

Handling NSF Checks

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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.
 - 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.