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

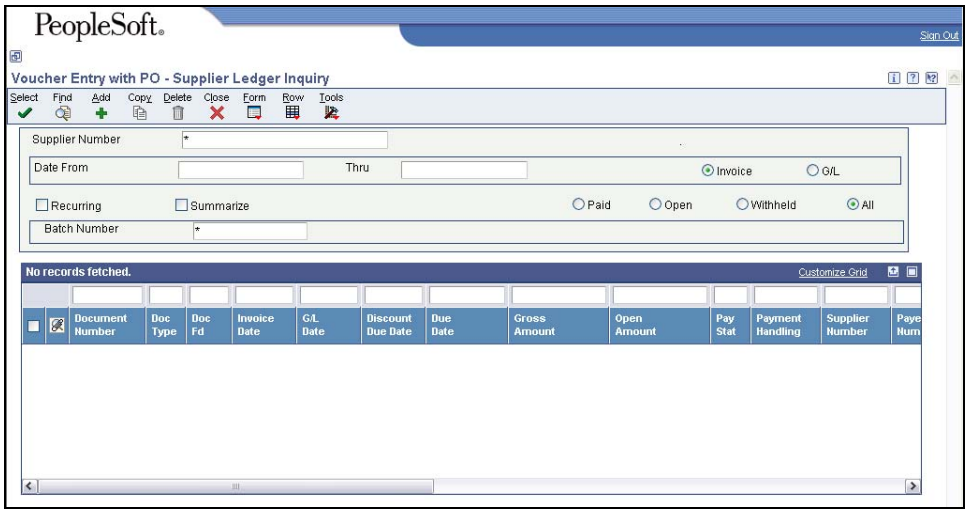
Click Roles, Accounts Payable.
(Citrix users – right click on the menu, choose View by Role, choose Accounts Payable.)

Accounts Payable > Voucher Processing > Voucher Entry > Voucher Entry with PO

Steps

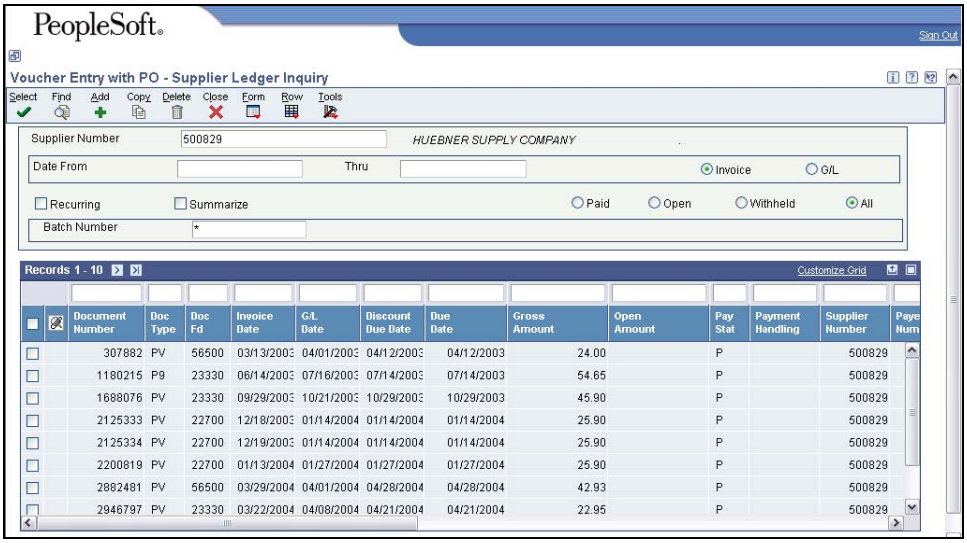
Enter a Reversal of an Unpaid Voucher

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



1. 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**.



3. Choose the voucher.

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

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.

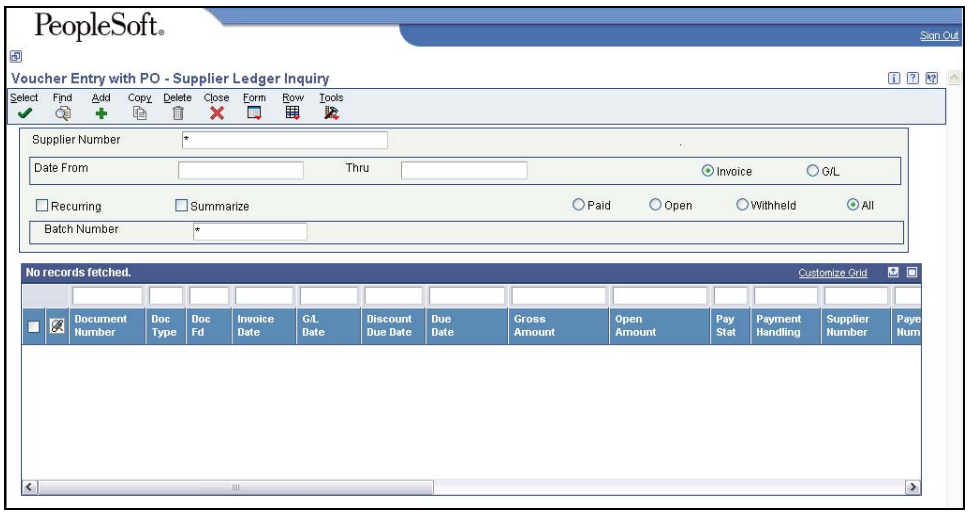
- If the voucher was posted, a negative Gross Amount will appear, this transaction must be approved and posted.

9. Click **Close** to return to the menu.

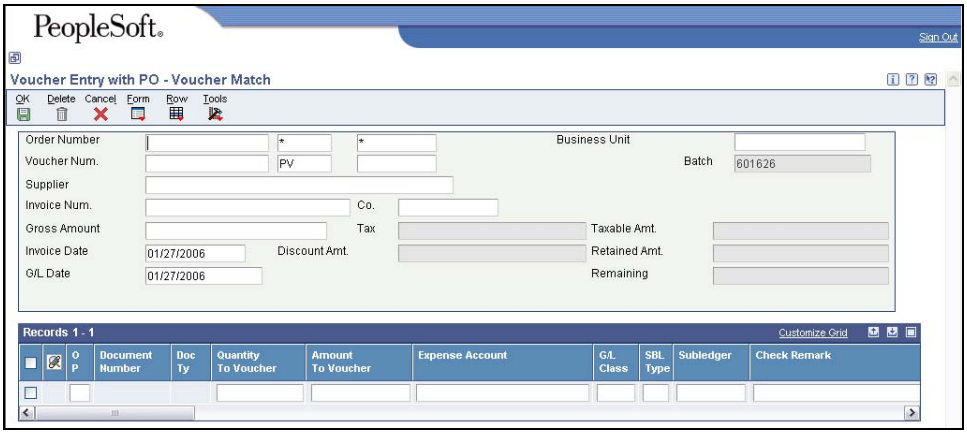
Enter Return of Goods / Reduction of Services Received After Payment

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**.

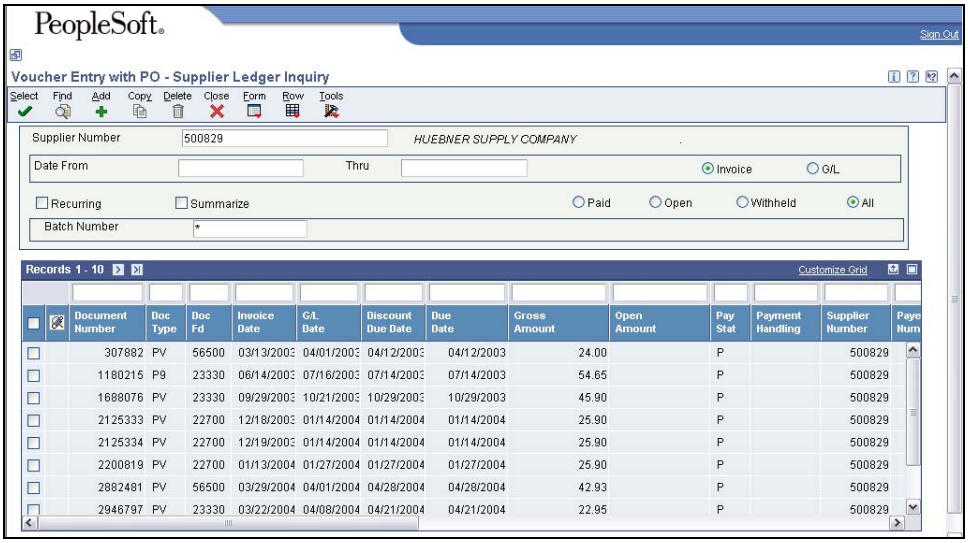


2. Complete the following fields in the header:

- Order Number – Type the purchase order number.
- Supplier Number – Type the Address Book number of the suppler.
- 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**.



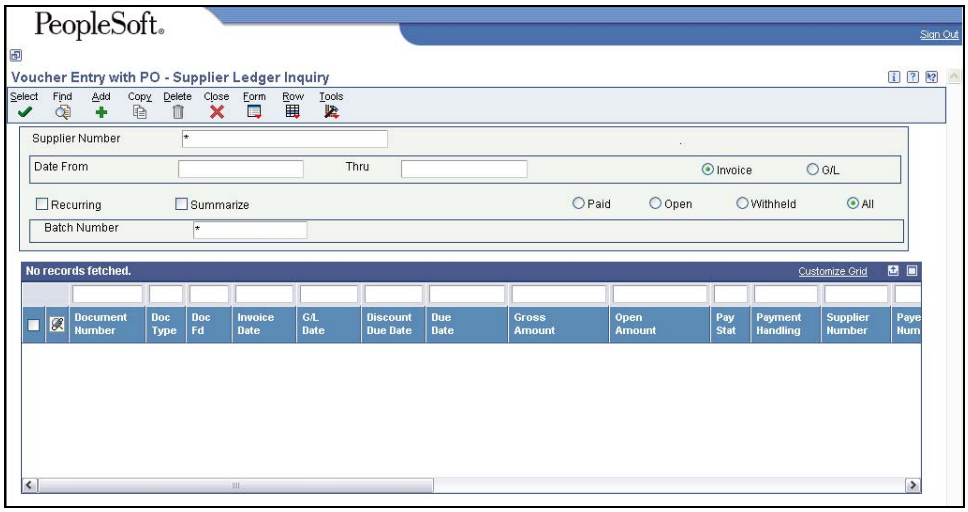
9. Review the Voucher Entry with PO – Supplier Ledger Inquiry window.

A voucher will appear with a negative Gross Amount. This transaction must be approved and posted.

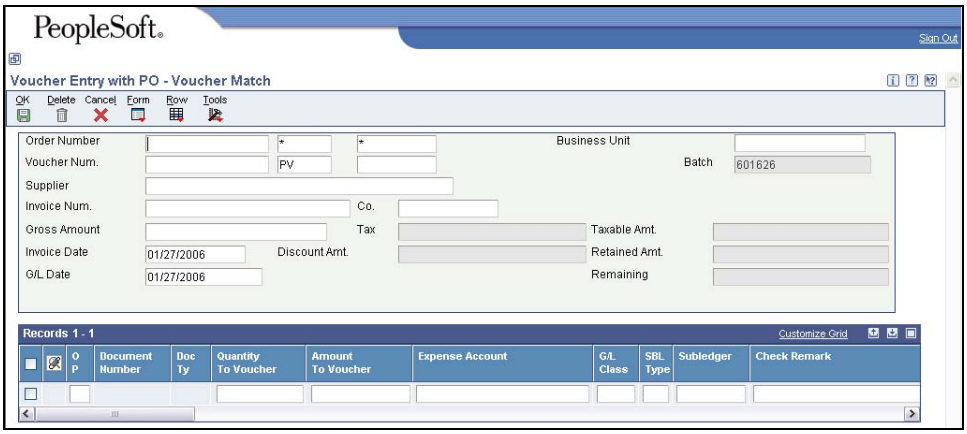
10. Click **Close**.

Enter Credit Against Vendor Payment

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



1. Click **Add**.



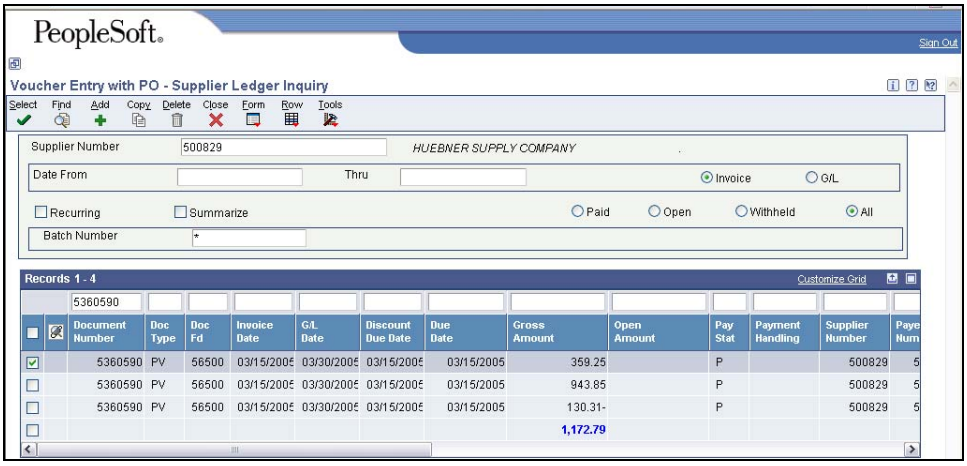
2. Complete the following fields in the header:
   - Order Number – Type the purchase order number.
   - Supplier Number – Type the Address Book number of the suppler.
   - Invoice – Type in the vendor's original Invoice or Credit Memo number.
   - Gross Amount – Enter the amount of the credit as a negative 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.	1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area. 2. Click **Row**, **Batches**.
Review voucher summary information.	1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area. 2. Click **Row**, **Summary** to display the Voucher Summary window.
Review an item's payment history.	1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area. 2. Click **Row**, **Payment History** to display the Work with Pay Item History window.

To	Do This
Display the Enter Voucher – G/L Distribution window.	1. From the Supplier Ledger Inquiry window, choose the appropriate batch in the detail area. 2. Click **Row**, **G/L Distribution**.
Attach a text attachment to a voucher.	1. From the Supplier Ledger Inquiry window, choose the appropriate voucher in the detail area. 2. Click **Row**, **Attachments** to display the Media Object Viewer window. 3. Choose **File**, **Add**, **Text** to activate the text area. 4. Type the text in the text area. 5. Choose **File**, **Save** to save the text information and return to the Supplier Ledger Inquiry window. A appears to the left of each record that contains a text attachment.
Inquire on a payment.	From the Supplier Ledger Inquiry window, Click **Form**, then **Payment Inquiry** to display the Work With Payments window.