

Debtors/Creditors Contras – How to Record in Jim2®

Debtors and Creditors Contras

The new Debtors/Creditors contra feature makes it easy to handle 'swapping' multiple Debtor Invoices across to Creditors as a Credit, and the reverse: swapping Creditors Invoices (Purchase Orders) across to Debtors as a Credit.

In either case, once the Credit has been created, it can be applied as payment to outstanding Invoices as required.

Why would you use Contras?

It is often the case where you both buy and sell to the same CardFile, where the CardFile is set as both a Customer and a Vendor. Previously you had to contra Invoices by doing a separate Debtors/Creditors Adjust Up/Down for each invoice you wanted to transfer. With Contras you simply indicate which Invoices you wish to transfer and contra them in one process.

Invoice #	Date	Invoice Amt	Paid Amt	Discount	Account Fee Discount	Paid Now	Balance Due	Date Due	Paid
18	15/07/2008	2275.00	0.00			2275	0.00	05/08/2008	
27	30/04/2010	73317.20	0.00				73317.20	21/05/2010	
28	30/03/2010	12255.10	0.00				12255.10	20/04/2010	

It is up to you whether you do a Creditors Contra from Debtors, or a Debtors Contra from Creditors, but as a general rule it depends on which side you wish to create the Credit.

How to do a Contra?

Contras work the same from both Debtors and Creditors.

This example is from Debtors to Creditors, doing a 'Payment By' Creditors Contra.

Edit the Debtor

Select **Type** and select **Creditors Contra** from the drop down list. Enter or click off the amounts against the Invoices as normal.

Click **Save**.

The Invoices will be then marked as paid and a corresponding Credit will be created in Creditors. This credit can then be applied against Purchase Orders in Creditors as normal.

Reversing a Contra

You can reverse or delete (depending on Options) a Contra Payment much the same as any other payment, that is, in the case of a Creditors Contra from Debtors, locate the Creditors Contra from the payments tab of the Debtors, and click Unallocate. Any applied payments will then be unallocated, and then click Reverse or Delete. Keep in mind that if the corresponding credit created in Creditors is allocated, you will need to unallocate these from Creditors first.

New Contra Transaction Journal Types

From an accounting point of view, one of two new Transaction Journal entries will be created when doing a Contra.

Journal Type	Description
D2C	Generated when doing a Creditors Contra from Debtors
C2D	Generated when doing a Debtors Contra from Creditors

Both D2C and C2D journal types simply offset Debtors to Creditors as required.