Crediting an Invoice in Full

Use this guidance when you need to credit an invoice directly, in full, to an external customer. The invoice should not have had any receipts applied against it and must have a status of Open. This method may be used even if the customer has been deactivated.

If you need to partially credit an invoice, credit an internal customer or need to credit VAT, please see separate guidance Entering a Credit Memo and the completing part Applying a Credit Note to an Invoice.

First, find the invoice to the customer and note the invoice number and the coding. You can use either the Torch function on the toolbar, or press F11, enter your search term(s) then shift+F11.

Then, find the invoice again using the Transaction Summary page. Press the Credit button at the bottom.

You will see the screen on the following page.

Note that the dates default to today’s date (1) – if you need to change it, do so here. Your department may require that where possible credit notes are dated the same date as the original invoice, so be sure to check this.

Fill in the type of credit note you are raising (2) – it will be your department code plus Credit Memo, in this case PD Credit Memo.

Fill in the reason for the credit note in section 3; be as detailed as possible for future reference e.g. by the auditors.
Once you are happy, select the credit balance button (4). This credits the invoice in full, and the credit area on the bottom left will populate. A prompt will appear confirming the balance amount of the transaction has been credited. Select OK.

Next select Credit Lines on the bottom right of the screen. The Lines screen will open, and you can see the credited lines and item descriptions. Select Distributions on the bottom right.

Select ‘Accounts For All Lines’ and fill in the correct GL account codes, as per the original invoice, for each of the ‘Revenue’ lines only. Do not amend any other lines.
Save using the icon in the top left, and return to the Credit Transactions screen.

The credit memo number is now listed – you may need to note this for department records. Press the ‘Complete’ button on the bottom left hand side. The credit is now applied, and you may print the credit note to send to the customer. Printing methods are detailed in the ‘Printing invoices and credit memos’ guidance.
FAQs

How can I check that the invoice has been credited correctly?

To check that the invoice has been fully credited, you can search for it using the Transaction Summary page. It will show as having a zero balance due. You can also see the credit note; make sure to search for ‘Class: Credit Note’ or search by date.

How could I remove the credit note from the invoice if required?

This would be unusual but if the credit note does need to be unapplied (reversed or removed), select it from the Transaction Summary page and select ‘Applications’.

This screen will open. You can see that currently the credit note is fully applied (Unapplied 0.00). If you want to remove the credit note, untick the box under ‘Apply’.