

Accounts Receivable Payment Error Correction - Wrong Invoice

Process Document

05/04/2017

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 4.1 interface. The top screenshot is for a 'Cash Control' document (Doc Nbr: 2051899, Status: ENROUTE, 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. A red box highlights the 'correction' button at the bottom. The bottom screenshot is for an 'Application' document (Doc Nbr: 2052119, Status: PROCESSED, 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. A red box highlights the 'error correction' button at the bottom. Both screenshots include a 'Backdoor Id artilus is in use' warning and 'expand all'/'collapse all' buttons.

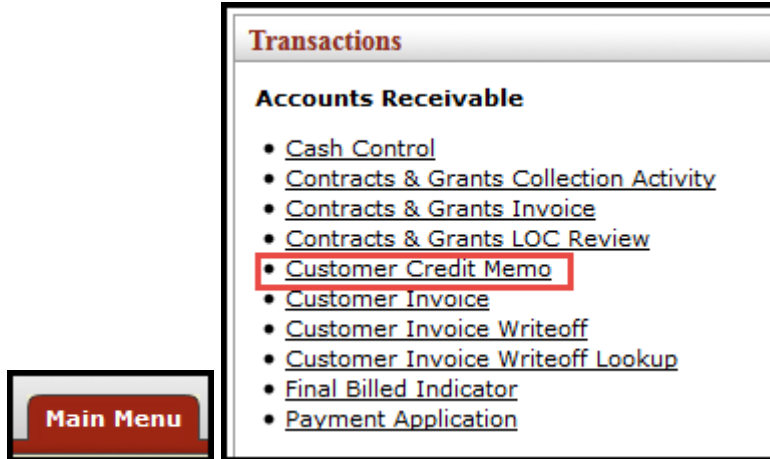
- This would enable the AR Processor to reverse the payment to the wrong Invoice (INV), reinstating the wrong INV and then allowing the application of the payment to the correct INV.
- In the current release (KFS6), these options are not available. These procedures have been established to process payment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

Getting Started

- If you post a payment to a wrong INV, in order to correct this, you will need to do these two steps:
 - Create a Customer Credit Memo (CRM) to the correct INV (INV#1). This will “apply” the payment to the correct INV.
 - Create (copy) new INV for wrong INV (INV#2) that the payment was applied to. This will reinstate the wrong INV (i.e., reverse the payment to the wrong INV). It is easier to copy the INV since the data items will carry over and there will be less data to enter.
 - If you applied the payment to an INV with a different account or object code, you will also need to process a General Error Correction (GEC) to move the cash from the account on the wrong INV to the right INV account.
- Be sure to have the INV eDoc numbers for both INVs 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 1: Create a Customer Credit Memo

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 'Credit Memo Initiation' header and an 'Invoice Reference Number:' field. At the bottom, there are 'continue', 'clear', and 'close' buttons.

- Enter in the correct INV (INV#1) eDoc Number and click on the 'continue' button.

The Customer Credit Memo eDoc is generated.

The screenshot shows the 'Customer Credit Memo' eDoc generation screen. It includes a header with 'Doc Nbr: 2211393', 'Status: FINAL', 'Initiator: alyssa', and 'Created: 09:34 AM 07/20/2017'. Below the header are several expandable sections: Document Overview, General, Items, General Ledger Pending Entries, Notes and Attachments (0), Ad Hoc Recipients, and Route Log. At the bottom, there are 'generate print file', 'send ad hoc request', and 'close' buttons.

- 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 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 CRM eDoc loads.

Items tab.

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		
Accounting Information								
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 reversed (i.e., the payment amount that was posted to the incorrect INV).
- 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 2: Create (copy) a Customer Invoice

Navigation: Main Menu tab → doc search



The system returns Document Search.

Document Search Backdoor Id hiyoto is in use detailed search | supervisor search | clear saved searches | Searches

* required field

Document Type:

Initiator:

Document Id: 1952380

Date Created From:

Date Created To:

Name this search (optional):

- Enter in the INV (INV#2) eDoc number that the payment was applied to in error and click on the 'search' button.
- Open the INV document 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 payment was incorrectly applied.

The Customer Invoice eDoc is generated.

Customer Invoice Doc Nbr: 2211372 | Status: FINAL | Copied from Document Id: 2211372

Initiator: tanakak | Created: 11:41 AM 07/19/2017

Invoice Total Amount: 202.00 | Open Amount: 0.00

* required field

Document Overview

Organization

Recurrence Details

General

Billing/Shipping

Accounting Lines

General Ledger Pending Entries

Notes and Attachments (1)

Ad Hoc Recipients

Route Log

- Note: The new INV eDoc 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 misapplied payment.

Customer Invoice Doc Nbr: 1952400 | Status: FINAL | Copied from Document Id: 1952380

Initiator: tina | Created: 12:01 PM 02/06/2017

Invoice Total Amount: 1.00 | Open Amount: 1.00

Document Overview tab.

Document Overview

Document Overview

* Description: ETH - INV TEST ERR CORR A1& NEW

Organization Document Number:

Explanation: wrong INV, same account, Create a new Invoice

Financial Document Detail

Total Amount: 1.00

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

Organization tab.

Organization

Organization

Processing Chart Code: SW - Systemwide

Processing Organization Code: VPIT

Organization Invoice Number:

* Billing Chart Code: SW - Systemwide

* Billing Organization Code: ASIT

- 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, misapplied payment" in the Header Text to clearly identify the new INV with the original INV.

Accounting Lines tab.

Accounting Lines									
Accounting Lines 2									
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 incorrectly applied payment.
- In the Notes and Attachments, attach supporting documentation and add the APP document number as a note.
- You will need to update the amount on the invoice for the incorrectly applied payment.
- 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 the 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.
- Note: Subsequent payment(s) may need to be applied to both INVs.
- If you applied the payment to an INV with a different account or object code, you will also need to process a General Error Correction (GEC) to move the cash from the account on the wrong INV to the right INV account.

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

Processing a Customer Credit Memo:

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

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