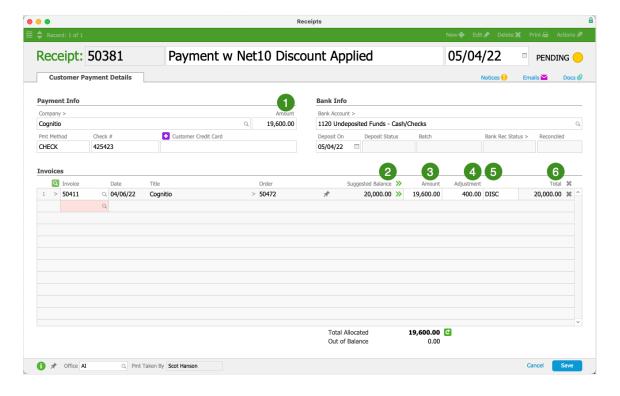
# Using the Adjustment Column in Receipts

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

Adjustments on a receipt record can be used to account for early payments and other discount-given scenarios. The Adjustment Code column allows you to drive the discount to the applicable GL account. (Note: Your system administrator <u>manages the adjustment codes</u> (<a href="http://aace5.knowledgeowl.com/help/adjustment-codes-preferences">http://aace5.knowledgeowl.com/help/adjustment-codes-preferences</a>).)

As an example, suppose you had an outstanding invoice for \$20,000.00, with terms of Net 10 2%. The customer opts to take advantage of the early payment discount, sending a check for the discounted amount of \$19,600.00. Your A/R rep would create a new customer payment in aACE similar to the following screenshot:



#### **Payment Info Section**

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

#### **Invoices Section**

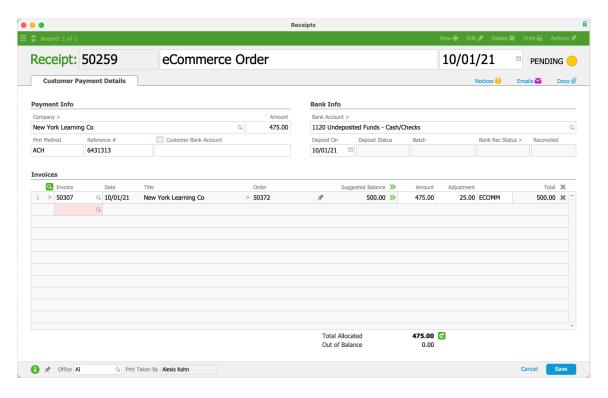
- 2. Suggested Balance The amount due on the initial invoice
- 3. Amount The amount you are receiving towards the invoice's balance
- 4. Adjustment The amount you are discounting from the invoice's balance

- 5. Adjustment Code A dropdown menu to specify the reason for each adjustment Note: This field becomes active *after* you enter an amount in the Adjustment field.

  System administrators can <u>add other adjustment codes</u> (https://aace5.knowledgeowl.com/help/adjustment-codes-preferences) to this value list.
- 6. Total The total value you are applying to the invoice's balance (amount + adjustment)

### **Additional Examples**

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



## Accounting Impact of Adjusting a Receipt

When you post an adjusted receipt:

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

