

## Two Way Trader

In Business Manager you can contra a balance between a customer and a supplier.

### Example

On the 30 November, A. Farmer purchased fuel and feed for £3,084 from 'Farmers Merchants'.

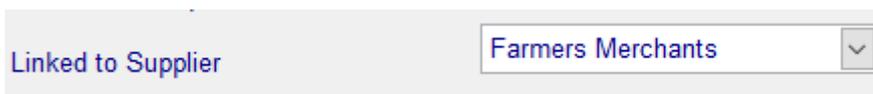
On the 2 December, A. Farmer sold wheat to 'Farmers Merchants' for £9,949.65.

A cheque for £6,865.65 was received by A. Farmer on 5 January.

The entries needed by A. Farmer are as follows:-

1. Enter a purchase invoice from Farmers Merchants for £3,084.
2. Enter a sales invoice to Farmers Merchants for £9,949.65.
3. Enter a ledger receipt against Farmers Merchants for £6,865.65.

If you have a trader who is used as a supplier and a customer their details should be setup in both sections as independent records. However, you can establish a link between the two by linking them in Setup > Suppliers/Customers > Supplier/Customer Setup and linking them using this box:



Linked to Supplier

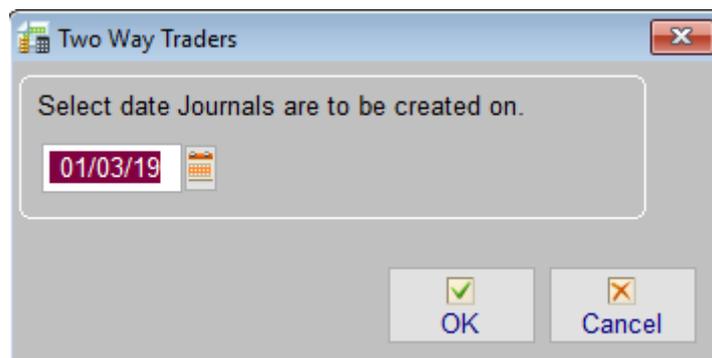
By linking the supplier and customer records, you can produce a report to show their overall combined balance and it can be used to journal between the traders i.e. write off the value of the lower balance on both ledgers.

Enter the required sales and purchase invoices and then go to Date Entry > Two Way Trader. Initially you will see any linked traders that both have a current balance. However if you would like to see all two-way traders tick the box at the top of the screen. You will be warned that you are not able to do a journal involving any trader with a zero balance.

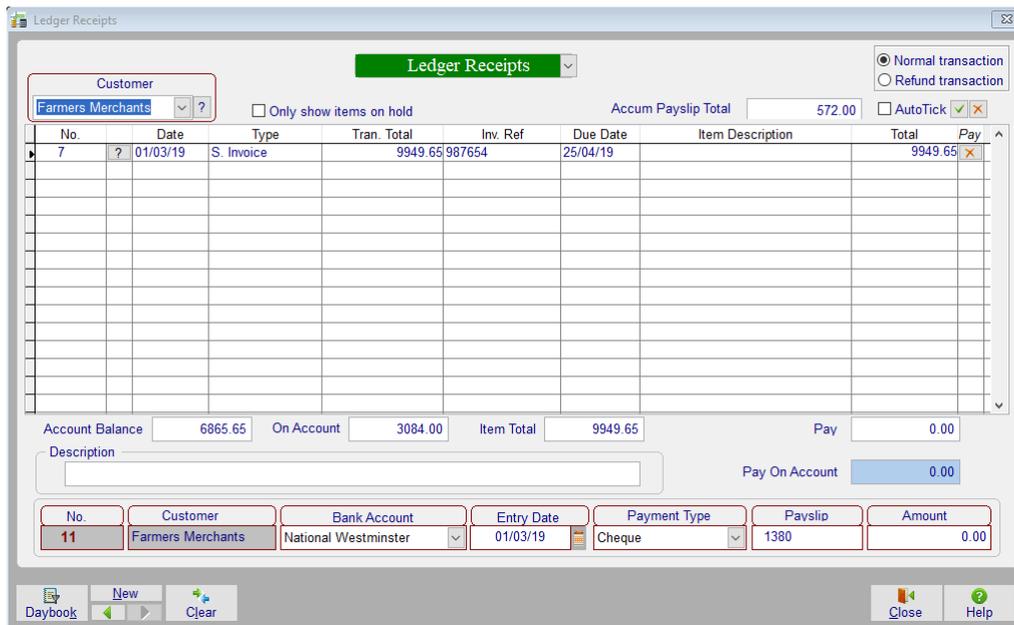
Suppliers		Customers		Net Balance	Change	Jnl?
Name	Balance	Name	Balance			
Farmers Merchants	3084.00	Farmers Merchants	9949.65	-6865.65	3084.00	

To create an automatic journal click the red x in the 'Jrnl' column, changing it to a tick against the relevant lines and click on 'Create Journals'.

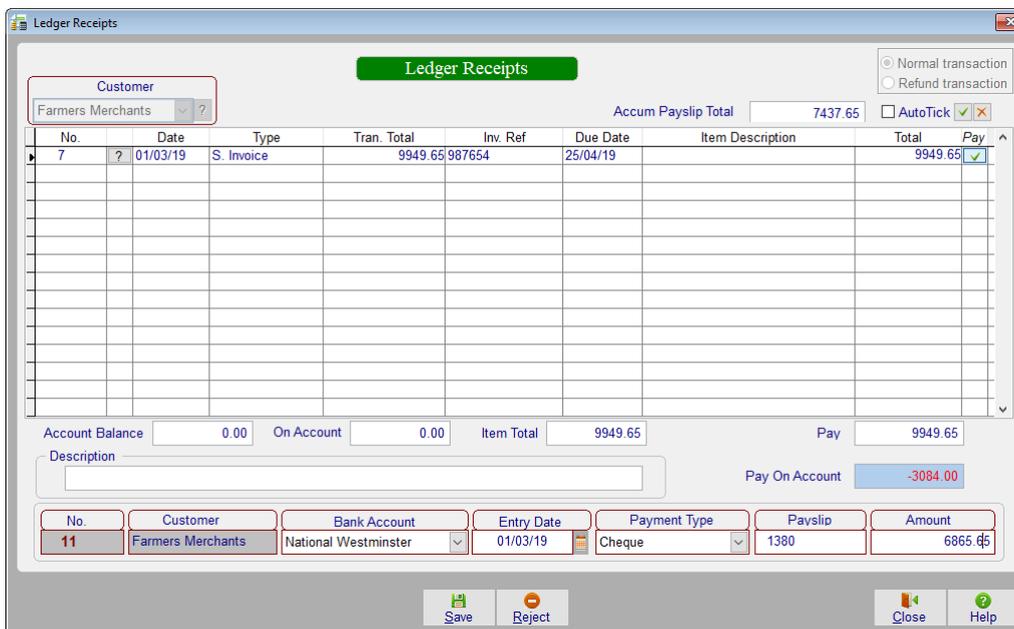
You will be asked to enter the date for the journal. When you are ready to create the journals click on OK. The journal will be created automatically and can be edited and viewed within the General Purpose Journal option under Data Entry.



This journal will have created an 'on account' balance against both the supplier and customer. Both the supplier and customer balances will be reduced by the value of the smallest balance – i.e. the balance of one trader will be reduced to zero and the other will be reduced by the same value. It will not have cleared any outstanding invoices; you should now go to **ledger payments/receipts** and enter the outstanding receipt/payment.



A figure will appear in the 'Pay On Account' box to reflect the journalled amount from the supplier ledger, the figure in the 'Amount' box will appear on the bank reconciliation and the invoice will be cleared when Save is clicked.



To clear the purchase ledger, select **Ledger Payments** > 'Farmers Merchants' and tick the invoice(s), enter a zero value in the 'Amount' box and click Save.