

## Article # 1125

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### Technical Note: How to Void Posted AP Finance Charges

**Difficulty Level:** Beginner Level AccountMate User

**Version(s) Affected:** AccountMate 7 for SQL, Express and LAN  
AccountMate 6.5 for SQL, MSDE and LAN

**Module(s) Affected:** Accounts Payable

**Posting Date:** 01/06/2010

### DESCRIPTION

Finance charges are additional fees imposed by your vendors for your payables that remain outstanding after their payment due dates. When you receive notification from your vendors concerning the finance charges they applied to your past due AP invoices, you post these finance charges in AccountMate through the Post Finance Charge function in the Accounts Payable module. There may be instances, however, when you recorded the finance charge for the wrong invoice or vendor, posted a finance charge more than once against the same AP invoice or vendor account for the same period, posted an erroneous finance charge amount, and/or entered an incorrect charge date. When these occur, you need to void the finance charge you posted.

This Technical Note aims to discuss the steps in voiding an AP finance charge, explain the related journal entries, and show screenshots of the affected reports.

### SOLUTION

#### A. Procedures in voiding AP finance charges

To void an AP finance charge, perform the following procedures:

1. Access the **Post Finance Charge** function.
2. Enter the applicable vendor number in the **Vendor #** field.
3. Highlight the applicable AP invoice number in the grid.
4. Enter in the Apply Chrg Amt field a negative amount that is equivalent to the finance charge that you wish to void. See Figure 1.

**Post Finance Charge**

Save Void Copy Clear Close

Vendor #  Company

Address

City

State  Zip

Invoice #	Date	Age	Balance	Apply Chrg Amt	Chrg Date	Last Chrg Amt	Last Date
1012531	04/01/09	30	2,040.00	-40.00	05/31/09	40.00	05/31/09
INV-58421	01/08/09	143	2,850.45	0.00	05/31/09	0.00	//

Currency  PO #  Invoice Amt

Terms  Reference  Finance Charge

Disc Date  Description  Paid Check Amt

Due Date  Bank #  Committed Adj

Sugg Disc  Committed Disc

**Figure 1 - Post Finance Charge function window**

- 5. Accept or amend, if appropriate, the default date in the **Chrg Date** field.
- 6. Click the **Save** button in the **Transactions** toolbar to save your entries.

**B. Journal Entries**

When you posted the AP finance charge, the system generated the following entries:

	DEBIT	CREDIT
Finance Charge Expense	XXX	
Trade Payables		XXX

Once you void the AP finance charge, the system will automatically reverse the above entries. The resulting accounting entries are as follows:

	DEBIT	CREDIT
Trade Payables	XXX	
Finance Charge Expense		XXX

**Note:** The Finance Charge Expense GL Account ID comes from the **Interest Expense** field in the **GL Accounts** tab of the **AP Module Setup** function. The Trade Payables GL Account ID comes from the **Accounts Payable** field in the **GL Accounts** tab of the vendor record.

## C. Related Reports

If you need to verify the transactions that the system generates and the GL account balances that are affected when you void AP finance charges, review the following reports:

### 1. AP Transfer to GL Report

The **GL Transfer Report** shows the journal entries that reverse the original journal entries that were generated when you posted the finance charge.

Date	GL Account ID	Account Description	Vendor #	Company	Invoice #	Inv Ref Check#	Inv Description/Pay To	Transfer Amt
<b>Posting Period:</b> May 09 (05/01/09 to 05/31/09)								
05/31/09	210200-000-00	Trade Payables	DEC94	Delta Centurion, Inc.	1012531			-40.00
05/31/09	210200-000-00	Trade Payables	DEC94	Delta Centurion, Inc.	1012531			40.00
05/31/09	910100-100-00	Finance Charge Expense	DEC94	Delta Centurion, Inc.	1012531			40.00
05/31/09	910100-100-00	Finance Charge Expense	DEC94	Delta Centurion, Inc.	1012531			-40.00
<b>Total for May 09 :</b>								<b>0.00</b>
<b>Total For This Report :</b>								<b>0.00</b>
<i>Map 09: 4 Record(s)</i>								
<b>CRITERIA</b>								
Detail Report Sorted by Transaction Date								
Specific Option(s):								
1.) Ignore Summary Settings								
Filter(s):								
Transaction Date: 05/31/09								

Figure 2 - Sample AP Transfer to GL Report

### 2. Finance Charge Report

The **Finance Charge Report** shows both the posted and the voided finance charge amounts.

<u>Invoice #</u>	<u>Inv Date</u>	<u>Reference</u>	<u>Chrg Date</u>	<u>Chrg Amt</u>
<b>Vendor #:</b> DEC94 (Delta Centurion, Inc.)				
1012531	04/01/09		05/31/09	40.00
1012531	04/01/09		05/31/09	-40.00
<i>DEC94: 2 Record(s)</i>			<b>Total for DEC94 :</b>	<b>0.00</b>
<i>Report: 2 Record(s)</i>			<b>Total For This Report :</b>	<b>0.00</b>

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CRITERIA

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Detail Report Sorted by Vendor #

Filter(s):  
Vendor #: "DEC94 "  
Entry Date: 05/31/09

**Figure 3 - Sample Finance Charge Report**

**3. Vendor Ledger Report**

The **Vendor Ledger Report** shows all the transactions that affect the vendor balance including both the posted and voided AP finance charges.

<u>Invoice #</u>	<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Trs Amount</u>	<u>Amount</u>
<b>Vendor #:</b>	DEC94	(Delta Centurion, Inc.)			
	05/30/09		Beginning Balance	0.00	4,850.45
1012531	05/31/09		Finance Charge	40.00	40.00
1012531	05/31/09		Finance Charge	-40.00	-40.00
<i>DEC94: 3 Record(s)</i>				<b>Total for DEC94 : \$</b>	<b>4,850.45</b>
<i>Report: 3 Record(s)</i>				<b>Total For This Report : \$</b>	<b>4,850.45</b>

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**CRITERIA**

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Detail Report Sorted by Vendor # + Invoice #

Specific Option(s):

- 1.) Invoice and Payment Transactions
- 2.) Include Voided Invoices
- 3.) Include Voided Payments

**Figure 4 - Sample Vendor Ledger Report**

This Technical Note provides a simple and straight-forward procedure for voiding a finance charge that you erroneously applied to an AP invoice. This document also presented the AccountMate reports that you can use to review the finance charge transactions and their effects on the balances in your GL Account IDs.

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