



Acumatica

The Cloud ERP

F140 Credit Control

Thulya Perera

Senior Business Analyst

Timing and Agenda

October 1st, 2024 - 10:00-11:30 AM PT

Day 1

Lesson 1.1: Configuring Credit Verification Rules

Lesson 1.2: Analyzing Automatic Credit Verification for Customers

Lesson 2.1: Setting Up the Dunning Process

Lesson 2.2: Preparing Dunning Letters

October 2nd, 2024 - 10:00-11:30 AM PT

Day 2

Lesson 2.3: Managing Customers' Credit Status

Lesson 3.1: Preparing Customer Statements

Lesson 3.2: Regenerating Customer Statements

Lesson 3.3: Preparing an On-Demand Statement

Lesson 3.4: Setting Up and Applying Overdue Charges

Timing and Agenda

October 3rd, 2024 - 10:00-11:30 AM PT

Day 3

Lesson 4.1: Processing Direct Write-Offs

Lesson 4.2: Processing Payments with Write-Offs



Day 1

Scott McLaughlin

Acumatica Sponsored Professional Race Car Driver

Company Structure

The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- **SweetLife Head Office and Wholesale Center:** This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- **SweetLife Store:** This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse. This branch is also planning on selling goods via a website created on an e-commerce platform to accept orders online. The e-commerce integration project is underway.
- **SweetLife Service and Equipment Sales Center:** This branch is a service center with a small warehouse where juicers are stored. This branch assembles, sells, installs, and services juicers, in addition to training customers' employees to operate juicers.

Operational Activity

The company has been operating starting in the 01-2023 financial period. In November 2023, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center has begun its operations in 01-2024 in response to the company's growth.

The base currency of the company and its subsidiaries is the US dollar (USD). All amounts in documents and reports are expressed in US dollars unless otherwise indicated.



Part 1: Credit Verification Rules

Lesson 1.1: Configuring Credit Verification Rules

Learning Objective

In this lesson, you will learn how to set up credit verification rules for specific customers.

Credit Verification Rule Options

- Credit Limit
- Days Past Due
- Limit and Days Past Due
- Disabled

Credit Verification Rules: Implementation Activity

Story

Suppose that SweetLife Fruits & Jams has decided to start tracking credit limits and days past due for some of the customers. The COFFEESHOP customer has multiple unpaid documents and a large balance. This customer should be put on credit hold if the total balance of its open documents exceeds \$2,000. For this customer, the Credit Limit verification rule should be used.

The GOODFOOD customer sometimes fails to pay the documents in time, so the Days Past Due verification rule should be used for this customer. Acting as Yona Jones, an accountant in charge of the Credit Control team, you need to set up the credit verification rules for these customers.

Lesson 1.2: Analyzing Automatic Credit Verification for Customers

Learning Objectives

In this lesson, you will learn how to do the following:

- Analyze how credit verification rules affect customers' credit check
- Remove credit hold for an invoice

Automatic Credit Verification: Process Activity

Story

Suppose that credit verification rules have been defined for some of SweetLife customers. On January 30, 2024, the COFFEESHOP customer bought online training services, but failed the credit check. On the same date, the GOODFOOD customer bought consulting services, but also failed the credit check.

Yona Jones called the COFFEESHOP customer and they told him that they sent the payment the day before but it had not yet been received. Yona decided to release the invoice from credit hold.

Acting as Yona Jones, you need to create two invoices for these customers and analyze how the credit verification rules set up earlier affect the customers' credit check. Then you need to remove credit hold for an invoice of the COFFEESHOP customer.



Part 2: Dunning Letter Management

Lesson 2.1: Setting Up the Dunning Process

Learning Objective

In this lesson, you will learn how to implement the dunning process in the system.

Key Points

- Dunning Process Options (By Customer, By Document)
- Dunning Level of a Document (Days Past Due, Days to Settle, Dunning Fee)
- Exclusion from the Dunning Process
- Dunning Fee Collection

Dunning Process Setup: Implementation Activity

Story

Suppose that SweetLife Fruits & Jams decided to implement the dunning process in the system, which the Credit Control team can use to streamline its work. In the system, the following dunning levels should be used:

Dunning Letter Level	Days Past Due	Days to Settle	Dunning Fee
1	30	3	\$0
2	60	3	\$5
3	90	3	\$10

Acting as an implementation consultant (Kimberly Gibbs), you need to enable the needed feature and set up the dunning process on the Dunning tab of the Accounts Receivable Preferences (AR101000) form.

Lesson 2.2: Preparing Dunning Letters

Learning Objectives

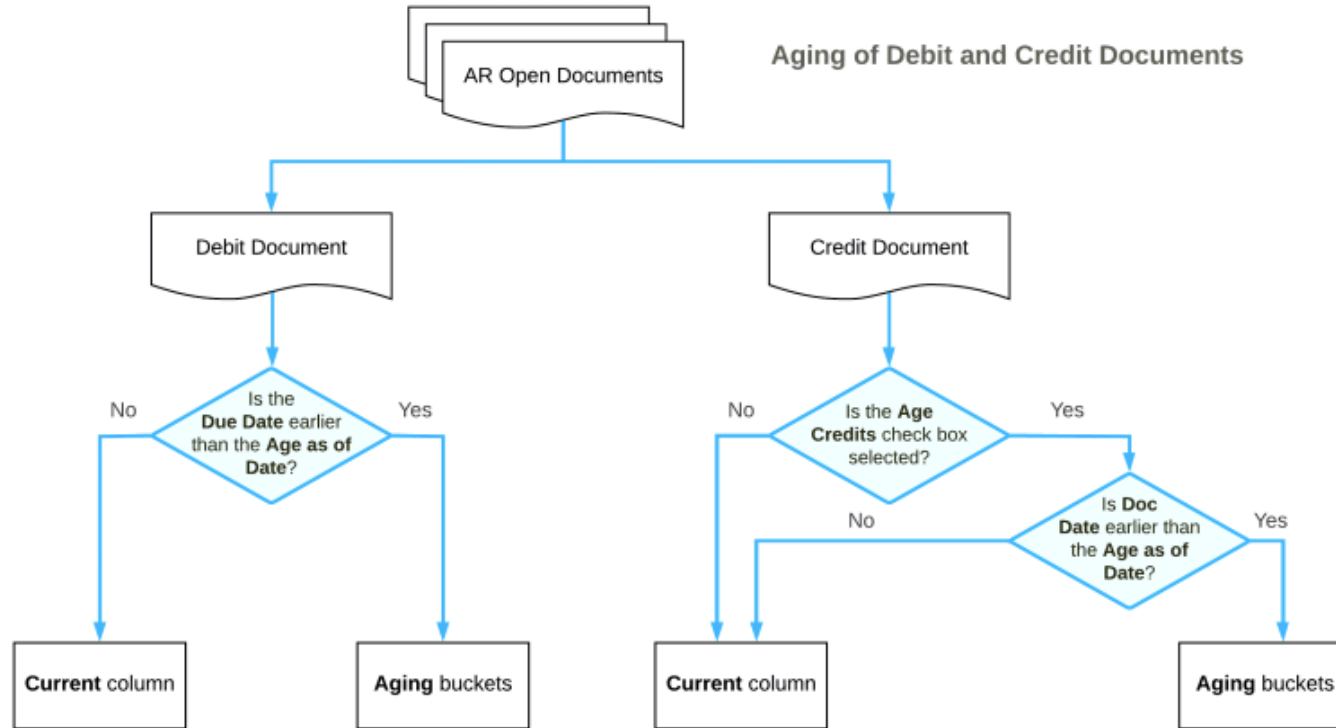
In this lesson, you will learn how to do the following:

- Run and review the AR Aging (AR631000) report
- Prepare dunning letters by using the By Customer dunning process

Documents Included in Dunning Letters

Add Coming-Due Invoices Check Box	Add Open Payments and Credit Memos Check Box	System Behavior
Cleared	Cleared	Overdue invoices and debit memos are included in the dunning letter.
Selected	Cleared	Open invoices and debit memos are included in the dunning letter.
Cleared	Selected	Overdue invoices, overdue debit memos, open credit memos, and open payments are included in the dunning letter.
Selected	Selected	Open invoices, open debit memos, open credit memos, and open payments are included in the dunning letter.

Figure: AR Aging: aging debit and credit documents



Preparation of Dunning Letters: To Run the AR Aging Report

Story

Suppose that the Credit Control team of SweetLife Fruits & Jams starts its operation with finding out which customer accounts are overdue. The team lead runs the AR Aging report to see which invoices are still open, the balances of unpaid invoices, and how long the invoices have been outstanding.

Acting as Yona Jones, you need to run the AR Aging (AR631000) report for local customers of the DEFAULT customer class and analyze this information with the team.

Preparation of Dunning Letters: To Prepare Dunning Letters

Story

Suppose that on January 31, 2024, the Credit Control team of SweetLife Fruits & Jams starts the process of generating dunning letters for its customers. Acting as Yona Jones, you need to run the process on the Prepare Dunning Letters (AR521000) form for the GOODFOOD customer.

Figure: A dunning letter to be printed

Print / Release Dunning Letters CUSTOMIZATION TOOLS ▾

↶ **PROCESS** PROCESS ALL ↷

Action: Start Date:

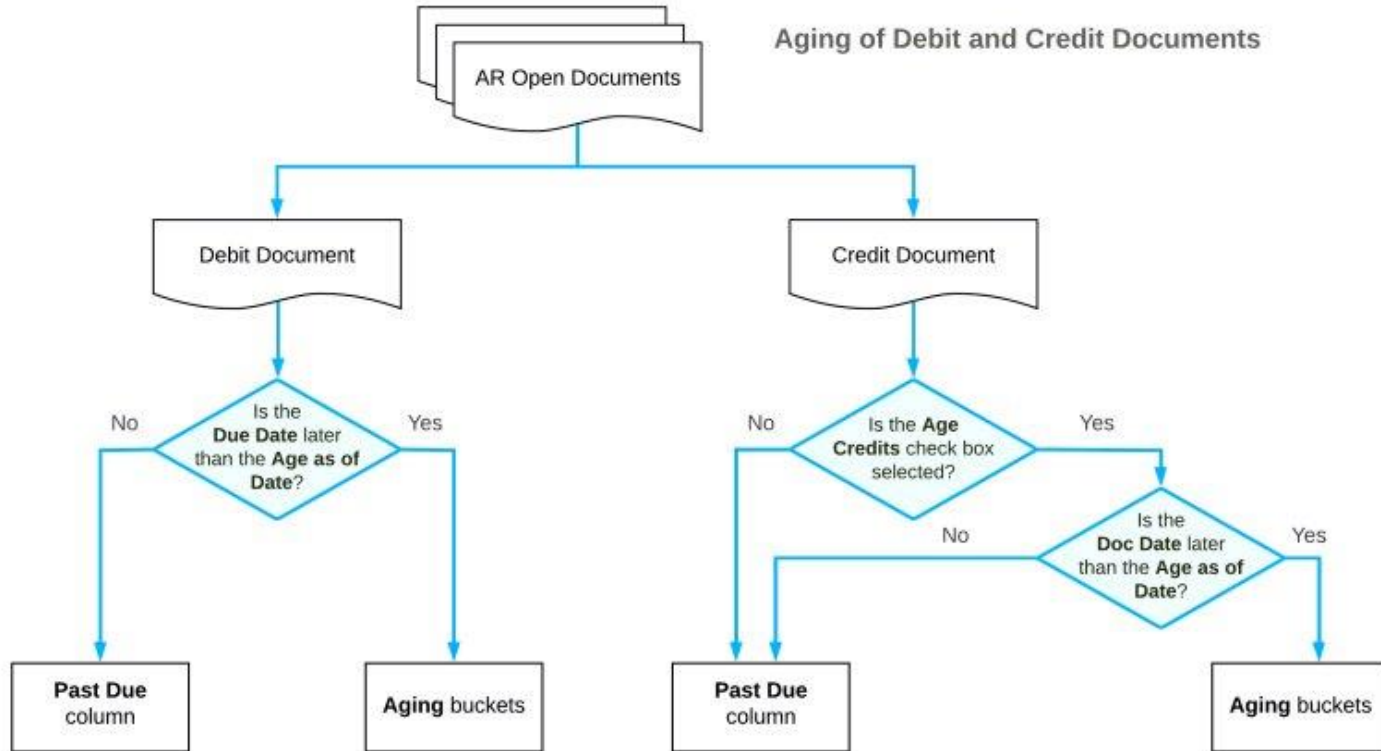
Company/Branch: End Date:

Show All

↶ + × VIEW DUNNING LETTER |←| |→| All Records ▾

	<input type="checkbox"/>	Branch	Customer	Dunning Letter Date	Dunning Letter Level	Overdue Balance	Dunning Fee	Final Reminder	Don't Print	Printed	Don't Email	Emailed
>	<input checked="" type="checkbox"/>	HEADOFFICE	GOODFOOD - GoodFood One Restaurant	1/31/2024	1	8,072.07	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Figure: AR Coming Due: aging debit and credit documents



Day 1 Summary

- Configuring Credit Verification Rules
- Analyzing Automatic Credit Verification for Customers
- Setting Up the Dunning Process
- Preparing Dunning Letters



Day 2

Quality Material Handling
Acumatica Customer

Day 2 Agenda

Lesson 2.3: Managing Customers' Credit Status

Lesson 3.1: Preparing Customer Statements

Lesson 3.2: Regenerating Customer Statements

Lesson 3.3: Preparing an On-Demand Statement

Lesson 3.4: Setting Up and Applying Overdue Charges

Lesson 2.3: Managing Customers' Credit Status

Learning Objectives

In this lesson, you will learn how to do the following:

- Generate the final dunning letter for a customer
- Put the customer on credit hold
- Remove the credit hold for the customer

Credit Status: Process Activity

Story







Suppose that the Credit Control team of SweetLife Fruits & Jams regularly reviews a list of customers that have not paid for a long time and have ignored dunning letters. One of the customers, GOODFOOD has already received two dunning letters, but failed to pay the outstanding invoices. This customer has be put on credit hold to prevent users from creating documents for it.

Further suppose that on May 15, 2024 the customer called SweetLife to inform them that a bank transfer has been sent to pay the debt. The Credit Control team decided to remove the credit hold for the customer on the same day.



Acting as Yona Jones, you need to generate the final dunning letter for GOODFOOD, put this customer on credit hold, and remove the credit hold for the customer.


Figure: Customer to be put on credit hold

Manage Credit Holds TOOLS ▾

  **PROCESS** PROCESS ALL  ▾   

Action: ▾ Show All

Start Date:  End Date: 

	<input type="checkbox"/>	Customer ID	Customer Name	Dunning Letter Date	Overdue Balance	Customer Balance	Customer Status
>	<input checked="" type="checkbox"/>	GOODFOOD	GoodFood One Restaurant	4/3/2024	8,503.81	3,923.81	Active



Part 3: Customer Statements and Overdue Charges

Lesson 3.1: Preparing Customer Statements

Learning Objectives

In this lesson, you will learn how to do the following:

- Prepare customer statements
- Print customer statements

Statement Cycles

Statement Cycles

EOM - End of Month

NOTES AC



REGENERATE LAST STATEMENTS

DELETE LAST STATEMENTS

GENERAL SETTINGS

* Cycle ID:

* Description:

Schedule Type:

Last Statement Date:

Require Payment Application Before Statement

Print Empty Statements

AGING SETTINGS

Use Financial Periods for Aging

Aging Period (Days)	Description
Current	<input type="text" value="Current"/>
1 - 10	<input type="text" value="1 - 10 Days Past Due"/>
11 - 30	<input type="text" value="11 - 30 Days Past Due"/>
31 - 60	<input type="text" value="31 - 60 Days Past Due"/>
Over 60	<input type="text" value="Over 60 Days Past Due"/>
Age Based On:	<input type="text" value="Due Date"/>

Statement Types

- Open Item
- Balance Brought Forward

Customer Statements: Process Activity

Story

Suppose that at the end of each month, the accounting department of the SweetLife Fruits & Jams company sends customer statements to its customers.

Acting as a SweetLife accountant, at the end of January 2024 you need to prepare and print the customer statements that you will later send to customers. You need to prepare customer statements based on the end-of month (EOM) cycle, view the statement history, and then print the statements.

Figure: Customer statements generated for January 2024

Statement History Details TOOLS ▾

↻ ↶ ⏪ ⏩ STATEMENT HISTORY PRINT STATEMENT 📏 🗑️ 🔍

* Statement Cycle: 🔍

Statement Date: 📅

Customer	Customer Name	Statement Balance	Overdue Balance	Don't Print	Printed	Don't Email	Emailed	On-Demand Statement	Prepared On
> ABAKERY	Allen's Bakery	498.70	498.70	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
BLUECAFE	Blue Cafe	-5.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
CAKEADO	Cakeado Cafe	1,000.00	688.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
CITRUS	Citrus Store	868.55	868.55	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
COFFEESHOP	FourStar Coffee & Sweets Shop	4,008.41	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
FOODCLVR	Food Clever	750.00	750.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
GOODFOOD	GoodFood One Restaurant	3,908.81	3,482.07	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
HMBAKERY	HM's Bakery & Cafe	7,361.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
MORNINGCAF	Morning Cafe	3,736.25	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
RETSALE	Individual Retail Customer	0.00	0.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
TOMYUM	Thai Food Restaurant	2,100.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024
VANILLO	Vanillo Candy Space	617.32	617.32	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5/15/2024

Lesson 3.2: Regenerating Customer Statements

Learning Objectives

In this lesson, you will learn how to do the following:

- Create and release a document that was missing in a previous statement
- Regenerate a customer statement

Regeneration of Statements: Process Activity

Story

Suppose that after the generation of customer statements, the sales manager of the SweetLife Fruits & Jams company found out that an invoice as of 1/31/2024 for Morning Cafe in the amount of \$210 had not been entered into the system.

Acting as the chief accountant of SweetLife, you need to record this invoice and regenerate the customer statement for this customer.

Figure: The printed customer statement to be regenerated

Print Statements TOOLS ▾

PROCESS ALL

Actions:
 * Branch:

* Statement Cycle:
 Foreign Currency Statements

Statement Date: 1/31/2024
 Show All

Message:

<input type="checkbox"/>	Customer	Customer Name	Statement Balance	Overdue Balance	Currency	FC Statement Balance	FC Overdue Balance	FC Statement	Don't Print	Printed	Don't Email	Emailed
<input type="checkbox"/>	ABAKERY	Allen's Bakery	498.70	498.70	USD	498.70	498.70	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	BLUECAFE	Blue Cafe	-5.00	0.00	USD	-5.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	CAKEADO	Cakeado Cafe	1,000.00	688.00	USD	1,000.00	688.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	CITRUS	Citrus Store	868.55	868.55	USD	868.55	868.55	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	COFFEESHOP	FourStar Coffee & Sweets Shop	1,396.39	0.00	USD	1,396.39	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	FOODCLVR	Food Clever	750.00	750.00	USD	750.00	750.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	GOODFOOD	GoodFood One Restaurant	3,908.81	3,482.07	USD	3,908.81	3,482.07	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	HMBAKERY	HM's Bakery & Cafe	-64.00	0.00	USD	-64.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	MORNINGCAF	Morning Cafe	3,736.25	0.00	USD	3,736.25	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	RETSALE	Individual Retail Customer	0.00	0.00	USD	0.00	0.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	VANILLO	Vanillo Candy Space	617.32	617.32	USD	617.32	617.32	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Lesson 3.3: Preparing an On-Demand Statement

Learning Objectives

In this lesson, you will learn how to do the following:

- Generate an on-demand statement
- Review and print the on-demand statement

On-Demand Statements: Process Activity

Story

Suppose that one of the customers of the SweetLife Fruits & Jams company, FourStar Coffee & Sweets Shop (COFFEESHOP) has called the accounting department and asked for a statement dated 1/25/2024, to reconcile it with their records. Because a regular statement for this customer was generated on 1/31/2024, the new statement must be an on-demand one.

Acting as a SweetLife accountant, you have to generate an on-demand statement as of 1/25/2024 for the COFFEESHOP customer.

Figure: The on-demand customer statement before printing

Customer Statement History TOOLS ▾

🔄 ⏪ ↶ **PRINT STATEMENT** 📄 🗑️ ⏴

Company/Branch: HEADOFFICE - SweetLife Head Offi... ▾

* Customer: COFFEESHOP - FourStar Coffee & S... 🔍

Branch	Statement Cycle	Statement Date	Statement Balance	Overdue Balance	Don't Print	Printed	Don't Email	Emailed	On-Demand Statement	Prepared On
> HEADOFFICE	EOM	1/25/2024	-189.09	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	9/27/2023
HEADOFFICE	EOM	1/31/2024	1,396.39	0.00	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9/27/2023

Lesson 3.4: Setting Up and Applying Overdue Charges

Learning Objectives

In this lesson, you will learn how to do the following:

- Set up the overdue charges functionality and configure overdue charges

Key Considerations

1. Calculation Methods

- Interest on Balance
- Interest on Prorated Balance
- Interest on Arrears

2. Charging Methods

- Charging a Percentage with a Minimum Amount
- Charging a Percentage with a Threshold Amount
- Charging a Fixed Amount

```
Charge Amount = (Percent Rate) * (Number of Days Past Due) * Open Balance / (365 * 100)
```

3. Overdue Fees

Overdue Charges: Implementation Activity

Story

Suppose that starting on January 1, 2023 the CFO of SweetLife Fruits & Jams decided to start applying overdue charges to customer documents that are past due. Overdue charge documents should be generated for two customers that have multiple past due documents—COFFEESHOP and GOODFOOD. The overdue charges should be calculated for the days past due by using the outstanding balance of a document for each of these days. The annual rate for overdue charges is 10%.

Acting as the chief accountant, you need to enable the needed feature and set up the overdue charge functionality.

Day 2 Summary

- Managing Customers' Credit Status
- Preparing Customer Statements
- Regenerating Customer Statements
- Preparing an On-Demand Statement
- Setting Up and Applying Overdue Charges



Day 3



WEIRD BRAND
MADAWA TRENCH

THANKS FOR YOUR ORDER!

TELL US WHAT YOU THOUGHT OF:

Instagram icon
Facebook icon
Twitter icon

FRAGILE

Day 3 Agenda

Lesson 3.4: Setting Up and Applying Overdue Charges

Lesson 4.1: Processing Direct Write-Offs

Lesson 4.2: Processing Payments with Write-Offs

Lesson 3.4: Setting Up and Applying Overdue Charges

Learning Objectives

In this lesson, you will learn how to do the following:

- Process overdue charges and create the Overdue Charge documents for particular customers
- Prepare customer statements for particular customers and review how overdue charges are shown in the statements

Overdue Charges: Process Activity

Story

Suppose that in February 2024, SweetLife Fruits & Jams started to send overdue charge documents to some of its customers and want these documents to be shown in customer statements. Further suppose that on February 15, 2024, COFFEESHOP made a payment of \$2,000 that should be applied to one of the customer's outstanding documents. On February 28, an accountant of SweetLife prepared customer statements for February 2024, which is the next statement date according to the EOM statement cycle.

Acting as the SweetLife accountant, you need to record the payment of \$2,000 from COFFEESHOP, generate and release overdue charge documents for the COFFEESHOP and GOODFOOD customers, and generate customer statements for February 2024.



Part 4: Write-Offs

Lesson 4.1: Processing Direct Write-Offs

Learning Objectives

In this lesson, you will learn how to do the following:

- Set up the write-off functionality
- Process a credit write-off
- Process a balance write-off

Write-Off Types

- Balance Write-Offs
 - Invoices
 - Debit Memos
 - Overdue Charges
- Credit Write-Offs
 - Payments
 - Prepayments
 - Credit Memos

Allowance Method

Monthly Journal Transaction

Account	Debit	Credit
Bad Debts Expense	Amount	0.00
Allowance for Doubtful Accounts	0.00	Amount

Write-Off the Customer Balance

Account	Debit	Credit
Allowance for Doubtful Accounts	Amount	0.00
AR Account (customer account)	0.00	Amount

Direct Write-Offs: Implementation Activity

Story

Suppose that SweetLife Fruits & Jams decided to start using the write-off functionality for its customers. At first, users should be enabled to write off small balances in documents of the ABAKERY and CITRUS customers. The writeoff threshold for ABAKERY is \$5 and the write-off threshold for CITRUS is \$10. The reason codes for credit write-offs and balance write-offs have already been defined in the system.

Acting as the chief accountant of SweetLife, you need to set up the write-off functionality.

Direct Write-Offs: To Process a Credit Write-Off

Story

Suppose that while looking through customer accounts, the chief accountant of SweetLife Fruits & Jams noticed that the BLUECAFE customer had a small credit balance of \$5. The accountant decided to write it off. Previously, write-offs were made allowed for this customer and the write-off functionality has been set up.

Acting as the SweetLife accountant, you need to process a direct credit write-off in the system.

Figure: A payment that can be written off

Write Off Balances and Credits TOOLS ▾

🔄 ↶ PROCESS PROCESS ALL ↷ ⏪ ⏩ ☒ ⏴

Type: Customer: * Doc. Date: * Reason Code: Company/Branch: Limit: * Post Period: Selection Total:

<input type="checkbox"/>	<input type="checkbox"/>	Branch	Type	Reference Nbr.	Customer	Customer Name	Date	Post Period	Balance	Description	Reason Code	Amount
>	<input type="checkbox"/>	HEADOFFICE	Payment	000076	BLUECAFE	Blue Cafe	1/27/2024	01-2024	5.00		CRWOFF	490.00

Direct Write-Offs: To Process a Balance Write-Off

Story

Suppose that in January 2024, SweetLife Fruits & Jams undercharged one of its customers, Morning Cafe, in the amount of \$7 for onsite training courses. However, on January 30, the chief accountant of SweetLife decided to write off this small amount.

Acting as the chief accountant, you need to create a \$7 debit memo, update to customer's settings to enable writeoffs, and create a balance write off for the \$7.

Figure: Debit memo that can be written off

Write Off Balances and Credits TOOLS ▾

🔄 ↶ PROCESS PROCESS ALL ⏸️ ⏪ ⏩ ⏹️ ⏴

🔍

Type: Customer:

* Doc. Date: * Reason Code:

Company/Branch: Limit:

* Post Period: Selection Total:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Branch	Type	Reference Nbr.	Customer	Customer Name	Date	Post Period	Balance	Description	Reason Code	Amount
>	<input type="checkbox"/>	<input type="checkbox"/>	HEADOFFICE	Debit Memo	000126	MORNINGCAF	Morning Cafe	1/15/2024	01-2024	7.00	Undercharged amount for onsite training	BALWOFF	7.00

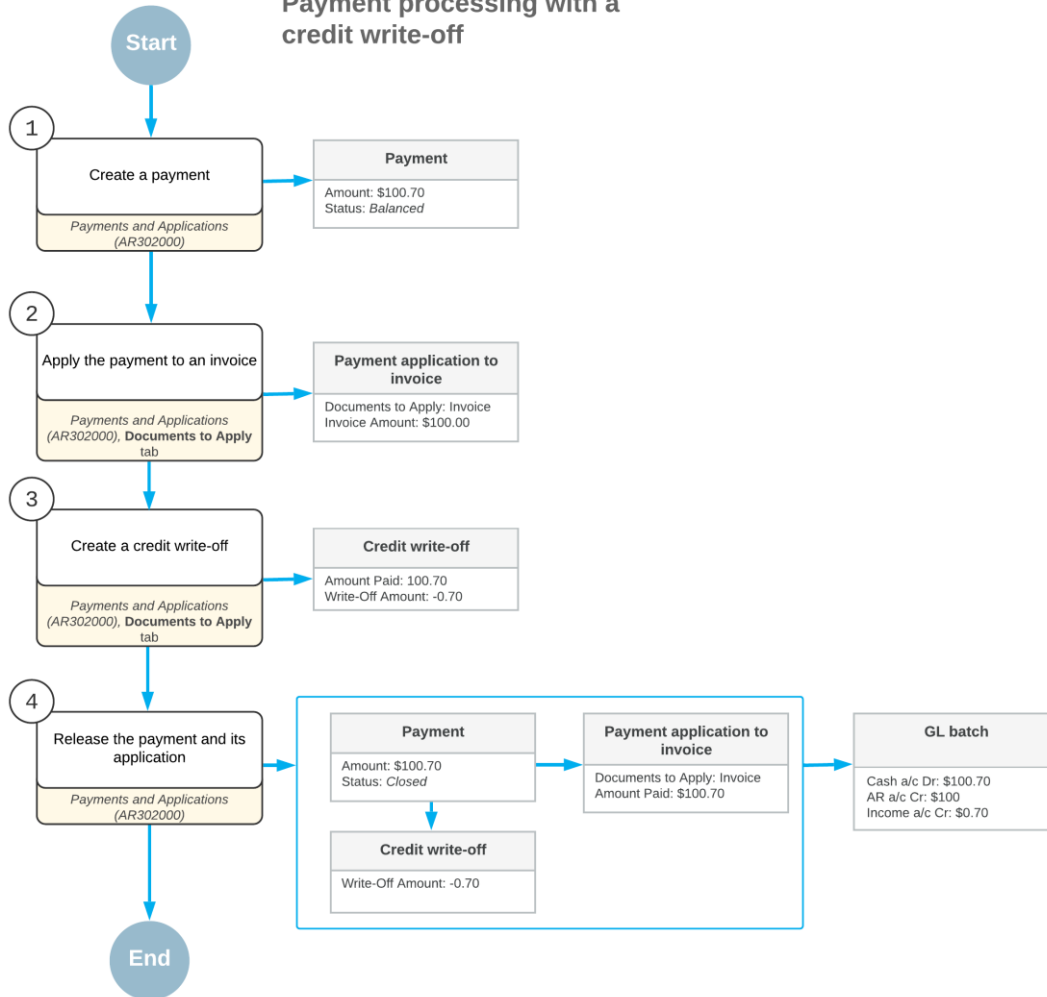
Lesson 4.2: Processing Payments with Write-Offs

Learning Objectives

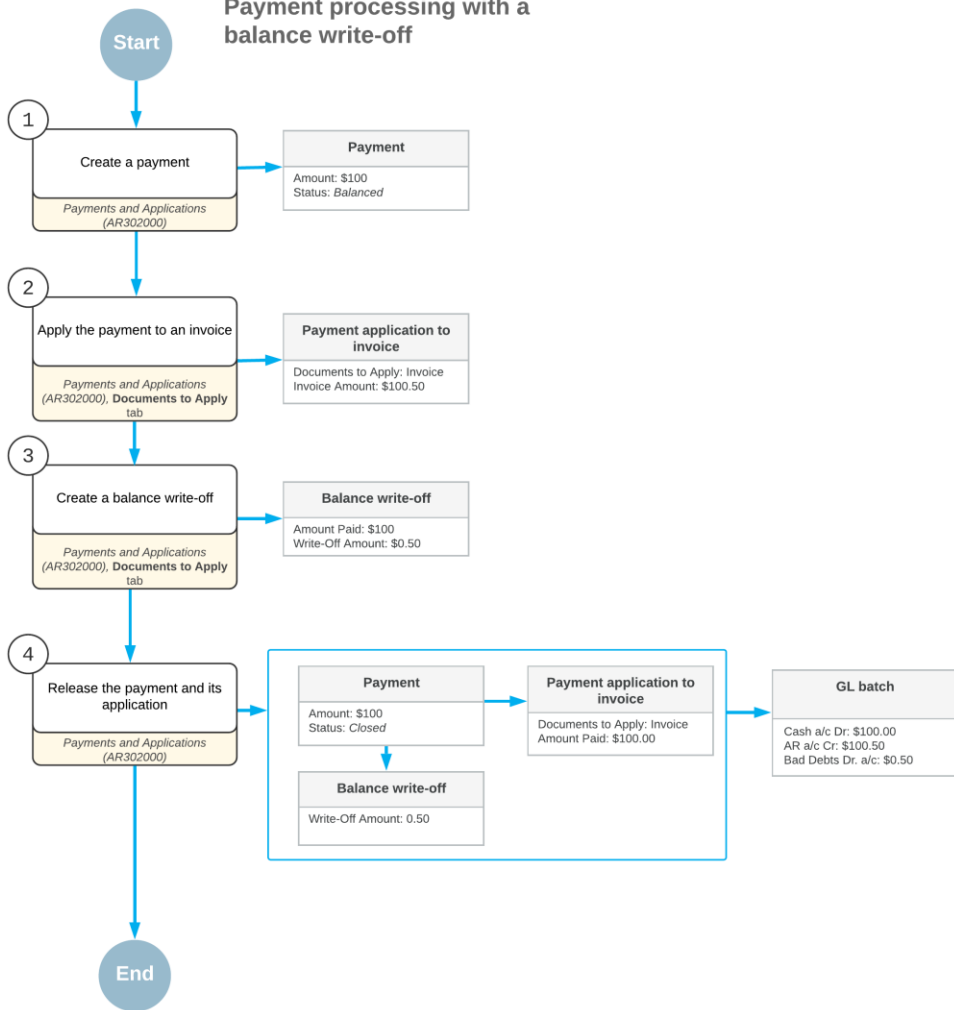
In this lesson, you will learn how to do the following:

- Create a credit write-off as you are processing a customer payment applied to multiple documents
- Create a balance write-off as you are processing a customer payment applied to an invoice

Payment processing with a credit write-off



Payment processing with a balance write-off



Payments with Write-Offs: To Create a Payment with a Credit Write-Off

Story

Suppose that on January 30, 2024, the SweetLife Fruits & Jams company received a check for \$80.70 from one of its customers, Morning Cafe.

Acting as a SweetLife accountant, you need to create the payment in the system and apply it to two outstanding invoices of this customer, which have a total amount of \$80. As you are processing the payment, you need to create a credit write-off for the remaining payment balance of \$0.70 and apply it to one of the invoices.

Figure: A payment with a credit write-off

Payments and Applications NOTES ACTIVITIES FILES TOOLS ▾

Payment 000078 - Morning Cafe

← ↻ 📄 ↺ + 🗑️ 📄 ▾ ⏪ < > ⏩ REMOVE HOLD ...

Type: ▾

Reference Nbr.: 🔍

Status:

* Application Date: 📅

* Application Pe...: 🔍

Payment Ref.:

Customer: MORNINGCAF - Morning Cafe ✎

* Location: MAIN - Primary Location 🔍

Payment Meth...: CHECK - Check Payment 🔍

Card/Account ...

* Cash Account: 10200WH - Wholesale Checking 🔍

Description:

Payment Amo...: ↻

Applied to Doc...: 80.70

Applied to Ord...: 0.00

Available Bala...: 0.00

Write-Off Amo...:

Finance Charg...: 0.00

Deducted Cha...: 0.00

DOCUMENTS TO APPLY SALES ORDERS APPLICATION HISTORY FINANCIAL CHARGES COMPLIANCE

↻ + × LOAD DOCUMENTS AUTO APPLY ⏪ 🗑️

	📄	🔍	🗑️	Branch	Doc. Type	*Referenc Nbr.	*Line Nbr.	Inventory ID	Amount Paid	Cash Discount Taken	Write-Off Amount	Write-Off Reason Code	Date	Due Date	Cash Discount Date	Cross Rate	Balance
	🔍	🗑️	☑️	HEADOFFICE	Invoice	000085	0		46.00	0.00	0.00	BALWOFF	1/2/2024	2/1/2024	2/1/2024	1.00000000	0.00
>	🔍	🗑️	☑️	HEADOFFICE	Invoice	000086	0		34.70	0.00	-0.70	CRWOFF	1/14/2024	2/13/2024	2/13/2024	1.00000000	0.00

Payments with Write-Offs: To Create a Payment with a Balance Write-Off

Story

Suppose that on January 30, 2024, SweetLife Fruits & Jams received a payment from Morning Cafe in the amount of \$195. The payment should be applied to a \$199 invoice dated 1/6/2024.

Acting as a SweetLife accountant, you need to create the payment in the system and apply it to the outstanding invoices of this customer. As you are processing the payment, you need to create a balance write-off for the remaining invoice balance of \$4 and apply it to the payment.

Figure: Payment with a balance write-off

Payments and Applications NOTES ACTIVITIES FILES TOOLS ▾

Payment 000079 - Morning Cafe

← 📄 📄 ↶ + 🗑️ 📄 ▾ ⏪ < > ⏩ REMOVE HOLD ...

Type:	Payment ▾	Customer:	MORNINGCAF - Morning Cafe ✎	Payment Amo...	195.00 🔄
Reference Nbr.:	000079 🔍	* Location:	MAIN - Primary Location 🔍	Applied to Doc...	195.00
Status:	On Hold	Payment Meth...	CHECK - Check Payment 🔍	Applied to Ord...	0.00
* Application Date:	1/30/2024 📅	Card/Account ...		Available Bala...	0.00
* Application Pe...	01-2024 🔍	* Cash Account:	10200WH - Wholesale Checking 🔍	Write-Off Amo...	4.00
Payment Ref.:	0098	Description:	Payment received on January 30	Finance Charg...	0.00
				Deducted Cha...	0.00

DOCUMENTS TO APPLY SALES ORDERS APPLICATION HISTORY FINANCIAL CHARGES COMPLIANCE

🔄 + ✕ LOAD DOCUMENTS AUTO APPLY ⏪ ☒

📄	📄	📄	Branch	Doc. Type	*Reference Nbr.	*Line Nbr.	Inventory ID	Amount Paid	Cash Discount Taken	Write-Off Amount	Write-Off Reason Code	Date	Due Date	Cash Discount Date	Cross Rate	Balance
>	📄	☑️	HEADOFFICE	Invoice	000109	0		195.00	0.00	4.00	BALWOFF	1/6/2024	2/5/2024	2/5/2024	1.00000000	0.00

Day 3 Summary

- Applying Overdue Charges
- Processing Direct Write-Offs
- Processing Payments with Write-Offs



Thank you!

Thulya Perera