

# Best Practices for Customer Invoice Related Actions

for invoices not related to a Contract Billing Schedule and not related to an Integration (as of 10/10/24)

Please reach out to [accounts.receivable@wustl.edu](mailto:accounts.receivable@wustl.edu) with any questions.

<b>What you want to accomplish</b>	<b>Document Status is Draft or In-Progress</b>	<b>Document Status is Approved Status</b>	<b>Invoice is Partially Paid</b>	<b>Invoice is Fully Paid</b>
Duplicate invoice was created and needs to be reversed	Cancel	Create credit adjustment	N/A	N/A
Need to decrease the amount of original invoice	Change invoice	Create credit adjustment	Create credit adjustment	Create credit adjustment and work with Customer Accounts team to either refund customer or apply credit to another invoice
Need to increase the amount of original invoice	Change invoice	Create debit adjustment	Create debit adjustment	Create debit adjustment
Bill-To Contact in header needs to be updated	Change invoice – will email to new contact once approved	Change invoice – will email to new contact once approved	N/A – customer would have already processed invoice if paid	N/A – customer would have already processed invoice if paid
Worktags on the invoice need to be amended but amount of invoice and printed invoice document are correct	Change or Update invoice lines	Change or Update invoice lines	Unapply payment and then Change or Update invoice lines	Unapply payment and then Change or Update invoice lines
Re-send or Re-issue invoice	N/A	Download invoice from prior print run and manually resend	N/A – customer would have already processed invoice if paid	N/A – customer would have already processed invoice if paid

What you want to accomplish	Document Status is Draft or In-Progress	Document Status is Approved Status	Invoice is Partially Paid	Invoice is Fully Paid
Refund an already paid invoice	N/A	N/A	Create credit adjustment/create refund for credit adjustment	Create credit adjustment/create refund for credit adjustment
Bank Fees deducted from payment	N/A	N/A	Contact customer informing them that the payment received was less bank fees and ask the customer to include these fees in their next payment. The customer may need to contact their bank to change their fees from being deducted from payments.	Write Off remaining balance if invoice is fully paid except for the bank fee amount
Customer is disputing invoice and refusing to pay	N/A	Write Off	Write Off the remaining open amount	N/A
Customer is bankrupt, disappeared, etc.	N/A	Write Off	Write Off the remaining open amount	N/A

Most often used Related Actions:

- **1 Create Adjustment:** Creates a new invoice document that is netted against the original invoice. Invoice adjustments are essentially creating a new standalone invoice that is related to the original invoice. Adjustments do not replace the original invoice. Adjustments can be created regardless of whether a payment or another adjustment has already been applied to the original invoice.
  - Populates with the lines from original invoice. Add/Delete/Modify invoice lines as needed.
  - Routes the adjustment invoice through the business process for approval.
  - Adjustment Reason Code must be selected from Reason Code list.
  - Use if wanting to increase or decrease original invoice amount. Do not use if only correcting worktags; use Change if only wanting to correct worktags.

- The invoice type will default to the original invoice's invoice type, but you may want to change it based on whether you need a new invoice document sent to the customer or not.
  - User selects either:
    - Credit (Decrease Invoice Amount)
    - Debit (Increase Invoice Amount)
  - Credit Adjustments use the original invoice number followed by CR. For example, invoice 12345 would have related credit adjustment 12345CR. If more than one credit adjustment is made for an invoice, the numbering would be 12345CR, 12345CR1, 12345CR2, and so on.
  - Debit adjustments use an entirely new invoice number. The printed adjustment document does not explicitly state on it that it is an adjustment to the original invoice; therefore, if sending a debit adjustment to the customer, you may need to let the customer know the debit adjustment is in addition to the original invoice.
  - Accounting history remains unchanged for the original invoice. Adjustments have their own accounting history.
  - Follow this link for further instructions - [Create Customer Invoice Adjustment | Workday@WashU | Washington University in St. Louis \(wustl.edu\)](#)
- **2 Change:** Allows user to edit header and line level details including amounts. Change cannot be used on invoices with a paid or partially paid status. Using change is generally discouraged. Create adjustment is the better solution from an internal control perspective. Create adjustment also avoids modifying an invoice already sent to the customer.
    - Only to be used for internal changes such as changing worktags.
    - Populates with the lines from original invoice. Add/Delete/Modify invoice lines as needed.
    - Routes the invoice back through the business process for approval.
    - No reason for change is required to be selected.
    - Change does not result in the invoice being reprinted, and the invoice is not re-emailed to customer.
    - The invoice number remains the same.
    - Accounting history tab shows the original accounting entry (with flag indicating it was reversed), the reversal, and then new invoice journal.
  - **3 Update Invoice Lines:** Cannot be used to change invoice header information. Can be used to add a new invoice line or edit an existing line. This action does not automatically populate the existing invoice lines. Click the Search button and then the existing lines will populate and be available to modify. Most users will prefer using the above Change action and can ignore Update Invoice Lines.
  - **4 Credit and Rebill:** This action will create a credit adjustment for the full amount of the original invoice. A replacement invoice using the original invoice number followed by "RB" will be created. Credit and Rebill would generally be used only for an unpaid invoice. If a customer has already made full or partial payment on an invoice, then using create adjustment is the better solution.

- Routes the rebill invoice through the business process for approval. The credit adjustment does not route for separate approval.
  - Reason for Adjustment must be selected from Reason Code list.
  - Use when wanting to send the customer a credit adjustment to cancel the original invoice and then send the customer an entirely new invoice. The advantage to Credit and Rebill is that the original invoice, the credit adjustment, and the rebill show as related to each other in Workday. A credit adjustment and new standalone invoice could be created separately to accomplish the same thing as Credit and Rebill, but the new standalone invoice would not show as being related to the original invoice it was replacing.
  - Accounting history remains unchanged for the original invoice. The credit adjustment and rebill invoice each have their own accounting history.
- **5 Cancel:** Allows user to cancel an invoice (or adjustment). For standalone invoices, this action can be used if the invoice has no payments applied, no credit adjustment applied, and hasn't been fully or partially written off.
    - Best practice is to only use cancel when document status is **draft** (has not been submitted to business process yet) or **in-progress** (submitted but not yet approved). Once the invoice has been approved create adjustment should be used.
    - Using cancel will not generate a new document. There will not be a document to send to the customer for their records showing the original invoice has been canceled.
    - Cancellations do not route for approval and can't be configured to do so. This is true for any cancellation throughout Workday.
    - No reason is required to be selected to cancel an invoice. Create adjustment requires a reason to be selected which is preferable from a system control perspective.
    - Accounting history tab shows the original accounting entry (with flag indicating it was reversed) and the reversal entry.
    - Canceled invoices cannot be reactivated.
  - **6 Edit:** Only used for adding a PO Number to an approved invoice.
    - Does not route for approval.
  - **7 Write Off:** May also be referred to as a Bad Debt Writeoff or Customer Invoice Writeoff.
    - Write Off should be used when there is a valid amount owed to WashU that the customer will not pay due to no fault of WashU (e.g., customer bankruptcy, disputed amount, etc.).
    - Due diligence must be exercised before writing off a receivable balance. In Workday complete the write off memo field with the reason for the write off and attach support with approval (email) from an individual in the department at least one level higher than the individual processing the write off. Attached support should include narrative of collection efforts made.
    - Write Off may be used to clear immaterial amounts such as balances due to bank fees deducted from a wire payment or de minimis open balances.
    - Write Off should not be used to correct billing errors; use create adjustment if correcting a billing error.

- Write Offs route through business process for approval.
- **8 Copy:** Copies everything from original invoice header and lines to a new invoice. You will need to update the invoice date/memo/lines/etc.
  - Creates new unique invoice number.
  - Routes through business process for approval.