

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 [manages the adjustment codes](http://aace5.knowledgeowl.com/help/adjustment-codes-preferences) (<http://aace5.knowledgeowl.com/help/adjustment-codes-preferences>).)

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:

The screenshot displays the 'Receipts' form in aACE. The form is titled 'Receipt: 50381' and 'Payment w Net10 Discount Applied' dated '05/04/22' with a status of 'PENDING'. The 'Customer Payment Details' section is active. The 'Payment Info' section shows 'Company > Cognitio' and 'Amount 19,600.00'. The 'Bank Info' section shows 'Bank Account > 1120 Undeposited Funds - Cash/Checks'. The 'Invoices' section contains a table with the following data:

Invoice	Date	Title	Order	Suggested Balance	Amount	Adjustment	Total
1 > 50411	04/06/22	Cognitio	> 50472	20,000.00	19,600.00	400.00 DISC	20,000.00

At the bottom of the form, 'Total Allocated' is 19,600.00 and 'Out of Balance' is 0.00. The footer shows 'Office: AI' and 'Pmt Taken By: Scot Hanson'.

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 [add other adjustment codes](https://aace5.knowledgeowl.com/help/adjustment-codes-preferences) (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:

Receipts

Record: 1 of 1

New Edit Delete Print Actions

Receipt: 50259 **eCommerce Order** **10/01/21** **PENDING**

Customer Payment Details Notices Emails Docs

Payment Info

Company > New York Learning Co Amount: 475.00

Pmt Method: ACH Reference #: 6431313 Customer Bank Account

Bank Info

Bank Account > 1120 Undeposited Funds - Cash/Checks

Deposit On: 10/01/21 Deposit Status: Batch: Bank Rec Status > Reconciled

Invoices

Invoice	Date	Title	Order	Suggested Balance	Amount	Adjustment	Total
1 > 50307	10/01/21	New York Learning Co	> 50372	500.00	475.00	25.00 ECOMM	500.00

Total Allocated: **475.00** Out of Balance: 0.00

Office: AI Pmt Taken By: Alexis Kohn Cancel Save

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.

