Tip of the Week: Payment Allocations

Payment allocations are crucial for payment tracking and important for any successful business. You need to know how much money you are owed, and to do this you must allocate correctly to know which invoices have been paid. Tracking and allocating payments is an efficient way of managing your business and driving it towards success. Many users will often record payments in TimeSolv but will not allocate them, which results in issues with ledger reports when the incoming payment amounts and invoice amounts don't match up. And what's more, if the figures don't match up, there's no way of knowing where it doesn't match. That's why this week's Tip of the Week takes a look at how to do payment allocations.

Once you receive payment from a Client, the remittance can be recorded under the **Payments**>**Payments** tab. You can keep an accurate and up-to-date record of payments and promptly allocate your receipts to the appropriate Matters.

Specify a Credit Type e.g., Credit Memo/Payment/Write Off such that the Payment Method drop-down gets populated accordingly with the credit type specific options. When you fill in all the relevant details in the form above and hit the save button, you can then proceed to allocate this payment to the appropriate Client-Matter by clicking on the '**Allocate**' link next to it:

A window will pop up giving you a few options on how you would like to allocate this amount. Clicking on the **Allocate Oldest First** button will allocate the entire amount to the unpaid oldest invoice if you have multiple unpaid invoices listed under this Client-Matter. Clicking on the **Compute Equal Proportions** button will equally distribute the allocation amount between all the unpaid invoices. The **Allocation Date** field is used for the date funds are to be applied to the unpaid balances. It is important to note

that this date selection will affect how the reports are then run against this payment.

Click on the **Allocate** button to complete this process, and another window will ask you to click '**Save**' to confirm this allocation. Payment allocations also mean a healthier cash flow without interruption of income. And when you are on top of payment allocations, you can easily identify any shortfalls and investigate errors quickly.

If you don't like having to do payment allocations, TimeSolv recommends storing Clients' credit card info on file. That way, you can just 'Charge' the card from the Sent Invoice screen and the system will automatically allocate the payment to the invoice for you!

If you'd like to contact TimeSolv support for help, please call 1.800.715.1284 or schedule a FREE 30-minute session now!

SCHEDULE MY SESSION