CASH REFUNDS

Scenario: How to handle cash refunds when you do not have enough money in the cash drawer to give back to the customer. How do you avoid an inaccurate deposit?

Step 1: Bill out cash refund on computer.
Step 2: Write check to customer for the refund.
Step 3: Write this check number on the invoice you give to the customer.
Expense check to GL 10300.
Step 4: Put a copy of this invoice in the cash drawer.
Step 5: On the day end report, write a note showing the invoice number, check number and amount of the refund.
Step 6: Add the refund amount to the bank deposit total showing on the day end. Your deposit for the day should equal the total of these two figures.

By writing the accounts payable check and expensing to G\L #10300 you are correcting your bank account to show the correct bank deposit for that day.

*BE SURE YOU DATE AND EXPENSE YOUR CHECK THE SAME DATE AS THE CASH REFUND INVOICE WAS DATED.

Example:

Day End Shows:	Total Cash/Check Income:	$1,000.00
	Refund Inv#Oo1 (Check# 532)	+ 500.00
	Total Deposit To Bank	$1,500.00
	Check Written To Customer -	500.00
	Deposit Total Now Equals Day End Total	$1000.00

If you do not add the refunds back to your day end, then when you write the check to the customer it will look like you gave back $1,000.00 instead of $500.00. Because actually your deposit in the computer from the day end is correct, the computer does not know that you did not give cash back to the customer.

If you need additional info, email us at **support@southpoint.net** or call our office.