



ADDY TIPS



FINANCIALS

General Guidelines for Credit Memos and Receipts

This Addy Tip provide an overview of the steps you should take during the receiving process if a credit is issued.

Users should create a negative receipt if:

- A credit memo is received from the vendor/dept identifies purchase order (PO)/line for which the credit should be applied.
- A credit memo is received after the original invoice was paid,
- A credit is not associated with the same PO as the original invoice but is for the same vendor.

Users should pay a credit memo as a non-purchase order if:

- The original invoice was paid in a prior fiscal year.
- The credit is against a closed PO distribution line.
- The PO cannot be reopened (i.e charged to a dept and was created in a prior fiscal year).
- The credit amount is immaterial.
- The credit memo is received after the original invoice was paid and the PO is setup to liquidate by quantity.

Users should create a net value receiver (receipt amount = invoice- credit):

- The credit is received along with the original invoice which has not yet been processed and the PO is setup to liquidate by quantity.
- The credit memo is for the same dept/project and PO line.