

# Customer Pays Vendor Directly for Product

Last Modified on 01/18/2022 9:49 am CST

Use the following if a customer is going to pay the vendor directly for product that has already been purchased from the vendor.

1. The product purchase can be entered normally using a Purchase Receipt and Purchase Invoice.
2. Invoice the customer for the product using a reasonable price. This will show delivery of the product.
3. Add a negative A/P Bill for the amount of credit from the vendor for the product delivered. Use the product's COGs or purchase account as the expense account. This credit will be available to offset existing vendor Invoices or can be applied to future Invoices.
4. At the *Payment on Account* screen, take a discount payment by entering the amount of the customer Invoice in the *Discount* field. Change the *Discount G/L Account* to the product's COGs or purchase account. Edit the *Discount* column in the grid for the Invoice line item to the invoiced amount and choose **Apply**. Select **Save** to save the payment.