Vendors

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Vendor Records

Vendor Records Overview

Vendors supply you with goods or services you need to run your business. For each vendor you purchase from, use vendor records to do the following:

- Track associated items and pricing
- Track addresses for a vendor's locations and offices
- Track financial data and purchasing transactions
- Track CRM information like contacts, notes, messages, and marketing campaigns
- Attach and track files
- Give online access to enable vendors to see your orders

You can also create vendor records for tax agencies. You can then use the tax agency records to pay sales tax that you have collected. Likewise, you can create vendor records as payroll items to withhold and pay tax and insurance on behalf of your employees.

If you use NetSuite OneWorld, you can assign a primary subsidiary and an unlimited number of secondary subsidiaries to a vendor record. This is useful when you have multiple subsidiaries using the same vendor. When you view a shared vendor record, you can see the vendor's total outstanding balance and total unbilled balance (sum of all of the assigned subsidiaries' balances) in the primary subsidiary's currency.

A running balance is kept for each vendor based on bills you have entered and payments you have made. You can run reports to see who your vendors are, how much you owe, what bills you need to pay and what purchase orders you have.

Adding a Vendor Record

A vendor is a company or person from whom you purchase goods and services. Vendor records track information about your vendors and enable you to view past transactions and communications with them.

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If you use NetSuite OneWorld , you can share a vendor record across multiple subsidiaries or assign one vendor to a single subsidiary. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

> ⚠️ **Important:** The fields that appear in your account depend on which features you have enabled in your account. Some fields described below may not appear in your account.

To enter a vendor record:

1. Go to Lists > Relationships > Vendors > New.
2. Enter information as indicated below.
3. Click **Save**.

Primary Information

1. In the **Custom Form** field, accept the default form or select the form you prefer to use to create this record.

   To customize this form, select **New** or click **Customize Form**.
2. In the **Vendor ID** field, enter your vendor's name the way it should appear in all lists.
   - If you leave this field blank, this field fills with the name you enter in the **Company Name** field.
   - If you use Auto-Generated Numbering, this field fills with the vendor number or code.
3. Next to **Vendor ID**, you can choose to clear the **Auto** box to manually enter a name for this record. If you leave this box checked, a name or number is assigned for this record, based on your settings at Setup > Set Up Auto-Generated Numbers.
4. Next to **Type**, choose whether this vendor is a company or an individual.
5. In the **Company Name** field, enter the legal name of this vendor.

   If you use Auto-Generated Numbering, you should enter the vendor name to ensure that it appears along with the code in lists.
6. In the **Web Address** field, enter a URL for this vendor's web address. When you return to this record for viewing, this address is a link.
7. Select the category for this vendor.

   To create new categories, go to Setup > Accounting > Accounting Lists . Click **Vendor Category**.
8. In the **Image** field, select an image from the file cabinet to attach to this record.

   Click or select **New** to upload a new image.
9. In the **Comments** field, enter any additional notes.

Email | Phone | Address

1. Enter the email address of your vendor. If you permit your vendors online access, this becomes part of their access code.
2. Enter a phone number for your vendor. It will appear on the Vendor List report.
3. Enter the vendor's alternate phone number.
4. Enter the vendor's fax number.

   You should enter the fax number exactly as it must be dialed. If a '1' is required to fax to this number, include it at the beginning of the number.

   The number you enter here automatically appears in the **To Be Faxed** field of transactions when you select this customer.

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To fax NetSuite forms, an administrator must first set up the fax service at Setup > Company > Preferences > Printing & Fax.

5. The **Address** field automatically shows the default billing address that you enter and add using the **Address** subtab.

Click a subtab to schedule activities, send email, attach files, add notes and more for this vendor. To learn more about choosing which fields appear on these subtabs, read the help topic Configuring Fields or Screens.

Classification

If you use NetSuite OneWorld, in the **Primary Subsidiary** field, select the primary subsidiary to assign to this vendor.

You cannot enter transactions for this vendor unless a primary subsidiary is assigned.

The default primary currency for the vendor is the base currency of the primary subsidiary.

> ℹ️ **Note:** After you save the vendor record, you cannot change the primary subsidiary.

Subsidiaries

If you use NetSuite OneWorld, the **Subsidiaries** subtab enables you to assign the secondary subsidiaries that can share this vendor. After you save the vendor record, you can see vendor open balances at subsidiary level.

> ℹ️ **Note:** If the Subsidiaries subtab is not visible, your organization uses a custom vendor entry form that prevents users from associating vendors with multiple subsidiaries.

To learn more, see the help topic Creating Custom Entry and Transaction Forms.

If this vendor record is not shared with multiple subsidiaries and for existing vendors, the **Subsidiaries** subtab provides the primary subsidiary's outstanding balance and unbilled orders balance in the subsidiary's currency as well as the vendor's credit limit.

If you have access to a vendor record and access to at least one assigned subsidiary, you can view and edit the vendor record, according to their permission level.

Users with access to a vendor record but not to all of the subsidiaries assigned to the vendor can view, edit or both only those subsidiaries to which they have access, according to their permission level.

Users with **Allow Cross-Subsidiary Record Viewing** enabled can view vendor records and all subsidiaries.

The primary subsidiary automatically displays first on this subtab.

At any time you can add a subsidiary to the shared vendor. You can delete a subsidiary if there are no associated transactions, however, if an entity shares a customer and a vendor and both are associated with a subsidiary, any customer transactions will prevent you from deleting the subsidiary assignment.

> ⚠️ **Important:** You cannot share a tax agency vendor or a vendor defined as a project resource. Further, you cannot share a vendor whose purpose is Intercompany Management.

You can deactivate an assigned subsidiary when the assignment is no longer useful to you.

When you select this vendor on a transaction, you can associate the transaction with the primary subsidiary and any or all assigned secondary subsidiaries. Note that the vendor has access to the primary subsidiary's transactions in the Vendor Center. If the Vendor Center role is customized by enabling **Allow Cross-Subsidiary Record Viewing**, the Vendor can see all of the transactions in the Vendor Center.

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1. In the **Subsidiary** field, select the subsidiary that can share this vendor.

2. In the **Credit Limit** field, enter the credit limit for this subsidiary.

   The default is no value, or no credit limit.

   Note that the primary subsidiary's credit limit now displays in the matrix on the **Subsidiaries** subtab, rather than on the **Financials** subtab.

3. In the **Tax Code** field, select the tax code you want to apply by default to purchase orders and bills entered for this subsidiary vendor relationship. You can change the tax code on individual transactions.

   If you use NetSuite OneWorld and this vendor is shared with multiple subsidiaries, you can select a tax code that is associated with any of the secondary subsidiaries assigned to this vendor.

   > ⚠ **Important:** Prior to Version 2015 Release 1, the **Tax Code** field was located on the **Financial** subtab.

   The default tax code you assign to a subsidiary vendor combination must be available on purchase transactions, otherwise you will be unable to select this tax code on purchase orders or bills for that vendor. Make sure that the **Available On** field of the Tax Code record (Setup > Accounting > Tax Codes) is set to **Purchase Transactions** or **Both**.

4. Click **Add**.

   Add each subsidiary that is to share this vendor. Subsidiaries within a subsidiary do not automatically share this vendor.

   You cannot add multiple subsidiaries to a tax agency vendor.

   After you save the vendor record, the **Subsidiaries** subtab provides the primary subsidiary and any active and inactive subsidiaries. The subtab provides the outstanding balance for each subsidiary In both the currency of vendor's primary currency and the subsidiary's base currency. It also provides the unbilled orders balance in both currencies.

Relationships

1. On the **Contacts** subtab, enter information about your contacts with this vendor.

Communication

1. On the **Phone Calls** subtab, view or enter new phone calls for this vendor.

2. On the **Tasks** subtab, view or enter CRM tasks records relating to this vendor.

   For more information on tasks, read the help topic Working with CRM Tasks.

3. On the **Events** subtab, enter events for this vendor.

4. On the **Files** subtab, you can select and add files from the File Cabinet that are associated with this vendor. For example, you can attach a contract as a file associated with this vendor.

   Select **New** to upload a new file to the File Cabinet.

5. On the **User Notes** subtab, add and track notations about this vendor.

Address

The address might be mandatory.

1. Check the **Default Shipping** address box if this is the main address to send returned products to the vendor.

2. Check the **Default Billing** address box if this is the remittance address where payments should be sent for this vendor.

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3. Enter the **Label** for this address.

   You choose this name on transactions to select the address for this vendor.

4. To add or edit values for other address fields, click the pencil icon in the **Edit** column.

   An address popup window displays address fields.

   > ⓘ **Note:** The address form shown for each employee may vary according to the country where the employee is located, and depends on the custom address forms defined in your account.

   To learn more, see the help topic Customizing Address Forms.

   a. Ensure the value for **Country** is correct. If it not, select a different country.

   b. In the **Attention** field, enter the person at this address who should be notified of receipt of documents or goods.

      The value you enter automatically appears on forms if this address is marked as default for **Shipping** or **Billing**.

   c. In the **Addressee** field, enter the company name that should show on the shipping label here.

      This name appears under the name entered in the **Attention** field.

   d. Enter a phone number where the person receiving the package or mail can be reached.

   e. Enter the vendor's street address.

      If you enter the zip code first, city and state populate automatically.

   f. By default, the information entered for the address in the **Attention**, **Addressee**, **Address 1**, **Address 2**, **City**, **State**, **Zip**, and **Country** fields displays in read-only format in the **Address** free-form text box.

      To edit the read-only text, check the **Override** box.

   g. Click **OK**.

5. To enter additional addresses, click **Add**.

6. Repeat these steps for each address for this vendor.

Marketing

1. The **Campaigns** subtab shows recent campaigns for this vendor.

2. The **Subscriptions** subtab shows subscriptions for this vendor.

   - Check the box in the **Subscribed** column next to a subscription to have this vendor be subscribed.

   - Clear the box in the **Subscribed** column next to a subscription to have this vendor be unsubscribed.

3. In the **Global Subscription Status** field, select the status you want to assign this vendor.

   If this vendor has not subscribed or unsubscribed to campaigns, you can set this status to **Soft Opt-In** or **Soft Opt-Out**. If this status is set to **Confirmed Opt-Out**, you cannot change the status.

Financial

Account Information

1. In the **Legal Name** field, enter the legal name for this vendor for financial purposes. If you entered a name in the Company Name field, that name appears here.

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2. In the **Business Number** field, enter the 15-digit registration number that identifies this vendor as a client of the Canada Customs and Revenue Agency (CCRA).

3. In the **Account** field, enter the account name or number for this vendor.

4. Enter this vendor's legal name.

5. Select a **Default Expense Account** for purchases from this vendor.

6. In the **Default Payables Account** field, choose the default payable account for this vendor record.

7. Select the terms you have with this vendor.

8. If you have the **Multiple Currencies** feature enabled, select the currency this vendor uses.

   If you do business with vendors who use multiple currencies in their business dealings with you, select the vendor's primary currency. You can add additional transaction currencies on the **Currencies** subtab. For more information, see the help topic Multiple Currencies and Vendors.

9. In the **Terms** field, select the standard discount terms for this vendor's invoices. You can always change terms for an individual order or bill, however.

   To add choices to this list, go to Setup > Accounting > Accounting Lists > New and click Term.

The primary subsidiary's credit limit displays in the matrix on the **Subsidiaries** subtab.

Tax Information

1. In the **Tax Reg. Number** field, enter the vendor's VAT registration number.

   > **Note:** For OneWorld accounts, prior to Version 2015 Release 1, the **Tax Code** field appeared on the **Financial** subtab. As of Version 2015 Release 1, you specify the tax code at the line-level on the **Subsidiaries** subtab.
   >
   > The **Tax Code** field is not available in US edition non-OneWorld accounts.

2. Enter this vendor's **Tax ID**. This is necessary if you are required to issue a 1099 form. This number is a Social Security Number (SSN) for an individual.

3. If you have paid this vendor over $600 for services this year, check the **1099 Eligible** box.

Balance Information

1. Enter the **Opening Balance** of this vendor's account.

2. Enter or pick the **Date** of the balance in the **Opening Balance** field.

   > **Note:** If you use NetSuite OneWorld and you have shared this vendor record with multiple subsidiaries, in view or edit mode, the Balance Information section provides the vendor's open and unbilled orders balances in the both the vendor's primary currency and in the subsidiary base currency.

Project Information

1. Check the **Project Resource** box to enable this vendor to be chosen as a resource on tasks and jobs. As a job resource, a vendor can be assigned to complete a task or manage a project.

   Clear this box if you do not want this vendor to be chosen as a resource on tasks and jobs.

   > **Important:** If you have NetSuite OneWorld, you cannot share a vendor with multiple subsidiaries and also define the vendor as a project resource.

2. Select a **Work Calendar** for this vendor.

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3. In the **Labor Cost** field, enter the cost of labor for this vendor to be able to calculate profitability on jobs.

Schedules

If you use the Quantity Pricing feature, the **Schedules** subtab shows pricing schedules for this vendor.

Quantity pricing schedules can be used to apply prices you have negotiated with vendors. On the **Pricing Schedules** subtab, click **New Pricing Schedule**.

1. Only one vendor can be associated with each quantity pricing schedule. You can, however, apply a schedule to any number of items.

   For more information, read the help topic Using Quantity Pricing.

ACH

1. If you have enabled the ACH Vendor Payments feature, enter bank account information for this vendor in the appropriate fields on the **ACH** subtab.

   For more information, read the help topic Setting Up Vendor Records for ACH Payments.

Transactions

1. Click **New Purchase Order** or **New Bill** to enter new transactions for this vendor.
2. Existing transactions for this vendor show in the list.
   - Filter the list by selecting a billing status of **Open** or **Closed**.
   - Filter the list by selecting a transaction type.

Items

1. Click **Import Price List** to import a price list for this vendor.
2. Items associated with this vendor show in the list.

Preferences

1. In the **Email Preference** field, select the format for email that is sent to this person or company. Select **Default** to use the preference set at Home > Set Preferences.
2. In the **Print on Check As** field, enter the vendor name the way it should appear on a check.
3. Next to **Send Transactions Via**, check the appropriate boxes:
   - **Email** – Check this box to check the To Be Emailed box by default on transactions when this vendor is selected.
   - **Print** – Check this box to check the To Be Printed box by default on transactions when this vendor is selected.
   - **Fax** – Check this box to check the To Be Faxed box by default on transactions when this vendor is selected.

   To learn more, see Preferred Transaction Delivery on Vendor Records.

System Information

1. The **Date Created** field displays the date this vendor record was entered.
2. If you check the **Inactive** box, this vendor will no longer appear on a list unless you check the **Show Inactives** box.

System Notes

1. The **System Notes** subtab shows notations NetSuite tracks automatically.

Access

1. Check the **Give Access** box to give this vendor access to your NetSuite account.
2. Check the **Send Notification Email** box to send an email message to this vendor announcing access.
3. In the **Password** field, enter a password for this vendor to login with.

   Your password must be at least 10 characters long and contain one letter and one number or special character.

   Special characters include: , ` ~ ! @ # $ % ^ & *) ; ' [ ] "{ }.

   > ⓘ **Note:** You must tell vendors their passwords. It is not provided in the email notification.

4. Retype your password in the **Confirm Password** field.
5. Check the **Require Password Change on Next Login** box to require this vendor to change their password on their next login to NetSuite.

   On the next login, they see the Change Password page and cannot access other NetSuite pages until a new password is created and saved.

   Requiring this action protects your account from unauthorized access using generic passwords and prepares your account for an audit.

   > ⚠ **Important:** The **Require Password Change on Next Login** box never displays as checked.

   When you check this box and save the record, an internal flag is set. When the password change occurs, the flag is cleared. If you later check the box again and re-save the record, the internal flag is reset to require another password change.

6. In the **Role** column, select a role for this vendor and click **Add**.

   If this vendor is not a contractor, assign the Vendor Center role to share purchase order and accounts payable information with your vendor.

   For details, read Assigning Roles to Vendors.

Time Tracking

1. If you have given your vendor time tracking permissions, in the **Time Approver** field, select an employee to approve time tracked by this vendor.

   If a time approver is not selected, any time tracked by this vendor is automatically approved until entered against a project with project time approval preferences defined. For more information, see Giving Vendors Access to Time Tracking.

Editing a Vendor Record

If you need to, you can change the information on a vendor's record.

To edit a vendor record:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the name of the vendor whose record you want to change.

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3. Make any required changes on each subtab.

> **Note:** If you use NetSuite OneWorld and you have shared this vendor with multiple subsidiaries, the **Subsidiaries** subtab lists the primary subsidiary and any secondary subsidiary including those that are marked inactive.

The subtab provides the open balance for each subsidiary in both the vendor's primary currency and the subsidiary's base currency. It also provides the unbilled orders balance in both the vendor's primary currency and the subsidiary's base currency.

At any time you can add a subsidiary to the shared vendor. You can delete a subsidiary if there are no associated transactions. However, if you have created a customer vendor relationship entity that is associated with a subsidiary, any customer transactions will prevent you from deleting the subsidiary assignment.

If this vendor record is not shared with multiple subsidiaries, the **Subsidiaries** subtab provides the primary subsidiary's outstanding balance and unbilled orders balance in the subsidiary's base currency and vendor's primary currency, as well as the vendor's credit limit.

4. When you have finished making changes, click **Save**.
5. If you do not wish to save your changes, click **Cancel**.

Inactivating a Vendor Record

If you no longer do business with a vendor, you can inactivate the vendor's record.

To inactivate a vendor record:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the name of the vendor whose record you want to inactivate.
3. Check the **Inactive** box next each vendor record you want to inactivate.
4. Click **Save**.

You can also make individual vendor records inactive on the System Information subtab of each record.

Inactivated vendor records no longer appear in the Vendors list unless the Show Inactives box is checked. Also, you can no longer select inactive vendors on transactions, reports or records.

Deleting a Vendor Record

You can delete a vendor record if there are no associated transactions.

To delete a vendor record:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the name of the vendor whose record you want to delete.
3. On the Vendor page, under **Actions**, click **Delete**.
4. At the prompt to confirm the action, click **OK**.

Merging Vendor Records

When you merge the data from a source vendor record into a target vendor record, the target vendor record will then contain all activities, transactions, messages, files, cases, contacts, and other subtab lists data from the source vendor record.

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Fields on the target vendor record that were previously blank are filled with data from the source vendor record. Fields on the target vendor record that contained data are not overwritten with data from the source vendor record.

During the merge process, the source vendor record is deleted.

If you have NetSuite OneWorld, you can merge vendor records that have different and multiple subsidiaries but both the source and target vendor records **must have the same VAT Registration Number**.

You should you validate that the source and target vendor records contain clean, accurate data before you merge the records.

> ⊗ **Warning:**   Merging vendor records is irreversible.

> ⓘ **Note:**   For NetSuite OneWorld accounts, vendor records that are associated with different subsidiaries can be merged only if they do not have a relationship with a customer record.

To merge two vendor records:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the name of the vendor whose record will serve as the source vendor.

   This is the vendor record that will be merged into the target vendor record. This vendor record will be deleted during the merge process.
3. On the Vendor page, under **Actions**, click **Merge**.
4. On the Merge Vendor page, select the target vendor into which you want to merge this source vendor record.

   Both the source and target vendor records must have the same primary subsidiary to merge the records.
5. Click **Merge**.
6. At the prompt to confirm the action, click **OK**.
7. On the Duplicate Resolution Status page, the merge is queued for process.

   Click **Refresh** to process the merge or the **Cancel** link to halt the merge process.

   The **Status** column provides the results of the merge.
8. Navigate to the target vendor record and verify that it contains the data from the source vendor record.

   If you use the Standard Vendor Form, the **System Notes** subtab of the **System Information** subtab displays a line entry for the vendor merge.
9. Go to Lists > Relationships > Vendors and verify that the source vendor does not appear in the vendor list.

For details about merging duplicated records of different types such as vendors and partners, see the help topic Merging Different Types of Records.

Assigning Roles to Vendors

You can assign your vendors Vendor Center roles to access information in your NetSuite account. If you have signed up for additional user, you can also assign your vendors any employee role. This is especially useful for companies using contracted workers.

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To allow vendors access to NetSuite, do the following:

1. To enable the Vendor Record feature:
2. To create a vendor record with online access:
3. Tell your vendors to go to www.NetSuite.com and log in with this information:
   - **Email** – the email address you entered on the vendor's record
   - **Password** – the password you assigned on the vendor's record

Then, your vendors will be able to see transaction history and your purchase orders.

To enable the Vendor Record feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Web Presence** subtab.
3. Check the **Vendor Access** box.
4. Click **Save**.

If you have not already, create a vendor record for each vendor, and assign the vendor a role.

To create a vendor record with online access:

1. Go to Lists > Relationships > Vendors.
2. When the Vendor page appears, fill out the appropriate information.
3. Make sure you enter the vendor's email address.
4. Click the **System Information** subtab.
5. Click the **Access** subtab
6. Check the **Give Access** box.
7. Check the **Send Notification Email** box to notify your vendor of this new access.

   For security, the email message will not disclose the password. You will still have to discuss this with your vendor.

8. Enter and confirm this vendor's password.

   The password must be at least 6 characters long and contain one number or special character.

   Special characters include: **, ` ~ ! @ # $ % ^ & *) ; ' [ ] "{ }.**

9. Check the **Require Password Change on Next Login** box to require this vendor to change their password on their next login to NetSuite.

   On the next login, they see the Change Password page and cannot access other NetSuite pages until a new password is created and saved.

   Requiring this action protects your account from unauthorized access using generic passwords and prepares your account for an audit.

   ⚠️ **Important:** The Require Password Change on Next Login box never displays as checked.

   When you check this box and save the record, an internal flag is set. When the password change occurs, the flag is cleared. If you later check the box again and save the record, the internal flag is reset to require another password change.

10. In the **Role** column, select a role for this vendor.

If this vendor is not a contractor, assign the Vendor Center role to share purchase order and accounts payable information with your vendor.

> **Note:** If you have a NetSuite OneWorld account and have shared vendors with multiple subsidiaries, you can customize the Vendor Center role to grant a vendor access to all of the assigned subsidiaries.

On the customized vendor center Role page, check the **Allow Cross-Subsidiary Record Viewing** box. When logged in with this role you can see, but not edit records for subsidiaries to which the role is not granted access.

To learn more, see the help topics NetSuite Roles Overview and Customizing or Creating NetSuite Roles.

For more information on globally shared vendors, see the help topic Assigning Subsidiaries to a Vendor.

To restrict access to subsidiaries, enable the **Book Record Restriction** option on a user record overrides access granted by the **Allow Cross-Subsidiary Record Viewing** option. To learn more, see the help topic NetSuite Users Overview.

11. Click **Add** to assign the vendor this role.

    If needed, you can also assign other roles to this vendor.

12. Click **Save**.

Using Vendor Records for 1099 Contractors

If your company or subsidiary operates in the United States or a US territory, for each contractor or non-employee that you pay more than $600 for services during the calendar year, you must provide a Form 1099-MISC Miscellaneous Income statement for reporting tax information. Each contractor that requires a 1099-MISC form must be identified as a 1099 contractor on his or her vendor record to generate accurate 1099 information. A vendor is 1099 eligible only if its address is in the United States or a US territory (American Samoa, Guam, Northern Mariana Islands, Puerto Rico, US Virgin Islands, and US Minor Outlying Islands).

In order for vendor payments to accrue on the 1099-MISC form, do the following:

- Mark each contractor as 1099 Eligible on the Financial subtab of each vendor record.
- Associate expense accounts with 1099-MISC categories.
- Select an expense account associated with a 1099-MISC category when you add each expense to vendor bills.
- Pay the vendor bills. This converts the transactions to cash-basis.

Each 1099-MISC category represents a box on the 1099-MISC form. You can associate one category per expense or other expense account, and you can associate the same category to more than one account.

To make a vendor 1099 eligible:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the vendor that should be 1099 eligible.
3. On the vendor record, click the **Financial** subtab.
4. Under Tax Information, check the **1099 Eligible** box.
5. Click **Save**.

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To associate 1099-MISC categories with expense accounts:

1. Go to Lists > Accounting > Accounts.

2. To create a new expense account, click **New**. Otherwise, click **Edit** next to the expense account you want to associate with a 1099-MISC category.

3. If you are creating a new account, select **Expense** or **Other Expense** in the **Type** field to enable the **1099-MISC Category** field.

4. In the **1099-MISC Category** field, select the type of vendor payment made with this account.

   These categories correspond to the boxes on the 1099-MISC form and cannot be added to or deleted.

   You can view and change the threshold amounts for each category at Setup > Accounting > Accounting Lists > New. Select **1099-MISC Category** in the **Type** filter.

   An amount for a category is not reported on the 1099-MISC form until the threshold for that category is met. After the amount per vendor is greater than or equal to the threshold amount, the total amount is shown on the form.

5. Click **Save**.

When you enter a vendor bill, select the expense account associated with the 1099-MISC category that matches the type of payment. When you pay the bill, the expense amount appears on the 1099-MISC form in the box represented by the 1099-MISC category.

For example, you enter a vendor bill for a 1099-eligible vendor. On the Expenses subtab, you select an expense account that is associated with the Box 7 - Nonemployee Compensation category. The threshold for Box 7 is $600. You enter $700 as the amount paid to the vendor, and click Add to attach the expense. Because the amount paid exceeds the threshold, the entire $700 will show in Box 7 of the 1099-MISC form for that vendor after the bill has been paid.

Giving Vendors Access to Time Tracking

Giving vendors access to time tracking allows them to enter the hours they spend working on a project.

There are three steps to complete to give vendors access to time tracking:

1. An administrator must enable the Time Tracking features and set time tracking preferences. For more information, read the help topic Understanding Time Tracking.

2. Create a vendor record for any vendor that you want to give access to time tracking. For more information on creating vendor records, read Adding a Vendor Record.

3. Do one of the following:
   - Give a Vendor Access to Vendor Center
   - To assign a custom role with track time permission:

Give a Vendor Access to Vendor Center

If Advanced Project Tracking is enabled, vendors can enter time using the Vendor Center if the vendor is identified as a resource on the Resource subtab of a Project.

Read the help topic Identifying a Vendor as a Project Resource.

To give the vendor access to the vendor center:

1. Go to Lists > Relationships > Vendors.

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2. Click **Edit** next to the vendor you want to give access to.

3. Make sure the vendor's email address is entered.

4. Click the **System Information** subtab.

5. Click the **Access** subtab.

6. Check the **Give Access** box.

7. Check the **Send Notification Email** box to notify your vendor of this new access.

> ℹ️ **Note:** For security purposes, the email message does not disclose the password. Contact your vendor to provide this information.

8. In the **Password** field, enter a password for the vendor to log in with.

9. In the **Confirm Password** field, reenter the password.

10. Check the **Require Password Change on Next Login** box to require this vendor to change their password on their next login to NetSuite.

    On the next login, they see the Change Password page and cannot access other NetSuite pages until a new password is created and saved.

    Requiring this action protects your account from unauthorized access using generic passwords and prepares your account for an audit.

    > ⚠️ **Important:** The Require Password Change on Next Login box never displays as checked.

    When you check this box and save the record, an internal flag is set. When the password change occurs, the flag is cleared. If you later check the box again and save the record, the internal flag is reset to require another password change.

11. In the **Role** column, select **Vendor Center**.

12. Click **Add** to assign the vendor this role.

13. Click the **Time Tracking** subtab.

14. In the **Time Approver** field, select an employee to approve any time tracked by this vendor.

    If you do not select a time approver for this vendor, any time tracked is automatically approved unless entered against a project with project time approval preferences defined. For more information, see the help topic Approving Time and Expenses for Projects.

15. Click **Save**.

Finally, direct your vendor to www.netsuite.com, and have them log in with the email and password you entered on the vendor record.

To assign a custom role with track time permission:

1. Go to Setup > Users/Roles > Manage Roles.

2. Click **Customize** next to the role you want to assign with time tracking permission.

3. Enter a name for this custom role.

4. Check the **Restrict Time and Expenses** box to only allow vendors to enter time for themselves.

5. On the **Transactions** subtab, select **Track Time** in the **Permission** column.

6. In the **Level** column, select **Full**.

7. Click **Add**.

8. Click **Save**.

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Now you can assign this role on the Access subtab (on the System Information subtab) of vendor records to give access to time tracking. When assigning your custom role, you must also assign a time approver on the Time Tracking subtab of the vendor's record. If you do not assign a time approver, any time tracked is automatically approved unless entered against a project with project time approval preferences defined.

Setting Up Vendors as Sales Tax Agencies

In most locations, you are required by government to collect tax from your customers when you sell merchandise and then pay that tax on their behalf to the taxing authority. In NetSuite, you can set up sales tax items and sales tax vendors to simplify the sales tax collection and payment process.

In a NetSuite OneWorld account, multiple subsidiaries can pay taxes to the same tax agency. Because tax agency vendors cannot be shared between subsidiaries, NetSuite creates a copy (child or shadow vendor) of the preferred tax vendor for that nexus to associate it with a new subsidiary. The child tax vendors that NetSuite creates when subsidiaries share a tax nexus are hidden and therefore cannot be used directly in transactions. You can, however, share non tax agency vendors with multiple subsidiaries.

To learn more, see the help topic Assigning Subsidiaries to a Vendor.

To set up a sales tax vendor:

1. Go to Lists > Relationships > Vendors.
2. On the Vendor page, create a record for the governmental authority to which you pay sales tax.

   For example, in the **Vendor** field, you can enter the Secretary of State where your business is located.
3. In the **Category** field, under Primary Information, be sure to select **Tax Agency**.
4. Enter any additional information.
5. When you have finished, click **Save**.

After this vendor is set up, you can create tax codes that you associate with the sales tax vendor. Go to Setup > Accounting > Taxes > Tax Codes > New..

You must identify a vendor as a tax agency to ensure that it appears as such in accounting lists. For example, if you want to display "Tax Agency" next to a vendor's name on the Vendors list page. Go to Setup > Accounting > Accounting Lists > Vendor Category, and then check the Tax Agency box.

As you create invoices and cash sales receipts, NetSuite will total the tax for each transaction and show it on the invoice or receipt as a line item.

As sales tax becomes due, you can pay it by going to the Sales Tax Payment page. Go to Transactions > Bank > Pay Sales Tax..

Vendor Credit Limits

You can use credit limits to manage the amount you spend using credit with vendors.

A credit limit sets a maximum currency amount that should be spent using credit without making a payment.

To use vendor credit limits, you first need to set credit limits on vendor records, and then enable the Vendor Credit Limit Warnings preference.

Setting Vendor Credit Limits

Set a credit limit on a vendor record to define the maximum currency amount you want to accrue in outstanding payables.

To set credit limits for vendors:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the vendor name.
3. On the vendor record, click the **Financial** subtab.
4. Under **Account Information**, in the **Credit Limit** field, enter the maximum currency amount to spend on credit with this vendor.
5. Click **Save**.

   Next, enable the preference to receive a warning after a vendor credit limit has been reached.

Vendor Credit Limit Warnings

To receive warnings when you exceed the credit limit for a vendor, you can set a company-wide preference or individual preferences for each employee.

To set a company preference to receive vendor warnings:

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. On the **General** subtab, check the **Vendor Credit Limit Warnings** box
3. Click **Save**.

To allow the company preference to be overridden:

1. The administrator goes to Setup > Accounting > Preferences > Accounting Preferences.
2. Beside **Vendor Credit Limit Warnings**, check the **Allow Override** box.
3. Click **Save**.

To set an individual preference:

1. go to Home > Set Preferences > General.
2. Check or clear the **Vendor Credit Limit Warnings** box.
3. Click **Save**.

Associating Vendors with Items

After you have created a vendor record, you can select that vendor on an item record to associate the vendor with the item.

To associate a vendor with an item:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to an item.
3. On the **Purchasing/Inventory** subtab, click the **Vendors** subtab.

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If you use NetSuite OneWorld and the vendor you select is shared with multiple subsidiaries, you can set an item's price for each shared vendor in a different subsidiary. You can also set a preferred vendor item per subsidiary. This enables you to set a different item price per subsidiary to the same item record.

To learn more, see the help topic Assigning Subsidiaries to a Vendor.

4. In the **Preferred Vendor** field, select a vendor.

   You can select only one preferred vendor.

5. Click **Save**.

Associating Vendors with Payroll Items

In NetSuite, you can set up payroll items and associate that item with a payroll vendor to simplify the withholding and payment of payroll liabilities. Examples of payroll liabilities would be various social service taxes such as Medicare, social security and unemployment or the withholding of payroll taxes, health insurance payments and 401(k) contributions. In the table below you will find a list of vendor records you may need to create and associate with payroll items.

Vendor Records for Payroll Expenses and Liabilities
■ Internal Revenue Service for federal withholding and unemployment, as well as for company and employee contributions for Medicare and Social Security
■ State Department of Revenue for each state where employees live for state withholding, unemployment, and disability
■ City and local governmental authorities for any income taxes they are authorized to collect from their residents you employ
■ Group health/dental/vision insurance provider
■ Group life insurance provider
■ Group disability insurance provider (STD, LTD)
■ Retirement savings account manager (pension, 401(k), IRA, etc.)
■ Employee credit union for payroll-deduction savings plans
■ Flexible spending account manager
■ Labor union for dues
■ Charitable organizations for donations by deductions
■ Clerk of court or other collection agencies for garnishments

To associate a vendor with a payroll item, complete the following tasks:

■ Create or edit a vendor record. On the vendor record, assign that record to the Tax agency category and select the appropriate liability or expense account.

■ Create or edit a payroll item record. On the item record, select a payroll vendor as the Agency for that item.

To assign a vendor to the tax agency category:

1. Go to Lists > Relationships > Vendors.

2. On the Vendors page, create or edit a record for a governmental authority, social service agency or other provider to whom you pay payroll liabilities.

   For example, you can create a record for your group health insurance company.

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Do one of the following:

- Click **Edit** next to an existing vendor.
- Click **New** to enter a new vendor.

3. Under Primary Information, in the **Category** field, select **Tax agency**.

4. Click the **Financial** subtab.

5. Select the appropriate expense account in the **Default Expense Account** field.

6. If you are creating a new vendor, you can click each subtab to enter more information about this vendor.

7. Click **Save**.

After this vendor has been set up, you can activate payroll items from NetSuite's tax tables and associate a vendor with each of them.

To associate a vendor with a payroll item:

1. Go to Lists > Employees > Payroll Items.

2. Check the **Show Inactives** box.

3. Click **Edit** next to the payroll item you want to associate with a vendor.

   If you are creating a new payroll item, click **New** and select the type of item you want to create.

   > ⓘ **Note:** The Payroll feature must be enabled in your account to see payroll items in the list.

4. On the payroll item record, select the appropriate vendor in the **Agency** field.

   Only vendors assigned to the Tax agency category appear in this list.

5. If you are creating a new payroll item, enter information into the required fields for this item.

6. Click **Save**.

NetSuite totals liabilities as you process payrolls. You can pay vendors associated with each liability as it becomes due. To do so, go to Transactions > Bank > Pay Payroll Liabilities.

Importing a Vendor Price List

On the Financial subtab of a Vendor record, under the Items subtab, you can list items available from that vendor and specify the vendor codes and prices for that item. You also can use CSV import to import vendor price lists from an existing comma delimited file.

If you use the Multiple Currencies feature, you can import prices for an individual item in multiple currencies.

To learn more, see the help topic Multiple Currencies and Vendors.

To import a vendor price list:

1. Create the import file.

   The import file should contain the following fields in order, with no header row:

   - **Item Name** (For initial import, the item name must be present. For later updates, it is not required as the vendor code is used to identify each item.)
   - **Vendor Code**

- **Purchase Price**
- **Price Schedule** (optional)
- **Currency** (This field is only present if you use the Multiple Currencies feature.)

> ⚠️ **Important:** The items listed in the file must already exist in your NetSuite account and the names must exactly match those in your account.

2. Go to Lists > Relationships > Vendor.

3. Click **Edit** next to the Vendor record.

4. Click the **Financial** subtab.

5. Click the **Items** subtab.

6. Click **Import Price List**.

   The Import Vendor Price List popup window opens.

7. Click **Browse** and navigate to the vendor price list file.

8. Click **Save**.

Upon successful import, each item from the imported vendor price list is listed on the Items subtab with the associated vendor codes and prices. The vendor record also is displayed on the Vendor subtab of each item's record with the vendor name, vendor's item code and purchase price.

Preferred Transaction Delivery on Vendor Records

Because each vendor can have an individual preference for how to receive transactions, you can set a preferred transaction delivery method on their record as the default way to deliver transactions to them.

On each vendor's record, define their preferred way to receive transactions: by regular mail (printing), by email, by fax, or by a combination of the three. Then, the preferred delivery method for the vendor is marked by default in the following situations:

- on transactions when you select that vendor
- on transactions created from that vendor record
- on transactions that are copied or converted from a transaction that uses these settings

  For example:

  □ If you click Make Copy on a bill when this vendor is selected on the transaction, then the delivery preferences default from the vendor record on the new copy of the bill.

  □ If you click Bill on a purchase order when this vendor is selected on the purchase order, then the delivery preferences default from the vendor record on the bill that is created.

To define the preferred transaction delivery method on vendor records:

1. Go to Lists > Relationships > Vendors.

2. Click **Edit** next to the vendor whose record you want to update.

3. Click the **Preferences** subtab.

4. Next to **Send Transactions Via**, check the appropriate boxes:

   - **Email** – Check this box to check the To Be Emailed box by default on transactions when this vendor is selected.

- **Print** – Check this box to check the To Be Printed box by default on transactions when this vendor is selected.

- **Fax** – Check this box to check the To Be Faxed box by default on transactions when this vendor is selected.

5. Click **Save**.

After you save these settings on the vendor record, these boxes are checked by default.

> ⓘ **Note:** These settings override any customized settings on transaction forms you use.

Default Methods for All Vendor Records

You can enable preferences that set initial default transaction delivery methods for all new vendor records you create. Later, you can change the settings on individual vendor records as needed by checking or clearing the appropriate boxes. Then, the settings indicated on each vendor record will default on transactions created for that vendor.

For example, you can set a preference that when a new vendor is entered, they default to only having the To Be Emailed box checked by default. Later, if a particular vendor also wants their transactions faxed to them, you can edit that vendor record and check the To Be Faxed box also.

To set initial default values for print or fax:

1. Go to Setup > Company > Preferences > Printing & Fax.

2. On the Printing subtab or Fax subtab, check the **Vendors Default to** [Print/Fax] **Transactions** box

To set email as the initial default value for transactions:

1. Go to Setup > Company > Email > Email Preferences.

2. Check the **Vendors Default to Email Transactions** box.

   For more information, read the help topic Setting Printing and Fax Preferences.

Mass Update Vendor Records

To set values using mass update:

1. Go to Lists > Mass Updates > Mass Updates > General

2. Click **Vendor**.

To learn more, read the help topic Mass Changes or Updates.

Printing Mailing Labels for Vendors

You can print mailing or shipping labels for vendors without using mail merge or data export. For more information on printing mailing labels, read the help topic Printing Mailing and Shipping Labels.

To print mailing or shipping labels:

1. Go to Transactions > Management > Print Checks & Forms..

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2. Click Mailing Labels.

Using the Vendor Center

The Vendor Center gives your vendors access to view, search, and print purchase orders you place with them. Vendors can reference purchase orders on their own to answer questions, view order and payment history as needed.

Vendor assigned as resources on projects can also use the Vendor Center to enter time worked on projects.

If you use NetSuite OneWorld and have assigned multiple secondary subsidiaries to a vendor record, the vendor can work with transactions associated with these subsidiaries in the Vendor Center. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

To permit vendors access to NetSuite, do the following:

- Enable the Vendor Access Feature
- Create a Vendor Record and Assign Access

Enable the Vendor Access Feature

To set up vendor access:

1. Go to Setup > Company > Enable Features.
2. Click the **Web Presence** subtab.
3. Check the **Vendor Access** box.
4. Click **Save**.

Create a Vendor Record and Assign Access

If you have not done so already, create a vendor record for each vendor, and assign the Vendor Center role.

To create a vendor record with online access:

1. Go to Lists > Relationships > Vendors > New.
2. On the Vendor page fill in the appropriate information.
3. Enter the vendor's email address.
4. Click the **System Information** subtab.
5. Click the **Access** subtab and check the **Give Access** box.
6. Check the **Send Notification Email** box to notify your vendor of this new access.

   > (i) **Note:** For security purposes, the email message does not disclose the password. Contact your vendor to provide the password.

7. Enter and confirm this vendor's password.

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8. Check the **Require Password Change on Next Login** box to require this vendor to change their password on their next login to NetSuite.

   On the next login, they see the Change Password page and cannot access other NetSuite pages until a new password is created and saved.

   Requiring this action protects your account from unauthorized access using generic passwords and prepares your account for an audit.

   > ⚠️ **Important:** The Require Password Change on Next Login box never displays as checked.

   When you check this box and save the record, an internal flag is set. When the password change occurs, the flag is cleared. If you later check the box again and save the record, the internal flag is reset to require another password change.

9. In the **Role** column, select a role for this vendor.

   If this vendor is not a contractor, assign the Vendor Center role to share purchase order and accounts payable information with your vendor.

10. Click **Add** to assign the vendor this role.

11. Click **Save**.

Next, tell your vendors to go to www.netsuite.com and log in with this information:

- Email – the email address you entered on the vendor's record
- Password – the password you assigned on the vendor's record

Now, your vendors are able to see your purchase orders.

Vendor Dashboards

You can view a real-time dashboard for each of your vendors. The vendor dashboard enables you to see vendor data pulled from vendor records at a glance without having to search records individually. Vendor dashboards show Key Performance Indicators (KPIs), trend graphs, report snapshots and reports pertaining to each vendor.

To view a vendor dashboard, click the View Dashboard icon above the vendor name on the vendor record. You can also open the vendors list, then hover to the left of the vendor's name and click the View Dashboard icon.
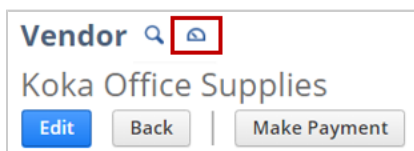
By default, a vendor dashboard includes the following portlets:

- The Vendor portlet displays summary information about the vendor record and includes buttons to View or Edit update information on the vendor record.
- The Key Performance Indicators portlet displays important summary data for the vendor.
- The Vendor Dashboard Links portlet shows links to reports related to the vendor, as well as links to create a new activity or transaction for the vendor.
- The Transactions portlet displays information about recent vendor transactions.

You can also personalize the content and setup of the vendor dashboard portlets.

Multiple Vendors

When you use the Multiple Vendors feature, on each item record you can enter vendor information for several vendors. This helps you manage procurement of items you buy from more than one vendor.

When you associate vendors with items, you are able to track purchasing data for each vendor. Identify and track each vendor's name, item code, and purchase price.

For example, you buy Deluxe Widgets that you stock from two different vendors. You like to use the vendor Smith Widgets best, but when they are out of stock, you buy from Jones Widgets. On the Deluxe Widget item record, you can associate the item with both vendors. This helps you recall the names of the places you buy this widget. You can enter the price each vendor charges you for the item. You can mark Smith Widgets as the preferred vendor and it will show on purchase orders by default.

To use the Multiple Vendors feature:

1. **Enter vendor records**.

    After you have created a vendor record, you can select that vendor on an item record to associate the vendor with the item.

    To learn more, see Vendor Records.

2. **Enable the feature**.

    To learn more, see Enabling Multiple Vendors.

3. **Associate vendors with items**.

    To learn more, see Associating Multiple Vendors with an Item.

Enabling Multiple Vendors

Enable the Multiple Vendors feature to manage procurement of items you buy from more than one vendor.

To enable the Multiple Vendors feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Items & Inventory** subtab.
3. Check the **Multiple Vendors** box.
4. Click **Save**.

Associating Multiple Vendors with an Item

After you have created a vendor record, you can select that vendor on an item record to associate the vendor with the item.

To associate multiple vendors with an item:

1. Go to Lists > Accounting > Items.

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2. Click **Edit** next to an item.

3. On the **Purchasing/Inventory** subtab, click the **Vendors** subtab.

4. In the **Vendor** column, choose a vendor.

   If you use OneWorld and the vendor you select is shared with multiple subsidiaries, you can add the vendor multiple times and specify an item price for each subsidiary level. This enables you to set a different item price per subsidiary to the same item record. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

5. For each vendor, you can identify the following (depending on the features enabled in your account):

   a. **Code** - Enter this vendor's code for this item.

   b. **Currency** - Choose a currency. If you use the Multiple Currencies feature, this column is not shown. You can enter prices in multiple currencies in the **Purchase Price** column.

      If both the Multiple Vendors and Multiple Currencies features are enabled, when you associate a vendor as preferred for an item and then subsequently change the vendor's primary currency, the new primary currency is kept and calculates a price for the item.

      > ⓘ **Note:** Using OneWorld, the purchase price for an item uses the designated currency of the preferred vendor.

      If an item has more then one vendor but no designated preferred vendor, then the currency is based on the subsidiary of the most-recently added preferred vendor.

      You should associate one or more vendors with an item including a currency and purchase price for each vendor. This helps ensure that the correct purchase price is used on purchase orders for each vendor.

   c. **Schedule** - Select a quantity pricing schedule, if you use them.

   d. **Preferred** - Check the box to identify the vendor as the preferred vendor. The preferred vendor defaults to show on forms when the item is added.

      - When using the Order Items form, if a preferred vendor is associated with an item, it defaults on each line when the item is added.

      - When viewing the item list, the preferred vendor associated with the item shows by default.

      - If an item has a preferred vendor, then the purchase price is shown on the item record in the preferred vendor currency.

   e. **Purchase Price** - Enter the price you pay this vendor for this item.

      If you use the Multiple Currencies feature, click **Set** 🐝 and enter the prices for this vendor's transaction currencies. For more information, see the help topic Multiple Currencies and Vendors.

6. Click **Add**.

7. Repeat these steps for each vendor you want to associate with this item.

8. Click **Save**.

After vendor information is entered for items, it is used on forms and transactions where the item appears.

> ⓘ **Note:** When you have enabled the Multiple Vendors feature and then create an item saved search, be sure to use the search filter **Name (Internal)**, not the filter **Name**.

The Name (Internal) filter returns the expected results. To learn more, see the help topic Selecting Available Filters for Saved Searches.

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Using Saved Search with Multiple Vendors

When you have enabled the Multiple Vendors feature and then create an item saved search, be sure to use the search filter **Name (Internal)**, not the filter **Name**. The Name (Internal) filter returns the expected results

Vendor Bills

Track your payables by entering bills as they arrive from vendors and pay them from the payables list as they are due. Then, you have an accurate picture of your payables at any point during the billing cycle.

To enter a vendor bill:

1. Go to Transactions > Payables > Enter Bills.
2. Complete the steps as directed in the sections below.
3. Click **Save**.

Primary Information

1. Select a form in the **Custom Form** field.
2. In the **Reference No.** field, enter up to 45 characters to identify this transaction, such as the vendor's invoice number.

   This reference appears on reports such as the Accounts Payable Register.

   If you enter a reference number that is a duplicate for the vendor, a warning may display when you attempt to save the vendor bill. At that point, you can click **OK** to continue saving or click **Cancel** to reenter vendor bill data with a different reference number.
3. Select or enter the **Vendor**.

   If you use NetSuite OneWorld, the Subsidiary field defaults to the primary subsidiary assigned to the selected vendor.

   If the selected vendor has been shared with multiple secondary subsidiaries, you can select any secondary subsidiary to associate with this bill. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.
4. In the **Account** field, select the appropriate ledger account.
5. In the **Amount** field, NetSuite updates the total amount of the bill as you add or edit line items. You can also enter the dollar amount of the bill.
6. In the **Credit Limit** field, the credit limit you entered for your purchases from this vendor will appear here. To enter or change a credit limit, go to Lists > Relationships > Vendors . On the **Financial** subtab of the vendor record, enter the credit limit.

   NetSuite will warn you when you meet or exceed this vendor's limit while you are entering orders if you go to Home > Set Preferences and check the **Credit Limit Warnings** box.
7. The **Available Vendor Credit** field displays the remaining credit for this vendor before a payment is received. It is converted from vendor's primary currency into the transaction currency.

   The field value is available only in Edit mode and only when you customize the vendor bill. To display this field, you must first enable accounts payable preferences. Go to Setup > Accounting > Preferences > Accounting Preferences. In the Accounts Payable section, check the **Vendor Credit Limit Warnings** and **Vendor Credit Limit Includes Orders** boxes, and click **Save**. Then, from the **Customize** menu at the top right of the vendor bill, click **Customize Form**. Click the **Screen Fields** subtab. Check the **Show** box next to **Available Vendor Credit**, and click **Save**.

   If the transaction exceeds the vendor's credit limit, a warning message appears indicating the exceeded credit amount. The message does not prevent you from saving the transaction. Click **OK** to save the transaction.
8. If you use the Multiple Currencies feature, the currency shows in the **Currency** field.

If you use the Multiple Currencies for Vendors feature, you can select a different currency for this transaction. For more information, see the help topics Setting Up Multiple Currencies and Multiple Currencies and Vendors.

The exchange rate for this currency is shown in the **Exchange Rate** field. You can enter an exchange rate for this currency.

9. In the **Discount Amount** field, NetSuite enters the amount discounted on this bill. This discount is based on the purchase order terms. For example, if terms are set as 2%-10, Net 30 and the bill is paid within 10 days, a 2% discount is applied.

> ⓘ **Note:** If this discount item is taxable, the discount is applied before taxes. If it is not taxable, the discount is applied after taxes.

10. If your vendor offers discounts for early payments on bills, a calculated date based on the terms of the bill shows in the **Discount Date** field. This date is the last day you can pay this bill to receive a discount.

11. Check the **Payment Hold** box to apply a payment hold on a disputed bill. When the Payment Hold box is checked, the following occurs:

- The Make Payment button is not be available on the vendor bill and a vendor payment cannot be processed for that bill.
- Vendor bills that have a Payment Hold enabled do not show up on the Bill Payments page.
- The Electronic Payment SuiteApp does not process payments that have a payment hold.

12. Enter the **Due Date** of this bill. If you do not assign a due date, this bill will not appear on aging reports.

13. In the **Date** field, NetSuite inserts today's date for the posting date of this bill. You can enter or select another date.

14. Select the appropriate **Posting Period**.

If you use NetSuite OneWorld, you must provide the vendor name for NetSuite to determine the period to which the transaction should be posted.

15. In the **Memo** field, enter a memo to identify this vendor bill.

When you use the Search Transactions feature, you can search for specific words and phrases in this field.

16. If you use approval routing, the following fields also show on the form:

- **Approval Status** – The approval status of this bill shows in this field. Accept the default status or choose one of the following:
  - Approved – No further review or processing is required before a payment is processed.
  - Pending Approval – Someone with permission must approve the bill before a payment can be processed for it.
- **Next Approver** – This field displays the next person set to approve this bill via approval routing.

For details about approval routing, read Vendor Bill Approvals.

Expenses & Items

Expenses

1. Click the **Expenses** subtab.
2. Enter an **Amount**.

3. Optionally enter a **Memo**. The memo only appears on this transaction record.

4. Select a **Department**, **Class** or **Location** if you track them.

5. If this item is for a particular customer, select that **Customer**.

   If you use NetSuite OneWorld and the selected customer is shared with multiple subsidiaries, you can choose any customer associated with the selected subsidiary.

   To learn more, see the help topic Assigning Subsidiaries to a Customer.

6. If you want the cost of this expense billed back to the chosen customer, check the **Billable** box.

7. Click **Add**.

8. Repeat these steps for each expense you want to add.

   > ✔ **Tip:** Click **Remove** to delete an expense or item line.

Items

1. Click the **Items** subtab.

2. In the **Item** column, select an item.

   > ⓘ **Note:** You must create a record for an item before you can add it to a bill.

   Set up item records at Lists > Accounting > Items > New.

   a. To add multiple items to a transaction, click the **Add Multiple** button.

   b. In the **Choose Item** window item list, filter or search the list.

   c. In the left pane, click an to add it the right pane.

   d. Enter an item quantity.

   e. Click **Done**.

      Items and quantities displayed in the right pane are added to the transaction.

3. In the **Quantity** column, enter the quantity for this item.

4. In the **Serial Number** field, enter the serial number of the item.

5. Accept the amount in the **Rate** column or enter a new rate for this item.

   The total amount for this item is calculated and appears in the **Amount** column.

6. In the **Bin Numbers** field, the preferred bin number for this item shows by default. If this item will be placed in other bins associated with the item record:

   ▪ Using **Bin Management** : Click the preferred bin and click the **Bins Icon**. A small popup opens where you can set the quantity to distribute in each bin.

      You can also enter bin numbers separated by commas with on-hand quantities in parentheses. For example, you can enter **A101(50), A102(43)**.

      To track bin numbers, you must first create bin records at Lists > Accounting > Bins > New. Associate bin numbers with items on inventory and assembly item records.

      > ⓘ **Note:** Bins must be selected on the item record to show here.

   ▪ Using **Advanced Bin / Numbered Inventory Management** : Click the **Inventory Detail icon**. In the popup window, select the appropriate bins and quantities.

7. Set any options for this item.

8. Select a **Department**, **Class** or **Location** if you track them.

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9. If this item is for a particular customer, select that **Customer**.

   If you use NetSuite OneWorld and the selected customer is shared with multiple subsidiaries, you can choose any customer associated with the selected subsidiary.

10. If you want the cost of this item billed back to the chosen customer, check the **Billable** box.

11. Click **Add**.

12. Repeat these steps for each item you want to add.

Billing

1. Click the **Billing** subtab.

2. In the **Vendor Select** field, choose a vendor.

3. Verify the billing address displayed in the **Vendor** field. To change the address, click the Edit button to the right of the Vendor Select field.

4. In the **Terms** field, select discount terms that apply to this bill.

5. In the **Incoterm** field, choose the standardized three-letter trade term used on transactions related to international commercial procurement practices that communicate the tasks, costs, and risks associated with the transportation and delivery of goods. Incoterms define where the customer takes ownership of the product and are typically used for international orders, such as when an item goes through customs or crosses a border.

   For more details about incoterms, read the help topic Creating Purchase Contracts.

Landed Cost

1. Enter landed cost for this transaction.

   To learn more, see the help topic Enter Landed Cost on a Transaction.

Relationships

1. On the **Contacts** subtab, the primary contact for the customer is selected automatically. To edit information for this contact, click the contact's name.

2. You can also add contacts to this order by entering the contact's information and clicking **Add**.

Communication

1. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to attach activities to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

2. On the **Files** subtab, you can select and attach files from the File Cabinet related to this transaction. Select **New** to upload a new file to File Cabinet.

3. On the **User Notes** subtab, you can enter a title and note for any comments you want to add to this transaction. Click **Add** after each note.

Deciding Between Bills and Checks

You can choose between two ways to track your expenditures: with bills or with checks.

If you choose to enter bills into NetSuite, you will be able to track paid and unpaid vendor bills, as well as pricing for particular products you buy. You enter bills when they arrive, and then pay them when they are due. NetSuite can remind you when those bill payments are due.

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You can also choose to track expenditures with checks. NetSuite fully supports running your business on a cash basis. If you prefer to operate on a cash basis, keep track of when bills are due outside of NetSuite and only create checks in NetSuite to pay them when they are due.

However, using only checks provides much less accounting information to track your business expenses.

Receiving Inventory in Advance of a Bill

If you maintain inventory, you can indicate that items have been received without entering a bill.

To receive items without billing them:

1. Go to Transactions > Purchases > Receive Orders.
2. Select a vendor.

   You can select **All** to show all purchase orders with a Pending Receipt status.
3. Click **Receive** in the **Process** column next to the purchase order you want to receive.
4. On the Item Receipt page, verify that the items to receive are correct.
5. Click **Save**.

   The status of the Purchase Order is now Pending Billing.

Now, your inventory records will be up to date, but the order will not yet show as a bill entered. When you receive the bill from the vendor, bill the purchase order.

Canceling Vendor Bills

You may review a vendor bill that has been entered and decide it should not be approved for payment. In such a case, you can cancel the bill. The Cancel button shows on the form in View mode only when the status of a bill is Pending Approval.

To cancel a vendor bill:

1. Go to Transactions > Payables > Approve Bills.
2. Click the **Cancel Bill** button.

   A popup warning asks you to verify that you do want to cancel the vendor bill.

   > (i) **Note:** After you verify the cancellation, the Canceled status cannot be changed.

When you cancel a vendor bill, the following is true:

- A canceled bill remains recorded in the system but is not processed for payment.
- Links to purchase orders are retained for audit purposes.
- The quantities and amounts are not cleared from the transaction form. They are preserved to be referenced or copied.

Also note that a canceled vendor bill is not applied as billed against the purchase order. For example, a purchase order is entered for 20 units. When 20 units are received, a vendor bill for 20 units is created and saved. Then, the purchase order status changes to fully billed. Later, when that vendor bill is canceled, the purchase order status changes to the appropriate status as if the vendor bill was never entered. Depending on related transactions, the new status could revert to Pending Billing.

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Editing or Copying a Canceled Vendor Bill

A vendor bill can be edited or copied when it has a canceled status. For example, you may add a Memo to indicate why the vendor bill was canceled.

Using Edit mode, a vendor bill can be deleted or all fields can be edited, including adding or editing line-item data. Any changes made to a canceled vendor bill are strictly for reference.

When you copy a canceled vendor bill, the new copy will also have a Canceled status by default. But, because the new copy initially shows in Edit mode, the approval status can be changed to Pending Approval or Pending Receipt before you save it the first time. Then, the approval status is updated when you save the form.

Vendor Bill Variances

When you enter purchase orders, receipts, and vendor bills for items that you buy, each transaction can show a quantity, price, and exchange rate for the items. If there are any discrepancies between the quantity, price, or exchange rate, a remaining value may post to the Accrued Purchases account. If you have enabled the Advanced Receiving feature, you can use the vendor bill variances process to generate journal postings to variance accounts based on the discrepancies.

For example, you enter a purchase order that shows the following:

Purchase Order		
Price= $5	Quantity= 100	Exchange Rate = 0.50

Next, you receive the items into your warehouse. The item receipt shows the following:

Receipt		
Price= $4.5	Quantity= 98	Exchange Rate = 0.52

Then, the vendor sends you a bill for the purchase. The bill shows the following:

Vendor Bill		
Price= $6	Quantity= 105	Exchange Rate = 0.6

Receipt		
DR	Inv Asset	4.5*98*0.52 = $229.32
CR	Inv Received Not Billed	$229.32

Vendor Bill		
DR	Inv Received Not Billed	6*105*0.60 = $378
CR	Accounts Payable	$378.00

Because the amounts on the receipt and vendor bill do not match, the remaining amount needs to be reconciled ($378.00 – 229.32 = $148.68).

To resolve these discrepancies, you can reconcile these differences using the Post Vendor Bill Variances page to post variance journal entries.

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When you track and resolve these variances over time, the accuracy of your record-keeping improves. You are also better able to work with your vendors to ensure that billed quantities and prices are consistent with the receipt quantities and prices.

The Post Vendor Bill Variances page posts journal entries with these types of variances:

- **Bill Quantity Variance** – to resolve variances between quantities on bills and receipts
- **Bill Price Variance** – to resolve variances between the unit cost of items on bills and receipts
- **Bill Exchange Rate Variance** – to resolve variances between exchange rates on bills and receipts

Create variance journals at Transactions > Payables > Post Vendor Bill Variances. Read more details in Posting Vendor Bill Variances.

Methods for Posting Variances

Choose from two methods to create a variance post:

- Post Variances Based on Vendor Bill Lines

   In this case, the Match Bill to Receipt option is used.
- Post Variances Based on Purchase Order Lines

   In this case, the Match Bill to Receipt option is not used.

Post Variances Based on Vendor Bill Lines

When you use the Match Bill to Receipt method, each line on a purchase order can be marked to require matching those line items to the items on the corresponding vendor bill. Then, lines on associated receipts are compared to vendor bill lines to check for variances in the quantity, price, and exchange rate. Journal entries can be created to post the amounts to variance accounts.

The Match Bill to Receipt method is used if a purchase spans multiple accounting periods and there is a need to post the variances. Using this method, variances you post are based on vendor bill lines, not purchase orders.

To mark a purchase order line for matching, check the Match Bill to Receipt box on each purchase order line for items you want to be matched. You can also set the box to be checked by default using the setting on item records. Then, when the item is added to a purchase order, the line automatically shows the Match Bill to Receipt box as checked. For details, read the Match Bill to Receipt section of Entering Purchasing/Inventory Information on Items.

On vendor bills, you can select specific receipts in the Receipts column when the vendor bill is created if the corresponding purchase order lines have Match Bill to Receipt checked. Then, a bill is created for the receipts that are selected. Also, the bill is checked against receipt values for variances.

Using this method, all purchase orders with lines marked Match Bill to Receipt are considered for variance calculations.

> ⓘ **Note:** For lines with drop-ship items, do not check the Match Bill to receipt box.

The following example describes using the Match Bill to Receipt method:

1. First, purchase orders are entered and dated across several months time.

   The purchase orders can generate variance postings whether the transaction lines are open or closed.

   Make sure that for all applicable lines, the Match Bill to Receipt box is checked.

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Enter purchase orders at Transactions > Purchases > Enter Purchase Orders.

2. Multiple receipts are entered against the purchase order.

   To receive purchase orders, go to Transactions > Purchases > Receive Orders.

3. Vendor bills are entered for the items.

   Upon creating a vendor bill from a purchase order, all bill lines automatically show any outstanding item receipts. Note that you can override the association of the receipt and vendor bill.

   The vendor bill must be linked to any receipts.

   To bill purchase orders, go to Transactions > Payables > Bill Purchase Orders.

4. Go to the Post Vendor Bill Variances page at Transactions > Payables > Post Vendor Bill Variances . Variances are generated based on the differences between the vendor bill and associated receipts.

Post Variances Based on Purchase Order Lines

When items on an order are fully received and billed, variances can be generated for posting based on purchase order lines without using the Match Bill to Receipt box.

After all the vendor bills and receipts for a purchase order are entered, you can create variance journals.

> **(i) Note:** If the order is not fully received and billed, open transaction lines must be closed to generate variances to post.

The following example describes generating variances without using the Match Bill to Receipt method.

1. Enter a purchase order that sets the rate and amount for items.

   Purchase order lines must be fully received and billed in order for variances to be generated. If lines are not fully received and billed, they must be closed to generate variances.

   Enter purchase orders at Transactions > Purchases > Enter Purchase Orders.

2. Enter receipts with the standard cost for the items on the purchase order.

   To receive purchase orders, go to Transactions > Purchases > Receive Orders.

3. Enter the vendor bill.

   To bill purchase orders, go to Transactions > Payables > Bill Purchase Orders.

4. To generate variance postings, go to Transactions > Payables > Post Vendor Bill Variances . The list of transactions shows orders with variances calculated.

   1. In the Transaction Type field, select Purchase Order.

   2. Check the Select box next to all transactions you want to create a journal entry for.

   3. When you click Create Journal Entries, the journals are created.

      > **(i) Note:** Vendor bills and receipts cannot be changed after variances are posted.

Setting Up Item Records for Variances

To be able to analyze variances for items, set up item records for the following:

- Select Variance Accounts to post variances to.
- Choose a default setting for Match Bill to Receipt.

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Variance Accounts

On an item record, you must select variance accounts in the Exchange Rate Variances, Bill Quantity Variances, and Bill Price Variances fields. Then, when a variance occurs for that item, it posts to the variance account you selected.

If you prefer to see one single variance, select the same account in all three variance account fields.

Match Bill to Receipt

On an item record, check this box if you want the Match Bill to Receipt box to be checked by default on transaction lines for this item. Then, purchase orders that include this item default to have this box checked and variances are generated based on vendor bill lines.

This preference is disabled by default. Even when enabled, this option can be changed on individual purchase order lines.

Clear this box if you do not want the Match Bill to Receipt box to be checked by default on transaction lines for this item. You can still check the box on individual transaction lines as necessary.

For details on setting up item records, read the help topic Creating Item Records.

Variance Status Column on Bills

You can optionally add a column to your vendor bill form to show if a variance is expected for the line.

The Bill Variance Status column can show the following statuses:

- **No Variances** – No variances are found.
- **Journal Not Posted** – Variances are found, but journal entries are not yet created.
- **Journal Posted** – Variances are found and journal entries have been created.

To add the Bill Variance Status column, select Customize Form in the Customize list on a vendor bill. On the custom form, click the Items subtab. Check the box in the Show column next to Bill Variance Status and save the form.

Posting Vendor Bill Variances

After you have associated item records with variance accounts, you can create variance journal postings. For details about ways to create variance postings, read Vendor Bill Variances. Then, after your transactions are set to create variance postings, you can create variance journal entries on the Post Vendor Bill Variances page.

> (i) **Note:** These journal entries address variances only for inventory items.

To post a variance journal entry:

1. Go to Transactions > Payables > Post Vendor Bill Variances.
2. On the Post Vendor Bill Variances page, verify or select the posting period for the journal entry you are creating.
3. Verify or enter the date for the journal entry. The current date autofills this field.
4. If you have a NetSuite OneWorld account, select a subsidiary from the drop-down list in the **Subsidiary** field.

If you have vendor records that are shared with multiple subsidiaries, the item records that can be posted reflect the combination of selected vendor and subsidiary. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

5. In the **Transaction Type** field, make a selection to filter the list of transactions:

   ▪ Choose **Purchase Order** to show closed purchase order lines with a variance that have the **Match Bill To Receipt** box checked.

   ▪ Choose **Bill** to show only vendor bills linked to Purchase Orders that have the **Match Bill To Receipt** box checked.

6. When you have selected **Bill** in the **Transaction Type** field, you can make a selection in the **Transaction Status** field:

   ▪ Choose **Open** to show all open vendor bills.

   ▪ Choose **Paid in Full** to show only vendor bills that are completely paid.

7. In the **Vendor** field, select a vendor to filter the list to show only transactions associated with the selected vendor.

8. Clear the **Include Bills Without Receipts** box to exclude bills from the list that have no item receipts entered against them. Check this box to include all bills regardless of receipts.

9. Check the box in the **Select** column next to all transactions you want to create a variance journal entry for.

10. Click **Create Journal Entries**. The Post Vendor Bill Variances Results page opens and shows the journals created by the entry. You can click the link to open the journal and see the lines posted.

For details about the journals created for variances, read Vendor Bill Variance Journals.

> ⚠️ **Important:** After the variances on the journal entry are created and posted, associated purchase orders, receipts, and vendor bills transactions cannot be changed.

The variance journal entries must be voided or deleted to allow changes to associated transactions. Also, the accounting period must be open for the entries being considered and the A/P must be unlocked.

Vendor Bill Variances Status Page

To view the status of vendor bill variance calculations you are performing, go to Transactions > Payables > Post Vendor Bill Variances. This page displays the date and time the variance journal was created, processing percentage complete and a link to the results of completed journals in the Status column.

Vendor Bill Variances Results Page

The Post Vendor Bill Variances Results page is displayed in the following two ways:

▪ After you click Create Journal Entries on the Post Vendor Bill Variances page

▪ When you click the Complete link in the Status column of the Post Vendor Bill Variances Status page

Post Vendor Bill Variances Results page displays the following information:

▪ The transaction type that the journal was created from, which is a link to open the transaction

▪ The item on the transaction that had a variance calculated

▪ The number of the journal entry created, which is a link to open the journal

▪ The total amount posted by the journal

To view individual lines posted by the journal, click the journal number to open the entry. For details about variance journals, read Vendor Bill Variance Journals.

Vendor Bill Variance Journals

On journals that post vendor bill variances, journal line details show the accounts being debited and credited by the entry to clear the Accrued Purchases account.

- **Journal accounts** – The accounts that journal lines post to are determined by the accounts selected on item records. For details about these accounts, read about variance accounts in Creating Item Records.

- **Journal amounts** – The amounts on journal lines are the amounts calculated from the vendor bills and receipts associated with the purchase order. These amounts are calculated as described below:

  Three kinds of variances can be generated:

  - **Bill Price Variance** – The variance associated with price changes between the time you receive an item and the time the vendor bills you.

    Bill Price Variance = Vendor Bill Qty x (Vendor Bill Price - Item Receipt Price) x Vendor Bill Rate

  - **Bill Quantity Variance** – The variance associated with any quantity differences between the item receipt and the vendor bill.

    Bill Quantity Variance = (Vendor Bill Qty - Item Receipt Qty) x Item Receipt Price x Item Receipt Rate

  - **Bill Exchange Rate Variance** – A variance associated with exchange rate changes between the time you receive an item and the time the vendor bills you.

    Exchange Rate Variance = Vendor Bill Qty x Item Receipt Price x (Vendor Bill Rate - Item Receipt Rate)

When the Match Bill to Receipts method is not used and multiple receipt lines are posted against a purchase order line, then the receipt quantities, receipt amounts, and receipt exchange rates used for variance calculations are as follows:

- Receipt Quantity = The sum of quantities on receipts linked to the purchase order line

- Receipt Price = The sum of amounts on receipts linked to the purchase order line / sum of quantities on receipts linked to the purchase order line

- Receipt Exchange Rate = The sum of foreign currency amounts on receipts linked to the purchase order line / sum of base currency amounts on receipts linked to the purchase order line

When the Match Bill to Receipts method is not used, then the vendor bill quantities, vendor bill amounts and vendor bill exchange rates for variance calculations are as follows:

- Bill Quantity = The sum of quantities on bills linked to the purchase order line

- Bill Price = The sum of amounts on bills linked to the purchase order line / sum of quantities on bills linked to the purchase order line

- Bill Exchange Rate = The sum of foreign currency amounts on bills linked to the purchase order line / sum of base currency amounts on bills linked to the purchase order line

When the Match Bill to Receipts method is used and multiple receipt lines are linked to a vendor bill line, then the quantities, amounts, and exchange rates used for variance calculations are as follows:

- Receipt Quantity = The sum of quantities on receipts linked to the vendor bill line

- Receipt Price = The sum of amounts on receipts linked to the vendor bill line / sum of quantities on receipts linked to the vendor bill line

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- Receipt Exchange Rate = The sum of foreign currency amounts on receipts linked to the vendor bill line / sum of base currency amounts on receipts linked to the vendor bill line

After these calculations are complete, NetSuite posts the following entries:

- DR Accrued Purchases
- CR Exchange Rate Variance
- CR Bill Quantity Variances
- CR Vendor Bill Price Variances

> ⚠️ **Important:** After the variances on the journal entry are created and posted, associated purchase orders, receipts, and vendor bills transactions cannot be changed.

The variance journal entries must be voided or deleted to allow changes to associated transactions. Also, the accounting period must be open for the entries being considered.

Mass Updates for Variance Accounts

To update the variance accounts on records using mass update:

1. Go to Lists > Mass Update > Mass Updates.
2. Click **General Updates**.
3. Click a mass update link.
4. Set any necessary criteria.
5. Click the **Mass Update Fields** subtab.
6. Click **Perform Update**.
7. Click **Preview**.

Records are updated according to the settings you have chosen. For more details on mass updates, read the help topic Mass Changes or Updates.

Vendor Bill Approvals

You can require approval for vendor bill processing. When you require approval before payment is issued, you can verify the billed amounts and quantities. To manage billing variances, you can compare amounts and quantities shown on vendor bills, item receipts, and purchase orders.

For example, your company's finance manager received a bill from the vendor Smith Widgets. She wants to verify that the payment amount requested on the bill by the vendor is the correct amount that corresponds to the purchase order. She knows that the original purchase order showed five widgets at a price of $10 each. She wants to check against the bill to make sure they also show five widgets at a price of $10 each. Sometimes variances may occur, such as the following:

- The vendor bill for the order may show five widgets at $13 each.
- The vendor bill for the order may show ten widgets at $10 each.

In both of the above cases, the value of what was received does not match the original purchase order. If a bill is received with variances such as these, the finance manager needs to know this information to ensure that the payment being sent to the vendor properly matches what was actually received.

After the vendor bill correctly reflects the value of the goods received, the bill can be approved and a payment sent to the vendor.

> **(i) Note:** Vendor bill approval requires the Approve Vendor Bill, Bills, and Find Transaction permissions.

After a vendor bill is entered against a purchase order, regardless of the status of that vendor bill, an additional bill cannot be entered against the same purchase order items. The first bill must be processed or cancelled.

To approve a vendor bill, open it in Edit mode. You cannot approve a bill in View mode.

Vendor Bill Approval Status

The table below shows how the status of a vendor bill impacts the function of transaction lines on the bill.

Status	Accounting impact (AP, asset)	Inventory impact (for standalone bills)	Counts towards outstanding bill quantity on the purchase order
Pending Approval	None	None	Yes
Rejected	None	None	Yes
Approved	Yes	Yes	Yes

Standard or Custom Approvals

You can enforce approval processes for vendor bills in the two following ways:

- Approving Vendor Bills with Standard Vendor Bill Approval

    Set an approval status on vendor bills.
- Using SuiteFlow for Vendor Bill Approvals

    Create a custom SuiteFlow workflow to require approval.

Standard Vendor Bill Approval

When you have enabled the Payables feature, your vendor bills show an Approval Status field.

The default approval status can be set to either Pending Approval or Approved. Bills will default to show an Approved status, but you can set a new default approval status. For more details, read Setting the Default Vendor Approval Status.

Vendor Bills with a status of Pending Approval can be approved or be cancelled. A vendor bill that is cancelled is not processed for payment.

You can use standard approval for vendor bills, regardless of whether you enable SuiteFlow for other purposes.

Custom Vendor Bill Approval Routing Using SuiteFlow

For more complex approval requirements, you can use SuiteFlow workflow management when you enable the Vendor Bill preference for Approval Routing. Then, you have the option of creating a custom SuiteFlow workflow to process vendor bills.

A SuiteFlow workflow enables you to tailor more flexible processes in a customized workflow that meets your specific approval routing needs. Your workflow may require action from specific employees, showing buttons on forms at certain stages, or sending email based on actions taken.

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For example, you can set up a workflow for approvals based on variances between the purchase order and the vendor bill. You might set up workflows to process approvals using a non-sequential approval process or conditionalized routing.

For details about using SuiteFlow for vendor bill approvals, read Using SuiteFlow for Vendor Bill Approvals.

Setting the Default Vendor Approval Status

When you use standard approvals for vendor bills, you can set a default approval status. Then, vendor bills you enter automatically show your preferred approval status.

> ℹ️ **Note:** After a vendor bill is approved, you cannot cancel or change the status of that bill.

To set a default vendor bill approval status:

1. Go to Setup > Accounting > Accounting Preferences.
2. Click the **Order Management** subtab.
3. In the **Default Vendor Bill Status** field, choose one of the following:
   - **Approved** – Bills default to an Approved status. No further review or processing is required before a payment is processed.
   - **Pending Approval** – Bills default to a Pending Approval status. Someone with permission must approve the bill before a payment can be processed for it.
4. Click **Save**.

Now, vendor bills you enter show your selection in the Status field by default. Users with permission can change the approval status on bills entered if necessary.

Approving Vendor Bills with Standard Vendor Bill Approval

When you use standard approvals for vendor bills, you must approve or cancel vendor bills you enter. Bill approvals can be handled on individual transactions or in bulk.

- Individually Approving Vendor Bills
- Bulk Approving Vendor Bills with Standard Vendor Bill Approval
- Canceling Vendor Bills

> ℹ️ **Note:** After a bill is approved, the status cannot later be changed to Pending Approval or Cancelled. Any change in status on a bill shows in the system notes for that bill.

Individually Approving Vendor Bills

To approve vendor bills individually, open the bill and set the status to approved.

To approve vendor bills individually:

1. Go to Transactions > Payables > Enter Bills > List.
2. Click **Edit** next to the bill.
3. In the **Approval Status** field, select **Approved**.

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4. Click **Save**.

The bill can be processed for payment.

You can also set the status of a bill to Approved when you originally enter it. Then the bill is ready for payment processing as soon as it is saved.

Similarly, if you set the default status of vendor bills to be Approved, then vendor bills you enter automatically show Approved in the Approval Status field. For details on setting this default, read Setting the Default Vendor Approval Status.

Bulk Approving Vendor Bills with Standard Vendor Bill Approval

After you enter vendor bills, any bill with a status of Pending Approval or Rejected needs to be set to Cancelled or Approved. To save time, you can run a bulk process to approve many vendor bills at one time.

The Approve Bills page lists all bills that require approval.

To bulk process vendor bill approvals:

1. Go to Transactions > Payables > Approve Bills.
2. Select a vendor to filter the list of bills.
3. Select a date range to filter the list of bills that show. The date range you select is reflected in the **From** and **To** fields.

    If you enter a different range in the **From** and **To** fields, the **Date** field automatically shows Custom.
4. Check the box in the **Approve** column next to a bill to approve it.

    Click **Mark All** to select all bills for approval.
5. Optionally click the **Select Order Number** field to enter or scan an order number.
6. As you mark bills to be approved, the total is displayed in the **Amount** field in the header.
7. Click **Submit**.

Now, the bills you marked have a status of Approved and can be processed for payment.

Bulk Approval Queue Errors

When you are bulk approving vendor bills, it is possible for an error to occur during processing. For example, you may submit ten bills in the approval queue. the first four are processed and approved without difficulty, but the fifth bill encounters an error. In such a case, the processing immediately stops and the error is reported.

The first four bills will have an Approved status. However, the fifth and subsequent bills still require approval. NetSuite recommends that you approve the fifth bill individually, and then resubmit the remaining bills (six through ten) that remain in the approval queue.

Standard Vendor Bill Approval FAQ

Where can I set the default approval status of vendor bills?

In the Default Vendor Bill Status field. Read Setting the Default Vendor Approval Status.

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If a Vendor Bill is accidentally approved, can a vendor bill with an Approved status be changed back to Pending Approval?

No. You will have to delete the bill and recreate it.

Is there a way to mass approve vendor bills?

Yes. Use the Approve Bills page.

Read Bulk Approving Vendor Bills with Standard Vendor Bill Approval.

Is there an approval history on a vendor bill?

The approval history can be found on the System Notes subtab of the bill.

Is there a reminder available for vendor bills pending approval?

Yes. Go to the Home page > Reminders portlet > setup. Click Add Standard Reminders and add Bill to Approve.

Without any workflow customization, can an email alert be sent to the designated approver?

No, a custom workflow approval or a saved search is needed for this condition.

Read Using SuiteFlow for Vendor Bill Approvals.

Is there an Approve button when viewing a bill which is pending approval?

No. You must do one of the following:

- Edit the bill and set the approval status to Approved.
- Use the Approve Bills page to set the approval status to Approved.
  Read Bulk Approving Vendor Bills with Standard Vendor Bill Approval.

If the bill is rejected, can I create another bill from the same purchase order for approval?

Yes. After a bill is rejected, the expense account, quantities and amount are zeroed and the purchase order status changes from Fully Billed to Pending Billing.

Is there any General Ledger (GL) impact for a bill with a Pending Approval status?

No. The GL impact reflects on a bill only when it is approved.

Using SuiteFlow for Vendor Bill Approvals

You can use SuiteFlow to create a custom workflow for handling your vendor bill approval routing.

Using SuiteFlow enables you to tailor a workflow for specific approval routing needs. For example, your workflow, you can set up a workflow for approvals based on variances between the purchase order and the vendor bill. Or, you might set up a workflow to process approvals using a non-sequential approval process or conditionalized routing.

To use SuiteFlow for vendor bill approvals:

1. To enable the SuiteFlow feature, go to Setup > Company > Setup Tasks > Enable Features.
2. On the SuiteCloud tab, select the SuiteFlow box and click Save.

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3. To enable the custom workflow preference:.

4. Design and Deploy a Workflow using SuiteFlow

To enable the custom workflow preference:

1. Go to Setup > Accounting > Accounting Preferences.

2. Click the **Approval Routing** subtab.

3. Check the **Vendor Bill** box to use SuiteFlow for vendor bill approvals.

> (i) **Note:** Prior to enabling the Vendor Bill preference for Approval Routing, it is recommended that all bills with a Pending Approval status must be set to Rejected or Approved using the standard approval process..

You should not have bills in a Pending Approval status when you begin using SuiteFlow workflows for vendor bill approval routing

If you do not set bills to Rejected or Approved before you enable this preference, you may instead choose to Initiate a Workflow Mass Update after the workflow is created.

4. Click **Save**.

Design and Deploy a Workflow using SuiteFlow

Create a SuiteFlow workflow that incorporates rules for approval processes, criteria and tolerances for variances.

For details about setting up approval workflows, read the help topic Creating Your First Workflow.

Initiate a Workflow Mass Update

Using SuiteFlow for vendor bill approvals, vendor bills existing in your account prior to using SuiteFlow that are unapproved or are partially approved have their status set to Pending Approval. They must then be processed using workflow-based approval from the beginning.

In other words, approval steps you entered previously may need to be re-entered using SuiteFlow. You must run an Initiate Workflow mass update after you have set up your workflow.

When you run the mass update, the existing transactions that require additional approval steps are incorporated into the workflow at the appropriate stages and are ready for remaining processing within the workflow.

For details about running the Initiate Workflow mass update, read the help topic Mass Initiating Workflow Instances.

Vendor Payment Holds

If mistakes are made by vendors and suppliers, such as delivering the wrong quantity of goods or billing incorrectly, accountants must carefully manage cash flow. Vendor bills in question or dispute should not be paid, even if the bill has been approved through the approval hierarchy because it can be difficult to reclaim the lost money after it is paid.

You can apply a payment hold to stop payments from being processed on approved vendor bills and prevent funds from inadvertently leaving the company.

To apply a payment hold on a disputed bill, check the Payment Hold box on the vendor bill and click Save.

The Payment Hold box is available only when the vendor bill status is Pending Approval or Open.

When the Payment Hold box is checked, the following occurs:

- The Make Payment button is not be available on the vendor bill and a vendor payment cannot be processed for that bill.
- Vendor bills that have a Payment Hold enabled do not show up on the Bill Payments page.
- The Electronic Payment SuiteApp does not process payments that have a payment hold.

To remove a payment hold on a bill, open the vendor bill to edit, clear the Payment Hold box and click Save.

> ⓘ **Note:** The Payment Hold box is unavailable to be cleared if the transaction is dated in a closed accounting period.

Vendor Bill Approval Workflow

You can install the Vendor Bill Approval Workflow to use a pre-built custom workflow for managing vendor bill approvals. The workflow is designed to help you identify discrepancies between vendor bills you enter and their originating purchase order before payment is issued for the bill.

This workflow is an extension of NetSuite's Payables feature.

After you install the Vendor Bill Approval Workflow, your account is changed in these ways:

1. The Vendor Bill Approval workflow is initiated

   For details on this workflow, read Vendor Bill Approval Workflow below.

2. Four new saved searches are available.

   For details on this workflow, read Saved Searches below.

Vendor Bill Approval Workflow

The Vendor Bill Approval initiates a workflow that examines vendor bills you enter in your NetSuite account. The workflow identifies cases where a vendor bill has a quantity or cost discrepancy between the bill and purchase order.

- A bill that does not have discrepancies is set to have an Approved status.
- A bill that does have discrepancies is flagged for an exception and is required to go through a review and approval process before a payment can be issued.
- A bill that is created without a purchase order is automatically set to have a Pending Approval status and added to the approval queue.

For example, your finance controller wants to implement controls for vendors bills received from vendors and installs the Vendor Bill Approval Workflow. The following transactions are entered:

	Purchase Order	Vendor Bill
Quantity	10 widgets	10 widgets
Amount	$100	$100

The quantity and amount of the vendor bill matches the purchase order, so this bill is set to Approved and can be paid.

Next, the following transaction is entered:

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	Purchase Order	Vendor Bill
Quantity	10 widgets	10 widgets
Amount	$100	$300

For the above, the amount billed does not match the amount on the purchase order. This discrepancy is flagged as an exception and the bill is set to a Pending Approval status. The finance controller must review the bill and PO to find out why they do not match before the bill is paid.

The following transactions are also entered:

	Purchase Order	Vendor Bill
Quantity	10 widgets	100 widgets
Amount	$100	$1000

For the above, both the quantity and amount of the bill do not match the purchase order. This bill is set to Pending Approval for review before payment.

If you need a more comprehensive way of validating a vendor bill, you can use the 3 Way Match Vendor Bill Approval Workflow. To know more about this feature, see 3 Way Match Vendor Bill Approval Workflow.

Bundle Exceptions

The following shows the exceptions flagged by the Vendor Bill Approval Workflow. When one or more of these conditions method are met, the bill is set to have a Pending Approval status.

- Partial Receipt Quantity on Purchase Order

  If the order being billed includes quantities not fully received, NetSuite sets the bill status to Pending Approval.

- Purchase Order – Bill Quantity Exception

  If the quantity of the item on the bill is greater than the quantity of the item on the purchase order, NetSuite sets the bill status to Pending Approval.

- Purchase Order – Bill Amount Exception

  If the amount billed for an item is greater than the amount for the item on the purchase order, NetSuite sets the bill status to Pending Approval. This comparison is made on a per-line basis.

When a vendor bill is flagged for an exception, NetSuite notes this by adding an exception message in the Memo field on the transaction.

A vendor bill that is flagged for any of these exceptions has its approval status set to Pending Approval. A supervisor must then approve the vendor bill to enable it to be processed for payment.

> ⓘ **Note:** The workflow is applied to both inventory and non-inventory item types.

Approval

If a vendor bill is not flagged with any of the above exceptions, then NetSuite sets the bill to an Approved status and it can be processed for payment.

If a vendor bill is flagged and set to a Pending Approval status, a supervisor with appropriate permission must then approve the vendor bill.

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A supervisor is able to approve vendor bills if they have the Edit permission for both of the following:

- Vendor bill
- Approve vendor bill

For details about how to approve a vendor bill, read Approving Vendor Bills with Standard Vendor Bill Approval.

Saved Searches

After the workflow is installed, the following new saved searches are available in your account:

- Vendor Bill PO Amount Check
- Vendor Bill PO Quantity Check
- Vendor Bill PO Partial Rcpt QTY Check
- Vendor Bill Standalone Check

These reports can be viewed at Reports > Saved Searches > All Saved Searches.

Availability

The Vendor Bill Approval Workflow is a managed bundle and is automatically updated whenever there are updates. These issue fixes and enhancements are available after the bundle is updated in your account.

Customization

After you have installed the Vendor Bill Approval Workflow, you can optionally customize the workflow used to determine exceptions. You can also customize the new saved searches. For details, read Customizing for the Vendor Bill Approval Workflow.

Installing the Vendor Bill Approval Workflow

The Vendor Bill Approval Workflow is included in the NetSuite Approvals Workflow SuiteApp that must be installed in your NetSuite account.

To install vendor bill approval workflow:

1. Verify that these features are enabled in your account:
    - Payables
    - SuiteBundler
2. Enable features at Setup > Company > Enable Features.
3. Verify that all existing vendor bills have been set to an Approved or Rejected status. Do not transition to the bundle when any bills have a status of Pending Approval.
4. Enable the Vendor Bill preference for Approval Routing.

    For details on setting this preference, read Using SuiteFlow for Vendor Bill Approvals.
5. Install and deploy the SuiteApp with the following details.
    - Name – **NetSuite Approvals Workflow SuiteApp**
    - Bundle ID – 16707

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To learn more, see the help topic Installing a Bundle.

Customizing for the Vendor Bill Approval Workflow

After you have installed the Vendor Bill Approval Workflow, you can customize the workflow and searches to suit your specific needs.

Customizing the Saved Searches

The following saved searches show in your NetSuite account after your successful installation:

- Vendor Bill PO Amount Check
- Vendor Bill PO Quantity Check
- Vendor Bill PO Partial Rcpt QTY Check
- Vendor Bill Standalone Check

To customize one of these reports, go to Reports > Saved Searches > All Saved Searches, and click Edit next to the name of the search.

Customizing the Workflow

After you install Vendor Bill Approval, the workflow that is used is set to have default parameters. You can change the workflow to incorporate new parameters that are tailored to your needs.

To customize the default workflow states:

1. Disable the Vendor Bill Approval Workflow.
2. Copy the bundle workflow.
3. Modify the workflow as required.
4. Deploy the new workflow.

The following defines the default states for the installed workflow:

- Bill Validation
- Exceptions
- Pending Approval
- Approved
- Rejected

Bill Validation State

If a vendor bill is Pending Approval, the workflow sets the initial state of the transaction to bill validation. This bill validation state will set the next approver to the supervisor of the individual entering the transaction.

The bill validation state will have several transitions to the following states.

- **Exceptions**

  The vendor bill will transition to the Exceptions state if the following is true:

  - The purchase order is only partially received.

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- The purchase order amount is less than the bill amount.
- The purchase order quantity is less than the bill quantity.

- **Pending Approval**

  The vendor bill will be considered for transitioning to the pending approval state if the vendor bill is a standalone bill.

- **Approved**

  The vendor bill will transition to an Approved state if the bill does not transition to the Exceptions or Pending Approval state.

Exception State

When a vendor bill transitions to an Exception state, NetSuite identifies the exact exception by a message in the Memo field. This message can be customized.

Any vendor bill in an Exception state will next transition to the Pending Approval state.

Pending Approval State

When a transaction is in the Pending Approval state, a user with permission has the option to approve or reject a transaction. Vendor bills in this state display an Approve button and a Reject button for this purpose.

- Click Approve to prompt NetSuite to move the bill to Approved State state.
- Click Reject to prompt NetSuite to move the bill to Rejected state.

Approved State

A vendor bill that reaches the Approved state has its approval status set to Approved.

The Approved state is an end state. After this state is reached, you cannot change the state from Approved to any prior state.

Rejected

A vendor bill that reaches the Rejected state has its approval status set to Rejected.

A vendor bill in the Rejected state can be changed back to a Pending Approval status.

3 Way Match Vendor Bill Approval Workflow

The 3 Way Match Vendor Bill Approval Workflow checks the vendor bill for discrepancies before it is processed for payment. It validates the details of a vendor bill against the details of its corresponding purchase order and item receipt. Bills with identified discrepancies are automatically routed to the assigned supervisor for review and approval.

The 3 Way Match Vendor Bill Approval Workflow provides the following benefits:

- Identifies issues by highlighting specific variances between the transactions, allowing the approvers or buyers to quickly address the issues
- By finding the variances, inventory levels are accurately maintained

- Eliminates cost variances to ensure that there is no overpayment for items that have not been received

The 3 Way Match Vendor Bill Approval workflow performs more validations than the regular Vendor Bill Approval workflow. The following validations are made between the vendor bill and purchase order or item receipt.

Vendor Bill and Purchase Order Validations

- Difference in Terms and Location
- Discrepancy in Quantity and Amount
- Quantity and Amount Tolerance levels
- Quantity Difference levels

Vendor Bill and Item Receipt Validations

- Corresponding Item Receipt for a Vendor Bill
- Discrepancy in Quantity
- Quantity Tolerance and Difference levels

The 3 Way Match Vendor Bill Approval workflow serves as a template that can be modified based on your specific business needs. Consider the following case for two criteria used to validate the vendor bill against the purchase order. The company has set a quantity and amount tolerance limit on the vendor bill to validate the quantity and amount discrepancy between the vendor bill and purchase order.

Field	Purchase Order (PO)	Vendor Bill (VB)
Amount	1000	970
Quantity	100	97
VB-PO Amount Tolerance		0.10
VB-PO Quantity Tolerance		2

If both criteria or if only the VB-PO Quantity Difference is applied, the bill is routed to the supervisor for review and approval, since the quantity discrepancy exceeds its tolerance limit. If only the VB-PO Amount Tolerance is applied, the bill is automatically approved, since the amount discrepancy does not exceed the amount tolerance limit.

> ⚠️ **Important:** When using the tolerance fields and criteria, you have to disable other quantity and amount criteria that may affect the validation. To learn how to disable or enable specific criteria, see Disabling Exception Criteria.

For guidelines on using the tolerance and difference limits, see Best Practices When Using the Tolerance and Difference Limits For the complete list of exceptions, see 3 Way Match Vendor Bill Approval Exception Criteria. For more information about customizing the workflow, see Customizing the 3 Way Match Vendor Bill Approval.

Availability

The 3 Way Match Vendor Bill Approval Workflow is part of the NetSuite Approvals Workflow SuiteApp. To purchase the SuiteApp, contact your account manager.

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Accounts with the Vendor Bill Approval SuiteApp are automatically upgraded to the NetSuite Approvals Workflow SuiteApp. The NetSuite Approvals Workflow SuiteApp contains the two workflows: Vendor Bill Approval and the 3 Way Match Vendor Bill Approval.

Limitations

Be aware of the following limitations of 3 Way Match Vendor Bill Approval:

Item receipts that have been partially received are not supported.

Setting Up 3 Way Match Vendor Bill Approval

When you install the NetSuite Approvals Workflow SuiteApp, the 3 Way Match Vendor Bill Approval Workflow is added to your account, along with 23 saved searches. These saved searches carry out the exception criteria used to validate the vendor bill. New fields are also enabled for the setting of tolerance and difference levels.

To use the 3 Way Match Vendor Bill Approval Workflow, enable the required features and preferences before installing the NetSuite Approvals Workflow SuiteApp.

To enable features and preferences:

1. Go to Setup > Company > Setup Tasks > Enable Features and enable the following:
   - ☐ On the **Accounting** subtab, check the box for **A/P** (Accounts Payable)
   - ☐ On the **Transactions** subtab, check the box for **Purchase Orders** and **Advanced Receiving**.
   - ☐ On the **SuiteCloud** subtab, check the box for **SuiteFlow**.
   - Go to Setup > Accounting > Accounting Preferences. On the **Approval Routing** tab, check the box for **Vendor Bills**.

   For more information on enabling features, see the help topic Enabling Features.

Installing the NetSuite Approvals Workflow SuiteApp

If you have the Vendor Bill Approval Workflow, verify if your account is already upgraded to the NetSuite Approvals Workflow SuiteApp. Go to Customization > SuiteBundler > Search & Install Bundles > List. Otherwise, you have to install the SuiteApp, which contains the 3 Way Match Vendor Bill Approval Workflow. Refer to the bundle details below:

- Bundle Name: **NetSuite Approvals Workflow**
- Bundle ID: 16707

For more information on installing bundles, see the help topic Installing a Bundle.

Setting Up Roles and Permissions

After having installed the SuiteApp, the following roles are automatically provided the required access to custom records of the 3 Way Match Vendor Bill Approval:

- CEO
- CFO
- Accountant

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- Accountant (Reviewer)
- Bookkeeper
- Warehouse Manager
- A/P Clerk

To enable a supervisor to approve vendor bills, you must provide at least the Edit level of access for both of the following permissions:

Subtab	Permission	Level
Transactions	Vendor Bill Approval	Edit
Transactions	Bills	Edit

⚠️ **Important:** Be sure to designate a supervisor for each vendor bill creator. The supervisor is automatically assigned as the approver of the vendor bill. For information about assigning supervisors, see the help topic Assigning a Supervisor to an Employee.

For more information on assigning roles and permissions, see the help topic Customizing or Creating NetSuite Roles.

Running the 3 Way Match Vendor Bill Approval Workflow

The default status of the workflow is set to **Not Running**. After installing or after creating your customization, you have to change the status to **Released** to start running the workflow.

To run the 3 Way Match Vendor Bill Approval Workflow:

1. Go to Customization > Scripting > Workflows.
2. On the Workflows list, do either of the following:
   - If you are running the default workflow, click the 3 Way Match Vendor Bill Approval record link.
   - If you are running your custom workflow, click the Edit link for the 3 Way Match Vendor Bill Approval record.
3. On the **Workflow** subtab, located at the right side of the page, click the pencil icon.
4. In the Workflow popup window, do either of the following:
   - If you are running the default workflow, click **Change Status**.
   - If you are running your custom workflow, in the **Release Status** field, select **Released**.
5. Click **Save**.

For more information about running a workflow, see the help topic Release Status. For more information about using your customized workflow, see Customizing the 3 Way Match Vendor Bill Approval.

3 Way Match Vendor Bill Approval States

The 3 Way Match Vendor Bill Approval Workflow is initiated during creation and editing of a vendor bill. The workflow verifies that the bill creator has an assigned supervisor. The vendor bill goes through the states for validation against the exception criteria. From the following list of approval states, you can learn the order of processing and dependencies among the states.

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Approval Routing Feature Check

Each submitted vendor bill enters the Approval Routing state. If you are the bill creator, the workflow verifies that the **Vendor Bills** accounting preference is enabled in your account. After your account is verified, the vendor bill proceeds to the next state to undergo initial validations.

Check the other feature requirements and how to enable them in the topic, Prerequisites.

Bill Validation

When a vendor bill enters the Bill Validation state, its status is set to **Pending Approval**. As the bill creator, your supervisor is automatically assigned as the approver. Initial validations that are not related to quantity and amount are performed on the bill.

Quantity Tolerance Validation

In the Quantity Tolerance state, the vendor bill is validated based on the quantity tolerance limits that you defined. The workflow checks for an existing subsidiary before executing those validations that use the quantity tolerance of the subsidiary record. Another check is made to determine if the **Bill in Advance of Receipt** feature is enabled. If enabled, exceptions that validate against the item receipt are no longer executed.

Quantity Difference Validation

In the Quantity Difference state, the workflow uses the values you provided in the quantity difference fields to executed related criteria. It executes the subsidiary-dependent validations based on the subsidiary check done previously in the Quantity Tolerance Validation state. It skips the validations against the item receipt when the **Bill in Advance of Receipt** feature is enabled.

Amount Validation

Exception criteria that identify amount discrepancies on the vendor bill and purchase order are executed in the Amount Validation state. Those that use the subsidiary amount on the purchase order are only executed if there is an existing subsidiary in your account.

This is the final state where validations are performed before the vendor bill is routed to an approver or is automatically approved, in case no discrepancies are identified.

Pending Approval

After going through the Amount Validation state, a vendor bill with exception is transferred to the Pending Approval state. Otherwise, it goes directly to the Approved state.

In the Pending Approval state, the designated approver is sent an email notification. The record is locked for editing, while waiting for the supervisor's approval or rejection.

The list of all exceptions gathered from validations that are executed in the previous states is compiled. The **Bill Exception** button is enabled on the vendor bill record.

Rejected

A vendor bill enters the Rejected state if it is not approved by the supervisor. The vendor bill status is changed to **Rejected**. An email notification is sent to the bill creator.

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As the bill creator, you can make the necessary corrections to the record and resubmit it for approval. You also have the option of cancelling it. If you resubmit the vendor bill, it goes through Bill Validation again and the rest of the validation states. It is automatically approved if discrepancies are no longer found.

Approved

A vendor bill that enters this state is either approved by the supervisor or automatically approved if no discrepancy is found. The vendor bill status is changed to **Approved**. An email notification is sent to the bill creator.

Show Exceptions

On the vendor bill record, when you click **Bill Exception**, the vendor bill enters the Show Exceptions state. In this state, all identified discrepancies are retrieved and displayed for viewing. This option is made available after the vendor bill goes through the Pending Approval state.

3 Way Match Vendor Bill Approval Exception Criteria

The following table displays the list of fields assigned to each exception criteria that is executed within the workflow states. The exception criteria fields are identified by the prefix, [SS], which stands for Saved Search.

If you do not need the workflow to execute an exception, you have to disable its field. For more information, see the topic Disabling Exception Criteria.

State	Exception Criteria Field	Description
Bill Validation	[SS] VB-PO: Terms	Checks if the Terms on the VB and PO are the same
	[SS] Receipt of Item	Checks for an existing Item Receipt for the VB
	[SS] VB-PO: Location	Checks if the Location on the VB and PO are the same
	[SS] VB Standalone	Checks if the VB is created without a PO
Quantity Tolerance Validation	[SS] VB-PO: Vendor Qty Tolerance	Checks if the discrepancy between VB and PO quantity exceeds the Vendor quantity tolerance limit
	[SS] VB-PO: Item Qty Tolerance	Checks if the discrepancy between VB and PO quantity exceeds the Item quantity tolerance limit
	[SS] VB-PO: Subsidiary Qty Tolerance	Checks if the discrepancy between VB and PO quantity exceeds the Subsidiary quantity tolerance limit
	[SS] VB-IR: Vendor Qty Tolerance	Checks if the discrepancy between VB and Item quantity exceeds the Vendor quantity tolerance limit
	[SS] VB-IR: Item Qty Tolerance	Checks if the discrepancy between VB and Item quantity exceeds the Item quantity tolerance limit
	[SS] VB-IR: Subsidiary Qty Tolerance	Checks if the discrepancy between VB and Item quantity exceeds the Subsidiary quantity tolerance limit
Quantity Difference Validation	[SS] VB-PO: Vendor Qty Difference	Checks if the discrepancy between VB and PO quantity exceeds the Vendor quantity difference limit
	[SS] VB-PO: Item Qty Difference	Checks if the discrepancy between VB and PO quantity exceeds the Item quantity difference limit

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State	Exception Criteria Field	Description
	[SS] VB-PO: Subsidiary Qty Difference	Checks if the discrepancy between VB and PO quantity exceeds the Subsidiary quantity difference limit
	[SS] VB-IR: Vendor Qty Difference	Checks if the discrepancy between VB and Item quantity exceeds the Vendor quantity difference limit
	[SS] VB-IR: Item Qty Difference	Checks if the discrepancy between VB and Item quantity exceeds the Item quantity difference limit
	[SS] VB-IR: Subsidiary Qty Difference	Checks if the discrepancy between VB and Item quantity exceeds the Subsidiary quantity difference limit
	[SS] VB Qty Greater Than PO Qty	Checks if the VB quantity exceeds the PO quantity
	[SS] VB Qty Less Than PO Qty	Checks if the PO quantity exceeds VB quantity
Amount Validation	[SS] VB-PO: Vendor Amt Tolerance	Checks if the discrepancy between VB and PO amount exceeds the Vendor amount tolerance limit
	[SS] VB-PO: Item Amt Tolerance	Checks if the discrepancy between VB and PO amount exceeds the Item amount tolerance limit
	[SS] VB-PO: Subsidiary Amt Tolerance	Checks if the discrepancy between VB and PO amount exceeds the Subsidiary amount tolerance limit
	[SS] VB Amt Greater Than PO Amt	Checks if the VB amount exceeds the PO amount
	[SS] VB Amt Less Than PO Amt	Checks if the PO amount exceeds the VB amount

Customizing the 3 Way Match Vendor Bill Approval

You can customize the 3 Way Match Vendor Bill Approval Workflow by enabling only the features that meet your specific requirements. You can choose which exception criteria to execute in your custom workflow and rearrange the sequence of actions.

To begin the customization, you must create a copy of the workflow. On the workflow page, point to the More link and then click Make Copy. For more information, see the topic Copying a Workflow.

The default 3 Way Match Vendor Bill Approval Workflow states, actions, and transitions are copied to your custom workflow. The action scripts and saved searches are available for use. Click the following links to view the complete list of states and exception criteria:

- 3 Way Match Vendor Bill Approval States
- 3 Way Match Vendor Bill Approval Exception Criteria

After completing your customization, you must run the workflow. For instructions on running the workflow, see Running the 3 Way Match Vendor Bill Approval Workflow.

Customizing a Workflow State

You can update the details of a state, its actions, and assign specific settings. Within each state, you can change the order by which the validations or exception criteria are executed.

For specific instructions on using the tolerance limits and disabling exception criteria, see the topics Setting Tolerance and Difference Limits and Disabling Exception Criteria.

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To view and edit a state, select the state from the workspace. On the **State** tab, click the pencil icon. You can also double-click the state on the workflow diagram to open the Workflow State page.
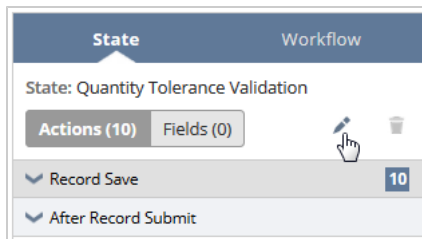
Editing a State

On the Workflow State page, you can change the state name and description. For more information about workflow states, see the help topic Workflow States.

On the **Actions** tab, click the Edit link for the action or group to update its details, add a condition, and set the schedule. You can also create a new custom action or group by clicking **New Action** or **New Group**. For more information about actions, see the topics on Workflow Actions.

For more information about action groups, see the help topic Using Action Groups.

On the **Transitions** tab, click the Edit link for the transition to update its details and add a condition. By changing the transition settings, you can reorder the flow of processing. You can also add a new transition to the state. For more information about transitions, see the help topic Workflow Transitions.

Changing the Exception Message

Exception or validation messages displayed on the vendor bill record are set in the workflow state where its action is executed.

To change the exception message:

1. On the Workflow State page, click the Edit link for the NAW Create Exception Record WS action.
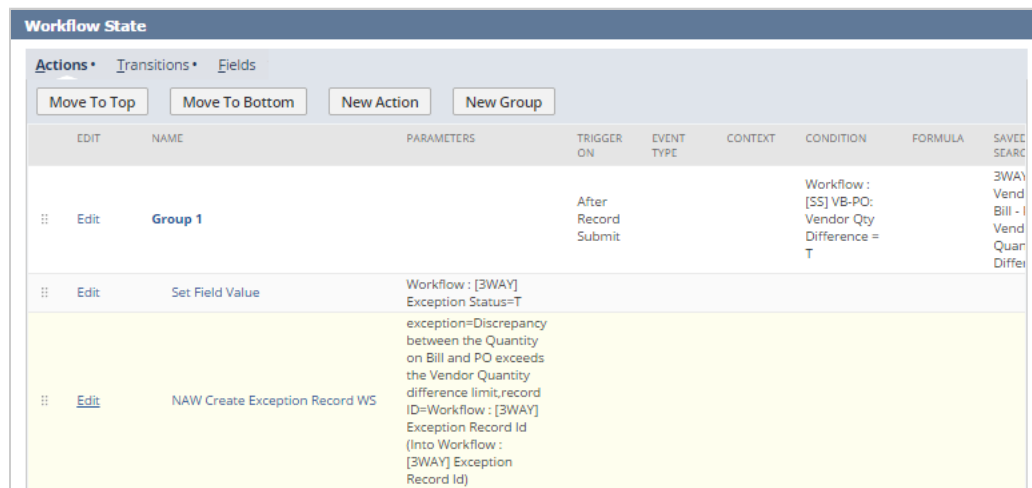
   The screenshot shows the message for [SS] VB-PO: Vendor Qty Difference: Discrepancy between Quantity on Bill and PO exceeds the Vendor Quantity difference limit.

2. On the Workflow Action page, in the Parameters section, enter the new message in the Value column for the **exception** field.

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3. Click **Save**.

Reordering Actions or Groups

On the Workflow State page, on the **Actions** tab, click the row of the action to be moved. Drag and drop it before or after another action. You can also click the Edit link for the action, and use the **Insert Before** field on the Workflow Action page. For more information, see the help topic Reordering Actions.

To reorder action groups within a state, click the group to be moved. Drag and drop it to the beginning or end of another group. You can also use the **Insert Before** field on the Workflow Action Group page. When you save the changes, the group numbering is automatically updated.

Disabling Exception Criteria

By default, all exception criteria are enabled and executed by the workflow. You have the option of disabling those that do not suit your business requirements. In effect, this shortens the duration of the workflow run for each vendor bill. This is done by changing the property of the field that is associated with the exception.

To help you decide which criteria to execute in your custom workflow, refer to the complete list in the topic, 3 Way Match Vendor Bill Approval Exception Criteria.

To disable exception criteria:

1. On the **Workflow** tab of the context panel, click the **Fields** subtab.

   Exception criteria fields are identified by the [SS] prefix, for example, **[SS] VB Qty Greater Than PO Qty**.

   > ⚠ **Important:** The **Fields** subtab also shows fields with the [3WAY] prefix. To avoid disrupting the workflow process, make sure that those fields are not changed or deleted.

2. Click the pencil icon for the exception criteria field.

3. On the Workflow Field page, click the **Validation & Defaulting** subtab.
4. Clear the **Default Checked** box.
5. Click **Save**.

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For more information on workflow fields, see the help topic Working with Custom Fields.

Setting Tolerance and Difference Limits

After installing the NetSuite Approvals Workflow SuiteApp, you must set the acceptable tolerance and difference levels on the item, vendor, and subsidiary record if you want to use the exceptions that use these values.

If you leave the fields blank on the subsidiary and vendor record, the workflow does not execute the criteria that use them. For more information about exceptions, see 3 Way Match Vendor Bill Approval Exception Criteria.

> **Note:** Fields and settings related to subsidiaries are only applicable to OneWorld accounts.

To set the tolerance and difference limit:

1. Follow the path below to set the limit for each record:
   - Go to Lists > Accounting > Items.
   - Go to Lists > Relationships > Vendors.
   - Go to Setup > Company > Classifications > Subsidiaries.
2. Click **Edit** to update the record.
3. On the record page, enter the tolerance or difference limit in the appropriate field.

   The fields on the vendor record are located on the **Financial** tab. The fields on the subsidiary record are located on the **Vendor Bill Matching** tab.

   > **Note:** In the tolerance and difference fields, you have to enter a positive number that is greater than zero. Decimal values are accepted.

Field	Description
Vendor Bill — Purchase Order Quantity Tolerance	Enter the tolerance limit for the discrepancy between the quantity on the vendor bill and purchase order.
Vendor Bill — Purchase Order Amount Tolerance	Enter the tolerance limit for the discrepancy between the amount on the vendor bill and purchase order.
Vendor Bill — Purchase Order Quantity Difference	Enter the difference limit for the discrepancy between the quantity on the vendor bill and purchase order.
Vendor Bill — Item Receipt Quantity Tolerance	Enter the tolerance limit for the discrepancy between the quantity on the vendor bill and item receipt.
Vendor Bill — Item Receipt Amount Tolerance	Enter the tolerance limit for the discrepancy between the amount on the vendor bill and item receipt.
Vendor Bill — Item Receipt Quantity Difference	Enter the difference limit for the discrepancy between the quantity on the vendor bill and item receipt.

VENDOR BILL - PURCHASE ORDER QUANTITY TOLERANCE

VENDOR BILL - ITEM RECEIPT QUANTITY TOLERANCE

VENDOR BILL - PURCHASE ORDER AMOUNT TOLERANCE

VENDOR BILL - ITEM RECEIPT AMOUNT TOLERANCE

VENDOR BILL - PURCHASE ORDER QUANTITY DIFFERENCE

VENDOR BILL - ITEM RECEIPT QUANTITY DIFFERENCE

4. Click **Save**.

> ⚠️ **Important:** To use the tolerance limits, be sure to disable other quantity and amount criteria used only to identify discrepancies between the vendor bill and purchase order: [SS] VB Qty Greater Than PO Qty, [SS] VB Qty Less Than PO Qty, [SS] VB Amt Greater Than PO Amt, [SS] VB Amt Less Than PO Amt.

To learn more, see Disabling Exception Criteria.

Best Practices When Using the Tolerance and Difference Limits

The 3 Way Match Vendor Bill Approval Workflow contains more validations than the standard Vendor Bill Approval Workflow. By default, all of these validations are enabled after you have installed and set up the workflow. When running criteria for the tolerance and difference limits, you have to disable specific exceptions that may conflict with them.

For example, a vendor record is created with the following difference limits:

- Vendor Bill-Purchase Order Quantity Difference = 4
- Vendor Bill-Item Receipt Quantity Difference = 4

Based on the following conditions:

- A purchase order is created with an item quantity of 100 and the received quantity is 98.
- A vendor bill is submitted with the same quantity of 98.

When the vendor bill has been submitted, the workflow runs the exception that determines if the vendor bill quantity is less than the purchase order quantity. Because this exception is enabled, the vendor bill is routed for approval, even if it has not exceeded the quantity difference limit.

For instructions on disabling exceptions, see Disabling Exception Criteria.

View the following guidelines to effectively use the tolerance and difference limits of the 3 Way Match Vendor Bill Approval Workflow.

Using the Tolerance limits

- If you want to use the Tolerance limits, set the values in the subsidiary, item, or vendor bill record after installing the workflow. Create a copy of the workflow to disable the exceptions that may conflict with the tolerance exception criteria. Do not forget to run the workflow after saving your changes.
- Disable the following exception fields that may conflict with tolerance checking:
  - [SS] VB Qty Greater Than PO Qty
  - [SS] VB Qty Less Than PO Qty
  - [SS] VB Amt Greater Than PO Amt
  - [SS] VB Amt Less Than PO Amt

  > ℹ️ **Note:** To use these standard discrepancy exceptions, disable the exceptions for tolerance limits.

- In case you have already customized the workflow and made some changes, verify that the corresponding workflow fields for the tolerance limits are enabled to continue running them:
  - VB - PO QTY Tolerance limit: [SS] VB-PO: Vendor Qty Tolerance, [SS] VB-PO: Item Qty Tolerance, [SS] VB-PO: Subsidiary Qty Tolerance

- VB - PO AMT Tolerance limit: [SS] VB-PO: Vendor Amt Tolerance, [SS] VB-PO: Subsidiary Amt Tolerance, [SS] VB-PO: Item Amt Tolerance
- VB - IR QTY Tolerance limit: [SS] VB-IR: Vendor Qty Tolerance, [SS] VB-IR: Item Qty Tolerance, [SS] VB-IR: Subsidiary Qty Tolerance

For the complete list and description of exception criteria, see 3 Way Match Vendor Bill Approval Exception Criteria.

Using the Difference limits

- If you want to use the Difference limits, set the values in the subsidiary, item, or vendor bill record after installing the workflow. Create a copy of the workflow to disable the exceptions that may conflict with the difference exception criteria. Do not forget to run the workflow after saving your changes.
- Disable the following exception fields that may conflict with difference checking:
  - [SS] VB Qty Greater Than PO Qty
  - [SS] VB Qty Less Than PO Qty

> **Note:** To use these standard discrepancy exceptions, disable the exceptions for difference limits.

- If you have already customized the workflow and disabled specific criteria, verify that the corresponding workflow fields that use the difference limits are enabled to keep them running:
  - VB - PO QTY Difference limit: [SS] VB-PO: Vendor Qty Difference, [SS] VB-PO: Item Qty Difference, [SS] VB-PO: Subsidiary Qty Difference
  - VB - IR QTY Difference limit: [SS] VB-IR: Vendor Qty Difference, [SS] VB-IR: Item Qty Difference, [SS] VB-IR: Subsidiary Qty Difference

For the complete list and description of exception criteria, see 3 Way Match Vendor Bill Approval Exception Criteria.

Vendor Payments

Vendor Payments Overview

After you have entered vendor bills, you pay them when they are due. By recording the bill payment in NetSuite, the payment posts to the general ledger as an expense and the amount of the payment is deducted from your accounts payable total. This helps you track expenditures and total payables due.

> ⚠️ **Important:** All system-generated currency revaluation including rounding revaluation posts to the current open period. This enables you to move the revaluation to any period you require.

Record a bill payment by doing one of the following:

■ To pay a single vendor, click Pay Single Vendor.

   For more information, read Pay Bills to a Single Vendor.

■ To pay bills for several vendors, click Pay Bills.

   For more information, read Paying Multiple Vendors.

Credits are negative numbers from past payment adjustments and payments are positive numbers. If the two are combined and the sum of all payments is a negative number, an error message will indicate that a payment cannot be processed for a negative amount.

Use the Write Checks transaction to pay vendor bills only if you do not use Accounts Payable. If you use Accounts Payable, use the Pay Bills function.

> ℹ️ **Note:** If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, the list of open invoices is filtered by the subsidiary and displays all vendors to which the subsidiary is assigned. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

For information about how NetSuite calculates revaluation for vendor bill payments, read the help topic Rounding Gain/Loss.

Pay Bills to a Single Vendor

Use the Pay Single Vendor transaction to pay for outstanding payables to one vendor.

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> **(i) Note:** All system-generated currency revaluation including rounding revaluation posts to the current open period. This enables you to move the revaluation to any period you require.

Use these links for more information about two methods to pay these bills:

- Make a bill payment to a single vendor
- Pay a single vendor from a bill

Make a bill payment to a single vendor

To make a bill payment to a single vendor:

1. Go to Transactions > Payables > Pay Single Vendor.
2. Check the **To ACH** box. For more information, read the help topic ACH Vendor Payments.
3. Complete the form as described in the sections below.
4. Click **Save**.

After the bill is paid, you can view bill payments by going to Transactions > Payables > Enter Bills > List. The Credits Applied subtab on payments shows any credits that were applied.

If you are offsetting bills or refunds with credits and no balance is due, the transactions are updated and no payment checks are created.

Primary Information

1. Select an accounts payable account for this payment transaction.
2. Select a form to use for this payment.
3. Select the bank account to use for this payment transaction.
4. The **Balance** field shows the balance in the account you selected.
5. Select the payee you want to pay.
   - Select a vendor to pay a vendor bill.

     If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, the **Subsidiary** field defaults to the vendor's primary subsidiary for this vendor bill. You can, however, change it to any secondary subsidiary assigned to this vendor. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

     If the vendor record you select is not shared with multiple subsidiaries, the **Subsidiary** field defaults to the vendor's assigned subsidiary.
   - Select an employee to pay an expense report.

   Outstanding payables for this payee appear in the list.

   If you use multiple currencies, the currency for this vendor shows in the **Currency** field.
6. If you use the Multiple Currencies for vendors feature, select the currency of the bills you want to pay. This filters the list of bills to show only the bills in this currency. For more information, see the help topics Setting Up Multiple Currencies and Multiple Currencies and Vendors.
7. The exchange rate for this currency is shown in the **Exchange Rate** field. You can enter an exchange rate for this currency.
8. The current date shows, but you can select or enter another date.

9. Select the period you want this payment to post to.

10. The **Address** field shows the address from the vendor record. You can enter another address just for this transaction by typing up to four rows of information.

11. Check the appropriate box:

    - **To Be Printed** – adds a check to the print queue

    - **Voucher** – adds a voucher for this check to the print queue

12. The **Check #** field shows the next check number or shows To Bill Pay.

Classification

1. Select a **Department**, **Class**, and **Location**, if you track them.

2. Check the **For Electronic Bank Payment** box if you want to process the payment transaction through Electronic Payments. When this box is checked, the Check # field and other payment options are automatically cleared.

Apply Subtab

1. On the **Apply** subtab, check the **Apply** box next to bills you want to pay.

   As you apply bills, the total payment amount is shown in the **Amount** field.

2. Check the **Apply** box next to credits you want to apply.

Relationships

1. On the **Relationships** subtab, the primary contact for the customer is selected automatically. To edit information for this contact, click the contact name.

   You can also add contacts to this order by entering the contact information and clicking **Add**.

Communication

1. Click the **Communication** subtab to associate activities, notes or files with this transaction.

   - Use the **Events**, **Tasks**, and **Phone Calls** subtabs to attach activities to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

   - On the **Files** subtab, you can select and attach files from the File Cabinet related to this transaction. Select **New** to upload a new file to File Cabinet.

   - On the **User Notes** subtab, you can enter a title and note for any comments you want to add to this transaction. Click **Add** after each note.

You can also pay a vendor directly from an existing bill.

Pay a single vendor from a bill

To pay a single vendor from a bill:

1. Go to Transactions > Payables > Enter Bills.

2. Click **View** next to the bill you want to pay.

3. On the bill, click the **Make Payment** button.

4. Check the **To ACH** box. For more information, read the help topic ACH Vendor Payments.

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5. Verify that the payment information showing on the bill is correct.

6. Check the **Apply** box next to credits you want to apply.

7. Check the appropriate box:

   - **To Be Printed** – adds a check to the print queue

   - **Voucher** – adds a voucher for this check to the print queue

8. Click **Save**.

Paying Multiple Vendors

Use NetSuite to process payments to several vendors at one time.

All system-generated currency revaluation including rounding revaluation posts to the current open period. This enables you to move the revaluation to any period you require.

To pay multiple vendors:

1. Go to Transactions > Payables > Pay Bills.

2. In the **A/P Account** field, select an accounts payable account to associate with this payment.

3. In the **Account** field, select the bank account you are using to pay these bills. When you select an account, the current balance of the account appears in the **Balance** field.

4. The **Balance** field shows the balance in the account you selected.

5. The current date autofills the **Date** field.

6. Select the period you want this payment to post to.

7. Select a department, class and location, if you track them.

   If a custom segment is applied on the vendor payment record, the custom segment field is displayed in the Classification section. Select the custom segment to apply to all vendor payments.

8. Enter a date in the **Start Date** field to limit the transactions in the list.

   The **Start Date** field is blank by default and all open payable transactions appear in the list.

   Entering a start date and end date in their respective fields filters your list of payable transactions by due date.

   > ⓘ **Note:** If you enter a start date and an end date, payable transactions that do not have a due date entered will not appear on the list.

9. If you want to print your bill payments, check the **To Be Printed** box.

10. In the **Use Bill-To Address From Vendor** field, do the following:

    - Check this box to use the default billing address of the vendor on bill payments generated regardless of the billing address shown on the bill or credit.

      If a vendor has no default billing address, then the Address field on bill payment is blank.

    - Clear this box to use the billing address shown on the bill or credit for bill payments that are generated.

    Journal entries always use the current default billing address of the vendor.

11. Click the Select Item to scan in transaction bar codes.

12. Check the box in the **Pay** column next to the bills you want to pay and the credits you want use to offset the bills.

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> **ⓘ Note:** There must be at least ten transactions for NetSuite to split the transactions into multiple workqueue records.

This list shows your outstanding bills, as well as any credits or refunds you have received from vendors. This list also includes expenses due to be paid to employees.

> **ⓘ Note:** If you use the Multiple Currencies feature, the bills showing in the list depend on currency settings.

For accounts using NetSuite OneWorld, only bills associated with the subsidiary where the account can be used shows in the list. If the account currency is the same as the subsidiary's currency, all bills associated with the subsidiary show in the list, regardless of the currency. If the account's currency is not the same as the subsidiary's currency, only bills associated with the subsidiary and with the account's currency show in the list.

For accounts not using NetSuite OneWorld, if the account currency is the same as the base currency, all bills show in the list, regardless of currency. If the account currency is not the same as the base currency, only bills that use the account currency show in the list.

As you check bills and credits, the total amount of the payment appears in the **Amount** field at the top of the page.

This amount is shown in your base currency. If you use the Multiple Currencies feature and have bills in other currencies selected, those currency amounts are converted into your base currency. For more information, see the help topic Multiple Currencies and Vendors.

You can click the date next to a bill or credit to open it.

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To open the vendor record:

1. Click the vendor **Name**.
2. Click **Mark All** to select all bills that show on the page you are viewing.

   If the list of bills extends beyond one page, you must view the next page of results to select those bills.

3. On additional pages, you can select individual bills or click **Mark All** to select all the bills that are showing.
4. After you have marked the bills to pay in the list, click **Save** to submit them for payment .

13. Click **Save**.

   These bill payments are now processed.

If you are offsetting bills with credits or returns and no balance is due, the transactions are updated and no payment checks are created.

Pay Bills Status

To check the status of a bill payment:

1. Go to Transactions > Payables > Pay Bills.

   A list of bill payments being processed is displayed.

2. Optionally, in the **From** and **To** fields filter the list by selecting the date the payment was created or setting a date range.

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3. Click the **Refresh** to update the list.

Bill Payment Vouchers

Payment vouchers give detailed information about the payment you send to a vendor. You can print a payment voucher for bill payments that you make.

A bill payment voucher lists each bill paid by an individual payment, as well as payment discounts taken at the time of payment. When a payment includes a payment and credit applied against the same bill, they appear together on the check voucher and the payment voucher.

Remittance information for payments against many bills may not fit on a single check voucher. In such a case, you can print a separate voucher page that includes all of the remittance advice. Then, you can send this expanded voucher page to the vendor along with the check.

When you print a separate voucher, no bills are listed on the voucher part of the check. The actual check voucher indicates that the remittance advice is on a separate page.

Vouchers automatically queue in a list to print separately if your check type is set to Standard or if a payment includes more bills than will fit on the voucher check.

You can print a payment voucher two ways:

- From the **Bills** list:
    1. Go to Transactions > Payables > Pay Bills > List.
    2. Next to the bill payment, click **View**.
    3. Click **Print Voucher**.
- From **Print Checks and Forms**:
    1. Go to Transactions > Management > Print Checks & Forms.
    2. Select a location and form as needed.
    3. Next to vouchers you want to print, check the box in the **Print** column.
    4. Click **Print**.

Editing a Bill Payment

If there is a change to a bill you have already paid, you must change the bill payment.

To change an individual bill on a bill payment:

1. Go to Transactions > Payables > Pay Bills.
2. Click **Edit** by the transaction you want to change.
3. On the **Bill Payment** page for that transaction, choose other bills to pay in addition to or instead of the bills already paid.
4. When you have finished, click **Save**.

> ⚠ **Important:** If you must delete a bill payment that has vendor credits applied, you must unapply the vendor credits separately. Deleting the bill payment **does not automatically unapply credits** that were applied to it.

Vendor credits can be unapplied either before or after you delete the bill payment.

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> **Note:** You cannot delete a bill payment that is linked to other transactions, even if the payment is voided.

To unapply vendor credits:

1. Go to Transactions > Payables > Enter Vendor Credits.
2. Click **Edit** next to the credit you want to unapply.
3. On the **Bill Credit**, click the **Apply** subtab.
4. Clear the **Apply** box next to the bill it is applied to.
5. Click **Save**.
6. Repeat these steps to unapply other credits.

After vendor credits are unapplied, they can then be applied to another bill.

Printing Bill Payments

To print a bill payment, use the same procedure as printing a check.

To print checks, you need Adobe® Reader®. Visit the Adobe Web site to download the latest version at no charge.

To print checks:

1. Go to Transactions > Management > Print Checks & Forms.
2. Click **Checks**.
3. On the Print Checks page, choose the bank account you want to print checks from.
4. Specify the starting check number for your preprinted checks.

   NetSuite sets the check number for each subsequent check.
5. Click **Print Back to Front** if higher-number checks go into your printer before lower-number checks.
6. Choose the type of preprinted check.
7. As you select checks to print, NetSuite displays in the **Check Number** field the last check number that will be printed.
8. Check the box next to each check you want to print.
9. Click **Print**.

   NetSuite shows the printout for your checks in PDF format.
10. Place blank checks in your printer tray, starting with the check number that matches the First Check Number on the Print Checks page.
11. Click the printer button in the Adobe application frame.
12. If you wish to print multiple copies, specify the number in the print popup window that appears. Then, load the appropriate number of pages of blank paper after each blank check in your printer.
13. Click **OK**.

To handle a printing error:

1. Void the check.

For information about voiding a check, see the help topics Voiding, Deleting, or Closing Transactions and Voiding Transactions.

2. Open the transaction in NetSuite, mark it To Be Printed and change the check number so that it matches your next blank check.

3. Repeat the printing process.

To set your check printing preferences:

1. Go to Setup > Company > Preferences > Printing & Fax.

2. Click the **Printing** subtab.

3. In the **Default Check Type** field, choose from two types of checks:

   - **Standard** – which are printed without a voucher—three to an 8.5 x 11 inch sheet

   - **Voucher –** which are printed at the top of an 8.5 x 11 inch sheet with voucher information printed at the bottom

     If you use voucher checks, you can print a maximum of 19 line items on each check. If you have more than 19 line items for a single check, the items do not appear on the voucher.

4. Select a font style in the **Check Font** field.

5. Select a font size in the **Check Font Size** field.

> **Note:** The preferences in steps 4 and 5 do not affect the position of layout elements on the check form.

6. Click **Save**.

If you need to adjust the printing position, you can do so at Home > Set Preferences. Adjust the values in the Horizontal and Vertical Print Offset fields. Adjusting the values on the Set Preferences page affects all checks you print.

Your administrator can customize the layout of your printed forms using Advanced PDF/HTML templates or basic layouts. Advanced templates provide more customization capabilities than basic layouts. For more information, see the help topics Advanced PDF/HTML Templates and Basic Printing Layouts.

NetSuite checks can be purchased from the Forms Fulfillment Center, a NetSuite partner at www.netsuiteforms.com.

Correcting Bill Payment Applications

You may need to change the application of a bill payment.

To manually correct the way a bill payment was applied:

1. Go to Transactions > Payables > Enter Bills > List.

2. Click **Edit** next to the transaction you want to change.

3. Choose the correct bills to pay on this payment application.

4. Click **Save**.

> **Important:** To delete a bill payment that has vendor credits applied, unapply the vendor credits separately. Deleting the bill payment **does not automatically unapply credits** that were applied to it. You must unapply the vendor credits separately.

Vendor credits can be unapplied either before or after you delete the bill payment.

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To unapply vendor credits:

1. Go to Transactions > Payables > Enter Vendor Credits.
2. Click **Edit** next to the credit you want to unapply.
3. On the **Bill Credit**, click the **Apply** subtab.
4. Clear the **Apply** box next to the bill it is applied to.
5. Click **Save**.

After a vendor credit is unapplied, it can then be applied to another bill.

Vendor Prepayments

You may need to log a vendor payment before you have entered the vendor bill it will credit.

To create a vendor prepayment:

1. To create a holding account:.

   The holding account tracks the funds until they are applied to a vendor bill.
2. To write a check:.

   The check moves funds into the holding account and out of the checking account. Then, the funds are not available in the checking account for other payments.
3. To enter a vendor credit:.

   The vendor credit is used to apply the funds to the vendor bill when the bill is entered.

To create a holding account:

1. Go to Lists > Accounting > Accounts > New.
2. In the **Type** field, select **Other Current Asset**.
3. If you use account numbers, enter a number in the **Number** field.
4. In the name field, enter **Temporary Holding**.
5. Click **Save**.

To write a check:

1. Go to Transactions > Bank > Write Checks.
2. In the **Payee** field, select your vendor.
3. On the **Expenses** subtab, in the **Account** column, select your Temporary Holding account.

   > ⓘ **Note:** You must enable the Expand Account Lists preference to include the prepayment (Other Current Asset) account in the list along with Expense accounts. For more information, see the help topic Setting Accounting Preferences

4. In the **Amount** column, enter the prepayment amount.
5. Optionally include notes in the **Memo** column about what this prepayment is for.
6. Click **Add**.
7. Click **Save**.

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To enter a vendor credit:

1. Go to Transactions > Payables > Enter Vendor Credits.
2. Select your vendor.
3. On the **Expense** subtab, select your Temporary Holding account.
4. In the **Amount** column, enter the prepayment amount.
5. Click **Add**.
6. Click **Save**.

Writing the check and entering the vendor credit enables the following:

- Enables you to pay the vendor in advance.
- Washes your holding account so the resulting balance is zero.
- Lists an outstanding vendor credit on the vendor's account.

When you receive the bill from the vendor, you can apply this credit to it.

Vendor Returns

Vendor Return Authorization Overview

When you track vendor returns using authorizations, you know the status of each return and you can track accurate information about each return you process. The vendor return workflow includes obtaining Return Materials Authorization (RMA) from the vendor, then processing the return in NetSuite to track information about each return.

The vendor return process includes four steps:

1. **Entering** the authorization – records information about the return, such as the item number and description, quantity being returned, value of the return and the vendor RMA number

   For more information, read Entering a Vendor Return Authorization.

2. **Approving** the authorization – approves the return of the item to the vendor

   For more information, read Approving or Cancelling a Vendor Return Authorization.

3. **Shipping** the return – verifies that the item has been shipped to the vendor

   For more information, read Shipping Authorized Vendor Returns.

4. **Crediting** the return – logs a refund or credit from the vendor for the returned item

   For more information, read Crediting an Authorized Vendor Return.

Using return authorizations also gives your shipping department the information they need to match items to vendor return forms as they send shipments. Then, your accounting department knows what is expected from each vendor, such as a credit, refund, or replacement item.

When you want to return an item to a vendor, complete the information on a vendor return authorization form including the following:

- The item to be returned
- The quantity of each item being returned
- The amount to be credited or refunded to you upon return of the item

A vendor return authorization is a non-posting record of an item you intend to ship back to the vendor it was purchased from. Each vendor return authorization you enter is assigned a unique return number that enables you to track the entire return process.

> **ⓘ Note:** This number is separate from the RMA number issued by the vendor. You can track both numbers on the vendor return authorization.

This is considered a purchase transaction, and is non-posting.

Enable Vendor Return Authorizations

To enable vendor return authorizations, go to Setup > Company > Enable Features . On the Sales Transactions subtab, check the Vendor Return Authorizations box and click Save.

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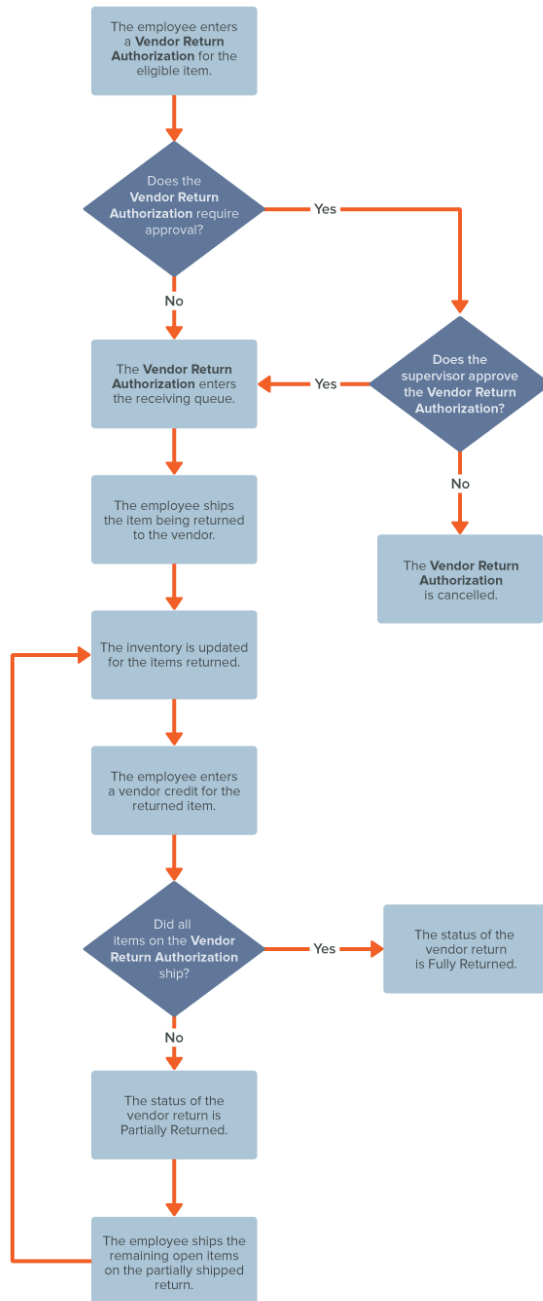
Entering a Vendor Return Authorization

NetSuite offers two ways to create a vendor return authorization:

- To create an individual vendor return authorization:.

- To create a vendor return authorization from an existing purchase order:.

  This creates a vendor return authorization that automatically shows the items and prices from the original purchase.

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> ⓘ **Note:** After you enter a quantity for an item on a vendor return authorization, note the following about changing the quantity later:

- Returning fewer items than you ordered is allowed.
- Increasing the quantity or changing the rate will create an improper G/L impact and is not recommended.

To create an individual vendor return authorization:

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.
2. Complete the form as described in the sections below.
3. Click **Save**.

   After you click **Save**, the vendor return authorization is recorded in the Vendor Return Authorizations register, a non-posting account in your chart of accounts.

Primary Information

1. The **Subsidiary** field displays the subsidiary associated with this transaction.

   > ⓘ **Note:** This field appears only if you use NetSuite OneWorld. If you have defined vendor records that are shared with multiple secondary subsidiaries, you can change the subsidiary where the vendor return is authorized. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

2. Optionally enter a reference number for this return transaction. Typically, this is a number provided by the vendor after they approve the return. This number may be referred to by the vendor as an RMA number or return number.

3. Select a vendor.

   If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, the **Vendor** field lists all of the vendors that are assigned the selected subsidiary.

4. The status of the approval can be one of the following:
   - Pending Approval
   - Pending Return

   > ⓘ **Note:** By selecting Pending Return, the authorization skips the approval process.

   If your company uses the approval process for vendor return authorizations, Pending Approval is your default status. If your company does not use the approval process, Pending Receipt is your default status.

   The default status for return authorizations is set by an administrator at Setup > Accounting > Accounting Preferences on the **Order Management** subtab. You can change the status for each vendor return authorization in this field, if needed.

5. Accept or enter the date.

6. The vendor's currency appears in the **Currency** field. All currency amounts on this transaction are shown in this currency.

7. The currency's exchange rate is shown in the **Exchange Rate** field. You can edit the exchange rate for this transaction only, or you can update the currency record with the exchange rate you enter here.

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8. In the **Memo** field, you can enter information about this return, such as the reason for the return. What you enter in this field appears on reports.

Classification

1. Select a department, class or location if you track them.

Expenses and Items

1. On the **Expenses** subtab, select an account to associate with this vendor return.

2. Enter expenses associated with this return that you want to show on a vendor credit when this return is fulfilled.

   Both items and expenses show on a vendor credit. However, only items show on a return fulfillment. Expenses **do not show** on return fulfillments.

3. If this expense is for a particular customer, select that customer in the **Customer** column.

   > **(i) Note:** If you use NetSuite OneWorld and the selected customer is shared with multiple subsidiaries, you can choose any customer associated with the selected subsidiary. For information about sharing customer records with multiple subsidiaries, see the help topic Assigning Subsidiaries to a Customer.

4. Click **Add** after each entry.

5. Click the **Items** subtab and select the item you are returning.

6. Enter information about items being returned:

   a. Click **Add Multiple** to add several items to this transaction.

      The Choose Item window opens and shows a list of items you can add.

   b. Filter the list by item type or name.

   c. In the left pane, click an item to add it to the right pane.

   d. Enter an item **Quantity**.

   e. Click **Done**.

      Items and quantities shown in the right pane are added to the transaction.

   If the item being returned is a serialized item:

   1. Enter the item number in the **Item** field.

   2. Click **List**.

   3. Select the serial number purchased from the vendor you chose in the **Vendor** field.

   4. Enter the serial number and the item number automatically fills the **Item** field.

7. If this item is for a particular customer, select that customer in the **Customer** column.

   If the selected customer is shared with multiple subsidiaries, you can choose any customer associated with the selected subsidiary.

8. Click **Add** after each entry.

Billing

1. Click the **Billing** subtab.

2. In the **Vendor Select** field, choose a vendor.

3. Verify the billing address displayed in the **Vendor** field. To change the address, click the Edit button to the right of the Vendor Select field.

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Relationships

1. The primary contact for the vendor is selected automatically. To edit information for this contact, click the contact's name.

2. You can also add contacts to this order by entering the contact's information and clicking **Add**.

Communication

1. Use the **Events**, **Tasks**, and **Phone Calls** subtabs to attach activities to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

2. On the **Files** subtab, you can select and attach files from the File Cabinet related to this transaction. Select **New** to upload a new file to File Cabinet.

3. On the **User Notes** subtab, you can enter a title and note for any comments you want to add to this transaction. Click **Add** after each note.

To create a vendor return authorization from an existing purchase order:

1. Go to Transactions > Purchases > Enter Purchase Orders.

2. Click **View** next to the purchase order.

> **Note:** Only purchase orders with a status of Pending Bill or Fully Billed will show the **Authorize Return** button. Purchase orders with a status of Pending Receipt or Pending Billing/Partially Received do not show the **Authorize Return** button.

3. Click the **Authorize Return** button.

   A vendor return authorization opens that shows all items from the original order.

   You will receive a popup warning if there are existing return authorizations associated with this order.

   If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, the **Vendor** field lists all of the vendors that are assigned the subsidiary associated with this transaction. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

4. On the **Expenses and Items** subtab, click the **Items** subtab and verify that all items on the return authorization are being returned.

   If some items are not being returned, remove them by clicking the line-item and then clicking **Remove**.

5. Verify the quantity being returned.

6. For information on completing the form, read Expenses and Items, Communication, and Relationships.

7. Click **Save**.

After you click Save, the vendor return authorization is recorded in the Vendor Return Authorizations register, a non-posting account in your chart of accounts.

Approving or Cancelling a Vendor Return Authorization

You can use the vendor return authorizations approval process to keep track of what is being returned and why. For example, a supervisor can review a return authorization entered by an employee to

determine if the item really needs to be returned. Then, the supervisor approves the return of the item or cancels the return.

To approve an authorized vendor return:

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.

2. To open a specific authorization, in the **Select Return Number** field, enter the return number or scan the bar code for the return.

3. Filter the list of unapproved returns by selecting a date range in the date field or by entering dates in the **From** and **To** fields. Then, unapproved returns dated within the chosen date range show in the list.

4. In the **Approve** column, check the returns you want to approve.

   The **Amount** field updates to show the total amount of the approved returns.

   > (i) **Note:** Open each return individually to edit it and add a vendor RMA number.

5. Click **Submit**.

The return authorizations you approved can now be shipped and then credited.

To cancel a vendor return :

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.

2. Click **View** next to the return authorization you are cancelling.

3. Click **Cancel Return**.

Now, the return authorization is cancelled and no longer shows in lists of returns to process.

Shipping Authorized Vendor Returns

When you ship items to a vendor for an authorized return, mark the item as shipped to track the progress of the order through the return process.

To mark an authorized return item as shipped:

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.

2. Select the vendor whose authorized return you want to ship. Authorized returns for the vendor show in the list. If the authorized return you want to ship is not showing in the list, the return may need to be approved.

   Select **All** to show approved returns for all vendors.

3. In the **Return** column, check the box next to the authorized return you are shipping to the vendor.

4. Click **Submit**.

5. On the Item Fulfillment page:

   - verify information in the following fields:

     □ **Vendor** – the vendor you are sending the item to.

     □ **Date** – the date the return is shipped

     □ **Ref. No.** – the reference number of the return you are shipping

6. On the **Items** subtab, in the **Quantity** column, verify or enter the number of units of each item you are shipping.

7. Check the box in the **Fulfill** column next to items you are shipping.

8. When you have finished, choose one of the following:

   - Click **Save** to save the information.

   - Click **Save and Credit** to save the information and enter a bill credit for this return. Only the amount for items you shipped will show on the bill credit.

   - Click **Save and New** to save the information and enter a new authorization.

   - Click **Save and Print** to save the information and print a packing slip for the return.

     > (i) **Note:** You can also print a packing slip for a vendor return by going to Transactions > Management > Print Checks & Forms. Click **Packing Slips and Return Forms**. Be sure to check the **Allow Reprinting** box.

     You can also create a custom packing slip form at Setup > Customization > Forms > Transaction Forms . Click **Customize** next to Standard Packing Slip. Optionally set it as the preferred packing slip by doing one of the following:

     - Check the **Form is Preferred** box to use the custom form for all packing slips.

     - Click **Edit** next to a custom Vendor Return Authorization in the list and click the **Linked Forms** subtab. In the **Packing Slip** field, select the custom packing slip you created.

   - Click **Save and Print Label** to save the information and print a shipping label.

Now, the items on the vendor return authorization are marked returned and your inventory is automatically updated with the items that have been shipped.

To see what has already been received and billed for a return authorization, view the return authorization record and click the Related Records subtab.

Vendor Return Authorization Status

Each vendor return authorization has a status that reflects where the return is in the shipping and crediting process.

To see the status of a return authorization:

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.

2. The list shows the status of each return authorization in the Status column.

   Depending on whether the Advanced Shipping feature is enabled, the status of a return could be as follows:

   - With **Advanced Shipping on**:

     - **Pending Approval** – The return is not yet approved.

     - **Pending Return** – The return is approved and pending the shipment of items to the vendor.

     - **Partially Returned** – Not all items have been shipped to the vendor.

     - **Pending Credit** – All items on the return are shipped to the vendor and it is pending the creation of a vendor credit. This can include partially credited returns.

     - **Pending Credit/Partially Returned** – Some items on the return are shipped to the vendor and it is pending the creation of a vendor credit for shipped items.

- **Credited** – The return is completely shipped and credited.
- **Cancelled** – The return has been cancelled.
- **Closed** – The return is closed.
- With **Advanced Shipping off**:
  - **Pending Approval** – The return is not yet approved.
  - **Pending Refund** – The return is approved and is pending receipt and refund of the item.
  - **Partially Credit** – The return is partially shipped and credited.
  - **Credited** – The return is completely shipped and credited.
  - **Cancelled** – The return has been cancelled.
  - **Closed** – The return is closed.

The default status for vendor returns is set by an administrator in the Returns section on the Order Management subtab at Setup > Accounting > Preferences > Accounting Preferences.

- If you use the approval process for vendor return authorizations, **Pending Approval** is your default status.
- If you do not use the approval process, **Pending Receipt** is your default status.

You can change the status for each vendor return authorization in the Status field, if needed.

You can click Show Activity on a vendor return authorization record to see what has already been shipped and credited for a return.

Crediting an Authorized Vendor Return

After a vendor return has been approved, enter a vendor credit, or bill credit, for the amount of the returned items. This enables you to track credit owed to you by a vendor so you can apply the credit to vendor bills.

If you use the Advanced Shipping feature, you can enter a bill credit for the amount of the item before you ship it. If you do not use the Advanced Shipping feature, you credit items only as you ship them and entering a vendor credit both returns and credits the item.

To enter a bill credit for returned items:

1. Go to Transactions > Purchases > Credit Vendor Returns.
2. Select the vendor.

   All open vendor return authorizations appear in the list.

   > (i) **Note:** If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, you can associated this bill credit with any of the subsidiaries assigned to this vendor. The items that can be credited reflect the combination of the selected vendor and subsidiary. To learn more, see the help topic Assigning Subsidiaries to a Vendor.

3. If you use the Bar Coding and Item Labels feature, you can scan or enter the return authorization number in the **Select Return Number** field.
4. In the **Credit/Refund** column, check the return you want to credit.
5. Click **Submit**.

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A bill credit opens.

6. Verify the information on the transaction such as items and amounts. Enter any necessary changes.

7. Click **Save**.

A credit records the amount of the return which you can apply to vendor bills.

Drop-Ship Order Vendor Returns

When your customer wants to return an item that they received directly from the vendor via a drop-shipment, you can process the return in NetSuite without affecting your inventory records.

When you are entering the vendor return authorization, on the Items subtab, check the box in the Drop Shipment column for any items the customer received via a drop shipment.

- The Drop Shipment box is automatically checked if you create the return authorization from the sales order for drop-shipped items.

- The Drop Shipment box is **not** automatically checked if you create the return authorization from a vendor bill.

When you fulfill returns for items that are marked Drop Shipment, the return is processed as a non-inventory item and has no accounting impact. The return transaction verifies that the item has been returned to the vendor and makes the authorization eligible for a vendor credit.

> ⓘ **Note:** Drop-ship returns for serialized items do not require a serial number on the shipment transaction.

Closing Line Items on Vendor Return Authorizations

On vendor returns, you are able to close line items manually when you do not intend to send open items on the order.

For example, you return ten widgets to a vendor and have not yet returned five more you expect in the warehouse. You find out the customer is keeping the items and you will not receive the remaining five. If you close the line manually instead of changing the quantity, you retain a record of how many you originally expected to send.

> ⓘ **Note:** If you are going to close a line item on a vendor return manually, credit the vendor return before you close the line. When all lines on a vendor return are shipped or closed manually, the vendor return is removed from the credit queue and the shipping queue.

To close a line item on a vendor return manually:

1. Go to Transactions > Purchases > Enter Vendor Return Authorizations.

2. Click **Edit** next to the vendor return with the line you want to close.

3. On the **Items** subtab of the vendor return, click the line you want to close.

4. Check the box in the **Closed** column, and click **Done**.

5. Click **Save**.

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You can also close line items on the following forms:

- Sales Order
- Return Authorization
- Purchase Order

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Vendor Credits

A vendor credit is a transaction to show credit from a vendor that you can apply to your payables account. Vendors might credit your account if you return merchandise to them or negotiate a discount after receiving an invoice.

You can apply vendor credits to vendor bills when you make payments and the credit decreases the payable amount due to the vendor.

To view vendor payments:

1. Go to Transactions > Payables > Enter Vendor Credits > List.

Entering a Vendor Credit

You may need to enter a transaction to show credit from a vendor to apply toward your payables account. For example, if you have returned merchandise to a supplier or received a discount after receiving the invoice, you can enter a vendor credit for all or part of the amount of the invoice.

You can enter a vendor credit as a way to record a deposit paid on a purchase order (PO).

There are three ways to create a vendor credit:

- You can create a credit manually that is not necessarily associated with an existing bill. This could be useful to record credit or a discount negotiated from your vendor either after receiving a bill or independent of any bills.

  See To entering a vendor credit manually:.

- You can create a credit directly from an original vendor bill.

  This is useful to record credit for some or all items on an existing bill and automatically associates the credit with the original bill.

  See Creating a Vendor Credit Directly from a Vendor Bill.

- You can create a vendor credit directly from a vendor return. Then, the items and amounts automatically completes the credit form and the credit is associated with the return.

  See Creating a Vendor Credit Directly from a Vendor Return.

Entering a Vendor Credit Manually

You can create a credit manually that is not necessarily associated with an existing bill. This could be useful to record credit or a discount negotiated from your vendor either after receiving a bill or independent of any bills.

To entering a vendor credit manually:

1. Go to Transactions > Payables > Enter Vendor Credits.
2. Complete the information in the sections described below.
3. Click **Save**.

Primary Information

1. On the Bill Credit page, specify the vendor who is issuing a credit.

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If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, you can associated this vendor credit with any of the subsidiaries assigned to this vendor. The items that can be credited reflect the combination of the selected vendor and subsidiary. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

2. Select the accounts payable account that will be affected by this transaction.

3. You can enter the currency amount of the transaction, but NetSuite updates this amount as you add or edit line items.

4. The currency selected on the vendor's record appears in the **Currency** field. All currency amounts on this transaction are shown in this currency.

5. The current exchange rate for this vendor's currency appears in the **Exchange Rate** field. Enter a new exchange rate to update this currency's exchange rate.

6. Accept or enter the date for the transaction.

7. In the **Reference No.** field, you can enter a reference number for the credit.

8. Select the period you want to post this credit to.

9. Enter a note about the transaction in the **Memo** field.

Items subtab

1. On the **Items** subtab, NetSuite updates the amount showing in the **Applied** and **Unapplied** fields as you add and edit line items.

2. On the **Expenses & Items** subtab, check the **Auto Apply** box if you want NetSuite to apply the credit amount to the oldest outstanding vendor bills.

   NetSuite remembers your preference for using the Auto Apply box on vendor credits. The next time you enter a vendor credit, the Auto Apply box is checked or cleared by default based on the last vendor credit you entered.

   If the expense or item is for a particular customer, select that customer in the **Customer** column.

   > (i) **Note:** If you use NetSuite OneWorld and the selected customer is shared with multiple subsidiaries, you can choose any customer associated with the selected subsidiary. For information about sharing customer records with multiple subsidiaries, see the help topic Assigning Subsidiaries to a Customer.

3. Enter the credit information:

   - Click the **Expenses** subtab to credit non-inventory items. Specify the account number that was originally used for the purchase that is now being credited. Enter the amount and any other notations about this credit.

   - Click the **Items** subtab to credit inventory items.

     a. **To add multiple items to this transactio** n:

     b. Click the **Add Multiple** button.

        The Choose Item window opens and shows a list of items you can add.

     c. Filter the list by item type or name.

     d. In the left pane click an item to add it to the right pane.

     e. Enter an item quantity.

     f. Click **Done**

        Items and quantities shown in the right pane are added to the transaction.

4. Click the **Apply** subtab to apply the credit toward a specific vendor bill.

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5. Clear or check the box in the **Apply** column next to bills to determine which bills the credit is applied to.

6. Enter a new exchange rate to update this currency's exchange rate.

   NetSuite updates the amount showing in the **Applied** and **Unapplied** fields as you add and edit line items.

7. When you finish adding information about an item or expense, click **Add**.

Billing subtab

1. Click the **Billing** subtab.

   a. In the **Vendor Select** field, choose a vendor.

   b. Verify the billing address displayed in the **Vendor** field. To change the address, click the Edit button to the right of the Vendor Select field.

Relationships

1. Click the **Relationships** subtab to add information about contacts. The primary contact for the customer is selected automatically. To edit information for this contact, click the contact name.

   You can also add contacts to this order by entering the contact information and clicking **Add**.

Communication

1. On the **Communication** subtab, enter files or activities related to this transaction.

   ▪ Use the **Events**, **Tasks**, and **Phone Calls** subtabs to attach activities to this transaction. For more information, see the help topic Attaching Events, Tasks, and Calls to Records and Transactions.

   ▪ On the **Files** subtab, you can select and attach files from the File Cabinet related to this transaction. Select **New** to upload a new file to File Cabinet.

   ▪ On the **User Notes** subtab, you can enter a title and note for any comments you want to add to this transaction. Click **Add** after each note.

Creating a Vendor Credit Directly from a Vendor Bill

To create a vendor credit from a vendor bill:

1. Go to Transactions > Payables > Enter Bills.

2. Click **View** next to the bill you want to credit.

3. Click the **Credit** button.

   The Bill Credit opens and automatically enters the items and information from the original bill:

   ▪ Vendor name

   If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, you can associated this vendor credit with any of the subsidiaries assigned to this vendor. The items that can be credited reflect the combination of the selected vendor and subsidiary. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

   ▪ Bill number to apply against

- Items to be credited
- Expenses to be credited

4. Verify that the credit information showing on the bill is correct. If necessary, modify the amount to be credited for an item or expense.

5. If you like, enter a credit number supplied by your vendor in the **Reference No.** field.

6. Click **Save**.

To apply vendor credits to your accounts payable balance for the vendor

1. Go to Transactions > Payables > Enter Vendor Credits.

2. If the vendor has sent you a refund by cash or check, record the deposit.

   To learn more, see the help topic Making Deposits.

3. After you have entered the vendor credit and recorded the deposit, you can associate the two by issuing a single vendor payment.

Associating a Vendor Credit with a Deposit

In your NetSuite account, you can associate a vendor credit with a bank deposit.

If the vendor has sent you a refund by cash or check, you first need to record the deposit.

To record a deposit:

1. Go to Transactions > Bank > Make Deposits.

2. On the **Deposits** subtab click the **Other Deposits** subtab.

3. Enter the vendor **Name**.

4. Enter the **Amount**.

5. Enter the accounts payable account beside the amount.

   Be sure this is the same Accounts Payable account on the Vendor Credit.

6. Click **Save**.

To associate the vendor credit and the deposit:

1. Go to Transactions > Payables > Pay Single Vendor.

2. In the **Payee** field, choose the name of the payee.

   The bill credit and the deposit appear in the list at the bottom of the page.

3. In the **Account** field, choose the account in which you deposited the vendor's refund check.

4. Verify the **Exchange Rate**.

5. Verify or enter a **Date**.

6. If you use accounting periods, in the **Posting Period** field, choose the period you want this transaction to be recorded in.

7. Click the **Apply** subtab.

8. Check the boxes in the **Apply** column next to the bill credit and the deposit.

9. Click **Save**.

   Your vendor credit and deposit are now associated in NetSuite.

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Creating a Vendor Credit Directly from a Vendor Return

To create a vendor credit from a vendor return:

1. Go to Transactions > Payables > Enter Vendor Return Authorizations.

2. Click **View** next to the return authorization.

3. On the authorization, click **Refund**.

   A new bill credit opens with information automatically filled from the return authorization.

   If you have NetSuite OneWorld and you have defined vendor records that are shared with multiple secondary subsidiaries, you can associated this vendor credit with any of the subsidiaries assigned to this vendor. The items that can be credited reflect the combination of the selected vendor and subsidiary. For more information about globally shared vendor records, see the help topic Assigning Subsidiaries to a Vendor.

4. Verify the information showing on the bill credit and change or add information as necessary.

   For details about completing a bill credit form, read To entering a vendor credit manually:.

5. Click **Save**.

   The bill credit is now available to be applied to open bills.

Applying a Vendor Credit

You can apply vendor credits to decrease the amount owed to a vendor. When you apply a vendor credit against an open bill, the amount of the credit is deducted from the total amount of the bill.

You can apply a vendor credit to a bill on the credit transaction or on a payment transaction.

To apply vendor credit on the credit transaction:

1. Go to Transactions > Payables > Enter Vendor Credits.

2. On the **Bill Credits** page, click **Edit** next to the credit you want to apply.

3. On the **Bill Credit**:

   - Check the **Auto Apply** box if you want NetSuite to apply the credit amount to the oldest vendor bills due.

   - Click the **Apply** subtab to apply the credit toward a specific vendor bill.

   - Check the **Apply** box next to the bills you want the credit applied to.

4. Click **Save**.

Now, when you include the bill you credited on a payment, your payment amount reflects the vendor credit.

You can also apply vendor credits when you enter a payment transaction.

To apply credit on a bill payment:

1. Go to Transactions > Payables > Pay Bills.

2. On the **Bill Payment** page, check the **Pay** box next to each bill you want to pay and each credit you want to apply.

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You must have open bills from the vendor to apply a credit from that vendor.

3. Click **Save**.

The vendor credit is applied to the bills for that vendor, and the credit amount is deducted from the total amount paid to the vendor.

To apply credit on a single vendor payment:

1. Go to Transactions > Purchases/Vendors > Pay Single Vendor.
2. On the **Bill Payment** page, select the vendor you want to pay.

   Open bills and credits for that vendor appear.
3. Check the **Apply** box next to each bill you want to pay and each credit you want to apply.

   You must have open bills from the vendor to apply a credit from that vendor.
4. Click **Save**.

The vendor credit is applied to the bills for that vendor, and the credit amount is deducted from the total amount paid to the vendor.

After you have applied a vendor credit, you can review how it was applied in the following ways:

- **On a Payment**:
    1. Go to Transactions > Payables > Pay Bills.
    2. On the **Bill Payments** page, next to the payment, click **View**.

       The **Credits Applied** subtab shows which credits were applied.

- **On a Credit**:
    1. Go to Transactions > Payables > Enter Vendor Credits.
    2. On the **Bill Credits** page, next to the credit, click **View**.
    3. The **Apply** subtab shows which bills were credited.

If you void a bill payment, the credits previously applied no longer show on that payment.

> ⚠ **Important:** After you have applied credit to a bill, deleting the bill payment does not automatically unapply credits that were applied to it. You must unapply the vendor credits separately.

To learn more, see Removing Credits from Deleted Vendor Payments.

Removing Credits from Deleted Vendor Payments

It is important to understand that deleting a vendor bill payment or a customer payment does not automatically unapply credits that you have applied. If you need to delete a payment that includes bills or invoices with credits applied, you must open each credit and unapply it separately.

Vendor credits can be unapplied either before or after you delete a bill payment.

To unapply vendor credits:

1. Go to Transactions > Payables > Enter Vendor Credits > List.
2. Click **Edit** next to the credit you want to unapply.

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3. On the Bill Credit, click the **Apply** subtab.
4. Clear the **Apply** box next to the bill it is applied to.
5. Click **Save**.

After a vendor credit is unapplied, it can then be applied to another bill.

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