



# Dispute & Bad Debt Management

For Microsoft Dynamics 365 Business Central

## - User Guide. Managing Disputes & Bad Debts -

https://www.asqit.co.uk Click here for more information Click here to learn more

# **Disputes and Bad Debts**

Dispute Register and Bad Debt Ledger allows credit managers to track difficult debts, and keeps the record related to customers in their history, that supports in managing their credit control and future debts.





### Overview

When a customer disputes their invoice, such information can be recorded against the document and assigned to responsible employee to manage. The dispute can be resolved and closed, or the debt can be marked as "bad debt" – system will contain a separate ledger for bad debt to manage. You can define the process of bad debt management, whether it is sent to legal teams, external collectors or written off.

## **Create Dispute**

Disputes can be created in 3 different ways:

- Using Dispute Wizard. Use wizard to select customer and the overdue invoice to create the dispute. Such dispute is <u>automatically activated</u>.
- From Customer Ledger Entries. Creating dispute from customer ledger entries will also use Dispute Wizard, but pre-fill required data with ledger entry information. Such dispute is <u>automatically activated</u>.
- **From Dispute List.** Create dispute from the list. Dispute will have to be activated manually after selecting customer and overdue invoice.

**Important!** Only one active dispute can be created for one invoice at a time. But once the dispute is closed, a new dispute can be created for the same document.

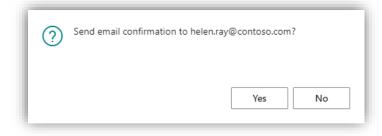
#### Using Dispute Wizard

Click the link on the role centre or the wizard using search. Select a customer and their overdue invoice to dispute, the dispute date, reason for dispute, expected dispute closure date and the user, to whom the dispute is assigned; and finally, the customer contact details for this dispute:

New Dispute Wizard $\checkmark$ X	
۲ <u>۵</u>	2 ×
Select Customer and Document Select a customer and an open invoice that is disputed.	
Customer No	
Customer Name · · · · · · · · Trey Research	son code, dispute date and expected closure date. $\swarrow$ X
Document No	01/06/2021
Document Date	SERVICE V
	the tails of the person in the customer's     en managing the dispute
	ROBERTAS V
	Helen Ray
	EMAIL
Back Next Finish	helen.ray@contoso.com
	Back Next Finish
	Back Next Finish

Figure 1 - New Dispute Wizard.

If system is configured to send dispute email to the customer or internal email to dispute manager, the confirmation might be required:



After closing the wizard, system creates a new dispute that is already activated:

Activate Dispute	Close Dispute Actions Rela	ated Fewer options		(i
General				Show more
No	DSP000008	Document No.	103195	
Status	Active	Document Due Date	13/04/2021	
Customer No.	20000	Remaining Amount		750.60
Customer Name	Trey Research	Disputed Amount		750.60
Reason Code	SERVICE	Currency Code	_	
Dispute Date · · · · · · ·	01/06/2021			
Workflow				
Expected Closure Date	15/06/2021	Assigned to	ROBERTAS	~

Figure 2 – Dispute Card.

#### Create Dispute from Ledger

On the Customer Ledger Entries page select an overdue invoice and click Actions -> Functions -> Dispute Invoice:

Cu	stomer Ledger B	ntri	es 🛛 🔎	Search 🛛 🐺 Edit	List Process	Line Entry	Navigate F	Page …	7 🗉 0	
							Actions	>	∮ Functions	1 Create Reminder
	Posting Date		Document Type	Document No.	Customer No.	Customer Name	Related	>	🔁 Find entries	Create Finance Charg Memo
$\rightarrow$	28/02/2021	÷	Invoice	103184	50000	Relectoud	Fewer options		🛅 Show Document	Apply Entries
	31/01/2021		Invoice	103171	50000	Relectoud		Invoice 1	Show Document Attachment	🗞 Unapply Entries
										🖉 Reverse Transaction
										Update Payment Predictions
										🗋 Incoming Document
										💱 Dispute Invoice

Figure 3 - Customer Ledger Entries.

System uses the same dispute wizard, but the document information is already filled in:

New Dispute Wizard	ZX						
۵. ۵.		Γ	2 ×				
Select Customer and Document Select a customer and an open invoice that is disputed.				ų,			
Customer No		son	code, dispute date and expected closure date.	zai	rd		2 X
Customer Name · · · · · · · · Relectoud Document No. · · · · · · · · · · · · · · · · · · ·			01/06/2021				
Document Date			INVOICE ~		ontact dei	tails of the person in the customer's	
			ROBERTAS	tac		managing the dispute	
					•••••	Jesse Homer	
Back Next	Finish			ile -		EMAIL jesse.homer@contoso.com	
			Back Next Finish		····· [		
						Back Next	Finish

Figure 4 - New Dispute wizard.

#### Create New Dispute from List

New dispute can be created from the dispute list. Same information must be selected on the dispute card – customer number, document number, reason code, dispute date, assigned user and communication preferences:

🕨 Activate Dispute 🛛 🗎	Close Dispute Actions Re	elated Fewer options	(
General			Show more
No	DSP0000011	Document No.	
Status	New	Document Due Date	
Customer No.	20000 ~	Remaining Amount	0.00
Customer Name	Trey Research	Disputed Amount	0.00
Reason Code · · · · · · 🔸	~ ~	Currency Code	
Dispute Date · · · · · · 🔸	<u>ب</u>		
Dispute Date · · · · · · · · ·			
Workflow Expected Closure Date		Assigned to	~
Workflow		Assigned to	∽ Show more
Workflow Expected Closure Date		Assigned to	Show more
Workflow Expected Closure Date	ferences		Show more
Workflow Expected Closure Date	ferences	Email Triggers	Show more

Figure 5 - New Dispute.

Important! Creating dispute without using a wizard, will result in the dispute that is not activated.

To mark the invoice as being disputed, activate the dispute. On the dispute card click *Activate Dispute*. The system checks if customer and document are selected, reason code and dispute date defined. The activation email is sent to the customer if configured on the communication preferences on the dispute card:

C Dispute   Work Date: 01/06/2	2021 (	<i>.</i>	+	Ŵ		√ Saved	۲ Z
DSP000001	11-Trey Res	earc	:h-l	New			
🕨 Activate Dispute 📄 Cl	lose Dispute Actions	s Relate	d Fe	wer options			(i)
General							Show more
No	DSP0000011		Docur	ment No.	103181		
Status · · · · · · · · · · · · · · · · · · ·	Vew		Docur	ment Due Date	13/03/2021		
Customer No. · · · · · · 2	20000	$\sim$	Remai	ining Amount			900.72
Customer Name	Frey Research		Disput	ted Amount			900.72
Reason Code · · · · · · S	SERVICE	$\sim$	Currer	ncy Code	-		
Dispute Date · · · · · · O	01/05/2021						

Figure 7 – Activate the dispute.

#### Confirmation Emails to Customer

Each dispute has a contact details defined for the app to send dispute activation and dispute closure emails to. The emails are sent if all the statements below are true:

- Dispute Management Setup has confirmation/closure email enabled.
- Dispute Card has confirmation/closure email enabled.
- Dispute Card has a valid email defined.
- Customer's document sending profile is set to email.
- Email feature is enabled and configured to send SMTP emails.
- Reports are selected on the "Report Selection Disputes" page.

Users can manually send emails from activated or closed disputes by selecting to send an email:

Dispute List   Work	Date: 01/06/202	1		
,	New Manage	Activate D	ispute 🔀 Close Dispute	Page <u>Actions</u> Related
💕 Status 🗸	💱 Mark as Bad I	Debt 🖃 Send /	Activation Email	
DSP000002	Active	40000	Alpine Ski House	103180
DSP000008	Active	20000	Trey Research	103195
DSP0000010	Active	50000	Relectoud	103184
DSP0000011	New	20000	Trey Research	103181

Figure 8 - Manual email.

This action opens the email editor to send an email even if the automated emails are disabled, or customer's document sending profile does not allow emails.

Default email layouts are provided, but these can be changed using Custom Report Layouts and changing the layout in MS Word.

Default email layouts are created and set to be used on the report selections:

Dear Mr. Tom Harvey ,	
This letter is to inform you that your dispute on invoice No.1 been recorded. The invoice has been disputed because of Se satisfactory.	
Our team is working hard to make sure this dispute is resolv as possible. Our team member Bjorn is going to contact you in more detail.	Hello, This letter is to inform you that the dispute on invoice No. <b>103184</b> is marked as Payment plan is created and closed.
Thank You.	
	Thank You.
CRONUS UK Ltd.	Robertas Rackauskas
7122 South Ashford Street	CRONUS UK Ltd.
Westminster	7122 South Ashford Street
London, W2 8HG	Westminster London, W2 8HG

Figure 9 - Confirmation and Closure Emails.

## Create Bad Debt

When the dispute cannot be resolved, it can be marked as bad debt. This will create a new entry in the bad debt ledger, that servers a couple of purposes – as a reminder to perform a certain action (for example, sent documentation to 3<sup>rd</sup> party collectors or legal team, or write off the debt), and to record it in customer's history for the future reference.

To create a bad debt for the dispute, open the dispute card and select *Actions -> Mark Bad Debt*. System asks to add the initial bad debt status (that can be changed later) and the date:

Actions Navi	gate	PARAMETERS		27
💕 Status 🗸	💱 Mark as Bad Deb	ameters		
	Вас	Debt Posting Date	06/04/2020	
	Bac	I Debt Status	ACTION	
	_		ОК	Cancel

Figure 10 - Create Bad Debt

Bad Debt can also be created directly from Customer Ledger Entry.

**Important!** Dispute or bad debt cannot be created for invoices that are on the payment plan (when using Customer Payment Plans app). If invoices are on the payment plan but now are disputed, please cancel the payment plan first.

## Manage Bad Debt

Bad Debts can be managed by reviewing and changing the status of a debt:

)	O Search	🐯 Edit	t List	💼 De	elete	🖓 Bad D	Debt Comments	Page	Navigate	Fewer options	Y	≣	(
	Customer No.		Do No	ocument o.	Bad De Posting		Bad Debt Amount	Currency Code	Bad Debt Amount (LCY)		Оре	n	
$\rightarrow$	50000	:	10	3171	06/04/	2020	2,113.92		2,113.92	ACTION	✓ Yes		

#### Figure 11 - Bad Debt Ledger Entries

The bad debt entry will remain open, until the related invoice is open. When the related invoice is closed (for example written-off), the bad debt is marked as closed, but is not deleted. This allows reporting of historical bad debts for customers.

Users can also delete bad debt entries if the bad debt is no longer relevant.

Bad debt entries can be accessed from the customer card, to help making decisions about that customer's internal credit rating and credit control process in the future:

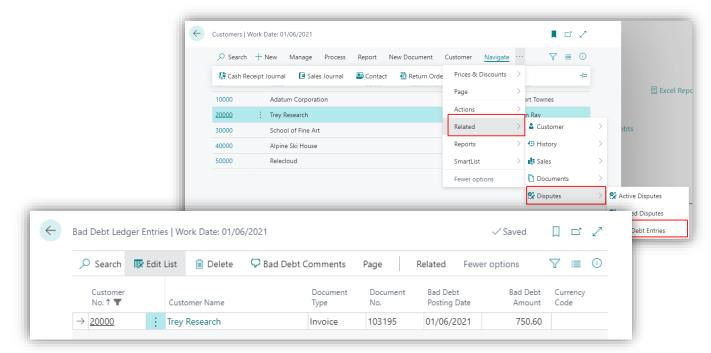


Figure 12 - Customer bad debt history.

## **Closing Disputes**

When the dispute is resolved it can be closed and archived. To close the dispute, click *Close Dispute*, then set the outcome of the dispute and the closure date, and selected whether to send the closure confirmation email to the customer:

Dispute   Work Date: 01/06/2021	(2) + <sup>1</sup>	🗸 Saved 🗖 🏒	
DSP000008	-Trey Research-Active		
Activate Dispute Close D	spute Actions Related Fewer options	<u>(</u> )	
General		Show more	
NoDSPC	Outcome Code · · · · · · · SERVICE	Z	
Status Activ	Dispute Closure Date · · · · · · 01/06/2021	750.60	
Customer Name · · · · · Trey	Yes	No	
Reason Code · · · · · SERV		? Send emai	il confirmation to helen.ray@contoso.com?
Dispute Date 01/06,	2021		
		_	Yes No

Figure 13 - Closing the dispute.

The dispute will become a closed dispute and will be accessible in the closed dispute list:

CLOSED DISPUT	ES	WORK DATE: 0	6/04/2020				
	Mar	nage Page	Actions Navigate	Fewer options			7 ≣ 0
No. ↑		Customer No.	Customer Name	Document No.	Disputed Amount	Reason Code	Outcome Code
DSP0000002	÷	30000	School of Fine Art	103183	1,729.80	SERVICE	WRITEOFF
DSP0000006		30000	School of Fine Art	103182	9,904.70	BADSERVICE	WRITEOFF
DSP000008		50000	Relectoud	103171	2,113.92	SERVICE	WRITEOFF

Figure 14 - Closed disputes.

**Important!** Closing the dispute will not affect the bad debt ledger entry.

Dispute & Bad Debt Management by ASQiT Ltd.