

Accounts Receivable Ledger

The Accounts Receivable Ledger, also sometimes known as the Sales Ledger or Trade Debtors Ledger, is where the accounting aspects of the relationship with customers comes together and can be referred to.

Each customer, once set up, will have a **Customer Account** in which all transactions from invoices, credit notes, receipts to other miscellaneous items can be seen. Any balance should represent the true amount of money owed to you by your customer; exceptionally it could represent an amount you need to repay to your customer.

Where to find a Customers Account?

A customer Account is found under the **ACCOUNTS** menu

ACCOUNTS → **CURRENT ASSET ACCOUNTS** → **ACCOUNTS RECEIVABLE** → [View](#) the relevant **Customer from the list.**

The screen will display the details of all transactions that have impacted and the balance on that Customer Account between the selected dates.

Date	Reference	Name	Amt Charged	Amt Paid	Balance
Type	Account	Memo			
06/01/2006			£0.00	£1,000.00	-£1,000.00
EDIT DEL	Misc Deposit	Current Account			
31/01/2006	02006001	Joyful Cards Ltd	£2,937.50	£0.00	£1,937.50
EDIT DEL	Invoice	Sales - Other Fee Income			

What appears in the Customers Account?

Essentially any transaction recorded as between the Customer and your entity will be shown in the Customer Account.

Transactions are entered in the usual way as described in the user guides.

Cash Transactions

- ◆ Sales Invoices See **Creating sales Invoices** user guide
- ◆ Sales Credit Notes See **Creating Credit Notes** user guide
- ◆ Receipts of payments See **Receiving Payments** user guide
- ◆ Miscellaneous Deposits See **Miscellaneous Deposits** user guide
- ◆ Payments
 - Cheques See **Writing Cheques** user guide
 - Debit/Credit Cards See **Using Debit / Credit cards** user guides
 - Electronic payments See **Electronic Payments** user guide

Non Cash Transactions

- ◆ Journal Entries See **Using Journal Entry** user guide

In simple terms you can use these transactions to manage the accounting relationship with your customer.

In the context of a Customer Account in the Accounts Receivable ledger, payments and journal entries are unusual transactions and care is required in their handling and understanding the implications. If you are in doubt please consult your accountant or advisor.

Note that a journal entry transaction is not available to be consumed in the receiving payments screen, unlike all the other cash type transactions mentioned above. See **Receiving Payments** user guide.

It is good practice to regularly review the balances on Customer Accounts to ensure that the figures do represent the actual situation of what is owed to you (or you owe) and will be collectable from your customer.

To help you do this you can both look at the situation on the screen, as described above, or print out a hard copy report as described below.

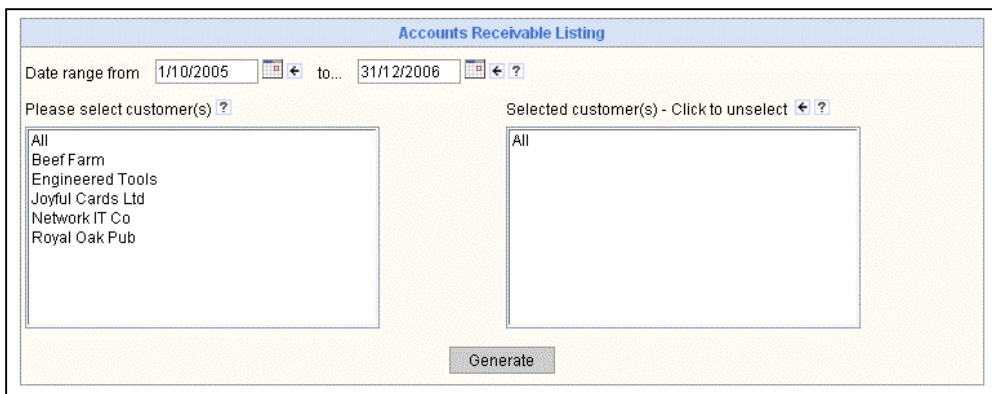
Note: It is not considered good practice to post an transaction directly to the Accounts Receivable Control Account (The Parent account of all the Customer accounts) so in any transaction screen where an account can be selected the control account will not be visible only the Customer Accounts.

Getting a Customer Account Transactions Report

A report showing all transactions, including the non cash journal entry is available under the **REPORTS** menu.

REPORTS → ACCOUNTS RECEIVABLE → AR LISTING

Enter the date range required and select the Customer or Customers required



The screenshot shows a web application interface titled "Accounts Receivable Listing". At the top, there is a header bar with the title. Below the header, there are two date input fields: "Date range from" with the value "1/10/2005" and "to..." with the value "31/12/2006". Below the date fields, there are two selection boxes. The left box is labeled "Please select customer(s) ?" and contains a list of customer names: "All", "Beef Farm", "Engineered Tools", "Joyful Cards Ltd", "Network IT Co", and "Royal Oak Pub". The right box is labeled "Selected customer(s) - Click to unselect" and contains the word "All". At the bottom center of the form, there is a "Generate" button.

A report in Adobe pdf format is prepared which may be printed at a local printer, saved locally or even emailed.

Consulting Company Ltd Accounts Receivable Listing October 1, 2005 through December 31, 2006								
Date	Reference	Type	Account	Memo	Charge	Receipt	Balance	
Beef Farm								
04/01/2006		Misc Deposit	Current Account		0.00	1,410.00	(1,410.00)	
04/01/2006	00000001	Invoice	Sales - Consulting		117.50	0.00	(1,292.50)	
01/02/2006	00000002	Invoice	Sales - Consulting		117.50	0.00	(1,175.00)	
01/03/2006	00000003	Invoice	Sales - Consulting		117.50	0.00	(1,057.50)	
01/03/2006	100123	Cheque	Current Account		1,057.50	0.00	0.00	
Engineered Tools								
14/12/2005	200527	Invoice	Suspense	Customer Opening Balance	998.75	0.00	998.75	
Joyful Cards Ltd								
09/12/2005	200519	Invoice	Suspense	Customer Opening Balance	1,762.50	0.00	1,762.50	
22/12/2005	C200503	Credit Note	Suspense	Customer Opening Balance	(587.50)	0.00	1,175.00	
Network IT Co								
29/01/2006	00000004	Invoice	Sales - Consulting		1,598.00	0.00	1,598.00	
03/02/2006	00000005	Credit Note	Sales - Consulting		(499.38)	0.00	1,098.62	
Royal Oak Pub								
13/01/2006	00000006	Invoice	Sales - Consulting		1,997.50	0.00	1,997.50	
29/01/2006	00000007	Credit Note	Sales - Consulting		(499.38)	0.00	1,498.12	
13/02/2006		Receipt	Current Account	Receive Payment	0.00	1,498.12	0.00	

An example from the Receive payments screen

ACTIVITIES → RECEIVE PAYMENTS → **SELECT** CUSTOMER

Use	Date	Document	Reference	Credit Amount	Amount Unused	Amount To Use	Hide ?
<input checked="" type="checkbox"/>	04/01/2006	Misc Deposit		£500.00	£500.00	500.00	<input type="checkbox"/>
<input checked="" type="checkbox"/>	27/01/2006	Credit Note	00000004	£305.50	£305.50	305.50	<input type="checkbox"/>
<input checked="" type="checkbox"/>	14/02/2006	Cheque	100501	-£500.00	-£500.00	-500.00	<input type="checkbox"/>

Receive	Due Date	Invoice #	Invoice Amount	Amount Due	Amount Received	Write-off ?
<input checked="" type="checkbox"/>	19/02/2006	00000001	£1,222.00	£1,222.00	1222.00	<input type="checkbox"/>
<input type="checkbox"/>	09/03/2006	00000002	£611.00	£611.00	0.00	<input type="checkbox"/>
<input type="checkbox"/>	18/03/2006	00000003	£1,833.00	£1,833.00	0.00	<input type="checkbox"/>

In the example above, an amount of £916.50 has been received. This is applied to invoice No 1 and the credit note No 4. Also a miscellaneous deposit of £500.00 has been repaid with a cheque, and is matched in the same process.

Hiding Unapplied Items

There are occasionally situations where unapplied items (Credit Notes or Miscellaneous Payments) will display on the Receive Payments screen but there are no (and unlikely to be in the future) sales invoices to match the items against. This could be the situation where a relationship with a customer is ended and what remains is an issued credit note that is paid to the customer as cash payment. The Receive payments screen will show both the credit note and the miscellaneous payment. The balance on the customer account and the aged debtor situation is correct, the receive payments screen, however, will continue to display the transactions indefinitely. To remove them from the screen (not removing the transactions) tick the **HIDE** box adjacent to each transaction, as shown in the example. Click **SUBMIT** and the transactions will be hidden.

Received Date 12/08/2011	Customer Total 0.00
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Unapplied Items

Date	Document	Reference	Credit Amount	Amount Unused	Hide ?
01/08/2011	Credit Note	00000042	720.00	720.00	<input checked="" type="checkbox"/>
12/08/2011	Online Payment		-720.00	-720.00	<input checked="" type="checkbox"/>

Note the value of transactions hidden must be zero, in effect equal and opposite. The system will prevent the hiding of non-zero sums.

Hidden transactions are identified on the AR listings with the date of hiding and on the customer account transaction listing with a **H** symbol. Clicking on this symbol will unhide the transaction so that it reappears on the receive payments screen.

From 01/07/2011	To 12/08/2011	<input type="button" value="Go"/>
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Accounts Receivable Customer 11						
Date	Reference	Name	Amt Charged	Amt Paid	Balance	
Type	Account	Memo			Balance B/F: 0.00	
12/07/2011	00000040	Customer 11	3,600.00	0.00	3,600.00	
View	Invoice	Sales Analysis 1				
01/08/2011	00000042	Customer 11	(720.00)	0.00	2,880.00	
View	Credit Note	Sales Analysis 1				H
12/08/2011	00000041	Customer 11	1,500.00	0.00	4,380.00	
View	Invoice	UK Sales				
12/08/2011		Customer 11	720.00	0.00	5,100.00	
View	Online Payment	LTT Current				H
12/08/2011		Customer 11	0.00	5,100.00	0.00	
Void Del	Receipt	LTT Current				Receive Payment