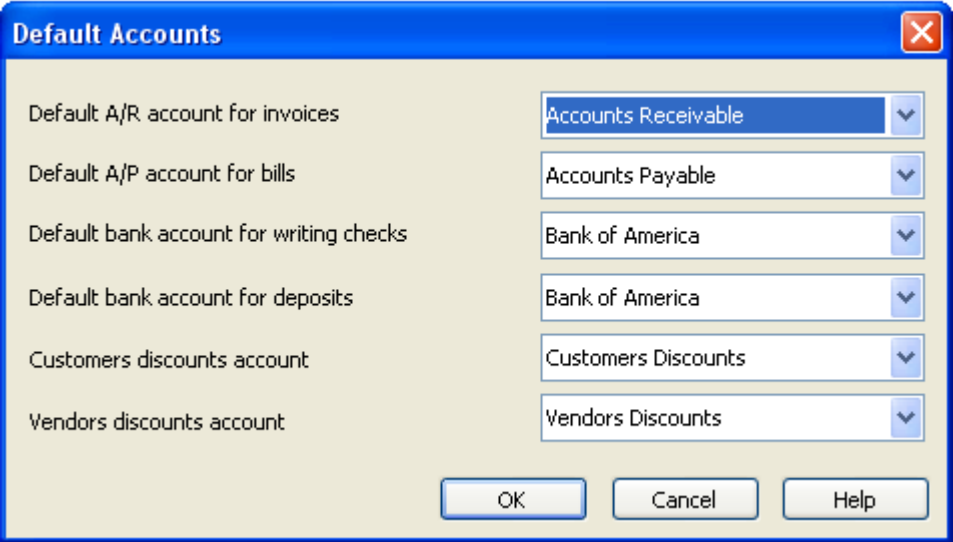
This how-to article shows you how to set up your Magaya system to define and use the upgraded Payment Terms features added in software version 9.3. After the payment terms are set, you can use them in Quotations, POs, SOs, Invoices, and Bills. For example, you can set a discount for a customer if their bill is paid before 10 days. Let's see how it works.

Configure your System:

One of the enhancements is the option to define your own payment terms. The system includes a default list, which you can add to. To define them or see the list of defaults: Go to Maintenance > Configuration > Payment Terms:



These payment terms are connected to an account called “Customers Discounts.” If you were using an Account in the Chart of Account for discounts, you can still use it. Changes can be made in the Configuration > Accounting screen from the option “Configure default accounts.”



Create any payment terms you want and assign the accounts. Next, there are two options to configure how your system processes payment terms:

1. Set Payment Terms system-wide to apply to all customers
2. Set Payment Terms per customer

Option 1: To set them system-wide, go to Maintenance > Configuration > Accounting.

Select the terms from the dropdown menu “Default payment terms for customers”:

Other settings

☐ Accounting will be closed on or before

☐ Restrict access to previous fiscal year

Password:

Default payment terms for customers:

Description	Due Days	Discount Percent...	Discount Days
1% 10 Net 30	30	1.00	10
1% 10 Net 60	60	1.00	10
2% 10 Net 30	30	2.00	10
2% 10 Net 60	60	2.00	10
5% 15 Net 60	60	5.00	15
Due on receipt	0	0.00	0
Net 10	10	0.00	0
Net 120	120	0.00	0
Net 15	15	0.00	0
Net 180	180	0.00	0
Net 30	30	0.00	0
Net 45	45	0.00	0

This list displays the default payment terms and ones you defined. This setting will apply to all customers.

Option 2: Set Payment Terms per customer

This setting is found in the Customer profile dialog box on the Payment Terms tab. Click the dropdown menu to select from the list of Payment Terms. This example shows Payment Terms that will give this customer a discount of 2% if they pay early within 10 days (shown as "2% 10"). Otherwise, the full amount is due in 60 days ("Net 60").

Customers

General Address Billing Address Other Addresses Contacts Rates Charges Pmt Terms

Payment Terms

Terms:

The common type of payment is

The Credit Limit is USD

Parent Entity:

Invoice periodically

TSA Compliance

☐ This entity is a known shipper

Known shipper expiration date:

How to Use the Payment Terms:

Payment Terms entered on the Customer profile will populate into Sales Orders, Quotations, Invoices, Purchase Orders and Bills. In one of these transactions, select the Customer name. Their payment terms and the due date will fill in automatically.

Accounting Transaction

Invoice Events Attachments Notes Internal Notes Custom

Number:

Account:

Transaction Date:

Payment Terms:

Due Date:

Payment Terms for this customer fill in automatically:

Apply to

Billing Address:
Miami, FL 33172
UNITED STATES

Payment Terms can be overridden in any transaction as needed.

When the payment is received (A/R) before the due date, the system automatically creates the discount for you based on the payment terms.

When you pay a bill to a vendor or supplier (A/P) within the time set in the payment terms, then the check transaction in Magaya will automatically calculate the amount based on the terms.

To see Customer and Vendor discounts, go to the Profit & Loss Detailed report (via the Actions button in the Chart of Accounts).