

Customer Overpayment Refund When Bank Payment to Customer Is Not Available

Problem: A refund to a customer can only be created from an unapplied customer payment (customer advance). If the original payment has already been fully allocated to invoices, no remaining customer advance exists, therefore the system does not allow creating a Bank Payment with Transaction Type = To Customer

Solution:

If the original payment can be modified (e.g. the accounting period is open)

- 1. An **Invoice** has been issued to the customer.

Invoice NNINV25-0000004 dated 12/1/2025 12:00:00 AM

Main

Approvals

Consolidated Analysis by Orders

History of Approval

History of Object Status Changes

Taken Decisions

Customer Order Processing

More actions.....

Post and close

Save

Post

Generate

Settings

More actions

Main

Inventory and Services (1)

Payment Terms

Additional Information

Company: Block Optic

Number: NNINV25-0000004

From: 12/1/2025 12:00:00 AM

Contract: # 3646N from 01.01.2017 (AED)

2030100_5030000

Transaction Type: Sale to Customer

Credit limits are not specified

Entity: Nel New Trading Limited

Emirate: Dubai

Basis:

Order:

Warehouse: Main Warehouse

Project:

AED - Basic Price - VAT Applied - Prices Include VAT

Comment:

Tax Invoice: Generate Tax Invoice

in work (changed 12/30/2025)

Discount: 0.00 %

VAT: 0.00 AED

0.00 AED

Total Due: 10,000.00 AED

Prepayment: 0.00 AED

Posted Administrator

- 2. The incoming payment from the customer is recorded in the system using a **Bank Receipt**.

Bank Receipt NNBR25-00000003 from 12/12/2025

Main

Reconciliation Statuses of Bank Documents

Balance of Employee Business Expenses

Statement of Mutual Settlements

Post and close

Save

Post

Generate

More actions

Main

Payment Details (3)

Bank Charges

Additional Information

Customer: Block Optic

Number: NNBR25-00000003

From: 12/12/2025 12:00:00 PM

Customer Bank Account:

Transaction Type: From Customer

Cash Flow Item: Payment from Customers (Sale of Goods, Works)

Entity: Nel New Trading Limited

Amount: 25,000.00 (Rate 1 Factor 1)

Basis:

Taxation: VAT Applied

Cheque:

Bank Account: 476846745, in CityBank

2050200

Comment:

Reconciliation Status: Unmatched

Posted Administrator

The payment amount is fully allocated to open invoices.

Bank Receipt NNBR25-00000003 from 12/12/2025

Main Reconciliation Statuses of Bank Documents Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate More actions ?

Main Payment Details (3) Bank Charges Additional Information

#	Contract	Advance	Document	Accounts Amount	Accounts Rate	Accounts Factor	Payment Amount (AED)	VAT, %	VAT Amount (AED)	VAT Amt
1	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000004 dated 12/1/2025 12:00...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
2	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000003 dated 12/9/2025 12:00...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
3	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000005 dated 12/12/2025 12:00...	5,000.00	1.000000	1	5,000.00	Not Applicable	Not Applicable	Nk

Total: 25,000.00 AED

Posted Administrator

Please also refer to the description of the Bank Receipt document creation [Bank Receipt \(From Customer\)](#).

If a full or partial refund is required and the system does not allow creating a **Bank Payment** with **Transaction Type = To Customer**, the original customer payment documents must first be adjusted.

Important: Removing the invoice allocation reopens the affected invoices. After completing the refund, verify that any remaining customer payment is allocated correctly and that customer settlements are accurate.

3. Open the original **Bank Receipt** document in the system. Cancel posting and unlink (delete) related **Invoices** from this document. This creates an unapplied payment amount in the system, making it available for refund processing.

Bank Receipt NNBR25-00000003 from 12/12/2025

Main Reconciliation Statuses of Bank Documents Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate More actions ?

Main Payment Details (3) Bank Charges Additional Information

#	Contract	Advance	Document	Accounts Amount	Accounts Rate	Accounts Factor	Payment Amount (AED)	VAT, %	VAT Amount (AED)	VAT Amt
1	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000004 dated 12/1/2025 12:00...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
2	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000003 dated 12/9/2025 12:00...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
3	# 3648N from 01.01.2...	☐	Invoice NNIRV25-00000005 dated 12/12/2025 12:00...	5,000.00	1.000000	1	5,000.00	Not Applicable	Not Applicable	Nk

Total: 25,000.00 AED

Not Posted Administrator

Mark the original payment as an advance payment for the customer. Save and post the document.

Bank Receipt NNBR25-00000003 from 12/12/2025 *

Main Reconciliation Statuses of Bank Documents Balance of Employee Business Expenses Statement of Mutual Settlements

Post and close Save Post Generate More actions ?

Main Payment Details (3) Bank Charges Additional Information

Add Pick Fill Search (Ctrl+F) More actions

#	Contract	Advance	Document	Accounts Amount	Accounts Rate	Accounts Factor	Payment Amount (AED)	VAT, %	VAT Amount (AED)	VAT Am
1	# 3646N from 01.01.2...		Invoice NNBRV25-00000004 dated 12/11/2025 12:00:...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
2	# 3646N from 01.01.2...		Invoice NNBRV25-00000003 dated 12/8/2025 12:00:...	10,000.00	1.000000	1	10,000.00	Not Applicable	Not Applicable	Nk
3	# 3646N from 01.01.2...	☒	Not Applicable	5,000.00	1.000000	1	5,000.00	5%	238.10	

VAT: 238.10 AED Total: 25,000.00 AED

Not Posted Administrator

4. Create **Bank Payment** to record refund.

Create a **Bank Payment** document with the **Transaction Type = To Customer** to reflect the actual refund paid out from the bank account back to the customer.

Bank Payment NNBP25-00000003 from 12/30/2025

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions More actions

Post and close Save Post Generate More actions ?

Main Payment Details (1) Bank Charges Additional Information

Customer: Number: NNBP25-00000003 From: 12/30/2025 4:11:41 PM

Customer Bank Account: Transaction Type: **To Customer**

Cash Flow Item: Payment from Customers (Sale of Goods, Works) Entity: Net New Trading Limited

Amount: 5,000.00 (Rate 1, Factor 1) Basis:

Taxation: Out of Scope Cheque:

Bank Account: 476846745, in CityBank 2050200

Comment:

Reconciliation Status: Unmatched

Not Posted Administrator

In the tabular section, link the Bank Receipt document to indicate the basis for the refund.

Bank Payment NNBP25-00000003 from 12/30/2025

Main Approvals History of Approval History of Object Status Changes Reconciliation Statuses of Bank Documents Taken Decisions More actions

Post and close Save Post Generate More actions ?

Main Payment Details (1) Bank Charges Additional Information

Pick Fill Search (Ctrl+F) More actions

#	Contract	Advance	Document	Accounts Amount	Accounts Rate	Accounts Factor	Payment Amount (AED)	Date of Original Supply	Order	Proforma Invoice
1	# 3646N from 01.01.2017 (AED)	☒	Bank Receipt NNBR	5,000.00	1.000000	1	5,000.00	12/12/2025		

Total: 5,000.00 AED

Not Posted Administrator

Please also refer to the description of the Bank Payment document creation [Bank Payment \(To Customer\)](#).

Trial Balance with Turnovers

Generate Find... Quick Settings More actions .

TRIAL BALANCE WITH TURNOVERS

For the Period From December 01, 2025 to December 31, 2025
 Entity Nel New Trading Limited
 Account Prepayments from Customers

Account Description	Opening Balance		Period Turnovers		Closing Balance	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
5000000, Current Liabilities	-	25,912.24	5,000.00	5,000.00	-	25,912.24
5000000, Prepayments from Customers	-	25,912.24	5,000.00	5,000.00	-	25,912.24
Total	-	25,912.24	5,000.00	5,000.00	-	25,912.24

(Responsible) (Position) (Signature)

These methods are applicable only if the same business partner is registered in the system as both a Customer and a Supplier.

- Offset Supplier Prepayment against an Invoice Received.**

Please refer to the guide [Mutual Settlements \(Supplier Debt Assignment\)](#).

Mutual Settlement NNMS26-00000001 dated 1/2/2026 12:00:00 AM

Supplier:

 Number:
 From:

Supplier Recipient:

 Transaction Type:

Entity:

Transaction Content:

Comment:

After posting the **Mutual Settlements** document, the supplier liability from the **Invoice Received** will be closed against the existing supplier prepayment. The advance payment balance and the payable amount will be fully cleared.

Statement of Mutual Settlements

Generate Find... Quick Settings More actions

Document	Amount	Payments	Balance
AED, Opening Balance: 0.00			
# 3646N from 01.01.2017 (AED), Opening Balance: 0.00			
Invoice Received #NNR26-00000002 from January 1, 2026	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Total	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Closing Balance: 0.00			
AED, Total	5,000.00	5,000.00	0.00
AED, Closing Balance: 0.00			

Document	Amount	Write Off	Balance
AED, Opening Balance: 0.00			
# 3646N from 01.01.2017 (AED), Opening Balance: 0.00			
Bank Payment #NNBP25-00000003 from December 30, 2025, 5,000.00 AED	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Total	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Closing Balance: 0.00			
AED, Total	5,000.00	5,000.00	0.00

Offset a Supplier Prepayment against an existing Customer Advance.

Use a **Mutual Settlements** document with **Transaction Type = Mutual Settlements** to offset the supplier prepayment against the existing customer advance of the same business partner. In the **Customer** and **Supplier** fields, select the same business partner.

Mutual Settlement NNMS26-00000002 dated 1/1/2026 12:00:00 AM

Post and close Save Post More actions

Main Accounts Receivable (1) Accounts Payable (1)

Customer: Block Optic Number: NNMS26-00000002 From: 1/1/2026 12:00:00 AM

Supplier: Block Optic Transaction Type: Mutual Settlement

Entity: Net New Trading Limited

Transaction Content:

Comment:

Statement of Mutual Settlements

Generate Find... Quick Settings More actions

Document	Amount	Write Off	Balance
AED, Opening Balance: 0.00			
# 3646N from 01.01.2017 (AED), Opening Balance: 0.00			
Bank Receipt #NNR26-00000001 from January 1, 2026, 5,000.00 AED	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Total	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Closing Balance: 0.00			
AED, Total	5,000.00	5,000.00	0.00
AED, Closing Balance: 0.00			
EUR, Opening Balance: 20,912.24			
EUR, Total	0.00	0.00	0.00
EUR, Closing Balance: 20,912.24			

Document	Amount	Write Off	Balance
AED, Opening Balance: 0.00			
# 3646N from 01.01.2017 (AED), Opening Balance: 0.00			
Bank Payment #NNBP25-00000003 from December 30, 2025, 5,000.00 AED	5,000.00	5,000.00	0.00
# 3646N from 01.01.2017 (AED), Total	5,000.00	5,000.00	0.00

Please refer to [Mutual Settlement \(Mutual Settlement Type\)](#) for detailed instructions.

Verify that:

- customer balance is correct;
- refunded amount is reflected;
- remaining invoices are allocated correctly.

Thank you for being a FirstBIT customer!

#overpayment #refundtcustomer