Payment Processing Overview and Topics

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The Payment Processing menu option (from the Accounts Receivable menu) is primarily used to create manual payment batches from payment sources other than EFT transactions, and apply payments to customer accounts, accrued late fees, job advance deposits, unapplied cash or a miscellaneous G/L account.

Payments are processed in a batch mode; i.e. all payments in the batch are deposited to a bank account at one time. As payments are entered into the batch, the customer accounts receivable is immediately credited with the payment.

The Payment Processing Batches List displays manually created payment batches as well as batches created though the EFT Processing functionality.

To be able to use automated EFT processing, SedonaOffice customers must subscribe with our merchant bank partner, Forte.

Processing a payment is a four-step process:

- Create the Payment Batch
- Enter the payments into the batch
- Mark the batch as ready to deposit
- Depositing the payments into a bank account

All payments entered into a payment batch must be applied to a customer account. If you receive in payments that are non-customer related such as a refund or rebate check from a Vendor, these payments must be posted to a customer account. Most companies create an internal customer titled Cash Account to be used for this purpose. When payments are posted to the Cash Account customer, the User will typically apply the payment to a miscellaneous income account.

There are two types of payment batches:

- Regular payment batches
- Negative payment batches

Regular payment batches are used when entering customer payments like checks, cash etc.

Negative payment batches are used when you need to make corrections where a payment was applied to the incorrect customer account or applied to the incorrect invoice number. Instructions on how to create and use both payment batch types is covered in this section.

Since the SedonaOffice Accounts Receivable module employs the Open Item methodology, as customer payments are entered they are manually applied to invoices. If the customer for which a payment being entered does not have any unpaid invoices on their account, you must apply the payment to one or more of four options (typically unapplied cash). These payment application options are listed in the chart on the next page with a description of when and how the option is typically used.

Follow the topic links below for instructions and additional information related to Payment Processing.

- SedonaSetup

- User Group Security
- How to Create a Regular Payment Batch
- How to Create a Negative Payment Batch
- Deposit a Payment Batch
- Correcting Errors in a Payment Batch (not Deposited)
- Correcting Errors in a Payment Batch - Deposit Made
- How to Create a Negative Payment Batch
- Lockbox Processing