

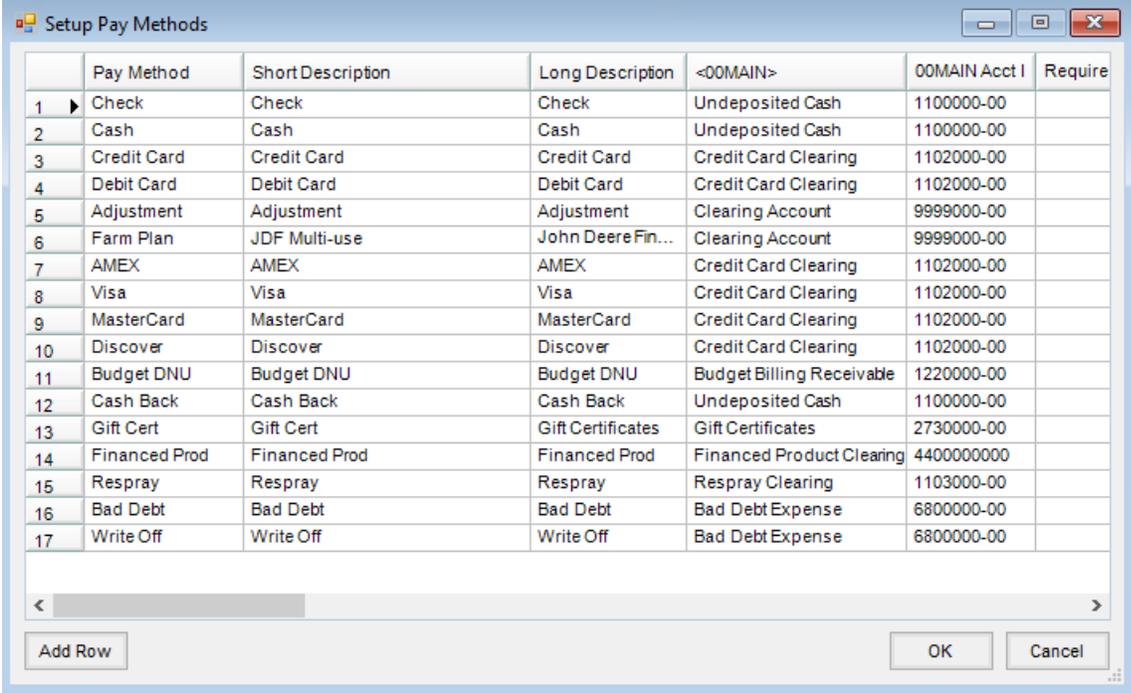
Write Off All or Part of Customer Balance

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There are a few approaches to writing off all or a portion of a Customer balance - 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.



The screenshot shows a window titled "Setup Pay Methods" with a table containing 17 rows of pay method configurations. The table has columns for Pay Method, Short Description, Long Description, Location (labeled <00MAIN>), 00MAIN Acct I, and Require. The rows include various methods like Check, Cash, Credit Card, Debit Card, Adjustment, Farm Plan, AMEX, Visa, MasterCard, Discover, Budget DNU, Cash Back, Gift Cert, Financed Prod, Respray, Bad Debt, and Write Off.

	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	

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.

The screenshot shows the 'Edit Location - 00MAIN SSI Farm Services - IL' window with the 'Preferences' tab selected. The 'Maximum AR Balance to Write Off' field is highlighted with a red box and contains the value '2.00'. Other visible fields include '<Finance Charge Item>' (Finance Charge), 'Sales Tax Multiplier' (0), '<Commission Item>', '<Surcharge Product>' (Surcharge), 'Use Sales Tax on Sales Order' (unchecked), 'Use Booking Sales Tax Check' (checked), 'Allow Sales Tax to be Prepaid' (checked), '<Estimated Sales Tax Item>' (Prepaid Sales Tax), 'Print list price on any booking line item where the price does not match the list price' (unchecked), 'Use transaction date for payment at roll-thru payment' (checked), 'Default quantity when loading out by ticket in Mobile Inventory' (unchecked), 'Moneris Bank Card Processing' (None selected), and 'Dept Code'.

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.

The screenshot shows the 'Write-off Customer Balance' window. The 'Select Customers' dropdown is set to 'All'. The 'Date' is 08/22/2024. The 'Payment Method' is 'Write Off' and 'Preview Payments' is checked. The 'Description' is 'Write-off Customer Balance'. Buttons for 'Load Set', 'Save Set', 'Post', and 'Cancel' are visible.

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.

Payment on Accounts

Date: 08/22/2024 Payment Number: 120361

<Customer ID>: 239873 Larry Baker

Payment Amount: [] Regular

Surcharge Amount: 0.00

Payment Collected: 0.00

Discount Amount: 1.93 <Disc Acct>: 6800000-00

Total Credit: 1.93 Control #: []

	Regular	Prepay	U/A Cash	Budget
Before	1.93	2262.63	0.00	0.00
After	0.00	2262.63	0	0.00

Description: Write-off Customer Balance

Use U/A Cash

	Pay Method	Ref #	Pay Amount	Surcharge	Apply Surcharge	Total
1	Write Off		0.00		<input type="checkbox"/>	
2					<input type="checkbox"/>	
3					<input type="checkbox"/>	

	Date	Invoice #	Due	Gross	Unpaid Amt	Disc Date	<Discount>	Payment	Invoice Terms	Control #
1	08/22/2024	1200937	08/22/2024	1.93	1.93	Expired	1.93	0.00	N15	

Totals: 1.93 0.00

Buttons: Apply, Untag All, Print Form, View Invoices, Cancel, Save, Skip

Options: Print on Save Issue Check

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**.

Payment on Accounts [X]

Date: 04/12/2024 [Calendar] Payment Number: 120346

<Customer ID> 239809 Ken Aikins

Payment Amount: [] Regular [v]

Surcharge Amount: 0.00

Payment Collected: 0.00 [Clear Locks]

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

Total Credit: .10 Control #: []

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

Description: []

Sort Invoices by: Standard [v]

Use U/A Cash [Auto Apply]

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

	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

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

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	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