

Technical Note: Effects of Holding a Payment or Check in AccountMate

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 7 for SQL, Express and LAN
AccountMate 6.5 for SQL, MSDE and LAN

Module(s) Affected: AP and BR

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DESCRIPTION

In the Accounts Payable (AP) module, you have the options to hold a payment transaction and/or to hold a check. Holding a payment means that you cannot apply payment, print a computer check, and/or record a handwritten check transaction in the system for a particular invoice. Holding a check labels the check transaction with an "on-hold check" status which you can later remove through the Release On-hold Check function. The on-hold check status means that the check is still physically on-hand although the check transaction is already recorded.

This technical note explains how the different hold payment and hold check options will affect various related Accounts Payable and Bank Reconciliation (BR) functions.

SOLUTION

A. Effects on AP Functions

The table below lists the hold payment and hold check options in the AP module, and how these options affect various AP transactions.

#	Function	Option	Effect(s) on Other AP Functions
1	AP Invoice Transactions	Hold Payment	<ul style="list-style-type: none">• The Apply Amt, Apply Disc, Apply Adj and NonPayment fields in the AP Invoice Transactions window is disabled.• You will not find the invoice when you run the Apply Payment to AP Invoices (Manual Apply Payment and Automatic Apply Payment) and Post Handwritten Check functions.• You cannot print computer checks for the invoice.

2	AP Prepayment Transactions	Hold Payment	<ul style="list-style-type: none"> The Apply Amt field in the AP Prepayment Transactions window is disabled. You will not find the invoice when you run the Apply Payment to AP Invoices (Manual Apply Payment and Automatic Apply Payment) and Post Handwritten Check functions. You cannot print computer checks for the invoice.
3	Post Handwritten Check	Hold This Check	<ul style="list-style-type: none"> The check will be recorded in the system but will be flagged with an "On-hold" status. GL entries will be generated for the AP check and the vendor balance will be reduced by the amount of the on-hold check payment. You cannot cancel on-hold checks in the Record Cancelled Check function. You can access this AP function only if the BR module is not activated. You can access and release on-hold checks through the Release On-Hold Check function.
4	Print Computer Check	Hold All Checks	<ul style="list-style-type: none"> The affected checks will be recorded in the system but will be flagged with an "On-hold" status. GL entries will be generated for the AP checks and the vendor balances will be reduced by the amount of each on-hold check payment. You cannot cancel on-hold checks in the Record Cancelled Check function. You can access this AP function only if the BR module is not activated. You can access and release on-hold checks through the Release On-Hold Check function.
5	Vendor Maintenance	Hold Apply Payment	<ul style="list-style-type: none"> This will set the system to mark by default the Hold Payment checkbox in the AP Invoice Transactions and AP Prepayment Transactions windows.
6	Vendor Maintenance	Hold Print Check	<ul style="list-style-type: none"> You cannot print computer checks for invoices with applied payments. None of the invoices of the affected vendor will show up in the selection list of the Print Computer Check window.

B. Effects on the Bank Reconciliation Module

When you perform bank reconciliation in the BR module, the system excludes on-hold checks from the list of bank checks that will be displayed in the Checks tab of the Reconcile Bank Account function; however, these checks will be included in the Outstanding Checks Report and the Bank Reconciliation Checks Report.

C. Effects on Various AP Reports

The On-Hold Checks Report in the AP module provides a listing of checks that are put on-hold. You can also find invoices that have been put on hold-payment status and on-hold checks, in the following reports:

Ø On-hold Payment	<ul style="list-style-type: none"> • Unapplied Payment Report
Ø On-hold Check	<ul style="list-style-type: none"> • Check Register Report • Check Distribution Report • Factor Payment Report • Outstanding Check Report • Forecast Aging Report • Past-Due Aging Report <p>Note: The Forecast Aging Report and Past-Due Aging Report both provide an option to show the total amount of on-hold checks. When this option is marked, both types of Aging report will show a single entry that sums up the total on-hold check amount for all vendors included in the report. In addition, the Past Due Aging Report includes the on-hold check amount in the figure that is reflected under the Total Paid column.</p>

This discussion details the effects of holding payments and checks in the payment transaction cycle. It enumerates the reports that can be generated after holding payments or checks, and explains important General Ledger entries and its effects on vendor balances.

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