

Credit Adjustment to Write Off Invoices to Bad Debt

1. Select **Accounts Receivable** from Main. Select **Payments** from A/R Menu.
2. **Post Date** displays. Up Arrow to change only if necessary.
3. **Salesman** - Enter password for your salesperson ID.
4. **Cust:** Enter customer ID (or press <Enter> to Name field to enter partial name) to “read up” customer.
5. **Age: 1** Usually press <Enter> to create adjustment in Age period 1 (current). Override to older age period if desired.
6. **Type:** Enter “**B**” for a credit adjustment.
7. Cursor moves to the blank space to right of PO#. Up to 8 numbers or letters can be used as a reference for this transaction, such as “BAD DEBT” or “WRITEOFF.” If you are writing off just one invoice, some users enter the invoice number being “written off” to bad debt. (An entry in this field is not required.)
8. **Total:** Enter adjustment amount in box. Enter the Credit adjustment as a **positive amount**. Press **TAB=TOTAL**. Adjustment amount now displays next to “Accts Receivable” (below the Total box). A transaction# is assigned (see Order # at top left of screen). The status of the transaction is “C” for Closed.
9. The customer ID may remain on the screen (depending on your Tag-n-Trak software release level) allowing you to enter another transaction for the same customer. To enter an adjustment for another customer, press <F9> again for “Clear Screen” to clear the Customer ID.
10. When finished entering adjustments, press <F12> to Exit. Select “Transaction” from Accounts Receivable Menu. The *A/R Transactions Review and Payment* screen displays. (If prompted, enter printer# for Audit Trail.)
11. Enter the Customer ID. Enter the Line Number for the Credit Adjustment transaction and press <F10> to select it. This causes a “Y” to display in the “S” column indicating you have the adjustment selected.) Adjustment amount will display in “Credits” at bottom of screen.
12. Enter Line# of transaction to “write off” and press <F10> to select it. The amount will display in “Debits” at bottom of screen. Continue to select individual transactions for the write-off by entering the Line# of each Transaction or the Tran# and pressing <F10> to select it. If only part of a transaction will be “written-off,” enter the amount in “Partial Amt” column before pressing <F10>.
13. When Debits = Credits, press <F3>=Apply.
14. Enter “**S**” for Selected Transactions. This applies the credit adjustment to the selected invoices.
15. For Customers who print the “GL Distribution Report” from the Closing Menu: The next Daily Close will create General Ledger distribution. The amount of the “write-off” adjustment will credit the Accounts Receivable account and debit the Miscellaneous A/R Adjustments Account or the “Bad Debt” expense account depending on how your General Ledger Posting Tables are set up.
16. For Customers using the Tag-n-Trak General Ledger Programs: If the credit adjustment posted to the “Miscellaneous A/R Adjustment Account,” use the General Ledger “Enter G/L transactions” program to make a manual journal entry to credit the Miscellaneous A/R Adjustments Account and debit Bad Debt Expense for the amount of the adjustment.