VAT Only Credit Note

You may receive a supplier credit note that is only for the VAT, due to VAT being charged incorrectly on the original invoice.

Pre-requisites:
- original invoice has been Secondary Invoice Approved;
- find and make a note of the account and tax code that was entered for the original invoice;
- create an invoice batch.

a) Amend the Type to Credit Memo
b) A message will display advising to check the terms. Click OK as this will be done further down the process.
c) Transfer the supplier information from the credit note to the line.
d) In the Invoice Amount and VAT Control Amount the figures will be the amount of the credit note in negatives.

e) Make reference in the Description to the original invoice number.
f) Scroll further to the right and check that Terms is Immediate. If not amend it.
g) Click on the Lines tab and amend the Type to Tax.
h) In negatives, enter the amount of VAT into the Net Amount field.
i) Complete the Tax Name field with the tax name that was relevant to the invoice.
j) Enter the coding information that was entered for the item when the invoice was processed.

Please Note:
VAT only credit notes can only be coded to one line (either a GL code or a Project).

If the credit relates to more than one code, a journal will need to be entered to transfer the relevant amount.

k) Calculate Tax and Actions…1 to validate in the usual way.
l) Click on Holds tab and the credit note should have a Secondary Approval hold.