

## Cancel Accounts Receivable

### Current Year

Invoice transactions created during the **current year** may be voided, if it is determined that payment will not be received. Prepare a Memo to explain why the Invoice was voided. Sign and date the document. Your CES should also sign and date the document.

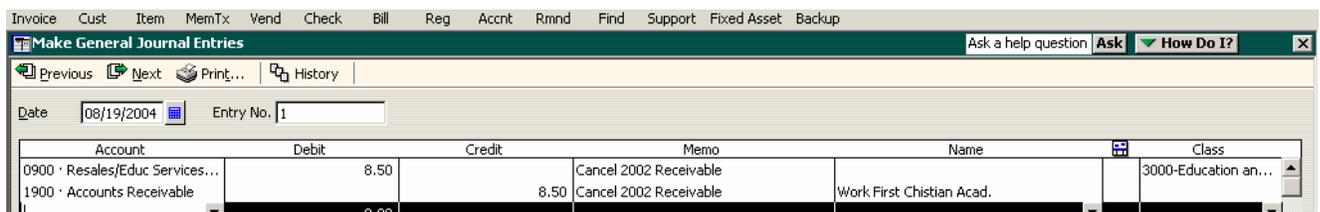
- Open the Invoice Transaction.
- Select **File** (top left corner of screen), **Void Invoice**. Amount will change to Zero.
- Click Save and Close

### Prior Year

Invoice transactions created in a prior year cannot be voided. If it is determined that payment will not be received, then create a General Journal entry to **reverse the Invoice transaction**. See sample Journal transaction below. Prepare a Memo to explain why the Journal entry was created. Sign and date the document. Your CES should also sign and date the document.

- Go to **Company** (menu bar), **Make General Journal Entries**
- Enter today's **date** or the desired current-year date
- Enter an **entry number** if first journal entry. Subsequently, QuickBooks automatically will assign future entry numbers.
- On the first line, under Account, select the **Income account** that was used in the original Invoice transaction.
- Enter the amount in the **Debit** column
- Describe what you are doing in the **Memo** column.
- Skip the Name column.
- Enter the **Class code** that was used in the original Invoice transaction.
- On the second line, under Account, select **1900-Accounts Receivable**.
- Enter the amount in the **Credit** column
- Describe what you are doing in the **Memo** column.
- Select the **Customer name** in the Name column that was used in the original transaction.
- The class code should be blank !
- Click Save and Close.

Open the Account Receivable Register (Lists, Chart of Accounts, double-click 1900-Accounts Receivable). The General Journal entry should have reversed the original Invoice transaction.



Account	Debit	Credit	Memo	Name	Class
0900 · Resales/Educ Services...	8.50		Cancel 2002 Receivable		3000-Education an...
1900 · Accounts Receivable		8.50	Cancel 2002 Receivable	Work First Chistian Acad.	
	0.00				