

## **Entering Credit Memos with POs**

### **Overview**

#### **Credit Memos for PO's**

Credit transactions are reductions to future payments that are due to a vendor. Any credit that is created will hold future vendor payments until the total amount is recovered by the State.

Typically a credit is initiated by the vendor for the return of goods or the reduction in the invoice price using a Credit Invoice or a Credit Memo. Other times a credit is initiated by the State due to billing adjustments or for contract disputes.

Credits applied to PO's are processed using one of three business processes:

- Reversal of an unpaid voucher with a receipt
- Return of goods / reduction of services received after payment
- Credit against vendor payment

#### **Full reversal of an unpaid voucher:**

A reversal of a voucher can be processed any time before the payment is issued to a vendor. This transaction will delete an unposted transaction from the system or create a reversing journal entry if the original transaction has been posted. This transaction will need to be approved and posted.

In addition to reversing the financial transaction, a reversal reestablishes either the purchase order or the purchase receipt for future payments. If there was an original purchase receipt that also may need to be reversed, see Return of Goods section for reversing a purchase receipt.

#### **Return of goods / reduction of services received after payment**

A return of goods or reduction of services received applies to purchase orders that have activity received against them.

There are two steps required to perform this type of transaction. The first step is to receive the credit against the appropriate line item. The second step is to match the credit with the Credit Memo document received from the vendor. These steps are identical in function to how a purchase receipt is processed and a voucher is entered to match against a purchase receipt. The key difference is that the amount is a credit.

#### **Credit purchase against vendor payment**

A credit for a vendor payment that is to be applied to a PO requires the preparer to add a new PO line. This is done directly on the Voucher Entry application. A credit can be applied at any time, even after a PO has been closed. This enables the activity to be tracked by purchase order for reference.

This work instruction includes [Additional Functions and Options](#).

## NIS Policies

The tasks in this documentation provide end users with the tools to enter data and collect data in NIS. It is the responsibility of the agencies to comply with State Statutes, Federal Rules and Regulations, and State policies. For further information concerning State Statutes and policies, please refer to both internal agency resources and the Department of Administrative Services website: <http://www.das.state.ne.us/>.

## Navigation

Click Roles, Accounts Payable.  
(Citrix users – right click on the menu, choose Apply Roles, choose Accounts Payable.)

Payables > Voucher Processing > Voucher Entry with PO

## Steps

### Enter a Reversal of an Unpaid Voucher

Start this instruction from the Voucher Entry with PO – Supplier Ledger Inquiry window.

The screenshot shows the PeopleSoft interface for 'Voucher Entry with PO - Supplier Ledger Inquiry'. The window includes a search form with the following fields and options:

- Supplier Number: [Text Field]
- Date From: [Text Field] Thru: [Text Field]
- Radio buttons:  Invoice,  G/L
- Checkboxes:  Recurring,  Summarize
- Radio buttons:  Paid,  Open,  Withheld,  All
- Batch Number: [Text Field]

Below the search form, the status indicates 'No records fetched.' and there is a 'Customize Grid' link. The table below has the following columns:

Document Number	Doc Type	Doc Id	Invoice Date	G/L Date	Due Date	Discount Due Date	Gross Amount	Open Amount	Pay Stat	Payment Handling	Supplier Number	Page Num
No records fetched.												

- Complete one or more of the following to locate the voucher to reverse:
  - Supplier Number
  - Date From and Thru
  - Ensure All is chosen

2. Click **Find**.

Document Number	Doc Type	Doc Fd	Invoice Date	G/L Date	Due Date	Discount Due Date	Gross Amount	Open Amount	Pay Stat	Payment Handling	Supplier Number	Paye Num
307882	PV	56500	03/13/2003	04/01/2003	04/12/2003	04/12/2003	24.00		P		500829	
1180215	P9	23330	06/14/2003	07/16/2003	07/14/2003	07/14/2003	54.65		P		500829	
1688076	PV	23330	09/29/2003	10/21/2003	10/29/2003	10/29/2003	45.90		P		500829	
2125333	PV	22700	12/18/2003	01/14/2004	01/14/2004	01/14/2004	25.90		P		500829	
2125334	PV	22700	12/19/2003	01/14/2004	01/14/2004	01/14/2004	25.90		P		500829	
2200819	PV	22700	01/13/2004	01/27/2004	01/27/2004	01/27/2004	25.90		P		500829	
2892481	PV	56500	03/29/2004	04/01/2004	04/28/2004	04/28/2004	42.93		P		500829	
2946797	PV	23330	03/23/2004	04/08/2004	04/21/2004	04/21/2004	22.95		P		500829	

3. Choose the voucher.

4. Click **Select**. The Voucher Entry with PO – Voucher Match Reversals window appears.

2nd Item Number	Account Number	Amount Matched	Retained Amount	Quantity Matched	UM	Order Number	Or Ty	Order Fd	Line Number
33542	65044100.534800	359.25		15.0000	BG	40736	OP	56500	1.00
33542	65044100.534800	943.85		43.0000	BG	40736	OP	56500	2.00
33542	65044100.534800	130.31		1.0000	\$	40736	OP	56500	3.00

5. If the Reverse function is disabled and no receipts appear, this credit must be entered using the credit against vendor payment process.

If the Reverse function is enabled and a receipt appears:

- Write down the batch number.
- Enter today’s date in the G/L Date field.

6. Click **Form, Reverse** to reverse the voucher and return to the Voucher Entry with PO – Supplier Ledger Inquiry window.

 The batch number defaults in the header Batch Number field.

7. Click **Find**.

8. Review:

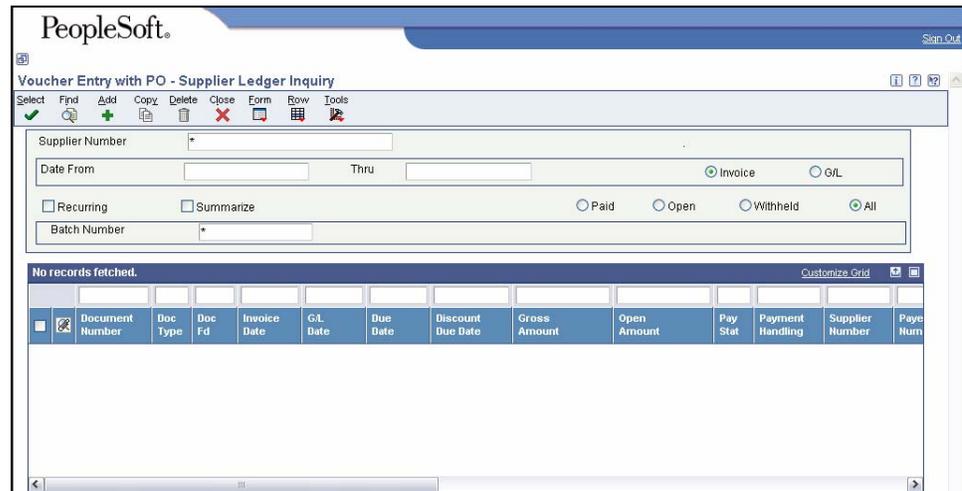
- If the voucher was unposted, the document has been erased and will not appear.

- If the voucher was posted, a negative Gross Amount will appear, this transaction must be approved and posted.
9. Click **Close** to return to the menu.

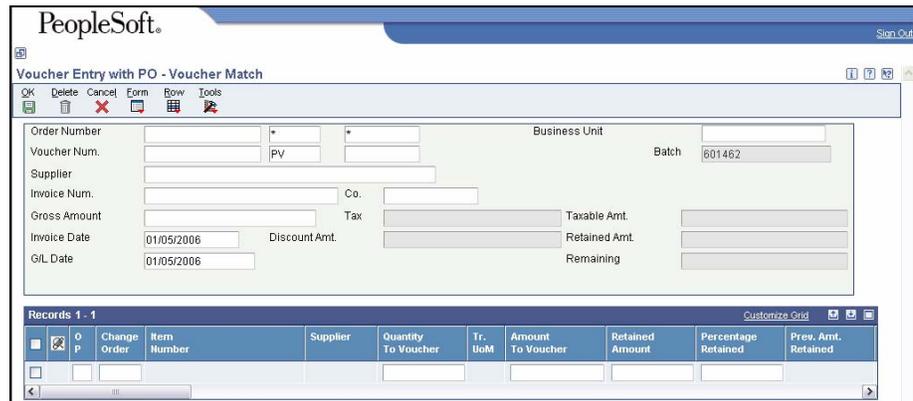
## Enter Return of Goods / Reduction of Services Received After Payment

 Requires a negative receipt to be processed for the return of goods or reduction in services received.

Start this instruction from the Voucher Entry with PO – Supplier Ledger Inquiry window.

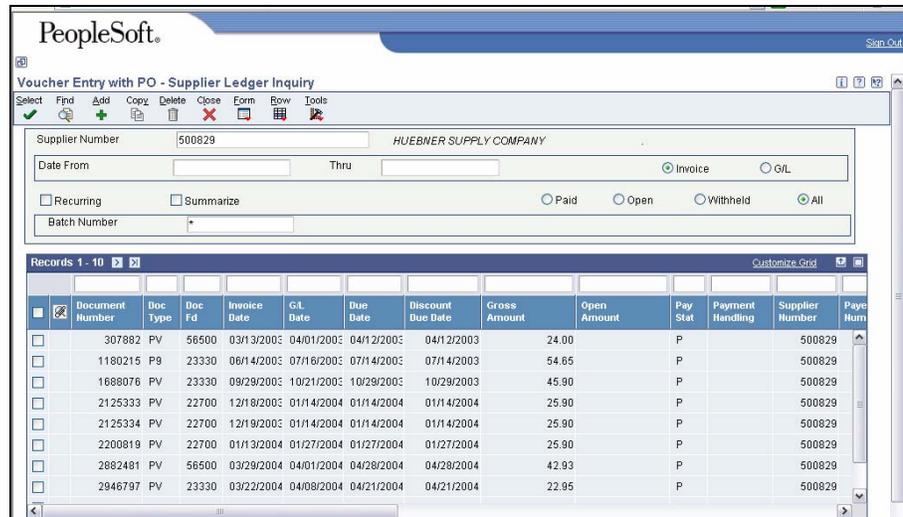


1. Click **Add**.



2. Complete the following fields in the header:
- Order Number – Type the purchase order number.
  - Supplier Number – Type the Address Book number of the supplier.
  - Invoice – Type in the vendor's original Invoice or Credit Memo number.
  - Gross Amount – Enter the amount of the credit as a negative number.
  - Invoice Date – Date from vendor's invoice.
  - G/L Date – Today's date.

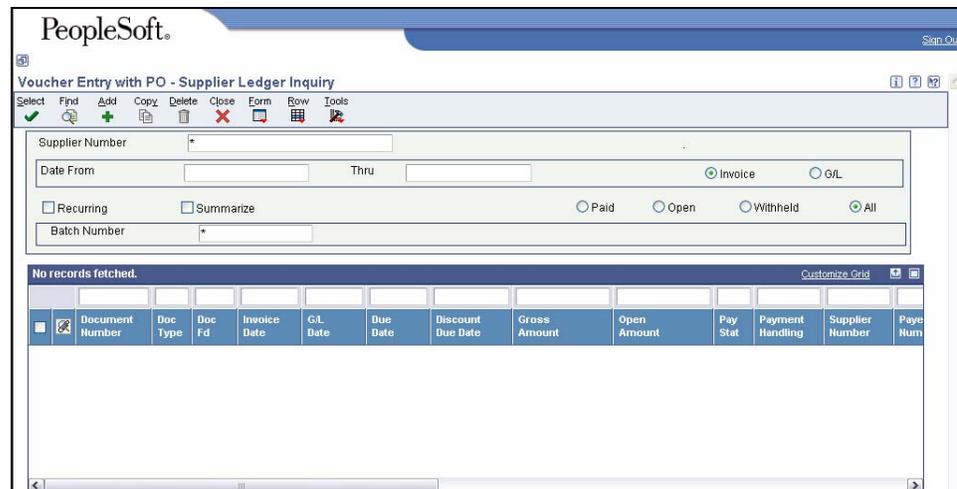
- Co. – Fund number.
- 3. Click **Form, Receipts to Match**.
- 4. Choose the credit receipts to match.
- 5. Click **OK**.
- 6. Click **OK** to accept the information.
- 7. Click **Cancel** and return to the Voucher Entry with PO – Supplier Ledger Inquiry window.
- 8. Click **Find**.



- 9. Review the Voucher Entry with PO – Supplier Ledger Inquiry window.
- ✏ A voucher will appear with a negative Gross Amount. This transaction must be approved and posted.
- 10. Click **Close**.

### Enter Credit Against Vendor Payment

Start this instruction from the Voucher Entry with PO – Supplier Ledger Inquiry window.



1. Click **Add**.

PeopleSoft

Voucher Entry with PO - Voucher Match

Order Number: [ ] Business Unit: [ ]

Voucher Num.: [ ] PV [ ] Batch: 601462

Supplier: [ ]

Invoice Num.: [ ] Co.: [ ]

Gross Amount: [ ] Tax: [ ] Taxable Amt.: [ ]

Invoice Date: 01/05/2006 Discount Amt.: [ ] Retained Amt.: [ ]

G/L Date: 01/05/2006 Remaining: [ ]

O P	Change Order	Item Number	Supplier	Quantity To Voucher	Tr. UoM	Amount To Voucher	Retained Amount	Percentage Retained	Prev. Amt. Retained
	4								

## 2. Complete the following fields in the header:

- Order Number – Type the purchase order number.
- Supplier Number – Type the Address Book number of the supplier.
- Invoice – Type in the vendor's original Invoice or Credit Memo number.
- Gross Amount – Enter the amount of the credit as a negative number.
- Invoice Date – Date from vendor's invoice.
- G/L Date – Today's date.
- Co. – Fund number.

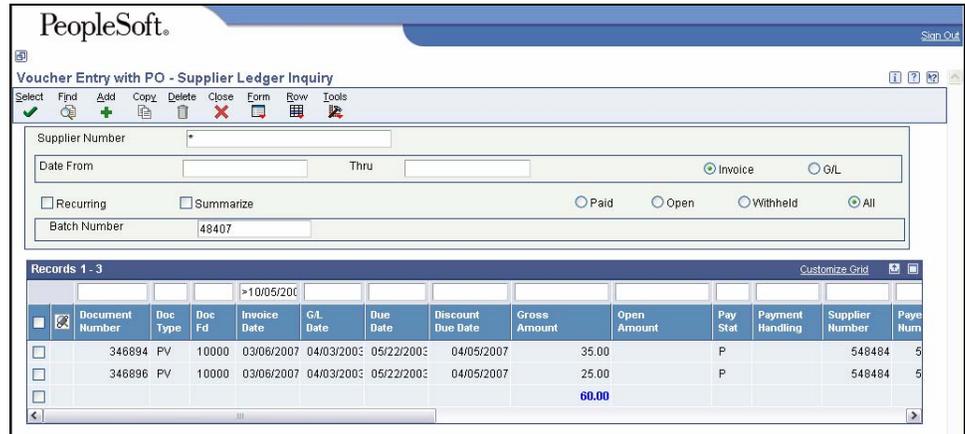
## 3. Complete the following fields in the detail line:

- OP – Type a 4 as the option code, this adds a line to the purchase order
- Amount to Voucher – Type the credit amount as a negative number
- Description 1 – Reason for the credit
- Expense Account – Business Unit and Object account to receive the credit
- Order Fund Number – Fund from the PO

The expense account would be the original expense account on the purchase order.

If there are multiple expense accounts that the credit is to be applied to, enter a new line for each expense account until the total due adds up to the Gross Amount.

4. Click **OK** to accept the information and return to the Voucher Entry with PO – Supplier Ledger Inquiry window.
5. Click **Find**.



6. Review the Voucher Entry with PO – Supplier Ledger Inquiry window:
  -  A voucher will appear with a negative Gross Amount. This transaction must be approved and posted.
7. Click **Close** to return to the menu.

## Additional Functions and Options

To	Do This
Display the Work With Batches window.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area.</li> <li>2. Click <b>Row, Batches</b>.</li> </ol>
Review voucher summary information.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area.</li> <li>2. Click <b>Row, Summary</b> to display the Voucher Summary window.</li> </ol>
Review an item's payment history.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area.</li> <li>2. Click <b>Row, Payment History</b> to display the Work with Pay Item History window.</li> </ol>
Display the Enter Voucher – G/L Distribution window.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area.</li> <li>2. Click <b>Row, G/L Distribution</b>.</li> </ol>

To	Do This
Review receipt information for a purchased item or service.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area.</li> <li>2. Click <b>Row, Purchase Receipts</b> to display the Work With Purchase Receipts window.</li> </ol>
Attach a text attachment to a voucher.	<ol style="list-style-type: none"> <li>1. From the Supplier Ledger Inquiry window, choose the appropriate voucher in the detail area.</li> <li>2. Click <b>Row, Attachments</b> to display the Media Object Viewer window.</li> <li>3. Choose <b>File, Add, Text</b> to activate the text area.</li> <li>4. Type the text in the text area.</li> <li>5. Choose <b>File, Save</b> to save the text information and return to the Supplier Ledger Inquiry window.</li> </ol> <p> A  appears to the left of each record that contains a text attachment.</p>
Inquire on a payment.	From the Supplier Ledger Inquiry window, Click <b>Form</b> , then <b>Payment Inquiry</b> to display the Work With Payments window.
Recycle a recurring voucher.	Click <b>Form, Recycle Vchrs</b> to display the Work With Batch Versions – Available Versions window.
Inquire on purchase orders.	Click <b>Form, Purchase Orders</b> to display the Order Header window.
Review Supplier Master information.	From the Supplier Ledger Inquiry window, click <b>Form</b> , then <b>Supplier Master</b> to display the Work With Supplier Master window.