

## How to Write Off Bad Debt

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**Question:** How would you handle/remove a charge account amount for a person that never intends to pay that you want to write off as bad debt? **Answer:** To handle this, create a new payment option called Bad Debt (Write Off, etc) and assign it to its own GL (General Ledger) code. This makes it easier to find and tally by using the Cash Receipts by Payment Type report. This will retain all the invoice detail, while letting you keep your books straight. 1. Go to Setup, Standard Tables. Select the Income / Payment Types tab. 2. Change the selector to Payment Type. 3. Click on Add to enter the following to create the new entry: Cash, Account Description & GL Code 4. Click OK to save your entry. Now proceed to your first invoice (in History tab or use F5 Batch Payment to see all for each customer) and select the new entry in the drop list found in the Pay/Post or Batch Payment window. Edit Submitted By: Edgar Bautista on 3/2/17.

Posted by: [Tim McDonnell](#) - Fri, Aug 3, 2012 at 11:21 AM. This article has been viewed 13480 times.

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