Understanding Adjustment Invoices

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This guide explains adjustment invoices and how to use them to adjust open invoices. It is intended for advanced users.

Invoices create general ledger (i.e. accounting) entries when you open them. Therefore, editing an invoice that has been opened requires changing accounting entries that may have already appeared in financial reports. For this reason, aACE does *not* allow users to edit invoices once they have been opened; they can only be edited while they are in a Pending status. (Note: This same rule applies to other transactions that generate general ledger entries, such as purchases, disbursements, etc.)

However, some business cases require changes to be made to an invoice after it has been opened. Adjustment invoices fill this need. They do not carry their own balance, but instead affect the balance on the invoice they are adjusting (i.e. the 'parent' invoice). Most importantly, they help preserve a clear audit trail of all changes. Even if adjustment invoices are created on different dates by different users, each change can be easily reviewed.

Adjustment invoices can be used to:

- Record a price adjustment
- Record a credit for a customer (e.g. process a return or an order cancellation)
- Print a credit memo

When you create an adjustment invoice, the default state is for aACE to initially generate a full reversal of the parent invoice. Then you can edit the adjustment to only change the values you want updated.

Adjustment invoices cannot be opened in a closed accounting period

(https://aace6.knowledgeowl.com/help/period-management-preferences). If you need to adjust an invoice that is in a closed period, there are two options:

- You can create the adjustment invoice and manually change the record date to an open period.
- You can request your controller to re-open the period, then create the adjustment invoice.

Your choice depends on when the changes need to be reflected in the books. You may need to consult with your controller to choose the best option.

Examples of Using an Adjustment Invoice

Fully Reversing an Invoice

Suppose a customer is unable to pay for product they recently ordered. The best way to resolve the situation is to simply reverse the outstanding invoice.

Your A/R rep locates the open invoice for that order:

•				Invoices						
Record: 33 of 62							New 🕂 🛛 Edit 🖉	🕨 Delete 🗶 🛛 F	rint 🖶 🛛 A	ctions
Invoice: 6024	14 K	okomo	School Dis	strict			08/18/	22	OP	EN (
Invoice Details	1						Notices 😣	Tasks 🗹 🛛 Em	alls 🗠	Doc
ill To	Dean still w	ints paper copies	of all invoices sent 📌	Description			Payment Co	nments		
Customer (Bill To) >		Cust PO #	Order >							
ean Smith			60276							
		Billing Terms								
		Net 30		Additional Info						
		Invoice Due	Pmnt Expected							
		09/17/22	09/17/22							
Code 1 > NTBK-011		Lab Noteboo	oks / Journals	Order	Quantity 40	Unit Price 10.00	Unit Adj 0.00	Total 400.00	Tax Profile	5 X
Receipts Adjustm	ents F	tefunds					Subtotal Adjustment Total	400.00 0.00 400.00	0	
Receipt I	Date	Payment Ref	Memo		Amount		Shipping 0.00 Tax OUT			
					v		Grand Total Balance	400.00 400.00	100%	
Dept AI	Asgn To AK	Q, Tracking	Status Sent via Mail	Recur Transaction >						

At the detail view, they use the Actions menu to create a credit/adjustment invoice. (Note: They could also create an adjustment invoice by clicking the Add icon (
) on the Adjustments tab.) The adjustment invoice in its default state fully reverses the values from the original invoice and provides a link to that invoice in the footer:

Record: 1 of 1						Y.	Delete 💢 Print 🖶 Actions
nvoice: 60362	2 Cr	edit/Adjust	: Inv #60244			08/18/22	PENDING
Adjustment Details						Notices 😣 🛛 Task	is 🗹 Emails 🎦 Docs
Sill To 🛛	ean still wants paper copies	of all invoices sent 📌	Description			Payment Comme	ents
Customer (Bill To) >	Cust PO #	Order >					
Kokomo School District Dean Smith		60276					
7777 Dunbar Dr.	Billing Terms		Additional Info				
Kokomo, IN 46902	Net 30						
	Invoice Due 09/17/22	Pmnt Expected 09/17/22					
1 > NTBK-011	Lab Noteboo	oks / Journals	≡ > 60276	-40	10.00	0.00	-400.00 OUT X
					5	Subtotal	-400.00 🔮
						Adjustment	0.00
					-	Total Shipping 0.00	-400.00
					Q 1		Set on Save
					G	Grand Total	-400.00

With the new, fully reversed adjustment, the A/R rep could edit the items or the quantities to reflect the appropriate entry. For this example, the invoice needs to be reversed in its entirety, so no changes are required. They click Save, and aACE displays a message summarizing how the adjustment invoice will affect its parent invoice:



The message highlights that the balance of the parent invoice will be reduced to zero. They click Open, then aACE processes and closes both the adjustment invoice and the parent invoice. The order record's Invoicing tab shows the invoicing history and balance that add up to zero:

	6 Kokomo Sch	District			08/1	.8/22	OPEN
Sales Order	Management Job Cos	ts & Approvals			Notices 🔒	Tasks 🗹 🛛 Er	nalls 🞽 🛛 Docs
Overview Invoi	cing Procurement Ful	fillment Shippin	g & Receiving Tasks &	Preferences	Dean still wants	s paper copies of all invo	ices sent via USPS
Order Item		To Invoice Inv	oiced Remain %	To Invoice	Invoiced	Remain %	Invoices 🛪
NTBK-011 Lab Note	ebooks / Journals	40	0 40 100%	400.00	0.00	400.00 100%	2 🕅
Invoices Progre	ss Billing						
_	iss Billing Title	Billing Ter	ms Grand	Total Ba	lance Pmt Exp Trav	cking Status	Status
Invoice Date	Title	Billing Ter Net 30				cking Status nt via Mail	Status
Invoice Date	Title 2 Kokomo School District		40	0.00	0.00 09/17/22 Ser		

Note: For more info about handling this kind of situation, see our guide on writing off bad <u>debt (https://aace6.knowledgeowl.com/help/writing-off-bad-debt)</u>.

Partially Reversing an Invoice

Suppose a customer sends in a rush order. A \$20 charge for a same-day shipment is added; however, other factors slow the order down slightly. When the customer receives the invoice, they dispute the rush charge, but agree to pay half the amount since the order did arrive earlier than normal. The rush charge can be modified using an adjustment invoice.

Your A/R rep locates the open invoice for that order:

		n High Sch	001			09/22/22		OPE	N 🧲
Invoice Details	1					Notices 😣 Tasks	🗹 Ema	alls 🔛 🛛 🕻	Docs
Sill To		*	Description		•	Payment Commer	nts		
Customer (Bill To) >	Q Cust PO #	Order >							
Chisholm High School		60103							
Oorian Sanford 0 Valley Farms Street	Billing Terms		Additional Info						
chaumburg, IL 60193	Net 30		Additional Info						
	Invoice Due	Pmnt Expected							
	10/22/22	10/22/22							
Invoice Items Inv	oice Items Override								
Code	Description		Order	Quantity	Unit Price	Unit Adj	Total	Tax Profile	×
1 > BS-01	Brush Set		≡ > 60103	1	200.00	0.00	200.00	OUT	36
2 > RUSH	Billing Adjust	tment		1	20.00	0.00	20.00	OUT	ж
Receipts Adjustme	ents Refunds					btotal justment tal	220.00 0.00 220.00	0	
Receipt D	ate Payment Ref	Memo		Amount	Shi Ta	ipping 0.00 x OUT	0.00		

At the detail view, they use the Actions menu to create a credit/adjustment invoice:

	e: 60365	Cre	edit/Adjus	t Inv #60364			09/2	2/22		PENDI	NG (
Adjustme	ent Details						Notices 🔒	Tasks 🔽	Ema	is 🗹	Doc	s (
Bill To			Å	Description			Payment	Comments				
Customer (Bill T	(o) >	Cust PO #	Order >									
Chisholm High Dorian Sanfor			60103									
60 Valley Farr	ms Street	Billing Terms		Additional Info								
Schaumburg,	IL 60193	Net 30		Additional Into								
		Invoice Due	Pmnt Expected									
		10/22/22	10/22/22									
Invoice Ite	ems Invoice	Items Override										
Code 1 > BS-02	1	Description Brush Set		Order = > 60103	Quantity -1	Unit Price 200.00		.00 -2	00.00		х	
Code	1	Description Brush Set Billing Adjust	ment				0.	.00 -2		OUT		
Code 1 > BS-02	1	Description Brush Set	ment	≡ > 60103	-1	200.00	0.	.00 -2	00.00	OUT	х	
Code 1 > BS-02	1	Description Brush Set Billing Adjust	ment	≡ > 60103	-1	200.00	0. 0. Subtotal	.00 -2	20.00	OUT OUT	х	
Code 1 > BS-02	1	Description Brush Set Billing Adjust	ment	≡ > 60103	-1	200.00	0. 0. Subtotal Adjustment	-2	20.00 20.00 20.00 20.00	OUT OUT	х	
Code 1 > BS-02	1	Description Brush Set Billing Adjust	ment	≡ > 60103	-1	200.00	0. 0. Subtotal Adjustment Total	-2	20.00 20.00 20.00 20.00 20.00 20.00	OUT OUT	х	
Code 1 > BS-02	1	Description Brush Set Billing Adjust	ment	≡ > 60103	-1	200.00 20.00	0. 0. Subtotal Adjustment Total Shipping	-2	20.00 20.00 20.00 20.00	OUT OUT	х	

On the adjustment, they edit the items and quantities to reflect the appropriate credit entry. For this example, only part of the rush charge needs to be reversed. They click the Delete icon (**x**) to remove the brush set, then also clears the Shipping values. The Unit Price on the invoice item cannot be modified (see below for details), so instead they change the Quantity from -1 to -.5:

					New 🖶 Edit 🖋 Delete 💥 Print 🚔 Actions
invoice: 60	365	Cr	edit/Adjus	t Inv #60364	09/22/22 PENDING
Adjustment Deta	ils				Notices 😣 🛛 Tasks 🗹 Emails 🎽 Docs
Bill To			*	Description	Payment Comments
Customer (Bill To) >	•	Cust PO #	Order >		
Chisholm High School			60103		
Dorian Sanford 50 Valley Farms Street	t	Billing Terms		Additional Info	
Schaumburg, IL 60193	3	Net 30		Additional Into	
		Invoice Due	Pmnt Expected		
		10/22/22	10/22/22		
Invoice Items	Invoice Item	Description		Order Quantity	Unit Price Unit Adj Total Tax Profile 🛠
	Invoice Item		tment	Order Quantity Image: 2 > 60103 -0.5	
Code		Description	tment		
Code		Description Billing Adjust	tment		
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT ¥
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT *
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT 34 Subtotal -220.00 3 Adjustment 0.00 9
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT ¥ Subtotal -220.00 C Adjustment 0.00 0 Total -220.00
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT 14 Subtotal -220.00 C Adjustment 0.00 0
Code		Description Billing Adjust	tment		20.00 0.00 -10.00 OUT 34 Subtotal -220.00 Adjustment 0.000 Total -220.00 Shipping 0.00 0.00

When the rep clicks Save, aACE displays a message summarizing how the adjustment invoice will affect the parent invoice:



The message highlights that the balance of the parent invoice will be reduced by \$10.00. They click Open, then aACE processes and closes the adjustment invoice. The order record's Invoicing tab shows the invoicing history and balance:

Juci.	60103	Chisholm	h High S	Scho	ol				07	7/26/22	OF	PEN (
Productio	on Order	Management	Job Cost	ts & Appr	ovals				1 Noti	ce 😣 🤅 6 Tasks 🔽	Emails 📉	Docs
Overview	Invoicing	Procurement	Fulfillmer	nt Sh	ipping & Re	ceiving 1	asks & Prefer	ences				
Order Item			т	o Invoice	Invoiced	Remain %		To Invoice	Invoiced	Remain %	Invoio	s x¶
> BS-01 Bn	ush Set			1	1	0		200.00	200.00	0.00	1	۳ĸ
Invoices	Progress B	Iling					\frown					
Invoice	Date	Title		Bill	ing Terms		Grand Total		Balance Pmt Exp	Tracking Status		Status
60364	09/22/22	Chisholm High Sch	lool	Ne	t 30		220.00		210.00 10/22/22	To Be Sent	*	
> 60365	09/22/22	Credit/Adjust Inv #	60364	Ne	t 30		-10.00	/	0.00 10/22/22		*	

Changing Quantities vs Changing Prices

While you can edit quantities on an invoice that has been opened, aACE does *not* allow users to directly edit prices for lines tied to the parent invoice. This constraint helps keep records clear and reporting accurate.

For example, suppose the last unit of an item was sold for \$80, but was damaged en route and a reduced price of \$60 was negotiated. The parent invoice would show Quantity '1' and Unit Price '\$80'. The A/R rep might create various adjustment invoices affecting *both* the quantity and price, but they would not match the reality:

Adjusted Qty	Adjusted Price	Reporting Impact
-1	\$20	The net quantity on the sale is <i>zero</i> ; the revenue is \$60.
1	-\$20	The net quantity on the sale is <i>two</i> ; the revenue is \$60.

Neither of these results are accurate. We need the records to match the reality — one unit sold for \$80 and then granted a \$20 credit. This is of critical importance for keeping sales

reports reliable, because many organizations use these reports to guide their decisionmaking.

When you adjust an invoice, the best method for handling updated values or new charges (e.g. damaged goods, a restocking fee, etc) is usually to add a new line using a line item code specifically for that charge. This allows you to control both quantity and price.

Suppose a customer bought a few textbooks for \$49.99 each. When the customer received it, they saw that one was damaged, so they demanded a price reduction of -\$20.00 for the one textbooks. The customer service rep created an adjustment invoice which initially fully reversed the invoice. They removed the textbooks from the adjustment invoice, added the appropriate LIC for the rebate, set the adjustment item Unit Price to -\$20.00, then cleared the shipping and tax values:

nvoice: 6036	56	Cre	edit/Adjus	t Inv #60235			08/0	8/22		PENDI	NG (
Adjustment Details	1						Notices 😣	Tasks	Em	alls 📉	Doc
Sill To			*	Description			Payment	t Commen	ts		
Customer (Bill To) >	Q	Cust PO #	Order >	Discount for damaged textbook							
Chisholm High School Dorian Sanford			60205								
50 Valley Farms Street		Billing Terms		Additional Info							
Schaumburg, IL 60193		Net 30		Additional Info							
		Invoice Due	Pmnt Expected								
		09/07/22	09/07/22								
Invoice Items Inv	oice Item	Override						(So to Relate	d Shipment	s >
Code		Description	ando Dokata	Order	Quantity	Unit Price		Adj	Total	Tax Profile	. 36
Code	(oods Rebate	Order = > 60205	Quantity 1	Unit Price -20.00				Tax Profile	. 36
Code	(Description	oods Rebate					Adj	Total	Tax Profile	. 36
Code	(Description	oods Rebate				G	Adj	Total -20.00 -20.00	Carl	. 36
Code	(Description	oods Rebate				0	Adj	Total	Carl	
	(Description	oods Rebate				0 Subtotal Adjustment	Adj .00	Total -20.00 -20.00 0.00	Tax Profile OUT	. 30
Code	(Description	oods Rebate			-20.00	Subtotal Adjustment Total	Adj .00	Total -20.00 -20.00 0.00 -20.00	Tax Profile OUT	. 30

When they opened the adjustment invoice, the balance on the parent invoice was reduced accordingly. The order's Invoicing tab shows the invoice history:

order: 6	0205	Chisholm Hig	gh Scho	ol					0	8/08,	22	CL	OSE	D
Sales Order	Mai	nagement Job Cost	s & Approvals						1 Not	tice 🔒	Tasks 🗹	Emails 🔀	1	Docs (
Overview	Invoicing	Procurement Fulf	illment Sh	ipping & Re	ceiving	asks & Prefe	rences							,
Order Item			To Invoice	Invoiced	Remain %		To Invoice		Invoiced		Remain %	In	voices	۳
> TB-LIT104 1	Shakespeare'	s Comedies	3	3	0		149.97		149.97		0.00		1	7
Invoices	Progress Bi	lling												
	Date	Title	Bill	ing Terms		Grand Total		Balance	Pmt Exp	Tracking	Status		Sta	tus
60235	08/08/22	Chisholm High School	Ne	t 30		149.97		129.97	09/07/22	To Be S	ient		* (
> 60366	08/08/22	Credit/Adjust Inv #60235	Ne	t 30		-20.00		0.00	09/07/22				* (

Voiding an Invoice

Voiding an invoice can resolve some situations easily. For example, suppose you wanted to fully reverse an invoice (as described above) with fewer steps. Or perhaps a large number of changes needed to be made to an invoice, and it would just be easier to recreate it.

When you void an invoice from the invoice's detail view (Actions > Void Invoice), aACE automatically creates and opens an adjustment invoice that *fully reverses* the parent invoice.

Voiding and Replacing an Invoice

Suppose a customer requires a large number of changes on an invoice, but does not want to alter your invoice number that they have already entered in their system. aACE enables users with admin privileges to handle this easily.

At the invoice detail view, click Admin Actions (🕋) > Void and Replace Invoice. This feature automatically completes several actions:

- Duplicates the original invoice
- Adds the suffix 'V' to the original invoice ID (e.g. invoice #12345 becomes #12345V)

- Voids the original invoice
- Transfers the original invoice ID to the duplicate invoice
- Leaves the duplicate invoice in Pending status where you can make changes

The order Invoicing tab will display the invoicing history, including the original invoice with the 'V' suffix, the voiding adjustment invoice, and the new, duplicated invoice:

Jrder:	61390	Shea Townsh	ip Scho	ol Dis	trict		0	9/09/22	2	OPE	IN 🤇
Sales Or	der Ma	Job Costs	& Approvals				2 Not	ices 🔒 🛛 Tas	ks 🗹 🛛 Err	alls 🔀	Docs
Overview	Invoicing	Procurement Fulfill	ment Shi	ipping & Re	ceiving Tasks & I	Preferences					;
Order Item			To Invoice	Invoiced	Remain %	To Invoice	Invoiced	Re	main %	Invoices	٣
> NTBK-01	Lab Notebook	s / Journals	20	0	20 100%	200.00	0.00	20	0.00 100%	3	*
Invoices Invoice	Progress Bi	Iling Title	Bill	ing Terms	Grand T	otal	Balance Pmt Exp	Tracking Statu	5	S	atus
Invoice				ing Terms t 30	Grand T 249		Balance Pmt Exp 0.00 10/22/22	Tracking Statu	5	5 *	
Invoice	Date	Title	t Ne			.66		Tracking Statu	5		atus

Correcting Errors

After you adjust an invoice, you might realize you made a mistake. There are two general ways of correcting an adjustment invoice: void the adjustment so you can start over, or adjust the adjustment.

Voiding an Adjustment Invoice

This is often the best solution. It keeps the adjustment requirements simple, rather than creating a new record to modify a second record in order to modify a third record.

Suppose that in the example used above, where a -\$20.00 credit should have been applied to an invoice for a damaged textbook, instead the A/R rep accidentally created an adjustment for \$20.00, increasing the invoice balance. After they recognize the error, they

locate the order again and review the Invoicing tab:

		Chisholm Hig							9/22/			EN 🧲
Sales Ord	Ser Ma	anagement Job Cost	ts & Approvals					1 Not	ice 😏	Tasks 🗹	Emails 🔛	Docs (
Overview	Invoicing	Procurement Fulf	illment Sh	ipping & Re	ceiving Tasks	& Preferences						7
Order Item			To Invoice	Invoiced	Remain %	To Invoio		Invoiced		Remain %	Invoice	
> TB-LIT104	Shakespeare	s' Comedies	3	3	0	149.93	7	149.97		0.00	1	٦r.
Invoices	Progress B		Bi	ling Terms	Gran	nd Total	Balance	Pmt Exp	Tracking S	Ratus		Status
Invoices Invoice Kookies Invoice	Progress B Date 09/22/22	Title Chisholm High School		ling Terms st 30		nd Total 149.97		Pmt Exp 10/22/22	Tracking S To Be Se		*	

They click the go-to link for the incorrect adjustment invoice. At the adjustment invoice detail view, the rep clicks Actions > Void Invoice. aACE prompts for a reversal date and reason for the void, then completely reverses the adjustment, returning the order to its initial values:

Juci .	61522	Chisholm Hig	jh Scho	ol					0	9/22	/22	OF	PEN 🤇
Sales On	der Ma	anagement Job Cost	s & Approvals						1 Not	ice 🔒	Tasks 🗹	Emails 🔀	Docs
Overview	Invoicing	Procurement Fulfi	illment Shi	ipping & Re	ceiving Ta	asks & Prefe	rences						;
Order Item			To Invoice	Invoiced	Remain %		To Invoice		Invoiced		Remain %	Invoic	s ∦
> TB-LIT10	1 Shakespeare	a's Comedies	3	3	0		149.97		149.97		0.00	1	r,
Invoices	Progress I	Billing											
Invoice	Date	Title		ng Terms		Grand Total		Balance			g Status		Status
60375	Date 09/22/22	Title Chisholm High School	Ne	t 30		149.97		149.97	10/22/22	Trackin To Be		*	
 Invoice 	Date	Title	Ne					149.97 0.00					Status

At this point, the A/R rep can create the proper adjustment for the parent invoice.

Voiding Multiple Adjustment Invoices

If there are multiple adjustment invoices that you need to void, you can take care of them at one time from the invoice list view. Filter out any invoices that do *not* need to be reversed. Then click Actions > Void Invoices in List.

Adjusting an Adjustment

At times, it may be simple to create a second adjustment. Before you begin, make sure you have a clear understanding of what the end result should look like. To get a clearer picture of the data, you can review the LICs on the invoice(s):

- 1. At the Invoices module list view, filter the list to show the original invoice and the current adjustment invoice(s).
- 2. Click the footer link for **Related Records** > **Invoice Items**.
- 3. At the Invoice Items module, click the **Code** column to sub-summarize the list.

aACE displays the net quantities and values for each LIC included on the invoices. This can help you discern what changes are needed to correct the situation. Using the earlier example again, suppose a few textbooks were sold, but was one was damaged en route. A -\$20.00 credit should have been applied to the invoice, but instead \$20.00 was *added* to the total. When the A/R rep recognizes the error, they can search the Invoices module for the needed Order number, then review the Invoice Items module to see where things stand:

Invoice Items Sorted by Line Item Code Code Q Description Order Invoice Date Qty Unit Ardj Total Status G Damaged Goods Rebate 20.00 20.00 CloSED 7 DG Damaged Goods Rebate 1 20.00 20.00 CloSED 7 Charaged Goods Rebate 1 20.00 20.00 20.00 20.00 20.00 20.00 7	• •			In	voice Items								
Code Q Description Order Invoice Data Customer Q Qty Unit Price Unit Adj Total Status G Damaged Goods Rebate > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED 承 G Damaged Goods Rebate > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED 承 G Damaged Goods Rebate > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN< 承 FLIT104 Shakespeare's Comedies > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ₹ HLIT104 Shakespeare's Comedies > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ₹	Record: 1 of 2									Velete 🗶 🛛 P	rrint 🖶 🗛	ctions ;	₹
Code Q Description Order Invoice Data Customer Q Qty Unit Price Unit Adj Total Status G Damaged Goods Rebate > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED 承 G Damaged Goods Rebate > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED 承 G Damaged Goods Rebate > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN< 承 FLIT104 Shakespeare's Comedies > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ₹ HLIT104 Shakespeare's Comedies > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ₹	Invoice Items												
Code Q Description Order Invoice Date Customer Q Qty Unit Price Unit Adj Total Status G Damaged Goods Rebate □ Damaged Goods Rebate □ 09/22/22 Chisholm High 1 20.00 20.00 CLOSED A G Damaged Goods Rebate □ > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED A G Damaged Goods Rebate □ > 61523 > 60378 09/22/22 Chisholm High 1 20.00 149.97 OPEN A FLIT104 Shakespeare's Comedies □ > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN A FLIT104 Shakespeare's Comedies □ > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN A		Sorted by Line Item Code											
G Damaged Goods Rebate Imaged Goods Rebate I												C	Α,
DG Damaged Goods Rebate ⊇ > 61523 > 60379 09/22/22 Chisholm High 1 20.00 20.00 CLOSED 承 I Damaged Goods Rebate I 20.00 1 20.00 20.00 1 20.00 Imaged Goods Rebate Imaged Goods Rebate <td></td> <td></td> <td>Order</td> <td>Invoice</td> <td>Invoice Date</td> <td>Customer 🤍</td> <td>Qty</td> <td>Unit Price</td> <td>Unit Adj</td> <td>Total</td> <td>Status</td> <td></td> <td></td>			Order	Invoice	Invoice Date	Customer 🤍	Qty	Unit Price	Unit Adj	Total	Status		
G Damaged Goods Rebate 1 20.00 I-LIT104 Shakespeare's Comedies 5 56 1523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ₹ -LIT104 Shakespeare's Comedies 3 49.99 0.00 149.97 OPEN ₹		te											
I-LIT104 Shakespeare's Comedies TB-LIT104 Shakespeare's Comedies = > 61523 > 60378 09/22/22 Chisholm High 3 49.99 0.00 149.97 OPEN ● 🖈 -LIT104 Shakespeare's Comedies 3 149.97	> DG	Damaged Goods Rebate	> 61523	> 60379	09/22/22	Chisholm High	1	20.00	0.00	20.00	CLOSED	0 ×	4
TB-LIT104 Shakespeare's Comedies ≡ > 60378 09/22/22 Chishelm High 3 49.99 0.00 149.97 OPEN ₹ LIT104 Shakespeare's Comedies 3 3 49.99 0.00 149.97 OPEN ₹	G Damaged Goods Rebate						1			20.00			
LIT104 Shakespeare's Comedies 3 149.97	B-LIT104 Shakespeare's	Comedies											
	TB-LIT104	Shakespeare's Comedies	= > 61523	> 60378	09/22/22	Chisholm High	3	49.99	0.00	149.97	OPEN	k 🔴	ē
t Totals 4 169.97	B-LIT104 Shakespeare's Come	fies					3			149.97			

This shows that to reach the end goal of a -\$20.00 deduction on the textbook invoice, they must create an adjustment invoice for -\$40.00. Half that amount will balance out the mistaken adjustment, then the other half will reduce the original invoice as agreed. At the original invoice, they create a new adjustment invoice for -\$40.00.

nvoice: 60380) Cr	odit/Adjuct	t Inv #60378			09/22/2	Delete X Print	
11V0ICE. 00300		euit/Aujusi	1110 #00576			09/22/2		NDING (
Adjustment Details						Notices 😣 🛛 Tas	sks 🗹 🔹 Emails 🎽	Docs
ill To		*	Description			Payment Comm	ients	
lustomer (Bill To) >	Cust PO #	Order >						
Chisholm High School Xorian Sanford		61523						
0 Valley Farms Street	Billing Terms		Additional Info					
chaumburg, IL 60193	Net 30		Additional Into					
	Invoice Due	Pmnt Expected						
	10/22/22	10/22/22						
	e Items Override							
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Code	Description	itment			-40.00 Q	0.00 Subtotal Adjustment Total Shipping 0.00	TUO 00.04- 00.00- 00.00- 00.04- 00.00	

After they save and open the adjustment invoice, they can verify things are correct at the order's Invoicing tab.

Note: If repeated adjustment invoices do *not* result in the changes you wanted, it may be best to void all the adjustments for a fresh start (see above) or to get help from your aACE partner. Re-adjusting invoices over and over can make an issue even harder to resolve.

Positive Adjustments

New charges can be added using an adjustment (e.g. a restocking fee).

Suppose a customer returns a unit that must be restocked. As described above, your A/R rep locates the open invoice and creates a credit/adjustment invoice. They edit the initial items and quantities, then add a new line for an Adjustment LIC. They assign this LIC a Unit Price equal to the restocking fee, save the adjustment invoice, and open it.

Handling Negative Balances After an Adjustment

Adjusting an invoice downward may result in a negative balance if the customer has already paid the invoice. You can handle this balance in three ways:

- Leave it as a <u>credit for future transactions</u> (https://aace6.knowledgeowl.com/help/applying-a-customer-credit-to-aninvoice)
- Issue a refund (https://aace6.knowledgeowl.com/help/processing-refunds-for-customer-payments)
- <u>Move the payment to another existing invoice</u> (https://aace6.knowledgeowl.com/help/moving-a-customerpayment-from-one-invoice-to-another) (or a portion of it)

Guidelines for Adjustment Invoices

To set up the adjustment invoice, it's often helpful to consider what the net value needs to be. In other words, the original order was the starting point while subsequent changes to the order create a new end point — the adjustment invoice is the difference between the start and the end point.

Often you can identify the needed changes by going to the desired order's Management tab, then reviewing the Overview tab. This may include values or quantities in the Invoiced column that need to match another value, such as the Shipped column.

For example, suppose a customer ordered 20 units. The order was fully shipped and invoiced. But then 3 units were returned. The Shipped column would then show 17. Therefore, the net quantity of invoiced units should be seventeen, which means the adjustment invoice should show -3 units.