

# Business One in Action – How to Offset a Business Partner Who is Simultaneously a Customer and a Supplier?



## Applies to:

SAP Business One, [Accounting](#), [Banking and Reconciliation](#)

## Summary:

This article will provide you with a simple procedure that may be employed to internally reconcile a business partner that is both customer and supplier and thus has 2 different BP codes.

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## Author Bio:

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## Table of Content

How to Offset a Business Partner Who Is Simultaneously a Supplier and a Customer? .....	3
Related Contents .....	8
Copyright .....	9

## How to Offset a Business Partner Who Is Simultaneously a Supplier and a Customer?

Many companies have business partners (BP) that serve as both customer and supplier. In SAP Business One, a BP cannot be defined simultaneously as a supplier and customer under a single BP code; 2 distinct BP codes have to be created. Yet it is a requirement that incoming and outgoing invoices/credit memos are offset against each other, leading to either an incoming payment from or an outgoing payment to the BP at month end.

From version 2007 onwards, SAP Business One offers multiple BP internal reconciliation, thus providing a simple and effective way to offset BP accounts against one another.

In this example, BP *The Fruit Basket* is both a customer and a supplier. There are several open transactions under each BP code.

0025 – Supplier:

The screenshot shows the 'Business Partner Master Data' window for BP 0025. The 'Code' field is 0025 and the 'Role' is Vendor. The 'Name' is 'The Fruit Basket'. The 'Account Balance' is -3,574.65. The 'Currency' is British Pound.

Code	0025	Vendor	Account Balance	-3,574.65
Name	The Fruit Basket			
Foreign Name				
Group	Suppliers			
Currency	British Pound			
Federal Tax ID				

2500 – Customer:

The screenshot shows the 'Business Partner Master Data' window for BP 2500. The 'Code' is 2500 and the 'Role' is Customer. The 'Name' is 'The Fruit Basket'. The 'Account Balance' is 3,055.59. The 'Currency' is British Pound.

Code	2500	Customer	Account Balance	3,055.59
Name	The Fruit Basket			
Foreign Name				
Group	Customers		Deliveries	0.00
Currency	British Pound		Orders	0.00
Federal Tax ID			Opportunities	

The aim of this business scenario is to offset the balances on these accounts against each other and then settle with the BP at month-end. To do so, go to Business Partners -> Internal Reconciliation -> Reconciliation and select *Manual*. Place a tick in the checkbox *Multiple BPs*, and then select the 2 relevant BP codes:

The screenshot shows the 'BP Internal Reconciliation - Selection Criteria' dialog. The 'Reconciliation Type' is set to Manual. The 'Multiple BPs' checkbox is checked. The table below lists the selected BP codes and their balances.

#	BP Code	BP Name	BP Currency	Balance Due (LC)	Balance Due (FC)
1	0025	The Fruit Basket	GBP	GBP -3,574.65	
2	2500	The Fruit Basket	GBP	GBP 3,055.59	
3					

The 'Reconcile' button is highlighted with a red box.

Click on the button *Reconcile*. The application now displays all transactions available for reconciliation of both BPs. The transactions for reconciliation must be selected manually by placing a tick in the checkboxes under the column heading *Selected*.

#	Selected	Transaction No.	Origin	Origin ...	Posting Date	Amount	Balance Due	Amount to Reconcile	Details
	<input checked="" type="checkbox"/>	644	⇒ IN	92	30.04.10	GBP 352.50	GBP 352.50	GBP 352.50	A/R Invoices - 250
	<input checked="" type="checkbox"/>	645	⇒ IN	93	03.05.10	GBP 411.84	GBP 411.84	GBP 411.84	A/R Invoices - 250
	<input checked="" type="checkbox"/>	649	⇒ PU	83	04.05.10	GBP (3,045.90)	GBP (3,045.90)	GBP (3,045.90)	A/P Invoices - 002
	<input checked="" type="checkbox"/>	646	⇒ IN	94	11.05.10	GBP 705.00	GBP 705.00	GBP 705.00	A/R Invoices - 250
	<input checked="" type="checkbox"/>	647	⇒ IN	95	18.05.10	GBP 763.75	GBP 763.75	GBP 763.75	A/R Invoices - 250
	<input checked="" type="checkbox"/>	650	⇒ PU	84	21.05.10	GBP (528.75)	GBP (528.75)	GBP (528.75)	A/P Invoices - 002
	<input checked="" type="checkbox"/>	648	⇒ IN	96	24.05.10	GBP 822.50	GBP 822.50	GBP 822.50	A/R Invoices - 250
								GBP -519.06	

The *Amount to Reconcile* must be zero before reconciliation can take place. If the amounts to be reconciled leave a non-zero value, an adjustment must be posted. This may be easily achieved by clicking on the button *Adjustments*.

In this example, the amount to reconcile is GBP -519.06. From the *Adjustments* window, selecting an outgoing payment is the most logical choice, therefore click on *Add Outgoing Payment* and then on *OK*.

**Adjustments**

Select the transactions you would like to process:

Create Journal Entry

Add Incoming Payment

Add Outgoing Payment

OK Cancel

Add a payment on account over the amount to reconcile, select an appropriate payment means and then add the payment.

**Outgoing Payments**

Code: 0025  
 Name: The Fruit Basket  
 Pay To: [Empty]  
 Contact Person: [Empty]  
 Project: [Empty]

Vendor No. Primary 43  
 Customer Posting Date 24.05.10  
 Account Due Date 24.05.10  
 Document Date 24.05.10  
 Reference [Empty]  
 Transaction No. [Empty]

Display Invoices with matching Billing Address

Selected	Documen...	Installment	Date	*	Overdue ...	Total	Balance Due	Blo...	Cash Dis...
<input type="checkbox"/>	83	1 of 1	04.05.10	*	20	GBP 3,045.90	GBP 3,045.90		0.00
<input type="checkbox"/>	84	1 of 1	21.05.10	*	3	GBP 528.75	GBP 528.75		0.00

Payment on Account 519.06

Total Amount Due: GBP 519.06  
 Open Balance: GBP 519.06

Remarks: [Empty]  
 Journal Remarks: Outgoing Payments - 0025  
 Control Account: 203000  
 Created by Payment Wizard

Buttons: Add, Cancel, Deselect All, Select All, Add in Sequence

This payment is now added automatically to the list of transactions available for internal reconciliation. Select all transactions to be reconciled, ascertain that the *Amount to Reconcile* is zero and click on the button *Reconcile*. The user needs to confirm that s/he indeed wishes to reconcile these transactions:

**Internal Reconciliation**

Reconciliation Currency: British Pound  
 Reconciliation Date: 24.05.10

**System Message**  
 Reconcile the selected transactions?

#	Documen...	Installment	Date	Currency	Amount	Balance	Details
<input checked="" type="checkbox"/>	648	IN	24.05.10	GBP	822.50	GBP 822.50	A/R Invoices - 2
<input checked="" type="checkbox"/>	651	PS	24.05.10	GBP	519.06	GBP 519.06	Outgoing Payme
						GBP 0.00	

Buttons: Reconcile, Cancel, Adjustments, Print Settings

After clicking on Yes, these transactions will be reconciled. This manual reconciliation triggers the automatic creation of a journal entry of type JR (numeric code 321):

**Journal Entry**

Series: Primary, Number: 652, Posting Date: 24.05.10, Due Date: 24.05.10, Doc. Date: 24.05.10, Remarks: Manual Reconciliation Transaction,  Fixed Exchange Rate

Origin: JR, Origin No.: 126, Trans. No.: 652, Template Type: , Template: , Indicator: , Project: ,  EU Report

Trans. Code: , Ref. 1: , Ref. 2: ,  Automatic Tax,  Manage WTax

▶ Expand Editing Mode

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit	Balance Due (FC)	Balance Due (LC)
1	2500	The Fruit Basket		GBP 3,055.59		
2	0025	The Fruit Basket	GBP 3,055.59			
			GBP 3,055.59	GBP 3,055.59		

OK Cancel  Display in FC  Display in SC Cancel Template

This type of journal entry documents a manual reconciliation transaction and is naturally included in the list of reconciled transactions for all BPs who have been involved:

Manage Previous Internal Reconciliations □ □ ×

**Reconciliation History**

#	Recon. No.	Recon. Amount	Recon. Type	Reconciliation Date	Canceling/Canceled Reconciliation Number
1	126	GBP 6,630.24	Manual	24.05.10	

**Reconciliation Details**

#	Origin	Origin No.	G/L Acct/BP Code	Ref. 1	Due Date	Amount	Applied Amount
1	➔ IN	92	➔ 2500	92	30.05.10	GBP 352.50	GBP 352.50
2	➔ IN	93	➔ 2500	93	10.05.10	GBP 411.84	GBP 411.84
3	➔ PU	83	➔ 0025	83	04.05.10	GBP (3,045.90)	GBP (3,045.90)
4	➔ IN	94	➔ 2500	94	20.05.10	GBP 705.00	GBP 705.00
5	➔ IN	95	➔ 2500	95	18.05.10	GBP 763.75	GBP 763.75
6	➔ PU	84	➔ 0025	84	21.05.10	GBP (528.75)	GBP (528.75)
7	➔ IN	96	➔ 2500	96	24.05.10	GBP 822.50	GBP 822.50
8	➔ PS	43	➔ 0025	43	24.05.10	GBP 519.06	GBP 519.06
9	➔ JR	126	➔ 2500		24.05.10	GBP (3,055.59)	GBP (3,055.59)
10	➔ JR	126	➔ 0025		24.05.10	GBP 3,055.59	GBP 3,055.59

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If a mistake had been made, this reconciliation, as all manual reconciliations in SAP Business One 2007, may be cancelled by clicking on the *Cancel Reconciliation* button. This action will make all transactions available for reconciliation again and reopen marketing documents that had been closed with the reconciliation.

## Related Contents

- [SAP Business One in Action Catalog Page](#)
- How-to-Guides are available from the [Documentation Resource Centre](#)
- SAP Note: [1289864](#)
- For more information, visit the [Business One homepage](#).



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