

Lotto Paid Out

We get this question quite a lot.

“Why use a Tender or Paid Out function instead of a negative department?”

At first glance this looks like a ‘*6 of one, half a dozen of another*’, issue. When you understand the dynamics of EPOS bookkeeping, a clear choice is apparent.

Without looking at the strengths or weakness of the different EPOS on the market, let us look the basic books.

If we ring up a \$1 lotto sale and pay with cash the net effect on our books is:

\$1 of net sales, \$1 of cash to account for.

The customer was lucky and won \$1

If we use a negative department and cash the sales out, the effect on our book will be:

\$0 of net sales, \$0 to account for.

Although on the surface this look fine, I guaranty you the tax auditor will look at it quite differently.

Now compared with a true paid out. The same winning ticket will show in our books:

\$1 of net sales, \$0 to account for.

The downside to this is if our customer wants to cash in his ticket and purchase another, it will require a paid out transaction as well as a sales transaction, hence why people love to use the incorrect method of negative departments.

On EPOS like Verifone (Ruby/Topaz), you can make a Lotto Tender to act like a paid out while keeping our example in one transaction for the cashier. Unfortunately, Wayne’s Nucleus does not support tender without a sale. So, you have to use two transactions to complete the sale.