

# Accounts Receivable Payment Error Correction - Wrong Amount

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Process Document

08/21/2017

# Overview

## Background

- The previous release (KFS 4.1), to correct an applied payment, on the Application (APP) document, there was an “error correction” button; and on the Cash Control (CTRL) document, there was a “correction” button.
- From KFS 4.1:

The image displays two screenshots of the KFS system interface. The top screenshot is for a 'Cash Control' document (Doc Nbr: 2051899, Status: ENROUTE, Initiator: sukhyun, Created: 04:16 PM 02/21/2017). It features a list of sections: Document Overview, General Info, Deposit Reference Info, Cash Control Details, General Ledger Pending Entries, Notes and Attachments (0), and Route Log. Each section has a 'show' button. At the bottom, there is a 'correction' button highlighted with a red box, along with 'send ad hoc request', 'reload', and 'close' buttons. The bottom screenshot is for an 'Application' document (Doc Nbr: 2052119, Status: PROCESSED, Initiator: artilus, Created: 12:00 PM 03/20/2017). It features a list of sections: Document Overview, Control Information, Summary of Applied Funds, Quick Apply to Invoice, Apply to Invoice Detail, Non-AR, Unapplied, General Ledger Pending Entries, Notes and Attachments (0), Ad Hoc Recipients, and Route Log. Each section has a 'show' button. At the bottom, there is an 'error correction' button highlighted with a red box, along with 'send ad hoc request' and 'close' buttons. Both screenshots include a red warning box at the top: 'Backdoor id artilus is in use'.

- This would enable the AR Processor to reverse the payment to the wrong amount, reinstating the invoice (INV) and then allowing the application of the payment to the correct amount.
- In the current release (KFS6), these options are not available. These procedures have been established to process payment corrections.

## Getting Started

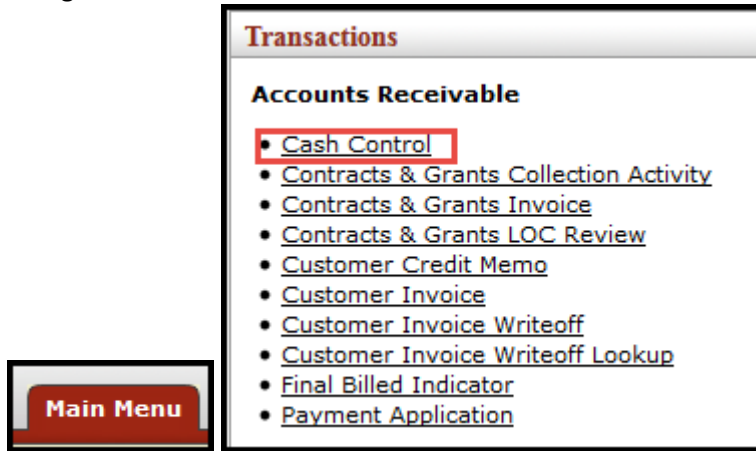
- If you post a payment in the wrong amount, in order to correct this, your options will depend on if the amount that was applied is less (A) or more (B) than the payment received:
  - A. If the amount that you applied is less than the payment, process another CTRL and generated APP for the balance. This will “apply” the correct payment amount to the INV. This will result in the correct outstanding receivable and cash balances.
  - B. If the amount that you applied is more than the payment, you should close out the invoice (if there is an outstanding balance) and create a duplicate invoice to reinstate it and apply the correct payment. Then you would need to reverse the incorrect payment.
    1. If there is an outstanding balance on the INV that the wrong amount was applied, process a Credit Memo (CRM) for the balance of the INV. This will fully payoff the INV. This step is not necessary if the overpayment fully paid the invoice.
    2. Copy a new INV eDoc for the original INV that the payment was applied to. This will reinstate the INV (new).
    3. Process a CTRL and generated APP for the correct amount. This will bring the new INV to the correct outstanding balance.

4. Process a negative Advance Deposit (AD) to reverse the original wrong amount CTRL. This will reverse the cash and related revenue for the wrong amount CTRL and generated APP.

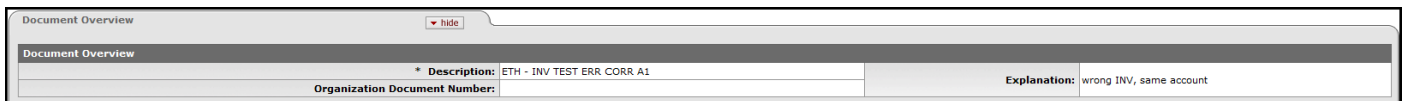
- If there was a previous payment applied to the INV, please contact General Accounting or KFS Help Desk for assistance.
- Be sure to have the INV eDoc number as well as the eDoc number for the CTRL and APP to facilitate processing of the correction documents.
- Note: These procedures highlight key data values and/or steps for this type of correction. Refer to the Process Documents in the References section for general instructions on processing customer invoices, payments and credit memos.

# Step A: Create a Cash Control for the balance of the payment

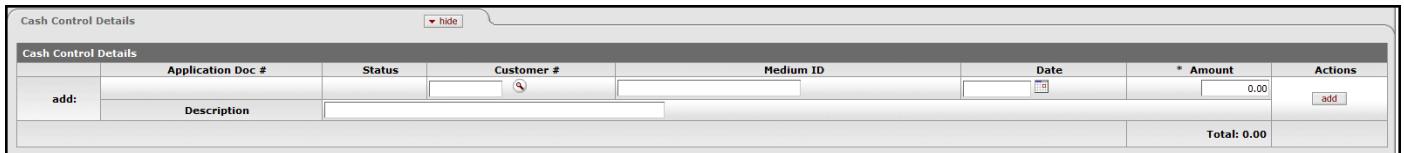
Navigation: Main Menu tab → Transactions → Accounts Receivable → Cash Control



- Document Overview tab.



- Cash Control Details tab

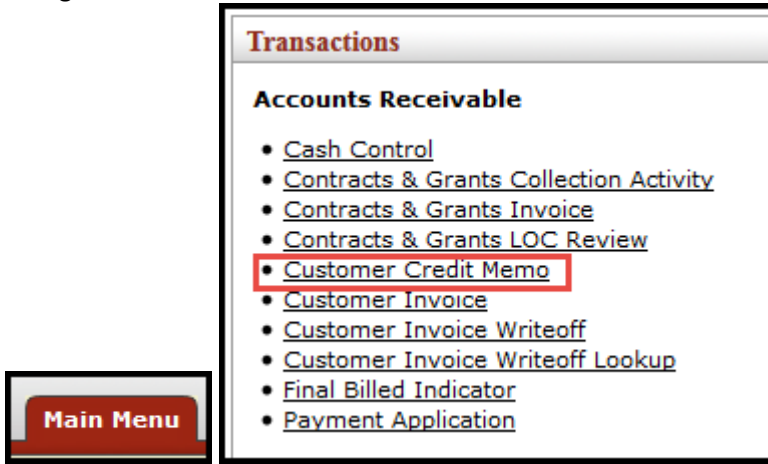


- Enter the Customer # or select search icon, Deposit Date or use the calendar option, Amount (balance of the payment), Description, and select the 'add' button.
- Click the 'save' button.
- The APP eDoc should be generated and the APP eDoc # should be populated.
- In the “Cash Control Details” tab on the CTRL eDoc, click on the APP eDoc number, this will open the APP eDoc.
- Process the balance of the payment on the generated APP eDoc.
- In the Notes and Attachments, attach supporting documentation and add the APP eDoc number as a note.
- After completing the APP, select submit.
- The CTRL should then be submitted, GLPE generated, and finalized.
- Email notification should be sent to Shelby Ozaki (shelbyn@hawaii.edu), Treasury Office, explaining the reason for the second CTRL, referencing both CTRL eDoc numbers.

# Step B1: Create a Customer Credit Memo

Note: This step is only required if the INV has an outstanding balance.

Navigation: Main Menu tab → Transactions → Accounts Receivable → Customer Credit Memo



- The system returns Customer Credit Memo Initiation.

The screenshot shows the 'Customer Credit Memo Initiation' form. It has a 'hide' button and a 'Credit Memo Initiation' header. Below the header is an 'Invoice Reference Number' field. At the bottom, there are three buttons: 'continue', 'clear', and 'close'.

- Enter in the correct INV eDoc Number and click on the 'continue' button.
- The Customer Credit Memo eDoc is generated.

The screenshot shows the 'Customer Credit Memo' eDoc overview page. It includes a header with 'Doc Nbr: 2211393', 'Status: FINAL', 'Initiator: ayuzrqa', and 'Created: 09:34 AM 07/20/2017'. Below the header is a list of sections: Document Overview, General, Items, General Ledger Pending Entries, Notes and Attachments (0), Ad Hoc Recipients, and Route Log. Each section has a 'show' button. At the bottom, there are buttons for 'generate print file', 'send ad hoc request', and 'close'.

- Enter in the Explanation field, a brief description of why you are creating this CRM.
- General tab

The screenshot shows the 'General' tab of the Customer Credit Memo eDoc. It contains the following information:

|                           |            |
|---------------------------|------------|
| Invoice Reference Number: | 1952381    |
| Customer Number:          | 4681       |
| Customer Name:            | TEST       |
| Billing Date:             | 02/03/2017 |
| Invoice Outstanding Days: | 41         |

- The information will be pulled from the INV when the CRM eDoc loads.
- Items tab

The screenshot shows the 'Items' tab of the Customer Credit Memo eDoc. It contains a table with the following data:

| Quantity           | Item Code | UOM | Description | Unit Price | Amount | Total Amount | Open Invoice Quantity | Open Invoice Amount |
|--------------------|-----------|-----|-------------|------------|--------|--------------|-----------------------|---------------------|
| 1                  |           | EA  |             | 1          | 1.00   | 1.00         | 0.0000000000          | 0.00                |
| 1                  |           |     |             |            | 1.00   | 1.00         |                       |                     |
| Credit Memo Total: |           |     |             |            | 1.00   | 1.00         |                       |                     |

- The INV Items information will be pulled from the INV when the CRM eDoc loads.

- Enter the Amount to be credited (i.e., the INV balance outstanding from the wrong payment amount).
- In the Notes and Attachments, attach supporting documentation and add the APP document number as a note.
- Click the 'recalculate' button.
- Submit the CRM.
- The CRM is for “Internal Use Only.” You can print a copy for your files, but nothing needs to be sent to the Customer.

## Step B2: Create (copy) a Customer Invoice

Navigation: Main Menu tab → doc search



- The system returns Document Search.

- Enter in the Customer Invoice (INV) eDoc number that the wrong payment amount was applied and click on the 'search' button.
- Open the INV eDoc from the returned search results. At the bottom of the INV, select the 'copy' button to generate a new INV. This new INV will be used to reinstate the INV which the wrong payment amount was applied.

- The Customer Invoice eDoc is generated.

- Note: The new INV Doc number indicated in the red box and the number of the “Copied from Document Id,” in the blue box, is the original INV that had the wrong payment amount applied.

- Document Overview tab

- Enter a brief description of why you are creating this new INV in the Explanation field.

- Organization tab

- Information should be the same as original INV. Confirm or correct the information as needed.

- General tab

| Customer Information                        |                                    |
|---|------------------------------------|
| * Customer Number:                          | 4581                               |
| Customer Purchase Order Number:             | Customer Purchase Order Date: TEST |
| Detail Information                          |                                    |
| Billing Date:                               | 02/06/2017                         |
| * Due Date:                                 | 03/08/2017                         |
| Terms:                                      | Open Invoice Indicator: Yes        |
| Statement Information                       |                                    |
| Header Text:                                | Attention Line Text:               |
| Print Invoice Indicator: Send to USER Queue | Print Date:                        |
| Invoice Type and Reason Code                |                                    |
| * Invoice Type:                             | S                                  |
| * Reason Code:                              | NO                                 |

- Most of the General and Billing/Shipping tabs should be the same, please confirm or correct as needed. If there were any updates to the Customer profile, the new INV will reflect these changes.
- Note: The Billing and Due Dates will reflect the current date. We recommend adding a note to reference the original INV’s eDoc number, Billing Date, and Due Date.
- We recommend entering “For Internal Use Only, to correct INV #xxxxxxx, wrong payment amount” in the Header Text to clearly identify the new INV with the original INV.

- Accounting Lines tab

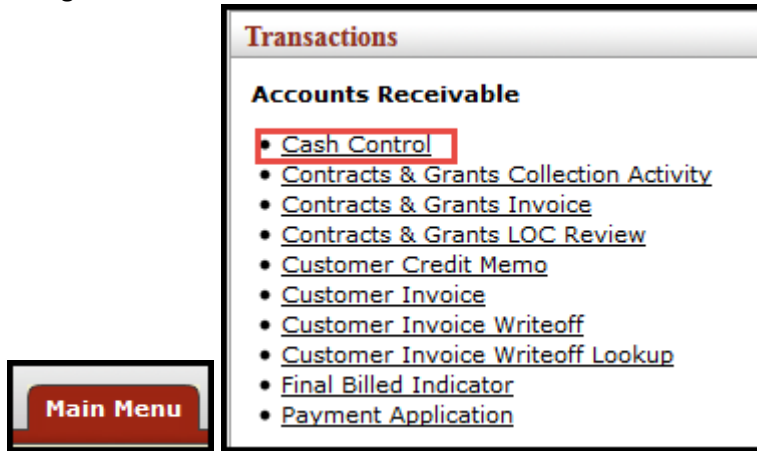
| Accounting Lines |                   |                         |                                 |                           |                                   |                           |            |             |         |
|------------------|-------------------|-------------------------|---------------------------------|---------------------------|-----------------------------------|---------------------------|------------|-------------|---------|
| Source           | * Chart           | * Account               | Sub-Account                     | * Object                  | Sub-Object                        | Project                   | Org Ref Id | * Amount    | Actions |
| SW               | Systemwide        | 2249542                 | INTERNET SUPPORT PROVIDER (ISP) | 0270                      | SPONSORED GRANTS/CONTRACTS REV    |                           |            | 1.00        |         |
| 1                | Invoice Item Code | * Invoice Item Quantity | Invoice Item Description        | Invoice Item Service Date | Invoice Item Unit Of Measure Code | * Invoice Item Unit Price |            |             |         |
|                  |                   | 1                       |                                 | 09/02/2016                | EA                                | 1                         |            |             |         |
|                  |                   |                         |                                 |                           |                                   |                           |            | Total: 1.00 |         |

- Information should be the same as original INV, confirm or correct as needed. Enter the amount of the original INV.
- In the Notes and Attachments, attach supporting documentation and add the APP document number as a note.
- The new INV (copied) is for “Internal Use Only.” You can print a copy for your files, but nothing needs to be sent to the Customer.
- Go back to the original INV and make a note referencing the newly created INV. You may also want to attach a copy of the new INV to the original INV.
- We suggest that you confirm both INVs, to make sure they reflect the correct net outstanding or open balances for both INVs. The “Open Balance” is shown on the top right corner of the INV or the “Unpaid/Unapplied Amount” is shown in the Customer History Report. You can also confirm the GL entries in the General Ledger Entry Inquiry.

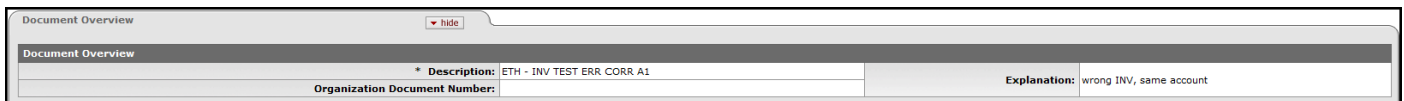


# Step B3: Create a Cash Control and generated Application for the correct amount

Navigation: Main Menu tab → Transactions → Accounts Receivable → Cash Control

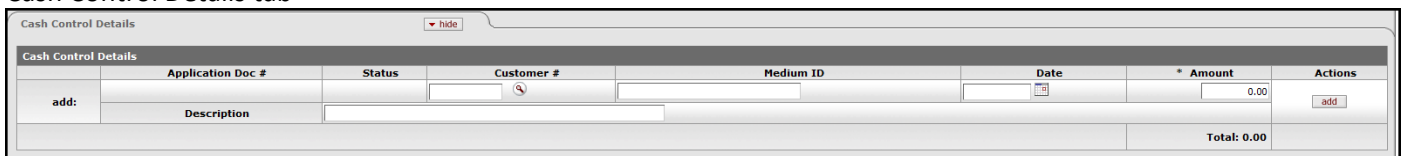


- Document Overview tab.



In the Notes and Attachments, attach supporting documentation and add the APP document number as a note.

- Cash Control Details tab



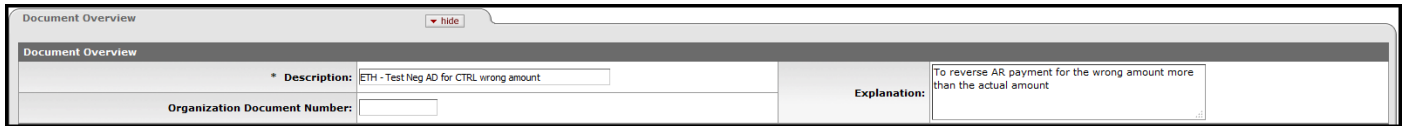
- Enter the Customer # or select search icon, Deposit Date or use the calendar option, Amount (correct payment amount), Description, and select the 'add' button.
- Click the 'save' button.
- The APP eDoc should be generated and the APP eDoc number should be populated.
- In the “Cash Control Details” tab on the CTRL eDoc, Click on the APP eDoc number, this will open the APP eDoc.
- Process the correct payment amount on the generated APP eDoc.
- In the Notes and Attachments, attach supporting documentation and add the APP eDoc number as a note.
- After completing the APP, select submit.
- The CTRL should then be submitted, GLPE generated, and finalized.

# Step B4: Create a negative Advance Deposit to reverse the wrong amount Cash Control

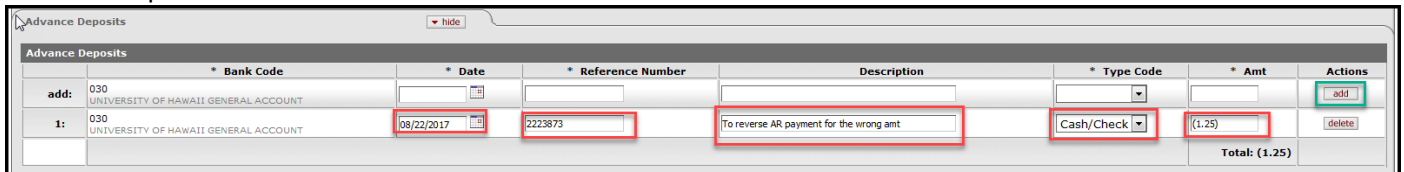
Navigation: Main Menu tab → Transactions → Financial Processing → Advance Deposit



- Document Overview tab.

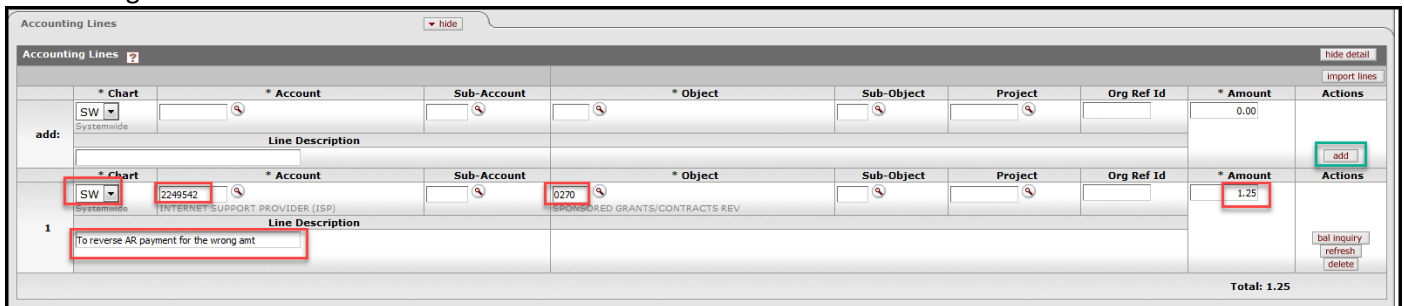


- Advance Deposit tab.



- Form the original CTRL, enter the Date, CTRL eDoc number, Description, select Type Code, Amount (over applied payment amount), and select the 'add' button.

- Accounting Lines tab



- Form the original INV, enter the Chart, Account number, and Object code. Enter the negative Amount (wrong payment amount), the Line Description, and select the 'add' button.
- Click the 'save' button.
- In the Notes and Attachments, attach supporting documentation and add the CTRL and INV eDoc number as a note.

- After completing the AD, select submit.
- The AD would then be routed for approval.
- Email notification should be sent to Shelby Ozaki (shelbyn@hawaii.edu), Treasury Office, explaining the reason for the negative AD, referencing the CTRL and AD eDoc numbers.

## Reference

For more information regarding the University's procedure for processing Accounts Receivable documents, please refer to the following Process Documents on the FMO website in the Financial Systems | Policies and Guidelines |, Accounts Receivable section:

Processing an AR Payment:

[http://www.fmo.hawaii.edu/financial\\_systems/docs/Process\\_Document-AR\\_Payment.pdf](http://www.fmo.hawaii.edu/financial_systems/docs/Process_Document-AR_Payment.pdf)

Processing a Customer Credit Memo:

[http://www.fmo.hawaii.edu/financial\\_systems/docs/Process\\_Document-Customer\\_Credit\\_Memo.pdf](http://www.fmo.hawaii.edu/financial_systems/docs/Process_Document-Customer_Credit_Memo.pdf)

Maintaining Customer Invoices:

[http://www.fmo.hawaii.edu/financial\\_systems/docs/Process\\_Document-Customer\\_Invoice.pdf](http://www.fmo.hawaii.edu/financial_systems/docs/Process_Document-Customer_Invoice.pdf)

Recording Debit Entries and Processing Adjustment to Advance Deposit(AD) and Credit Card Receipt(CCR) eDocs:

[http://www.fmo.hawaii.edu/cash\\_handling/docs/Processing\\_changes\\_AD\\_and\\_CCR\\_documents.pdf](http://www.fmo.hawaii.edu/cash_handling/docs/Processing_changes_AD_and_CCR_documents.pdf)