

Writing off Bad Debt

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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.