

Tech Tips from the Help Desk

A/R Tips & Tricks

Like true love, the course of accounts payable does not always run smoothly. Here are a few hints on how to keep your A/R from driving you crazy.

Problem #1:

A customer receives an invoice for \$100. According to your terms, you offer a 2 percent discount if payment is received by the 15th of the following month. By return mail, the customer sends you a \$98 check for the invoice, having deducted \$2 for the discount. However, when you post the \$98 check, as shown in the example below, the batch report shows a payment of \$96 and a \$2 discount. The check register on the batch report shows a \$96 check, rather than \$98. The invoice also has a remaining \$2 balance. How can this be corrected so the G/L and the batch reflect the correct information?

Solution:

- 1 In the (B) Accounts Receivable Posting screen, select [P] Post.
- 2 The cursor moves to the Date field. Press Return.
- 3 At the Enter A/R Code prompt, type 4 for ad-

- justment.
- 4 At the Enter Batch # To Post To prompt, enter the number of the batch with the error. (For this example, enter 2.)
 - 5 At the Enter Control # prompt, press Return.
 - 6 At the Account # prompt, enter the appropriate customer account. (For this example, enter ABC DRUGSTORE.)
 - 7 At the Correct Customer prompt, type Y.
 - 8 Enter the invoice number to which the incorrect payment was applied. (For this example, enter 100-0). Press Return.
 - 9 The cursor moves to the charge column for that invoice. Press Escape and enter the number of the incorrectly applied check. (For this example, enter 135.) Press Return.
 - 10 The cursor moves to the Charges column. Enter the amount to be adjusted off this invoice. (For this example, enter 98.00.) Press Return.
 - 11 The cursor moves to the Remarks column. Press Escape until the cursor moves to the Discount column. Enter the discount amount as a dollar figure. (For this example, enter 2.00.) At the Allow Discount prompt, type Y. At the Still Not Exact Payoff, Allow Discount prompt, type Y.

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Tech Tips from the Help Desk presents answers to the questions dealers ask most. It has two formats: *If...Then* helps you find solutions: *If* this happens, *Then* you do that. *How Do I...* explains how to perform a procedure. Please save these columns in a binder for future reference.

BATCH NUMBER = 2

INVOICE#	DATE	CHECK#	CHARGES	PAYMENTS	T	REMARKS	CONTROL	REVERSE
100-0	060299	135	.00	96.00	3	PAYMENT	0110201	0110101
100-0	060299	135	.00	2.00		DISCOUNT	0110201	0140201
						\$ -96.00	DISC	-2.00
BATCH TOTAL								
A/R TOTAL = -96.00 DISCOUNTS = 2.00								

	INVOICES	CREDITS	PAYMENTS	ADJUSTED	TOTAL
CHARGES	.00	.00	-96.00	.00	-96.00
TOTAL	.00	.00	-96.00	.00	-96.00

CHECK REGISTER

G/L NBR.	DESCRIPTION	TOTAL	COUNT	BP :	CHECK #	AMOUNT	CUSTOMER NAME
01-101-01	CASH IN BANK - DEP.	96.00	1	4 :	132	96.00	ABC DRUGSTORE
01-102-01	ACCOUNTS REC TRADE	-98.00	1	4 :	TOTAL OF ALL CHECKS		\$ 96.00
01-102-01	DISCOUNTS ALLOWED	2.00	1	4 :	TOTAL OF ALL CHECKS & CASH		\$ 96.00
		.00		:			

The Problem #1 "before" batch.

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When you perform these steps, the adjustment removes the amount of the check from the check register. It reduces the G/L cash account by the amount of the adjustment and also increases the A/R trade by the amount of the adjustment.

- 12 The cursor moves to the T column. Press Return.
- 13 The cursor moves to the Remarks column. Enter the appropriate remarks. Press Return.
- 14 The cursor moves to the Reverse column. Enter the reverse G/L that the payment was applied to incorrectly. This ensures that the G/L remains intact. (For this example, enter 101-01.) At the Are All Fields Correct prompt, type Y.
- 15 Print the Batch Report. (For this example, print batch 2 from the (OR) or (O) screen.)
- 16 Enter the payment to the correct invoice or invoices.

60-30 totals. To run the age-only trial balance program, do the following:

- 1 In the (OR) Accounts Receivable Reports screen, select [B] Trial Balance.
- 2 The cursor moves to the Age Only field of the Trial Balance Parameters Record. Type Y.
- 3 The cursor moves to the Location field. Type XX.
- 4 The Are You Sure prompt appears. Type Y.
- 5 In the (Y) System Status screen, view the batch at the bottom of page 1. ;RPT:OB appears in the Program NM column. When the name clears, the process is complete and the account is in order.

You can use the same steps to recalculate 90-60-30 totals in the (PDA) President's A/R screen.

Problem #2:

The totals in the (AH) screen for balances over 90-60-30 days for an account do not reflect payments received today. However, the total balance due does reflect the payment that was posted today.

Solution:

Totals do not age online. To get updated totals daily, implement an age-only trial balance as part of your Day-ending procedure, or run an age-only when you want to recalculate the 90-

Problem #3:

You have a customer with a credit balance on their account. They want you to cut them a check for it.

Solution:

Before proceeding, create an account in the chartfile to use for the postings in the A/R and

The Problem #1 "after" batch. After adjustment, your batch should look something like this.

BATCH NUMBER = 2								
INVOICE#	DATE	CHECK#	CHARGES	PAYMENTS	T	REMARKS	CONTROL	REVERSE
100-0	060299	135	.00	96.00	3	PAYMENT	0110201	0110101
100-0	060299	135	.00	2.00		DISCOUNT	0110201	0140201
100-0	060299	135	96.00		4	PAYMENT	0110201	0110101
100-0	060299	135	.00	2.00		DISCOUNT	0110201	0140201

ABC DRUGSTORE \$.00

BATCH TOTAL
A/R TOTAL = .00 DISCOUNTS = 4.00

CHARGES	INVOICES	CREDITS	PAYMENTS	ADJUSTED	TOTAL
	.00	.00	-96.00	96.00	.00
TOTAL	.00	.00	-96.00	96.00	.00

					CHECK REGISTER		
G/L NBR.	DESCRIPTION	TOTAL	COUNT	BP	CHECK #	AMOUNT	CUSTOMER NAME
					132	.00	ABC DRUGSTORE
		.00			TOTAL OF ALL CHECKS	\$.00	
					TOTAL OF ALL CHECKS & CASH	\$.00	


A/P databases. Also, set up the customer as a vendor in the Vendor Master database.

This procedure is two-fold, because it impacts both the A/R and A/P databases. We'll begin with A/R.

- 1 In the (B) screen, select [P] Post.
- 2 The cursor moves to the date field. Press Return.
- 3 The A/R Code [3] prompt appears. Select [4] adjustment.
- 4 The cursor moves to the Batch # field. Enter the batch number.
- 5 The cursor moves to the Control G/L # field. Press Return.
- 6 The cursor moves to the Name field. Select the correct customer.
- 7 The cursor moves to the Invoice # column. Select the invoice with the credit balance.
- 8 The cursor moves to the Charges column. It defaults to the amount of the credit balance. Press Return.
- 9 The cursor moves to the Remarks column. Type Refund. Press Return or Tab?
- 10 The cursor moves to the Reverse column. Enter the appropriate G/L number. We recommend that you set up an A/R trade account in the chartfile. (For example, 01-102-99 for A/R adjustments.)
- 11 At the Are All Fields Correct prompt, type Y. Now for A/P.
- 12 In the (D) Accounts Payable Posting screen, select [A] Add.
- 13 The cursor moves to the Date field. Press Return.
- 14 The cursor moves to the Batch # field. Enter the batch number.
- 15 The cursor moves to the G/L Control # field. Press Return.
- 16 The cursor moves to the Business Period field. Enter the appropriate period.
- 17 The cursor moves to the Vendor field. Enter the appropriate customer name.
- 18 The cursor moves to the Invoice # column. Enter the credit invoice number or another identifying number.
- 19 The cursor moves to the Date column. Press Return.
- 20 The cursor moves to the Disc % column. Press Return.
- 21 The cursor moves to the Disc Amt column. Press Return.
- 22 The cursor moves to the Remarks column. Type Refund.
- 23 Does a prompt appear here or does the cursor go somewhere? Enter the voucher date for the check.

BATCH NUMBER = 1020									
INVOICE#	DATE	CHECK#	CHARGES	PAYMENTS	T	REMARKS	CONTROL	REVERSE	
=====	=====	=====	=====	=====	=	=====	=====	=====	=====
100-0	060299	132	.00	100.00	3	PAYMENT	0110201	0110101	
	ABC DRUGSTORE					\$ -100.00			
BATCH TOTAL									
A/R TOTAL = -100.00 DISCOUNTS = .00									
	INVOICES	CREDITS	PAYMENTS	ADJUSTED	TOTAL				
CHARGES	.00	.00	-100.00	.00	-100.00				
TOTAL	.00	.00	-100.00	.00	-100.00				
: CHECK REGISTER									
G/L NBR.	DESCRIPTION	TOTAL	COUNT	BP	：	CHECK #	AMOUNT	CUSTOMER NAME	
=====	=====	=====	=====	==	：	=====	=====	=====	
01-101-01	CASH IN BANK - DEP.	100.00	1	4	：	132	100.00	ABC DRUGSTORE	
01-102-01	ACCOUNTS REC TRADE	-100.00	1	4	：	TOTAL OF ALL CHECKS		\$100.00	
		-----			：	TOTAL OF ALL CHECKS & CASH		\$100.00	
		.00			：				

The Problem #4 "before" batch. You can see that A/R Trade has been reduced by \$100 and Cash has increased by the \$100 payment. Also notice that the Check Register shows that check 132 was received for the amount of \$100 from Customer ABC Drugstore.

- 24 Same here. Enter the past net date.
- 25 Same here. If you are using a system-generated check, press Return. If you are using a hand check, enter the check number.
- 26 The Reverse G/L # prompt appears. Enter the A/R adjustments number that you used in Step 10.
- 27 Complete the steps for system-generated or hand checks.
- 6 At the Account # prompt, enter the appropriate customer account. (For this example, enter ABC DRUGSTORE.)
- 7 At the Correct Customer prompt, type Y.
- 8 Enter the invoice number to which the incorrect payment was applied. (For this example, enter 100-0). Press Return.
- 9 The cursor moves to the Charge column for that invoice. Press Escape and enter the number of the incorrectly applied check. (For this example, enter 132.) Press Return.
- 10 The cursor moves to the Charges column. Enter the amount to be adjusted off this invoice. (For this example, enter 100.00.) Press Return.
- 11 The cursor moves to the Remarks column. Because you entered 4 at the A/R Code prompt, the system defaults to Adjustment in this column. If you choose, you can overwrite the default with a more appropriate response for auditing purposes.
- 12 The cursor moves to the Reverse column. Enter the reverse G/L that the payment was applied to in error. This ensures that the G/L remains intact. (For this example, enter 101-01.) At the Are All Fields Correct prompt, type Y.
- 13 Print the Batch Report. (For this example, print batch 1020 from the (OR) or (O) screen.)
- 14 Enter the payment to the correct invoice or invoices. 

Problem #4:

You post check 132 for \$100 to invoice 100-0. Before you posted the check, the balance was \$185.32. Now the remaining balance is \$85.32. Unfortunately, check 132 should have been posted to invoice 102-0, which has a \$100 balance.

Solution:

- The payment must be removed from the incorrect invoice and posted to the correct one.
- 1 In the (B) screen, select [P] Post.
 - 2 The cursor moves to the Date field. Press Return.
 - 3 At the Enter A/R Code prompt, type 4 for adjustment.
 - 4 At the Enter Batch # To Post To prompt, enter the number of the batch with the error. (For this example, enter 1020.)
 - 5 At the Enter Control # prompt, press Return.

Postings through the (B) or (BQ) screens will affect G/L. If you are live on G/L, make adjustments with care to keep the G/L accurate.

The Problem #4 "after" batch. The adjustment removes the amount of the check from the check register. It reduces the G/L Cash account by the amount of the adjustment and also increases the A/R Trade by the amount of the adjustment.

BATCH NUMBER = 1020								
INVOICE#	DATE	CHECK#	CHARGES	PAYMENTS	T	REMARKS	CONTROL	REVERSE
=====	=====	=====	=====	=====	=	=====	=====	=====
100-0	060299	132	.00	100.00	3	PAYMENT	0110201	0110101
100-0	060299	132	100.00		4	WRONG PAY	0110201	0110101
		ABC DRUGSTORE				\$.00		
BATCH TOTAL								
	A/R TOTAL =		.00	DISCOUNTS =		.00		
	INVOICES	CREDITS	PAYMENTS	ADJUSTED	TOTAL			
CHARGES	.00	.00	-100.00	100.00	.00			
	-----	-----	-----	-----	-----			
TOTAL	.00	.00	-100.00	100.00	.00			
CHECK REGISTER								
G/L NBR.	DESCRIPTION	TOTAL	COUNT	BP	:	CHECK #	AMOUNT	CUSTOMER NAME
=====	=====	=====	=====	==	:	=====	=====	=====
		-----			:	132	.00	ABC DRUGSTORE
		.00			:	TOTAL OF ALL CHECKS	\$.00	
					:	TOTAL OF ALL CHECKS & CASH	\$.00	