

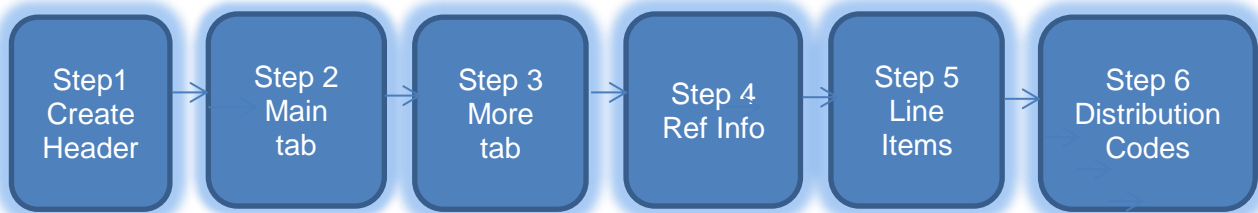


Entering a Credit memo

What are credit memos?

These are stand-alone credit notes which can be raised against a specific invoice or linked to your customers account. If the credit is linked to a specific sales invoice it will appear on the customer's statement. Credit memos can be used for VAT only, external trading and internal trading.

CARE: When you are crediting back a line from an invoice or an entire invoice it is important to ensure that the credit is coded back to the same account code that was used on the original invoice. Search for the original invoice and make note of the revenue account code that was created in Distributions.



Step 1: Creating the transaction header

a) Navigate : **Transaction > Transaction**

b) Complete following fields :

Class select **Credit Memo**.
Type **XXCredit Memo** to correct an external invoice or **XX Int Trade CM** to correct an internal invoice.

c) Review the following fields and update if required:

Reference This is an optional field and free text. Enter information that you feel may be helpful to you/department.

GL Date The date the transaction will reflect in your departmental accounts.

Currency Use GBP, you can use Euro and USD. All losses on exchange rates are the responsibility of the department.

Transaction	
Source	Manual Invoice
Number	791968
Class	Credit Memo
Type	AG Credit Memo
Reference	
Legal Entity	Cambridge University
Date	09-JAN-2014
GL Date	09-JAN-2014
Currency	GBP
Document Num	
Transaction	[]
	<input checked="" type="checkbox"/> Complete

Step 2: Main tab - enter customer details

Bill To: If you know the customer number, enter it in the second line of the bill to section and tab.

or

Place cursor into the first line of the bill to section and click the **list of values**, enter the customer name and click **find to** display matching customers. **Select** the correct customer you wish to use.

The screenshot shows the 'Main' tab of a software interface. It features several sections for entering customer details. The 'Ship To' section includes fields for Name, Number, Address, and Contact. The 'Bill To' section has a dropdown menu with 'TOSHIBA RESEARCH EUROPE LTD' and '1552'. The 'Sold To' section is empty. The 'Paying Customer' section is empty. The 'Payment Details' section has a dropdown menu with 'Immediate' and a 'Due Date' field with '21-JAN-2020'. A 'Select Instrument' button is visible at the bottom right.

Payment terms will default to *Immediate* and the **Due date** will be today as we are returning funds.

Step 3: More tab – enter Salesperson and optionally purchase order number

The screenshot shows the 'More' tab of a software interface. It features several sections for entering salesperson and purchase order details. The 'Print Option' is set to 'Do Not Print', 'Print Date' is empty, 'Status' is 'Void', and 'Default Tax' is 'Standard'. The 'Original Transaction' field is empty. The 'Salesperson' field is set to 'AG - Max Smith'. The 'Purchase Order' section has fields for 'Number' (2132458), 'Revision', and 'Date'. The 'Remit To' section has an address field set to 'University of Cambridge', 'Finance Division, Greenwich House', and 'Cambridge, Cambridgeshire CB3 0TX U'. The 'Special Instructions' and 'Comments' fields are empty. A row of buttons at the bottom includes 'Line Items', 'Tax', 'Freight', 'Distributions', 'Sales Credits', and 'Incomplete'.

Step 4: Reference information – reason and original invoice being credited

You should use this tab to enter the reason you're crediting and any other information such as invoice or reference number.

Reason Select from the List of Values an appropriate option

Customer Reference Free text field (usually enter the invoice number being credited).

Step 5: Line Items – detail items being credited

a) For each line complete:

Description This is a free text field where you enter the details of the product or service or any other reference you chose to enter.

Unit Of Measure (UOM) Optional field and chose appropriately

Quantity Either this field or the Unit Price field must be a **negative figure**.

Unit Price Value of product or service you are providing but as a negative figure.

Tax classification Defaults in based on customer set up. To change the tax classification, click on list of values and select appropriate option

b) Click on the **Distributions** button once your lines are complete to update the accounting information. **Remember codes must be the same as the original invoice.**

Step 6: Entering distribution codes for the credit

The codes must be the same **as per the original invoice** and you must **only change the revenue line**.

- a) Click on the **drop down** arrow and select **Account for all lines**

Trans Line	Detail Line	Class	GL Account	GL Date	%	Distribution Amount []
		Receivable	U.00.0000.0000.UBAA.0000	31-JAN-2014	100.0000	(120.00)
1		Revenue	U.AG.ZZZZ.GAAA.0000	31-JAN-2014	100.0000	(100.00)
1	1	Tax	U.00.0000.0000.VCCA.0000	31-JAN-2014	100.0000	(20.00)

Transaction Line Amount:

GL Posted Date: Accounting Rule:

Description: UC.Balance Sheet.Balance Sheet Default.Balance Sheet Default.Trade Debtors.Default

Tax Account:

Description:

Comments:

- b) The revenue GL account will automatically populate, however, the code must be changed using the list of values to what was on the original invoice.

Entity **U** UC

Department **AG** Finance

Cost Centre **AGBG** Training

Source of Funds **GAAA** External Trading

Transaction **LKAA** Sales/Income - Miscellaneous

Spare **0000** Default

OK Cancel Combinations Clear Help

- c) Repeat steps for each revenue line of the invoice
- d) **Save**. A transaction number is generated, which you should make a note of.
- e) **Complete** - once completed the credit memo can be previewed before printing.
- f) **Apply** the credit note to the original invoice customer (see guide on *Applying a credit memo to an invoice*).
- g) **Send** a copy of the credit memo to the customer.