Declines and Refunds

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Overview

In this article, we walk you through how to investigate payment declines and process refunds. There are two ways to refund: either a payment or a deposit. Payments are on invoices while deposits are on proposals.

This article will review:

- Declined Payments
- Refunding Payments
- Refunding a Deposit on a Proposal
- Reporting for Refunds
- FAQs

Declined Payments

When a credit card payment is declined, we will typically display all the information that we have from your payment gateway. If we got information about an address verification failure or expired card, we'll provide that information in the notification.

Check Your Payment Gateway

The first place to start when researching a decline is to log in to your payment gateway and find the transaction. That may show additional information about the transaction that we weren't able to display. Some additional reasons they may decline a transaction include:

- Invalid Card Info the card number is not valid or the CVC code might not match
- Address Mismatch the billing address for the card doesn't match what was provided
- Charge Velocity you may be charging either more transactions than is normal for you or larger transactions than is normal for you

In any of these cases, it may make sense to reach out to someone at your payment provider for more information.

Still Declined?

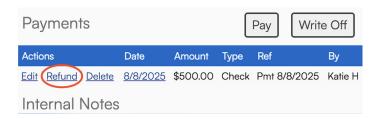
If you still can't find any more info on why the transaction was declined then you'll need to reach out to the cardholder. They may need to call their bank/credit card company to approve the transaction or provide additional information as to why the transaction was declined.



If you use **ServiceMinder|Pay** as your payment provider, you can check your transaction history in the navigation menu via **Administration > Pay > Transactions**. For any questions about a declined payment, you can contact the service**minder** support team.

Refunding Payments

Refunding a payment can be done with the click of a button on serviceminder. Locate the the Invoice and view the Payments section in the top left corner. Then click **Refund** next to the applicable payment.

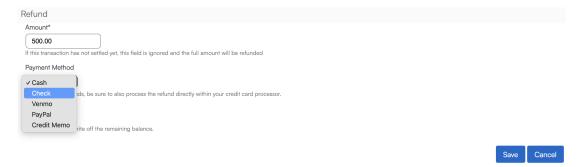


Refund once clicked will show the option to type in a custom amount OR the default will be the full amount. It will always let you type in a custom amount, but that may be ignored if the transaction gets voided instead. You will want the refund to be a positive number (rather than showing as a negative amount).



If you use an external payment processor and you issue a refund through serviceminder, it will only send a notice to the processor for them to issue. For **Partial Refunds** on credit cards or ACH Payments, please process those directly through your payment provider.

This process will also send another invoice to the customer regarding changes or refunds.



Processing a credit card refund in SM is all real time, so just submitting the refund should automatically apply it to the customer's credit card. On the customer side, the refund may be delayed because that's based on the processor. When you refund in SM you will see the refund line item right away.

If it appears on the SM side like the refund didn't work or it didn't capture back on our side you must check the refund with your payment processor.



If you uncheck the box to process it through the Merchant Provider, it won't try to process anything on the credit card if you are refunding with a different method than the original payment.

If the full amount is not refunded, you may have to determine what to do with the remaining balance. To learn more about your options, view our article about <u>Credit Memos & Write Offs</u>.

Refunding a Deposit on a Proposal

If a proposal includes a deposit, you'll see both the **Total** and **Deposit** amounts. Next to the deposit, you'll see an "X" icon. Clicking the X will prompt you to confirm the removal of the deposit.

\$700.00	Subtotal
\$60.41	(8.63%)
\$760.41	Total
× \$100.00	6/3/2025 Deposit

Clicking the **X** next to the deposit will result in one of two pop-ups appearing, depending on the payment method of the deposit:

·	Delete Deposit Would you like to delete and refund this deposit? If the refund fails, the deposit won't
Credit Card	be deleted and you'll be informed of the error. If for any reason you do not wish to attempt to refund the payment, you can choose 'Delete and Don't Refund' below. Delete and Refund Delete and Don't Refund Nevermind
	Delete and Refund Delete and Don't Refund Nevermind Delete and Refund: The card will be refunded and a invoice, refund, and write off will be generated in our system automatically. Delete and Don't Refund: The card is not refunded, but the same paper trail (invoice, refund, write off) will be generated to keep record of the transaction.
Any other payment method (i.e., cash or check)	Delete Deposit Are you sure you want to delete this deposit? If this deposit was made with a credit card processor, you'll need to refund the customer through your selected processor. Yes No

To **manually** create a paper trail of the deposit refund (for alternate payment methods like cash or check), follow these steps:

- 1. Invoice the proposal to move the deposit to an invoice.
- 2. Clear the acceptance on the proposal. Then decline the proposal now that you cleared the prior acceptance.
 - a. Your brand may have specific "decline reasons" created or you may be able to create your own. We recommend keeping track of the "why" for reporting reasons.
- 3. From the invoice, issue a refund on the deposit.
- 4. Write Off or Void the invoice.

Reporting for Refunds

To review reports built into serviceminder that will provide insights into refunds, you can review **Payments by Accounting Class** (at the brand level) and **Payment Reconciliations**, which is an org -level report.

Many have questions around refunds and the End of Week or End of Month reports. This is determined by the brand's FDD and aligning the royalty settings within SM to the FDD. Some brands will include refunds and others will exclude it from royalties. This step is completed when a brand is first onboarded with service minder and cannot be altered by a franchisee. If a change is needed, it must come from a Brand Admin with brand leadership permission to update royalty settings.

If you have further questions about this, you should ask your Brand Admin for clarity.

FAQs

Should the refund be a positive or a negative amount?

You will want to make it a positive dollar value rather than trying to detract an amount.

Why are refunds show up on my royalties report?

It will depend on how the brand has royalties set up. In some cases, they may charge based on all funds collected or some exclude refunds from having royalties collected on them.

If you will see refunds on your End of Week / End of Month report, please check with your brand leadership team if you are unsure. This may show on the report but may **NOT be** included in the royalties due. If you have an invoice for one month and a refund applied to that invoice in a different month, then you will see the refund show up on the month it was created. Anything that is a negative amount or being subtracted will show up in parentheses. So (\$125.00) actually means - \$125.00.

Learn more about the royalties reporting.

What happens if you delete a payment in ServiceMinder?

Not everyone has the permission level as a User to delete payments or invoices in SM. In general, we do not ever really recommend deleting something except specific situations. If you simply delete a payment or invoice (rather than refund, cancel, or void) a transaction, it will remove it from SM but not remove it from QBO or the payment processor side. You should double check both QBO and the payment processor to be sure everything is showing correctly.

If you actually intended to refund, and you deleted the payment, you will need to refund it through the payment processor since it is no longer in the SM system.

Is there a way to adjust the remaining balance after certain items were refunded? Once remaining balance is adjusted, how do we go about collecting payment correctly?

If there was a proposal, you can use a Change Order and remove line items by doing a negative quantity/price. Then you would invoice the proposal, then merge the change order into the invoice. This would serve as best practice for

the proposal to match the invoice.

If it's only an appointment that created the invoice, then editing the invoice individually and removing the items is the right way to do it. You can even add a discount to that invoice directly if you just need to remove a certain amount.

Either way best suits your workflow, once it's invoiced and balanced out, you can send that updated balance due. If there are any payments that end up needing to be refunded, you can do that from the invoice as well.

I received this message, "Unable to charge card. Please verify the card is correct. If the error persists, you can contact support with this ID for further information..." I checked and reentered her payment information and it is correct.

Error 4682509f - - Recent transactions were unable to be processed. Please choose another payment method.

This means that the customer you are attempting to process a payment for is on the blacklist due to recent transactions being returned for NSF. Either request another form of payment or if the merchant wants to take the risk of processing another ACH transaction from this customer Your merchant processor can try to add them to the whitelist. If you want to go this route we will need the full routing number and the full account number.

Customer paid a deposit but the owner refunded on a small percentage of it via check. What is the best way to show this refund in SM?

Since the deposit hasn't been processed as a payment yet, they'll probably need to generate an invoice so the deposit moves over to it as a payment, then do the same by refunding as a check.

I have an accepted proposal with a deposit on it via ACH, and I need to refund both in a way that keeps everything correct in SM and QuickBooks.

You're not able to refund ACH through service **minder**, so it'll have to be done directly in your payment provider. So step one is you can take care of the actual refund in your payment provider.

Step two (if the deposit hasn't become a payment yet, which will happen when the proposal is invoiced), you can do one of two things:

1. Invoice the proposal, let the payment move over, and then do a partial refund on the payment but uncheck the box to connect to the processor. You're basically doing this refund just for the accounting side in SM.

(OR)

2. X out the deposit, re-record the correct amount as a deposit, then allow that to move over as the payment. whenever it's time to invoice.

I need help with a partial refund. The customer paid the balance but it was done in 2 transactions. The first, she used the 20% discount but forgot to use it for the second transaction. How do I refund the difference?

Go to the invoice, click Refund (by the payment in the upper right), and enter the amount to refund and process

that. Just make sure to enter the refund amount, otherwise it will default to the full payment amount.

I accidentally issued a refund but then deleted it seconds later. But the refund still went through, how can I stop that from happening?

If you use an external processor, issuing refunds through service**minder** is more like sending a note to the processor for them to issue the refund on their side. If you accidentally submit a refund, you've sent the request to the merchant processor. If you delete (try to cancel) that refund in SM, it only removes the record of it on your SM account. It doesn't actually affect anything the credit card processor is doing on their side.

Though the refund record may have been deleted in service **minder**, the actual refund of funds transferred or cancellation of said refund needs to be handled by your payment processor.