Writing off unapplied credits

Overview

You can't apply an adjustment to a cash receipt or vice-versa – they can only be applied to invoice type documents.

To write off an unapplied credit cash receipt you need to

1) Enter a debit adjustment and apply it to any invoice on the account – whether its balance is zero or not.

2) Use the re-apply transactions to apply the unapplied credit to the same invoice used in step 1.

Step 1 – Enter an debit adjustment

The "trick| here is to find an old invoice to apply the transaction. To do this, select the 'show zero balance invoices' option. Then you can apply the debit to any of the invoices. In this example, we select the first one on the list by double clicking it.

In the G/L distribution tab, if no distribution shows, press the reset button. You can accept or modify the distribution as required. In the example below, a credit to bad debts has been used as an example:

Step 2 – use the re-apply transactions for the unapplied credit

Enter the account code and display unapplied transactions only:

Double-click on the unapplied payment, and the application window appears. Apply the unapplied cash to the same invoice that you debited with the transaction in step 1, by double clicking it.

Note

If there are no transactions on the account other than the unapplied credit, then you will need to enter a manual invoice transaction through the sales journal. In the example below the system puts a 'm' serial in front of the document number to keep its numbering separate from interfaced invoices.