

## How Do You Record a Customer's NSF check - Accrual Accounting

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### **How Do You Record a Customer's NSF check - Accrual Accounting**

**If a customer's check comes back from the bank with insufficient funds, follow this procedure to put the open invoice(s) back on their account and reduce your Cash in Bank general ledger account.**

Note: This procedure will only work if the invoice was paid in full. If the invoice(s) are still open, then adjust these in cash receipts to the Cash in Bank general ledger account.

1. In Hand-Billed Invoices (use Shift-F9 for help in finding this option) add the invoice(s). Only complete the following fields: Customer number, Invoice number, Invoice amount and Invoice date. DO NOT complete the sales, freight and sales tax fields.
2. In the first Additional G/L field, put your Cash in Bank general ledger account number. (If using PPAI standard chart of accounts, this is G/L # 100). In the amount field, enter the amount from the Invoice amount field above.
3. Continue this process until you have entered all invoices that were paid on this customer's check.

**Note:** This procedure can also be used for putting open invoices back that were accidentally paid in full during cash receipts.