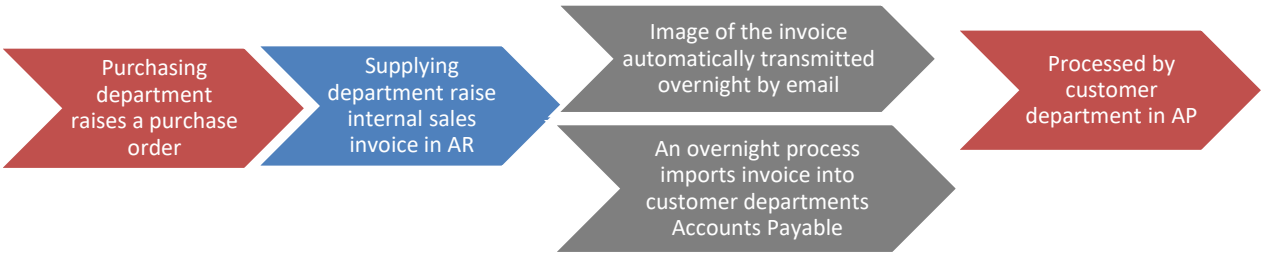
Raising an invoice to another department

The Internal Trading process



When the SUPPLYING department receives the Purchase Order

When you have received an **approved** Purchase Order from another department, you should deliver the goods or services requested. The associated invoice will then be emailed to the department automatically.

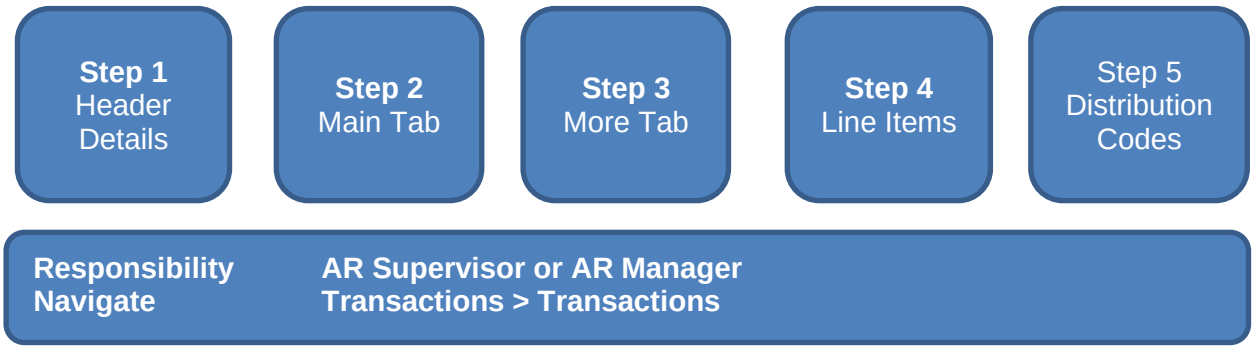
As the supplying department, if you are *selling* goods from Inventory (Stock), then please make sure that Inventory adjusts their records accordingly. You could do this by sending a copy of the Purchase Order to the person in your department who deals with inventory.

NB. An Internal Trading invoice should NOT be raised if the Purchasing department is an Associated Body.

Key differences to external invoices

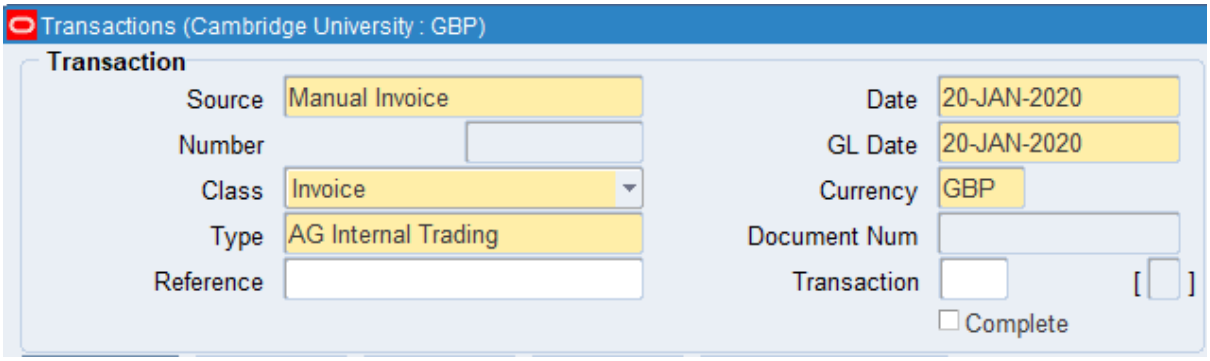
Raising a sales invoice to another department is carried out the same way as raising a sales invoice to one of your external customers, but with the following differences:

- *Invoice will always be in **GBP***
- *The type will be **?? Internal Trading***
- *Terms will always be **Internal***
- *Tax code will always be **Internal***
- *Source of Funds will be **GAAB***



Step 1: Header details

Once you have navigated to the transaction screen complete the fields listed below (remember all yellow fields are mandatory and must be completed)



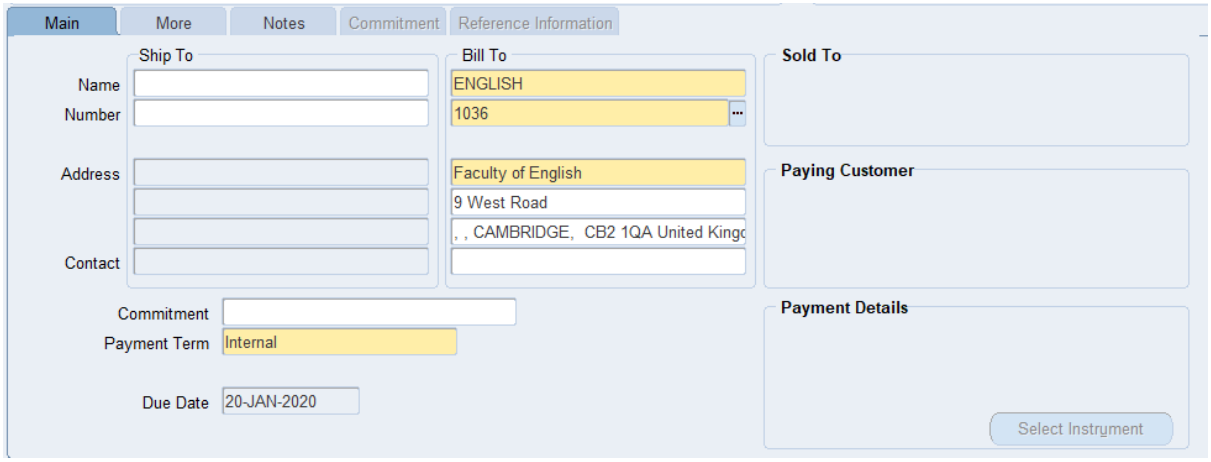
- **Source** Manual Invoice, this should never be changed
- **Class** Type of transaction you are creating (invoice or credit)
- **Type** **XX Internal Invoice**

  Date This is the transaction date (no impact on due date as internal trading

  invoices are due immediately with terms of **Internal**
- **GL Date** The date the transaction will reflect in your departmental accounts
- **Currency** Always use **GBP**
- **Reference** This is an optional field and a free text field. Enter information you feel may be helpful to you/department

Step 2: Main Tab

The information you need to complete here is the following:

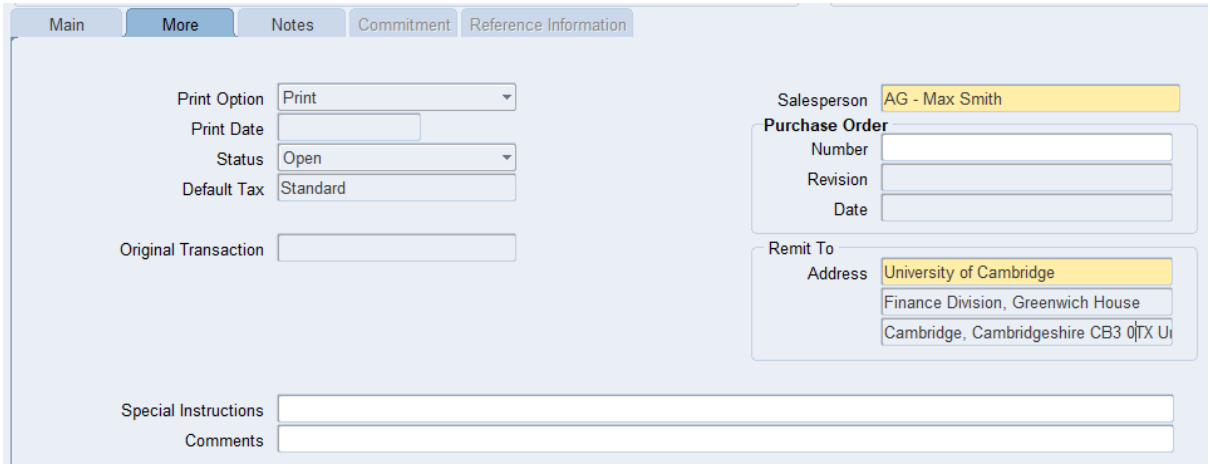


- **Bill To** Enter the customer details by placing the cursor into the first line of the bill to section. Click on the list of values and enter the department name you are searching for and then click find.
- **Payment Term** All internal transactions will default in with **Internal** as the terms

Step 3: More Tab

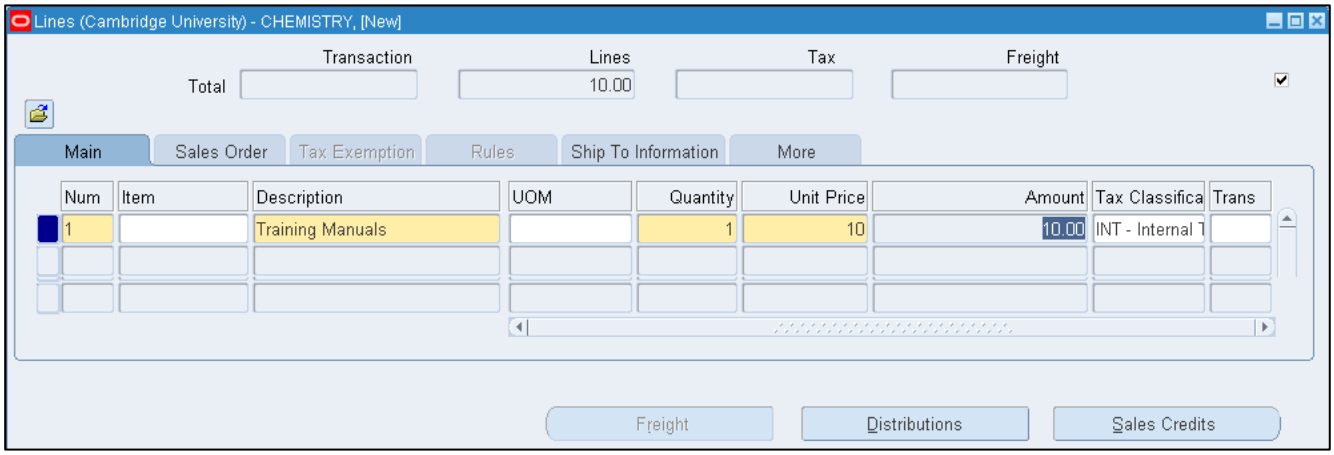
This tab has additional fields you must populate:

- **Salesperson** Using the list of values, search and enter the Salesperson details (pre requisite – salesperson must be created)
- **Purchase Order Number** Enter any purchase orders received



Step 4: Line Items

This is where you enter the details of the products or services you are providing. The following fields are to be populated:

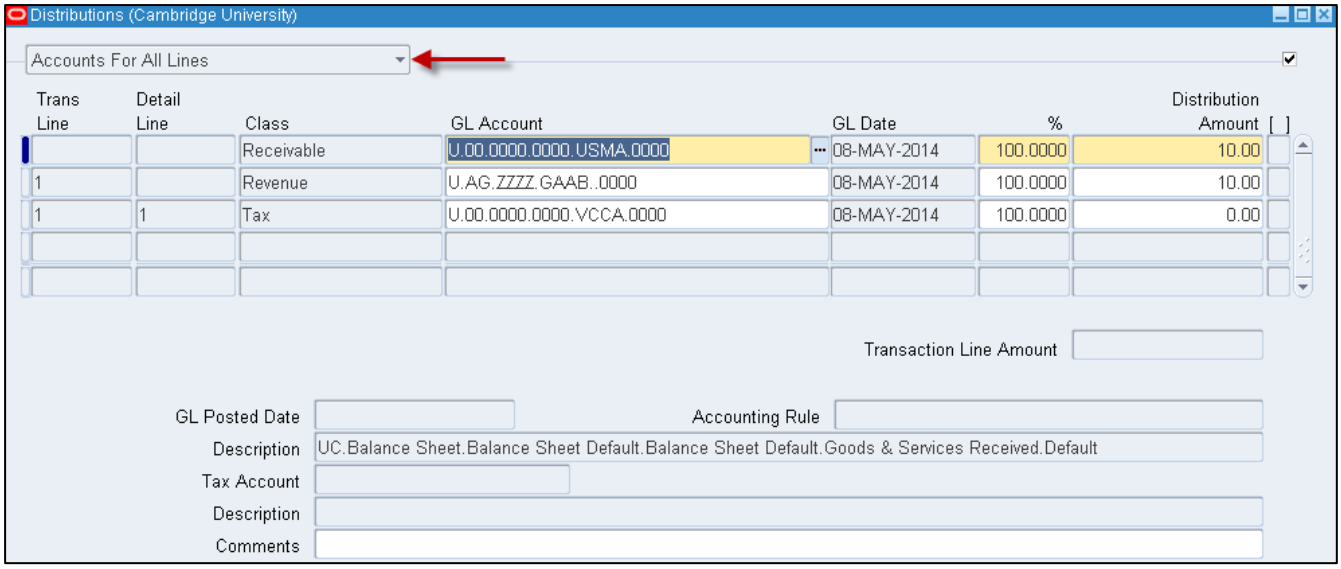


- **Description** — This is a free text where you enter details of the product or service. It is vital that you provide as much detail as possible as this description will populate the paying department's Accounts Payable record. Alternatively you can use the list of values to search for a memo line.
- **UOM** — Unit of Measure – An optional field, choose as appropriate
- **Quantity** — Number of products or services being provided
- **Unit Price** — Value of product or service you are providing, net of any VAT
- **Amount** — Automatically populates after quantity and unit price has been Entered
- **Tax Classification** — This defaults in as Internal

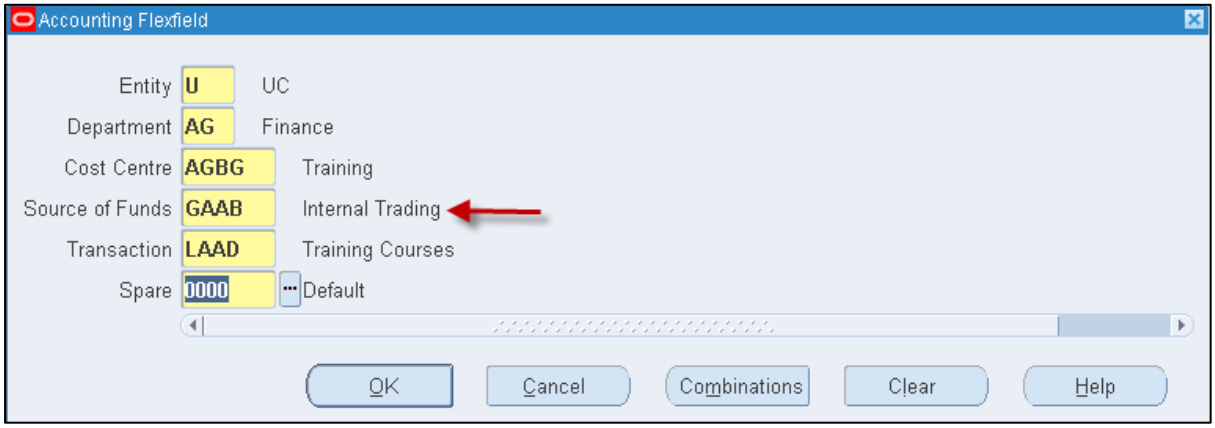
Click on **Distributions** button once your lines are completed to update the accounting information.

Step 5: Entering distribution codes

Once you have clicked on the distributions, the following screen displays. This is where you enter the codes as to where the income is to go to. **You must only change the revenue line.** To view all lines as seen below, click on the drop down arrow and select **Account For All Lines**.



- The revenue GL account will automatically populate. The code must be changed using the list of values to choose:



a) The correct cost centre segment (area of activity) e.g. XXBA

b) The correct source of funds will be GAAB

c) The transaction segment (income code: L____ or K____). However if a memo line was used, the transaction code will default in automatically, but you will still need to amend the cost centre segment

Repeat steps a) and b) for each line of the invoice and **Save.**

A transaction number is generated, which you should make a note of. The next step is for the invoice to be checked and completed (refer to guidance *Completing a Transaction* on this process). A copy of the invoice will be automatically emailed to the customer department.

If you want to allocate the generated income to more than one account, reduce either the value or the % in the first revenue account and then click in the next row down. Enter the other GL account code for the remaining value.