

When a customer payment is returned due to non-sufficient funds, your company may want to invoice the customer for bank charges incurred by your company as well as re-invoice the customer. This process will place the balance due from the customer back into your Accounts Receivable and also reduce the balance in your bank account. You will see this item when you process your bank reconciliation. The steps below describe how to process these types of transactions within Sedona Office.

**Setup**

You will need to create two new *Invoice Items* and an *Invoice Description* for NSF fees in Sedona Setup. Create the first *Invoice Item* labeled NSF with a description of Returned Check. In the account field select the General Ledger account associated with the cash account normally used for customer deposits. This will be the invoice item used to reduce the balance in your bank account for the amount of the NSF check and re-invoice the customer for the original invoice amount. Please refer to figure 1 below.

**Figure 1**

**Invoice Items List**

Item	Description	Type	GL Code	Category
NSF Check Fee	NSF Check Fee	NR	6361	
Re-Charge for NSF	Re-Charge for NSF	NR	6361	
Referral	Referral Credit	NR	5900	Monitoring
Service Labor	Service Labor	NR	4026	
Service Labor-KS	Service Call	NR	4026	Service
Test code	test code	NR	4031	Installation
WDM Registration	WDM Permit Registration Fee	NR	2260	Monitoring
Freight	Shipping & Handling	OC	6350	Admin
Installation Error-Sec	Installation Error-Security	OC	5300	Security
Installation Error-Shelvi	Installation Error-Shelving	OC	5300	Shelving
Installation Error-Stereo	Installation Error-Stereo/AC	OC	5300	Stereo
Installation Error-Vac	Installation Error-Vac	OC	5300	Vacuum
OC	OTHER CHARGE	OC	4001	CJ TESTING
Rebate	Customer Quarterly Rebate	OC	4035	Sales

Include Inactive

**Item Edit**

Inactive  
 Taxable


Item Type:  Non-Recurring  
 Account:    
 Category:   
 Item:   
 Description:   
 Job Costing:   
 Default Rate:

Buttons:

Create a second *Invoice Item* labeled Bank Charge. In the account field select an income account. This *Invoice Item* will be used to charge your customer for the bank fees your company has incurred from your bank. Please refer to figure 2 below.


**Figure 2**

**Invoice Items**

 **Invoice Items List**

Item	Description	Type	G/L Code	Category
Re-Charge for NSF	Re-Charge for NSF	NR	6361	
Referral	Referral Credit	NR	5900	Monitoring
Service Labor	Service Labor	NR	4026	
Service Labor-KS	Service Call	NR	4026	Service
Test code	test code	NR	4031	Installation
WDM Registration	WDM Permit Registration Fee	NR	2260	Monitoring
Freight	Shipping & Handling	OC	6350	Admin
Installation Error-Sec	Installation Error-Security	OC	5300	Security
Installation Error-Shelvi	Installation Error-Shelving	OC	5300	Shelving
Installation Error-Stereo	Installation Error-Stereo/IC	OC	5300	Stereo
Installation Error-Vac	Installation Error-Vac	OC	5300	Vacuum
OC	OTHER CHARGE	OC	4001	CJ TESTING
Rebate	Customer Quarterly Rebate	OC	4035	Sales
Repairs	Repairs	OC	4027	Retail
Alarm Net	Alarm Net	OC	4026	Monitoring

Include Inactive

 **Item Edit**

Inactive  
 Taxable

Item Type:  Non-Recurring  
 Account:  NSF Charges  
 Category:  Admin  
 Item:   
 Description:  Job Costing:   
 Default Rate:

Create an *Invoice Description* labeled NSF Fees in Sedona Setup. Please refer to figure 3 below.

**Figure 3**

**Invoice Description**

Invoice Description	Description	Inactive
Equipment sales	Equipment sales	N
Floor Sale	Floor Sale	N
Freight	S&H	N
Installation Complete	Installation Complete	N
Ironing Board	Ironing Board Center	N
Labor Charges	Labor Charges	N
Monitoring	Monitoring	N
Monthly Billing	Monthly Billing	N
NSF Fees	NSF Fees	N
PW Intercom	PW Intercom	N
Rebate	Quarterly Rebate	N
Restocking Fee	Restocking Fee	N
Retail	Retail Sale	N
Ri Security	Ri Security	N
Ri Stereo	Ri Stereo	N
Ri Vac	Ri Vac	N
Security	Security	N
Service	Service	N
Shelving	Shelving Installation	N
Trim Intercom	Trim Intercom	N
Trim Security	Trim Security	N
Trim Stereo	Trim Stereo	N
Trim Vacuum	Trim Vacuum	N

Include Inactive

**Invoice Description Edit**

Invoice Description:   Inactive

Description:

Apply New Delete

**Process**

1. Navigate to the customer record, highlight *Invoices* from the customer menu tree, right-click to create a new invoice.
2. Select the Invoice Item NSF. You may edit the description on this invoice line to include the check number that was returned. Enter the total amount of the check that was returned.
3. On line two of the invoice, select Invoice Item Bank Charge. Enter the amount of the bank fee you are charging to the customer.
4. Select the Invoice Description of Bank Fees.
5. In the Aging Date field you may enter the aging date of the original invoice to which the NSF payment was applied.
6. When finished, press OK to post the invoice.

**Figure 4**

Customer ID: 10608 | Category: Admin | A/R Account: 1100 | Tax Group: Polk, IA

**Invoice #265600**

Invoice Date: 2/22/2005 | Aging Date: 2/1/2005

Bill To: Fox, Patricia, 4835 74th, Urbandale, IA 50322 | Site: Fox, Patricia, 4835 74th, Urbandale, IA 50322

Warehouse: Main-Security | Salesperson: Yeutsy Matt | Invoice Type: Miscellaneous

Term: Net 10

Items: \$61.84 | Parts: \$0.00

Item	Description	Qty	Rate	Amount	Tax
NSF	Returned Check #9891	1.00	36.84	36.84	0.00
Bank Charge	Bank Charge	1.00	25.00	25.00	0.00

Description: NSF Fees

Contact: [Empty]

Memo: [Empty]

Sub Total: 61.84  
Tax: 0.00  
**Total: 61.84**  
**Balance Due: 61.84**

Add to Print Queue | << Previous | Next >> | OK | Cancel

Below is the general ledger transaction created by this invoice for the NSF charges.

**Figure 5**

The screenshot shows the 'Journal Entry' window with the following details:

- Register No.: 24958
- Register Type: INV
- Journal Information:
  - Branch: Des Moines
  - Date: 2/22/2005
  - Primary Account: 1100 (Accounts Receivable)
  - Reference: 265600
  - Show Job Costing:
- General Ledger Table:
 

Account	Description	Debit	Credit	Memo	Category
1100	Accounts Receivable	61.84		NSF Fees	
1010	Checking Account		36.84	NSF Fees	Admin
4420	NSF Charges		25.00	NSF Fees	Admin
<b>Total</b>		<b>\$ 61.84</b>	<b>\$ 61.84</b>		

Below is an illustration of how the item will appear on your Bank Reconciliation.

**Figure 6**

The screenshot shows the 'Reconcile Bank Account' window for account 1010. The 'Payments' list is as follows:

Date	Type	Check No.	Name	Amount
<input type="checkbox"/> 2/22/2005	INV	265600	Fox, Patricia	36.84
<input type="checkbox"/> 2/18/2005	BILLPMT		Freedom Tire & Auto C...	348.19
<input type="checkbox"/> 2/6/2004	BILLPMT	72009	Freedom Tire & Auto C...	1565.85
<input type="checkbox"/> 3/5/2004	BILLPMT	72305	Freedom Tire & Auto C...	1566.42
<input type="checkbox"/> 3/12/2004	BILLPMT	72429	Freedom Tire & Auto C...	63.39
<input type="checkbox"/> 3/26/2004	BILLPMT	72570	Freedom Tire & Auto C...	108.12
<input type="checkbox"/> 4/9/2004	BILLPMT	72755	Freedom Tire & Auto C...	2351.52
<input type="checkbox"/> 5/7/2004	BILLPMT	73092	Freedom Tire & Auto C...	294.94
<input type="checkbox"/> 2/9/2004	BILLPMT	71994	Freeman, John	400.00
<input type="checkbox"/> 2/20/2004	BILLPMT	72171	Freeman, John	50.23
<input type="checkbox"/> 3/3/2004	BILLPMT	72286	Freeman, John	400.00
<input type="checkbox"/> 3/19/2004	BILLPMT	72494	Freeman, John	62.95
<input type="checkbox"/> 3/26/2004	BILLPMT	72571	Freeman, John	98.50
<input type="checkbox"/> 5/3/2004	BILLPMT	73005	Freeman, John	400.00

The 'Deposits' list is also visible below:

Date	Type	Reg No.	Description	Amount
<input type="checkbox"/> 1/2/2005	DEP	23870		1000.00
<input type="checkbox"/> 2/14/2005	DEP	24610	Cash batch description	3000.00
<input type="checkbox"/> 2/15/2005	DEP	24621	ACH Deposit	50.00
<input type="checkbox"/> 2/15/2005	DEP	24624	VISA	1017.65
<input type="checkbox"/> 2/19/2005	DEP	24933	cash after cancellation	1000.00
<input type="checkbox"/> 2/22/2005	DEP	24952		100.00
<input type="checkbox"/> 2/22/2005	DEP	24955		35.00
<input type="checkbox"/> 1/29/2004	GENJRNL	6941		1575.00
<input type="checkbox"/> 1/31/2004	GENJRNL	6938		56.76
<input type="checkbox"/> 1/31/2004	GENJRNL	6939		4966.00

The 'Difference' is shown as (\$309,123.02).

If you have any questions regarding the content of this document, please contact us by emailing your questions or comments to [www.support@sedonaoffice.com](mailto:www.support@sedonaoffice.com) , or you may contact the Sedona Office Helpdesk at (734) 414-0760.