

Chapter 8 - Accounts Receivable

Until Final Invoices are Finalized, they do not show up in Accounts Receivable or on Statements.

To access the Accounts Receivable section of Natural Log, from the main menu click [**Accounts-
Receivable**]. You can then access the following sections.

Customer Accounts Browser

This browser allows you to view a list of customers and their Accounts Receivable balance. You can configure this browser display to suit your needs. See section 8.01 of this manual.

Transaction Browser

This browser allows you to view a list of all Accounts Receivable transactions entered in NL in a specified date range. You can configure this browser display to suit your needs. See section 8.02 of this manual.

Statement Generator

This section of NL allows you to generate account statements for any selected customer(s). See section 8.03 of this manual.

Assessing Finance Charges

This section of NL posts finance charges according to rules you set up in Finance Charge Setup. See assessing finance charges. See section 8.04 of this manual.

Receiving Payments and Entering Adjustments

This section of NL allows you to enter payments received from your customers post any needed adjusting entries. See receiving payments in section 8.05, posting prepayments in section 8.05.01, entering Accounts Receivable adjustments in section 8.07. See sections 8.05 - 8.09 of this manual.

Correcting Payment and Adjustment Errors

Until the End-of-Month closing is done on an accounting period, users may freely delete transactions and reenter them. This is the best way to correct errors. After the End-of-Month closing is done, adjusting entries must be made to correct errors. See section 8.07 to correct adjustment errors. See section 8.08 to correct payment errors.

End-of-Month Closing

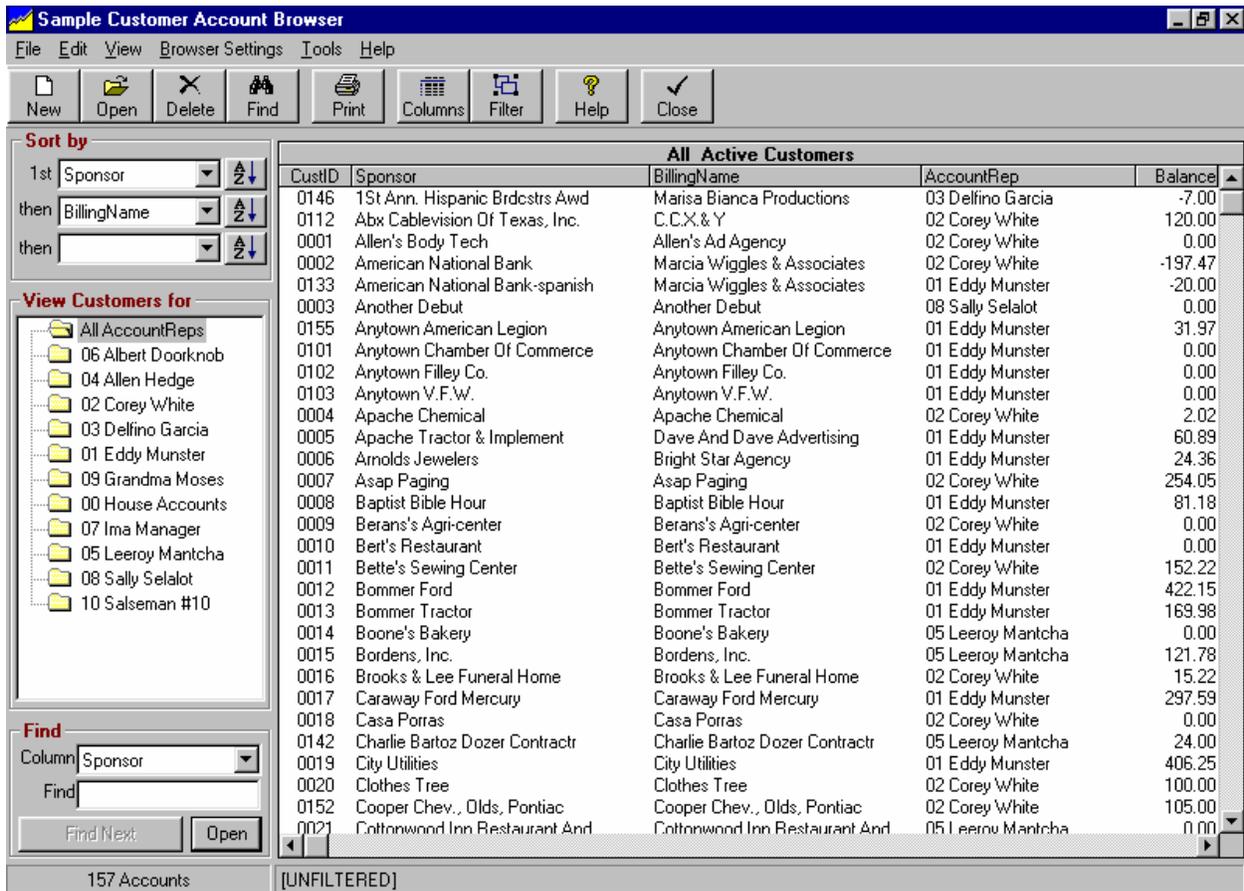
This closes an Accounts Receivable month in NL. After a month is closed, NL prohibits entering any Accounts Receivable transactions dated before the last closing date. This serves to protect any month-closing Accounts Receivable reconciliation for that month you have submitted to your accountant from being changed after you submit the reconciliation. See Accounts Receivable End-of-Month Closing in section 8.10.

- You can still post payments to invoices issued before that closing date, the payment transaction itself must have a date after the closing date.
- You can still post adjustments to invoices issued before that closing date, the adjusting transaction itself must have a date after the closing date.
- You can still reissue corrected invoices for invoices issued before that closing date, the corrected / reissued invoice will be dated after the closing date.

See section 8.09 of this manual for more information about End-of-Month closing.

8.01 Customer Account Browser

To access the Accounts Receivable section of Natural Log, from the main menu click **[Accounts- Receivable]**. This browser allows you to view a list of customers and their Accounts Receivable balance. You can configure this browser display to suit your needs.



Configuring the Browser Screen

The browser list can be easily sorted and filtered and you can select which item properties [columns] you want to display under **[Browser Settings]**. See sections 9.12 through 9.13 of this manual for instructions on changing the configuration of the browser. On the left side of browser screen are folders for each Account Rep [salesman] and you can click each folder to quickly display all customers associated with that Account Rep.

Browser Sorting

In the browser, you may click on any column heading to sort the list by that column. You may also select the columns from the dropdown boxes on the left side of the screen. Use the first Sort dropdown box to select the data column to be used as the primary sort column for the list. The buttons to right of the Sort boxes allow you to sort in Ascending or Descending order. Any items with matching entries in the primary Sort data column are then sorted by the column selected in the second Sort dropdown box. Any items with matching entries in the primary and secondary Sort data columns are then sorted by the column selected in the third Sort dropdown box.

8.02 A/R - Transaction Browser

From the main NL menu, click **[Accounts-Receiveable][Transaction Browser]**. This browser allows you to view an on-screen filtered or unfiltered list of all Accounts Receivable transactions entered in NL in a date range. You can open any transaction directly from this browser by **[double-clicking]** the transaction.

Sample Transaction Browser

File Edit Browser Settings Help

View Transaction Find Transaction Print List Help Close

A/R Transactions for

Station(s) Revenue Type(s) for Account Rep(s) Sort List By

All Stations All Revenue Types All Account Reps Reference# Refresh Transactions

Custom Dates OR Specified Dates From September 01, 2003 to September 30, 2003

Reference#	Date	Type	Station	CustID	Sponsor/BillingName	Description	Amount
03090001	09/30/2003	INV	DEMO-AM	0146	1St Ann. Hispanic Brdcasts Awd / Marisa B	DEMO-AM 0146-001 1St Ann. Hispanic Brd	93.00
03090002	09/30/2003	INV	DEMO-AM	0112	Abx Cablevision Of Texas, Inc. / Abx Cable	DEMO-AM 0112-001 Abx Cablevision Of Te	58.30
03090003	09/30/2003	INV	DEMO-AM	0112	Abx Cablevision Of Texas, Inc. / Abx Cable	DEMO-AM 0112-002 Abx Cablevision Of Te	220.00
03090004	09/30/2003	INV	DEMO-AM	0001	Allen's Body Tech / Allen's Ad Agency	DEMO-AM 0001-003 Allen's Body Tech	0.00
03090005	09/30/2003	INV	DEMO-FM	0002	American National Bank / Bright Star Agen	DEMO-FM 0002-001 American National Bar	250.00
03090006	09/30/2003	INV	DEMO-AM	0002	American National Bank / Bright Star Agen	DEMO-AM 0002-003 American National Bar	143.75
03090007	09/30/2003	INV	DEMO-AM	0002	American National Bank / Bright Star Agen	DEMO-AM 0002-004 American National Bar	200.00
03090008x	09/30/2003	INV	DEMO-AM	0133	American National Bank-spanish / America	DEMO-AM 0133-001 American National Bar	80.00
03090009	09/30/2003	INV	DEMO-AM	0155	Anytown American Legion / Anytown Amer	DEMO-AM 0155-001 Anytown American Le	31.50
03090010x	09/30/2003	INV	DEMO-AM	0102	Anytown Filley Co. / Anytown Filley Co.	DEMO-AM 0102-001 Anytown Filley Co.	200.00
03090011	09/30/2003	INV	DEMO-FM	0004	Apache Chemical / Apache Chemical	DEMO-FM 0004-001 Apache Chemical	136.69
03090012	09/30/2003	INV	DEMO-FM	0005	Apache Tractor & Implement / Brown And	DEMO-FM 0005-001 Apache Tractor & Impl	60.00
03090013x	09/30/2003	INV	DEMO-FM	0006	Arnolds Jewelers / Arnolds Jewelers	DEMO-FM 0006-001 Arnolds Jewelers	24.00
03090014	09/30/2003	INV	DEMO-FM	0007	Asap Paging / Asap Paging	DEMO-FM 0007-002 Asap Paging	233.75
03090015	09/30/2003	INV	DEMO-AM	0008	Baptist Bible Hour / Baptist Bible Hour	DEMO-AM 0008-001 Baptist Bible Hour	80.00
03090016	09/30/2003	INV	DEMO-AM	0011	Bette's Sewing Center / Bette's Sewing Ce	DEMO-AM 0011-001 Bette's Sewing Center	150.00
03090017	09/30/2003	INV	DEMO-AM	0012	Bommer Ford / Bommer Ford	DEMO-AM 0012-001 Bommer Ford	108.00
03090018	09/30/2003	INV	DEMO-AM	0012	Bommer Ford / Bommer Ford	DEMO-AM 0012-002 Bommer Ford	150.00
03090019	09/30/2003	INV	DEMO-AM	0012	Bommer Ford / Bommer Ford	DEMO-AM 0012-003 Bommer Ford	159.00
03090020	09/30/2003	INV	DEMO-AM	0013	Bommer Tractor / Bommer Tractor	DEMO-AM 0013-001 Bommer Tractor	23.00
03090021	09/30/2003	INV	DEMO-AM	0013	Bommer Tractor / Bommer Tractor	DEMO-AM 0013-002 Bommer Tractor	23.75
03090022	09/30/2003	INV	DEMO-AM	0013	Bommer Tractor / Bommer Tractor	DEMO-AM 0013-003 Bommer Tractor	120.75
03090023	09/30/2003	INV	DEMO-AM	0015	Bordens, Inc. / Bordens, Inc.	DEMO-AM 0015-001 Bordens, Inc.	120.00
03090024	09/30/2003	INV	DEMO-FM	0016	Brooks & Lee Funeral Home / Brooks & Lee	DEMO-FM 0016-001 Brooks & Lee Funeral H	15.00
03090025	09/30/2003	INV	DEMO-FM	0017	Caraway Ford Mercury / Caraway Ford Mer	DEMO-FM 0017-001 Caraway Ford Mercury	149.50
03090026	09/30/2003	INV	DEMO-FM	0017	Caraway Ford Mercury / Caraway Ford Mer	DEMO-FM 0017-002 Caraway Ford Mercury	42.75

Configuring the Browser Screen

The browser list can be easily sorted and filtered and you can select which item properties [columns] you want to display under **[Browser Settings]**. See sections 9.12 through 9.13 of this manual for instructions on changing the configuration of the browser. On the left side of browser screen are folders for each Account Rep [salesman] and you can click each folder to quickly display all customers associated with that Account Rep.

Filtering the Transaction Browser

There are several dropdown boxes with which you can filter the A/R transaction list. For more filtering, see **advanced browser filtering**.

- Station(s)**
- Revenue Type(s)**
- Account Rep(s)**
- Transaction Date Range**

Continued on next page.

8.02 A/R - Transaction Browser (cont)

Sorting the Transaction Browser

You can sort the transaction list by:

- **Reference #**
- **Date**
- **Station**
- **Type**
- **Customer ID**
- **Sponsor / BillingName**
- **Description**
- **Amount**

Transaction Browser CheckNumber LookUp

The Transaction Browser allows you to view an on-screen list of all transactions involving a particular check number. This helps you find a check number that may have been posted incorrectly. From the main NL menu, click **[Accounts-Receiveable][Transaction Browser]**.

- Click **[Edit] [LookUp Check Number]**. The only transactions included in then list will be those matching the check number you enter.
- Click **[Edit] [LookUp Check Number]** and enter an blank Check Number to again display all transactions.

8.03 Account Statement Generator

This section of NL creates and prints account statements for all or selected customers. If you desire you may post finance charges before generating statements. To generate account statements, from the main NL menu, click [**Accounts-Receiveable**][**Statement Generator**].

Sponsor	9/1/03	+Invoices	-Payments	+/-Adjst	+FinChg	9/30/03
0146 1st Ann. Hispanic Brcdstrs Awd	0.00	93.00	0.00	0.00	0.00	93.00
0112 Abx Cablevision Of Texas, Inc.	0.00	278.30	0.00	0.00	0.00	278.30
0002 American National Bank	0.00	593.75	0.00	0.00	0.00	593.75
0133 American National Bank-spanish	0.00	80.00	0.00	0.00	0.00	80.00
0155 Anytown American Legion	0.00	31.50	0.00	0.00	0.00	31.50
0102 Anytown Filley Co.	0.00	200.00	0.00	0.00	0.00	200.00
0004 Apache Chemical	0.00	136.69	0.00	0.00	0.00	136.69
0005 Apache Tractor & Implement	0.00	60.00	0.00	0.00	0.00	60.00
0006 Arnolds Jewelers	0.00	24.00	0.00	0.00	0.00	24.00
0007 Asap Paging	0.00	233.75	0.00	0.00	0.00	233.75
0008 Baptist Bible Hour	0.00	80.00	0.00	0.00	0.00	80.00
0011 Bette's Sewing Center	0.00	150.00	0.00	0.00	0.00	150.00
0012 Bommer Ford	0.00	417.00	0.00	0.00	0.00	417.00
0013 Bommer Tractor	0.00	167.50	0.00	0.00	0.00	167.50
0015 Bordens, Inc.	0.00	120.00	0.00	0.00	0.00	120.00
0016 Brooks & Lee Funeral Home	0.00	15.00	0.00	0.00	0.00	15.00
0017 Caraway Ford Mercury	0.00	293.25	0.00	0.00	0.00	293.25
0142 Charlie Baritz Dozer Contractor	0.00	24.00	0.00	0.00	0.00	24.00
0019 City Utilities	0.00	406.25	0.00	0.00	0.00	406.25
0020 Clothes Tree	0.00	100.00	0.00	0.00	0.00	100.00
0152 Cooper Chev., Olds, Pontiac	0.00	105.00	0.00	0.00	0.00	105.00
0023 Cow Palace	0.00	115.50	0.00	0.00	0.00	115.50
0143 Daisy Mae's	0.00	42.00	0.00	0.00	0.00	42.00
0157 Davis And Logan Insurance	0.00	60.00	0.00	0.00	0.00	60.00
0026 Dewitt Poth & Son	0.00	155.00	0.00	0.00	0.00	155.00
0153 Diversified Liquidators	0.00	144.00	0.00	0.00	0.00	144.00

- ❑ After the statement list is generated according to the filter settings you specify [see next page], click [**Print Statements**] to begin the statement printout.
- ❑ The statements themselves will be printed as you specified in NL document settings. Also see Electronic Statement Delivery.
- ❑ You can [**double-click**] any account statement to view it on-screen.

Continued on next page

8.03 Account Statement Generator (cont)

Statement Settings - List Filtering Tabs

There are several tabs you can use to filter the statement list:

- **Stations** To limit the stations included.
- **Revenue** To limit the revenue-types or revenue-sources included.
- **Acct Rep** To limit the account reps accounts that are included.
- **Custmrs** To limit the customer(s) included.

If more advanced filtering is needed, click [\[Statements\]\[Customize Statements\]\[Advanced Filters\]](#) as described in [advanced filtering](#).

General Tab - Statement Period

This sets the start and end dates for the statement activity to be included.

General Tab - Statement Cycles to Include

This will most often be **All Statement Cycles** but you can restrict the list to:

- **Broadcast Month** [definition](#)
- **Calendar Month**
- **End-of-Schedule**
- **Demand**
- **Weekly**
- **Special1 through Special9**

General Tab - Account Balances to Include

This will most often be **All Accounts with Activity** but you can restrict the list to:

- **No 0 or CreditBal Accounts**
- **No Credit balance Accounts**
- **31+ day Accounts ONLY**
- **61+ day Accounts ONLY**
- **91+ day Accounts ONLY**
- **121+ day Accounts ONLY**

8.03 Account Statement Generator (cont)

Viewing Account Statement before Printing

On the statement generator list, you can **[double-click]** any account statement to view it on-screen. Please note that selecting these statement types does not change the internal record keeping of NL. You can always switch between Open-Item and Balance-Forward statements for individual customers without any loss of data. **Example of Open-Item statement:**

The screenshot shows a software window titled "Account Statement" for "DEMO-AM Statement of Account". The window includes a sidebar with controls for Start Date (October 01, 2003), End Date (October 31, 2003), Statement Type (Open-Item), and buttons for Refresh Statement, Print Statement, eMail Statement, and Close. The main area displays account details for Abx Cablevision Of Texas, Inc. (Account ID: 0112, Statement Date: 10/31/03, Account Rep: Corey White) and a table of transactions.

Reference	Date	Type	Description	Amount	Balance
03090002	9/30/03	INV	Invoice: DEMO-AM 0112-001 Abx Cablevision Of Texas, Ir	58.30	
03100003	10/8/03	PMT	-Payment Check 443 on Inv 03090002	-58.30	0.00
03090003	9/30/03	INV	Invoice: DEMO-AM 0112-002 Abx Cablevision Of Texas, Ir	220.00	
03100003	10/8/03	PMT	-Payment Check 443 on Inv 03090003	-220.00	0.00
03100033	10/31/03	INV	Invoice: DEMO-AM 0112-002 Abx Cablevision Of Texas, Ir	220.00	220.00

Summary table at the bottom:

Current	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total Due
220.00					220.00

Example of Balance-Forward Statement:

The screenshot shows the same "Account Statement" window, but with the Statement Type set to "Balance-Forward". The account details remain the same. The transaction table starts with a "BalForward" entry on 10/1/03.

Reference	Date	Type	Description	Amount	Balance
BalForward	10/1/03	Bal	Balance Forward as of 10/1/03	278.30	278.30
03100003	10/8/03	PMT	Payment Check 443 on Inv 03090002	-58.30	220.00
03100003	10/8/03	PMT	Payment Check 443 on Inv 03090003	-220.00	0.00
03100033	10/31/03	INV	Invoice: DEMO-AM 0112-002 Abx Cablevision Of Texas, Ir	220.00	220.00

Summary table at the bottom:

Current	31-60 Days	61-90 Days	91-120 Days	121+ Days	Total Due
220.00					220.00

8.03 Account Statement Generator (cont)

Electronic Delivery of Account Statements

Most often statements will be printed to paper. However, for those customers who want electronic statements follow this procedure. To generate account statements, from the main NL menu, click **[Accounts- Receivable][Statement Generator]**. See [Statement Generator](#) for details on generating statements.

Sponsor	10/1/03	+Invoices	-Payments	+/-Adjst	+FinChg	10/31/03
0146 1St Ann. Hispanic Brdcstrs Awd	93.00	0.00	-93.00	0.00	0.00	0.00
0112 Abx Cablevision Of Texas, Inc.	278.30	220.00	-278.30	0.00	0.00	220.00
0002 American National Bank	593.75	425.25	-593.75	0.00	0.00	425.25
0133 American National Bank-spanish	80.00	0.00	0.00	0.00	1.22	81.22
0155 Anytown American Legion	31.50	0.00	0.00	-31.50	0.00	0.00
0102 Anytown Filley Co.	200.00	200.00	0.00	0.00	3.06	403.06
0004 Apache Chemical	136.69	0.00	0.00	-136.69	0.00	0.00
0005 Apache Tractor & Implement	60.00	60.00	0.00	0.00	0.92	120.92
0006 Arnolds Jewelers	24.00	30.00	0.00	0.00	0.37	54.37
0007 Asap Paging	233.75	61.00	0.00	-233.75	0.00	61.00
0008 Baptist Bible Hour	80.00	80.00	0.00	0.00	1.22	161.22
0011 Bette's Sewing Center	150.00	150.00	-150.00	0.00	0.00	150.00
0012 Bommer Ford	417.00	276.00	-417.00	0.00	0.00	276.00
0013 Bommer Tractor	167.50	174.25	0.00	0.00	2.56	344.31
0015 Bordens, Inc.	120.00	120.00	-120.00	0.00	0.00	120.00
0016 Brooks & Lee Funeral Home	15.00	15.00	0.00	0.00	0.23	30.23
0017 Caraway Ford Mercury	293.25	292.50	-293.25	0.00	0.00	292.50
0142 Charlie Bartoz Dozer Contractr	24.00	0.00	0.00	0.00	0.37	24.37
0019 City Utilities	406.25	426.75	-406.25	0.00	0.00	426.75
0020 Clothes Tree	100.00	100.00	0.00	0.00	1.53	201.53
0152 Cooper Chev., Olds, Pontiac	105.00	0.00	-105.00	0.00	0.00	0.00
0023 Cow Palace	115.50	0.00	0.00	0.00	1.77	117.27
0143 Daisy Mae's	42.00	0.00	0.00	0.00	0.64	42.64
0157 Davis And Logan Insurance	60.00	60.00	0.00	0.00	0.92	120.92
0025 Delta Armature	0.00	0.00	-500.00	0.00	0.00	-500.00
0026 Dewitt Pnth & Snn	155.00	0.00	0.00	0.00	2.37	157.37

Then instead of printing the statements, click **[View]** and select the delivery method you want to use. This will limit the list to only those customers whose invoice delivery method is set to the type you select. **Note:** The Encoda/SpotData electronic invoice clearinghouse does not accept account statements, only invoices.

- E Mail**
- Fax**

eMail Statements

After the customers needing e-mail statements are listed using the **[View]** menu, click **[Statements][eMail Statements]**. Customers for whom you have entered an invoice e-mail address will be e-mailed a statement.

Fax Statements

Statements must be faxed one at a time and requires a 3rd party Windows fax-capture program. After the customers needing fax statements are selected under the **[View]** menu, individually **[double-click]** each statement to view it. In the statement view screen, click **[Print Statement]** and send it to your fax capture program. If you entered a fax number for the customer, it will be saved to the Windows clipboard and you can just paste it into the telephone number to be faxed to in your fax capture program.

8.04 Assessing Finance Charges

From the main NL menu, click **[Accounts-Receiveable][Finance Charges]**.

- ❑ Select the date through which you want finance charges posted.
- ❑ Then click the **[Compute]** button to get a list of finance charges to be posted. Note: Finance charges are computed in accordance with the Finance Charge Options you establish in the NL setup section.
- ❑ After you review the list and are sure the assessments are correct, click the **[Post Charges]** button.

There is no way to "UnDo" this process once you post the finance charges except to open the finance charge items on each customers account and individually delete the charges!

Multi-Station users please note: Finance charges are separately posted for each station. The total finance charge due on an account is allocated among the stations carrying a past-due balance in their proportion of the total past-due amount.

1. If 1 station has a credit balance and other station(s) have a past-due balance on the account, the credit balance first offsets the past-due balance, the finance charge is assessed on this net past-due balance, and this net finance charge is allocated among stations with past-due balance.
2. If the finance charge applied is the minimum finance charge amount, this minimum finance charge is allocated among the stations that have a past-due balance on the account. In this way the minimum finance charge is applied to each account only once per period.

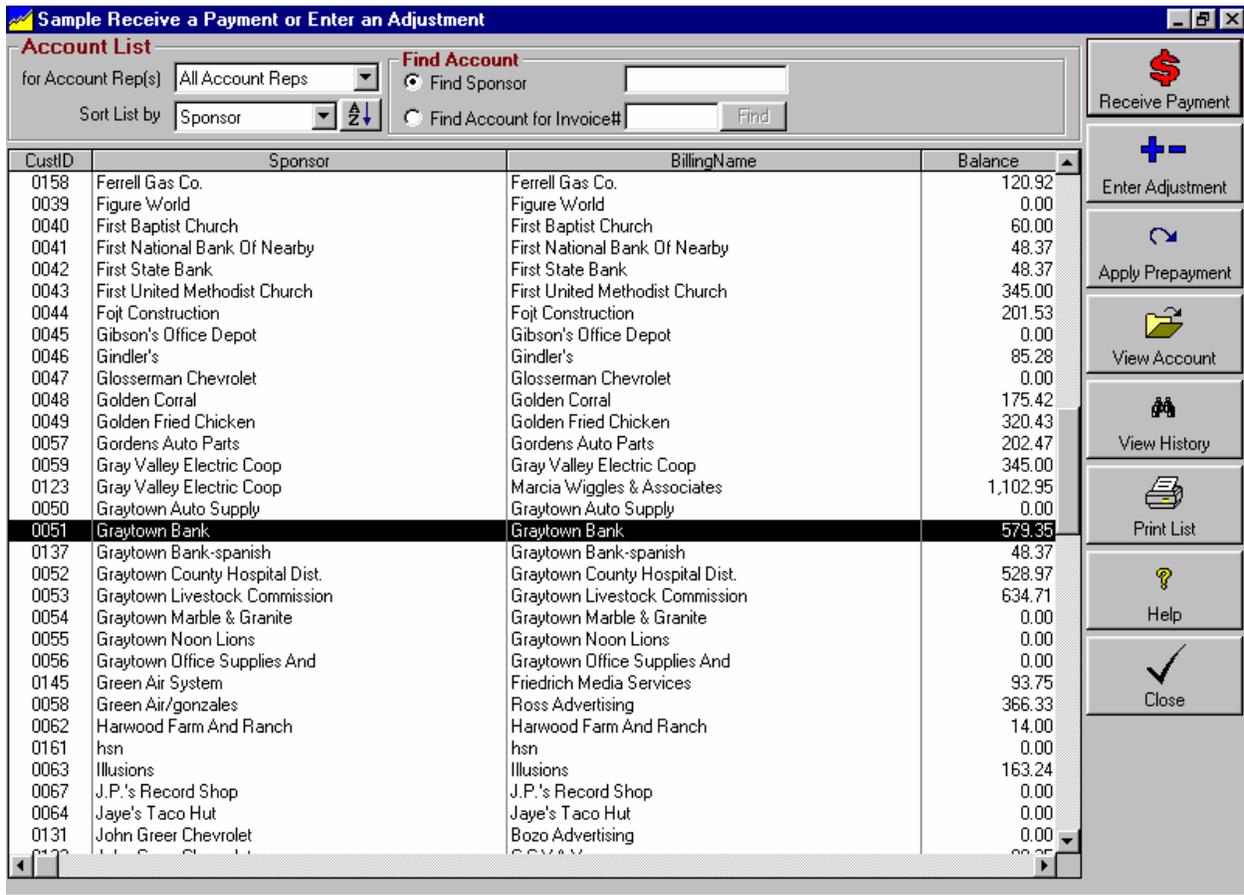
Status	CustID	Sponsor	Station	For The Period	Balance	APR % Rate	Fin Charge
Ready	0002	American National Bank	DEMO-FM	11/1/03-11/30/03	250.00	18.00	3.70
Ready	0133	American National Bank-sp	DEMO-AM	11/1/03-11/30/03	80.00	18.00	1.18
Ready	0102	Anytown Filley Co.	DEMO-AM	11/1/03-11/30/03	200.00	18.00	2.96
Ready	0005	Apache Tractor & Implemen	DEMO-FM	11/1/03-11/30/03	60.00	18.00	0.89
Ready	0006	Arnolds Jewelers	DEMO-FM	11/1/03-11/30/03	24.00	18.00	0.36
Ready	0008	Baptist Bible Hour	DEMO-AM	11/1/03-11/30/03	80.00	18.00	1.18
Ready	0013	Bommer Tractor	DEMO-AM	11/1/03-11/30/03	167.50	18.00	2.48
Ready	0016	Brooks & Lee Funeral Home	DEMO-FM	11/1/03-11/30/03	15.00	18.00	0.22
Ready	0142	Charlie Bartoz Dozer Contra	DEMO-AM	11/1/03-11/30/03	24.00	18.00	0.36
Ready	0020	Clothes Tree	DEMO-FM	11/1/03-11/30/03	100.00	18.00	1.48
Ready	0023	Cow Palace	DEMO-FM	11/1/03-11/30/03	115.50	18.00	1.71
Ready	0143	Daisy Mae's	DEMO-AM	11/1/03-11/30/03	42.00	18.00	0.62
Ready	0157	Davis And Logan Insurance	DEMO-AM	11/1/03-11/30/03	60.00	18.00	0.89
Ready	0026	Dewitt Poth & Son	DEMO-FM	11/1/03-11/30/03	155.00	18.00	2.29
Ready	0027	Donnie's Western Wear An	DEMO-AM	11/1/03-11/30/03	54.00	18.00	0.80

Correcting Finance Charges

To correct finance charges, simply post an A/R adjusting entry. See entering Accounts Receivable adjusting entries in section 8.08.

8.05 Receiving Payments

To enter a payment in Natural Log, from the main menu click **[Accounts-Receivable] [Payments / Adjustments]**.



- ❑ To enter a payment from a customer, highlight the customer from whom the payment is being received and click the **[Receive Payment]** button on the right side of the screen.
- ❑ If you receive a payment from an agency that applies to multiple customers, you can enter it on one payment screen by selecting **Sort by AgencyName**, select the agency, then click **[Receive Payment]**.

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8.05 Receiving Payments (cont)

Payment from: 0051 Graytown Bank / Graytown Bank

Payment Date: November 30, 2003 | Payment Method: Check | Check Number: 1234656 | Payment Amount: 275.06 | Unapplied Amount: 0.00

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	INV	03090071	DEMO-AM 0051-001 Graytown Bank	200.00	X	200.00
9/30/03	INV	03090072	DEMO-AM 0051-002 Graytown Bank	75.06	X	75.06
10/31/03	INV	03100089	DEMO-AM 0051-001 Graytown Bank	200.00		
10/31/03	INV	03100090	DEMO-AM 0051-002 Graytown Bank	100.08		
10/31/03	FIN	03100149.33	DEMO-AM Finance Charge 10/1/03-10/31/03 Avg Balance	4.21		

Balance Due: 579.35

Include Paid Items in List

Buttons: Save / Print Receipt, Adjust Item, Create PrePayment, Save Payment, Help, Cancel

- ❑ Enter the date you want to show the payment as being posted. This must not be before the last date for which books have been closed.
- ❑ Enter the payment method, check, cash, or credit card.
- ❑ Enter the check number if applicable.
- ❑ Enter the payment amount.
- ❑ Click **[Save]** to save the payment.

The "UnApplied Amount" box will keep a running total of the amount of the payment you have not yet applied.

Manually Apply the Payment

The entire payment amount must be applied to one or more of the customer's unpaid invoices listed in the bottom of the payment screen. Select invoices to be paid by clicking in the **Pay** column so an **X** appears next to each invoice to be paid. The column will toggle between **X** and blank, so click again to remove the **X** in the **Pay** column. On any invoice with an **X** in the **Pay** column, specify how much to apply in the **Applied** column.

Auto-Apply the Payment

The entire payment amount must be applied to one or more of the customer's unpaid invoices listed in the bottom of the payment screen. You can allow NL to automatically apply the payment to the oldest invoices first by clicking the **[Auto-Apply]** button. After clicking **[Auto-Apply]**, you can still manually apply the payment differently as described above so long as you have not saved the payment.

PrePayments

The entire payment amount must be applied to one or more of the paying customer's open invoices listed in the bottom of the payment screen. If the customer overpaid, or pays in advance, there won't be invoice(s) to which the payment can be applied. In this case NL, create a prepayment as described in section 8.06.

Adjust Pending Account Items / Finance Charges

You can quickly post an adjusting entry to any item listed on the payment screen. This might be needed if a finance charge was assessed but the customer did not pay it and you want to cancel [forgive] the finance charge. Click to highlight the item to be adjusted and click the **[Adjust Item]** button.

8.05.01 Receiving Pre-Payments

When entering a payment from a customer, the entire payment amount must be applied to one or more open invoices listed in the bottom of the payment screen. If the customer overpaid, or pays in advance, there won't be invoice(s) to which you can apply the payment. In this case NL will need to create a prepayment.

- ❑ Apply as much as needed to existing invoices [if any], leaving the balance as UnApplied. [See section 8.05 of this manual to post a payment].
- ❑ Click **[Create Payment]** and NL will open a screen to save the remaining **UnApplied** amount as a prepayment.
- ❑ Fill in required information as described below.
- ❑ Be sure to click **[Save Prepayment]** before closing the prepayment screen.

OrderNumber	Stations	LoggingName	Estimate/PO	StartDate	EndDate
0002-001	DEMO-AM			9/1/03	TFN
0002-004	DEMO-AM			9/6/03	5/30/04

Note: If the prepayment applies to more than 1 order, station, or revenue type, simply create multiple prepayments for the check/payment entry and apply the correct portion of the payment to each prepayment.

Prepayment Description

You can enter any description to be associated with the prepayment. This will be how it is shown on the customer's account statement.

Create Prepayment for Amount

You can create a prepayment for any amount up to the full UnApplied amount on the payment entry screen. You might want to create a prepayment for less than the full amount if it is split between 2 or more stations, revenue types, or broadcast orders. In these cases you'd have multiple prepayments combined to apply the total UnApplied amount.

Continued on next page.

8.05.01 Receiving Pre-Payments (cont)

Create PrePayment for: 0002 American National Bank / Marcia Wiggles & Associates

Prepayment Description: Prepaid Credit

Create Prepayment for amount: \$1,000.00

Prepayment may be applied: To any Invoice (for the specified Station/Revenue Type) for this Customer
 ONLY to an Invoice for the Order specified below

OrderNumber	Stations	LoggingName	Estimate/PO	StartDate	EndDate
0002-001	DEMO-AM			9/1/03	TFN
0002-004	DEMO-AM			9/6/03	5/30/04

Apply to Station: DEMO-AM

Apply to RevenueType: C Cash Spots

Credit to Account Rep: 02 - Corey White

Save PrePayment Help Cancel

Prepayment may be applied

If desired, you can reserve the prepayment to only be used for invoices from a particular order. The prepayment usually will **to any invoice for this customer**. Your choices are:

- **To any invoice for this customer** NL will automatically assign use this prepayment to pay any invoice for the stations and revenue type specified.
- **Only to an invoice for this order specified below.** If you reserve it for a specific order, NL will never apply the prepayment to an invoice created by any other order. If the customer has no current orders, this choice will not be available.

If you later need to manually apply this prepayment to an invoice for an order to which it was not originally intended you can do so. See [applying prepayment credits](#) in section 8.06.

Apply to Station

If you are running more than 1 station on NL, you must specify to which station this prepayment belongs so NL knows how to show it on reports. If you later need to manually apply this prepayment to an invoice for another station you can do so. See [applying prepayment credits](#) in section 8.06.

Apply to Revenue Type

You must specify which revenue type to assign to this prepayment so NL knows how to show it on reports. If you later need to manually apply this prepayment to an invoice for another revenue type you can do so. See [applying prepayment credits](#) in section 8.06.

Credit to Account Rep

If you reserve the prepayment for a specific order [see above], you must specify the Account Rep who will get commission for the prepayment.

Note: If the prepayment applies to more than 1 order, station, or revenue type, simply create multiple prepayments for the check/payment entry and apply the correct portion of the payment to each prepayment.

8.06 Accounts Receivable Adjustments

Accounts Receivable adjustments may need to be entered for any of several reasons.

- Credit a customer account for spots run incorrectly or discounts taken [see below]
- Debit a customer account for a check returned unpaid by their bank [see section 8.06.01]
- Write off bad debts [see section 8.06.02]
- Manually post trade credits to invoices [see section 8.06.03]
- Credit a customer account for finance charges not paid [see section 8.06.04]
- Manually apply prepayment credits to invoices [see section 8.07]
- Correction of payments or adjustments after End-of-Month closing [see section 8.08]

The general procedure to enter Accounts Receivable adjustments is described below.

Select the Accounts Receivable Item to be Adjusted

- From the main menu click **[Accounts-Receiveable]** **[Payments / Adjustments]**.
- Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen.
- You must select the invoice or prepayment item to be adjusted and click **[Continue]**. If the item you need to adjust is not listed, click **Show Items with \$0 Balances** checkbox to see all items for the customer.

Select A/R Item to be adjusted and click [Continue]

Show items for: 0102 - Anytown Filley Co. / Anytown Filley Co. Show Items with \$0 balances

Date	Type	Reference ID	Description	Due
9/30/03	INV	03090010	DEMO-AM 0102-001 Anytown Filley Co.	200.00
10/31/03	INV	03100038	DEMO-AM 0102-001 Anytown Filley Co.	200.00
10/31/03	FIN	03100149.01	DEMO-AM Finance Charge 10/1/03-10/31/03 Avg Balance 200	3.06

Continue Help Cancel

Alternatively, you can enter an adjustment directly onto an invoice by opening the invoice to be adjusted and clicking the **[Enter Adjustment]** button. You can open the invoice from Reports, the Transaction Browser, from the individual customer account screen using the Accounts-Receiveable tab, or from the Customer Account History.

Continued on next page.

8.06 Acct Receivable Adjustments (cont)

The general procedure to enter Accounts Receivable adjustments [continued].

Accounts receivable Adjustment Entry details

Adjustment Date	Adjustment Type	Adjustment Description	Adjustment Amount +/-
November 29, 2003	CR - Credit Adjustment	A/R Credit Adjustment	-200.00

Reference	Date	Type	Description	Amount	Balance
03090010	9/30/03	INV	DEMO-AM 0102-001 Anytown Filley Co.	200.00	200.00
Pending	12/30/04	CR	A/R Credit Adjustment	-200.00	0.00

- Enter the date you want to show the adjustment as being posted. This must not be before the last date for which books have been closed.
- Enter the adjustment type. Valid entries are
 - **CR** Credit Adjustment -
 - **DR** Debit Adjustment +
 - **TCR** Trade Credit Adjustment
 - **BAD** Bad Debt Write-Off
 - **FIN** Finance Charge Adjustment
 - **TAX** Tax Adjustment
 - **ACM** Agency Commission
 - **RCM** National Rep Commission
 - **UCM** UnWired Network Commission
- Enter a description / explanation for the adjustment as it should be shown on the customers account statement.
- Enter the adjustment amount. Negative adjustments reduce the customer's account balance. Positive adjustments increase the customer's account balance.
- Click **[Save Adjustment]**.

8.06.01 Handling Returned Checks

Occasionally a customer's check may be returned unpaid due to insufficient funds or another problem with the check. When this happens, simply make a DR-debit adjustment as follows to put the amount of the check back on the account.

From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**. Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen. You must select the invoice or prepayment item to be adjusted and click **[Continue]**. If the item you need to adjust is not listed, click the **Show Items with \$0 Balances** checkbox to see all items for the selected customer.

Alternatively, you can enter an adjustment directly onto an invoice by opening the invoice to be adjusted and clicking the **[Enter Adjustment]** button. You can open the invoice from Reports, the Transaction Browser, from the individual customer account screen using the Accounts-Receiveable tab, or from the Customer Account History.

Returned Check was posted as payment on Invoice(s)

Do a DR-Debit adjustment to cancel the amount posted to each invoice. Note that you can include a returned check fee in the adjustment amount if you like. If the check was posted to more than one invoice, you will need to adjust each invoice separately.

Reference	Date	Type	Description	Amount	Balance
03090010	9/30/03	Inv	DEMO-AM 0102-001 Shiner Filley Co.	200.00	200.00
04010003	1/17/04	Pmt	Payment Check 1234 on Inv 03090010	-200.00	0.00
Pending	1/26/04	DR	A/R Debit Adjustment	220.00	220.00

- Verify the correct entry date. This must be after the last End-of-Month closing date.
- Select DR Debit Adjustment
- Enter a meaningful description of the adjustment
- Enter as a positive adjustment amount, the amount to be added back to the invoice.
- Be sure to click **[Save Adjustment]** before exiting.

More complex Returned Check situations are covered on the next page.

8.06.01 Handling Returned Checks (cont)

Returned Check posted to Prepayment(s) still pending

If the returned check was posted (all or in part) to a Prepayment Credit and the Prepayment Credit has not been applied to invoice(s), you will need to post DR-Debit adjustment(s) to the original Prepayment Credit to cancel the amount originally credited for the Prepayment.

Enter Adjustment

Adjustment Date: Oct 27 2004
 Adjustment Type: DR + Debit Adjustment
 Adjustment Description: NSF Returned Check + \$20 fee
 Adjustment Amount +/-: 220

Reference	Date	Type	Description	Amount	Balance
04100001.2	10/27/04	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	-200.00	-200.00
Pending	10/27/04	DR	A/R Debit Adjustment	220.00	20.00

Buttons: Save Adjustment, Help, Cancel

Returned Check posted to Prepayment(s) already applied to Invoice(s)

If the returned check was posted (all or in part) to a Prepayment Credit and the Prepayment Credit has already been applied to invoice(s), you will need to post DR-debit adjustment(s) to the invoice(s) to cancel the credit that was applied to the invoice(s).

Enter Adjustment

Adjustment Date: Oct 27 2004
 Adjustment Type: DR + Debit Adjustment
 Adjustment Description: NSF Returned Check
 Adjustment Amount +/-: 220

Reference	Date	Type	Description	Amount	Balance
03090010	9/30/03	Inv	DEMO-AM 0102-001 Shiner Filley Co.	200.00	200.00
04100002	10/27/04	APre	Apply PrePayment 04100001.2 to Inv 0309001	-200.00	0.00
Pending	10/27/04	DR	A/R Debit Adjustment	220.00	220.00

Buttons: Save Adjustment, Help, Cancel

8.06.02 Writing Off Bad Debts

Occasionally you may know a customer will never pay so you need to write off the debt as a "bad-debt". To handle this in NL, enter a BAD-Bad Debt Write Off credit as follows zero out the amount to be written off.

From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**. Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen. You must select the invoice or prepayment item to be adjusted and click **[Continue]**. If the item you need to adjust is not listed, click the **Show Items with \$0 Balances** checkbox to see all items for the selected customer.

Alternatively, you can enter an adjustment directly onto an invoice by opening the invoice to be adjusted and clicking the **[Enter Adjustment]** button. You can open the invoice from Reports, the Transaction Browser, from the individual customer account screen using the Accounts-Receiveable tab, or from the Customer Account History.

Reference	Date	Type	Description	Amount	Balance
03090005	9/30/03	Inv	DEMO-AM 0002-001 American National Bank	250.00	250.00
Pending	1/29/04	BAD	Bad Debt WriteOff	-250.00	0.00

- Verify the correct entry date. This must be after the last End-of-Month closing date.
- Select BAD Bad Debt WriteOff
- Enter a meaningful description of the adjustment
- Enter as a negative, the amount to be written off.
- Be sure to click **[Save Adjustment]** before exiting.

8.06.03 Manually Post Trade Credit

Normally, trade credits post automatically if you enter them to do so during order entry. See [Apply Trade Credit](#) in section 3.05 of this manual. Occasionally you may need to manually post a trade credit to an invoice to zero it out.

From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**. Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen. You must select the invoice or prepayment item to be adjusted and click **[Continue]**. If the item you need to adjust is not listed, click the **Show Items with \$0 Balances** checkbox to see all items for the selected customer.

Reference	Date	Type	Description	Amount	Balance
03090005	9/30/03	Inv	DEMO-AM 0002-001 American National Bank	250.00	250.00
Pending	1/29/04	TCR	Trade Credit Applied	-125.00	125.00

- Verify the correct entry date. This must be after the last End-of-Month closing date.
- Select TRC Trade Credit as the adjustment type.
- Enter a meaningful description of the adjustment
- Enter as a negative, the amount to be applied.
- Be sure to click **[Save Adjustment]** before exiting.

8.06.04 Cancel Unpaid Finance Charge

Quite often a customer won't pay late fees / finance charges assessed against the account. If you allow them to do this and you don't want to show they still owe the finance charges on their account, you will need to cancel the finance charges.

From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**. Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen. You must select the invoice or prepayment item to be adjusted and click **[Continue]**. If the item you need to adjust is not listed, click the **Show Items with \$0 Balances** checkbox to see all items for the selected customer.

Alternatively, you can get to the A/R adjustment screen directly from payment entry. Highlight and item on the payment screen and click **[Adjust Item]**. This allows you to quickly jump to this screen to cancel a finance charge and then return to the payment screen to finish processing the payment.

Reference	Date	Type	Description	Amount	Balance
04010004.06	1/28/04	Fin	DEMO-AM Finance Charge 12/30/03-1/28/04	3.46	3.46
Pending	2/11/04	CR	Cancel Finance Charge	-3.46	0.00

- ❑ Verify the correct entry date. This must be after the last End-of-Month closing date.
- ❑ Select **CR - Credit Adjustment** as the adjustment type.
- ❑ Enter a meaningful description of the adjustment
- ❑ Enter as a negative, the amount to be canceled.
- ❑ Be sure to click **[Save Adjustment]** before exiting.

8.07 Manually Apply Pre-Payment Credits

Most often, when you create a prepayment credit on an account, NL will automatically use the credit on a future invoice for that account and it will be zeroed out. However, sometimes that may not happen automatically because:

- The station or revenue type of the prepayment does not match the station or revenue type of the invoice when it is issued so you need to manually apply the prepayment credit.
- The prepayment credit was reserved for a particular broadcast order and that order did not create any new invoices after the prepayment was entered. In this case you need to either manually apply the prepayment credit to an invoice from another order, to transfer the prepayment credit for future use by another order for this customer, or to transfer the prepayment credit for future use by another customer.
- The customer never runs any more orders so no future invoice gets created and you need to either refund the prepayment credit or transfer it to another customer.
- The prepayment credit was posted to the incorrect customer. If it is to be used for future invoices you need to transfer it to the correct customer. If it is to be used for an already-issued invoice you can just apply it to an existing invoice as described below.
- The prepayment credit is entered into NL after the invoice is issued. [Yes, users actually do this and wonder why the NL billing module did not apply the prepayment credit even though it did not exist at the time the invoice was issued!]

The following pages describe how to manually perform these functions on prepayment credits when the automatic method fails for one of the above reasons.

- | | |
|--|------------------------|
| <input type="checkbox"/> Manually apply the prepayment credit to an existing invoice | Section 8.0701 |
| <input type="checkbox"/> Manually apply the prepayment credit to a pending invoice | Section 8.07.02 |
| <input type="checkbox"/> Transfer the prepayment credit to another order or customer for future use | Section 8.07.03 |
| <input type="checkbox"/> Refund the remaining credit balance | Section 8.07.04 |

8.07.01 Manually Apply Pre-Payment Credit to Final Invoice(s)

In this case the invoice is already issued and you need to manually apply a prepayment credit to it.

- ❑ From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**.
- ❑ Highlight the customer for whom you need to post an adjusting entry and click the **[Apply Prepayment]** button on the right side of the screen.
- ❑ You must select the specific prepayment credit item to be applied.

Apply Prepayment Credit

Select Prepayment Credit to be applied

Prepayments for: 0133 - American National Bank-spanish / Marcia \ Show Credit Balances

Date	Prepayment Reference	Description	Unapplied Amount
1/26/04	04010001.2	DEMO-AM / C-Cash Spots / DEMO-AM / C Cash Spots / Prepaid Crec	-800.00

Auto-Apply Unapplied Amount 720.00

Select Item(s) to which Prepayment Credit is to be applied

UnPaid Items for 0133 - American National Bank-spanish / t Show Debit Balances

Date	Invoice ID	Description	Due	Pay	Applied Amount
9/30/03	03090008	DEMO-AM 0133-001 American National Bank	80.00	X	80.00

Transaction Date Jan 26 2004 Total Amount Applied 80.00

Save Credit Help Cancel

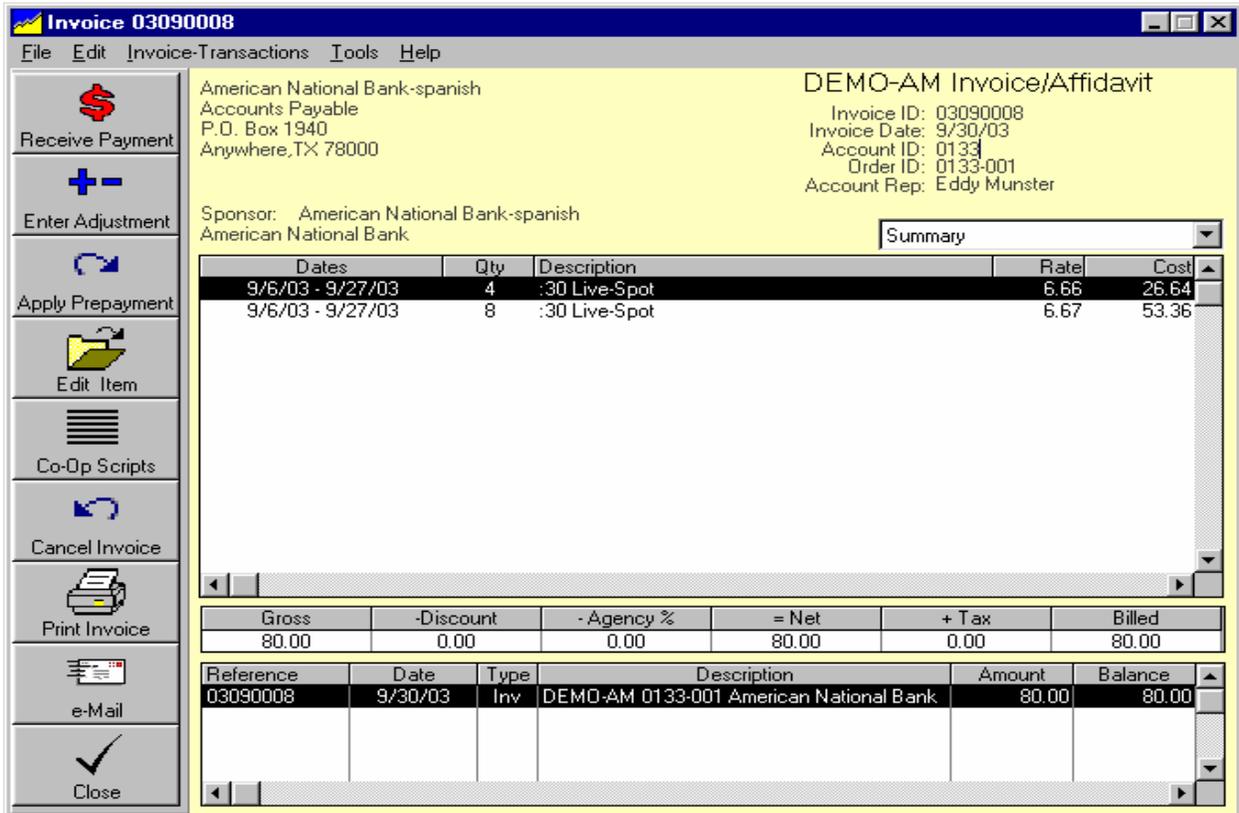
- ❑ In the **Select Items to Which Prepayment Credit is to be Applied** window, select **UnPaid Items** from the left dropdown box.
- ❑ You must select the specific Invoice(s) to receive the credit by clicking an **X** in the **Pay** column item for the invoice(s) to be credited.
- ❑ You must specify how much of the prepayment credit to apply to each invoice.
- ❑ Click **[Save Credit]** when done.

Continued on next page.

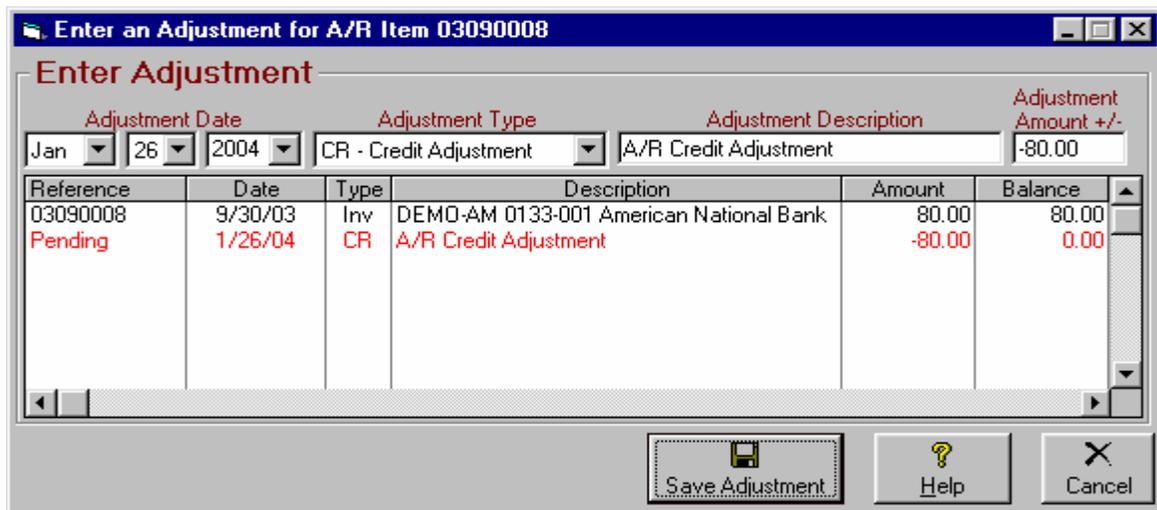
8.07.01 Manually Apply Pre-Payment Credit to Final Invoice(s) (cont)

Applying a Prepayment from the Invoice View Screen

An **alternative method** to apply a prepayment is to open the invoice from the customer screen accounts-receivable tab, from reports, or from the transaction browser.

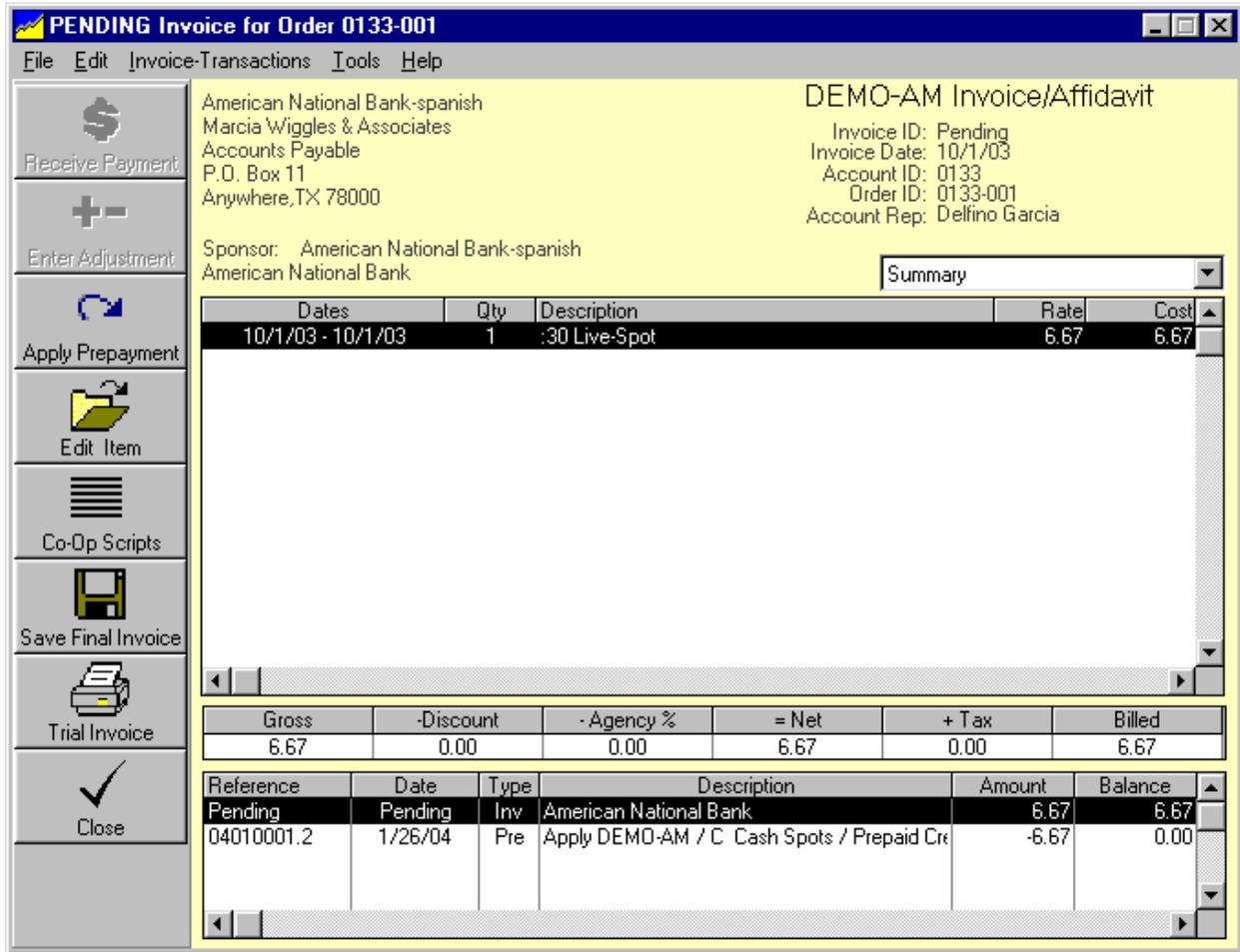


Click **[Apply Prepayment]** button then select the prepayment credit to be applied and the amount to apply.



8.07.02 Manually Apply Prepayment Credit to a Pending Invoice

In this case the invoice has not yet been issued, but you need to manually attach the prepayment credit to the invoice so the credit will be applied when the invoice is printed. In the Billing module, open the invoice:



Click the **[Apply Prepayment]** button. You can then select the prepayment credit to be applied to that invoice and the amount to apply as shown on the next page.

After selecting the prepayment credit amount to be applied, you must click the **[Save Final Invoice] button on the **Invoice** before closing the invoice screen in order for the prepayment credit to be permanently attached!**

Continued on next page.

8.07.02 Manually Apply Prepayment Credit to a Pending Invoice (cont)

Click the **[Apply Prepayment]** button. You can then select the prepayment credit to be applied to that invoice and the amount to apply.

Date	Prepayment Reference	Description	Unapplied Credit
1/26/04	04010001.2	DEMO-AM / C-Cash Spots / DEMO-AM / C Cash Spots / Prepaid Credit	800.00

Reference	Date	Type	Description	Amount	Balance
Pending	Pending	Inv	American National Bank	6.67	6.67
Pending	1/26/04	APre	Transfer Prepayment CR 04010001.2 to 0133-001	-6.67	0.00

After selecting the prepayment credit amount to be applied, you must click the **[Save Final Invoice]** button on the Invoice before closing the invoice screen in order for the prepayment credit to be permanently attached!

8.07.03 Transfer a Prepayment Credit to Another Order or Customer

In this case the prepayment was not used by the original order and/or customer to which it was assigned and you need to transfer all or part of the prepayment to a different order for the same customer or to a different customer for future use.

Transfer a prepayment before the end-of-month closing

If the end-of-month closing has not yet been performed for the period in which the prepayment was originally entered, the best solution is to simply delete the original payment entry and reenter it correctly.

Warning: If you delete the original payment, payments applied to invoices by that payment entry [and any prepayments created by that payment entry, even if applied to invoices], are also deleted.

To delete the payment entry, open it from the A/R screen or the customer tab or customer history and click **[Delete Transaction]**.

Payment Date	Payment Method	Check Number	Payment Amount	Unapplied Amount
Jan 26 2004	Check	1234	\$800.00	\$0.00

Date	Type	Invoice ID	Description	Applied
1/26/04	Pre	04010001.2	DEMO-AM / C Cash Spots / Prepaid Credit for Any Order for this Customer Check 1:	800.00

Continued on next page.

8.07.03 Transfer a Prepayment Credit to Another Order or Customer(cont)

Transfer a prepayment after the end-of-month closing

If the end-of-month closing has already occurred, the following procedure must be used to transfer a prepayment credit to another order or customer.

- ❑ From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**.
- ❑ Highlight the customer for whom you need to post an adjusting entry and click the **[Apply Prepayment]** button on the right side of the screen.

Apply Prepayment Credit

Select Prepayment Credit to be applied

Prepayments for: 0133 - American National Bank-spanish / Marcia \ Show Credit Balances

Date	Prepayment Reference	Description	Unapplied Amount
1/26/04	04010001.2	DEMO-AM / C-Cash Spots / DEMO-AM / C. Cash Spots / Prepaid Crec	-800.00

Auto-Apply Unapplied Amount 720.00

Select Item(s) to which Prepayment Credit is to be applied

UnPaid Items for 0133 - American National Bank-spanish / M Show Debit Balances

Date	Invoice ID	Description	Due	Pay	Applied Amount
9/30/03	03090008	DEMO-AM 0133-001 American National Bank	80.00	X	80.00

Transaction Date Jan 26 2004 Total Amount Applied 80.00

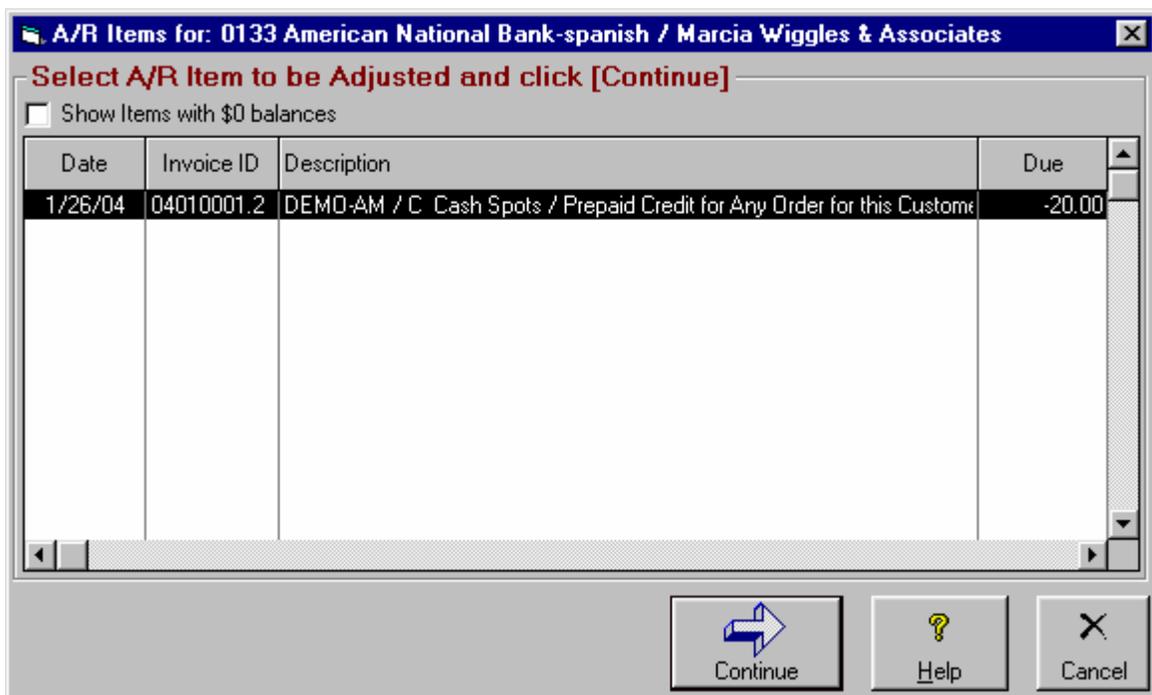
Save Credit Help Cancel

- ❑ In the **Select Items to Which Prepayment Credit is to be Applied** window, select either **All Orders for** or **Pending Orders for** from the left dropdown box.
- ❑ In the **Select Items to Which Prepayment Credit is to be Applied**, select the customer to receive the prepayment credit from the dropdown box containing the customer list. This will be the same as the original customer if you are transferring the prepayment credit to another order for the same customer.
- ❑ You can select the specific order(s) to receive the credit by clicking an **X** in the **Pay** column item for the invoice(s) to be credited. You can also select **[Any]** in which case the prepayment credit will be used for any order for the specified customer.
- ❑ You must specify how much of the prepayment credit to apply to each order.
- ❑ Click **[Save Credit]** when done.

8.07.04 Refund Remaining Prepayment Credit

When you refund a prepayment credit, it can be removed from NL by attaching a DR-Debit adjustment to the prepayment credit to zero it out.

- From the main menu click **[Accounts-Receiveable] [Payments / Adjustments]**.
- Highlight the customer for whom you need to post an adjusting entry and click the **[Enter Adjustment]** button on the right side of the screen.



- You must select the specific prepayment credit item to be adjusted and click **[Continue]**.

Continued on next page.

8.07.04 Refund Remaining Prepayment Credit (cont)

Refund Prepayment Credit Adjusting Entry (continued)

Reference	Date	Type	Description	Amount	Balance
03100004	10/3/03	DR	A/R Debit Adjustment	700.00	700.00
03100006	10/3/03	APre	Apply Prepayment 04010001.2 to Inv 0309000	80.00	780.00
04010001.2	1/26/04	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	-800.00	-20.00
Pending	1/31/04	DR	A/R Debit Adjustment	20.00	0.00

- ❑ Enter the date you want to show the adjustment as being posted. This must not be before the last date for which books have been closed.
- ❑ If the remaining credit is negative, the adjustment type should be a DR-Debit. If the remaining credit is positive, the adjustment type should be a CR-Credit.
- ❑ Enter a description / explanation for the adjustment as it should be shown on the customers account statement.
- ❑ Enter the adjustment amount. This should always be the opposite of the remaining balance of the prepayment. If the remaining credit is negative, the adjustment should be a DR-Debit positive amount. If the remaining credit is positive, the adjustment should be a CR-Credit negative amount.
- ❑ Click **[Save Adjustment]**

8.08 Correcting Accts Receivable Errors

Correcting a transaction BEFORE the end-of-month closing

The following applies only before the End-of-Month closing for the period. See next page for correcting a payment or A/R adjustment after the End-of-Month closing is done. See section 8.10 for a discussion of the End-of-Month closing process.

- To correct an invoice error, open the invoice, cancel it, edit it, and again finalize [issue] it. [See section 7.03]
- To correct a payment posting error open the payment, delete it, and reenter it correctly.
- If you have an adjustment entry error open the adjusting entry, delete it, and reenter it correctly.

Warning: If you delete a payment entry, all payments applied to invoices by that payment entry [and any prepayments created by that payment entry, even if applied to invoices], are also deleted. We recommend you print the payment or adjustment entry before deleting it so you can reenter all parts of it correctly.

Delete a payment or A/R adjustment

Open the payment or A/R adjustment through Reports, Transaction Browser, or the customer's account history. If the payment has already been attached to an invoice you can instead open the invoice to which it is attached [using the customer screen accounts-receivable tab or customer-history] and **[right-click]** on the payment entry listed at the bottom of the invoice screen, then click **[View Transaction]**

Payment Date	Payment Method	Check Number	Payment Amount	Unapplied Amount
Feb 11 2004	Check	3412	\$257.00	\$0.00

Date	Type	Invoice ID	Description	Applied
9/30/03	Inv	03090017	DEMO-FM 0012-001 Boehm Ford	107.00
9/30/03	Inv	03090018	DEMO-AM 0012-002 Boehm Ford	150.00

- ❑ Click the **[Delete Payment]** or **[Delete Adjustment]** button
- ❑ Reenter the payment or A/R adjustment correctly.

The deleted payment or A/R adjustment will not show up at all in any reports or account statements. If require user login is selected in NL setup, there will be an internal NL user-log record of the original entry and the deletion for audit purposes.

8.08.01 Correcting A/R Adjustment Errors AFTER End-Month Closing

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Correcting a payment or A/R adjustment after the end-of-month closing

If you notice a payment or A/R adjustment is entered incorrectly **after** the end-of-month closing is done for the accounting period, you will need to enter 1 or more Accounts Receivable adjustments to correct the error.

- ❑ Debit a positive amount to increase an invoice balance. Debit a positive amount to decrease a prepayment credit amount.
- ❑ Credit a negative amount to decrease an invoice balance. Credit a negative amount to increase a prepayment credit amount.

Examples of A/R corrections after the end-of-month closing

If the original entry was an A/R adjustment, just enter a mirror-image of the original adjusting entry with all the signs reversed. That is, original credits become debits and vice-versa.

Example Assume you incorrectly credited an invoice for \$100 and you can't delete the adjustment because the period in which it was posted is already closed. Post a DR-Debit adjustment to the same invoice for +\$100.

The screenshot shows a software window titled "Enter an Adjustment for A/R Item 03090003". The window contains a form for entering an adjustment and a table of existing adjustments.

Form Fields:

- Adjustment Date: Oct 05 2003
- Adjustment Type: DR + Debit Adjustment
- Adjustment Description: A/R Debit Adjustment
- Adjustment Amount +/-: 100.00

Table of Adjustments:

Reference	Date	Type	Description	Amount	Balance
03090003	9/30/03	Inv	DEMO-FM 0112-002 Tci Cablevision Of Texas.	220.00	220.00
03100009	10/5/03	CR	Credit for incorrect spot placement	-100.00	120.00
Pending	10/5/03	DR	A/R Debit Adjustment	100.00	220.00

Buttons: Save Adjustment, Help, Cancel

8.08.01 Correcting A/R Adjustment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: PrePayment credit applied to an incorrect invoice

The prepayment credit was properly posted to an account but it was later either manually or automatically applied to an incorrect invoice. If the period in which the adjusting entry that applied the prepayment has already been closed, the prepayment credit must be manually removed from the incorrect invoice and credited back to the original prepayment. If necessary, it can then be manually applied to the correct invoice. See section 8.07 to manually apply prepayments to invoices.

Example Assume you had a \$100 prepayment credit on an account and it got applied to an incorrect invoice. You can't delete the applying adjustment and reenter it correctly because the period in which it was posted is already closed. It doesn't matter if the invoice belonged to the correct customer or not, in either instance the correction is done as shown below.

- **Step1** - Post a DR-Debit adjustment to the wrong invoice for +\$100.00 to restore its balance due.

The screenshot shows a software window titled "Enter an Adjustment for A/R Item 03090003". The window contains a form for entering an adjustment. At the top, there are dropdown menus for "Adjustment Date" (Feb 06 2004) and "Adjustment Type" (DR + Debit Adjustment). The "Adjustment Description" is "UnApply Prepayment" and the "Adjustment Amount +/-" is "100.00". Below this is a table with columns: Reference, Date, Type, Description, Amount, and Balance.

Reference	Date	Type	Description	Amount	Balance
03090003	9/30/03	Inv	DEMO-FM 0112-002 Tci Cablevision Of Texas.	220.00	220.00
03090146	9/30/03	APre	Apply PrePayment 03090145.3 to Inv 0309000	-100.00	120.00
Pending	2/6/04	DR	A/R Debit Adjustment	100.00	220.00

At the bottom of the window are three buttons: "Save Adjustment", "Help", and "Cancel".

Example continued on next page.

8.08.01 Correcting A/R Adjustment Errors AFTER End-Month Closing (cont)

Error: Prepayment credit applied to an incorrect invoice

Example (continued)

- **Step 2** - Post a CR-Credit adjustment to the original prepayment to restore it to its original value.

Enter an Adjustment for A/R Item 03090145.3

Enter Adjustment

Adjustment Date: Feb 06 2004
Adjustment Type: CR - Credit Adjustment
Adjustment Description: UnApply Prepayment
Adjustment Amount +/-: -100.00

Reference	Date	Type	Description	Amount	Balance
03090145.3	9/5/03	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	-100.00	-100.00
03090146	9/30/03	APre	Apply Prepayment 03090145.3 to Inv 0309000	100.00	0.00
Pending	2/6/04	CR	A/R Credit Adjustment	-100.00	-100.00

Buttons: Save Adjustment, Help, Cancel

8.08.02 Correcting Payment Errors AFTER End-Month Closing

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: Payment applied to wrong invoice

This example assumes there is another invoice to which the payment should be applied. If this is not true in your instance, see Error: Payment applied to invoice should have been prepayment on another account in next section.

There are 2 ways to transfer the payment to the correct invoice depending on the outcome you desire:

- **Correcting transactions appear on current month Adjustments Report [preferred method].** In this case debit the incorrect invoice a positive amount and credit the correct invoice a negative amount as shown below in example 1.
- **Correcting transactions appear on current month Payments Report as offsetting positive and negative amounts.** This might be desired if the changes affect an Account Rep's sales commissions if they are based on payments report. In this case you enter a negative payment to cancel the original incorrect payment. See an example of this in section 8.08.03 of this manual.

Example A to show corrections on Adjustments Report Assume you posted a \$58.30 payment to the wrong invoice and can't delete the payment and reenter it correctly because the period in which it was posted is already closed. It doesn't matter if the wrong invoice belonged to the correct customer or not, in either instance the correction is done as shown below.

- **Step1** - Post a DR-Debit adjustment to the wrong invoice for +\$58.30 to restore its balance due.

The screenshot shows a software window titled "Enter an Adjustment for A/R Item 03090002". Inside, there is a form for entering an adjustment. The form includes fields for Adjustment Date (Feb 05 2004), Adjustment Type (DR + Debit Adjustment), Adjustment Description (Reverse incorrect PMT for check 1111), and Adjustment Amount +/- (58.30). Below the form is a table with columns: Reference, Date, Type, Description, Amount, and Balance.

Reference	Date	Type	Description	Amount	Balance
03090002	9/30/03	Inv	DEMO-AM 0112-001 Tci Cablevision Of Texas	58.30	58.30
03100010	10/5/03	Pmt	Payment Check 1111 on Inv 03090002	-58.30	0.00
Pending	2/5/04	DR	A/R Debit Adjustment	58.30	58.30

At the bottom of the window are buttons for "Save Adjustment", "Help", and "Cancel".

Example A to show corrections on Adjustments Report continued on next page.

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

Error: Payment applied to wrong invoice (continued)

Example A (cont) to show corrections on Adjustments Report continued from previous page.

- **Step 2** - Post a CR-Credit adjustment to the invoice(s) that should have received the payment.

Enter Adjustment

Adjustment Date: Oct 05 2003
 Adjustment Type: DR + Debit Adjustment
 Adjustment Description: Reverse incorrect payment entry
 Adjustment Amount +/-: 100

Reference	Date	Type	Description	Amount	Balance
03090003	9/30/03	Inv	DEMO-FM 0112-002 Tci Cablevision Of Texas	220.00	220.00
03100009	10/5/03	CR	Credit for incorrect spot placement	-100.00	120.00
03100015	10/5/03	Pmt	Payment Check 3333 on Inv 03090003	-100.00	20.00
Pending	10/5/03	DR	A/R Debit Adjustment	100.00	120.00

Buttons: Save Adjustment, Help, Cancel

Example B to show payment corrections on Payments Report Assume same payment error as described in Example A on the previous page but you want to show the corrections on current month Payments Report.

- Post a negative payment in the current accounting period to reverse the original payment. This will be an exact duplicate of the original incorrect payment except all amounts are negative. After posting the negative payment as shown below, post the normal correct payment in the current accounting period.

Payment from: 0005 Apache Tractor & Implement / Dave And Dave Advertising

Payment Date: Feb 11 2004
 Payment Method: Check
 Check Number: Reverse 2222
 Payment Amount: (\$31.50)
 Unapplied Amount: \$0.00

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	Inv	03090012	DEMO-AM 0005-001 Apache Tractor & Implement	28.50	X	-31.50
1/28/04	Fin	04010004.04	DEMO-FM Finance Charge 12/30/03-1/28/04 Avg Balance 60	0.89		

Buttons: Print Receipt, Adjust Item, Create PrePayment, Save Payment, Help, Cancel

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: Payment applied to invoice but should have been prepayment on another account

There are 2 ways to transfer the payment off the invoice and onto a prepayment on the correct account depending on the outcome you desire:

- **Correcting transactions appear on current month Adjustments Report [preferred method].** In this case you must create 1 or more prepayment credits for \$0 for the correct customer. Then post a DR-Debit adjustment to the wrong invoice for +\$100. Then post CR-Credit adjustment to the new \$0 Prepayment(s) for -\$100.
- **Correcting transactions appear on current month Payments Report as offsetting positive and negative amounts.** This might be desired if the changes affect an Account Rep's sales commissions if they are based on payments received. In this case you enter a negative payment in the current accounting month to cancel the original incorrect payment and then enter the correct payment in the current accounting month.

Example C to show corrections on Adjustments Report Assume you posted a \$100 payment to an invoice and you discover [after the period in which it was posted is closed] that it should have been posted as a prepayment on another account. It doesn't matter if the wrong invoice belonged to a different customer or not, in either instance the correction is done as shown below.

- **Step 1** - Create 1 or more prepayment credits for 0\$ for the correct customer.

The screenshot shows a window titled "Payment from: 0112 Abx Cablevision Of Texas, Inc. / C.C.X. & Y". The window contains a form with the following fields:

- Payment Date: Feb 11 2004
- Payment Method: Check
- Check Number: 3333 Correction
- Payment Amount: \$0.00
- Unapplied Amount: \$0.00

Below the form is a table with the following data:

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	Inv	03090003	DEMO-FM 0112-002 Tci Cablevision Of Texas, Inc.	220.00		
2/11/04		Prepaid	DEMO-AM / C Cash Spots / Prepaid Credit for Any Order for this	0.00	X	0.00

At the bottom of the window, there is a checkbox labeled "Include Paid Items in List" and several buttons: Print Receipt, Adjust Item, Create PrePayment (highlighted), Save Payment, Help, and Cancel.

Example C to show corrections on Adjustments Report continued on next page.

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: Payment applied to invoice should have been prepayment (cont)

Example C to show corrections on Adjustments Report continued from previous page.

- **Step 2** - Post a DR-Debit adjustment to the wrong invoice for +\$100

Enter an Adjustment for A/R Item 03090003

Enter Adjustment

Adjustment Date: Feb 10 2004
 Adjustment Type: DR + Debit Adjustment
 Adjustment Description: Reverse incorrect payment
 Adjustment Amount +/-: 100.00

Reference	Date	Type	Description	Amount	Balance
03090003	9/30/03	Inv	DEMO-FM 0112-002 Tci Cablevision Of Texas.	220.00	220.00
03090146	9/30/03	Pmt	Payment Check 3333 on Inv 03090003	-100.00	120.00
Pending	2/10/04	DR	A/R Debit Adjustment	100.00	220.00

Save Adjustment Help Cancel

- **Step 3** - Post CR-Credit adjustment to the new \$0 Prepayment(s) for -\$100.

Enter an Adjustment for A/R Item 03100021.2

Enter Adjustment

Adjustment Date: Feb 10 2004
 Adjustment Type: CR - Credit Adjustment
 Adjustment Description: Payment correction Chk 3333
 Adjustment Amount +/-: -100.00

Reference	Date	Type	Description	Amount	Balance
03100021.2	10/5/03	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	0.00	0.00
Pending	2/10/04	CR	Payment correction Chk 3333	-100.00	-100.00

Save Adjustment Help Cancel

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: Payment applied to invoice should have been prepayment(cont)

Example D to show corrections on Payments Report Assume same payment error as described in Example C on the previous page but you want to show the corrections on current month Payments Report.

- Post a negative payment in the current accounting period to reverse the original payment. This will be an exact duplicate of the original incorrect payment except all amounts are negative. **After posting the negative payment as shown below, create a normal correct prepayment in the current accounting period as described in section 8.06.**

Payment from: 0112 Abx Cablevision Of Texas, Inc. / C.C.X.& Y

Payment Date: Feb 11 2004
Payment Method: Check
Check Number: 3333 Reverse
Payment Amount: (\$100.00)
Unapplied Amount: \$0.00

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	Inv	03090003	DEMO-FM 0112-002 Tci Cablevision Of Texas, Inc.	120.00	X	-100.00

Include Paid Items in List

Print Receipt Adjust Item Create PrePayment Save Payment Help Cancel

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: PrePayment posted on wrong account

Correcting this error can become very complex if the prepayment has already been applied to 1 or more invoices. If the prepayment has already been applied to incorrect invoice(s) you will first need to reverse the application of the prepayment to the invoice(s) so that the prepayment is back at its original value. See [Error: Prepayment credit applied to an incorrect invoice](#) in section 8.08.01 of this manual. Then follow the directions below to correct the prepayment itself.

- **Correcting transactions appear on current month Adjustments Report [preferred method].** In this case you must create 1 or more prepayment credits for \$0 for the correct customer. Then post a DR-Debit adjustment to the wrong invoice for +\$100. Then post CR-Credit adjustment to the new \$0 Prepayment(s) for -\$100.
- **Correcting transactions appear on current month Payments Report as offsetting positive and negative amounts.** This might be desired if the changes affect an Account Rep's sales commissions if they are based on payments received. In this case you enter a negative payment in the current accounting month to cancel the original incorrect payment and then enter the correct payment in the current accounting month.

Example E to show corrections on Adjustments Report. Assume you posted a \$100 prepayment credit on an account and you discover [after the period in which it was posted is closed] that it should have been posted as a prepayment on another account. In this example assume none of the prepayment has yet applied itself to invoices on the incorrect account. If it has already applied itself, first reverse the application of prepayment as shown in [Error: Prepayment credit applied to an incorrect invoice](#) in section 8.08.01 of this manual. Then follow the directions below to correct the prepayment itself.

- ❑ **Step 1** - Create 1 or more prepayment credits for 0\$ for the correct customer.

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	Inv	03090003	DEMO-FM 0112-002 Tci Cablevision Of Texas, Inc.	220.00		
2/11/04	Prepaid		DEMO-AM / C Cash Spots / Prepaid Credit for Any Order for this	0.00	X	0.00

Example E to show corrections on Adjustments Report continued on next page.

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: PrePayment posted on wrong account (continued)

Example E to show corrections on Adjustments Report continued from previous page.

- Step 2 - Post a DR-Debit adjustment to the wrong prepayment for +\$100. This zeroes it out.

Enter an Adjustment for A/R Item 03090145.3

Enter Adjustment

Adjustment Date: Feb 06 2004 Adjustment Type: DR + Debit Adjustment Adjustment Description: A/R Debit Adjustment Adjustment Amount +/-: 100.00

Reference	Date	Type	Description	Amount	Balance
03090145.3	9/5/03	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	-100.00	-100.00
Pending	2/6/04	DR	A/R Debit Adjustment	100.00	0.00

Save Adjustment Help Cancel

- Step 3 - Post CR-Credit adjustment to the new \$0 Prepayment(s) for -\$100 to hold the credit for future use.

Enter an Adjustment for A/R Item 04020004.2

Enter Adjustment

Adjustment Date: Feb 06 2004 Adjustment Type: CR - Credit Adjustment Adjustment Description: Correct Prepayment Adjustment Amount +/-: -100.00

Reference	Date	Type	Description	Amount	Balance
04020004.2	2/6/04	Pre	DEMO-AM / C Cash Spots / Prepaid Credit for	0.00	0.00
Pending	2/6/04	CR	A/R Credit Adjustment	-100.00	-100.00

Save Adjustment Help Cancel

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Example F to show corrections on Payments Report Assume same prepayment error as described in Example E on the previous page but you want to show the corrections on current month Payments Report.

- **Step 1** - Post a negative payment in the current accounting period to reverse the original prepayment. This will be an exact duplicate of the original incorrect payment except all amounts are negative. **After posting the negative payment as shown below, create a normal correct prepayment in the current accounting period as described in section 8.06.**

Date	Type	Invoice ID	Description	Due	Pay	Applied
9/30/03	Inv	03090003	DEMO-FM 0112-002 Tci Cablevision Of Texas, Inc.	120.00	X	-100.00

Example F to show corrections on Payments Report continued on next page.

8.08.02 Correcting Payment Errors AFTER End-Month Closing (cont)

To correct Accounts Receivable errors before the End-of-Month Closing see section 8.08

Error: PrePayment posted on wrong account (continued)

Example F to show corrections on Payments Report continued from previous page.

- **Step 2** - Offset the 2 prepayments on the incorrect account [1 positive and 1 negative] against each other to zero both out. On the A/R payments/adjustments, highlight the incorrect customer account and click **[Apply Prepayment]**.

Apply Prepayment Credit

Select Prepayment Credit to be applied

Prepayments for: 0112 - Abx Cablevision Of Texas, Inc. / C.C.X.&Y Show Credit Balances

Date	Prepayment Reference	Description	Unapplied Amount
10/5/03	03100020.2	DEMO-AM / C-Cash Spots / DEMO-AM / C Cash Spots / Prepaid Crec	-100.00

Auto-Apply Unapplied Amount 0.00

Select Item(s) to which Prepayment Credit is to be applied

UnPaid Items for 0112 - Abx Cablevision Of Texas, Inc. / C.I Show Debit Balances

Date	Invoice ID	Description	Due	Pay	Applied Amount
2/6/04	04020008.2	DEMO-AM / C Cash Spots / Prepaid Credit for Any Order fi	100.00	×	100.00

Transaction Date Feb 06 2004 Total Amount Applied 100.00

Save Credit Help Cancel

8.09 Accounts Receivable End-of-Month Closing Process

While we highly recommend performing this process monthly, this process is optional.

End-of-Month Closing Defined

This closes an Accounts Receivable month in NL. After a month is closed, NL prohibits entering any Accounts Receivable transactions dated before the last closing date. This serves to protect any month-closing Accounts Receivable reconciliation for that month you have submitted to your accountant from being changed after you submit the reconciliation.

- ❑ You can still post payments to invoices issued before that closing date, the payment transaction itself must have a date after the closing date.
- ❑ You can still post adjustments to invoices issued before that closing date, the adjusting transaction itself must have a date after the closing date.
- ❑ You can still reissue corrected invoices for invoices issued before that closing date, the corrected / reissued invoice will be dated after the closing date.

The closing process is described on the next page.

Reasons you Should Close Your Books Monthly:

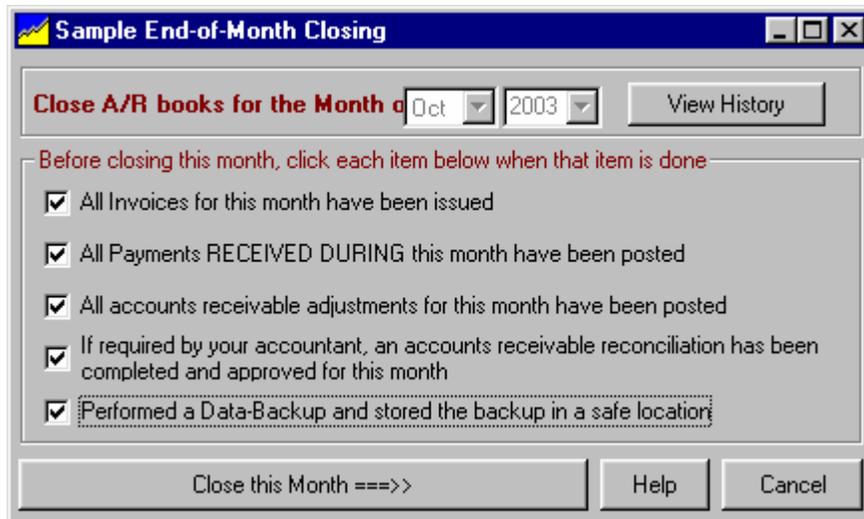
- ❑ If you choose not to perform this process at the end of each month, any NL user could go back and enter a new transaction or change or delete any transaction in the past. This can change your previous Accounts Receivable reconciliation and therefore throw your current month out-of-balance.
- ❑ Not running this process also invites misconduct by your employees. One example could be issuing an invoice, collecting the cash, and then deleting the invoice and pocketing the cash. Once the month is closed, deletions are not allowed and even if the user credits off the invoice balance, at least there is an audit trail and, if require user-login is selected in NL setup, a record of who made the credit entry is saved.
- ❑ When this process is performed each month, NL will print a closing confirmation to verify that the closing process has been done and the date and time closing was performed. We recommend accountants collect these confirmation sheets along with the end-of-month accounts receivable reconciliation paperwork to verify that the closing was actually performed.

Continued on next page.

8.09 Accounts Receivable End-of-Month Closing Process (cont)

End-of-Month Closing Process

From the main NL menu click [**Accounts-Receivable**][**End-of-Month Closing**]. The first time you close a month NL will allow you to specify the month. Thereafter it will automatically close the next month.



Before NL will allow you to proceed you must click to verify you have performed the following tasks **prior to closing**.

- All invoices for this month have been issued.
- All payments RECEIVED DURING this month have been posted.
- All accounts receivable adjustments for this month have been posted.
- If required by your accountant, an accounts receivable reconciliation has been completed and approved for this month.
- Performed a data backup and stored it in a safe location.

Then click [**Close this Month ==>**]. NL will then close the month and print a closing confirmation (if a printer is available).