

Receivables Write-Off

- Introduction
- Process - Receivables Write-Off

Introduction

Writing off receivables is a financial process employed by businesses to manage unpaid invoices that are deemed uncollectible. This involves selecting specific invoices based on predetermined criteria and marking them as paid, effectively acknowledging the unlikelihood of recovering the outstanding amounts. As an alternative, businesses may choose to create payments to settle the invoices, providing flexibility in addressing outstanding receivables while maintaining accurate financial records. This financial maneuver helps organizations streamline their accounts and make informed decisions regarding outstanding debts.

Business process

A small manufacturing company has been facing challenges with collecting payments from a few of its long-standing clients. After careful assessment, the finance team decides to write off a set of overdue invoices that meet specific criteria, marking them as paid. This action helps the company streamline its accounts, acknowledging the likelihood of non-recovery. In an alternative approach, for select clients, the company opts to create adjusted payments, working collaboratively to settle outstanding amounts. This flexibility allows the company to balance its financial books effectively, making informed decisions on when to write off unrecoverable receivables and when to engage in negotiations for partial settlements.

Process - Receivables Write-Off

Home (34) Receivables Write-Off ✕

Write off open receivables
Write-off receivables causes the invoices selected by the criteria to be marked as paid and the open invoice amount to be written off. Alternatively you can create payments.

Business Partner

Business Partner Group

Invoice

Maximum write-off per Invoice 0.01

AP - AR Receivables only

Date Invoiced 17/01/2024 17/01/2024

Account Date 17/01/2024

☐ Create Payment

Bank Account

☒ Simulation

☐ Run as Job

Saved Parameters

OK Cancel

Business partner : User have to mention the Business partner in this field.

Business partner group: User have to mention Business partner group

Invoice : user have to mention the invoice no in this field.

maximum write -off per invoice : User have to mention in this field.

AP-AR : User have to select the account payable or account receivable

Data invoiced : user have to mention the from date and to date of invoice.

Account date: User have to mention the account date in this field.

create payment : clicking the checkbox will create a payment transaction while executing.

Bank account : user have to select the bank account

While the user click on the "ok" button system will generate the payment transaction based on the criteria mentioned above.