



**SedonaOffice**  
**Barter Transactions**

**June 2019**

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# About This Document

This document is being provided to describe how to manage barter transactions in SedonaOffice. Setups involved, along with how-to instructions are provided.

## Barter Overview

A barter transaction occurs when you and your vendor (or customer) exchange goods and services. To record the exchange, you would enter an invoice and a bill to record the products or services you are exchanging.

In SedonaOffice, the company with whom you are exchanging goods and services is setup as an Accounts Payable Vendor and as an Accounts Receivable Customer.

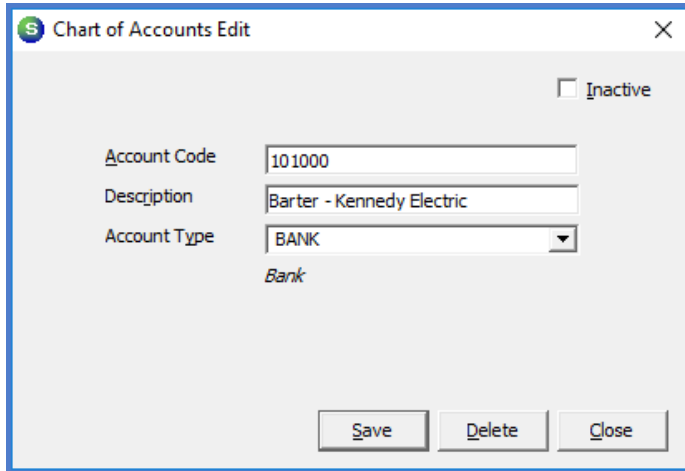
A fictitious bank account is created to keep track of the value of services exchanged and to pay bills and invoices incurred between the barter partners.

# Setup

A few setups are involved prior to entering any barter payments.

## G/L Account

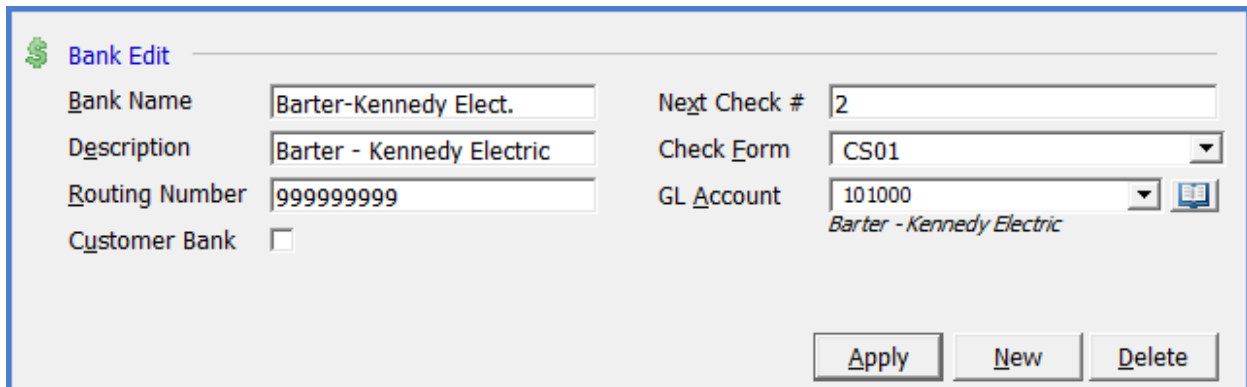
Create a G/L Account with the account type of Bank. If your company uses barter as payment for several customers, you may want to set up a separate account for each customer.



The screenshot shows a dialog box titled "Chart of Accounts Edit" with a close button (X) in the top right corner. In the top right area, there is an unchecked checkbox labeled "Inactive". The main area contains three input fields: "Account Code" with the value "101000", "Description" with the value "Barter - Kennedy Electric", and "Account Type" with a dropdown menu showing "BANK" and a small downward arrow. Below the dropdown menu, the word "Bank" is displayed in italics. At the bottom of the dialog box, there are three buttons: "Save", "Delete", and "Close".

## Bank Account

When creating the G/L account with the account type of Bank, this will automatically create a record in the Bank setup table. You may want to change the name of the bank so it is easily recognized for use in the future.



The screenshot shows a dialog box titled "Bank Edit" with a green dollar sign icon on the left. The dialog box contains several input fields: "Bank Name" with the value "Barter-Kennedy Elect.", "Description" with the value "Barter - Kennedy Electric", "Routing Number" with the value "99999999", and "Customer Bank" with an unchecked checkbox. On the right side, there are three more input fields: "Next Check #" with the value "2", "Check Form" with a dropdown menu showing "CS01", and "GL Account" with a dropdown menu showing "101000" and a small icon to its right. Below the "GL Account" dropdown, the text "Barter - Kennedy Electric" is displayed in italics. At the bottom right of the dialog box, there are three buttons: "Apply", "New", and "Delete".

# Payment Method

Create a new payment method labeled "Barter".

Payment Method

Payment Method

Payment Method	Description	Inactive
American Express	American Express	N
Barter	Barter	N
Cash	Cash	N
Check	Check	N
Credit Card	Credit Card	N
Discover	Discover	N
EFT	Electronic File Transfer	N
MasterCard	MasterCard	N
Visa	Visa	N

Include Inactive

Payment Method Edit  Inactive

Payment Method

Description

# Terms

Create a new Terms Code labeled "Barter". This will be used for both A/P Bills and A/R Invoices.

Terms

Term	Description	Days Due	Based On	Disc Days	Disc %
2-10 N-30	2%-10 Days Net-30 Days	30	Due Date	10	2
2-20 N-60	2%-20 Days Net-60 Days	60	Due Date	20	2
25th of Month	25th of Month	25	Aging Date	0	0
30th	30th of the month	30	Aging Date	0	0
AP Month End	AP Month End	10	Aging Date	0	0
AR EOM 10	AR EOM 10	10	Aging Date	0	0
Barter	Barter	0	Aging Date	0	0
Conv Invoice	Terms for converted invoices	0	Aging Date	0	0
Due On Receipt	Due On Receipt	0	Aging Date	0	0
End of Month	End of Month	25	Aging Date	0	0
First Day of Month	First Day of Month	1	Aging Date	0	0
Net 10	Net 10	0	Due Date	10	5
Net 30	Net 30	30	Due Date	0	0
On Receipt	On Receipt	0	Due Date	0	0

Include Inactive

General  Inactive

Term Code

Description

A/R Aging Based On  A/P Discounts

Invoice Aging Date (A/R Only)  Discount Days

Due Date Days Net Due  Discount %

End of Month

A/R Invoice Due Date will always be the Invoice Aging Date

# Vendor & Customer

Make certain that your barter partner is setup as both a Vendor and a Customer.

## Vendor Record

**Vendor Information:**  
 Kennedy Electrical  
 35 Gaviota  
 Plymouth, MI 48170

**Summary:**  
 Open Bills: \$0.00  
 Open Credits: \$0.00  
 Open POs: \$0.00  
 Open Receivables: \$0.00

**Vendor Details:**  
 Vendor Code: Kennedy Electrical  
 Vendor Type: Outside Services  
 Branch: MI  
 Category: G&A  
 Terms: Barter

Open Bills	\$0.00				
Invoice #	Date	Due	Amount	Net Due	
<b>Open Credits \$0.00</b>					
Credit #	Date	Amount	Balance		
<b>Open POs \$0.00</b>					
PO #	Order Date	Due Date	Total Cost	Rcvd Cost	
<b>Open Receivables \$0.00</b>					
Reference	Date	Cost			

## Customer Record

**Customer Information:**  
 Kennedy Electrical  
 35 Gaviota  
 Plymouth, MI 48170

**Summary:**  
 Balance Due: \$0.00  
 Total Active RMR: \$0.00  
 Total Active RAR: \$0.00

**Customer Details:**  
 Customer Type: Commercial  
 Customer Since: 5/19/1989

Bill Contacts	Contact	Phone	Ext	E-Mail	
<b>Open Invoices \$0.00</b>					
Invoice #	Site Name	Description	Date	Amount	Net Due
<b>Open Credits \$0.00</b>					
Credit #	Site Name	Credit Type	Date	Amount	Balance
<b>Open Tickets</b>					
Ticket #	Problem Code	Date	City, State	Status	
<b>Open Jobs</b>					
Job #	Type	Status	Units	Install	RMR



# The Process

In the example transactions shown below, we assume the following:

You have agreed to trade \$3,000.00 worth of services with your barter partner. Your company will be installing a system for Kennedy Electric, and Kennedy Electric will be installing a lighting system in your warehouse.

1. Once your company has installed the system for Kennedy Electric, you will create an invoice to bill Kennedy Electric for the 3,000.00 worth of services.

Customer ID: 11125 | Category: Installation | A/R Account: 110110 | Tax Group: MI-Tax Exempt

Invoice # 532548 | Invoice Date: 6/5/2019 | Aging Date: 6/5/2019

Kennedy Electrical  
35 Gaviota  
Plymouth, MI 48170

Branch: MI | P.O. Number: | Term: Barter

Warehouse: | Invoice Type: Miscellaneous | Salesperson: Matt.Miller | Posting Date: 6/5/2019

Site Address: Kennedy Electrical  
35 Gaviota  
Plymouth, MI 48170

Items \$3,000.00 | Parts \$0.00

Item	Description	Exempt	Qty	Rate	Amount	Memo
Install CCTV LCOM	Install CCTV System-C	<input checked="" type="checkbox"/>	1	3000.00	3,000.00	

Description: Installation Services | Contact: | Memo: Barter

Sub Total: 3,000.00 | Tax: 0.00 | Total Balance Due: 3,000.00

Complete |  Add to Print Queue | Invoice List | Save | Close

- Next, you will enter a payment for \$3,000.00, apply it to the invoice just created and deposit into the Barter Bank Account. Basically, the current balance of this bank account is how much credit you have available from Kennedy Electric.

**Payment Processing**

Batch Tape Amount: 3,000.00    Amount Entered: 3,000.00    Batch Balance: 0.00    Entry # 1 of 2

Branch: MI  
 Customer: 11125  
 Invoice #:   
 Address: Kennedy Electrical  
 35 Gaviota  
 Plymouth, MI 48170  
 Memo:   
 Balance to Apply: 0.00  
 Amount: 3000.00  
 Payment Method: **Barter**  
 Check Number:   
 Posting Date: 6/5/2019  
 Check Date:   
 Other Credits:   
 Invoices | Other |  
 Invoice List  

Site Name	Invoice #	Date	Amount	Net Due	Payment	Purchase Order
Kennedy Electrical	532548	6/5/2019	3000.00	3000.00	3000.00	

 Total Due: \$3,000.00  
 View Checks    Import Lockbox    Scan Batch    Save    Close

**Make Deposit**

Deposit Date: 6/5/2019    Deposit Total: \$ 3,000.00  
 Single Deposit in GL  
 Branch Code: MI  
 Bank Account: **101000**  
*Barter - Kennedy Electric*  
 Description: Barter Kennedy Electric  
 Check Z1 Only  
 Print Deposit Ticket  

Sel	Date	Description	Quan...	Tape Total	Entered Total	Balance
<input checked="" type="checkbox"/>	6/5/2019	Barter 11125	1	3000.00	3000.00	0.00

 Save    Close

3. Kennedy Electric installs a lighting system in your warehouse and sends you a bill for \$3,000.00.
4. Enter the bill under the Kennedy Electric Vendor and mark the terms as "Barter".

**Bills**

Vendor: Kennedy Electrical      Category: G&A

---

**Vendor Bill**

Vendor: **Kennedy Electrical**  
 Address: **35 Gaviota**  
**Plymouth, MI 48170**

Reference #: 36225      Branch: MI

Terms: **Barter**      Amount: 3000.00

Bill Date: 6/5/2019      Payment Due: 6/5/2019

Eligible for Discount Amt: 2500.00      Costing:

Parts: 0.00    Expense: 3000.00    Documents:  Show Branches     Show Job Cost     Single Expense Line

General Ledger					
GL Account	Description	Qty	Rate	Amount	Category
620735	Facilities - Repair & Maintenance	1	3000.00	3000.00	G&A

Memo: Warehouse Lighting

**Total** 3000.00  
**Balance Due** 3000.00

View Applied Credits    Copy Expenses    Save    Close

- Pay the bill to Kennedy Electric with the Write Checks option. Make certain to select the Barter Bank Account for the payment.

**Write Checks**

Pay From Bank Account: **Barter-Kennedy Elect.** | 101000 Barter - Kennedy Electric | Balance: \$3,000.00

Customer:  | Vendor:  Kennedy Electrical | Branch: MI

**Sedona Security** | DATE: 6/5/2019 | CHECK #: 1

PAY TO THE ORDER OF: Kennedy Electrical | \$ 3000.00

Three Thousand Dollars and Zero Cents.....

ADDRESS LABEL: Kennedy Electrical, 35 Gaviota, Plymouth, MI 48170

MEMO: Barter

In Print Queue

Applied Total: 3000.00

Balance: 0.00

Recurring Payment

Bills: \$3,000.00 | Parts: \$0.00 | Expense: \$0.00 | Documents

Bills List							
	Due Date	Discount Date	Discount Amt	Ref Num	Bill Amt	Amt Due	Paid
/	6/5/2019	*****	0.00	36225	3000.00	3000.00	3000.00
*							

Voided Check

Apply Save Print Close

