Processing Credit Card Chargebacks

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This guide explains how to process a chargeback for credit cards. It is intended for advanced users.

A chargeback typically happens as part of a product return

(https://aace6.knowledgeowl.com/help/understanding-processes-for-customer-returns) when a customer disputes the charge. The bank issues funds to the buyer, then levies a fee on the seller. Because the bank has already refunded the customer, you should account for the return *without* issuing a refund (i.e. avoiding a double refund).

- 1. In the **Receipts** module, locate the Posted receipt for the transaction.
- 2. At the detail view, select **Actions** > **Credit/Adjust Receipt**, then at the confirmation dialog, click **Continue**.
- 3. In the new reversal receipt, enter the actual date of the chargeback for the **Deposit On** date.
- 4. Click Save, but do not post the receipt. At the confirmation dialog, click Not Yet.
- 5. Click Admin Actions () > Post Receipt Without Credit Card Processing, then click Post.
- 6. Navigate to the General Journal module and create a new journal entry to address the chargeback fee:
 - Enter data for the journal entry, as needed.
 - First entry item Select the bank account that the fee was taken from, with the full amount of the fee set as the **Credit**.
 - Second entry item Select another account for the fee, with the full amount set as the **Debit**.

Note: This account could be one set specifically for chargebacks, refunds, or fees. Consult with your accountant to ensure you are using the most appropriate account for the situation.

Jou	urnal Entry	Details							geback fee	06/27	Tasks 🔽	Emails 🎽 Doc
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enera	al Info	Auto-(ienerab	ted		Settings				Description		
pe ournal Entry		Reference ID			Auto-reverse this entry on: 06/27/22			Regarding the fee levied during product return.				
ournal	i Entry					Generati	inter-company	transactions for off	ice:			
Entr	y Items	Related GJ Entries										
LIIU	GL Account	Related by Entres			Office		Department	Order	Code		Debit	Credit X
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2 >	4005	Fees and Charges	9. *	e >	AI	Q,		Q	Q	9	30.00	3
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7. Click **Save** and **Post**.