

# Handling NSF Checks

Last Modified on 04/06/2026 8:04 am CDT

If a check is received from a Customer and it is returned due to insufficient funds (NSF), there are a few possible solutions in Agvance.

1. If the Payment was taken in the current month, simply void the Payment. If the Payment has already been deposited, an entry for the voided Payment displays in the *Bank Deposit* grid. This entry may be used to adjust the checking account balance.
2. If the Payment was taken in a prior fiscal month, reverse the Payment if possible. If the Payment has already been deposited, an entry for the reversal Payment displays the *Bank Deposit* grid. This entry may be used to adjust the checking account balance.
3. If the Payment was taken in a prior fiscal month and cannot be reversed, use the following steps. This returns the Customer's A/R balance and makes a Journal Entry, removing the value of the check from the checking account.
  - a. Add a new Product in the Miscellaneous Department called NSF Check with a *List Price* of \$1.00, and set the Sales Posting account to the checking account.

**Note:** The Miscellaneous department must be set to *Sales Posting Item Override* to access this area.

Inventory Department Information for Misc00 Miscellaneous -00

Profile G/L Posting Patronage Coop Commission Price Levels Discount Overrides

General Ledger Posting Accounts

<Sales #> 4550000-00

<Cost of Goods/Purchases #> 5550000-00

<Freight/Add On #> 5550000-00

<Inventory #> 1550000-00

<Purchase Disc #> 5550000-00

Sales Class

Compute Invoice Cost Average

Inventory This Department

Sales Posting Item Override

Cost Posting Item Override

Include Discount in Cost of Inventory

Profit Margin Department

Warn if selling price is less than cost

Print Package Units and Manufacturer on Invoice

Import Price Levels Save Cancel

- b. Add an Invoice for the Customer using the NSF Check Product. Set the *Quantity* of the Product equal to the amount of the check returned.