



**Breakthrough Solutions, LLC**  
*Providing solutions to help your business succeed!*

## QuickBooks Tip

*Question from a Client: Just wondering what the best way to handle this situation would be?*

*We have a vendor who is enforcing a discount on their payments to us. So, if our invoice was \$372.18, they pay \$368.15, taking a \$3.53 discount.*

*In processing the payments, I'm just giving a discount of the amount to the invoice. Is this the best way?*

**Answer:** Do you mean a Customer is taking a discount? If you are you should enter the discount when you are Receiving Payment on the invoice. A box will show up in the lower left corner of your screen saying "Under payment of ????" Click one of the two options; leave as underpayment; or write off extra amount. Select the write off option.

✓	Date	Number	Orig. Amt.
✓	01/31/2011	2185	

### Example Customer Receipt of Payment

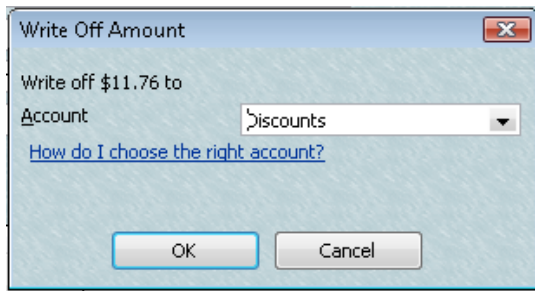
**Underpayment \$11.76. When you finish, do you want to:**

Leave this as an underpayment

Write off the extra amount

Example of underpayment shown in bottom left of your screen

Then click on Save & New or Save & Close. The following box will show on your screen:



Example of writing amount to Discounts

Fill in the cost of goods account number for Discounts. (If you don't have a cost of goods account called discounts you should create one.)

***\*Important Reminder:*** You don't want to change an invoice from a prior period because you want to track the history behind the transaction. Also, if the invoice you created was in a previous year, your tax return for that year won't match your records if you change the invoice.

This procedure keeps the discount in the period when the invoice was paid and keeps the invoice at its original amount.