

# WHITE PAPER USER MANUAL FOR – VOID PAYMENT

## Module – Account Payables

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In an ERP (Enterprise Resource Planning) system, a "void payment" refers to the process of cancelling or reversing a payment entry that has been recorded but not yet fully processed or

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completed. This action ensures that the payment does not proceed or affects the financial records as intended. Here's a detailed look at how it works within an ERP system:

### Key Aspects of Void Payment in ERP:

#### 1. Purpose:

- **Correction of Errors:** Voiding a payment is often done to correct mistakes such as incorrect payment amounts or duplicate payments.
- **Fraud Prevention:** It helps prevent unauthorized or fraudulent payments from being processed.
- **Adjustment:** It allows for adjustments when changes in payment instructions or vendor details occur.

#### 2. Process:

- **Initiation:** A payment that is still in a preliminary state (e.g., not yet cleared or reconciled) is identified for voiding.
- **Action:** The user accesses the payment record in the ERP system and selects the void option. This typically involves navigating to the accounts payable or payment processing module.
- **Confirmation:** The ERP system may prompt for confirmation to ensure that the void action is intentional.
- **Recording:** Once confirmed, the system updates the financial records to reflect that the payment has been voided. This action usually reverses the transaction and adjusts the related accounts accordingly.

#### 3. Timing:

- Voiding a payment should be done before the payment is fully processed, which generally means before it is cleared or reconciled in the bank account or financial records.

#### 4. Impact:

- **Financial Records:** The ERP system will reflect the voided payment in the financial statements, ensuring that no funds are transferred and the records remain accurate.
- **Accounting Entries:** The void action will create reversing entries in the accounting books, ensuring that the original payment amount is nullified.

#### 5. Users Involved:

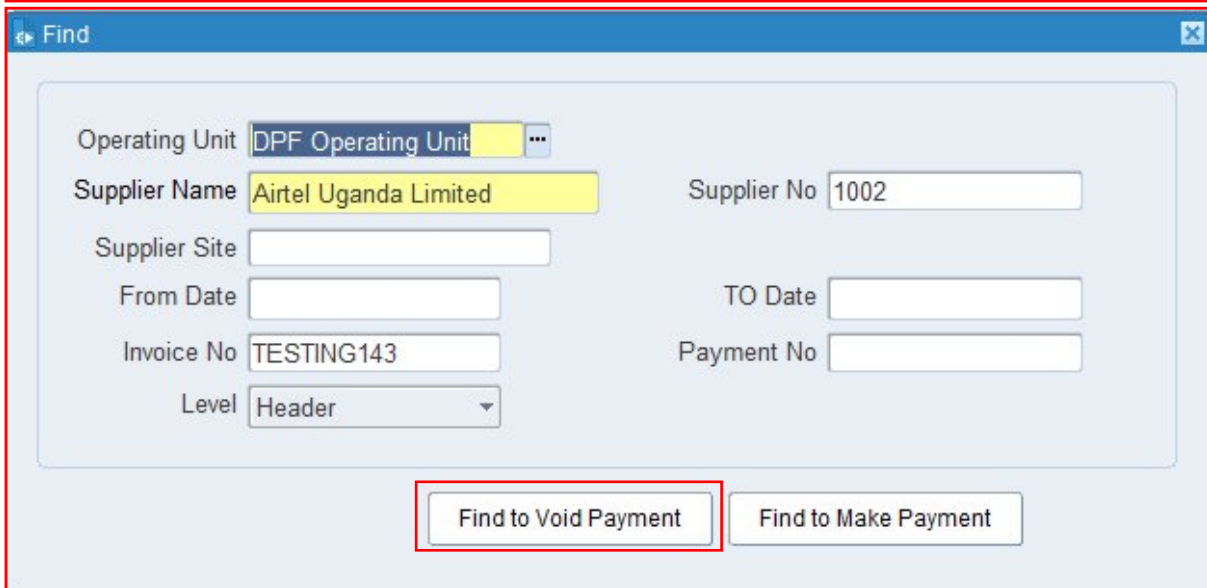
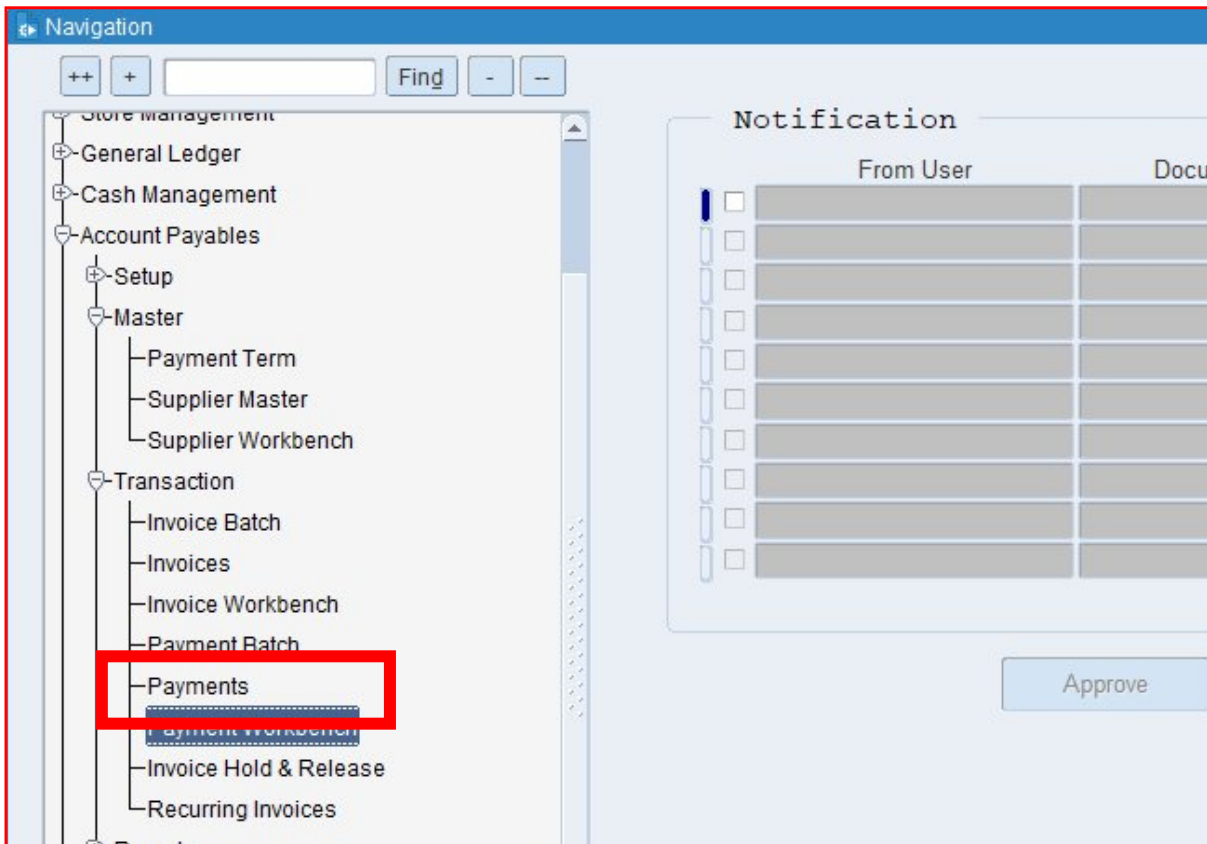
- **Accounting/Finance Team:** Typically responsible for initiating and processing void payments.
- **ERP System Administrators:** May need to be involved if there are system-level issues or permissions required.
- **Vendors/Clients:** May be notified if the payment void affects transactions or reconciliations.

### Example Scenario:

Imagine a company accidentally records a payment of \$5,000 to a vendor instead of \$500. The ERP system would allow the finance team to void the incorrect \$5,000 payment before it is processed. The voiding process would correct the records and allow the correct \$500 payment to be processed accurately.

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Put the Supplier Details & Date  
Click on Find to void Payment.

**What is an Operating Unit?**

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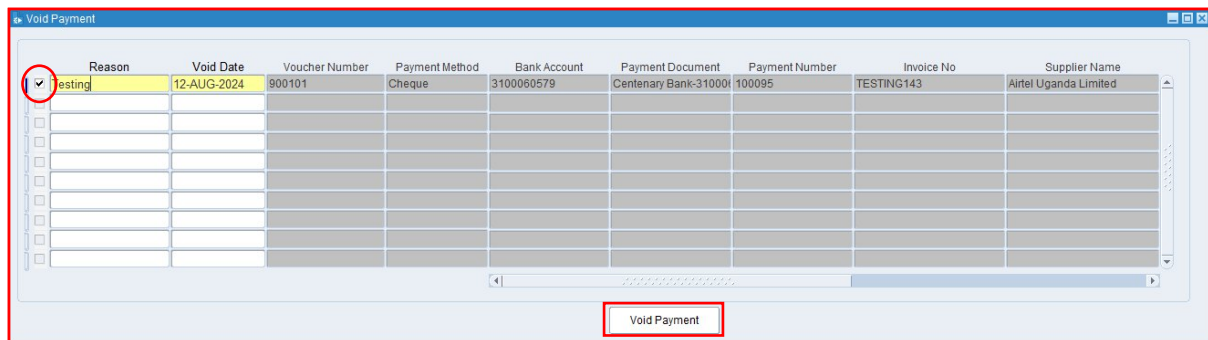
An operating unit is a segment or division of an organization that performs a specific set of functions or activities. It typically has its own management structure, resources, and objectives but operates under the broader umbrella of the parent organization.

### What is Supplier's name?

It identifies the party that has supplied the goods or services, ensuring that there is clarity on who the invoice is coming from. This helps in maintaining accurate records and resolving any discrepancies related to the supplier.

### What is a supplier site?

The supplier site provides detailed information about where a supplier operates, ships from, or where services are delivered. This helps in managing logistics, shipping, and procurement processes efficiently.



Tick Here to select the line. Put the reason.  
Click on Void Payment.

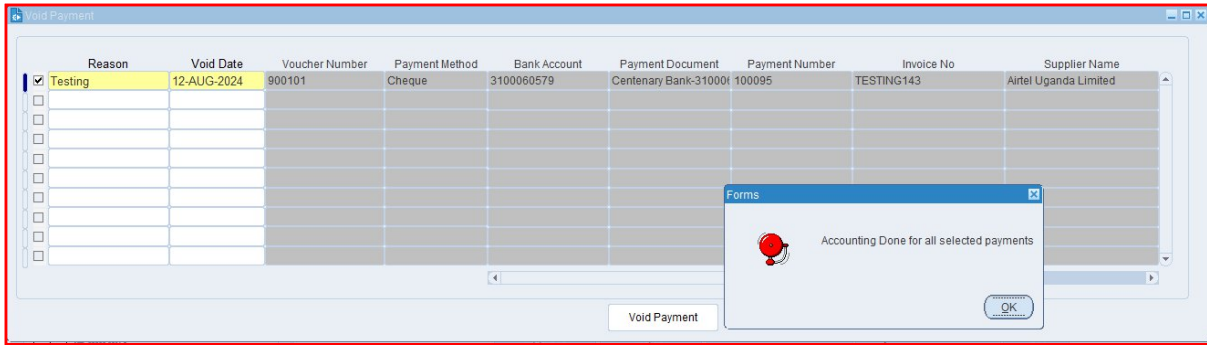
### What is Voucher Number?

A voucher number is a unique, sequential number assigned to each voucher for identification and tracking purposes. Vouchers can include documents like payment vouchers, receipt vouchers, or journal vouchers, which record financial transactions and serve as evidence of these transactions.

### What is Payment Document?

A payment document is a record that provides details about a payment transaction, serving as evidence that a payment has been made or is scheduled. It is used for financial and accounting purposes to ensure accuracy, accountability, and proper documentation of transactions.

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The payment has been voided.

XX END XX