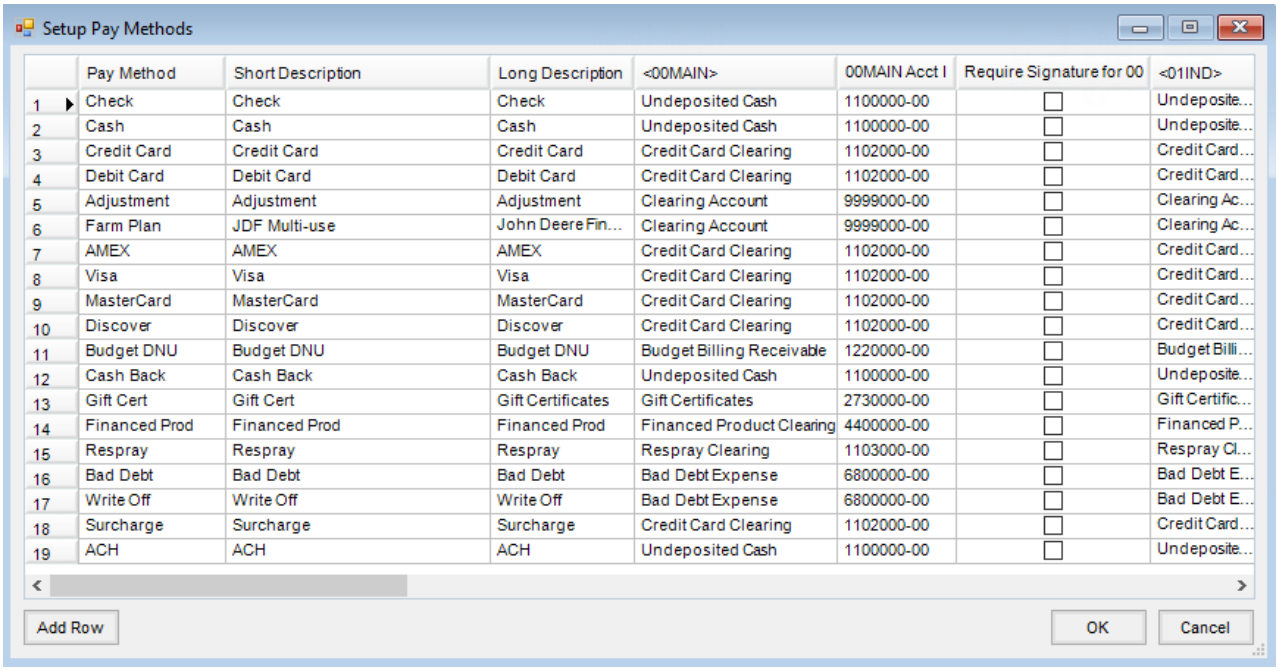
Write Off All or Part of Customer Balance

Last Modified on 06/24/2026 7:27 am CDT

There are a few approaches to writing off all or a portion of a Customer balance - using the Write Off utility, using Pay Methods, and using Discounts.

Payment Method Setup

Setting up a Pay Method is recommended for writing off Customer balances. A Pay Method can be set up at *Accounting / Setup / A/R / Pay Methods*. Select **Add Row** and enter a name in the *Pay Method* such as *Bad Debt* and a *Short* and *Long Description*. Double-click in the *Location* column and select the General Ledger Account to which this Pay Method should post. If there are multiple Locations, a General Ledger Account must be chosen for each Location. Select **OK** to save.



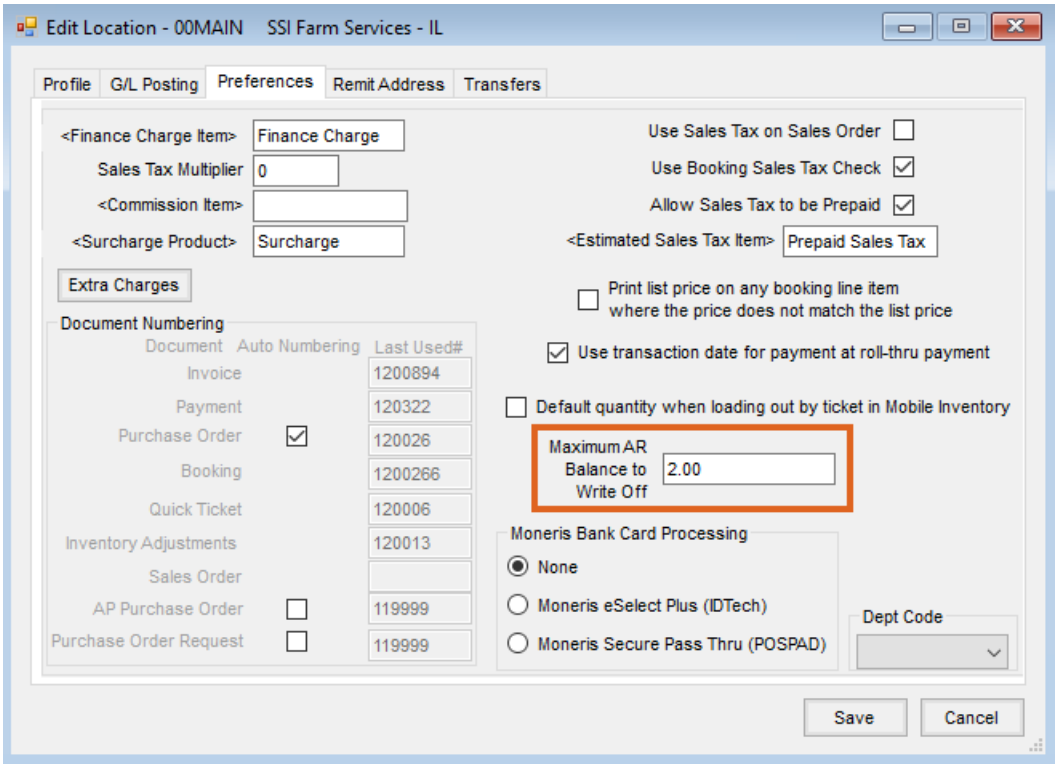
	Pay Method	Short Description	Long Description	<00MAIN>	00MAIN Acct I	Require Signature for 00	<01IND>
1	Check	Check	Check	Undeposited Cash	1100000-00	☐	Undeposite...
2	Cash	Cash	Cash	Undeposited Cash	1100000-00	☐	Undeposite...
3	Credit Card	Credit Card	Credit Card	Credit Card Clearing	1102000-00	☐	Credit Card...
4	Debit Card	Debit Card	Debit Card	Credit Card Clearing	1102000-00	☐	Credit Card...
5	Adjustment	Adjustment	Adjustment	Clearing Account	9999000-00	☐	Clearing Ac...
6	Farm Plan	JDF Multi-use	John Deere Fin...	Clearing Account	9999000-00	☐	Clearing Ac...
7	AMEX	AMEX	AMEX	Credit Card Clearing	1102000-00	☐	Credit Card...
8	Visa	Visa	Visa	Credit Card Clearing	1102000-00	☐	Credit Card...
9	MasterCard	MasterCard	MasterCard	Credit Card Clearing	1102000-00	☐	Credit Card...
10	Discover	Discover	Discover	Credit Card Clearing	1102000-00	☐	Credit Card...
11	Budget DNU	Budget DNU	Budget DNU	Budget Billing Receivable	1220000-00	☐	Budget Billi...
12	Cash Back	Cash Back	Cash Back	Undeposited Cash	1100000-00	☐	Undeposite...
13	Gift Cert	Gift Cert	Gift Certificates	Gift Certificates	2730000-00	☐	Gift Certific...
14	Financed Prod	Financed Prod	Financed Prod	Financed Product Clearing	4400000-00	☐	Financed P...
15	Respray	Respray	Respray	Respray Clearing	1103000-00	☐	Respray Cl...
16	Bad Debt	Bad Debt	Bad Debt	Bad Debt Expense	6800000-00	☐	Bad Debt E...
17	Write Off	Write Off	Write Off	Bad Debt Expense	6800000-00	☐	Bad Debt E...
18	Surcharge	Surcharge	Surcharge	Credit Card Clearing	1102000-00	☐	Credit Card...
19	ACH	ACH	ACH	Undeposited Cash	1100000-00	☐	Undeposite...

Write Off Utility

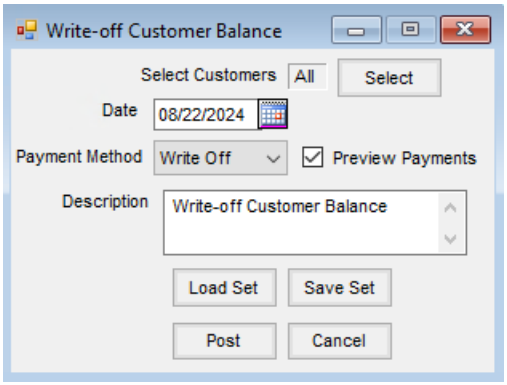
This utility, found under the *A/R* menu, was designed to automatically write off small balances from Customer accounts. Prior to using this utility, the *Maximum A/R Balance to Write Off* must be established for each Location using the utility. This setting is found at *Setup / Locations* on the *Preferences* tab.

The Write-off Customer Balance utility easily writes off multiple Customer balances simultaneously. It is recommended to set up a Pay Method to use with this utility.

A *Maximum A/R Balance to Write Off* must be set up before using the utility. To set this up, go to *Accounting / Setup / Locations* and choose the *Preferences* tab. In the lower portion of the window, enter the *Maximum AR Balance to Write Off* which should reflect the highest dollar amount to write off to the G/L Account established with the Pay Method. Any A/R balance equal to or less than this number will be written off when this utility is used.



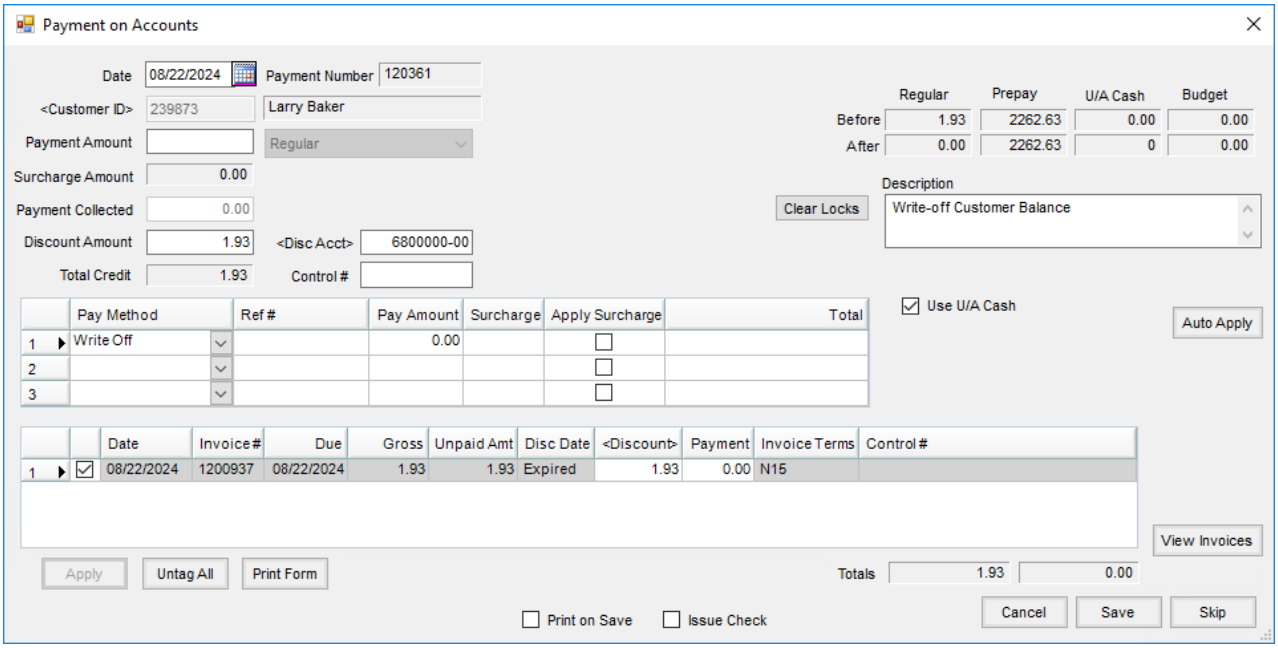
To run the utility, go to *Accounting / A/R / Write-off Customer Balance*. Select specific Customers or accept the default of *All*, choose the *Date* to post the write-off, specify the *Payment Method*, and enter a *Description* if needed.



If *Preview Payments* is not selected when choosing **Post**, the balances are written off without displaying each transaction first.

Select the *Preview Payments* option before choosing **Post** to display each Customer whose balance will be written off along with their balance and the Invoice number(s) that hold(s) the balance.

Payments for each Customer will display. Choosing **Skip** will not post the payment for that Customer and their balance will remain in Agvance.



When running the Payment Register found at *Accounting / Reports / Accounts Receivable / A/R Status*, the balance written off will be itemized with the detail payment records included on the report. However, the *Location Recap*, *G/L Account Recap*, and *Payment Method Recap* do not reflect the balance written off in the *Total* column. To verify this information in more detail, it is recommended to run an Account Detail report for the G/L Account used when setting up the Payment Method.

Payment Register

Payment Number 120361 TO 120361

Location 00MAIN

Sorted By Payment # / Payment Date

Payment #	Control #	Date	ID	Name	Payment Type	Payment Method	Reference Number	Payment Amount	Amount Received	Discount	Total Credit
120361		08/22/2024	239873	Larry Baker		Write Off		0.00	0.00	1.93	1.93
		Invoices Paid:									
		1200937		*1.93*							
							Grand Totals	**0.00**	**1.93**	**1.93**	

Location Recap

Location	Method of Payment	Total	G/L Account
00MAIN			
	Write Off	0.00	6800000-00
	Total for 00MAIN	**0.00**	

G/L Account Recap

G/L Account	Total
6800000-00	0.00

Payment Method Recap

Method of Payment	Total
Write Off	0.00

Using Payment Methods

At the *Payment on Account* window, enter the *Payment Amount* with the amount to be written off and select *Write-off* as the *Pay Method*.

The payment will post to the General Ledger Account designated when the Payment Method was set up. This simplifies the process since no amount must be entered in the *Discount* field or in the *Invoice* grid and the *Discount Account* does not have to be changed.

Pay Methods can be set up for any situation where the payment needs to always post to a specific General Ledger Account.

Removing a customer balance unlikely to be collected is done in the following manner.

1. At *Setup / A/R / Pay Methods*, add a row for Bad Debt, using the Bad Debt Expense General Ledger account, if this Pay Method does not already exist.
   Note: When setting up the Pay Method, if there are multiple Locations, the appropriate General Ledger Account must be selected for each Location in the grid.
2. At the *Payment on Accounts* screen, enter the amount to be written off in the *Payment Amount*. A note may be entered in the *Description* area indicating this is a write-off for reference.
3. Select *Bad Debt* for the *Pay Method* in the *Payment* grid.
4. Manually select the Invoices being written off by selecting in the far left column of the grid for each Invoice.
5. Save the payment.

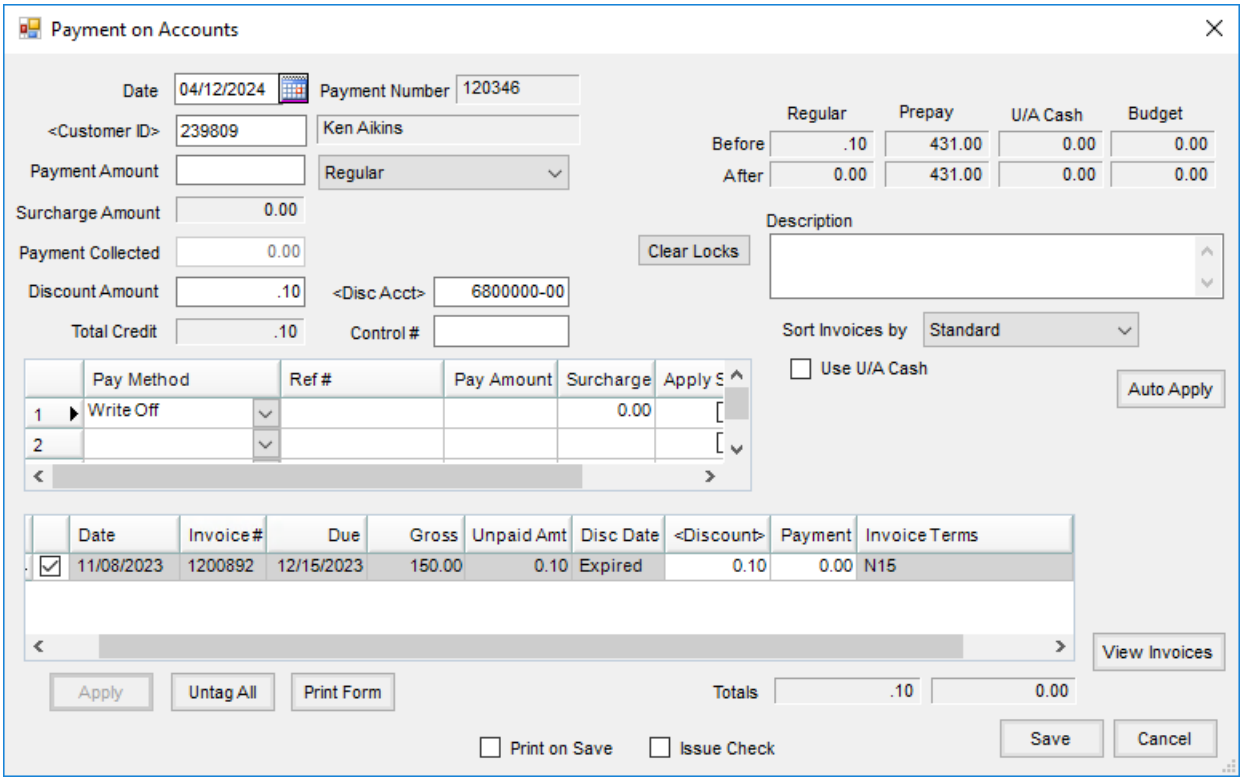
Using Discounts

At *A/R / Payments*, select **Add** and choose the Customer.

On the *Payment on Accounts* window, enter zero dollars in the *Payment Amount* and enter the amount being written off in *Discount Amount*.

In *Disc Acct*, select the General Ledger Account to post this payment. The same dollar amount must also be added to the *Discount* column in the *Invoice* grid.

Select the Pay Method created for writing off balances and choose **Save**.



When running the Payment Register found at *Accounting Reports / Accounts Receivable / A/R Status*, the balance written off will be itemized at the top of the report. However, the *Location Recap*, *G/L Recap*, and *Payment Method Recap* do not reflect the Discount applied. To verify this information, it is recommended to run an *Account Detail* for the G/L Account used for the *Disc Acct*.

Payment Register

Payment Number 1 TO 120346

Location 00MAIN

Sorted By Payment # / Payment Date

Payment #	Control #	Date	ID	Name	Payment Type	Payment Method	Reference Number	Payment Amount	Amount Received	Discount	Total Credit
120316		11/08/2023	239809	Ken Aikins		Cash		6,516.62	6,516.62	0.00	6,516.62
120338		03/12/2024	239809	Ken Aikins	Prepay	Check		2,000.00	2,000.00	0.00	2,000.00
120345		04/12/2024	239809	Ken Aikins		Check		149.90	149.90	0.00	149.90
120346		04/12/2024	239809	Ken Aikins		Write Off		0.00	0.00	0.10	0.10
							Grand Totals		8,666.52	0.10	8,666.62

Location Recap

Location	Method of Payment	Total	G/L Account
00MAIN			
	Cash	6,516.62	1100000-00
	Check	2,149.90	1100000-00
	Write Off	0.00	6800000-00
	Total for 00MAIN	**8,666.52**	

G/L Account Recap

G/L Account	Total
1100000-00	8,666.52
6800000-00	0.00

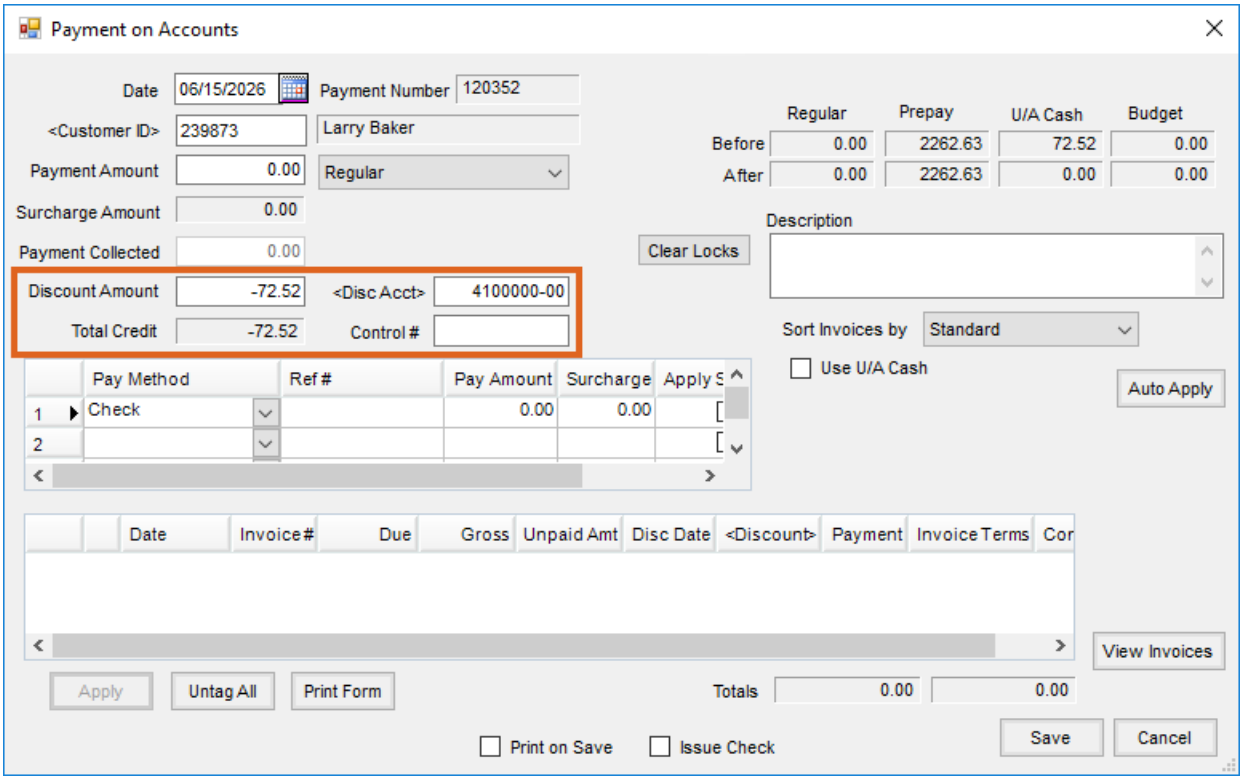
Payment Method Recap

Method of Payment	Total
Cash	6,516.62
Check	2,149.90
Write Off	0.00

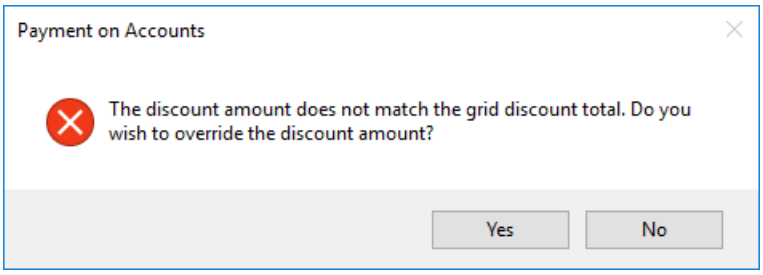
Writing Off UAC

Go to the *Payment on Accounts* screen, and select the Customer. Enter the amount of Unapplied Cash to write off in the *Discount Amount* field as a negative number.

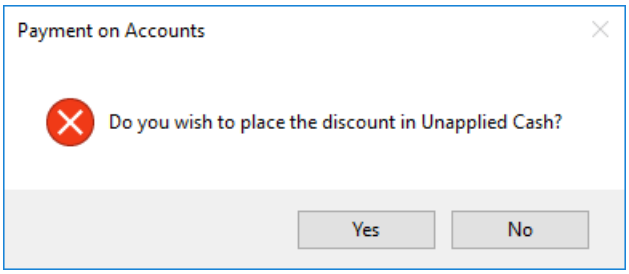
Enter a different account in the *Disc Acct* field if an account different from the default Discount G/L Account is preferred. Make sure no Invoices are checked in the *Invoice* grid below. Select **Save**.



A screen will appear stating *The discount amount does not match the grid discount total. Do you wish to override discount amount?* Select **No**.



Another screen will appear asking *Do you wish to place the discount in Unapplied Cash?* Choose **Yes**. The Unapplied Cash will be zeroed out.


Payment on Accounts
Do you wish to place the discount in Unapplied Cash?
Yes
No