

Write Off All or Part of Customer Balance

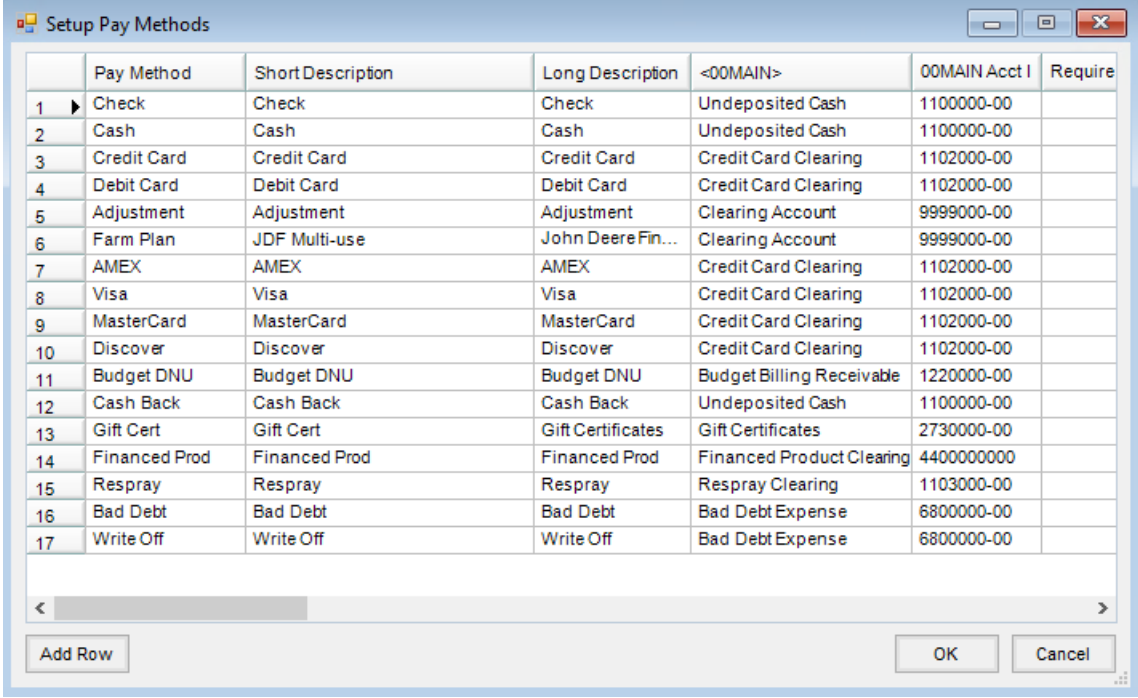
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There are a few approaches to writing off all or a portion of a customer balance. This information covers steps for using Discounts and a Pay Method.

Note: The [Write-off Customer Balance utility](#) is another method which can be used to write off a group of balances quickly and easily.

Setting Up Pay Methods

It is recommended to create a Payment Method named *Write Off* to be used when writing off a Customer's balance, if one does not already exist. Set up the Pay Method at *Accounting / Setup / A/R / Pay Methods*. Choose **Add Row** and enter a name in the *Pay Method* such as *Write Off* 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
1	Check	Check	Check	Undeposited Cash	1100000-00	
2	Cash	Cash	Cash	Undeposited Cash	1100000-00	
3	Credit Card	Credit Card	Credit Card	Credit Card Clearing	1102000-00	
4	Debit Card	Debit Card	Debit Card	Credit Card Clearing	1102000-00	
5	Adjustment	Adjustment	Adjustment	Clearing Account	9999000-00	
6	Farm Plan	JDF Multi-use	John Deere Fin...	Clearing Account	9999000-00	
7	AMEX	AMEX	AMEX	Credit Card Clearing	1102000-00	
8	Visa	Visa	Visa	Credit Card Clearing	1102000-00	
9	MasterCard	MasterCard	MasterCard	Credit Card Clearing	1102000-00	
10	Discover	Discover	Discover	Credit Card Clearing	1102000-00	
11	Budget DNU	Budget DNU	Budget DNU	Budget Billing Receivable	1220000-00	
12	Cash Back	Cash Back	Cash Back	Undeposited Cash	1100000-00	
13	Gift Cert	Gift Cert	Gift Certificates	Gift Certificates	2730000-00	
14	Financed Prod	Financed Prod	Financed Prod	Financed Product Clearing	4400000000	
15	Respray	Respray	Respray	Respray Clearing	1103000-00	
16	Bad Debt	Bad Debt	Bad Debt	Bad Debt Expense	6800000-00	
17	Write Off	Write Off	Write Off	Bad Debt Expense	6800000-00	

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**.

Payment on Accounts

Date: 04/12/2024 Payment Number: 120346

<Customer ID>: 239809 Ken Aikins

Payment Amount: [] Regular

Surcharge Amount: 0.00

Payment Collected: 0.00

Discount Amount: .10 <Disc Acct>: 6800000-00

Total Credit: .10 Control #: []

	Regular	Prepay	U/A Cash	Budget
Before	.10	431.00	0.00	0.00
After	0.00	431.00	0.00	0.00

Clear Locks

Description: []

Sort Invoices by: Standard

Use U/A Cash Auto Apply

	Pay Method	Ref #	Pay Amount	Surcharge	Apply S
1	Write Off			0.00	[]
2					[]

	Date	Invoice #	Due	Gross	Unpaid Amt	Disc Date	<Discount>	Payment	Invoice Terms
<input checked="" type="checkbox"/>	11/08/2023	1200892	12/15/2023	150.00	0.10	Expired	0.10	0.00	N15

View Invoices

Totals: .10 0.00

Apply Untag All Print Form

Print on Save Issue Check Save Cancel

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

<u>Payment #</u>	<u>Control #</u>	<u>Date</u>	<u>ID</u>	<u>Name</u>	<u>Payment Type</u>	<u>Payment Method</u>	<u>Reference Number</u>	<u>Payment Amount</u>	<u>Amount Received</u>	<u>Discount</u>	<u>Total Credit</u>
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	8,666.52	0.10	8,666.62

Location Recap

<u>Location</u>	<u>Method of Payment</u>	<u>Total</u>	<u>G/L Account</u>
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

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

Payment Method Recap

<u>Method of Payment</u>	<u>Total</u>
Cash	6,516.62
Check	2,149.90
Write Off	0.00

Using a Payment Method

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.