

How to Reverse a Customer Payment Due to NSF That Has Not Been Reconciled

Last Modified on 10/23/2026 2:16 pm EDT

When a customer's payment is returned due to NSF (Non-Sufficient Funds) and the applicable Bank Statement has **NOT** yet been reconciled, a Negative Payment Batch should be created to reverse the original payment.

Using a Negative Payment Batch preserves the history of both the original payment and the NSF reversal on the Customer Account. This provides a clear audit trail showing that the payment was originally received and later returned by the bank.

Do not delete the original payment. Deleting the payment removes the payment history from the Customer Account and does not provide a clear record of the returned payment

Creating a Negative Payment Batch allows you to:

- Reverse the original customer payment.
- Restore the balance to the Customer Account.
- Maintain a record of the original payment and NSF reversal.
- Provide a clear transaction history for future reference and reconciliation

If the check has been reconciled on your bank statement, you would not use the Negative Payment Batch process.

Please refer to Accounts Receivable < Payment Processing < How to Process a Customer Payment Due to NSF that Has Been Reconciled.

<https://sedonaoffice.knowledgeowl.com/help/how-to-process-a-customer-payment-due-to-nsf-that-has-been-reconciled>

Creating a Negative Payment Batch:

1. Under the Accounts Receivable Module select Payment Processing.
2. Select New to create the Negative Payment Batch.

Payment Processing Batches

View Options

☐ Show only batches that are tagged as ready to deposit

☒ Date Range From Date: 7/23/2026 Thru Date: 10/23/2026

☐ Show Deposited Batches

Ready	Date	Description	Qty	Tape Total	Entered Total	Balance	Deposit Date	Check 21	Created By	Created On	Funding Id
☐	10/20/2026	Payments	0	100.00	0.00	100.00	**Undeposited**	N	Jesslynn	10/20/2026 1:25:31 PM	
☐	10/19/2026	correction	0	57.00	0.00	57.00	**Undeposited**	N	J.Sturm	10/19/2026 11:56:49...	
☐	10/1/2026	190283_CC20261001	1	25.50	25.50	0.00	**Undeposited**	N		10/1/2026 12:05:01 AM	
☐	10/1/2026	210778_CC20261001	1	361.82	361.82	0.00	**Undeposited**	N		10/1/2026 12:05:00 AM	
☐	9/28/2026	210778_CC20260928	1	710.40	710.40	0.00	**Undeposited**	N	Administrator	9/28/2026 10:47:12 AM	
☐	9/18/2026	190283_CC20260918	1	3062.73	3062.73	0.00	**Undeposited**	N	AEB	9/18/2026 9:35:22 AM	
☐	9/15/2026	190283_CC20260915	2	57.00	57.00	0.00	**Undeposited**	N	J.Sturm	9/15/2026 7:19:13 PM	
☐	9/10/2026	190283_AMER20260910	1	500.00	500.00	0.00	**Undeposited**	N	AEB	9/10/2026 11:05:00 AM	
☐	9/10/2026	190283_CC20260910	6	36469.36	36469.36	0.00	**Undeposited**	N		9/10/2026 12:05:01 AM	

Total Entered: 41,186.81

View Deposits

Enter Payments

Deposit Edit **New** Close

3. When the New Batch form displays, enter the following information:

- **Batch Date:** Enter the date the negative payment is effective.
- **Description:** Enter description to identify the Negative Payment Batch.
- **Tape Total:** This amount will be entered as a Negative amount.

4. Once you click Save, "Reversal Payment Batch" will then be displayed in red at the bottom of the form.

Batch Information

Batch Information

Batch Date: 10/23/2026

Description: NSF Returned Check C#50194

Tape Total: (\$275.00)

Entered Amount: \$0.00

Remaining Amount: (\$275.00)

Check 21 Batch: ☐

Ready to Deposit: ☐

Bank Information

Bank Account:

Deposit Date:

Reconcile Date:

Reversal Payment Batch

Save Close

Entering the Negative Payment Batch:

1. On the Payment Processing Screen double-click on the Negative Payment Batch to begin reversing the payment.
2. Enter the Customer Number, the Negative Payment Amount and the original check number, ACH or EFT.
3. Enter a Memo referencing this is an NSF/Returned Check. This will show on the Check Reversal under Payments on the Customer Account.
4. Under Invoices – all paid or partially paid invoices will be listed. Locate the invoice that was originally paid and needs to be reversed and enter the Negative Payment Amount in the Payment field.
5. Click Save. This will bring you back to the Payment Processing Screen.

Enter Payments *** Reversal Payment Batch ***

Batch Type Amount: -275.00 Amount Entered: 275.00 Batch Balance: 0.00 Entry # 1 of 2

Branch: Alabama

Customer: 50194

Invoice #:

Address: Harrison Byrd
100 Weaver Way
Daphne, AL 36526

Memo: Returned Check #12345

Balance to Apply: 0.00

Amount: -275.00

Payment Method: Check

Check Number: 12345

Posting Date: 10/23/2026

Check Date:

Other Credits:

Invoices | Other |

Site Name	Invoice #	Date	Amount	Net Due	Payment	Purchase Order
Harrison Byrd	500314	3/12/2026	275.00	0.00	-275.00	
Harrison Byrd	499537	10/1/2025	475.00	69.52		

Total Due: \$13,141.34 Auto Clear

View Checks Scan Batch Save Close

Depositing the Negative Payment Batch:

1. On the Payment Processing Screen, click the Negative Payment Batch as Ready for Deposit.
2. A Pop-up message will appear asking if you want to change the status of the Negative Payment Batch, Click Yes.
3. Click the Deposit Button.
4. The Deposit Screen will open and continue through the process – enter the Deposit date, Branch, Bank account and Deposit description (optional) and then select the Deposit and Click Save.

Customer Account:

The payment will now show as reversed on the customer account under Payment History and the Memo referencing the Returned Check will be visible.

Harrison Byrd
Customer Information
Payment Options
Bill To
Harrison Byrd
Contacts
Aging
Invoices
Credit Memos
Recurring
Harrison Byrd - Secondary
Sites
(1) Harrison Byrd
(2) Harrison Byrd Beach House
Activity Ledger
Aging
Collections
Contacts
Credit Memos
Credit Auto
Deferred Income (Unposted)
Documents
EFT History
Inner Office Message
Invoices
Jobs
Journal Detail
Journal Summary
Notes
Payments
Prospects
Recurring
Recurring History
Refunds
Sedona Event Log
Service
Systems

Harrison Byrd - Secondary
2500 Wire Road
Daphne, AL 36526

Balance Due: \$13,691.34
Last Statement Date: 11/13/2025
Last Late Fee: \$1,380.00
* Service Hold *
Over 120
Total Active RMR :
Total Active RAR :
Customer Type: Residential
Customer Since: 5/21/2024
Salesperson: Amy Bartimus
Last Payment Rec'd: (\$275.00) (10/23/2026)
of Disp Last 30 Days: 0

Date	Method	Check #	Amount	Reference	Invoice Pmt	Credit/Misc	Memo	Has Image
10/23/2026	Check	12345	(\$275.00)	Inv # 500314	(\$275.00)		Returned Check #12345	N
10/22/2026	Check	102226	\$275.00	Inv # 500314	\$275.00			N
10/22/2026	Check	102226	(\$275.00)	Inv # 500022	(\$275.00)		Returned Check	N
3/12/2026	Check		\$10.00	Unapplied Cash	\$5.00			N
				Misc Income	\$5.00	810160 Late Fees Inc...		N
3/6/2026	Check		\$333.00	Unapplied Cash	\$333.00			N
2/13/2026	Check	2345	\$400.00	Inv # 500022	\$0.00			N
				Inv # 499118	\$275.00		LBOX: Harrison Byrd	N
				Inv # 500078	\$30.00		LBOX: Harrison Byrd	N
				Inv # 499315	\$25.00		LBOX: Harrison Byrd	N
				Inv # 499447	\$25.00		LBOX: Harrison Byrd	N
				Inv # 499587	\$16.13		LBOX: Harrison Byrd	N
				Inv # 499537	\$28.87		LBOX: Harrison Byrd	N
2/11/2026	Check		\$25.00	Inv # 500078	\$25.00			N
1/30/2026	Check		(\$25.00)	Misc Income	(\$25.00)	240120 Customer Ref...		N
1/30/2026	Check		\$25.00	Unapplied Cash	\$25.00			N
1/15/2026	Check		\$55.00	Unapplied Cash	\$55.00		This is the Payment Memo	N
1/9/2026	Check	2345	\$400.00	Inv # 500022	\$275.00		LBOX: Harrison Byrd	N
				Inv # 499118	\$125.00		LBOX: Harrison Byrd	N
11/7/2025	Check	2345	\$100.00	Inv # 499176	\$100.00		LBOX: Harrison Byrd	N
11/7/2025	Check	2345	\$100.00	Inv # 499176	\$0.00		LBOX: Harrison Byrd	N
				Inv # 499030	\$50.00		LBOX: Harrison Byrd	N
				Inv # 499118	\$50.00		LBOX: Harrison Byrd	N
8/6/2025	Check	123	\$222.00	Unapplied Cash	\$222.00			N
	Total		\$1,370.00					