PBS Tips and Tricks #26 – Purging Vendors Accounts Payable

In the last Tips and Tricks, we discussed the purging of the most important AP files – the AP Open file, the GL Distribution file and the Vendor History file. This time we will look at a fourth file – the Vendor (Master) file.

The reason for eliminating vendors is typically somewhat different from the motivation for purging the others – usually space and record count considerations. Purging vendors requires that two of the previous files discussed must also be purged in a coordinated manner as part of the vendor purge process. And finally, unlike the purging for the Open Items and the Vendor History, purging Vendors affects multiple files. Purging also helps your system stay clean and speeds up processing.

Some companies actually don't need to purge vendors with any regularity due to the fact that either the number of vendors they have to deal with is small and/or the turnover of vendors is small. That means that over several years there will be relatively few vendors who are no longer being used. However, for many companies a 5% annual turnover of vendors over three years for example, will mean about 15% of the vendors on file are no longer active and so, after another three years you may feel that you don't even need to keep vendor history for these. Using this example, you might want to purge any vendor where the last purchase date is six years or older. This would keep the number of "dead" vendors down to 20%-30% of the file.

This cycle may complement and be part of the annual cycle of moving the paper document backups from the current set of file cabinets down to basement storage. For some clients this also involves running a minor project of creating a new set of file labels for each vendor.

When removing a vendor from the AP system, all records that refer to that vendor must be removed. As with any integrated system you can't have a situation with a vendor history record that points to a vendor who no longer exists. It also makes no sense to remove vendors who you still owe money to. These requirements mean that to purge a vendor you must have no Open AP and no Vendor History. The actual and more demanding requirement is that there must be no Open Item and no Vendor History records that belong to the vendor or vendors to be purged. These requirements are detailed in the online help under the "Vendor Notes, Name Changes and Deletions" section under "Entering Vendors" and on (Adobe) page 123 of the AP User Manual.

When you purge Vendors, any vendor associated information in the Vendor Contact file will also be deleted. Again, this is carefully controlled and a logical requirement – you can't have a vendor's contact information without having the vendor.

One additional detail is that both the AP Open Item purge and the Vendor History purge have a range selection, from/to Vendors and these purges therefore allow us to purge an individual vendor. Doing this by individual vendor will likely be the way you want to deal with these purge

requirements – on a vendor-by-vendor basis. (It is unlikely you will have a whole range of vendors to delete as a consecutive group.)
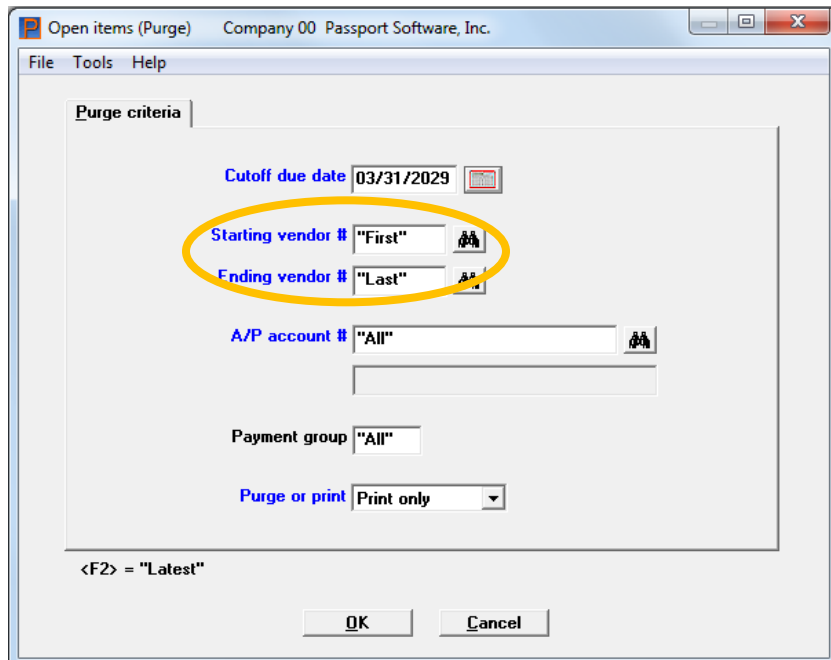
Steps to purge a Vendor:

1) Purge the AP Open Item file of all records for the vendor to be purged. To make sure this happens, the purge should be run up to the current date (or into the future if you have transactions out there). You can quickly check success by using the view open items function for the vendor: Open Items/View. If there are any items in the details window in the bottom two-thirds of the screen, these will have to be dealt with. In other words, that portion of the screen will have to be completely empty:
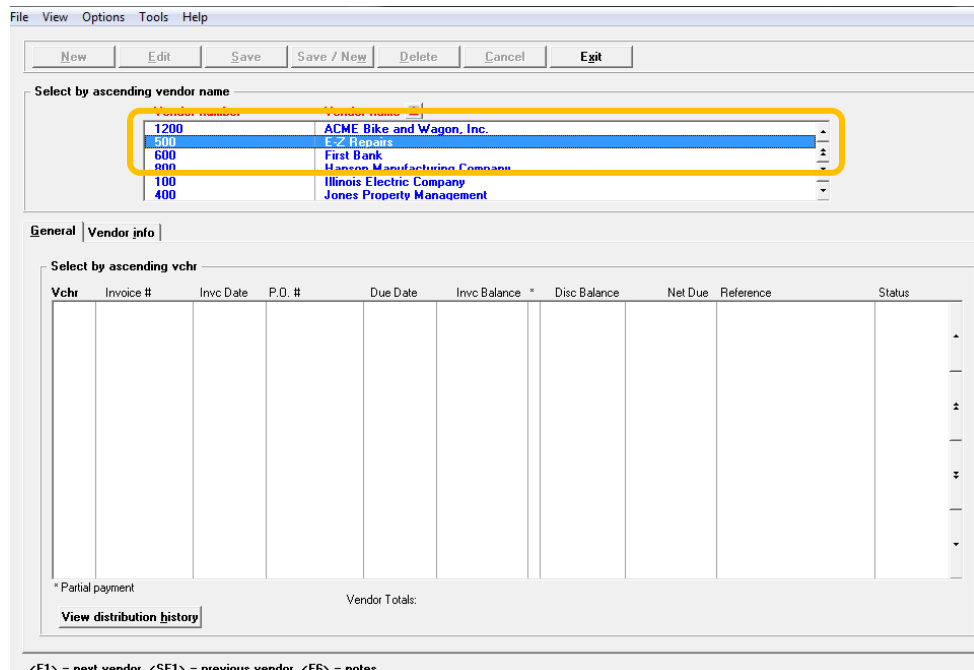
Since the purge will not remove items that are not fully paid, this may require that you issue debits/vouchers against prepays or other credits or issue credits against open items. Once you have posted these clearing items, a "dummy" check run printed to plain paper will change all the statuses of these open items to "paid" and that will allow the purge to eliminate these "strays".

As mentioned above you can do these purges for individual vendors and this frequently will be the case because you will likely want to clear only the vendors you are purging and keep some prior month data in the Open Items file for any other live vendors which makes it easy if you need to void checks. (This was discussed in the previous Tips & Tricks #25.)

2)   Purge the Vendor History of all records: This process parallels the above but must be done after 1) above because any open items in the Open Item file should also be open in the Vendor History and clearing these items in the AP Open Item file should also clear them in the Vendor History.

As with the Open Item file you will want the cut-off date to up to the current date (or even future if necessary) and again you can check whether the purge was successful by using the View Vendor Invoices function of the AP main menu. In this case and because of the nature of the lookup, the display should show nothing about that vendor. In other words, vendor selected, will not appear in the lookup list and typing the vendor number will not show the vendor but will show the next vendor after it. For example, if you type 500 as the Lookup selection, (a legitimate vendor who has no history), you will get:

Note that vendor 500 does not appear in the Lookup list; therefore, there are no Vendor History records.

If, instead, you limit your search to Vendor 500, you get the following:

Because we have explicitly restricted our Lookup to vendor 500, nothing appears in either the Lookup list or the details panel below it and this means there are no Vendor History records.

A caveat:

There is a small chance because of prior problems with postings, that the AP Open item and the Vendor History are not in sync. This may mean that even though the Open Item file has been purged of all records for a vendor, the Vendor History may not be. This will also mean that, using the standard techniques just listed, the Vendor History cannot be fully purged for a particular vendor and so the vendor itself cannot be purged. Having one or two vendors that cannot be purged, while annoying, is not a catastrophe and these vendor records can be ignored. However, if a significant number of these unpurgeable vendors are discovered it is probably worthwhile to have a PBS Partner or Passport technician clear the file using other, "back door" techniques and re-organizing the file so the strict synchrony is restored.

3) Purge the vendor:

- Purged File name: VENFILxx
- Purge Menu entry: AP/Vendors (Vendor Maintenance) – 'F3' option to delete
- UM Entry for Purging: "Vendor Deletions" (Adobe) Pg. 123 AP User Manual - depending on PBS version)

Deletion of the vendor: Enter the Vendor Maintenance function; bring up the vendor to be deleted and, noting at the bottom of the screen the usual on-screen tips, select the 'F3' option or click the larger 'Delete' button near the top of the screen to delete the vendor. The program will do a careful check that all the criteria just discussed have been met and if that is true the program will ask you to confirm your intention:
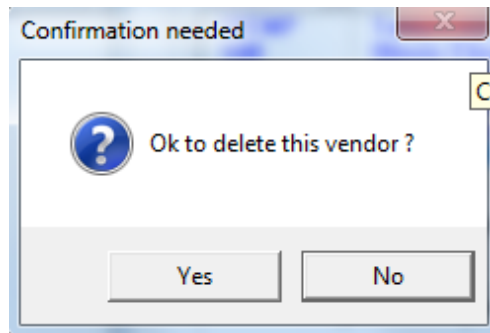
Following a "Yes" confirmation, the vendor will disappear from the Lookup and the vendor details will be replaced with the next vendor that followed it in the Lookup.

If the above conditions are not met, an error like the following will be produced:
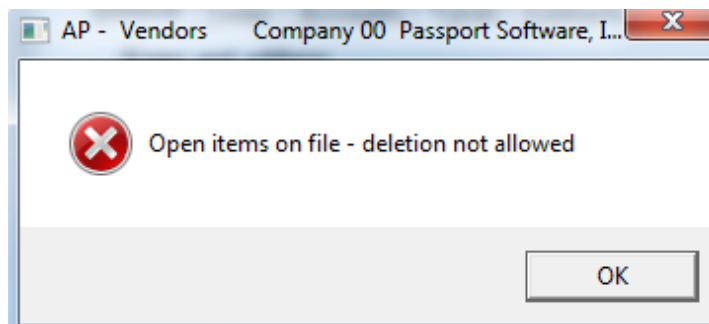
At this point it will be a matter of backtracking to see what criteria have not been met.

Several final notes:

- PBS supports the use of "temporary vendors". These are vendors that are entered with an "*" in front of the Vendor ID. Special rules apply to these vendors since they are not considered "permanent". In the AP Manual PDF, search for "Temporary vendors" (using the Ctl_F) functionality) for details of what you can and can't do with these vendors.

However, in the context of this document, unlike permanent vendors, temporary vendors can be purged as a group and this is described on (Adobe) Pg. 469 of the User Manual.

- A change log file is available in PBS for all master files. This set of files (Vendor change log, Customer change log etc.) records a before and after picture of any changes made to these master files as well as recording who made the change and when. The feature can be turned on or off with a setting in the Company Control information.

  If you are logging master file changes and depending on the volume of changes that are being applied, it may be important to periodically purge the change log file so that it does not get too big. See (Adobe) Pg. 161 for details of purging the Change Log.

- Many of the topics covered here are also described in a useful "Guide to Daily and Monthly Operations" section of the AP Manual. This part of the manual covers much of this same material but in a different format and perspective. Search for the "Guide to Daily and Monthly Operations" in the online help or go to (Adobe) Pg. 53 of the User Manual.