## Exercise 3: Configure cash discounts

Contoso Pharmaceuticals (CPHQ) obtains a cash discount if it pays vendor invoices or offer discount to its customers within certain dates. CPHQ has set up the following codes:

* 5D10% - cash discount of ten percent when the amount is paid within five days.
* 10D5% - cash discount of five percent when the amount is paid within ten days.
* 14D2% - cash discount of two percent when the amount is paid within fourteen days.

1. Navigate to **Accounts receivable > Payments setup > Cash discounts**.
2. Select **New**.
3. In the **Cash discount** field, type '5D10%'.
4. In the **Description** field, type '10 percent within 5 days'.
5. In the **Main account for customer discounts** field, specify the values '520201'.
6. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.
7. In the **Main account for vendor discounts** field, specify the values '520200'.
8. Select **New**.
9. In the **Cash discount** field, type '10D5%'.
10. In the **Description** field, type '5 percent over 10 days'.
11. In the **Main account for customer discounts** field, specify the values '520201'.
12. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.
13. In the **Main account for vendor discounts** field, specify the values '520200'.
14. Select **Save**.
15. Select **New**.
16. In the **Cash discount** field, type '14D2%'.
17. In the **Description** field, type '2 percent within 14 days'.
18. In the **Main account for customer discounts** field, specify the values '520201'.
19. In the **Discount offset accounts** field, select 'Use Main account for vendor discounts'.
20. In the **Main account for vendor discounts** field, specify the values '520200'.
21. Select the record on the left for cash discount 5D10%.
22. In the **Next discount code** field, enter or select 10D5%.
23. Select **Save**.
24. Select cash discount 10D5%.
25. In the **Next discount code** field, enter or select 14D2%.
26. Select **Save**.
27. Close the page.
28. Navigate to **Accounts payable > Payment setup > Cash discounts**.
29. Verify the cash discounts you just created.
30. Close the page.