

# Processing Refunds for Customer Payments

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This guide explains how to process a refund from the Disbursements or the Invoices module. It is intended for general users.

You can issue refunds to customers for most transactions from either the Disbursements module or the Invoices module. This workflow is typically used when you cut a check to refund the customer. Before you process the refund, you must [void the paid invoices](#) (<https://aace5.knowledgeowl.com/help/working-with-invoices#VoidingAnInvoice>) to create negative balances on the invoices. (If a *credit card* was used for the payment and if credit card integration is enabled for your system, then the refund should be handled by [processing a refund for a customer credit card payments](#) (<http://aace5.knowledgeowl.com/help/voiding-and-processing-partial-refunds-for-receipts>.)

Be sure to follow your company's policies for returns and refunds.

Note: If the [refund is for a vendor purchase](#) (<https://aace5.knowledgeowl.com/help/processing-refunds-for-vendor-purchases>), the process requires different steps.

## Refund from the Disbursements Module

1. Navigate from Main Menu > Accts Payable > Disbursements.
2. In the menu bar, click New > Refund.

The screenshot shows the 'Disbursements' window with the following details:

- Record:** 6 of 6
- Disbursement ID:** 50047
- Title:** BSC ORD50008 Cancellation Refund
- Date:** 10/22/19
- Status:** PENDING

**Refund Details**

**General Info**

- Company: Brightside Charter School
- Amount: 29,668.50
- Bank Account: 1115 Cash Checking (AI)
- Bank Rec Status: Reconciled

**Payment Info**

- Payee: Brightside Charter School, 8767 Cherry Blossom Road, Sacramento, CA 94203
- Payment Method: CHECK
- Check #: 64841
- Check Status: [Empty]
- Memo: BSC ORD50008 Cancellation Refund

**Invoices**

Invoice	Date	Title	Order	Balance	Amount	Adjustment	Total
1 > 50009	06/19/19	Brightside Charter School	> 50008	0.00	29,668.50	0.00	29,668.50

**Summary:** Total Allocated: 29,668.50; Out of Balance: 0.00

3. Fill out the disbursement fields:

- Company – Select the payee.
- Amount – Enter the refund total. (Note: This amount should equal the total allocated to the invoices listed.)
- Bank Account – Select the account you wish to draw from.
- Payment Info fields – Verify that the Payee information is accurate. For your records, you can type in more specific payment methods (e.g. Square, etc), then enter the Check/Reference # and Memo.
- Invoices Amount column – Locate the invoice(s) related to the refund and click the Transfer ( >> ) icon or manually enter the total you wish to allocate for each invoice. Note: To update the allocation totals, click the Refresh ( ↻ ) button.

4. Click **Save and Post**.

## Refund from the Invoices Module

1. Navigate from **Main Menu > Accts Receivable > Invoices**.
2. Use the [Quick Search](http://aace5.knowledgeowl.com/help/using-the-quick-search-bar) bar to locate the desired invoice.
3. From the detail view, click the **Refunds** tab, then click the **Plus (+)** icon.

The screenshot shows the 'Invoice: 50009 Brightside Charter School 06/19/2019' detail view. The 'Refunds' tab is active, and a table for adding new disbursement records is visible. The table has columns for Disbursement, Date, Memo, and Amount. A green circle highlights the '+' icon in the Disbursement column. Another green circle highlights the 'Refunds' tab. The invoice items table below shows five items with their respective quantities and prices.

Line	Item Code	Description	Order	Quantity	Unit Price	Unit Adj	Total	Tax Profile
1	TB-LIT102	The Complete Works of Shakespeare	50008	99	99.75	0.00	9,875.25	DEF
2	TB-Lit104	Shakespeare's Comedies	50008	89	61.75	0.00	5,495.75	DEF
3	TB-Lit106	Shakespeare's Tragedies	50008	90	61.75	0.00	5,557.50	DEF
4	TB-Lit120	Complete Poems of Gerard Manley	50008	85	47.50	0.00	4,037.50	DEF
5	TB-Lit130	Beowulf - A New Translation and	50008	99	47.50	0.00	4,702.50	DEF

Subtotal	29,668.50
Adjustment	0.00
<b>Total</b>	<b>29,668.50</b>
Shipping	0.00
Tax	0.00
<b>Grand Total</b>	<b>29,668.50</b>
Balance	0.00 0%

4. At the new disbursement record, fill out the disbursement fields (as described above).
5. Click **Save and Post**.

Note: If adjustments to the related invoice are necessary, you must make those adjustments

manually. Read more about [invoice management](http://ace5.knowledgeowl.com/help/invoice-management) (<http://ace5.knowledgeowl.com/help/invoice-management>).

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