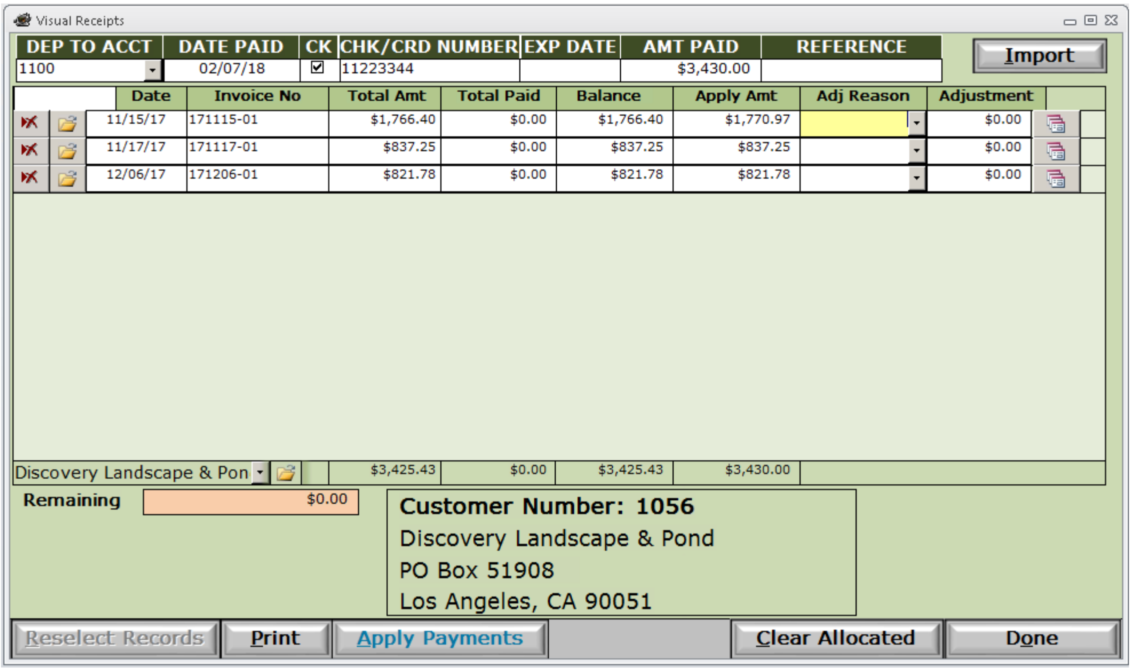
Overpay an Invoice

Category: Receive Payments | Created: March 21, 2026 | Updated: September 01, 2026

Overpay an Invoice

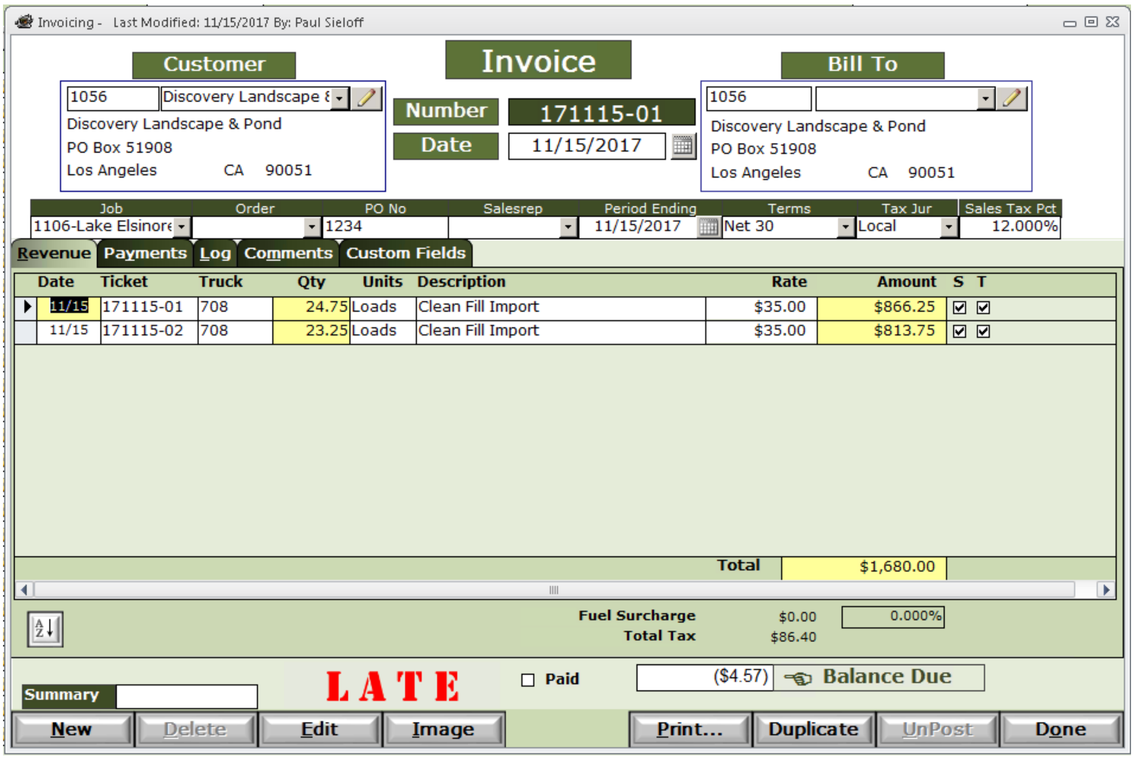
When a customer has overpaid an invoice, it should be treated similar to a short paid invoice. See Receive Payments FAQ for details on handling a short payment. One difference is that you may not write off that overpayment in the Receive Payments procedure. The overpayment will cause the invoice to negative to appear like a Credit Memo, but does not have the capabilities of a Credit Memo.

Screen Location - Main Menu > Accounts Receivable > Receive Payments



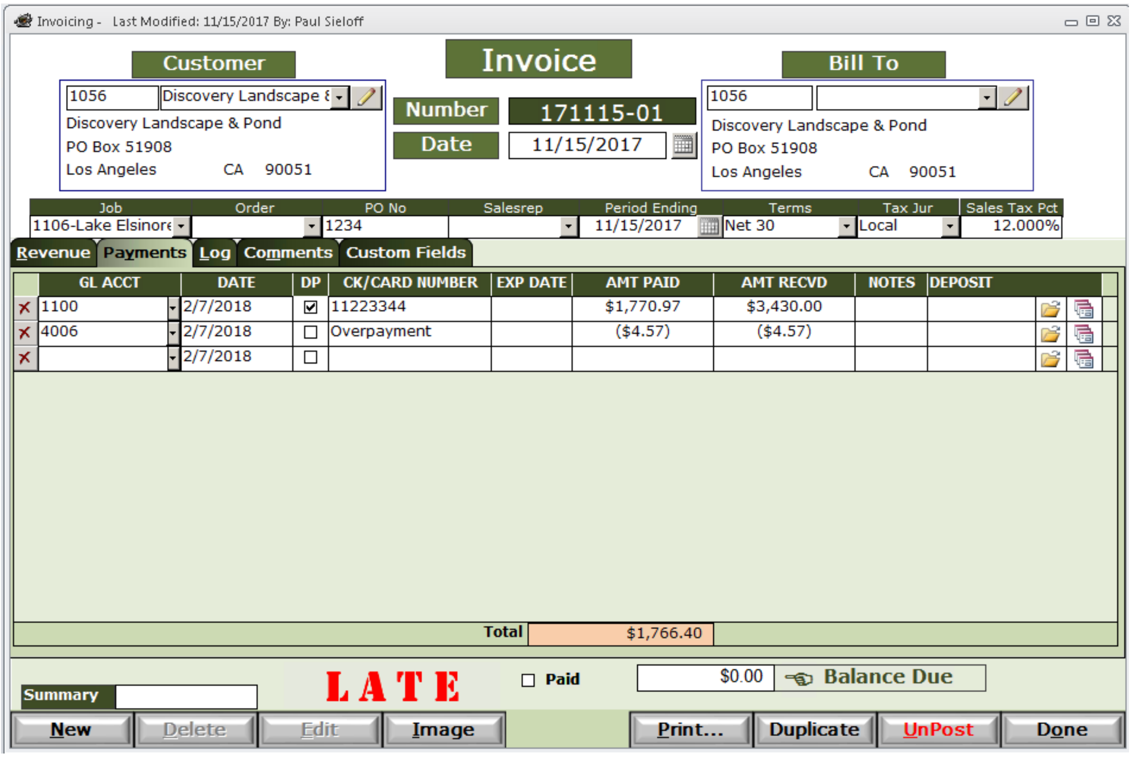
In our example above, notice the first invoice **Balance** is $1,766.40, but the customer overpaid. Override the **Apply Amt** with the full overpaid amount of $1,770.97. You may not write off the overpaid amount with an **Adj Reason** and **Adjustment** amount.

After applying this overpayment, the invoice will now have a credit amount.



You will have 2 options to remove that credit.

1) Write off the credit - Click the Payments tab (under Job field), then click the Edit button.



Add another line to the list of Payments.

GL ACCT - Do NOT use your Undeposited Funds or Cash Account. You should also resist using your normal Sales or Revenue account. The account used should be a revenue account specifically designated for shortages and overages.

DATE - Date of this writeoff. This date will determine which [Financial Period] the transaction will appear in.

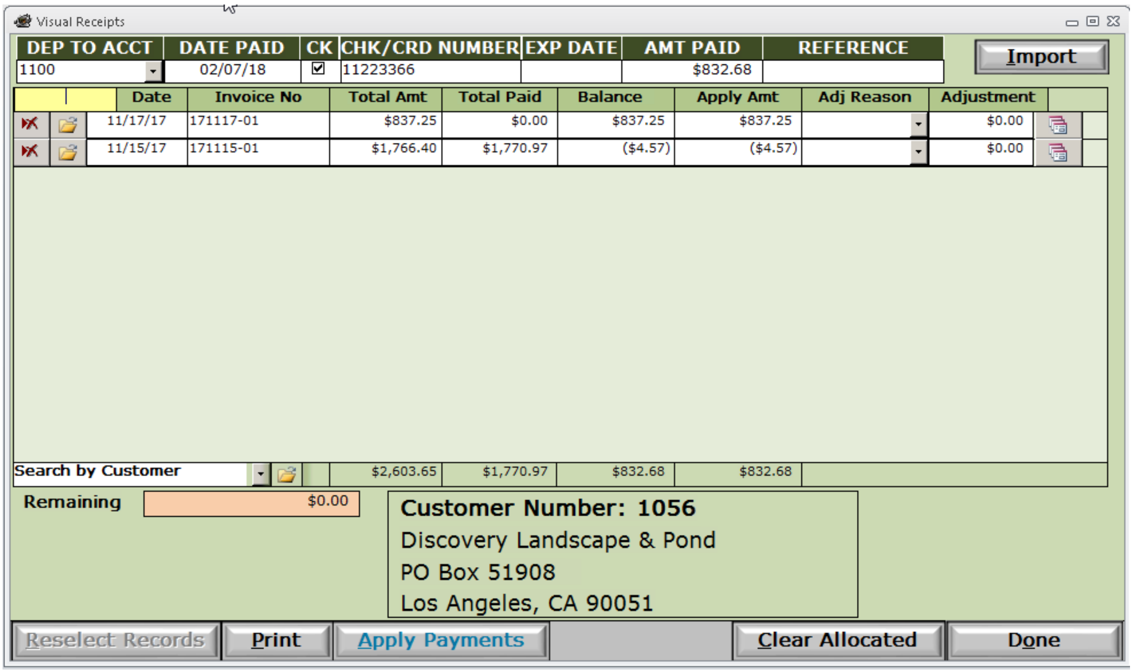
DP - Deposit Slip - Leave this unchecked for this situation. We do not want this transaction to be available to appear on a Banking > Deposit Slip.

CK/CARD NUMBER - Enter a short description of the reason for this transaction.

AMT PAID - Enter the amount (negative number) of the amount of credit balance. (NOTE: You can write off a partial amount as well.)

Now tab through the remaining fields to the beginning of the next line to complete the entry.

2) Use the credit amount when receiving payments - Use this invoice in your [Receive Payments] procedure to increase the amount of cash to be applied.



In our example above, notice the amount of the check is $832.68. Not enough to pay the $837.25 invoice. But now we add the overpaid invoice (171115-01) to the list and it give us $4.57 in addition to the $832.68 of cash to completely pay the $837.25 invoice.

Both invoices will now show as paid in full.