Should I record an offset to an expense account when I receive money back?

Tell Me

1. You should only offset the expense if the money is a reimbursement of an amount that was charged in error or reimbursement of an amount paid for goods or services that were not received.
2. Reimbursement for payments made on behalf of others should NOT offset the original expenditure. Both a revenue and the related expense should be recorded.
3.Offsetting the expense effectively removes the original transaction.
4. There are specific revenue accounts for items like Insurance Recoveries, Rebates, and Procurement Card Rebates.

Related FAQs

• Should I record an offset to an expense account when I receive money back?
• Which account code should I use to record the purchase of an asset when I create a new requisition?
• What account should I use for employee training expenses?
• What account code should I use for capital equipment leases?
• How do I determine which “other” or “miscellaneous” account code to use?