

Partial Prepay to Vendor

Last Modified on 03/18/2026 10:28 am CDT

Sometimes a partial payment is paid to a Vendor to lock in a specific price for Product that will be purchased at a later date. An example of this might be prepaying \$0.05 per gallon for Propane to the Vendor which locks in an actual Product cost of \$1.05 per gallon.

1. If an Add-on charge for partial Vendor prepay does not already exist, go to *Setup / Inventory / Purchase Add-on Charges* and select **Add** to create a new Purchase Add-on Charge. Enter an *ID*, *Description*, *Rate Type*, and *Bill Type*. The rate may be set as a *Percent*, *Per Billing Unit*, or a *Flat Rate*. This rate type is editable at the Purchase Order depending on the contract type being prepaid. The *Classification* is an optional setting. If used, this Add-on Charge defaults onto any line item containing a Product with a matching Classification. This new Add-on Charge must be marked *Included in Vendor's Bill* to influence the amount paid.

The screenshot shows a dialog box titled "Add a Purchase Add-on Charge". It contains the following fields and options:

- ID:** DwnPP
- Description:** PrepayDwn
- Default this charge on products with this Product Classification:** <Classification>
- Rate:** 0
- Rate Type:** Percent, Per Billing Unit, Flat Rate
- Bill Type:** Included in Vendor's Bill, Accrue
- Accrue Options:** <G/L Account> and <Vendor>
- Buttons:** Save and Cancel

2. Add a Purchase Order at *Inventory / Purchase Orders*.
3. Mark the *Prepay* option on the Purchase Order.
4. Select the Product being purchased and set the *\$/Unit* as the amount being prepaid.

Add A Purchase Order

PO Detail | AP Bill | Ship To | Release Numbers

Date: 03/06/2026 | P.O. #: 32

Contract: []

<Vendor>: Andrew | Andrew Transport

<Customer>: []

<Comments>: []

Notes: []

Price By: \$/Unit | \$Total

Start Date: [] | Expiration Date: []

Discount: []

Terms ID: []

Pay By: [] | Disc Amt: []

	<Product Name>	Ordered	U	Received	Invoice	<\$/Unit>	Bill Unit	Prodid	<Add On
1	Propane	300.000	Gal			0.050	Gal	PropLP	

Freight: [] | Apply Freight: []

<Freight Vendor>: []

Total Weight: 0.000

Inco Term: []

Delivery Type: Delivery | PO Type: [] | Apply: []

Date Requested: [] | ETA: []

<Pickup/Delivery Location Name>: []

Total: [] | Import: []

Recalculate Add ons | Save | Cancel

5. Double-click in the *Add-On* field. If the Add-on Charge does not automatically show in the grid, double-click *<Charge ID>* and select the partial prepay Add-on Charge.
6. Set the *Rate* as the unpaid amount and set *Calculate as* to *Per Billing Unit*.
7. Choose **Calculate**. This displays the unpaid portion that will later be billed for this Purchase Order. Note that the new *\$/Unit* for this line item displays the full amount of the unit price so the Product's cost will be correctly updated.

Purchase Add-on Charges [X]

Product	Quantity	\$/Unit	Unit
Propane	300.000	0.050	Gal

	<Charge ID>	Rate	Calculate as	Charge \$	Apply To	<G/L Acct>	<Vendor>	P
1	DwnPP	1.000000	Per Billing... ▾	300.00	Vendor's Bill ▾	5580-00		<input type="checkbox"/>

\$/Unit to be added to the cost:

Freight \$/Unit:

New \$/Unit for this line item:

Total included in Vendor's Bill:

Calculate [Save] [Cancel]

8. **Save** the Purchase Add-on.
9. The Purchase Order now displays the amount booked. Selecting **Apply** calculates the amount of Prepay.
10. The PO can now be received against on a Purchase Receipt as normal. The Add-on Charge follows through based on the Purchase Order set up and quantity received.
11. The Purchase Receipt can then be imported into a Purchase Invoice. The Add-on Charges set up on the Purchase Order follow through the Purchase Receipt into the Purchase Invoice.