

Purchasing Merchandise with Cash from Flea Markets, Garage Sales and Estate Sales.

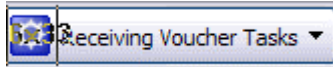
From time to time, you may purchase merchandise for your store from flea markets, estate sales or other venues where you pay cash. Although this is different from placing an order with a vendor, you still need to enter the merchandise into Point of Sale. **This is SO important.** To assure accurate records, all merchandise you intend to sell must first be entered in POS.

Create a vendor called Flea Market. An alternative is to create a vendor with your name that can be used for all purchases you make other than your customary vendors.

If the items you purchase from a flea market are one of a kind (you will not be stocking them as inventory in the future) you can create Special Order Items.

In POS, choose to Receive Items.

Depending on the version of POS you are using, either choose New Special Order Item from the bottom left hand button Receiving Voucher Tasks or from the top left button (POS 6.0)



Enter your vendor name (either Flea Market or your own name) Department Name, a description for the product, the sale price and the **order cost**. Do not enter anything in the Average Unit Cost.

IMPORTANT: Leave the On-Hand Quantity zero. The correct quantity will be entered as you complete the receiving voucher.

Choose Save and Select to enter the item on the receiving voucher. Here you can adjust the quantity if it is more than one.

Complete the receiving voucher with other items you have purchased and make sure you complete the Invoice/Reference# field with an entry of your choice. DO NOT mark the Already Paid checkmark.

Once you sync with QuickBooks, this receiving voucher will appear in your Bills to Pay window. Now you will need to “pay the bill” even though in reality you have already paid for the merchandise.

In QuickBooks Financial, create a bank account called “Cash” or “Petty Cash”. Do not confuse this account with your Cash in Drawer account, which tracks the actual funds in your physical cash drawer.

Click on your new Cash account to bring up the register. If you withdrew money from your business checking account to pay for your flea market merchandise, enter a deposit in your Cash register and your business checking for the corresponding account. If you used personal funds to purchase the merchandise, use your Owner’s Investment account as the corresponding account.

Go to you Bills to Pay window and select the flea market bills that have come over from Point of Sale. Choose Check for the Payment Method, and choose Petty Cash for the Payment Account. Choose to Assign Check # and enter Cash or another reference number. You can also leave this field blank.

That's it. Your merchandise has now been entered correctly in POS and paid for correctly in QuickBooks.

As a reminder, ALL receiving vouchers from POS that contain an invoice/ref # will flow into the Bills to Pay window in QuickBooks. Whether you pay these bills by check, credit card or cash, you must always pay them through this window. Never go to Write Checks to pay these bills because the originals will be left in your Accounts Payable and your Asset and Cost of Goods accounts will be wrong.

All receiving vouchers that have a blank invoice/ref# will go into a QuickBooks account called Unbilled Purchases. Check this account often to make sure it does not contain any receiving vouchers that have been received in full and need to be paid.