BOLD GROUP

SedonaOffice
Barter Transactions

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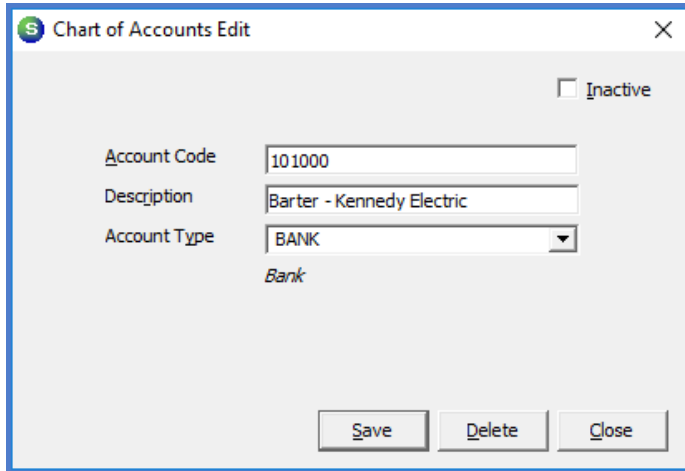
A fictitious bank account is created to keep track of the value of services exchanged and to pay bills and invoices incurred between the barter partners.

Setup

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

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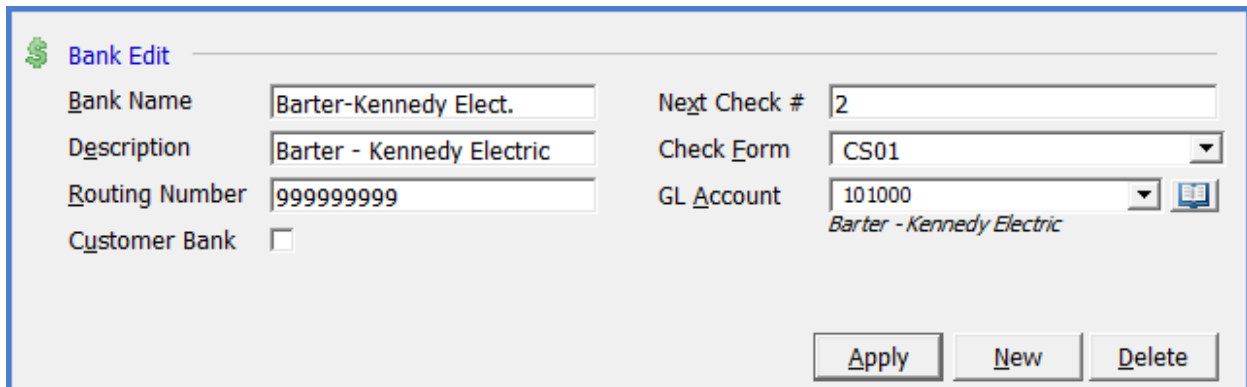
Create a G/L Account with the account type of Bank. If your company uses barter as payment for several customers, you may want to set up a separate account for each customer.

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.

Payment Method

Create a new payment method labeled "Barter".

Terms

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

Vendor & Customer

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

Vendor Record

Customer Record

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.

2. 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.

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".

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

G/L Register

When viewing the GL Register for the barter bank account, if the services provided and the services received are equal, the balance in this account should be zero.