THE EDGE®

Bad Debt Management

It is an unfortunate reality that sometimes customers do not pay their bills. This document is intended to provide some guidance in making sure your Edge records are accurate with regard to bad debt, cost of recovery, and ending balances. QuickBooks has its own bad debt management functions, so this document only applies to functions within The Edge. After you have made reasonable efforts to collect money owed to a house account, here are a handful of suggestions for marking the debt "bad" and allowing you to move on.

If you turn house account debt over to a collection agency:

1. Go to customer record and open the **Balances** tab.
2. Locate the House Account and select it.
3. Select **Adjust Balance** and adjust the balance to 0.
4. Create a new customer for the collection agency.
5. Using Adjust Balance in that record, enter the agreed-upon amount.
6. When payment arrives, use **Make Payment** at POS to apply the payment to the collection agency record.

If you handle house account bad debt without a collection agency:

1. Go to customer record and open the **Balances** tab.
2. Locate the House Account and select it.
3. Select **Adjust Balance**.
4. Adjust the balance to 0.

For more about balance adjustments, see the section in The Edge User Guide entitled Editing Customer Records.

To write off bad checks made at POS:

1. Create a negative check payment in the amount of the bad check (to negate the bad payment).
2. Use Adjust Balance (to add the amount owed to the customer's house account).
3. To record a bad check fee, use Misc Charge from POS.

To write off bad checks made to house accounts:

1. Use Adjust Balance to charge the amount of the bad payment back to the customer's house account.
2. To record a bad check fee, use Misc Charge from POS.

To write off bad debt from other types accounts:

- For layaways, at POS, return the item and create a credit on a house account for any amount paid. Physically return the item to stock.
- For repairs and other service job, use the **Return/Adjust** function at POS to zero out the amount due. See the section in The Edge User Guide entitled Adjust a Repair.

In any case, be sure to enter a pop-up in the customer record indicating that they owe money and that, at the very least, no further credit should be extended.