

Applying a Paycheck to AR Balance

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1. Add a payment at the *Payment on Account* screen, and enter the amount of the payroll deduction in the *Discount Amount* field.
2. Change the *Discount G/L Account* to the same G/L Account that was used for the Payroll Deduction. If you don't know which general ledger account this is, it can be found at *File / Open / Employees / Deductions*.
3. In the grid, enter the amount in the *Discount* column and click **Apply** to zero out the *Payment* column for the invoice(s) you want to pay with the payroll deduction.
4. **Save** the payment.

Another option is to set up a new payment method (*Accounting / Setup / Pay Methods*) pointing to the payroll deduction G/L account, and use that payment method to pay the employee's invoices.