

Accounts Receivable Over Payment On Account (Refund)

Scenario: Customer overpays his account - creating a credit balance

First you must have a general ledger account number set up for these refunds. We suggest you use a number in your liabilities such as #21100 and name it, refunds to Accounts Receivable Customers.

Go to Cash Receipts on the Accounts Receivable menu:

Example: If the customer owes for a \$20.00 invoice and he pays \$40.00. If you apply the \$40.00 payment to the \$20.00 invoice it will leave this invoice with a \$20.00 credit balance. You would go through the cash receipts program and apply \$20.00 - in the adjustment column and use general ledger account number 21100.

Then you would go through the Accounts Payable program and write the customer a check for \$20.00 and charge to general ledger account number 21100.

All of these steps are necessary to keep your Accounts Receivables in balance with your General Ledger.

If you need additional assistance, please contact South Point Systems at 256-593-1337.