

How do I sell and receive Gift Certificates?

First, create an extra for each department that will be selling gift certificates (Parts, Service or Sales). When you create the extras, you should use a general ledger account set aside for tracking these gift certificates. IDS suggests creating an income account for gift certificates for each department if you want to break the income down by department. If departmentalization is not necessary, just create one gift certificate income account. In either case, remember that all income accounts begin with a 1. If you sell gift certificates in set amounts (\$10, \$25, \$50, etc.), you might consider setting up multiple extra codes, one in each amount, to make things easier for your point-of-sale clerks. The extras should have tax code EXE - remember, the tax will be collected when the customer uses the gift certificate to purchase taxable items later on.

Next, use menu 8-5-1-1 to create payment form code GC with description Gift Certificate.

Gift certificates can then be sold as parts extras, work order extras or sales extras. When a customer purchases items from the dealership using a Gift Certificate, the person taking in the money should use the payment type of GC.

The person updating the bank deposit (routine 8-4-3), should update all payment types of GC to the same GL account used in the selling of the GC (account referred to in #1 above).

The net result of this procedure will give you a GL account that will track the balance of outstanding Gift Certificates. Since it is rare that all sold gift certificates get redeemed completely, the gift certificate general ledger account(s) will generally carry a credit balance.