# Warranty Claims (Customer Chargeable)
# Pending Supplier Credit

**N.B.** **This fact sheet relates to Wholegoods Warranty Claims although the feature is also available for Serial Numbered Item claims.**

Gold incorporates a charging feature for supplier warranty claims raised against customer owned machinery.

When raising a supplier's warranty claim, an invoice to the customer will also be created for the total amount claimed. Two resulting entries will be generated on the balance sheet from this, outstanding debtors against the supplier and an outstanding creditors entry against the customer.
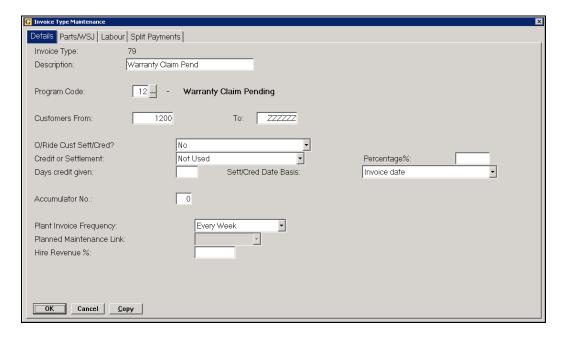
Upon receipt of the suppliers credit note Gold will provide the option to issue the relating customer with a sales credit, thus clearing the above balance sheet entries and posting either a loss or gain to the profit and loss accounts.

## 1. Invoice Type Creation

### 1.1 Invoice Type File: Warranty Claim Creation
(System Management, Invoice Type File)

Create a new invoice type, this should cover all your external customers a/c's and use program code **(Warranty claim pending (Wholegoods)**.

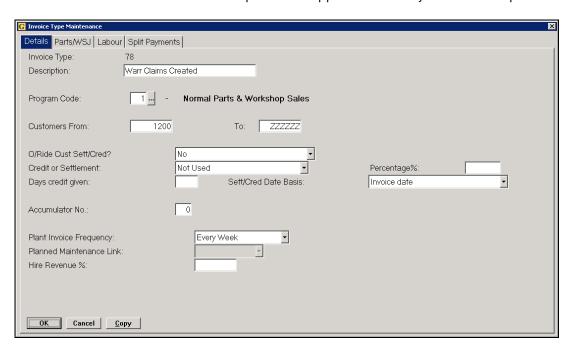The parts and labour charging should be set as retail.

## 1.2 Invoice Type File: Warranty Credit Received

An invoice type for the warranty credit received from the supplier should be created. You should already have at least one of these if you currently raise warranty claims. A new one may be created if you wish to maintain a separate analysis within Gold for all warranty claims that fall into the customer chargeable category.

## 1.3 Invoice Type File: Warranty credit to customer

An invoice type for the customer credit note should be created, Gold will generate a credit to the customer when receipt of the suppliers warranty credit takes place.



Note that the program code for the warranty claims to credit invoice type is; Normal Parts & Workshop Sales.

## 2 System Parameters

## 2.1 Warranty Charged Invoice Type

(System Management, Ledgers/Mapping/Currency, Mapping for Sales Invoicing)

Before creation of mapping, you may need to create some new nominal codes to facilitate this method of charging warranty to your customer.

A balance sheet account should be created for outstanding customer warranty. This would usually reside in the liability range of accounts as an outstanding creditor.

e.g.  215xxxx
You may also wish to create two profit and loss accounts for warranty charged sales and warranty charged costs.

e.g.     3657921              Sales a/c
         4657921              Cost of sales a/c

In this example 79 is the invoice type that the workshop invoice is raised on.

### Mapping example for invoice type 79 (Warranty claim pending)

Sales account     CR   3603911     Warranty Chargeable Sales
Cost account      DR   4603911     Warranty Chargeable Costs
Stock account     CR   1600101     Parts Stock
Control account   DR   1850100     Sales Ledger Control

The **WC** prefix should also be mapped against this invoice type as follows;

Sales account     CR   215xxxx     Outstanding customer warranty
Cost account      DR   888xxxx     Mapping Trap
Stock account     CR   888xxxx     Mapping Trap
Control account   DR   106xxxx     Outstanding supplier warranty

### Mapping example for invoice type (Warranty credits received)

Only map the **WC** prefix code for this invoice type:

Sales account     CR   215xxxx     Outstanding customer warranty
Cost account      DR   215xxxx     Outstanding customer warranty
Stock account     CR   106xxxx     Outstanding supplier warranty
Control account   DR   1850100     Sales Ledger Control

### Mapping example for invoice type (Warranty credits to customer)

Every prefix that will be the object of a warranty claim including **WC** should be mapped as follows:

Sales account     CR   215xxxx     Outstanding customer warranty
Cost account      DR   888xxxx     Mapping trap
Stock account     CR   888xxxx     Mapping trap
Control account   DR   1850100     Sales Ledger Control

### 3        Operating Procedure

Create the warranty job using the invoice type as defined in section 1.1.  This will result in a chargeable invoice being raised against the customer and the creation of a claim against your supplier.

Accounting entries resulting from this are;

DR      Supplier warranty outstanding
CR      Customer warranty outstanding

When received the supplier credit should be posted against the claim in the standard way resulting in a credit to the supplier warranty outstanding.  Gold will recognize that the warranty was originally charged to the customer and provide the opportunity to raise a credit note against the customer when the warranty is deemed complete.

When raising the customer credit use the invoice type as defined in section 1.3.