What Is A Goods Received Note (GRN)? And Why They Are Important For Accounts Payable



An organization's procurement is a crucial part of business finances since it is how you use the money to purchase the goods and services you need for operations.

Procurement aims to acquire everything you need at the best possible price to improve profits and cash flow.

Your procurement department directly impacts up to 70% of your organization's Revenue so it's easy to see how closely related your procurement processes are to your financial operations. Because of this, you must:

- Make your procurement process as efficient as possible
- Focus on building strong supplier relationships over the long term
- Always look for cost-saving opportunities
- Maintain quality supply data for analysis purposes

An important data point track is a goods received note, sometimes also called a goods receipt note, or GRN. The GRN is a two-way document that acknowledges

that A supplier has delivered goods and you as a customer has received them.

When you issue a purchase order, your supplier is obligated to deliver the goods or services according to the terms of their contract.

Upon delivery, the customer issues three delivery note copies to the department that requested the supplies.

They retain a copy for the finance department and hand one to the supplier. Delivery details are confirmed by all three parties before authorization.

A GRN confirms the order has been delivered and received, and it’s satisfactory for all involved parties.

Benefits of Tracking Goods Received Notes

A goods received note serves as a document to confirm that both parties have honored their portion of the contract and keeps the record on file for future reference if any disagreements arise, such as in the following situations.

- ## Validating Quality and Quantity of Ordered Items

  When a supplier delivers ordered Goods, it’s assumed that everything is made in good faith and everything is delivered according to the demand has specifications, and passes quality checks. However, customers can’t just take the supplier’s word for it.

  Upon receipt, the procurement department will pass the delivered Goods to the requesting department so that they can review everything to make sure it meets their quality criteria and other specification.

  If the supplies are acceptable, goods received notes, are issued to the other parties to confirm that the supplies are up to standards, which helps to avoid disagreements in the future regarding the quality and quantity in the delivery.

Quality Control

If, after the supplies are delivered, the department that requested them realizes an issue they didn't catch it first. The goods received notes show that everything was tested and worked well. At this point, the supplier is absolved of their obligation.

They can either choose to replace the supplies in good faith or request that their customer works around it since the goods were in acceptable condition upon delivery.

Invoice Validation for Three-Way Matching

The three-way matching process helps to reduce and eliminate billing fraud across organizations.

With 3 Way matching, invoices are matched with purchase orders and good receive notes to confirm that the customer requested a certain quality and quantity of supplies, the supplier delivered upon the request, and the supplier is invoicing for the delivery at the Justified quantity and pricing according to contract terms.

When everything matches up exactly, the invoice can automatically be said to accounts payable for processing. If there's any discrepancy anywhere between the three documents, it can be flagged for human intervention to prevent fraudulent or duplicate payments.

Inventory Management and Keeping Stock Levels Current

Goods received notes also serve as a statement of fact that a company has received the delivery of the supplies requested. The note helps as a record of goods, which makes it easier for the warehouse to account for items on hand.

As such, they are helpful when it comes to managing inventory and keeping stock numbers accurate.



GRNs are an important document for procurement, as they keep a detailed record of what was ordered vs. what was received, when and by whom.

What Information the GRN Requires

The GRN ensures suppliers and customers can keep their binding agreement and empowers companies to maintain stock of inventory levels. As such, the document requires:

- Name of the supplier
- Product details, including name, size, type, specifications, etc.
- Product quantity
- Purchase order number
- Delivery date and delivery time
- Name and signature of supplier representative
- Name of your organization as the receiver
- Name and signature of the person at your company who will receive the order

Issues to be Aware of with GRN Processing

Like everything else in procurement, there is always the potential for a few issues.

The best thing you can do is to anticipate the issues and develop systems along with processes to address them should they ever come up, to keep the supplier relationship in good standing.

Timely Supplier Communication About Inventory

If during the process of testing the supply goods your organization discovers an issue or two with them, you may run into some issues with timely communication.

Smaller organizations may be able to reach the supplier and let them know right away, but larger organizations may have to log the issue for another staff member to process.

This results in delays in the customer's and supplier's operations because the procuring organization is stuck trying to handle unusable Goods while the vendor has cash and inventory tied up with the customer.

Slow Turnaround Times

Ideally, a GRN needs to be issued when suppliers make the deliveries. But, sometimes, this won't be the case since the department within your organization that orders the goods needs to get hands-on with the supplies to make sure they are as expected.

This can cause delays with issuing suppliers needing to wait until the customer has completed their due diligence. In larger organizations, it can take up to a week for a GRN to be issued.

Recording Errors Causing Invoicing Delays

Three copies of the GRN are issued to the ordering department, the procurement team, and the supplier.

Over the course of recording, it's easy for one team to miss it smaller detail in their own copy. When it's time to settle the suppliers in voice, this creates delays until the human error is resolved.

Worst case scenario, this could overextend your organization and lead to supplier invoices accruing interest because they were paid late.

Managing Administrative Workload

Properly managing GRNs is hard administrative work. When issues come up with GRNs, there's even more work involved.

If all of that word is handed to the procurement department for them to manually address each issue to contact various departments and the suppliers to find a solution, you're adding more to the procurement department's workload without adding value to the company and improving the bottom line.

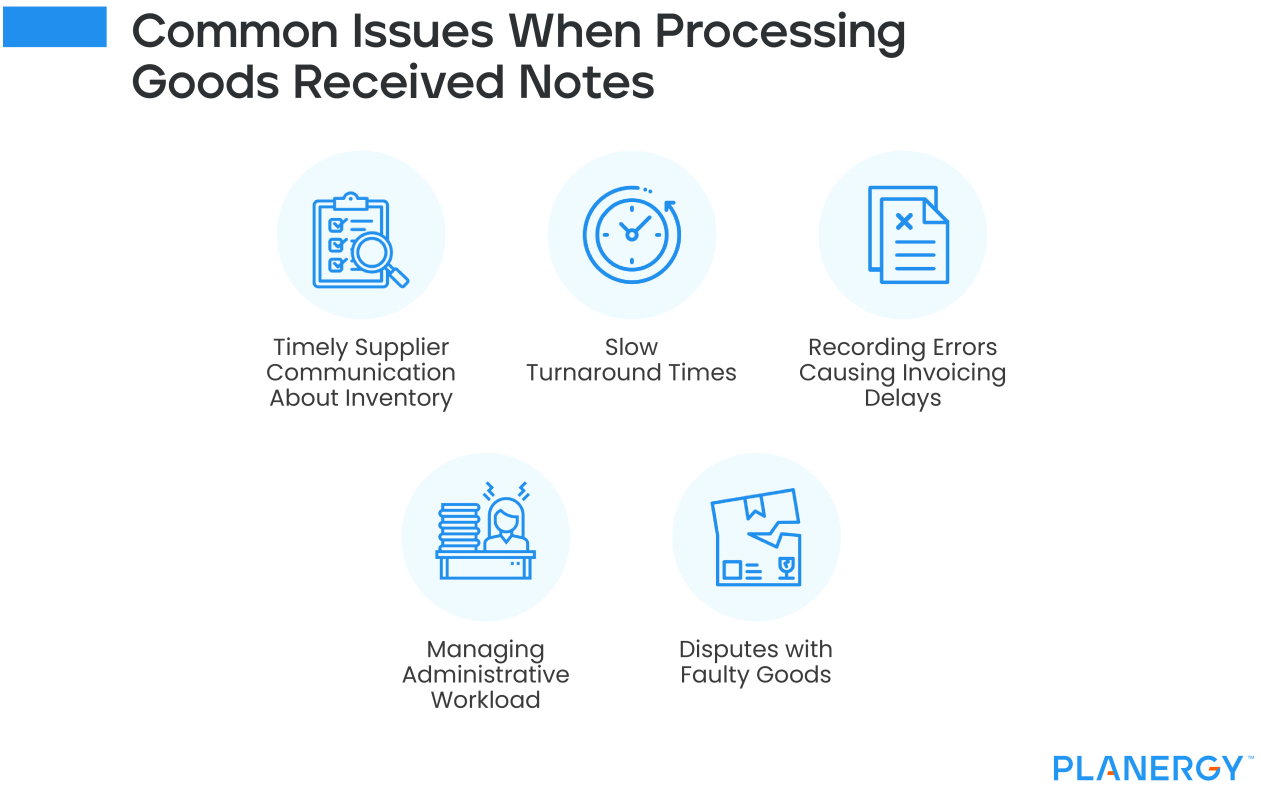
That's why goods received not invoiced (GRNI) reconciliation process is paramount to operational efficiency.

Disputes with Faulty Goods

Regardless of how strict your vetting process is, it's always possible for a single bad piece of inventory to go unnoticed. And when it happens, it makes sense that you'd try to get the issue resolved with the supplier.

However, once you sign off that you've received the delivery and everything is up to your standard, it will harder to get recourse.

The supplier has already handled quality and quantity compliance checks on their end, and when you submitted the GRN, you agreed that the delivery of goods was satisfactory.



Handle GRN and Reconciliation with PLANERGY

PLANERGY is designed to give your organization the tools you need to manage the entire procure to pay process, including GRNs. With PLANERGY, you can:

- Build custom workflows and processes to match how your company already does things
- Manage all your vendors and contracts from a single place
- Integrate with your accounting department's tools
- Keep an eye on who took what actions and when with the audit trail
- Automate processes with three-way matching and routing rules
- Keep things moving when someone's out of the office with inheritable and temporary user permissions
- And more…

PLANERGY simplifies the procurement process so you can maximize its impact on your bottom line and let the team focus more time and effort on value-added tasks.

QuickBooks Desktop for small and mid-sized businesses

QuickBooks Desktop is a flexible accounting software application designed for small to mid-sized businesses. While the desktop application cannot complete with custom-designed ERP applications, many larger businesses have continued to use QuickBooks Desktop applications for their bookkeeping and accounting needs.

QuickBooks Desktop was first introduced in 1998 and modeled after Intuit's first financial application, Quicken, which provided personal accounting capability, but no double-entry accounting. When QuickBooks Pro was initially introduced it was aimed at the non-accountant small business owner looking for a way to do accounting other than an Excel spreadsheet. In 2000, additional features were added to the application, but it still lacked the specificity that many small business owners were looking for.

That all changed in 2003 when Intuit introduced the first industry-specific editions of QuickBooks, which have grown in popularity and are now available in several editions, including the professional services version, which we'll talk about in this article.

What is QuickBooks Desktop Professional Services?

While all niche industries can make an argument for an application designed specifically for their business needs, the professional services industry offers several challenges that need to be appropriately addressed including solid time tracking capability, flexible billing rates, and the option to better track project data.

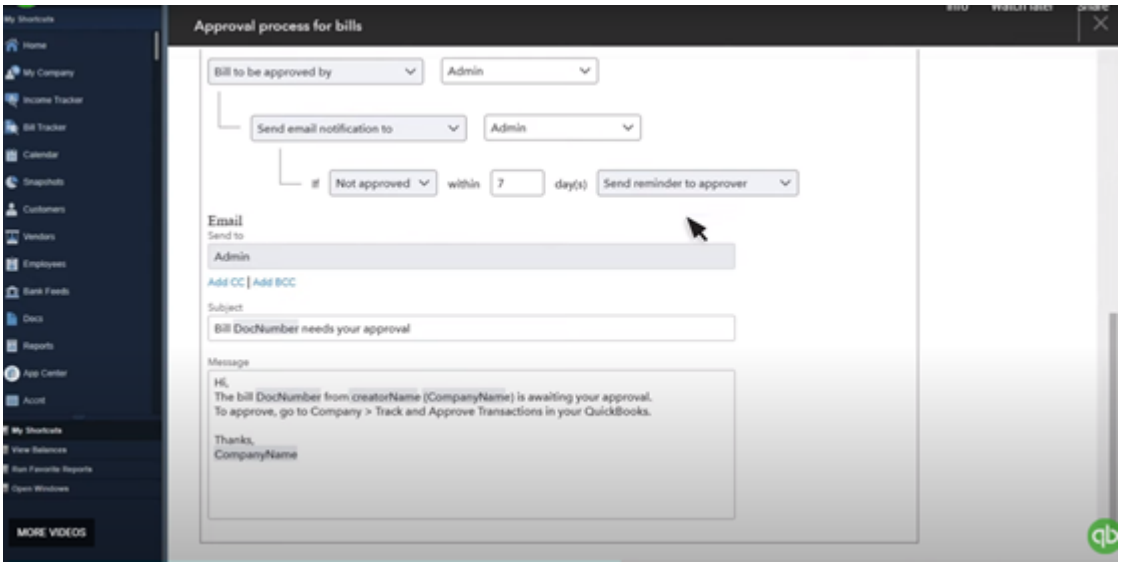
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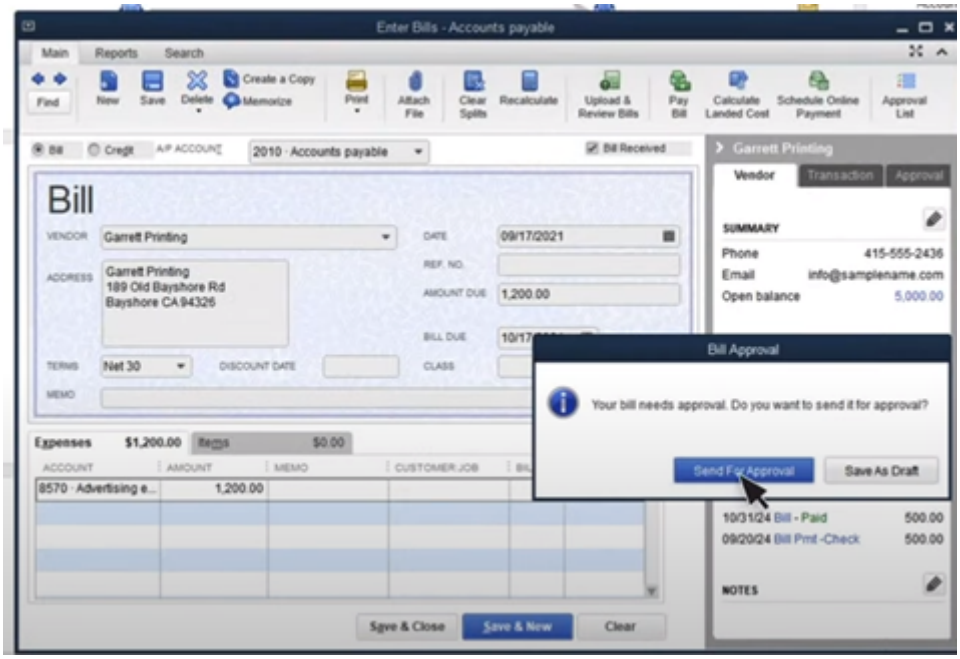
Today, QuickBooks Enterprise Professional Services is loaded with features, including all those found in regular QuickBooks Desktop applications, such as double-entry accounting, online banking, bill payment, and invoicing. But it also includes features and functionality designed specifically for service professionals. Here's a breakdown of some of the latest features.

* **Bill Workflow Approvals – (Platinum version)** Bill workflow approvals is a brand new feature that allows you to better manage your cash flow by creating customizable workflow approvals. This new feature also includes reminders when approval deadlines approach.



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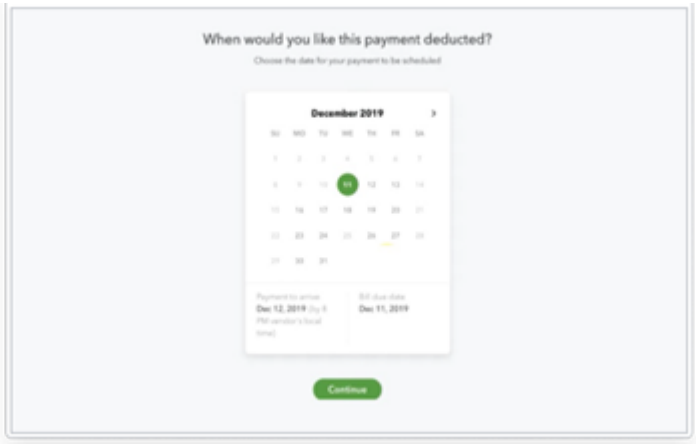
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The Bill Approval option appears when a custom workflow has been set up for that vendor.

This message serves as a reminder that the bill has to be submitted for approval before processing.

*** Scheduling and Paying Bills –** Another new feature in QuickBooks Enterprise Professional Services is the option to schedule bills for payment. A particularly useful feature for smaller businesses with limited cash flow, using the billing scheduling and payment feature allows you to review any open balances, track sales orders, and plan in advance when to pay a bill.

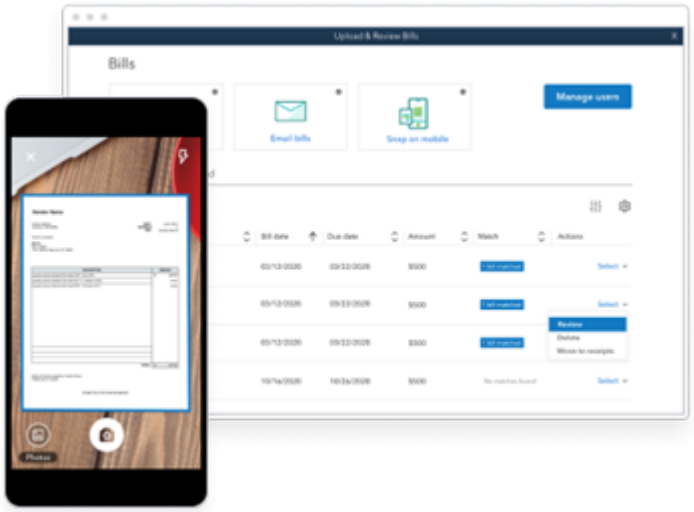


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When scheduling a payment, you have the option to choose the form of payment you wish to use including bank transfers or a physical check.

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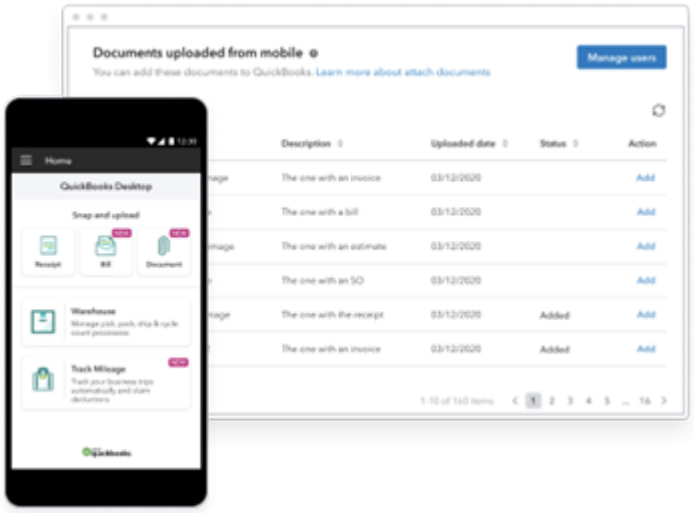
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Using the QuickBooks Desktop Mobile App, you can easily upload bills.

All you have to do is snap a photo of the bill and click on the import feature. You'll be able to review the bill for accuracy before it posts into your account. Another benefit to using this feature is that you can have your vendors email their invoices directly to QuickBooks, where they will be available for you to review.

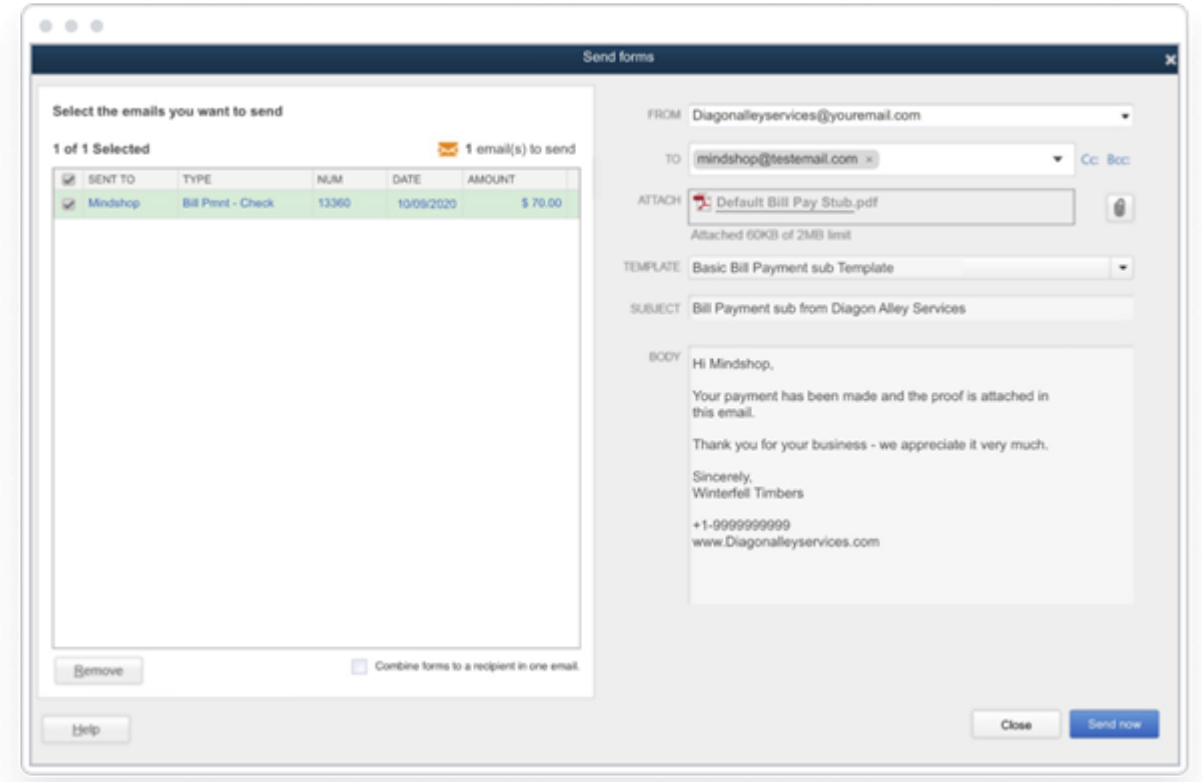
* **Attach Documents to Transactions –** Along with uploading invoices, you can also attach documents to any transaction using the mobile app.



Use the QuickBooks Desktop Mobile App to attach documents to any transaction.

Doing so eliminates the need to store multiple documents on your system. You can also upload and attach multiple documents simultaneously if desired.

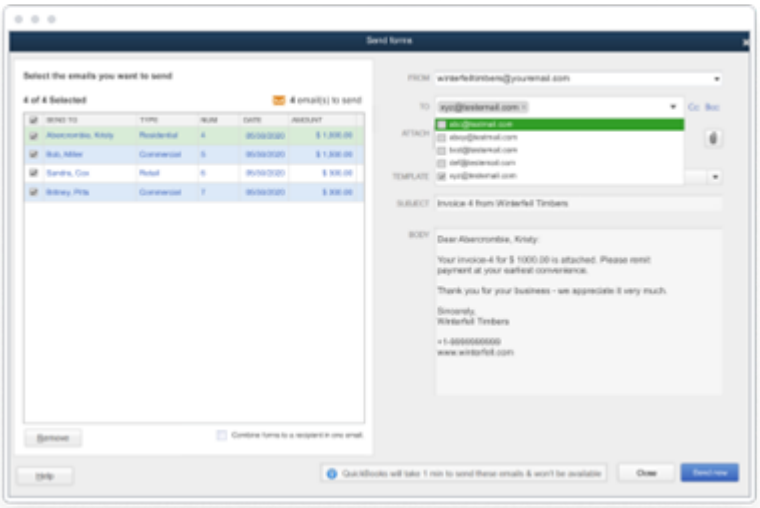
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You can now customize bill payment stubs for all of your vendors.

You can choose the vendors you wish from the dropdown list and create a custom email to send along with the bill payment stub.

* **Multiple Email Contacts –** Do you have a newsletter, targeted sale, or other information you wish to send to a select group of contacts? Using the multiple email contact feature, you can do just that.



The Email Contact List allows you to choose the recipients for a group email.

This is a great way to get custom messaging out to the appropriate recipients without having to manually enter each email address.

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Other features

Along with these new features, QuickBooks Enterprise Professional Services also offers numerous features designed for professional services businesses. These include:

Time Tracking with QuickBooks Time Elite (formerly TSheets Elite) – Time tracking is important for any business, but particularly so for service businesses who have to manage timesheets and bill their time accordingly. Using QuickBooks Time Elite, professional services users can track time spent on any project. But even more important, the time can then be automatically rolled up into any subsequent project reports as well as into QuickBooks Payroll, eliminating the need to enter data twice.

This allows users to track their time from any location, whether it's from their home, the office, or the client's office.

Project Costing – It can be difficult to know if a client project is profitable if all

of the project management components are not tracked properly. Not only can you easily track project cost projections in real-time using the job costing dashboard, but you can also track the actual expenses to see if you're on track for profitability or if cost adjustments are needed.

Best of all, QuickBooks Enterprise will automatically create client invoices based on data entered in the system, eliminating the need to bill clients separately.

Flexible Billing Rates – As a professional services firm, your billing rates likely change frequently, depending on the job completed, who completed it, and the level of difficulty in completing the job. That's why being able to assign different billing rates to your employees based on a variety of criteria is so important.

By setting custom billing rate levels, you can assign a rate for a particular level rather than by an employee. For example, at a CPA firm, partner billing rates would be assigned at a different level than entry-level employees.

Reporting – Good reporting options are available in all QuickBooks Desktop applications with the Enterprise edition of QuickBooks Desktop offering more than 200 reports that can be customized to suit your needs. Any customized report can be saved in the application as a template, so you can use the same reporting criteria in the future without having to set it up again.

Advanced Reporting – Advanced reporting allows Enterprise users to access raw data to create reports and graphs from scratch. In addition, the Professional Services edition of QuickBooks (and all niche editions) also offers bundled reports designed specifically for professional services businesses. These reports include:

- **Billed and Unbilled Hours –** This report can be run by person or by project, and provides management with a good view of all billable hours as well as how long an employee has spent on a particular project.
- **Costs by Project –** Costs need to be looked at throughout the life of a project. Running the Costs by Project report allows you to see exactly how much you've spent to date, allowing you to make adjustments to your forecast mid-project when needed.
- **Project Costs Detail –** Still wondering exactly why your project has gone over budget? Run the Project Costs Detail report to see exactly how funds were spent.

- **Cost to Complete –** Not sure if you have enough in the budget to complete a project? Just run the Cost to Complete report, which displays both percentage complete and cost to complete, allowing you to make any adjustments before the job runs over budget.
- **Project Status –** One of the most important reports for management, the Project Status report provides a summary view of all projects in progress along with a guide that shows you whether the project is on track for on-time completion.

Payroll Processing – All QuickBooks Enterprise editions come with QuickBooks Enhanced Payroll, which allows you to pay both employees and contractors. Enhanced Payroll also includes both printed check capability as well as free direct deposit. For those that want additional help with payroll, a subscription to Assisted Payroll will take care of all payroll taxes including filing and payment.

QuickBooks Enterprise Professional Services also includes a custom chart of accounts, can monitor project progress, track unbilled time, and electronically invoice clients. Multi-level data permissions are available, so management can establish permission levels for multiple groups of employees, ensuring confidentiality throughout the life of the project.

In addition, you can prepare custom proposals for potential business, accept mobile and credit card payments from your clients, and even integrate with Salesforce CRM for better client and sales management. For those that require integration with outside e-commerce channels, an optional e-commerce integration add-on is available that offers seamless integration with online stores and marketplaces.

Like all QuickBooks products, QuickBooks Enterprise Professional Services is designed to work on a Windows platform and is not currently available for Mac systems. Available as an annual subscription, Intuit offers three versions of Enterprise:

1. **Gold –** The Gold version of QuickBooks Enterprise includes Advanced Reporting, access to QuickBooks Priority Circle, and QuickBooks Enhanced Payroll. The Gold version supports up to 30 system users and starts at $1,489.50 for the first year.

2. **Platinum –** The Platinum version includes all Gold level features as well as Advanced Inventory for tracking inventory items, Advanced Pricing, and Bill Workflow Approvals. The Platinum version supports up to 30 system users with a subscription starting at $1,831.50 for the first year.
3. **Diamond –** The most advanced version of QuickBooks Enterprise, the Diamond version can support up to 40 users and includes advanced features such as QuickBooks Time Elite, and the Salesforce CRM Connector. Diamond subscribers also have access to QuickBooks Desktop Assisted Payroll. The Diamond version of QuickBooks Enterprise starts at $3,618 the first year.

All subscription levels include customer support, online data backup storage for all QuickBooks data, product upgrades, and training tools.

Is QuickBooks Enterprise Right for Your Business?

A great option for mid-sized and growing professional services businesses that are looking for a better way to manage project costs and billing, QuickBooks Enterprise Professional Services is an all-in-one application that you will not soon outgrow.

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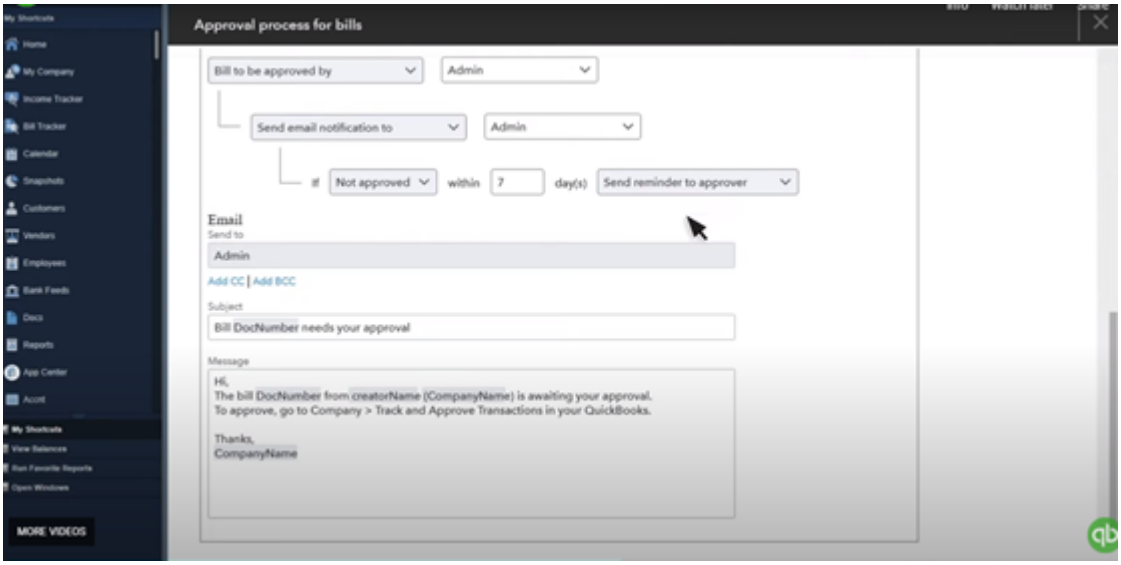
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In this article, we'll take a look at QuickBooks Enterprise for Professional Services, which is designed for mid-sized businesses and can support up to forty system users. However, if your business has less than five QuickBooks users, you may want to consider using QuickBooks Premier Professional Services, a better option for smaller businesses.

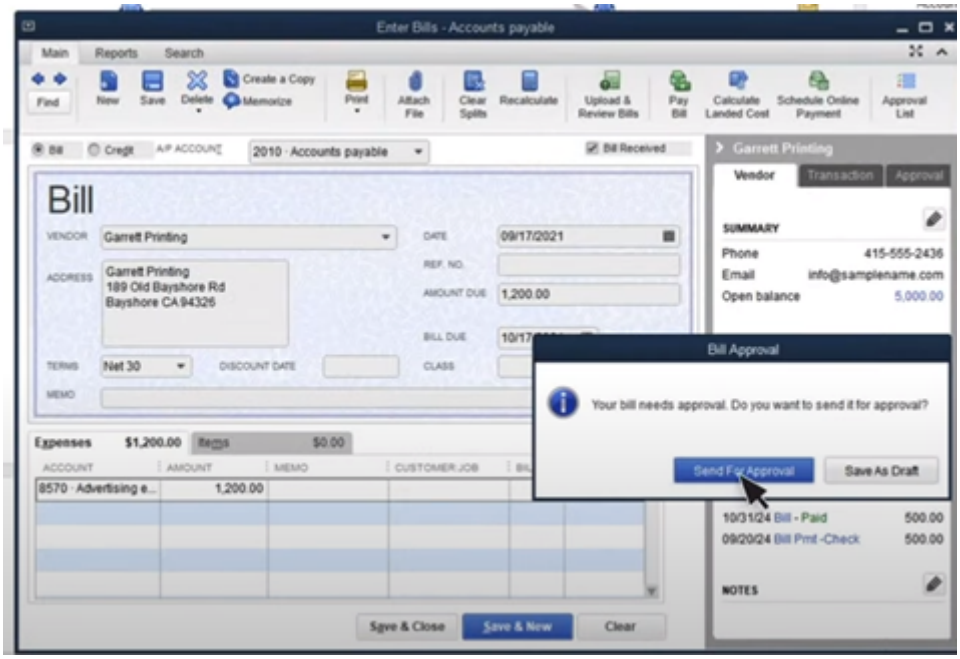
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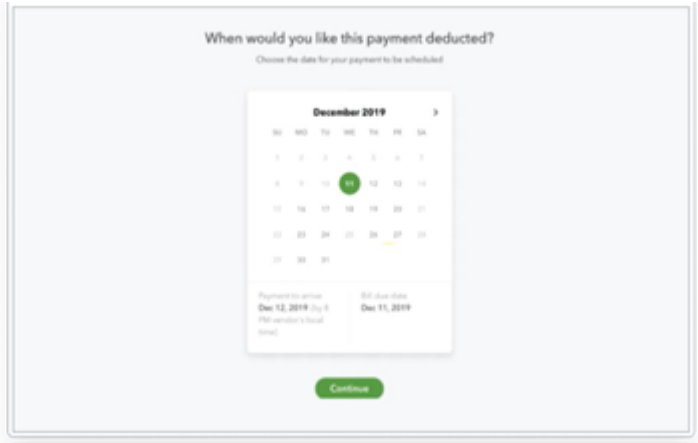


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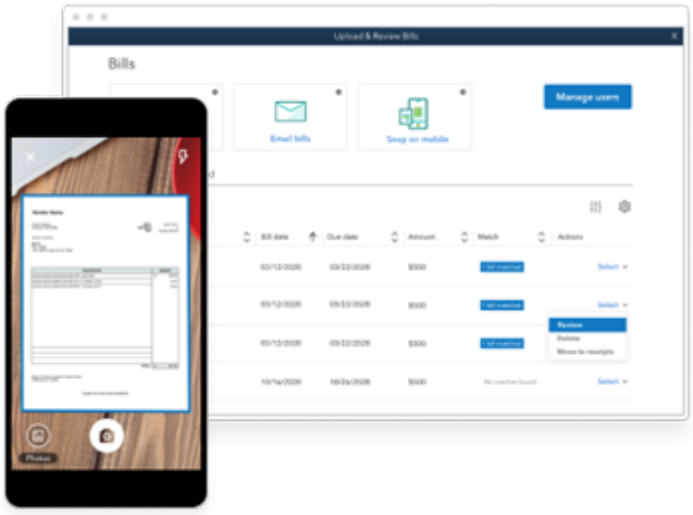
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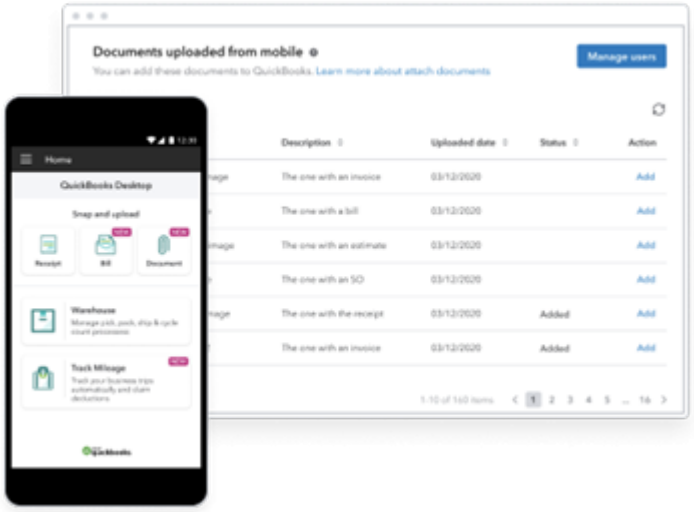


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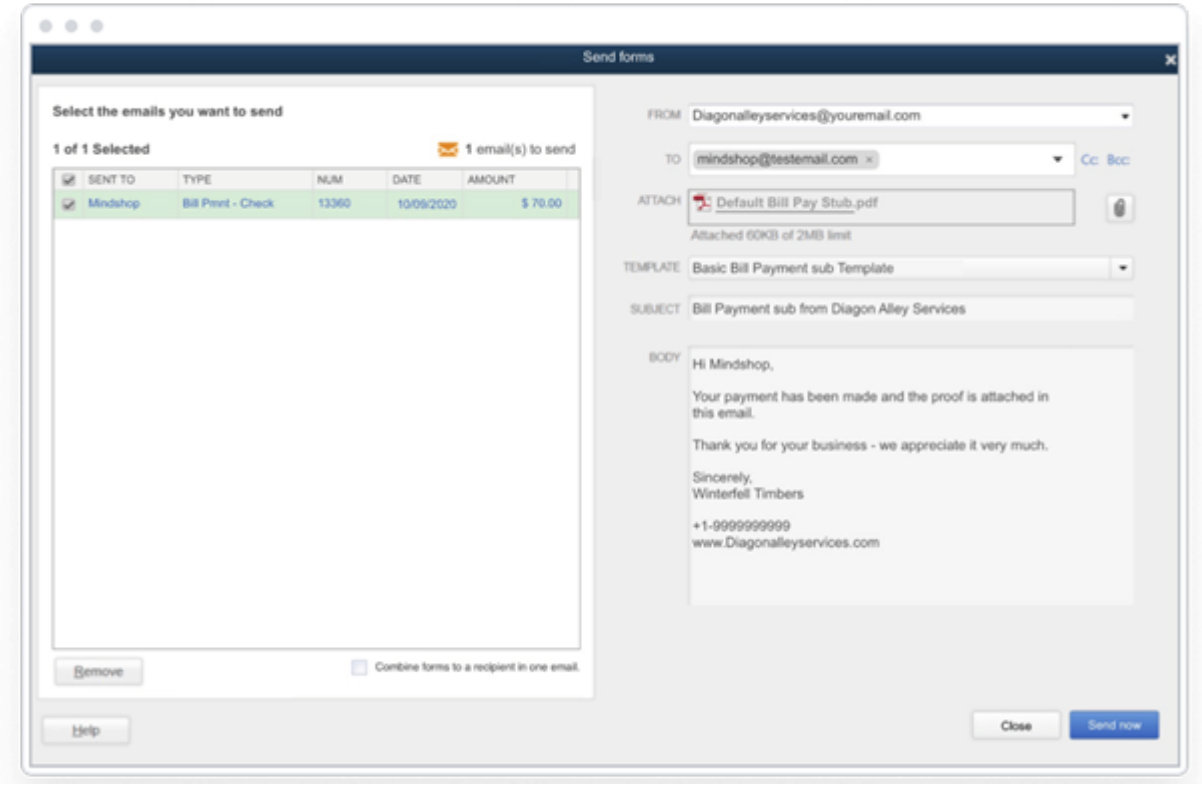
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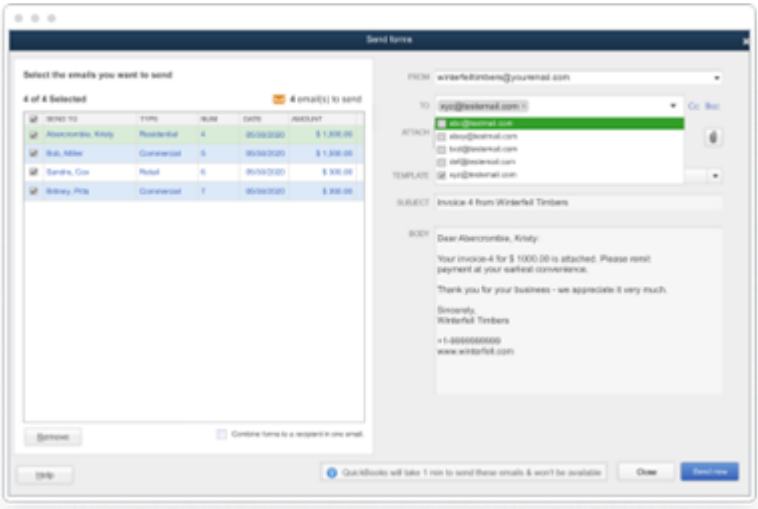
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QuickBooks Desktop for small and mid-sized businesses

QuickBooks Desktop is a flexible accounting software application designed for small to mid-sized businesses. While the desktop application cannot complete

with custom-designed ERP applications, many larger businesses have continued to use QuickBooks Desktop applications for their bookkeeping and accounting needs.

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That all changed in 2003 when Intuit introduced the first industry-specific editions of QuickBooks, which have grown in popularity and are now available in several editions, including the professional services version, which we'll talk about in this article.

What is QuickBooks Desktop Professional Services?

While all niche industries can make an argument for an application designed specifically for their business needs, the professional services industry offers several challenges that need to be appropriately addressed including solid time tracking capability, flexible billing rates, and the option to better track project data.

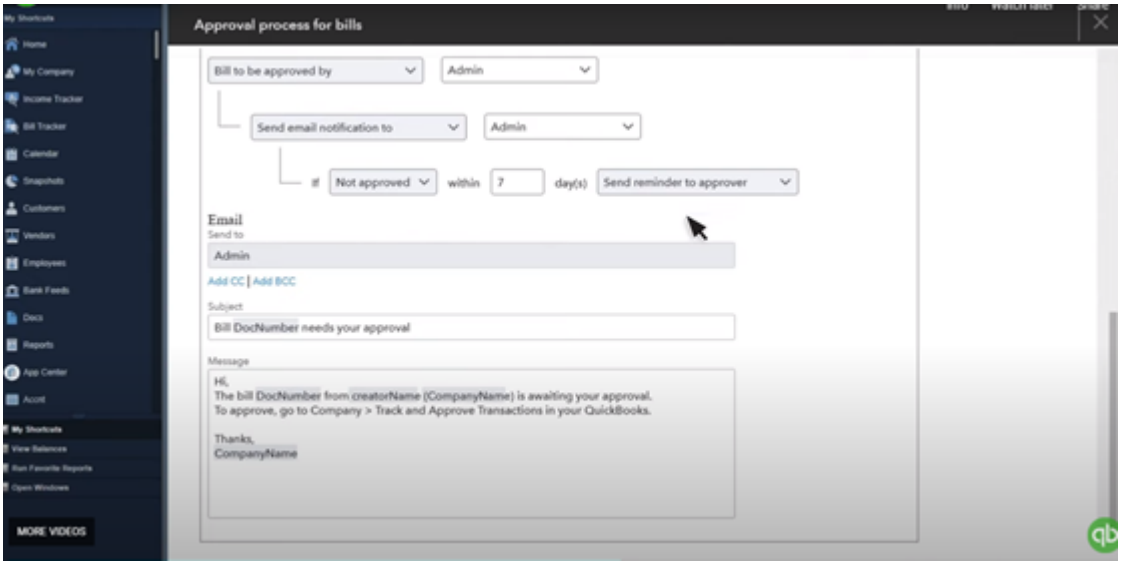
QuickBooks Desktop Professional Services does that and more. Designed for those providing services rather than selling products, the Professional Services edition is available in both the Premier and Enterprise versions of QuickBooks Desktop.

In this article, we'll take a look at QuickBooks Enterprise for Professional Services, which is designed for mid-sized businesses and can support up to forty system users. However, if your business has less than five QuickBooks users, you may want to consider using QuickBooks Premier Professional Services, a better option for smaller businesses.

Today, QuickBooks Enterprise Professional Services is loaded with features,

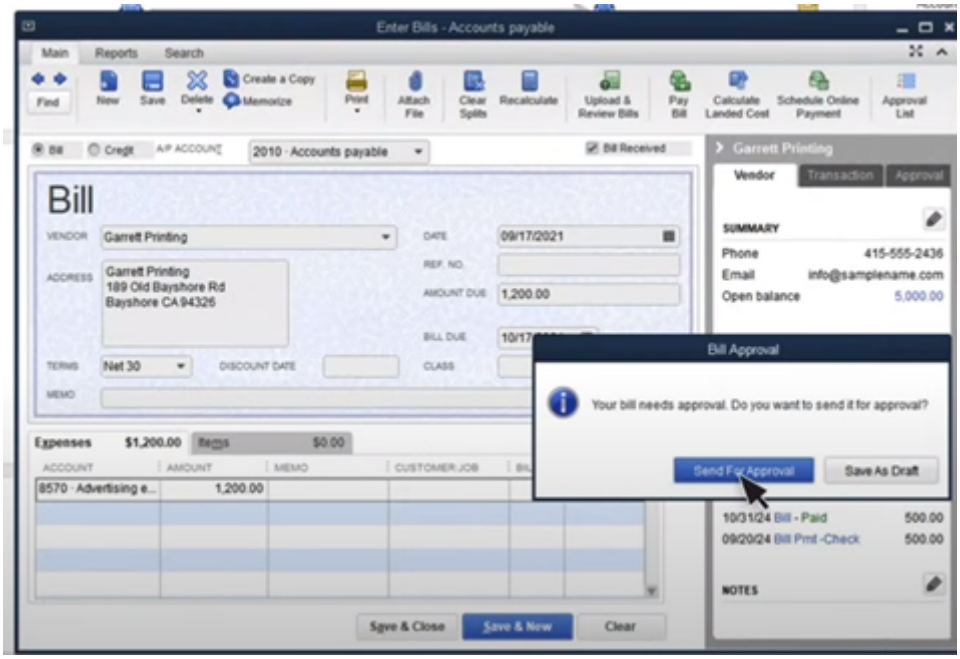
including all those found in regular QuickBooks Desktop applications, such as double-entry accounting, online banking, bill payment, and invoicing. But it also includes features and functionality designed specifically for service professionals. Here's a breakdown of some of the latest features.

* **Bill Workflow Approvals – (Platinum version)** Bill workflow approvals is a brand new feature that allows you to better manage your cash flow by creating customizable workflow approvals. This new feature also includes reminders when approval deadlines approach.



You can set up custom workflows with the new Bill Workflow Approvals feature.

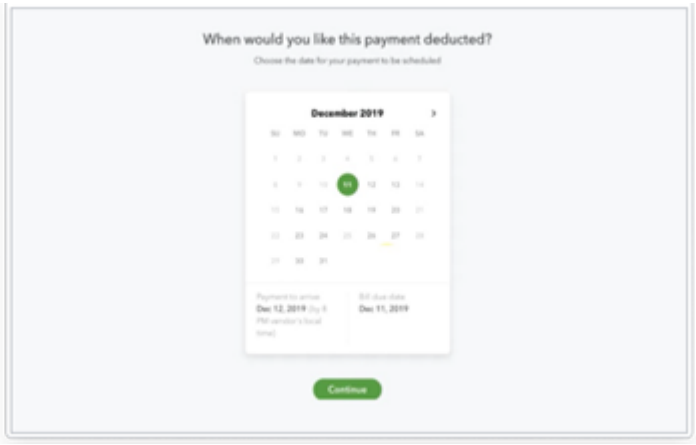
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The Bill Approval option appears when a custom workflow has been set up for that vendor.

This message serves as a reminder that the bill has to be submitted for approval before processing.

*** Scheduling and Paying Bills –** Another new feature in QuickBooks Enterprise Professional Services is the option to schedule bills for payment. A particularly useful feature for smaller businesses with limited cash flow, using the billing scheduling and payment feature allows you to review any open balances, track sales orders, and plan in advance when to pay a bill.

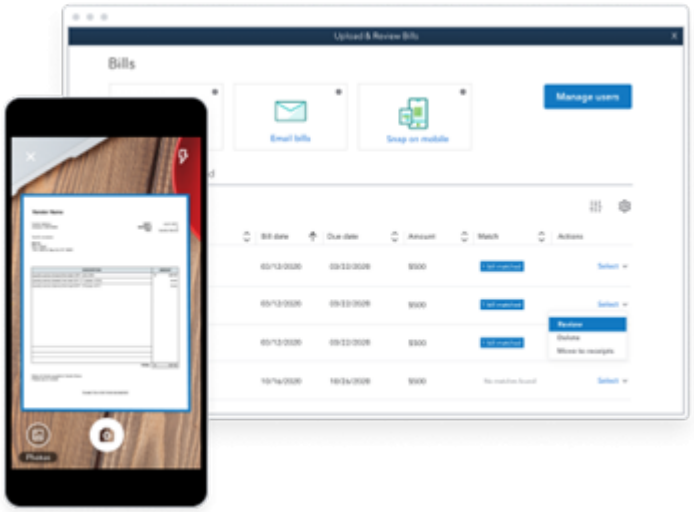


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When scheduling a payment, you have the option to choose the form of payment you wish to use including bank transfers or a physical check.

*** Upload Bills to QuickBooks –** Using the QuickBooks Desktop mobile app, you

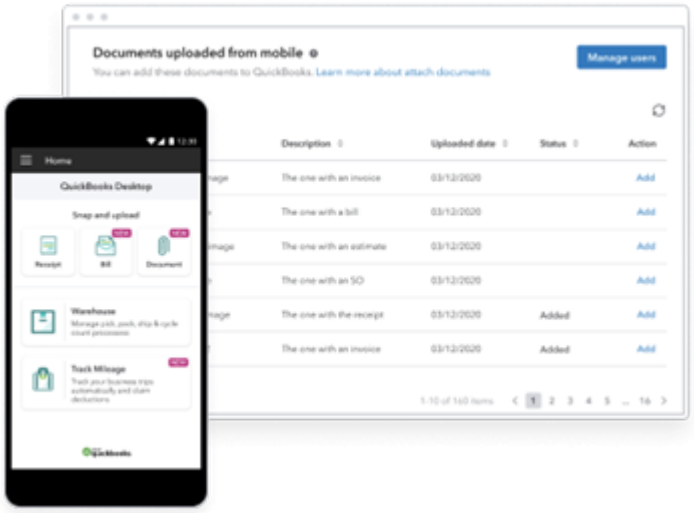
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All you have to do is snap a photo of the bill and click on the import feature. You'll be able to review the bill for accuracy before it posts into your account. Another benefit to using this feature is that you can have your vendors email their invoices directly to QuickBooks, where they will be available for you to review.

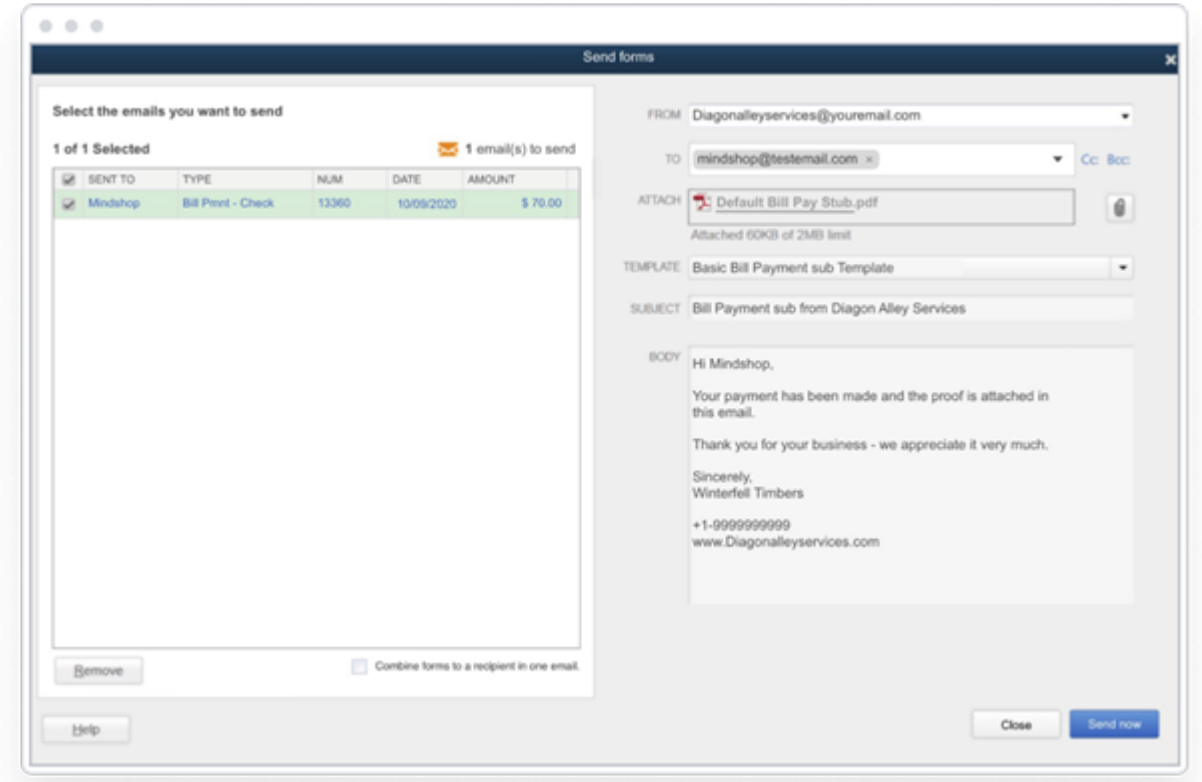
* **Attach Documents to Transactions –** Along with uploading invoices, you can also attach documents to any transaction using the mobile app.



Use the QuickBooks Desktop Mobile App to attach documents to any transaction.

Doing so eliminates the need to store multiple documents on your system. You can also upload and attach multiple documents simultaneously if desired.

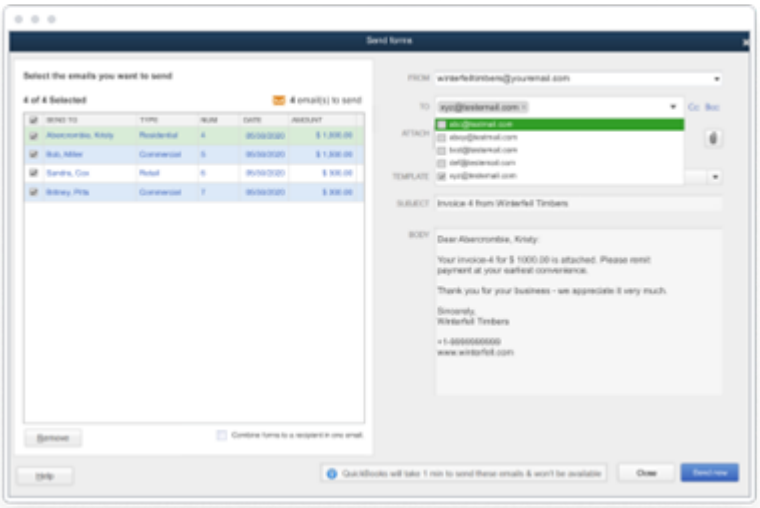
* **Customize Bill Payment Stubs –** Your vendors no longer have to wait for a paper check to receive a bill payment voucher. Using this feature, you can add your business logo and format the payment stub to suit your business.



You can now customize bill payment stubs for all of your vendors.

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* **Multiple Email Contacts –** Do you have a newsletter, targeted sale, or other information you wish to send to a select group of contacts? Using the multiple email contact feature, you can do just that.



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Other features

Along with these new features, QuickBooks Enterprise Professional Services also offers numerous features designed for professional services businesses. These include:

Time Tracking with QuickBooks Time Elite (formerly TSheets Elite) – Time tracking is important for any business, but particularly so for service businesses who have to manage timesheets and bill their time accordingly. Using QuickBooks Time Elite, professional services users can track time spent on any project. But even more important, the time can then be automatically rolled up into any subsequent project reports as well as into QuickBooks Payroll, eliminating the need to enter data twice.

This allows users to track their time from any location, whether it's from their home, the office, or the client's office.

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of the project management components are not tracked properly. Not only can you easily track project cost projections in real-time using the job costing dashboard, but you can also track the actual expenses to see if you're on track for profitability or if cost adjustments are needed.

Best of all, QuickBooks Enterprise will automatically create client invoices based on data entered in the system, eliminating the need to bill clients separately.

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By setting custom billing rate levels, you can assign a rate for a particular level rather than by an employee. For example, at a CPA firm, partner billing rates would be assigned at a different level than entry-level employees.

Reporting – Good reporting options are available in all QuickBooks Desktop applications with the Enterprise edition of QuickBooks Desktop offering more than 200 reports that can be customized to suit your needs. Any customized report can be saved in the application as a template, so you can use the same reporting criteria in the future without having to set it up again.

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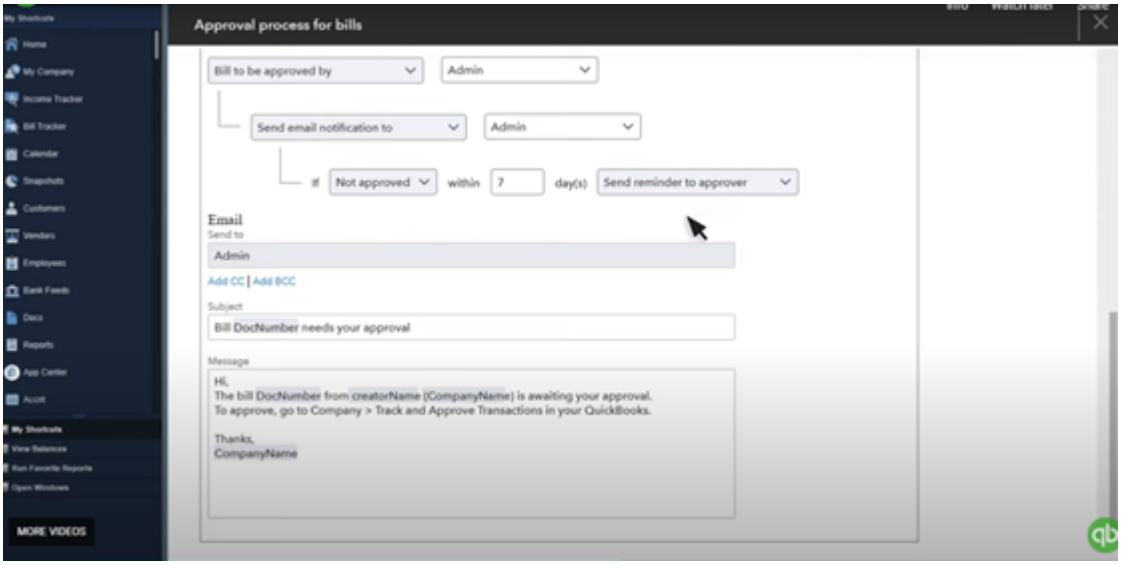
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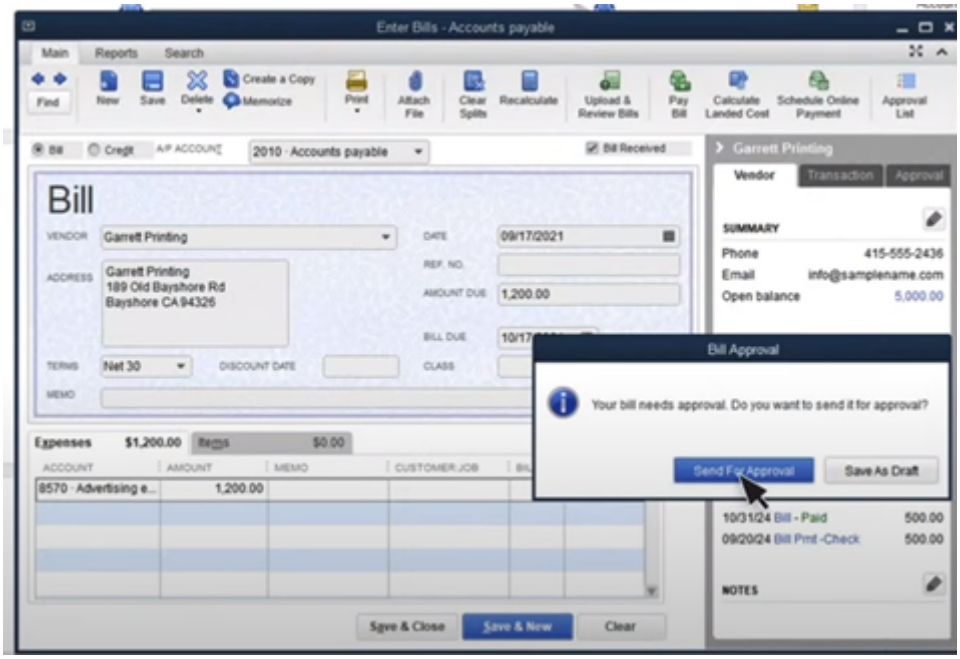
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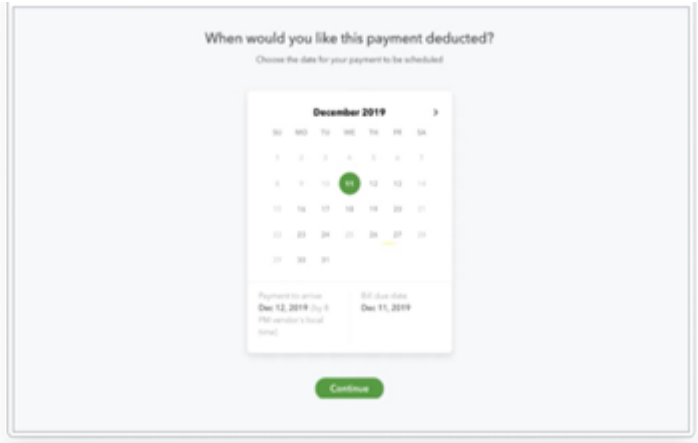


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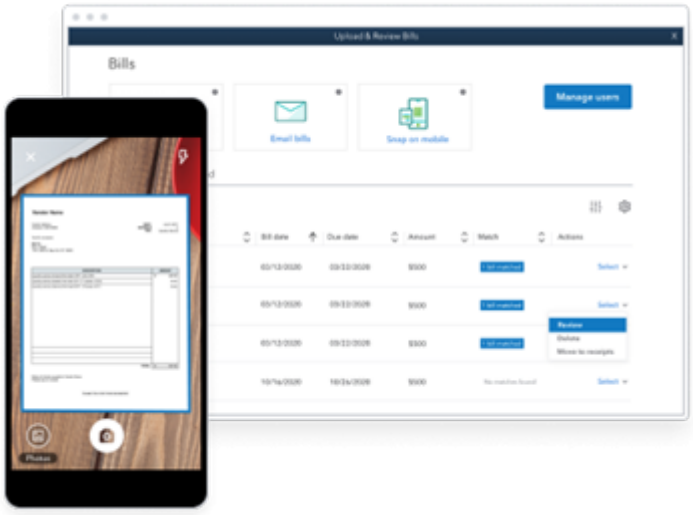
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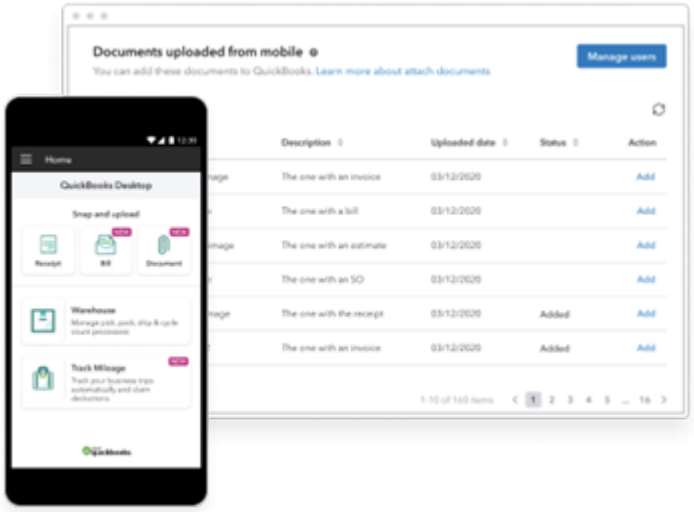


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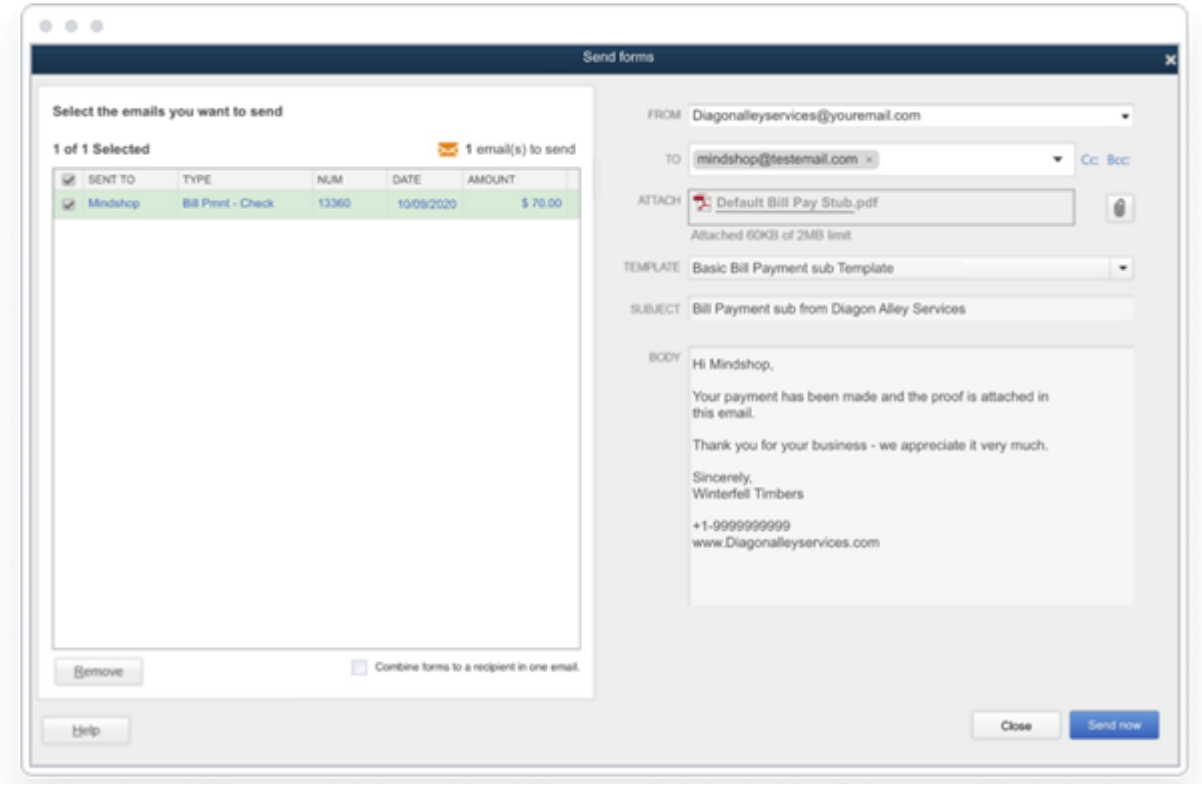
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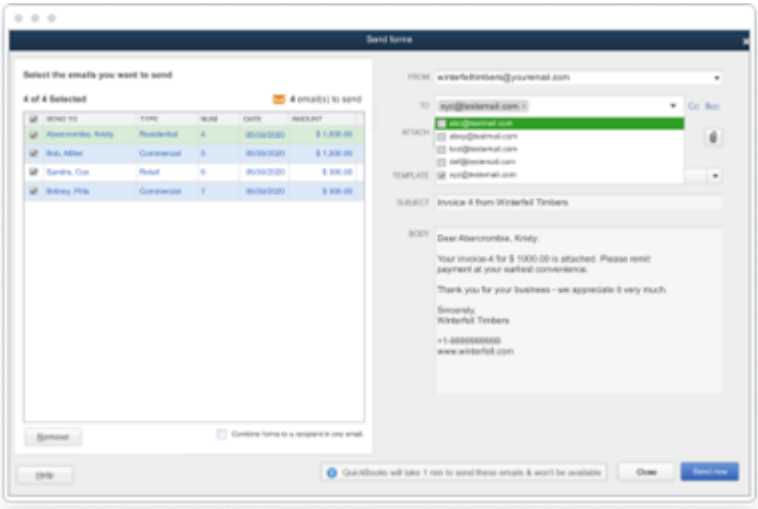
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1. Use PLANERGY to manage purchasing and accounts

payable

We've helped save billions of dollars for our clients through better spend management, process automation in purchasing and finance, and reducing financial risks. To discover how we can help grow your business:

- Read our case studies, client success stories, and testimonials.
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- Learn about us, and our long history of helping companies just like yours.

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2. Download our guide "Preparing Your AP Department For The Future"

Download a free copy of our guide to future proofing your accounts payable department. You'll also be subscribed to our email newsletter and notified about new articles or if have something interesting to share.

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