BK & OSS

FUNDAMENTALS OF PURCHASE



What Is Purchase?

In business world, Purchase refers to the process of buying raw-material & other supplies required to produce the product and includes various activities like requisition, approval, ordering, recording, receipts and supplies.



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Participants of Purchase:

- **Procurement** is the act of purchasing.
- **Vendors** (Suppliers) - The one who that sell products or services to other businesses.
- **Buyer –** The one who is willing to buy the products.



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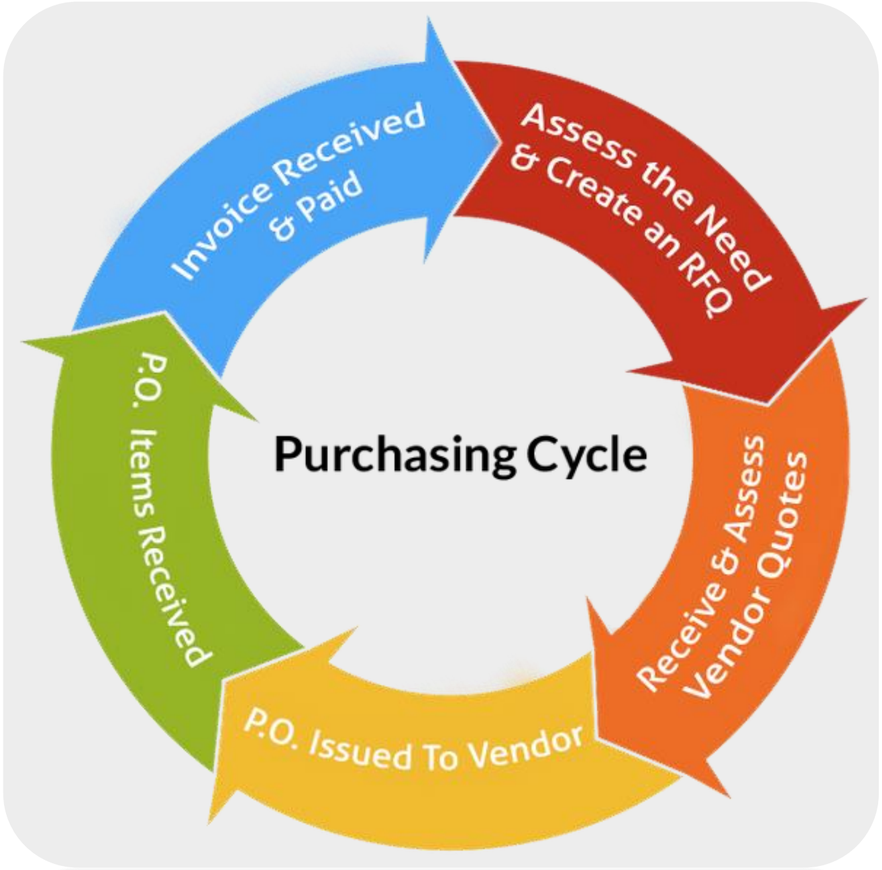
PURCHASE CYCLE

Quotation – Request for quote(RFQ) is a document used by a business to ask another company for the price of a product or service.

Purchase Order - Purchase orders are usually used by businesses who are ordering goods in large quantities

Invoice – Invoice provide detailed information that comes in handy for financial reporting.

Credit Note **-** It should be Adjusted towards the payment to invoice.

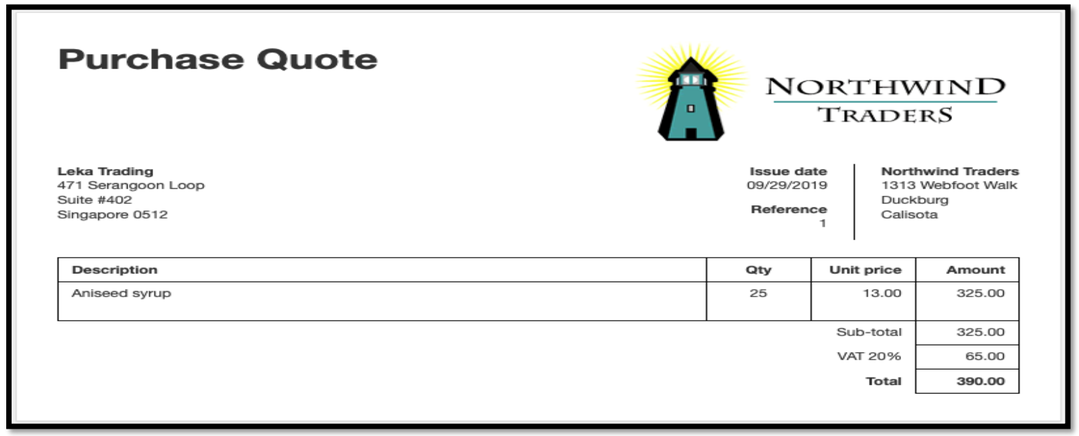


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PURCHASE CYCLE

Quotation



Purchase Quote

NORTHWIND TRADERS

Leka Trading
471 Serangoon Loop
Suite #402
Singapore 0512

Issue date
09/29/2019

Reference
1

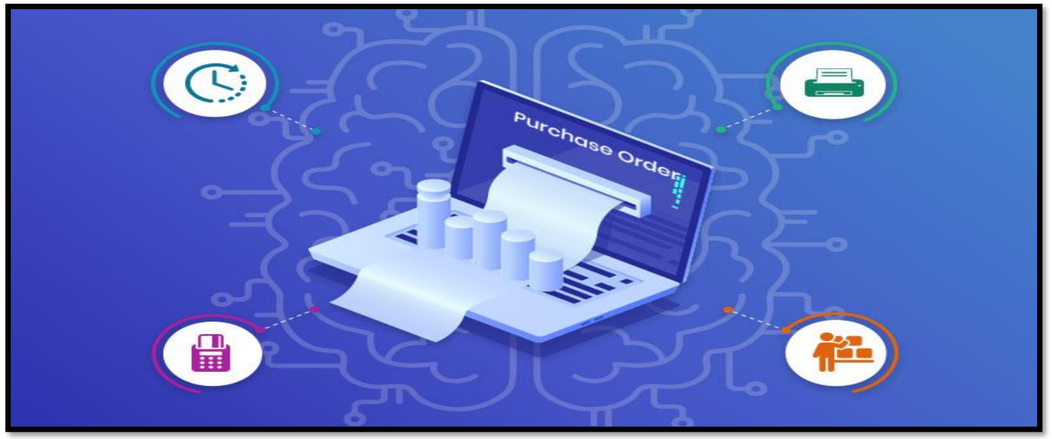
Northwind Traders
1313 Webfoot Walk
Duckburg
Calisota

Description	Qty	Unit price	Amount
Aniseed syrup	25	13.00	325.00
		Sub-total	325.00
		VAT 20%	65.00
		Total	**390.00**

A quotation is a document that a **seller provides to a buyer** to offer goods or services **at a stated price** under **specified conditions**.

It helps **to ensure** that the correct materials and services are **obtained at the best possible prices**

Purchase Order



(PO) help businesses **understand and account for all the goods or services** that they have requested.

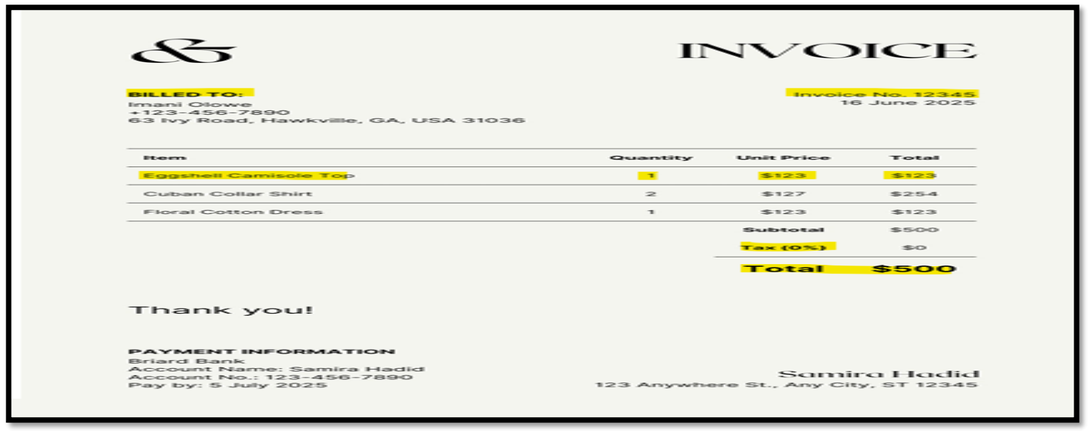
POs to keep tabs on **additional, relevant information** such as quantity, delivery instructions, cost, terms, and date required.

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PURCHASE CYCLE

Invoice



INVOICE

BILLED TO:
Imani Olowe
+123-456-7890
63 Ivy Road, Hawkville, GA, USA 31036

Invoice No. 12345
16 June 2025

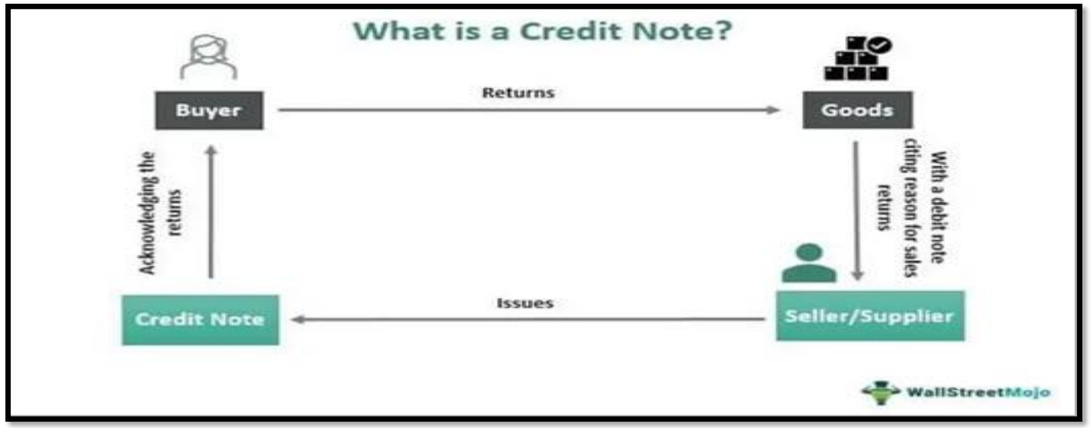
Item	Quantity	Unit Price	Total
Eggshell Camisole Top	1	$123	$123
Cuban Collar Shirt	2	$127	$254
Floral Cotton Dress	1	$123	$123
		Subtotal	$500
		Tax (0%)	$0
		Total	$500

Thank you!

PAYMENT INFORMATION
Briard Bank
Account Name: Samira Hadid
Account No.: 123-456-7890
Pay by: 5 July 2025

Samira Hadid
123 Anywhere St., Any City, ST 12345

Credit Note



An Invoices are essential for businesses of any size because they make it possible for you to receive payment for your products or services.

Invoices act as legal proof that an expense took place, which is necessary for maintaining accurate accounting records.

A credit note is a financial document **issued by supplier** companies **to reduce the amount owed** to them **by the buyers.**

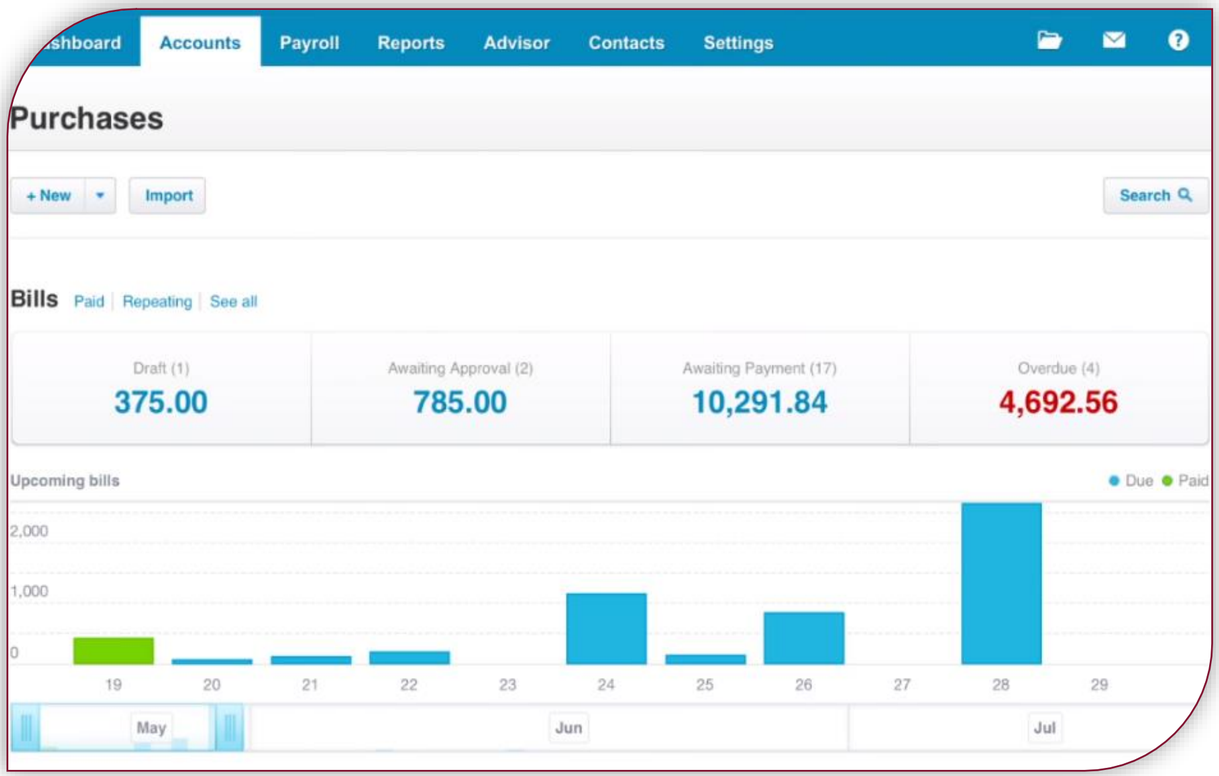
On account of sales returned by the buyer due to quality issues, service rejection, or damaged goods receipt.

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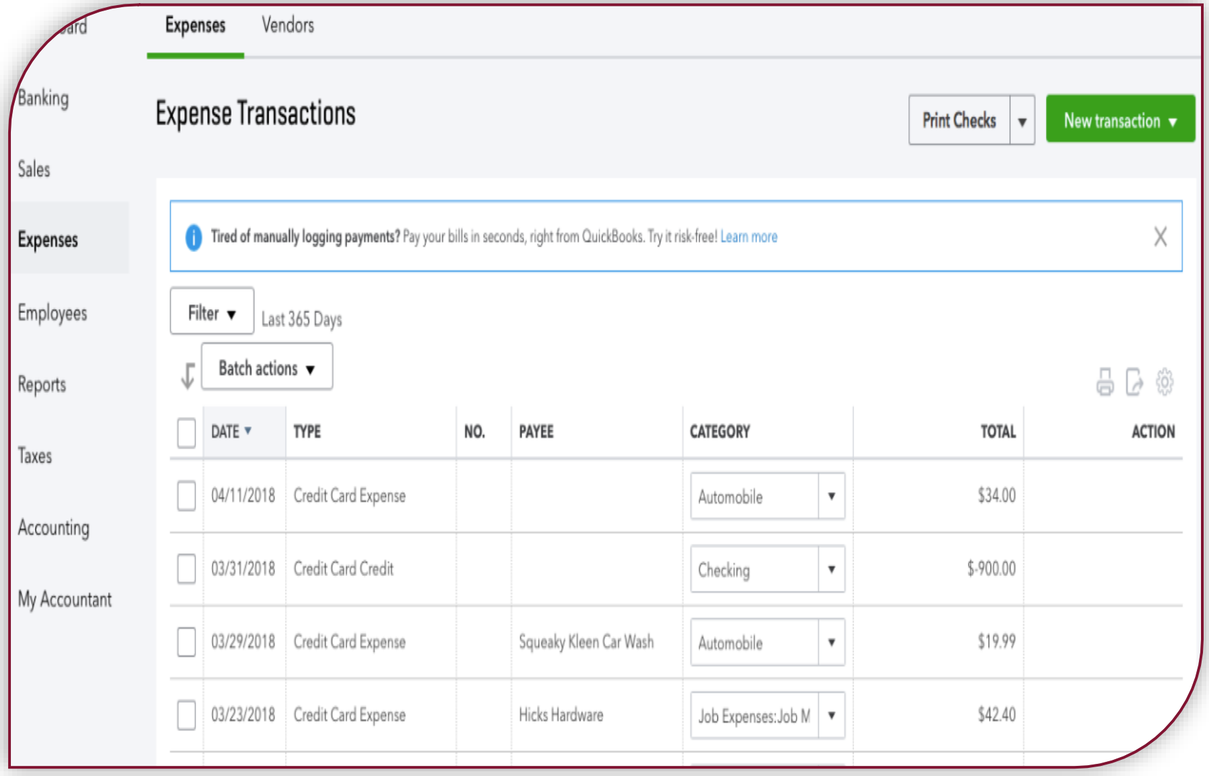
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OVERVIEW OF PURCHASE IN ACCOUNTING SOFTWARE

In XERO



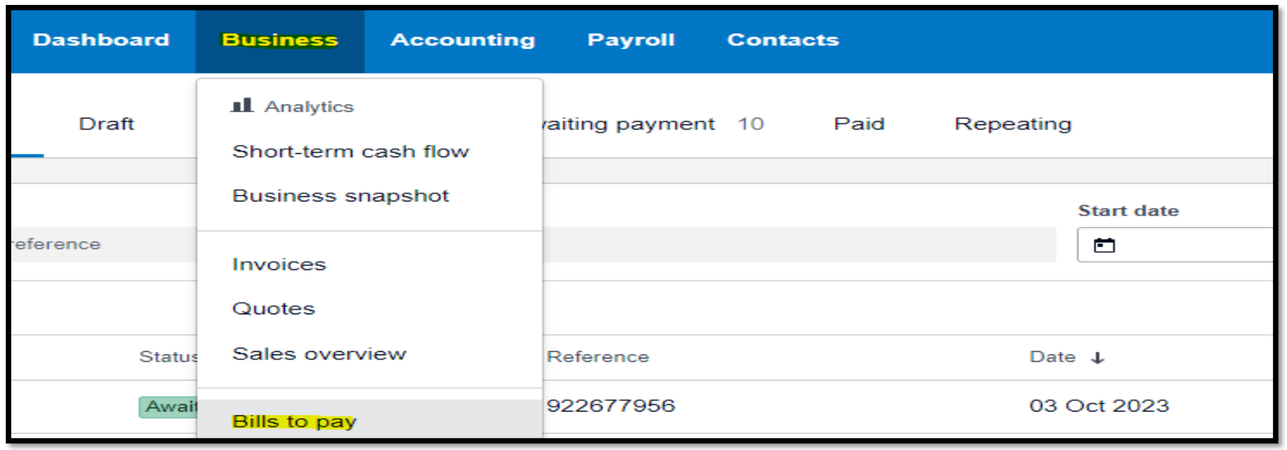
In QuickBooks

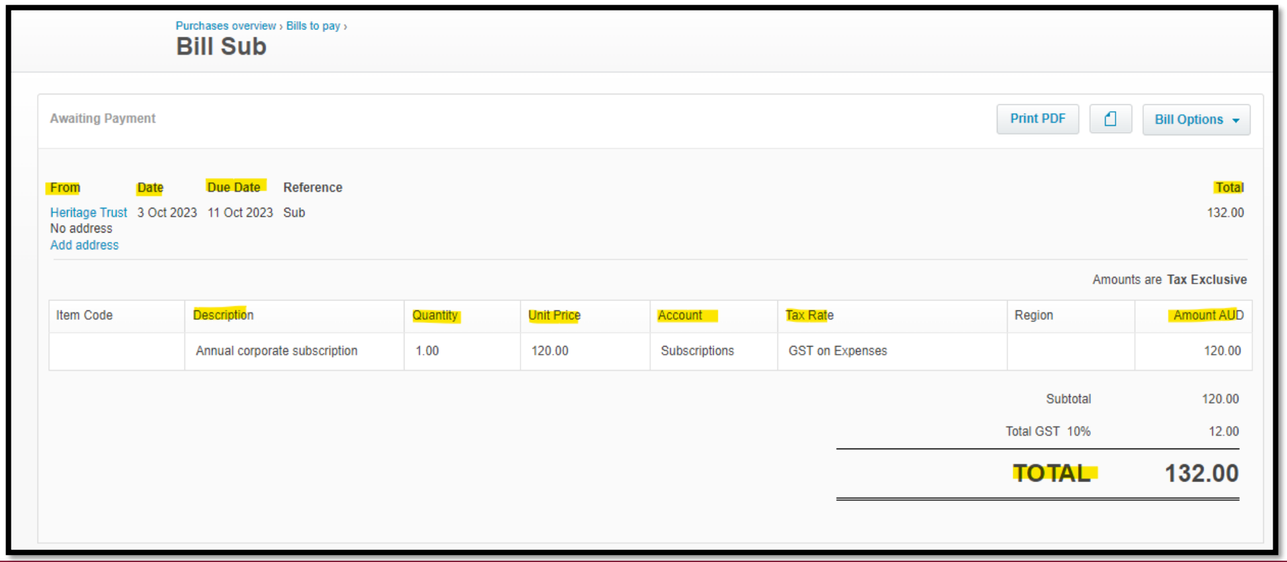


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NEW BILL IN XERO





In the **Business** menu, select **Bills to pay**, click **New bill**

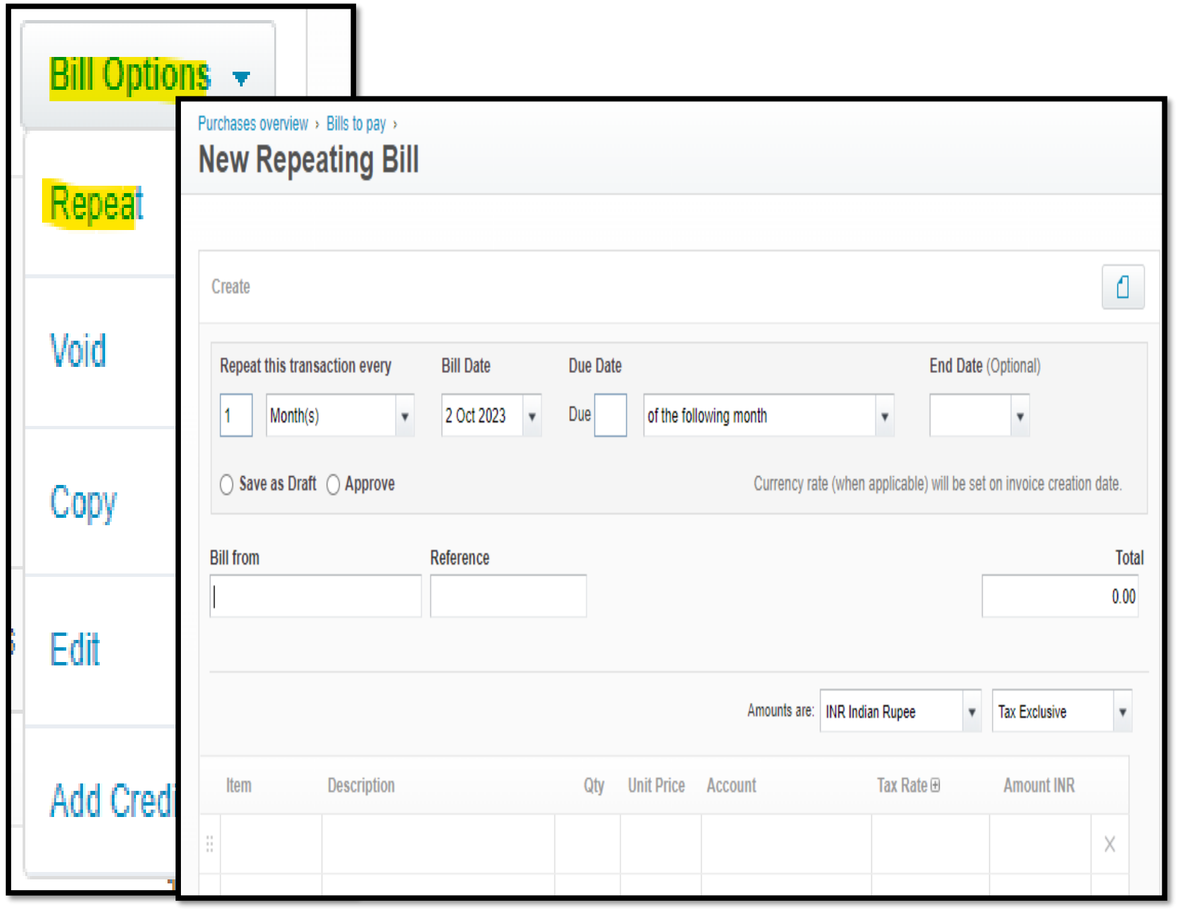
<u>To fill out the required details such as;</u>

- **Contact –** To select a supplier name
- **Date –** The Receiving date of the bill
- **Due Date –** The due has receiving from the goods or service.
- **Description –** Detailed information about the goods as received from Quantity of the unit price such product , Tax fields.
- **Account** – Based on nature of expense need to code the appropriate GL
- **Amount value –** Inclusive or Exclusive of GST + Product value.

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NEW REPEATING BILL IN XERO



In the **Business** menu, select **Bills to pay**,

1. click **New bill**,
2. select **New repeating bill.**
3. On an existing transaction, from **Bill Options**, select **Repeat**.

<u>Enter the information in the repeating transaction fields.</u>

To set up an annual repeating template, under the **Repeat this transaction every** option, select

- **52** and **Week(s)** to repeat the bill on a particular day of the week.
- **12** and **Month(s)** to repeat the bill on a particular calendar date.

“If supplier updated invoice amount or rate or quantity, then we should update our repeating settings or else edit in draft invoice.”

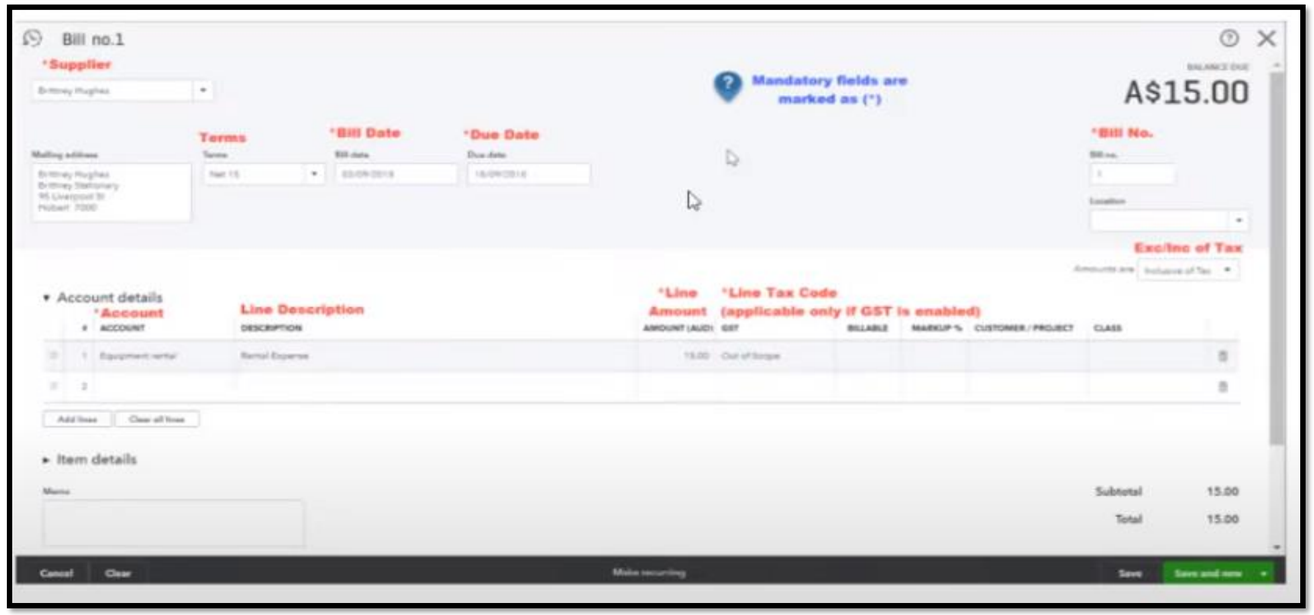
All fields are mandatory except **End Date** and **Reference**.
Then Save and close.

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NEW BILL IN QB





Go to the **Expense** menu, then select **new transactions**

Select a vendor from the dropdown, then fill out the required fields:

Date - The date you received the bill.

Amount - The total amount of the bill.

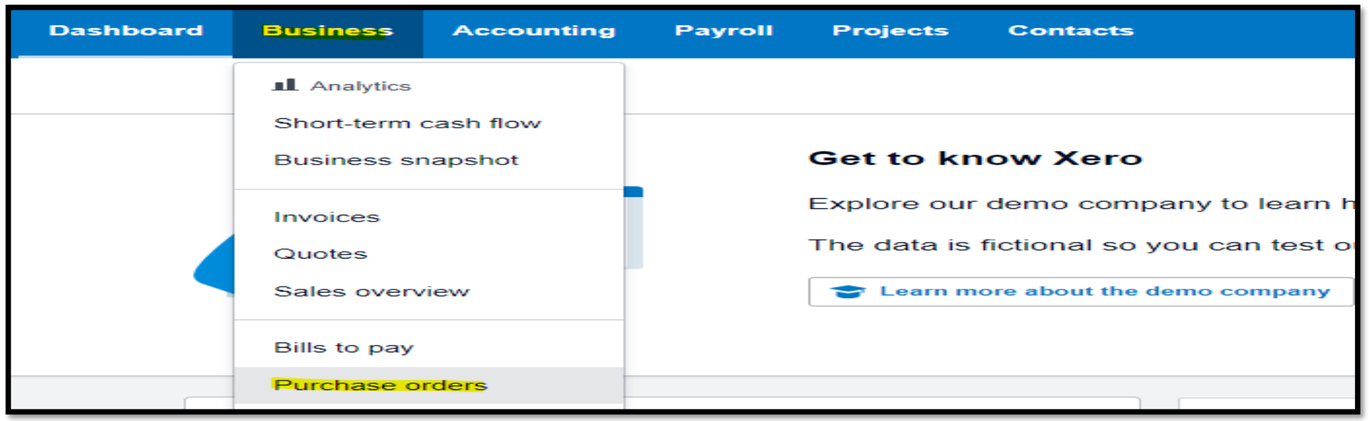
Due date - The due date of the bill.

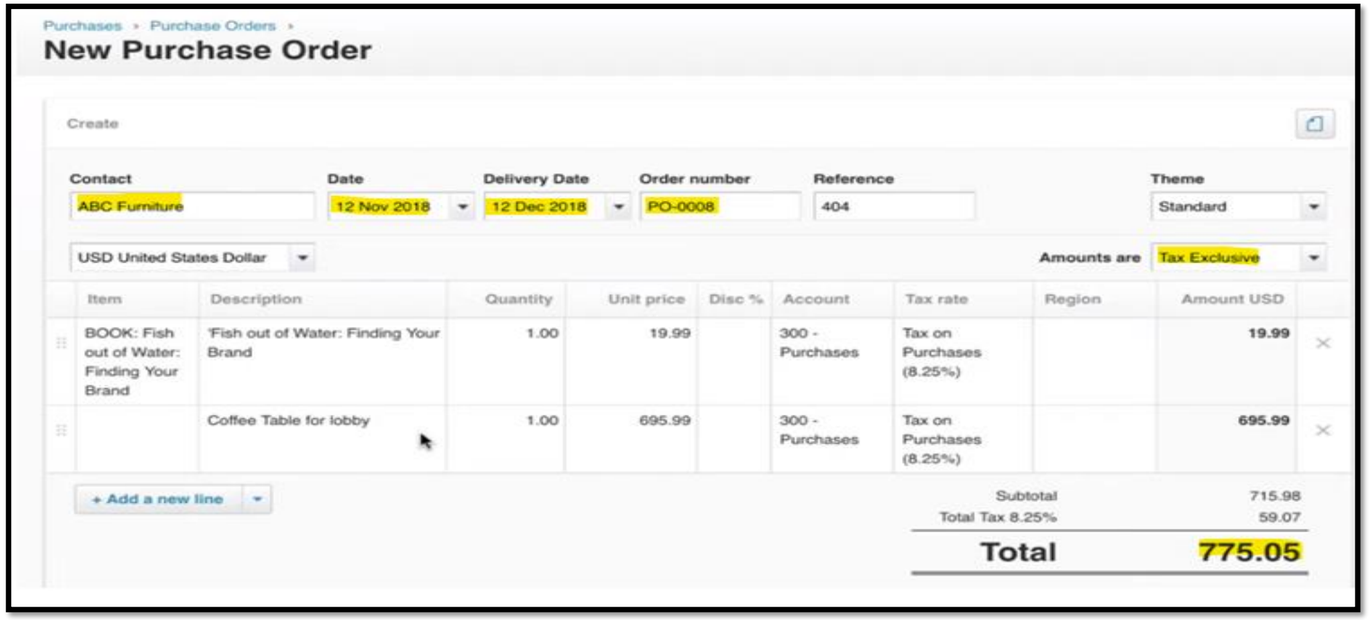
Select **Save** to record the bill.

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PURCHASE ORDER IN XERO





Go to the purchase to oversee a summary of all your bills and purchase order.

From the new, dropdown to select a purchase order.

Start by entering supplier name and Date.

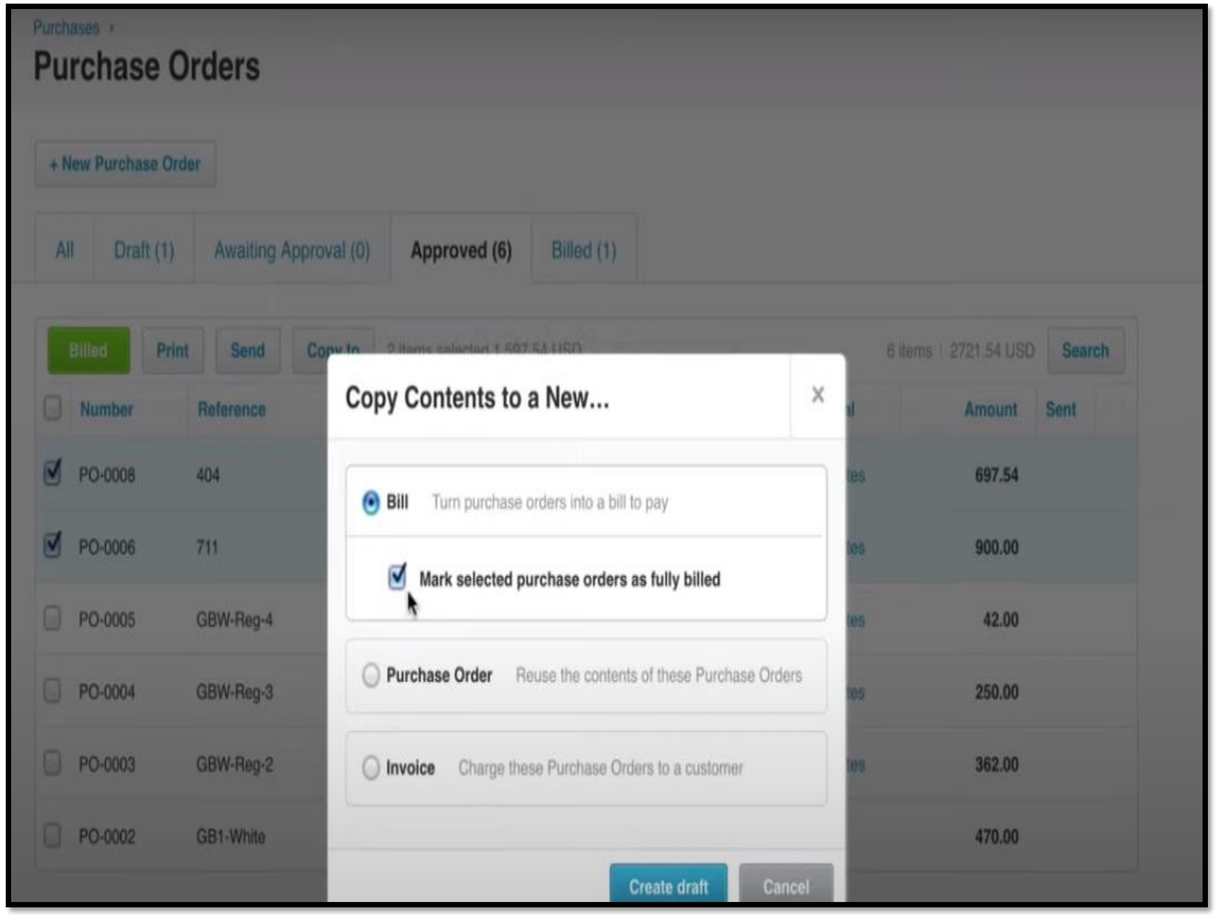
Then jump into the description fields, Account code and tax amount.

If you have a discount agreement with your supplier, enter the percentage XERO will calculate automatically.

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CONVERT PURCHASE ORDER INTO BILL IN XERO



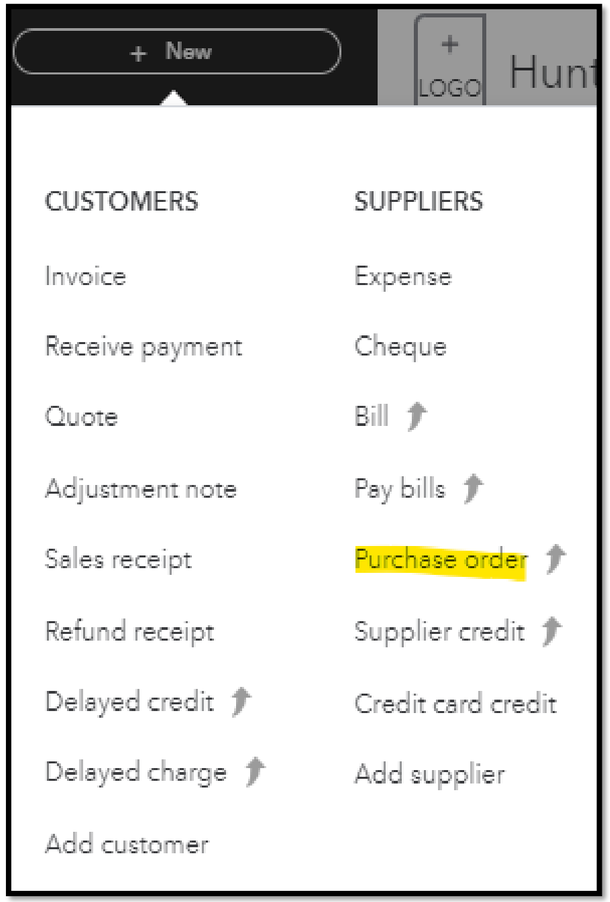
XERO makes Bill directly from Purchase Order

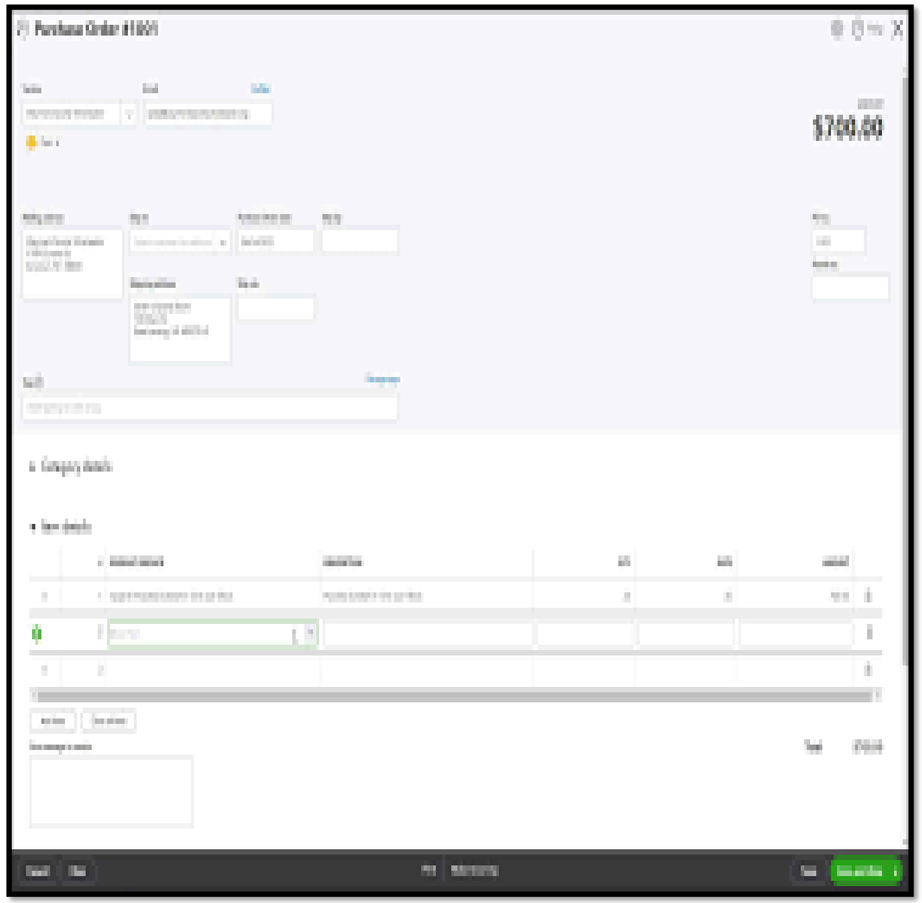
Go to the purchase order then which one you wish to move as bill to select a one from copy tab then pop up has visible that you want to create as what you require.

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PURCHASE ORDER IN QB





Go to supplier and then create purchase orders.

Select to create the purchase orders.

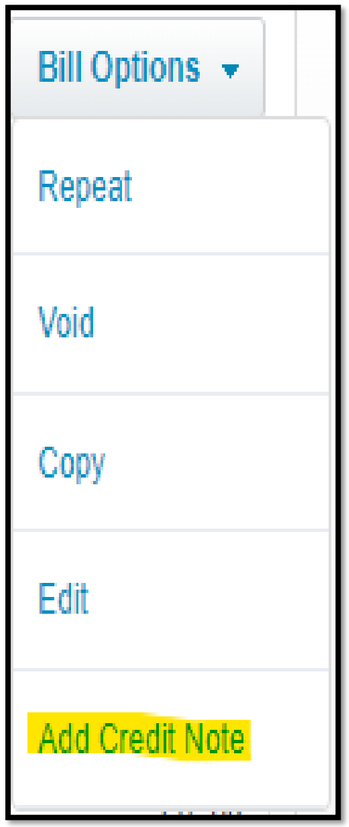
Fill out the required fields.

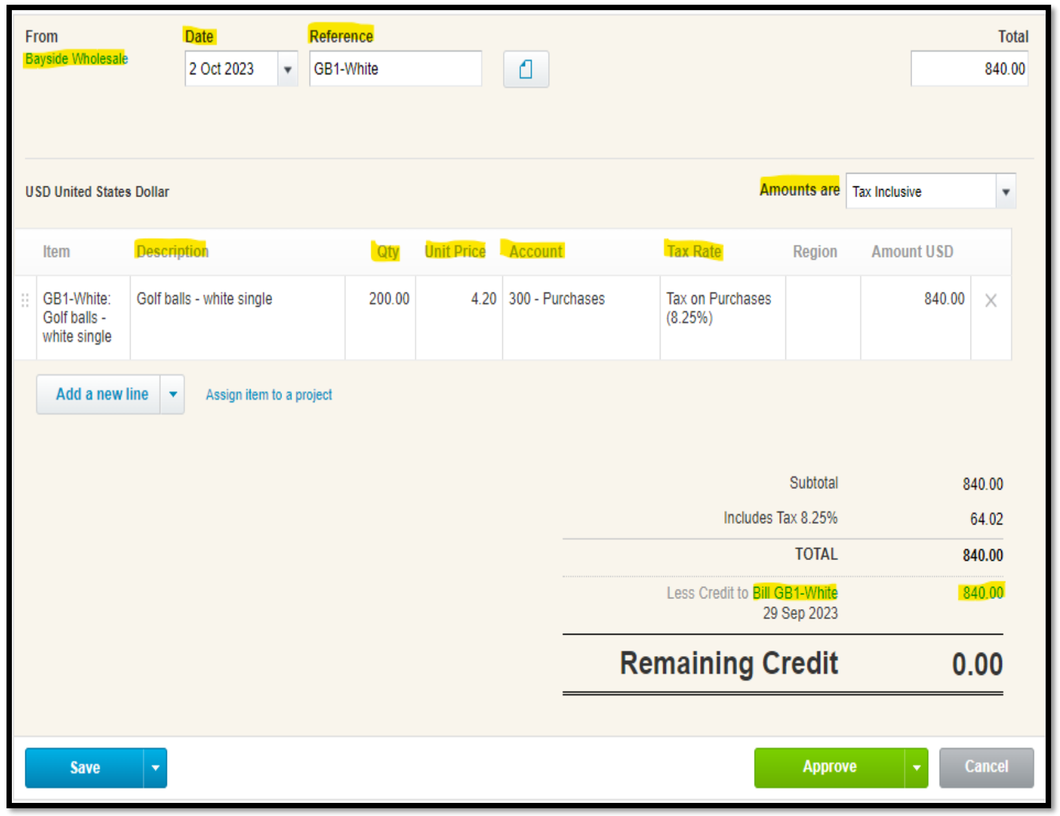
Then, Select save.

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NEW CREDIT NOTE IN XERO



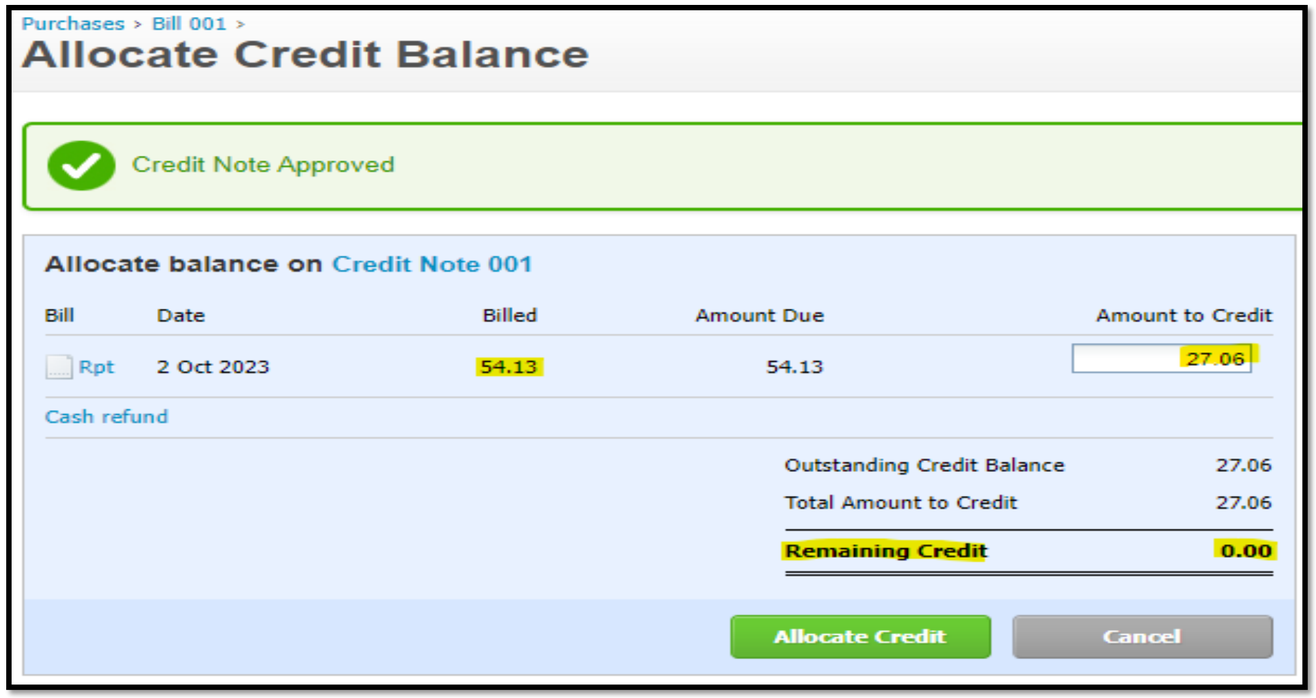


In the **Business** menu, To select **New bill**, under the category of **New credit note** based on the supplier invoice to fill out the required fields.

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TO ALLOCATE A CREDIT NOTE IN XERO

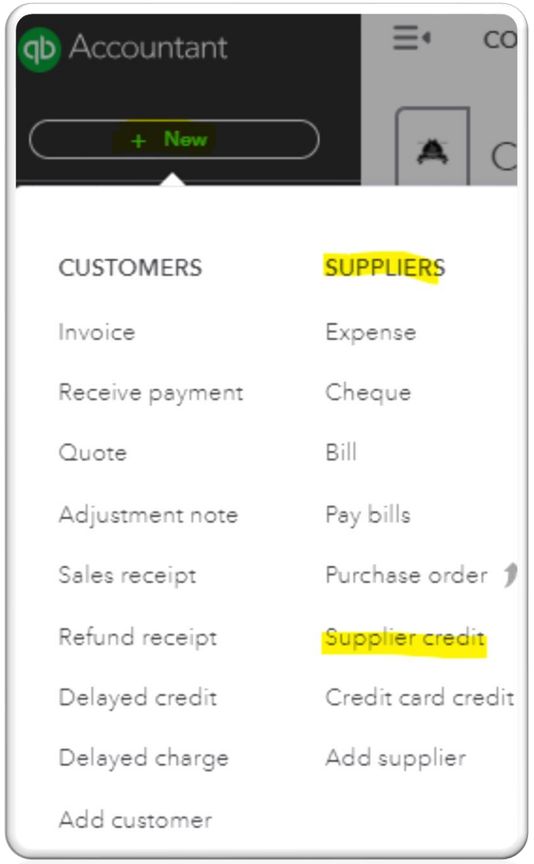


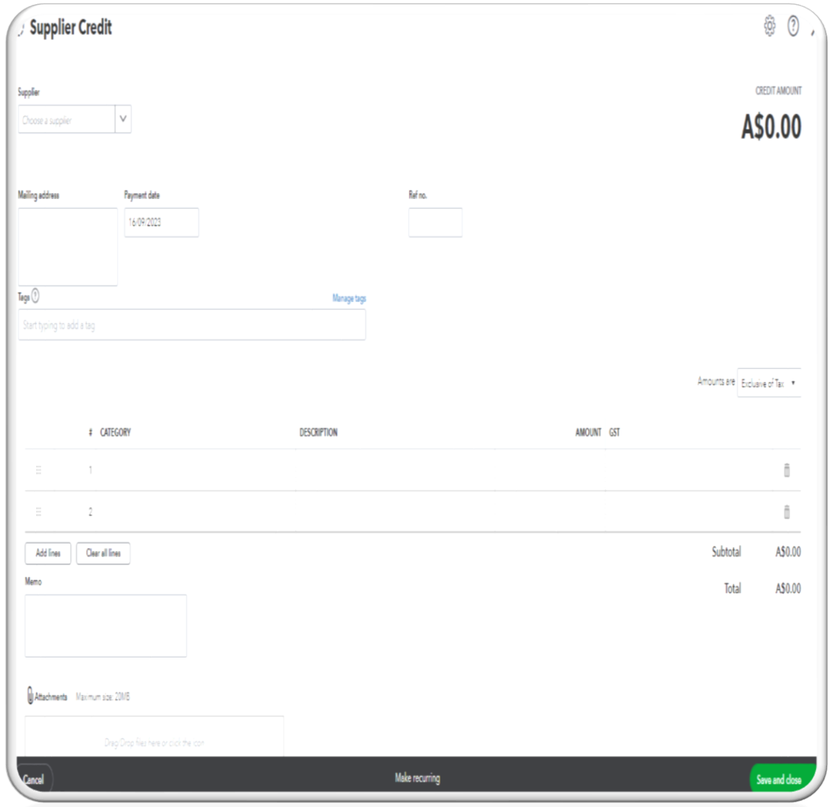
Once credit adjustment noted created and it shows for allocations, then select the appropriate invoice to allocate and reconcile.

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SUPPLIER CREDIT IN QB





Select + New.

Select Supplier credit or Receive supplier credit.

In the Supplier dropdown, select your supplier.

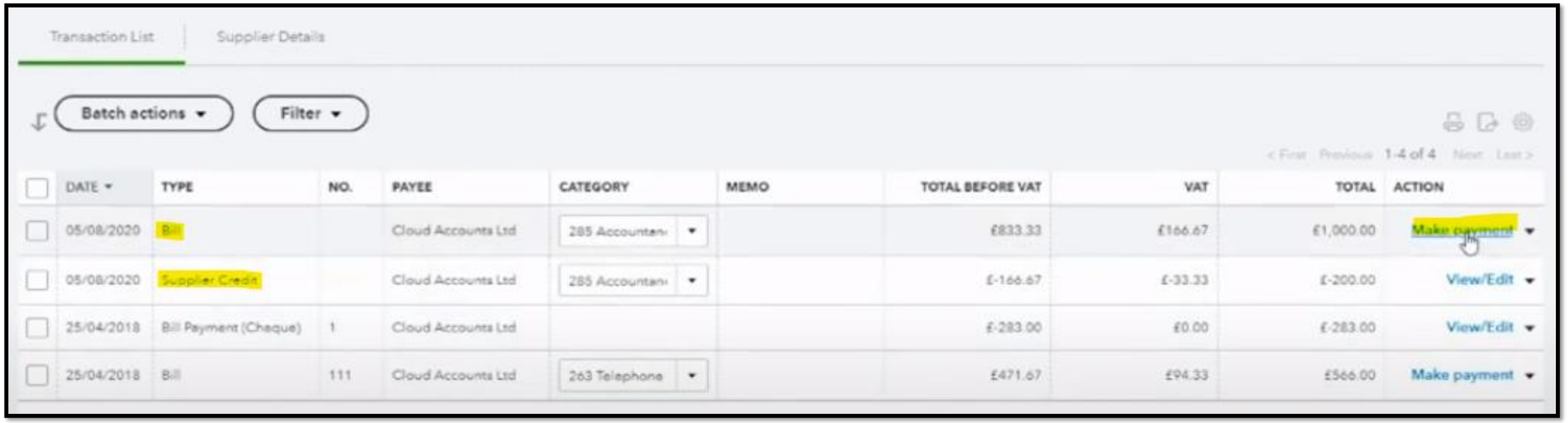
As per supplier invoice details, create a credit adjustment and allocate it to appropriate invoice

Select Save and close.

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HOW TO ALLOCATE THE SUPPLIER CREDIT IN QB

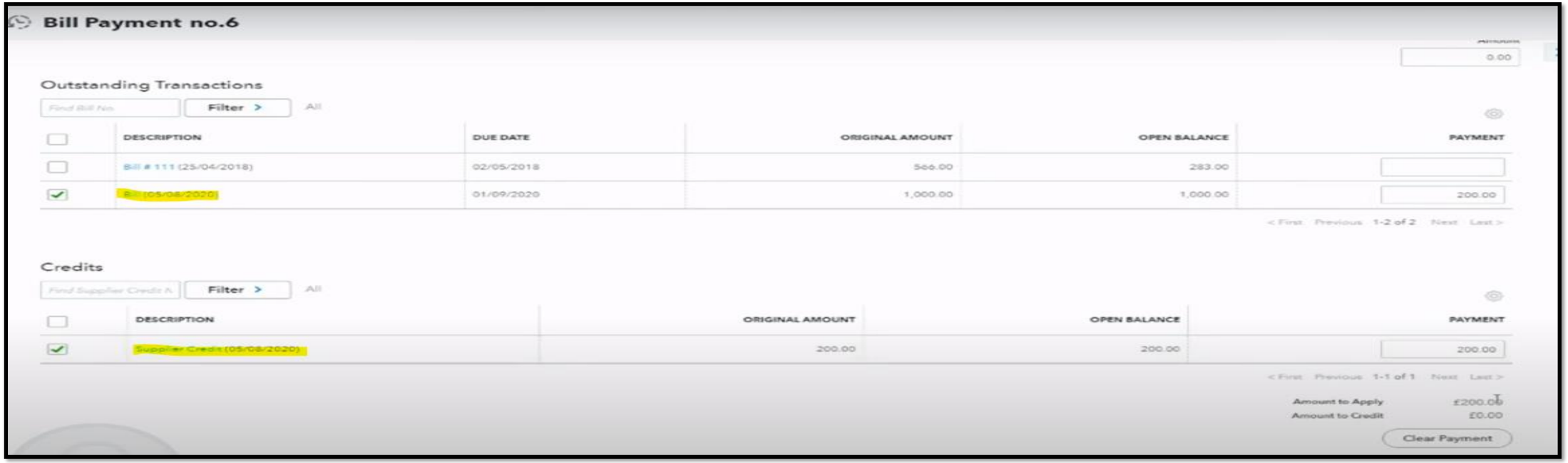


Under Expense menu, Select supplier's, pick up the appropriate the supplier which we need to allocate and hit the icon of make payment to adjust the credit.

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HOW TO ALLOCATE THE SUPPLIER CREDIT IN QB



Once you click to make the payment this popup can be visible.

To select the bill which credit to be adjusted.

Then, save and close.

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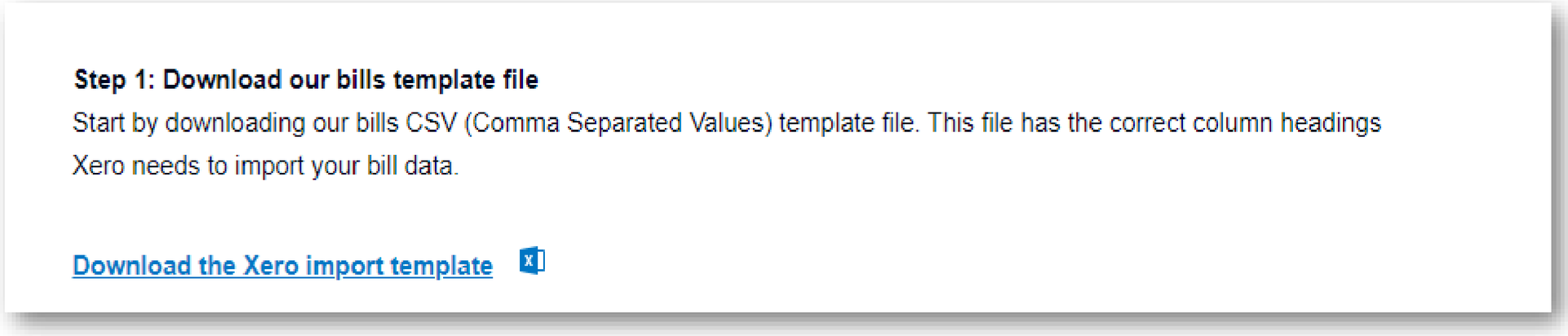
CARISMA SOLUTIONS

Import your updated template file into XERO

Step 1 : Download the CSV template from XERO:

Follow the below steps to download the CSV file.

- In the Business menu, select **Bills to pay**.
- Click the arrow next to **New bill**, then select **Import Bills** or click **Import**.
- Click Download template file.



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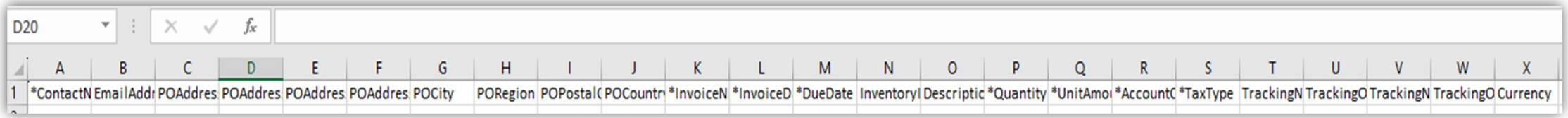
CARISMA SOLUTIONS

Import your updated template file into XERO

Now that you've downloaded the template file, you can copy your bill and credit note information into the template.

The Contact Name column must be filled before importing to XERO, the other columns are optional when uploading.

Make sure you don't change any of the column headings in the template.



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Import your updated template file into XERO

Step 2:

To fill out the required details and save as CSV File

Enter Optional Information into the template

1. Contact Name - Must be filled out before uploading to XERO. Enter your supplier's name exactly as it appears in XERO. If the contact isn't in XERO, a new contact is created when you import this file.

2. **Invoice Number** - References must be different for each bill and credit note in this file, otherwise they will be combined together even if the contact's name is different. The same reference in this file when you're importing multiple line items on a single bill.

3. **Invoice Date** - Enter the date and the due date of the bill or credit note.

4. **Due Date** - Use the format DD/MM/YYYY.

5. **Quantity** - Enter the quantity of the items you've purchased or have been credited.

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Import your updated template file into XERO

6. **Unit Amount** - Enter the purchase price of the item. If your item is a credit note, add the price as a negative amount. Enter all prices in this file as either tax inclusive or tax exclusive, but not a mixture of both. You'll select whether the file contains inclusive or exclusive prices when you import this file.

7**. Account Code** - Enter the code, as it displays in XERO, to code the item to.

8. **Tax Type** - Enter the purchases tax rate display name as it appears in XERO. If the tax rate name contains words and a percentage, enter it in full as it appears in XERO, for example, 10% GST on Expenses.

9. **Contact's Email Address** - In the Email Address column, enter your contact's primary email address to add it to XERO.
If their primary email address already exists in XERO, you can choose to update it when you import this file.

10. **Contact's postal address** - In the POAddressLine1, POAddressLine2, POAddressLine3, POAddressLine4, PO City, PO Region, PO Postal Code/PO Zip Code and PO Country columns, enter your contact’s postal address to add it to XERO. If their postal address already exists in XERO, you can choose to update it when you import this file.

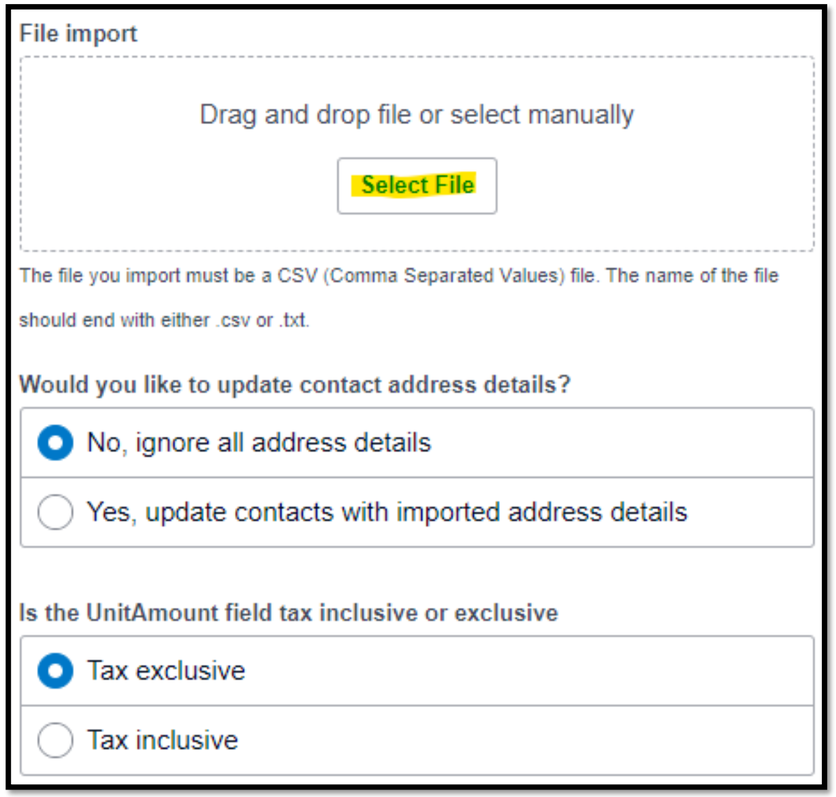
11. **Inventory item** - In the Inventory Item Code column, enter the code of the inventory item as it displays in XERO.
If the inventory item isn't in XERO, a new untracked inventory item is created when you import this file.

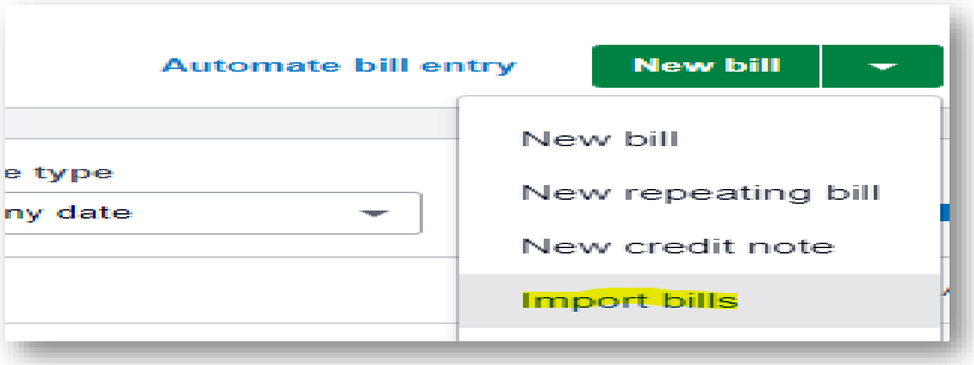
12. **Description** - In the Description column, enter a description of the bill or credit note.

13. **Tracking** - In the **TrackingName1** and **TrackingOption1** columns, and **TrackingName2** and **TrackingOption2** columns, enter the tracking category name as it displays in Xero, and the associated tracking category option as it displays in Xero.

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Import your updated template file into XERO





Step 3 :

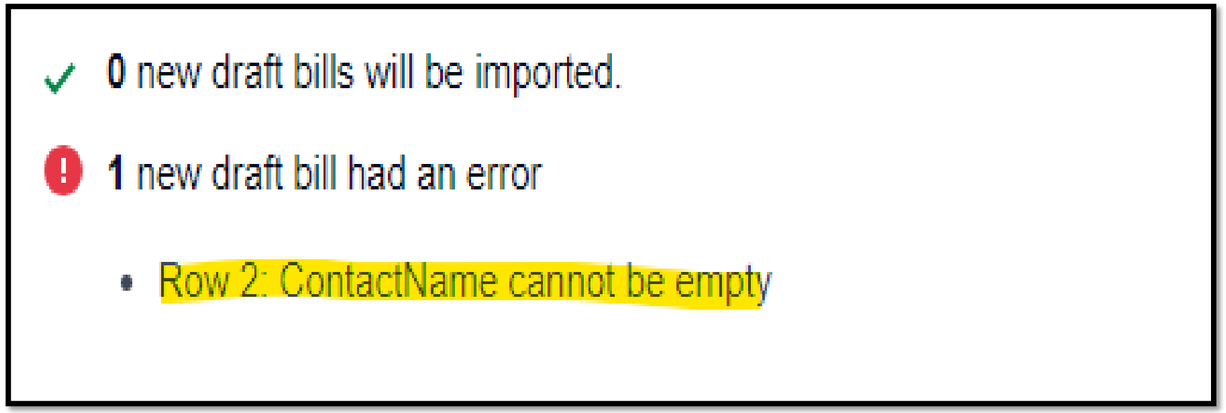
Import the updated template file

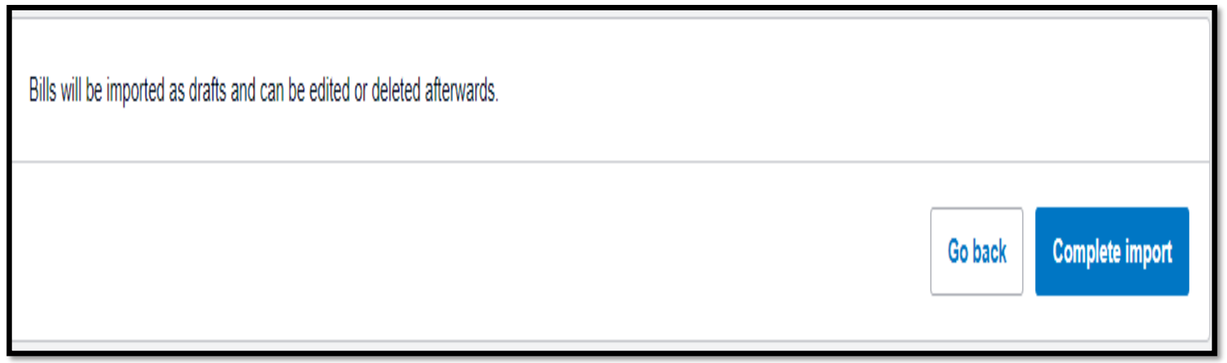
1.In the **Business** menu, select **Bills to pay**.
2.Click the arrow next to **New bill**, then select **Import Bill** or click **Import**.
3.Drag and drop the saved CSV file or click **Select File**.

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Import your updated template file into XERO





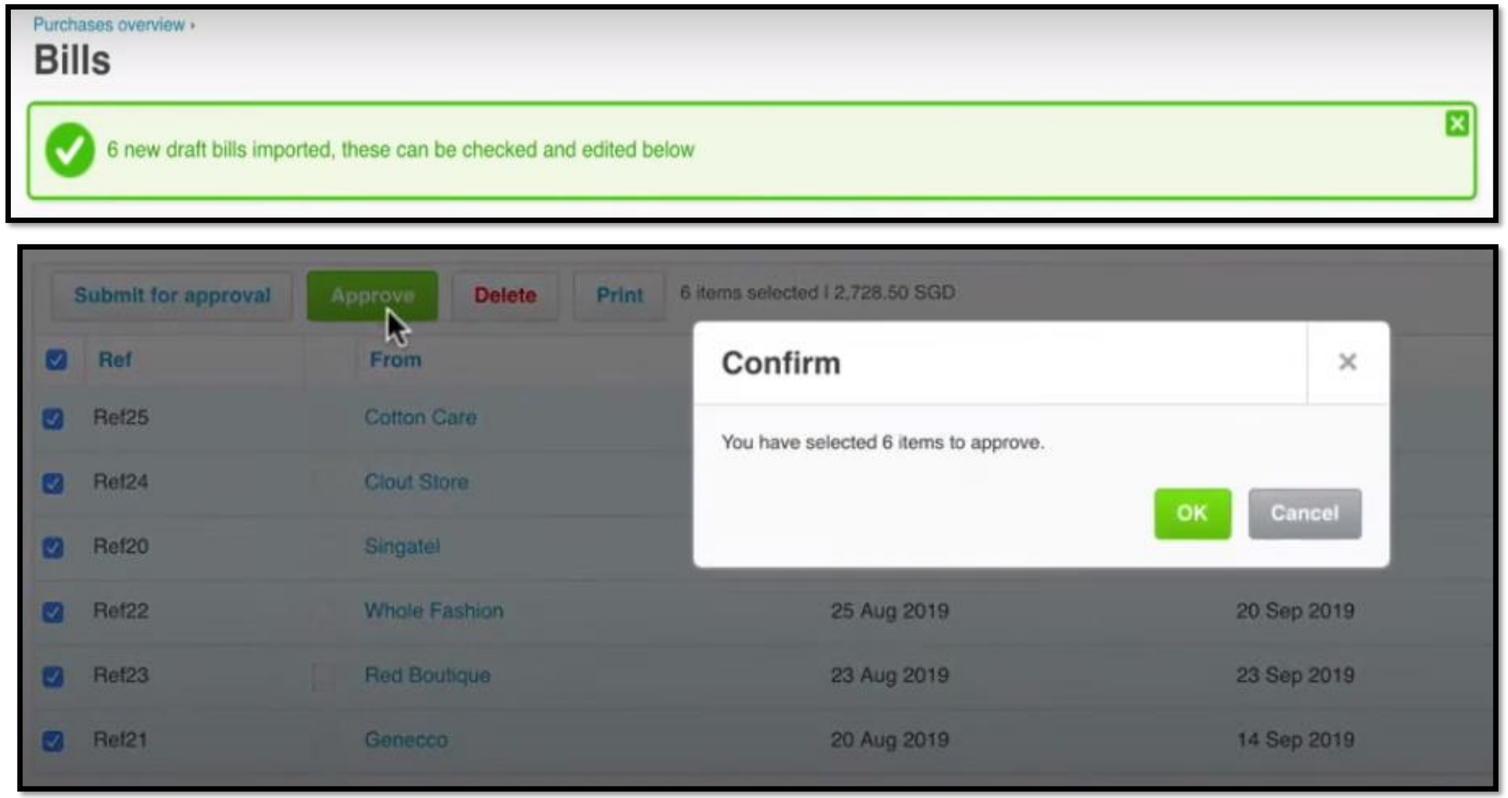
Step : 5

To complete Import

1.Choose whether the prices in the UnitAmount column are tax inclusive or tax exclusive.
2.Click **Confirm**.
3.Review the import message in Xero. If there are errors in the file, you can go back to the file, fix them, then import the file again. Otherwise, click **Complete import**.

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Import your updated template file into XERO



Step : 6

After Import, all the bills:

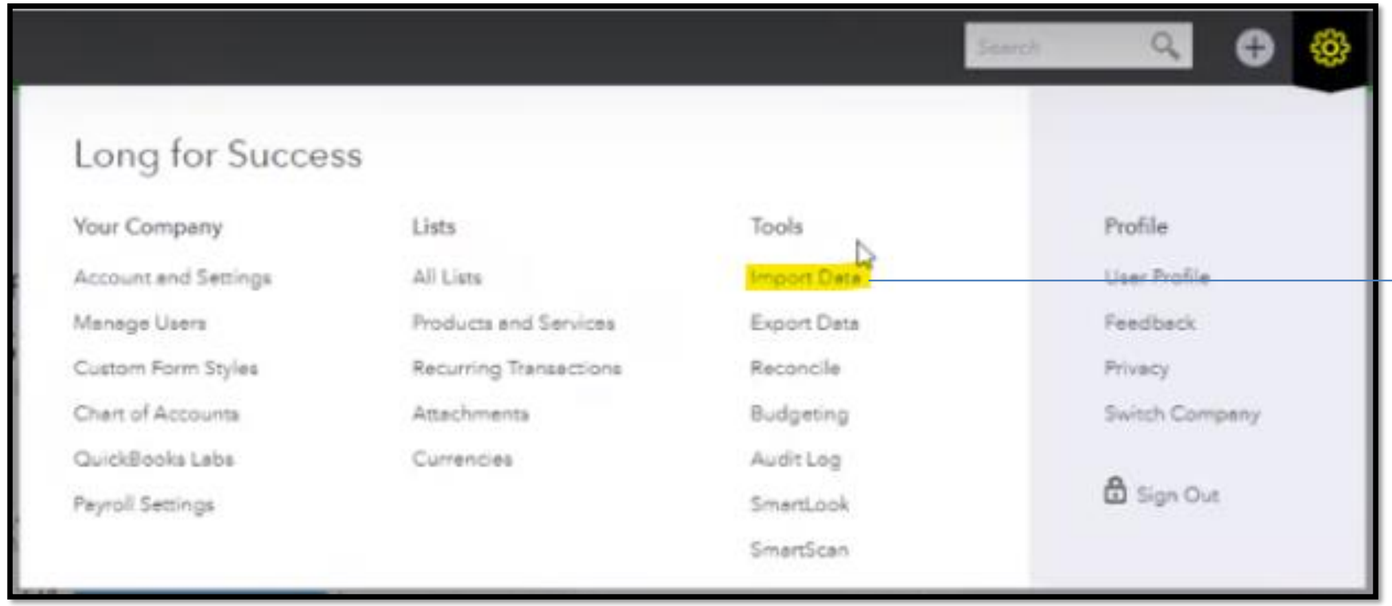
Bills will be imported as draft all such invoice can be selected at a time to approve and then click to confirm.

All the bills will be moved into the awaiting payment tab.

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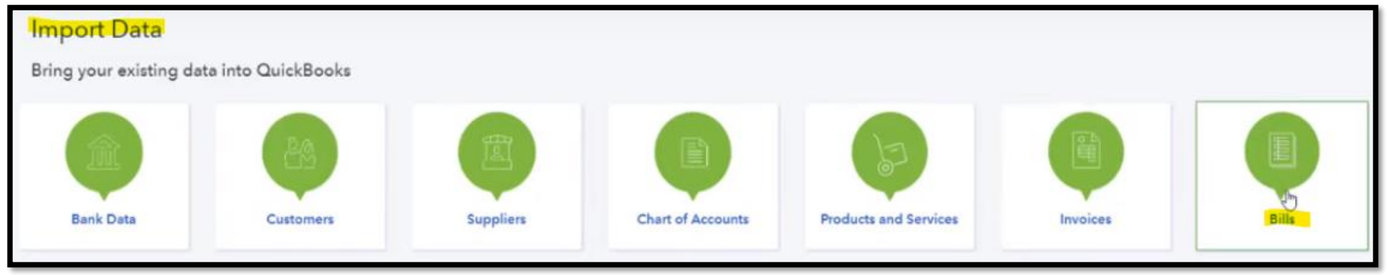
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Import your updated template file into QB



Step: 1

Go to **Settings** and Select **Import Data**



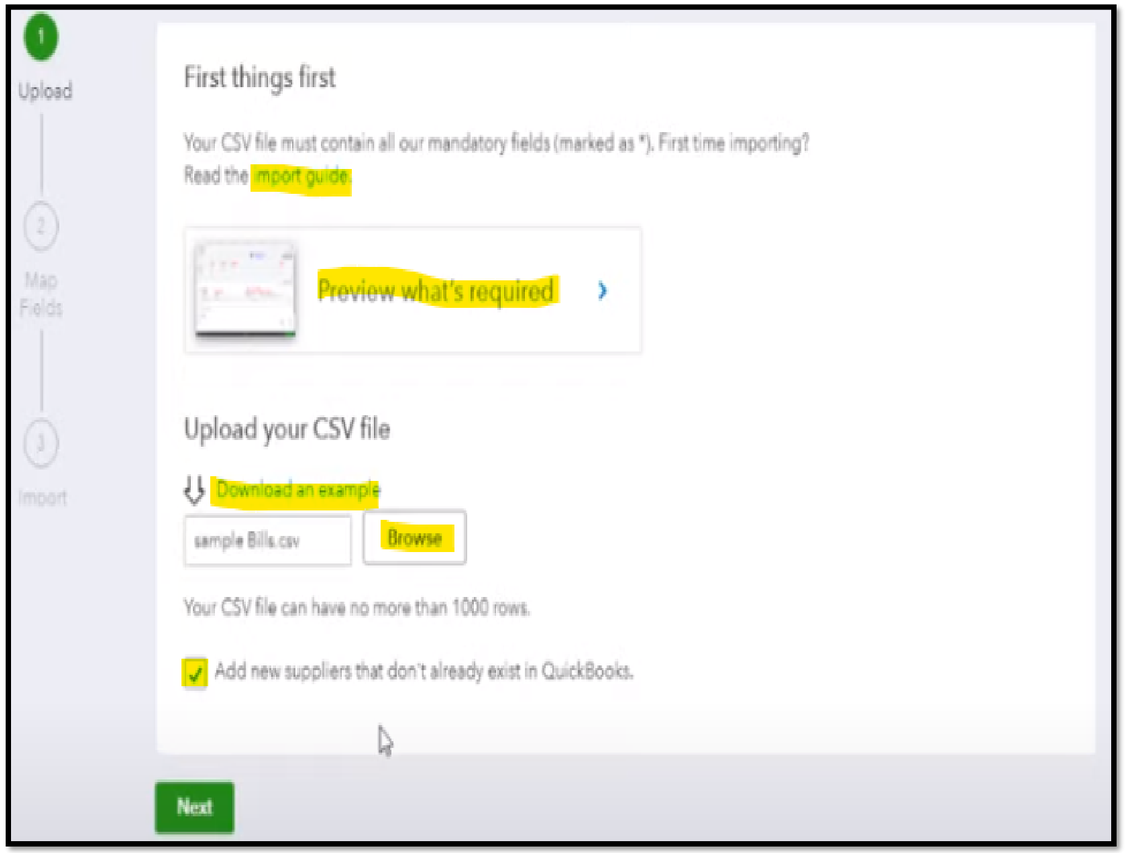
Step:2

Select **Bills**

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Import your updated template file into QB



Step:3

Before you import your data, you need to prepare your CSV

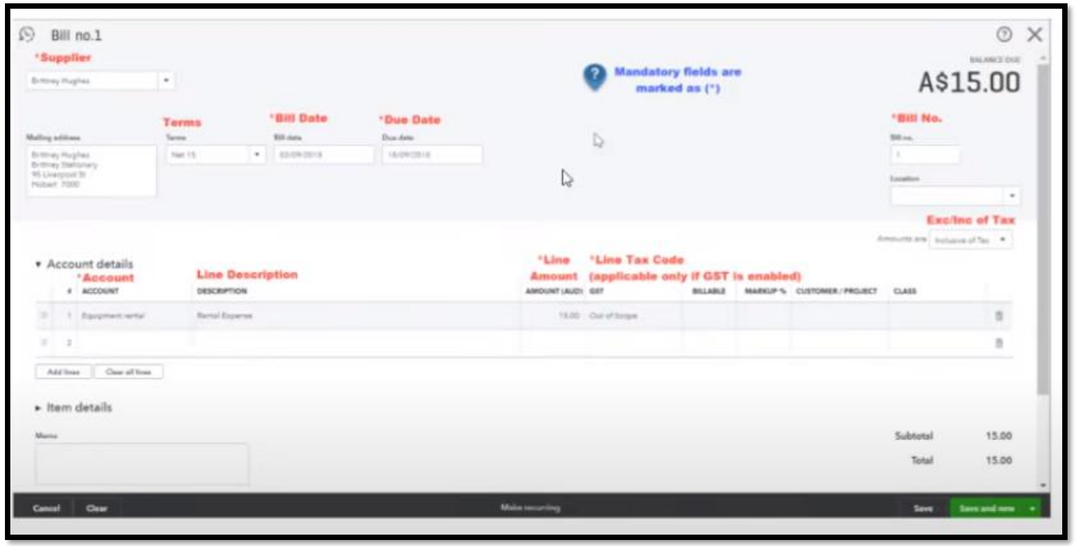
Once you have all the mandatory fields, Select Browse, then Select your CSV file, and then Select Open.

If you would like to auto-create suppliers, Select the checkbox beside Add new suppliers that don't already exist in Quick books.

Select Next.

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Import your updated template file into QB



*BillNo	*Supplier	*BillDate	*DueDate	Terms	Location	Memo	*Account	LineDescr	*LineAmo	*LineTaxC	LineTaxAr	Currency
1	Mary	14/12/201	29/12/201	Net 30			Repairs &	Rental Exp	15	GST on pu	1.5	AUD
2	Mary	17/1/2015	31/12/201	Net 30			Repairs &	Maintenar	10	GST on pu	1	AUD
2	John	17/1/2015	31/12/201	Net 30			Repairs &	Maintenar	20	GST on pu	2	NZD

Preview the bill template.

While importing the bill the following columns are **mandatory to fill the details.**

Bill No

Supplier

Bill Date

Due Date

Account

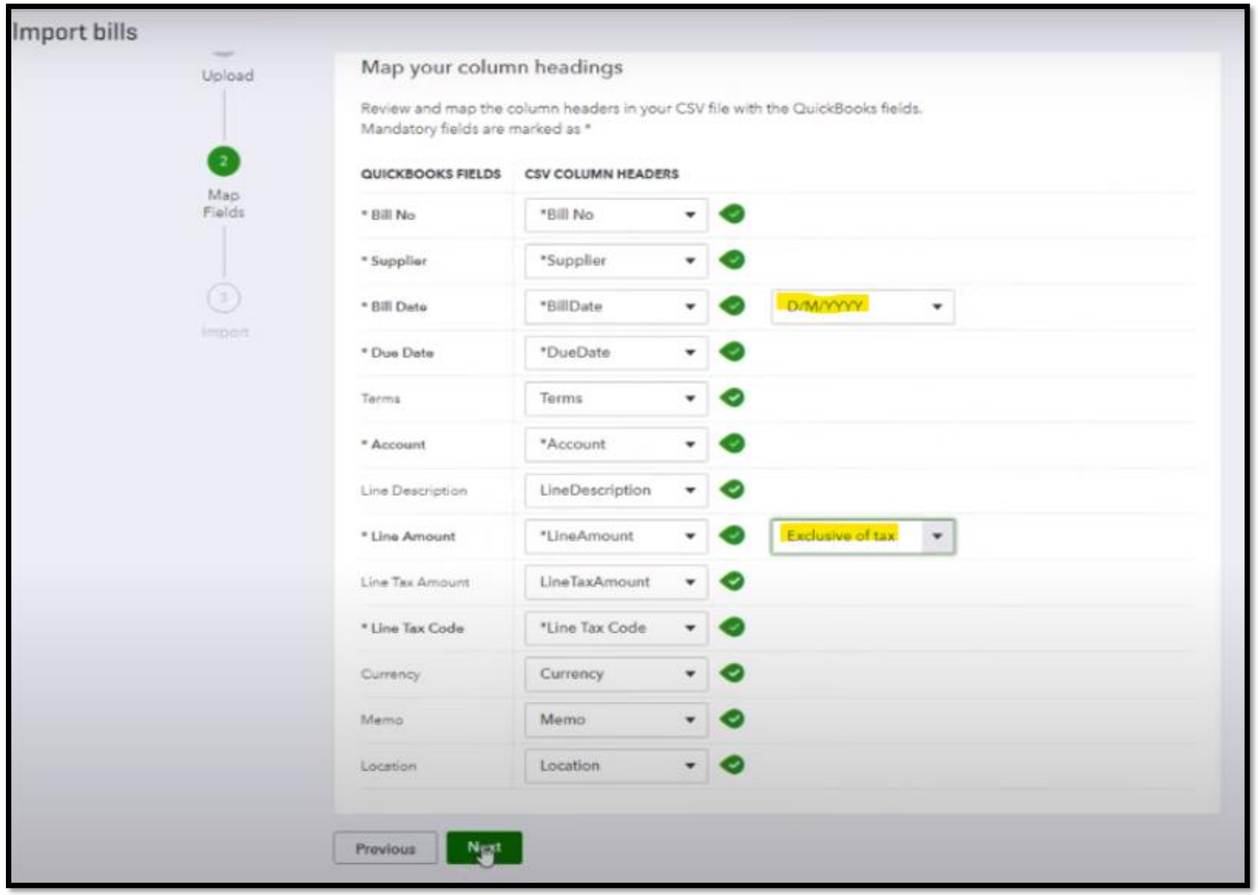
Line Amount

Line Tax Code.

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Step:4

Map Your Column Headings

Select the date format you have used, for example, D/M/YYYY.

Select your sales tax option (If applicable); **Exclusive** or **Inclusive**

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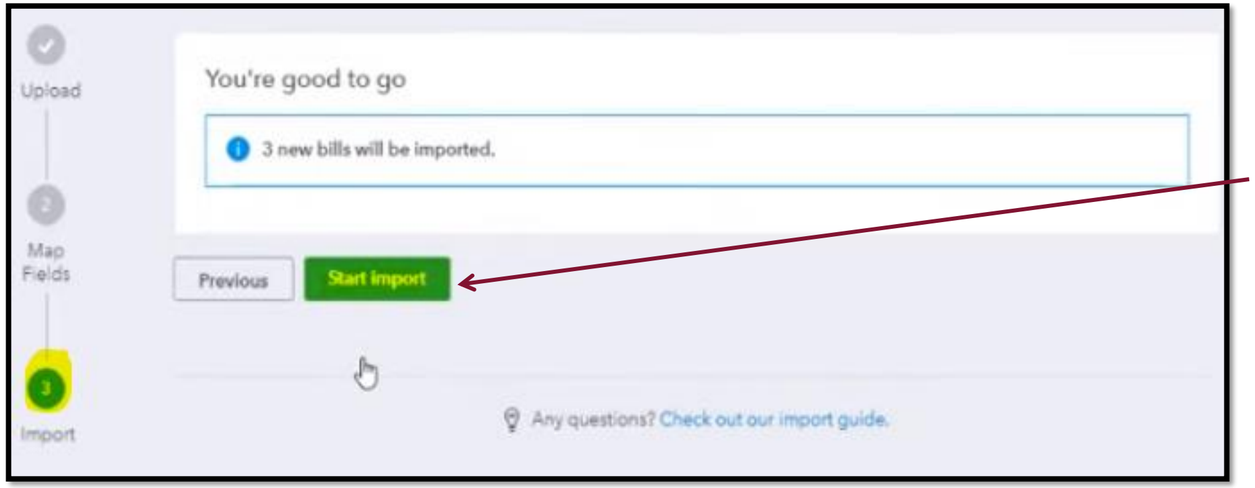
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Step:5

Map all mandatory fields and then select **Next**.



Step:6

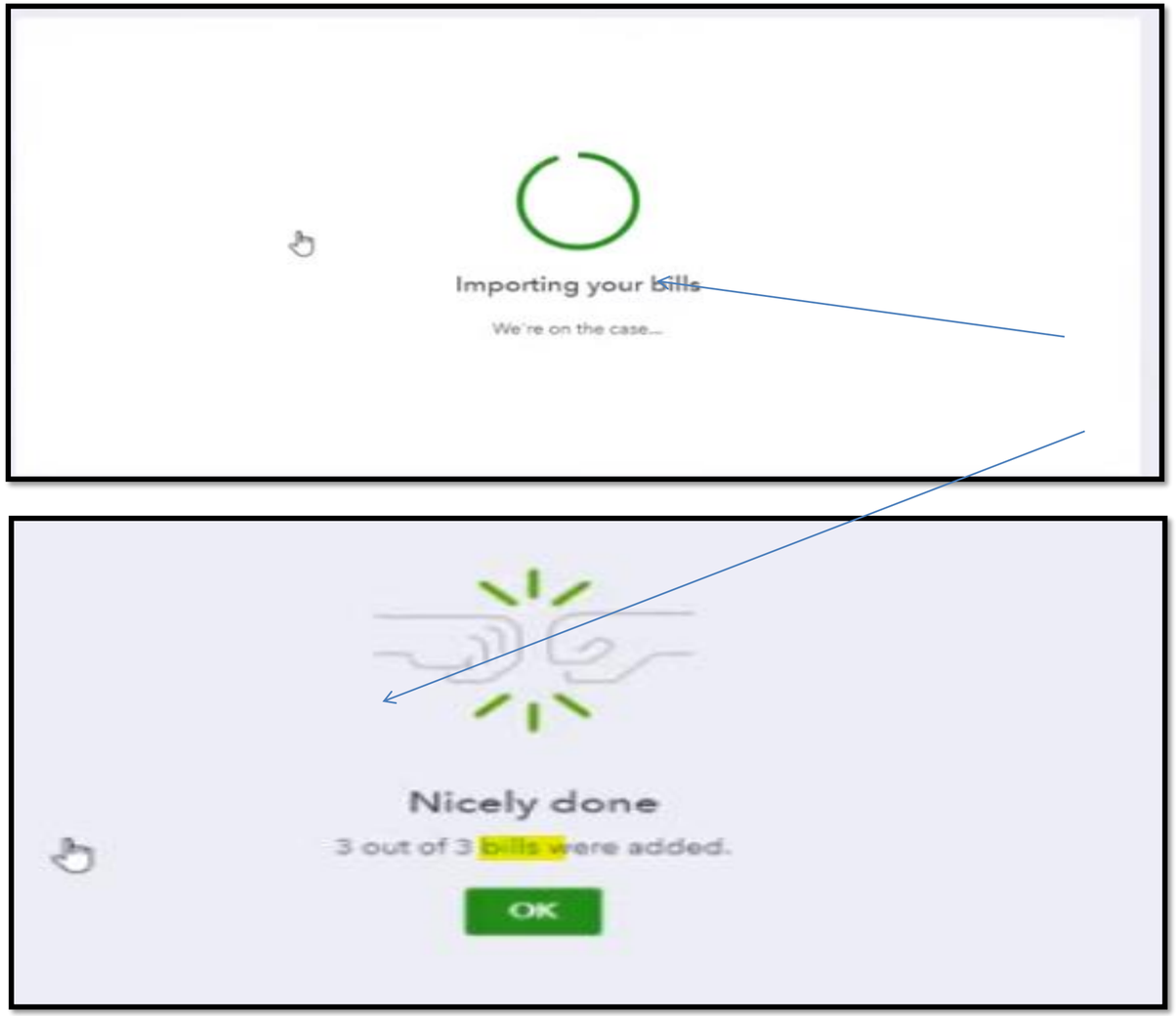
You will see a summary of your import.

To begin the import process, Select **start import.**

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Step:7

Once completed, an import summary will be displayed.

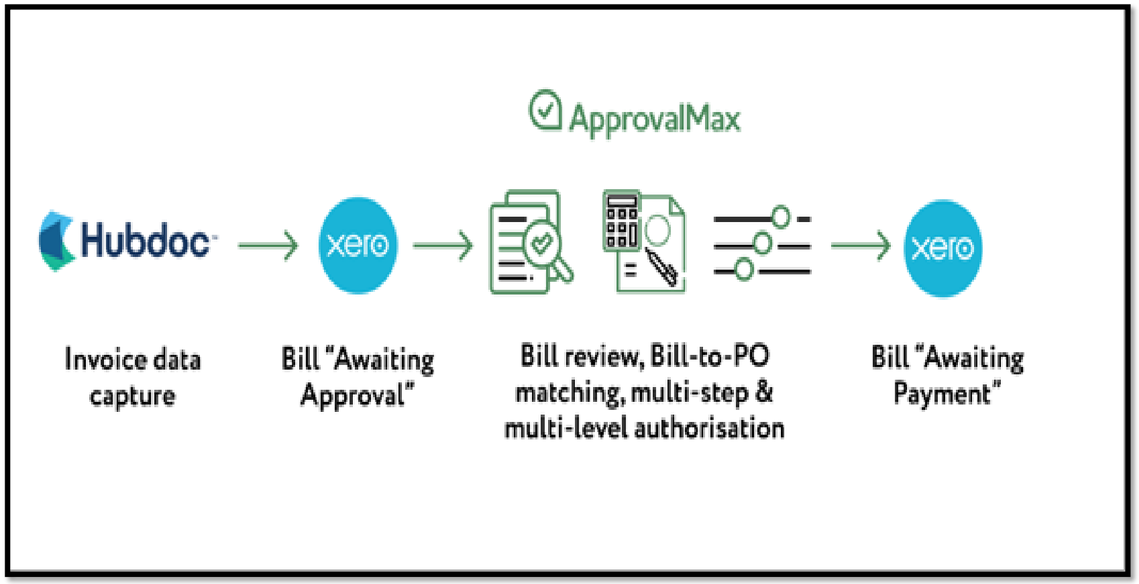
Select **OK** to finish

Then **Click Bill** to view which we've imported the bills.

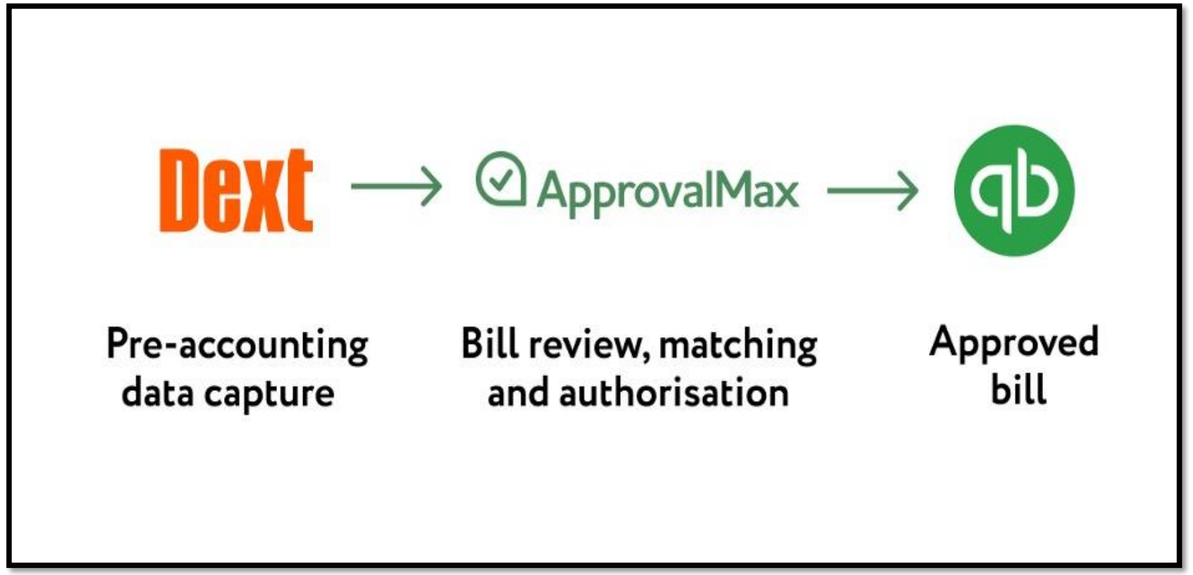
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TO RECORD A BILLS PUBLISHED THROUGH ACCOUNTING SOFTWARE

HUBDOX INTEGRATED WITH XERO

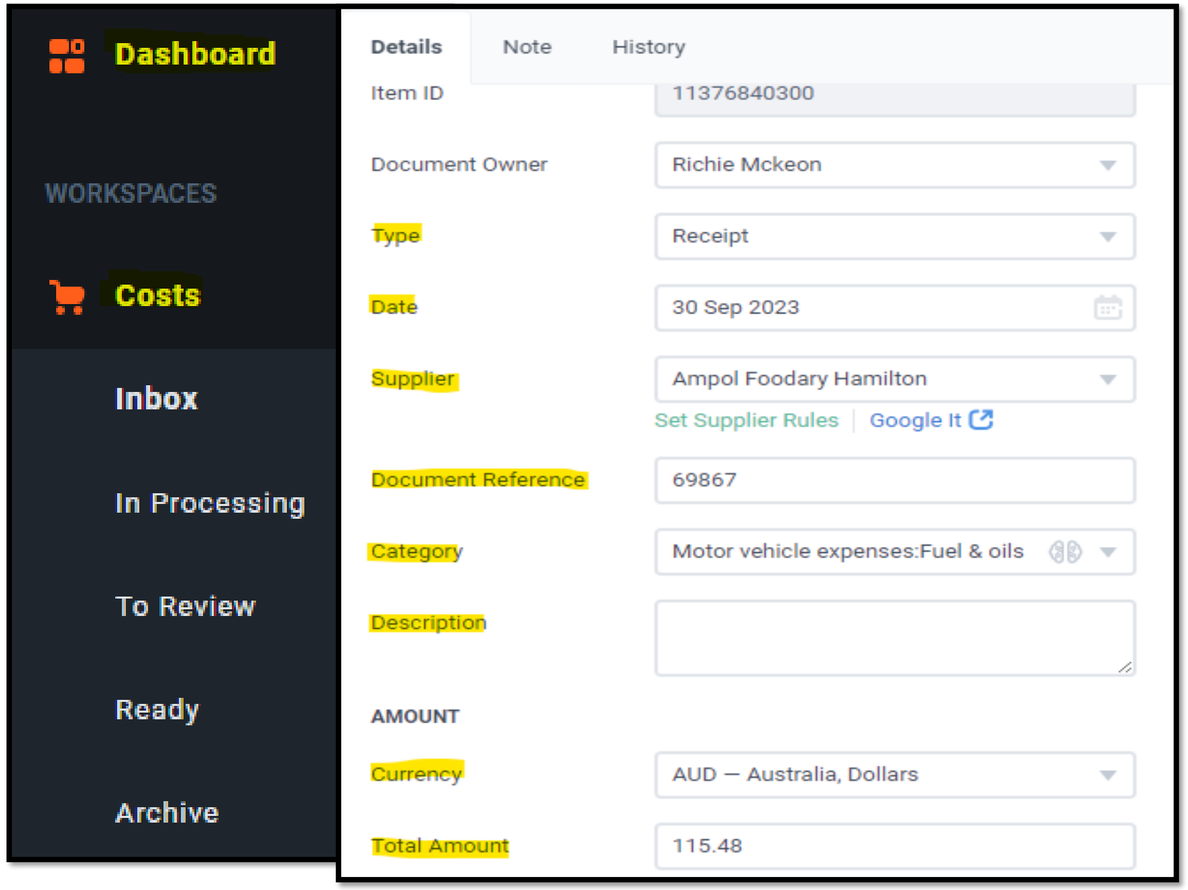


DEXT INTEGRATED WITH QUICKBOOKS



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PUBLISHED THE BILLS IN DEXT



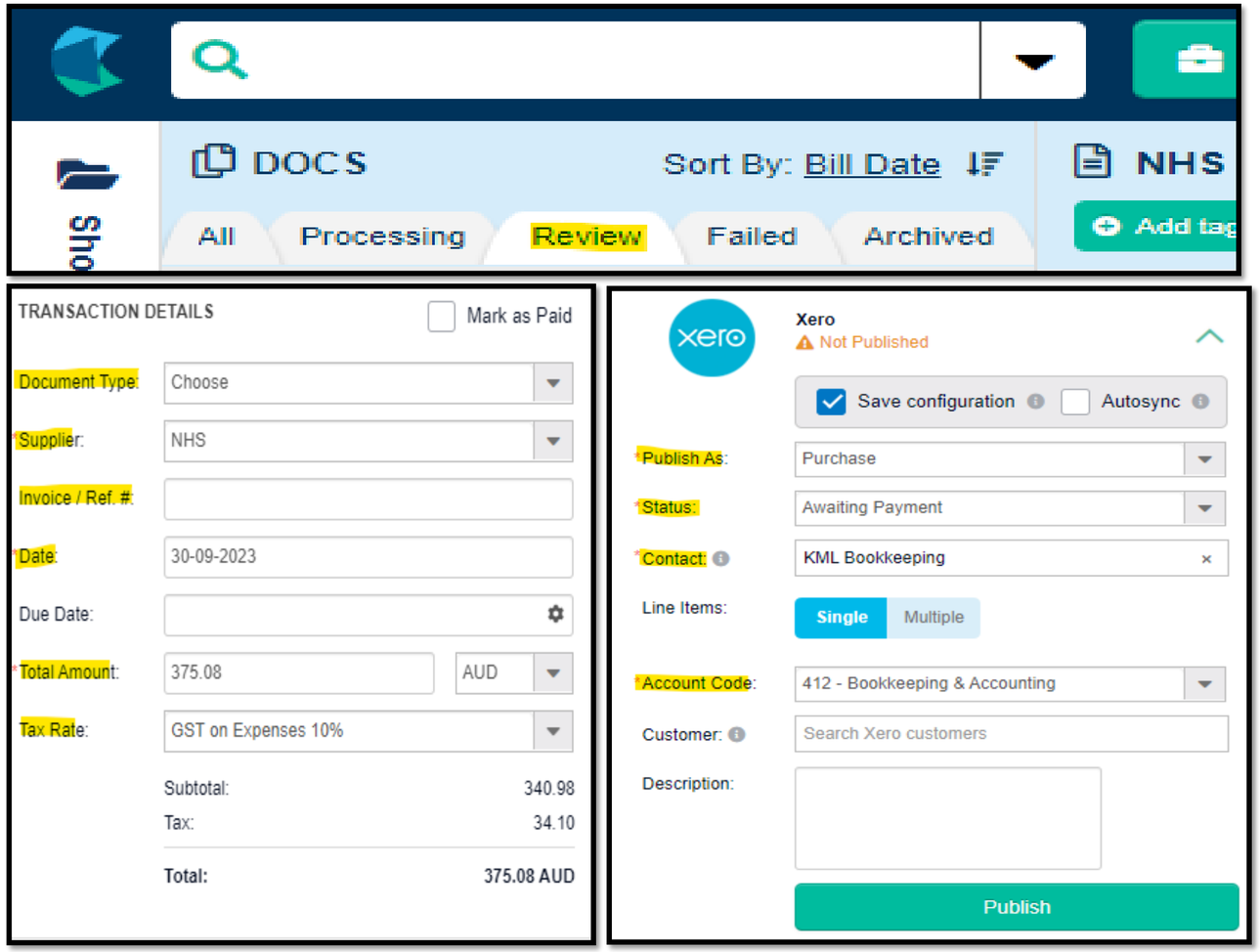
Supplier - Select the correct supplier on the Item details page and ensure that the supplier is also in your QuickBooks Online account. If it is not available supplier in QB please add to create new supplier in Dext itself click to add new supplier.

Tax Rate - Tax rates are required when publishing items to QBO, to publish the extracted amount of tax, and have that applied to the default tax rate of their choice.

Publish To - The ‘Publish to’ destination will determine where your costs items will be published to and if they are ‘paid’ or ‘unpaid’.

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PUBLISHED THE BILLS IN HUBDOC



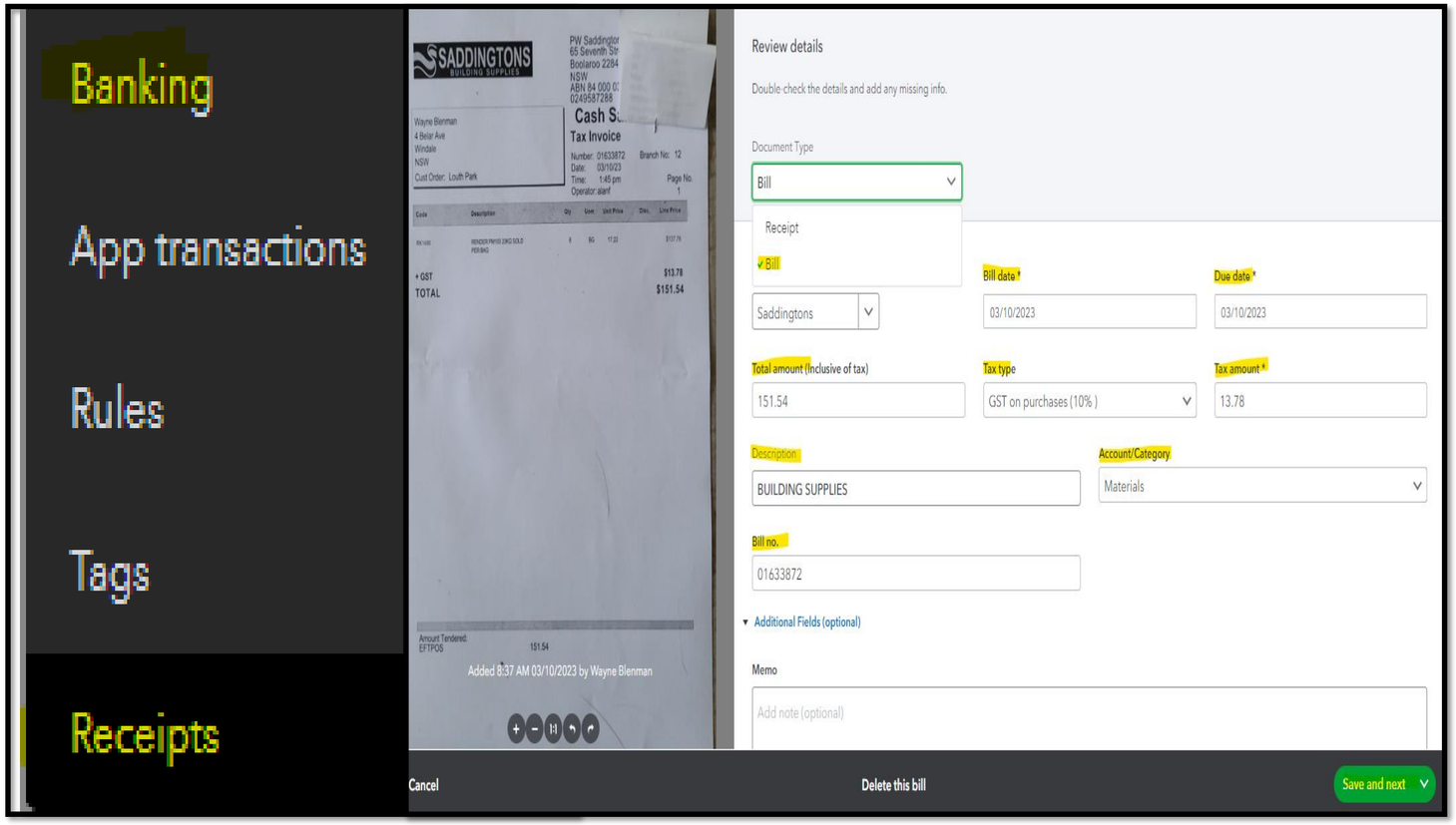
Code in Hubdoc - Each bill will automatically have the key data extracted and will be field in Hubdoc by supplier and Date.

If the bill is from a new supplier, update the supplier to include the following information such as Company Name, Contact Name, Contact Email and Phone Number in XERO.

Publish To - If you're using XERO, publish the bill as draft, then review and approve the bills in XERO.

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PUBLISHED THE BILLS IN QUICKBOOKS



Step: 1 In Banking under the receipts tab

Step: 2 To fill out the required details such as Contact name, Bill No, Date, GL account, Tax rate.

Step:3 Then save and close

Step :4 Create expense

Step:5 Click confirm.

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The End

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