

# Handling Gift Certificates

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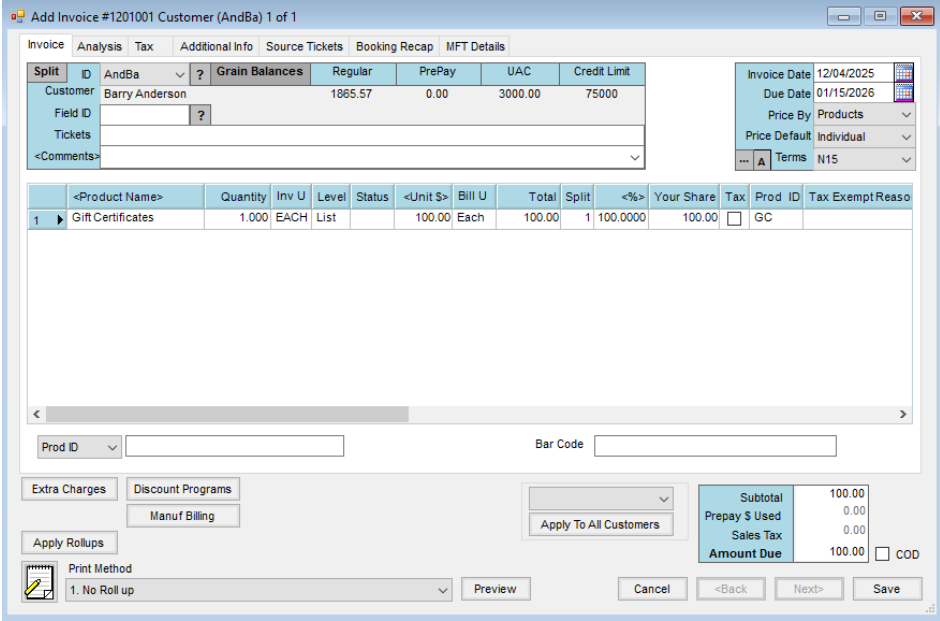
There are multiple gift certificate scenarios and each one is handled differently depending on several factors such as how the gift certificates were obtained by the Customer and how the gift certificate activity is tracked in Agvance.

In one scenario, the gift certificates are expensed to the company as a gift to Customers and no cash is received in exchange. Since no cash was received for the gift certificates, the value of the certificates would be an expense to the company. Ideally, the full value of the gift certificates should be entered as a Journal Entry to a liability account called Gift Certificates, which will hold the balance of the gift cards that have not been redeemed.

- As the Customers redeem the gift certificates, Invoices will be entered normally, and then pay the portion covered by the gift certificate with a Pay Method that points to the Gift Certificate liability account. Because it is a liability account, it will retain its balance even when the year is closed.

Another scenario that may occur is when a gift certificate is purchased and cash is received for that transaction. This can be handled in a couple of ways.

1. Create a Product in a non-inventoried, miscellaneous department called Gift Certificate, which should point the sales account to a Gift Certificate liability account. When selling the gift certificate, create an Invoice using that new Product with a Quantity of 1 and a Unit \$ price equal to the total value of the gift certificate.



- When the gift certificate is redeemed, add an Invoice with the Product being purchased and an additional line item for the gift certificate Product with a quantity of -1 and a unit price of the value of the gift certificate. This will reduce the total cost of the Invoice by the value of the gift certificate and the Customer will owe the balance of the Invoice.

**Note:** If this method is used, track the gift certificate activity by running a Sales Analysis report for the

## Gift Certificate Product.

Add Invoice #1201002 Customer (239873) 1 of 1

Invoice Analysis Tax Additional Info Source Tickets Booking Recap MFT Details

Split	ID	Grain Balances	Regular	PrePay	UAC	Credit Limit
Customer	Larry Baker		43.39	2262.63	0.00	25000

Invoice Date: 12/04/2025  
 Due Date: 01/15/2026  
 Price By: Products  
 Price Default: Individual  
 Terms: N15

<Product Name>	Quantity	Inv U	Level	Status	<Unit \$>	Bill U	Total	Split	<%>	Your Share	Tax	Prod ID	Tax Exempt Rea
1 Bagged Fert 13-13-13	5.000	Bags	List		5.00	Bags	25.00	1	100.0000	25.00	<input type="checkbox"/>	13-13-13Bg	
2 Gift Certificates	-1.000	EACH	List		25.00	Each	-25.00	1	100.0000	-25.00	<input type="checkbox"/>	GC	

Prod ID:  Bar Code:

Extra Charges:

Apply Rollups:

Subtotal	0.00
Prepay \$ Used	0.00
Sales Tax	0.00
<b>Amount Due</b>	0.00

COD

Print Method: 1. No Roll up

- When selling the gift certificate, create a paid Booking for the Gift Certificate Product and use the Pay Method appropriate for the cash used for purchasing the gift certificate. When the gift certificate is redeemed, enter an Invoice for the Product being purchased and steal dollars from the Booking entered for the Gift Certificate Product. The Customer will owe the balance remaining after the Booking dollars have been used.

**Note:** If this method is used, tracking the usage of gift certificates will be more challenging. Booking reports are focus on Customers rather than Products.