

A/R - Write Off Bad Debt
AV Ref # 539

This document will explain:

1. Removing bad debt and tracking the write off
2. Best practices for handling bad debt

There is also a video showing how to perform this function:

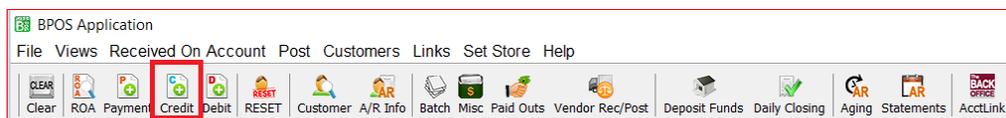
Writing Off Bad Debt – AV Ref# 470

About:

Unfortunately, sometimes customers simply don't pay what they owe. It becomes necessary to get rid of the customer's balance to remove it from your accounts receivable totals. You can remove the customer's balance and then later, if necessary, run a report for a list of all accounts you have written off.

How:

1. Click on **Views** → **Bookkeeping**.
2. Click on the **Credit** icon on the toolbar:



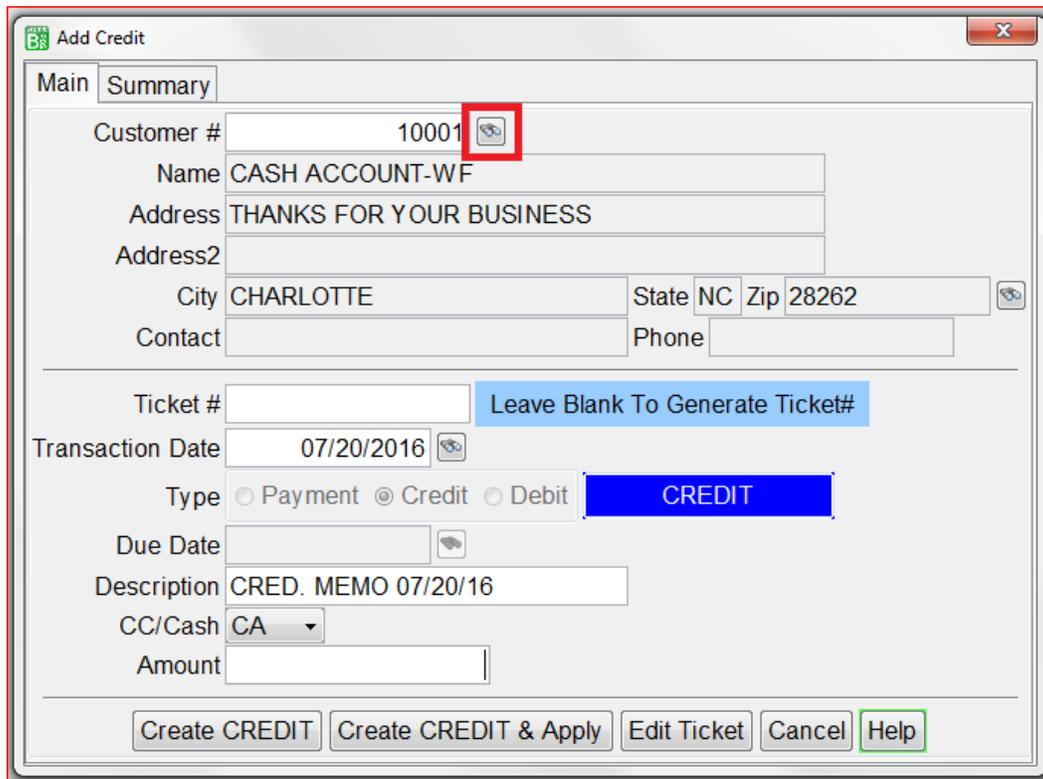
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Phone: (800) 422-2032 **Email:** tech@aasys.com

Note: For after-hours emergency support - Use the 24/7 number provided with your software

3. If the correct customer isn't displaying, click on the binoculars beside the **Customer #** field to find the correct customer and then double-click on them to make them the Active customer:



Add Credit

Main Summary

Customer # 10001 

Name CASH ACCOUNT-WF

Address THANKS FOR YOUR BUSINESS

Address2

City CHARLOTTE State NC Zip 28262 

Contact Phone

Ticket # Leave Blank To Generate Ticket#

Transaction Date 07/20/2016 

Type Payment Credit Debit **CREDIT**

Due Date 

Description CRED. MEMO 07/20/16

CC/Cash CA

Amount

Create CREDIT Create CREDIT & Apply Edit Ticket Cancel Help

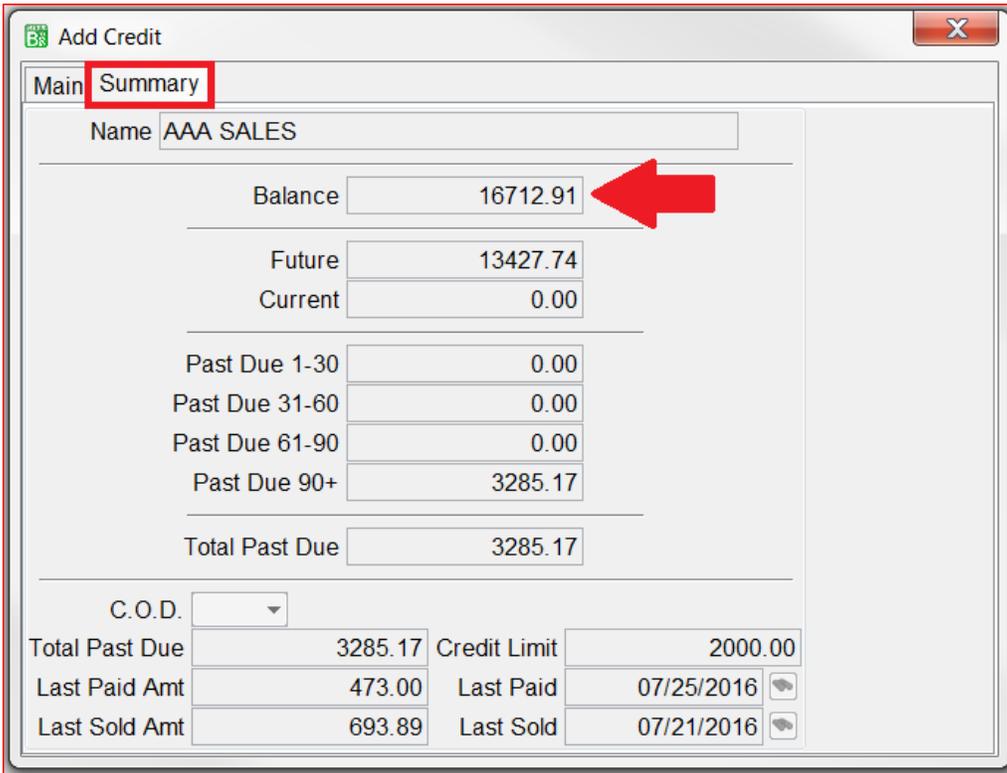
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- Click on the **Summary** tab to verify the amount you will be writing off:



Add Credit

Main **Summary**

Name AAA SALES

Balance	16712.91
Future	13427.74
Current	0.00

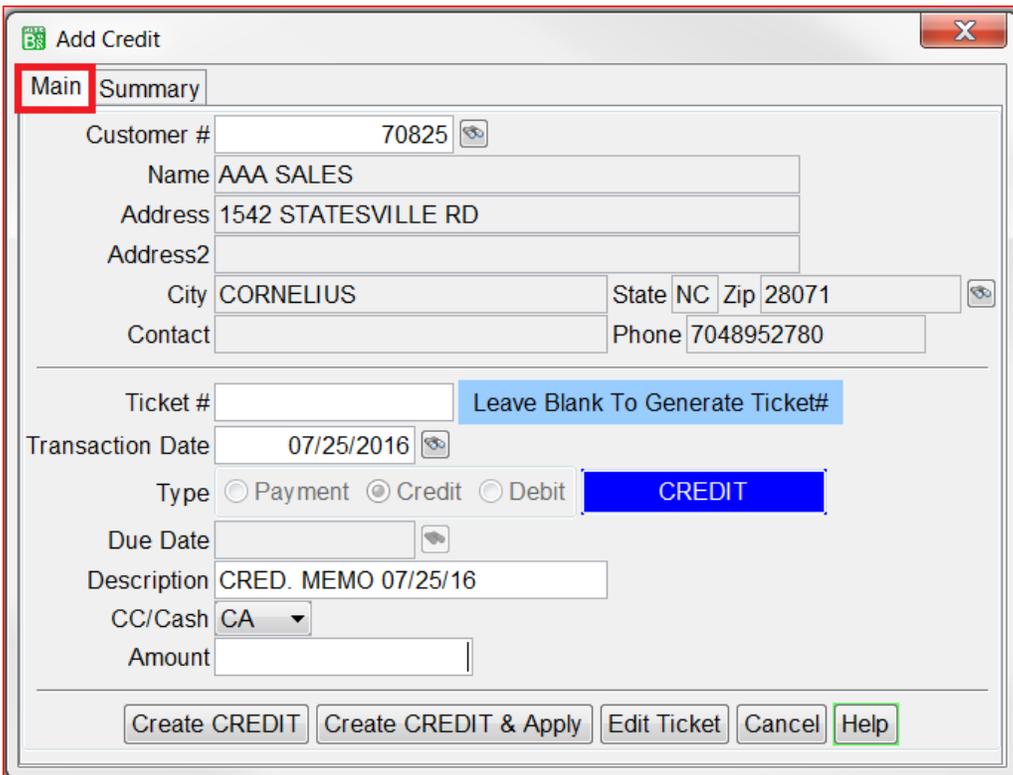
Past Due 1-30	0.00
Past Due 31-60	0.00
Past Due 61-90	0.00
Past Due 90+	3285.17

Total Past Due 3285.17

C.O.D.

Total Past Due	3285.17	Credit Limit	2000.00
Last Paid Amt	473.00	Last Paid	07/25/2016
Last Sold Amt	693.89	Last Sold	07/21/2016

- Click on the **Main** tab to go back to the transaction:



Add Credit

Main **Summary**

Customer # 70825

Name AAA SALES

Address 1542 STATESVILLE RD

Address2

City CORNELIUS State NC Zip 28071

Contact Phone 7048952780

Ticket # Leave Blank To Generate Ticket#

Transaction Date 07/25/2016

Type Payment Credit Debit **CREDIT**

Due Date

Description CRED. MEMO 07/25/16

CC/Cash CA

Amount

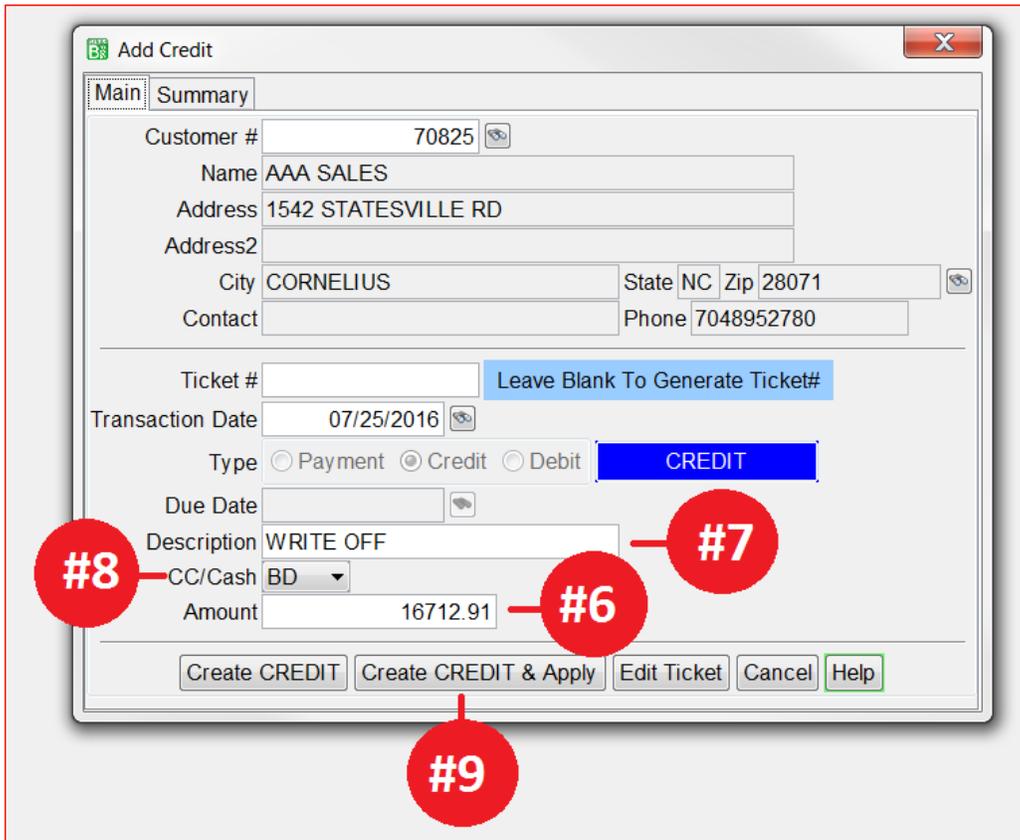
Create CREDIT Create CREDIT & Apply Edit Ticket Cancel Help

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6. On the **Add Credit** screen (shown below), type in the Credit **Amount**.
7. Edit the Credit **Description** as WRITE OFF or BAD DEBT. Make it something you will remember and use the same description every time so you later run a report to account for all your write offs.
8. Change your **CC/CASH** code to **BD** for bad debt.
9. Click on **Create Credit & Apply** Button at the bottom as you will be wiping out the entire balance and so will not need to post the credit to individual transactions:



The screenshot shows the 'Add Credit' window with the following fields and values:

- Customer #: 70825
- Name: AAA SALES
- Address: 1542 STATESVILLE RD
- Address2: (empty)
- City: CORNELIUS
- State: NC
- Zip: 28071
- Contact: (empty)
- Phone: 7048952780
- Ticket #: (empty) - Leave Blank To Generate Ticket#
- Transaction Date: 07/25/2016
- Type: Payment Credit Debit
- Due Date: (empty)
- Description: WRITE OFF
- CC/Cash: BD
- Amount: 16712.91

Buttons at the bottom: Create CREDIT, Create CREDIT & Apply, Edit Ticket, Cancel, Help.

Red callouts indicate the following steps:

- #6: Amount field (16712.91)
- #7: Description field (WRITE OFF)
- #8: CC/Cash dropdown (BD)
- #9: Create CREDIT & Apply button

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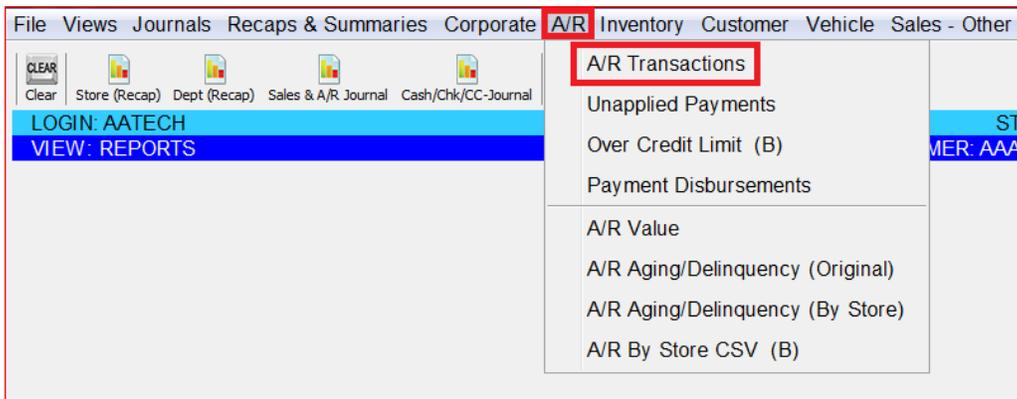
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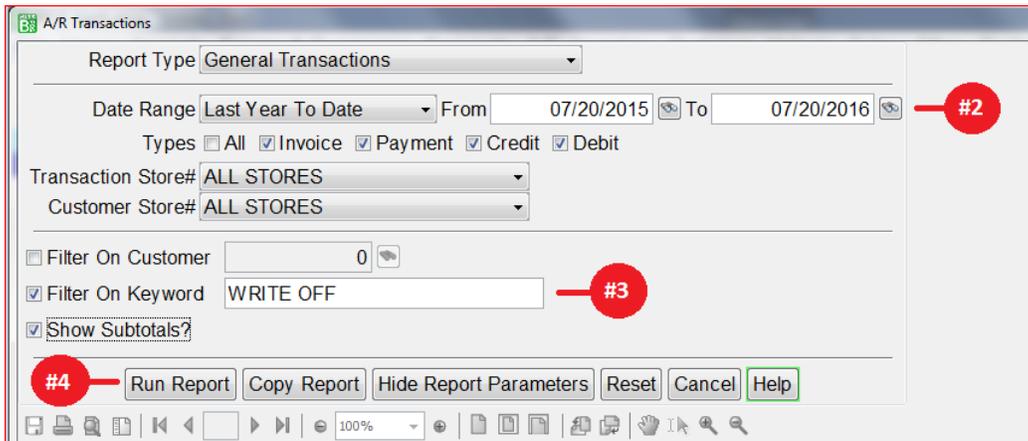
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To Run a Report for Write Off Transactions:

1. Click on **Views → Reports → A/R → A/R Transactions:**



2. On the A/R Transaction screen (shown below), key in your **Date Range**.
3. Check the box beside **Filter On Keyword** → Type in your transaction description from your Credit memo that you posted, ex. WRITE OFF.
4. Click on the **Run Report** button:



Option Settings:

Note – Users must have permission settings in the system to have the ability to both post credits and run reports (P17, P85, P57). If you need to give a user permission to have the permission setting, please contact your system administrator.