

Instruction Sheet

Subject: How to Write-off Bad Debts in FinancePlus

Overview: This document provides a suggested method for writing-off bad debts in FinancePlus. It assumes that there is a suitable account within the Chart of Accounts (COA) to write the debt. There is a level of assumed knowledge in the operation of FinancePlus.

Instructions

Create Other Credit Note

Logically, the first step is to identify the transaction/s that are to be written off. Once that is done an 'Other Credit Note' should be raised to clear the debtor account of the transaction/s.

Go to the Sales Module and then click on the 'Other Credit Note' activity button.

In the 'Issue a Credit Note' window the following fields should be edited:

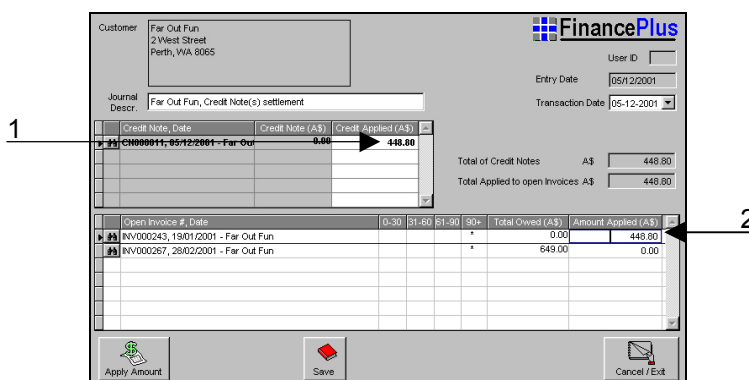
To: Debtor account to be written off
 Journal Description: The reason for the Credit Note, ie. A debt to be written off.
 Description: Insert a suitable notation
 Account: Access the Bad Debt account - this may be a Cost of Sales account or an Expense account dependent on the layout of your COA.
 Amount: Value to be written off
 Tax: Consideration must be given to the impact of GST on the transaction.

Once this has been completed the Credit Note should be saved.

Settle Credit Note

While still in the Sales module, go to the 'Settle Credit Note' screen. Within this screen select the customer for whom you just created the Credit Note.

Click on the 'Apply to Open Invoice(s)' button.



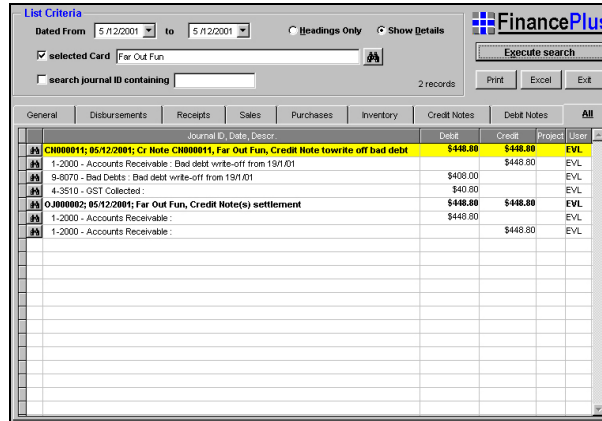
Within the 'Settle a Credit Note' window (above) follow these steps:

1. Apply Credit Amount (shortcut – double click left hand mouse button)
2. Apply Open Invoice Amount (shortcut – double click left hand mouse button)
3. Ensure Total of Credit Note and Total Applied to Open Invoice are identical
4. Save the transaction.

Check Accounts Receivable screen

Ensure marriage of Invoice(s) and Credit Note is successful

Check Transaction Journal



Journal ID	Date	Descr	Debit	Credit	Project	User
CH000011	05/12/2001	Cr Note CH000011, Far Out Fun, Credit Note to write off bad debt	\$448.00	\$448.00		EVL
1-2000		Accounts Receivable - Bad debt write-off from 19/1/01		\$448.00		EVL
9-3070		Bad Debts - Bad debt write-off from 19/1/01	\$400.00			EVL
4-3510		OST Collected	\$48.00			EVL
OJ000002	05/12/2001	Far Out Fun, Credit Note(s) settlement	\$448.00	\$448.00		EVL
1-2000		Accounts Receivable	\$448.00			EVL
1-2000		Accounts Receivable		\$448.00		EVL

To view components of transaction, within the Sales module, go to the 'Transaction Journal' (above) and select the customer for which you have just written off the debt.

Click on the 'Show Details' option and the 'All' tab.

Click on 'Execute Search'.

This should indicate that Accounts Receivable and Bad Debt accounts have been adjusted.