

ACE STEEL SUPPLY METAL MANIA



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**VETERAN
OWNED BUSINESS**

Collaborating With Your Accounting Department

Purchasing and Supply Chain personnel most likely deal with the buying organization's accounting department more frequently than any other internal department. As such, it is essential that these departments have a good relationship. While each department most certainly has its own responsibility, they also share joint responsibility for certain activities.

Unauthorized Purchases

Only authorized purchasers should make purchases, and all purchases should be documented by way of a written Purchase Order. A Purchase Order (PO) is a written contract between buyer and seller and clearly spells out the terms of the commercial transaction. A proper PO will include agreed upon payment terms, respective company contact information, material specifications, quantities required, freight terms and delivery dates. Accounts payable should never pay any invoice submitted involving an undocumented purchase.

Invoice Corrections

The accounts payable activity is responsible to see that invoices match the purchasing agreement. When an amount or terms do not match, the invoice needs to be questioned. Some companies allow accounts payable to contact the supplier to have a revision made and obtain a new invoice. Other companies have accounts payable turn over the invoices with discrepancies to the buyer for resolution. In any case, it is not good practice to pay an incorrect invoice.

Paying Within Agreed Terms

Accounts payable should make sure that the purchase terms are abided by. Such terms include the length of time when payment is due, for example, Net 30, Net 60, etc. Some accounts payable operations take more time to pay than the supplier agreed to. Not abiding by the terms weakens any further negotiations between buyer and seller, which may result in the supplier charging more.

Taking Advantage of Payment Discounts

Payment discounts agreed upon or simply offered by the supplier can provide significant cost reductions. It is the responsibility of accounts payable to pay invoices with such discounts negotiated by the buyer, and it is financially feasible to do so. To understand the true benefit of a cash

For example, if the discount term is "1/10, net 45," the customer gets a 1 percent discount if he pays within the discount period of 10 days; otherwise, the balance is due within the credit period of 45 days.

Compute the implied cost for not paying within the discount period and forgoing the cash discount. Divide the cash discount percentage by (100 percent minus the cash discount percentage) and express the result as a percentage. Continuing with the example, the cost, expressed as a percentage, is equal to 100 multiplied by (1 percent divided by (100 percent minus 1 percent)), or 1.01 percent.

Calculate the effective annual rate. Divide 365 by the difference between the credit and the discount periods, and then multiply that result by the implied cost. To conclude the example, the effective annual rate is equal to 1.01 percent multiplied by (365 divided by (45 minus 10)), or approximately 10.5 percent. It is best practice to negotiate payment discounts and take full advantage of the additional savings.

Keeping Terms Confidential

The accounts payable operation must keep supplier names and terms in strict confidence when talking with other employees or any suppliers' personnel.

Allowing Small Dollar Deviations

Many companies allow payment of invoices that show prices or amounts slightly incorrect. The allowed variation is usually only a few dollars, or a minor percent. The justification for paying the amounts is based on the cost involved in correcting an invoice. Each company should define their own threshold that would be considered acceptable.

In the end, if Purchasing, Supply Chain and Accounting work well together, the company benefits.

At Ace Steel Supply we pride ourselves on being a viable solution for your supply chain needs. Let Ace Steel Supply be your supplier of choice. See how a collaborative relationship can deliver results above and beyond your expectations. Specializing in carbon, galvanized, stainless and aluminum materials.

Bruce Margolin
V.P. – Chief Operating Officer

The Blue Lagoon - Huntsville, TX

by Kara Osborn

So, who is tired of the summer heat already? I AM! I've always been one to say summer is a breeze if you know how to cool off and 'get wet'. The Blue Lagoon, just North of Houston, near Huntsville, is a little hidden gem that will take you to the Caribbean without getting on a plane. The Blue Lagoon's lack of vegetation and fish are probably the only factors missing from a true Caribbean experience.

The Lagoons are 2 former limestone quarries, and the lagoon itself is hidden behind 30 ft limestone walls and vast number of trees along its borders. The water here is spring fed, crystal clear and a beautiful blue-green color due to the limestone bottom. The depth of the water is around 30', so you can see to the bottom in most places. It's primarily used for Scuba diving (yours truly was Scuba certified here years ago), but the public is always welcome. Boats, a plane and underwater platforms are submerged to hone your diving skills or just go snorkeling. You can also swim, sunbathe or just play hooky from work on a beautiful day, for a mere \$20/person. Sorry, but no pets allowed☺

The "pool" opens up early for divers, but the public can enter at noon on the weekends, and 10AM during the weekdays. Keep in mind, since this is a very private area, they only allow a certain number of people in per day, so get there early! There is a store on site just in case you forget to pack the essentials... aka, water, sunscreen, snacks.

The Blue Lagoon is open daily beginning in April through September, and only on weekends during other months. So get in your car, take a 1.5 hr trip North on 45 and go have some cool, "Texas Caribbean" fun this summer.



CHANCES DOG RESCUE AND RELOCATION

Making Connections

Please think about following us on Facebook. We make a concerted effort to post the happy ending stories of our dogs, and who doesn't love a sweet and happy pup?

We all know the state of things for animals in Houston, but at Chances we try to ensure our posts focus on the solutions, rather than the enduring problems.

But I digress. We recently sent a litter of adorable puppies up to Massachusetts. An adopter of Mickey, now known as Bartok, reached out with an update about their sweet new family member.

Another adopter saw the post and realized she had adopted Bartok's sibling, Dewey (now River). In short order, the foster of the entire litter popped up in the messages and shared their background story (pregnant mama was rescued from the streets days before giving birth) as well plenty of puppy pictures.

The adopters of other litter mates – Dale and Hewey, and also Elsa – reached out to Chances too.

Three rescue groups (two in Texas and one in Massachusetts) and five families (two in Texas and three in Massachusetts) became fast friends bonding over the little white puppies they love(d) and care(d) for.

Amazing connections and happy endings like these remind us again of the importance of partnerships.

“Many hands make light work” could be rephrased for rescue as “Many hands help save many souls.”

For more info, please check out Chances Dog Rescue and Relocation at www.chancesrescue.org or www.facebook.com/chancesrescue.

Barbara Pennington

Sales Manager

ACE STEEL SUPPLY

Save a Life – Adopt a Homeless Dog!

ADOPT DON'T SHOP!



Dewey



Dale and Huey



Mickey



Elsa



Daisy Mom



Transport Day



The Litter

July 2019 Metal Prices

- ➡ **Stainless sheet:** Prices are expected to increase as nickel rises.
- ➡ **Galvanized sheet:** Prices are steady.
- ➡ **Galvanized 60" wide Domestic**
- ➡ **Stenciled:** Prices are down slightly. Inventory is strong.
- ➡ **Hot Rolled:** Prices are down. Mill availability is good.
- ➡ **Cold Rolled:** Prices are down.
Plate: Prices are down.

Drilling Activity

Drilling Activity decreased from last month's newsletter.

US Rig Count. *AMM and Baker Hughes Data*

June 2019 Newsletter – down 12 to 963

June 2019 Newsletter – down 15 to 975

May 2019 Newsletter – down 35 to 990

April 2019 Newsletter – down 13 to 1025

March 2019 Newsletter – down 11 to 1038

February 2019 Newsletter – down 1 to 1049

January 2019 Newsletter – down 25 to 1050

“If you tell the truth, you don't have to remember anything.”

-MARK TWAIN



“Making Business Easier”

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