Using the Adjustment Column in Receipts

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This guide explains how to make adjustments to the amount on a receipt. It is intended for general users.

Adjustments on a receipt record can be used to account for early payments and other discount-given scenarios. The Adjustment Code column allows you to drive the discount to the applicable GL account. (Note: Your system administrator <u>manages the adjustment codes</u>

(https://aace6.knowledgeowl.com/help/customizing-adjustment-codes).)

Example of Adjustment for Customer Discount

As an example, suppose you had an outstanding invoice for \$20,000.00, with terms of Net 10.2%. The customer opts to take advantage of the early payment discount, sending a check for the discounted amount of \$19,600.00. Your A/R rep would create a new customer payment in aACE similar to the following screenshot:

Record: 1 of 1			Rec	eipts					
							New 🖶 Edit	🖋 Delete 🗱 🛛	Print 🗟 🛛 Actio
Receipt: 60033		Payment w Net10 Discount Applied			07/06	/22 =	PENDING		
Customer P	ayment Details						Notices 🔒	Tasks 🗹 🛛 Er	nalis 🔛 🛛 Do
Payment Info			0	Bank Info					
Company >			Amount	Bank Account >					
Cognitio		٩	19,600.00	1120 Undep	osited Funds - Cash	/Checks			
Pmnt Method	Check # 425423	Customer Credit Card	Notification Status	Deposit On 07/06/22	Deposit Status	Batch		Bank Rec Status >	Reconciled
Invoices					2	3	4	5	6
Invoice	Date	Title	Order	Sug	gested Balance >>	Amount	Adjustment	-	Total 🕽
1 > 60087	Q 07/06/22	Cognitio	> 60238	国	20,000.00 >>	19,600.00	400.00	DISC	20,000.00 >
				Total Allo Out of Ba		19,600.00	C		

Payment Info Section

1. Amount — The reduced amount that the customer is paying

Invoices Section

- 2. Suggested Balance The amount due on the initial invoice
- 3. Amount The amount you are receiving towards the invoice's balance
- 4. Adjustment The amount you are discounting from the invoice's balance
- Adjustment Code A dropdown menu to specify the reason for each adjustment Note: This field becomes active *after* you enter an amount in the Adjustment field.
 System administrators can <u>add other adjustment codes (https://aace6.knowledgeowl.com/help/customizing-adjustment-codes</u>) to this value list.
- 6. Total The total value you are applying to the invoice's balance (amount + adjustment)

Additional Examples

Another common scenario comes from an ecommerce provider that levies a fee on each order. If you sold \$500.00 worth of product on an online order, but the ecommerce provider charged \$25.00 for that order, you would only receive \$475.00. The ecommerce fee should be recorded as an adjustment:

•		Receipts								
Record: 1 of 1						N	ew 🖶 Edit	🖋 Delete 🗙	Print 🗟 🗛	tions
Receipt: 60035 eCommerce Order			07/07/22 =					PENDING		
Customer Pa	ayment Details					N	iotices 🔒	Tasks 🗹 🛛 E	mails 🔛	Docs
ayment Info				Bank Info						
Company > Amount				Bank Account >						
New York Learnin	g Co	Q	475.00	1120 Undepo	sited Funds - Cash/	Checks				
Pmnt Method	Reference #	Customer Bank Account	Notification Status	Deposit On	Deposit Status	Batch		Bank Rec Status >	Reconcilier	d
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1 > 60091	୍କ 07/07/22 ୍	New York Learning Co	> 60245	Ξ	500.00 »	475.00	25.00	ECOMM	500.00	×
				Total Alloc Out of Bal		475.00 C				

Accounting Impact of Adjusting a Receipt

When you post an adjusted receipt:

- The Total will credit the A/R Account.
- The Amount will debit the Bank Account.

- The Adjustment will debit the Receipt Adjustments (Discounts Given) Account associated with the specified adjustment code.
- The Total will be applied towards the related invoice's balance. If the invoice is fully paid, it will be automatically closed.