

## How to Refund a Customer's Credit

When a customer has a credit balance they will occasionally request a refund for that amount.

Invoice No.	Invoice Type	Inv Date	Inv Due Date	Disc Date	Sold To	Amount	Discount	Balance	Ct
0100056	Credit Memo	5/31/2014				500.00-	0.00	500.00-	
0000191	Invoice	5/31/2010	6/30/2010			2,416.25	0.00	0.00	
0100041	Invoice	5/31/2010	6/30/2010			38.20	0.00	38.20	78%
0100048	Invoice	5/30/2010	6/29/2010			130.00	0.00	130.00	78%
0000169	Invoice	5/29/2010	6/28/2010			2,416.25	0.00	0.00	
0100011	Invoice	5/28/2010	6/27/2010			265.86	0.00	0.00	
0100012	Invoice	5/28/2010	6/27/2010			666.53	0.00	0.00	
0100009	Invoice	5/23/2010	6/22/2010			2,032.54	0.00	0.00	
0100042	Invoice	5/21/2010	6/20/2010			864.25	0.00	0.00	

Trans Date	Trans Type	Trans Amount	Pay Date	Check No.	Payment Ref	Cr Card	RMA No.

Balance	Current	30 Days	60 Days	90 Days	120 Days
5,232.36	5,232.36	0.00	0.00	0.00	0.00

### CREATE AN AR CLEARING ACCOUNT:

Click on General Ledger -> Main -> Account Maintenance. Create a Refund Clearing Account. This will be used to adjust your AR Credit Invoice to and post the AP Check. The balance should always be zero.

Account No. 430-00-00  
Description Refund Clearing Account

1. Main | 2. History | 3. Variance | 4. Transactions | Fiscal Year 2014

Account Group 400 REVENUES  
Account Category Revenue  
Account Type Net Sales

Status Active  
Start Date  
End Date  
Cash Flow Type None  
Clear Balances

**ACCOUNT RECEIVABLE:**

Click on Cash Receipts Entry. Create a new Batch, if you are using batch processing. Select a new Deposit Number, enter ZERO for the Cash Deposit Amount.

The screenshot shows the 'Cash Receipts Deposit' dialog box in Sage software. The fields are as follows:

Deposit Number	00006	Batch	00003
Description			
Bank Code	D Wells Fargo Checking		
Deposit Date	11/11/2014		
Cash Deposit Amount	.00	Credit Card Deposit Amount	.00
Deposit Balance	.00		

Buttons at the bottom: Accept, Cancel, Delete, and a help icon.

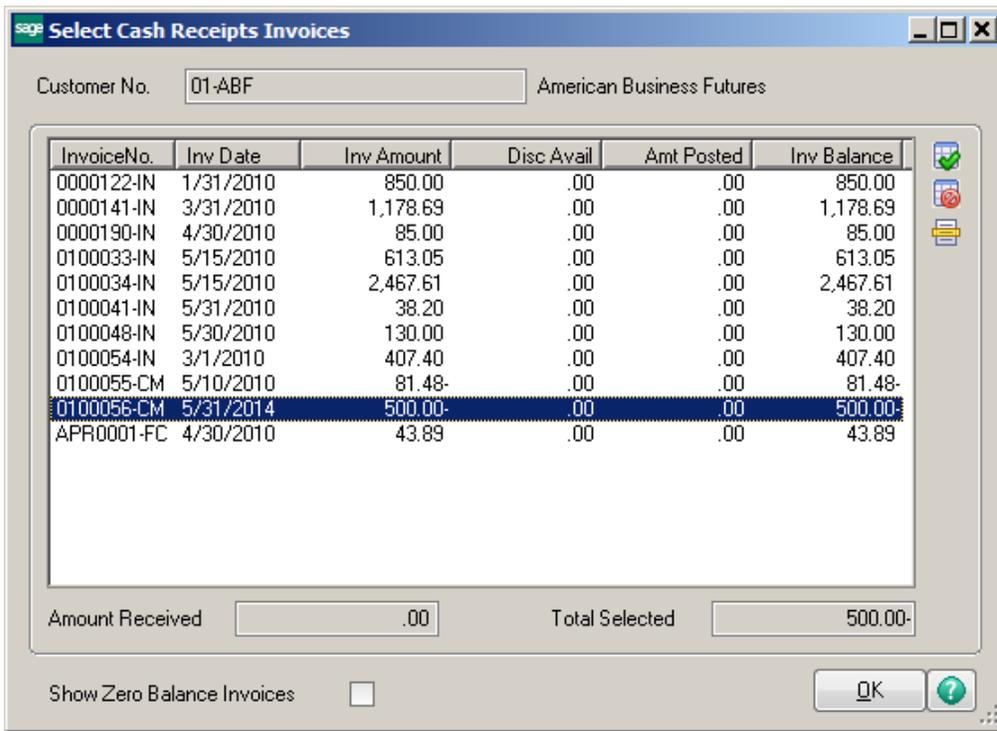
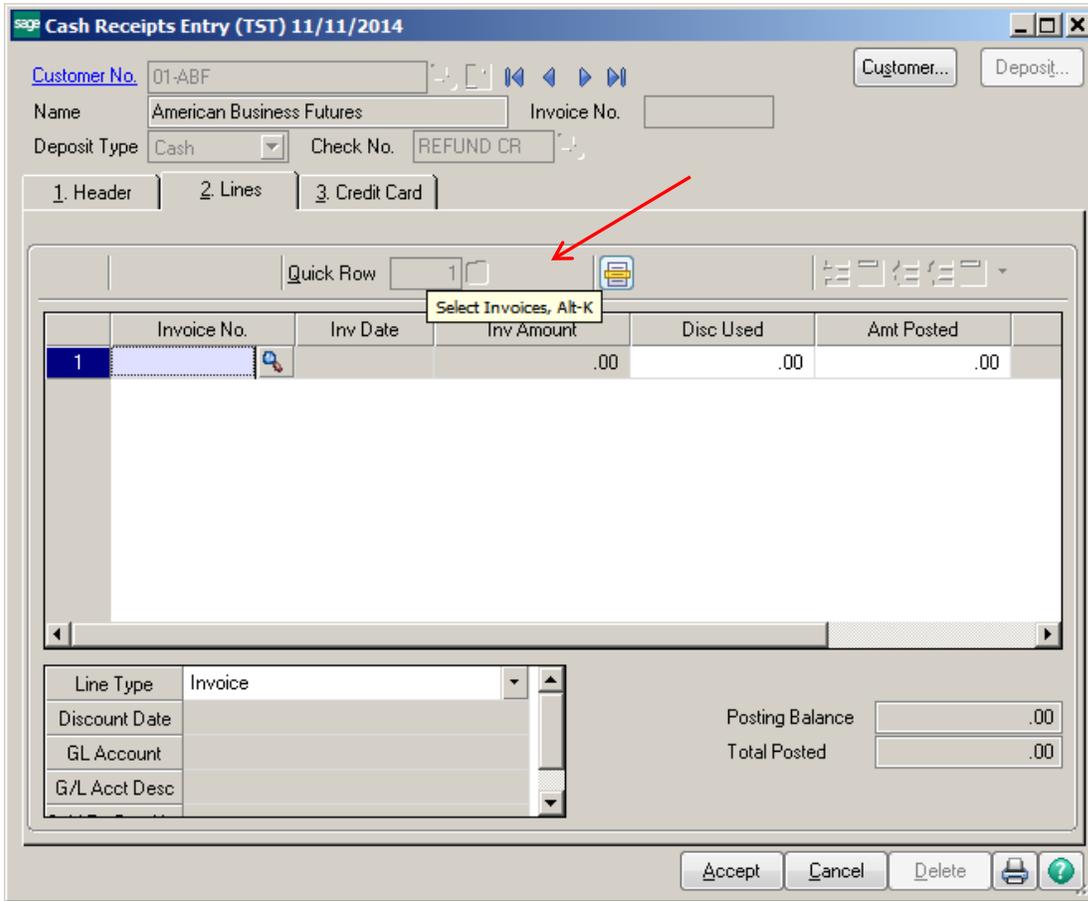
Enter the Customer Number in the Customer Number field. Enter REFUND CR for Check Number and Zero for the Amount Received.

The screenshot shows the 'Cash Receipts Entry (TST) 11/11/2014' dialog box in Sage software. The fields are as follows:

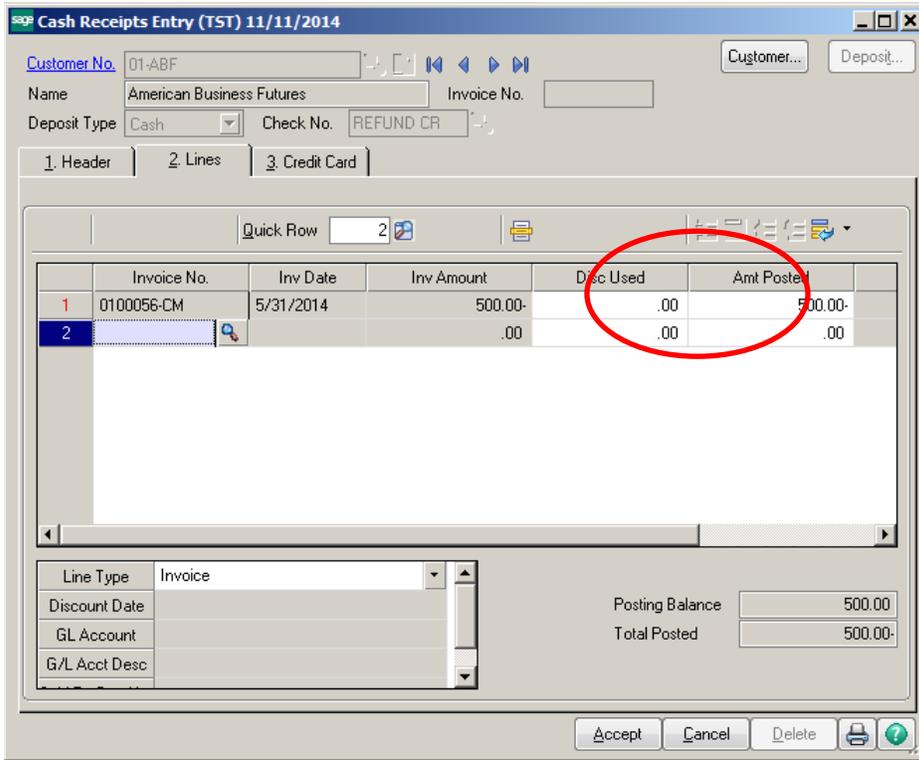
Customer No.	01-ABF	Customer...	Deposit...
Name	American Business Futures	Invoice No.	
Deposit Type	Cash	Check No.	REFUND CR
1. Header   2. Lines   3. Credit Card			
Amount Received	.00	Auto...	
Customer Balance	5,232.36		
Posting Balance	.00		
Deposit Information			
Deposit Number	00006	Batch	00003
Description			
Bank Code	D		
Deposit Date	11/11/2014		
Cash Amount Remaining	.00	Credit Card Amount Remaining	.00
Deposit Remaining	.00		

Buttons at the bottom: Accept, Cancel, Delete, Print, and a help icon.

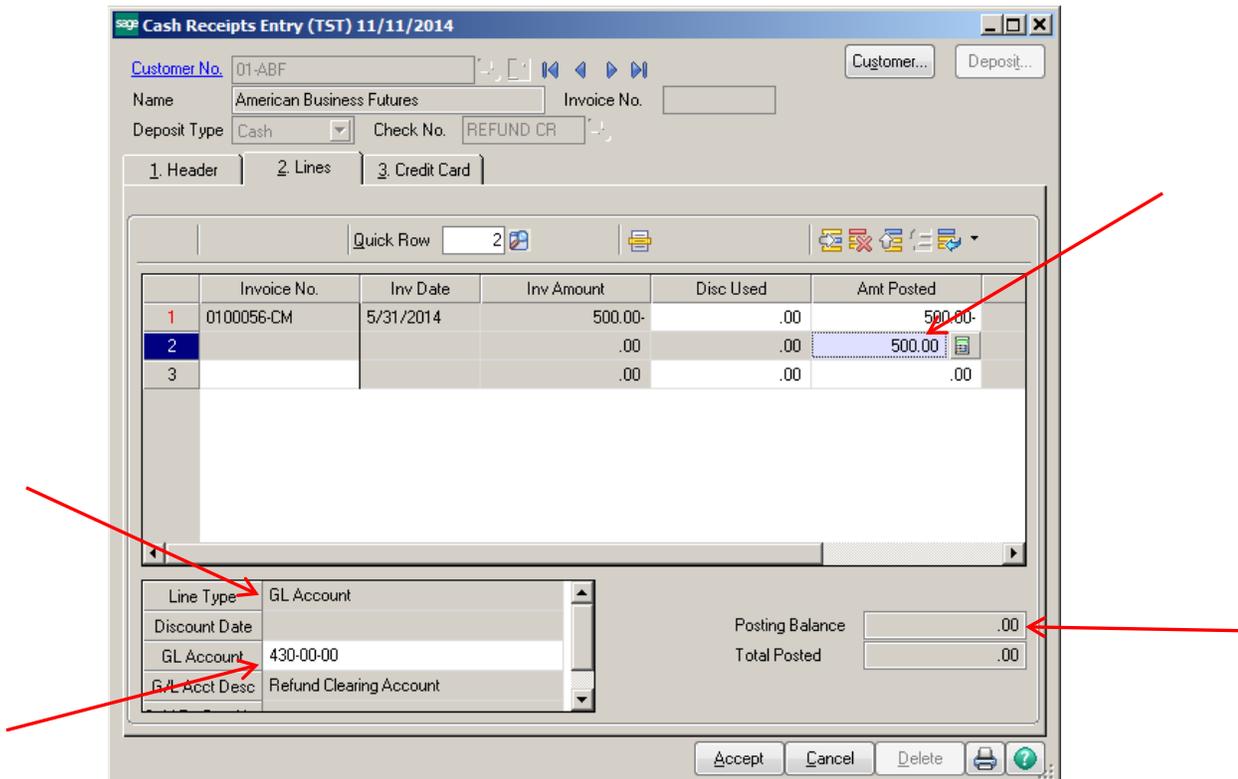
Click on the Lines tab. Click the Select Invoices icon. Select the Credit invoice from the list.



Confirm that the amount in the Amount Posted field is the entire amount of the credit.



On Line 2, click on the Line Type field in the bottom grid and select GL Account from the drop down. Enter the Refund account in the GL Account field. The system will automatically enter the debit amount of the invoice in the Amount Posted field. The Posting Balance will now show Zero. Click Accept.



Print the Cash Receipts Journal and Update.

Cash Receipts Journal  
 Register Number: CR-000002  
 Batch Number: 00003

Test Company (TST)

Invoice Number	Comment	Amount Applied	Discount Date	Discount Amount	Invoice Balance	Credit A/R	Credit Misc Account
Bank: D Wells Fargo Checking      Batch Number: 00003      Deposit Date: 11/11/2014      Deposit Number: 00006      Deposit Amount:      0.00							
01-ABF	American Business Futures						
	Check Number: REFUND CR						
0100056-CM		500.00-		0.00	0.00	500.00-	
GL: 430-00-00		500.00					500.00
	Posting Total	0.00		0.00		500.00-	500.00
	01-ABF Total:	0.00		0.00		500.00-	500.00
	Division 01 Total:	0.00		0.00		500.00-	500.00
	Deposit 00006 Total:	0.00		0.00		500.00-	500.00
	11/11/2014 Total:	0.00		0.00		500.00-	500.00
	Bank D Total:	0.00		0.00		500.00-	500.00
	Cash Deposits Total:	0.00		0.00		500.00-	500.00
	Report Total	0.00		0.00		500.00-	500.00

Accounts Receivable Recap By Division  
 Register Number: CR-000002  
 Batch Number: 00003

Test Company (TST)

Division Number: 01 EAST SALES OFFICE

G/L Account	Description	Debit	Credit
105-00-01	Accts. receiv. - East Warehse	500.00	
430-00-00	Refund Clearing Account		500.00
<b>Division 01 Total:</b>		<b>500.00</b>	<b>500.00</b>

Customer Maintenance (TST) 11/11/2014

Customer No. 01-ABF  
 Name American Business Futures

1. Main | 2. Additional | 3. Statistics | 4. Summary | 5. History | 6. Invoices | 7. Transactions | 8. S/Os

Invoice No.	Invoice Type	Inv Date	Inv Due Date	Disc Date	Sold To	Amount	Discount	Balance	Cu
0100056	Credit Memo	5/31/2014				500.00-	0.00	0.00	
0000191	Invoice	5/31/2010	6/30/2010			2,416.25	0.00	0.00	
0100041	Invoice	5/31/2010	6/30/2010			38.20	0.00	38.20	78
0100048	Invoice	5/30/2010	6/29/2010			130.00	0.00	130.00	78
0000169	Invoice	5/29/2010	6/28/2010			2,416.25	0.00	0.00	
0100011	Invoice	5/28/2010	6/27/2010			265.86	0.00	0.00	
0100012	Invoice	5/28/2010	6/27/2010			666.53	0.00	0.00	
0100009	Invoice	5/23/2010	6/22/2010			2,032.54	0.00	0.00	
0100042	Invoice	5/21/2010	6/20/2010			864.25	0.00	0.00	

Trans Date	Trans Type	Trans Amount	Pay Date	Check No.	Payment Ref	Cr Card	RMA No.
5/31/2014	Credit Memo	500.00-					
11/11/2014	Payment	500.00	11/11/2014	REFUND CR			

Balance	Current	30 Days	60 Days	90 Days	120 Days
5,732.36	0.00	0.00	0.00	0.00	5,732.36

## ACCOUNTS PAYABLE:

Click on Accounts Payable -> Main -> Manual Check Entry. Click on the Quick Print icon.

The screenshot shows the 'Manual Check and Payment Entry (TST) 11/11/2014' window. At the top, there are fields for 'Bank Code' (D), 'Payment Type' (Check), and 'Check No.'. A red arrow points to the 'Quick Print' icon (a printer symbol) located next to the 'Check No.' field. Below these fields, there is a 'Cash Account' field with the value '101-01-00'. The main area of the window is divided into '1. Header' and '2. Lines' tabs. The 'Header' section contains fields for 'Check Date', 'Check Amount' (with a value of .00), 'Vendor No.', and 'Comment'. At the bottom of the window, there are buttons for 'Accept', 'Cancel', 'Delete', and a printer icon.

Enter the amount of the check and NOF as the Vendor Number.

The screenshot shows the same 'Manual Check and Payment Entry (TST) 11/11/2014' window, but now with data entered. The 'Check No.' field contains '\*PRINT\*'. The 'Check Date' field is set to '11/11/2014'. The 'Check Amount' field is set to '500.00'. The 'Vendor No.' field is set to '01-NOF', and a search icon is visible next to it. The 'Vendor No.' field is highlighted in blue, and the text 'NOT ON FILE VENDOR' is displayed in a separate box. The 'Cash Account' field remains '101-01-00'. The 'Header' and 'Lines' tabs are visible at the top. At the bottom, the 'Accept', 'Cancel', 'Delete', and printer icons are present.

Click on the Vendor No. hyper link. The Vendor Maintenance box will open.

Manual Check and Payment Entry (TST) 11/11/2014

Bank Code: D  
Payment Type: Check  
Check No.: \*PRNT\*  
Cash Account: 101-01-00

1. Header | 2. Lines

Check Date: 11/11/2014  
Check Amount: 500.00  
Vendor No.: 01-NDF **NOT ON FILE VENDOR**  
Comment:

Accept Cancel Delete

Enter the Customer address information that you are sending the Refund check to.

Vendor Maintenance (TST) 11/11/2014

Vendor No.: 01-NDF  
Name: American Business Futures

1. Main | 2. Additional | 3. Statistics | 4. Summary | 5. History | 6. Invoices | 7. Transactions | 8. Checks | 9. P/Os

Address: 2131 N. 14th Street  
Suite 100  
ZIP Code: 53205  
City: Milwaukee State: WI  
Country: USA United States of America

Primary Contact  
Telephone: Ext:  
Fax:

E-mail Address  
URL Address

Terms Code: 00 NO TERMS  
Reference:  
Credit Card Vendor:   
Hold Payment:

Exemption No. on File:   
Tax Schedule: NONTAX Nontaxable T

Paperless...

Accept Cancel Delete

The Customer Name will now appear in the Vendor Name field.

The screenshot shows the 'Manual Check and Payment Entry (TST) 11/11/2014' window. At the top, there are fields for Bank Code (D), Payment Type (Check), Check No. (\*PRNT\*), and Cash Account (101-01-00). A 'Vendor...' button is located in the top right. Below these are tabs for '1. Header' and '2. Lines'. The 'Header' tab is active, showing a form with the following fields: Check Date (11/11/2014), Check Amount (500.00), Vendor No. (01-NOF), and a Vendor Name field containing 'American Business Futures'. A 'Comment' field is also present. At the bottom, there are buttons for 'Accept', 'Cancel', 'Delete', and a help icon.

Click on the Lines tab. Click on the GL Distribution button.

The screenshot shows the same 'Manual Check and Payment Entry (TST) 11/11/2014' window, but with the '2. Lines' tab selected. A red arrow points to a small icon in the top left of the lines section, which is the 'GL Distribution' button. Below this is a table with the following columns: Invoice No., Invoice Date, Invoice Amt, Discount Amt, and Comment. The table contains one row with '1' in the 'Invoice No.' column and '.00' in the 'Invoice Amt' and 'Discount Amt' columns. Below the table is a form with fields for 'Due Date', 'Discount Date', '1099 Form', '1099 Box', and 'G/L Distribution' (with a checkbox). At the bottom, there are fields for 'Check Distribution Balance' (500.00) and 'Payment Total' (0.00). Buttons for 'Accept', 'Cancel', 'Delete', and a help icon are at the bottom right.

Select the Refund Clearing Account for the GL account. Enter the refund amount in the Amount field. Click Accept.

**General Ledger Distribution**

Quick Row

	G/L Account	Amount	Comment
1	430-00-00	500.00	
2		.00	

Description Refund Clearing Account

Distribution Balance  Distribution Total

Accept Cancel

Date	Invoice Number	Comment	Amount	Discount Amount	Net Amount
11/11/2014	CK00000101		500.00	0.00	500.00

Check: 000001      11/11/2014      American Business Futures      Check Total:      500.00

000001

\*FIVE HUNDRED AND XX / 100

11/11/2014      \*\*\*\*\*500.00\*

American Business Futures  
 2131 N. 14th Street  
 Suite 100  
 Milwaukee, WI 53205

01-NOF

Print the Check Register and Update.

Manual Check and Payment Register  
 Journal Posting Date: 11/11/2014  
 Register Number: MC-000003

Test Company (TST)

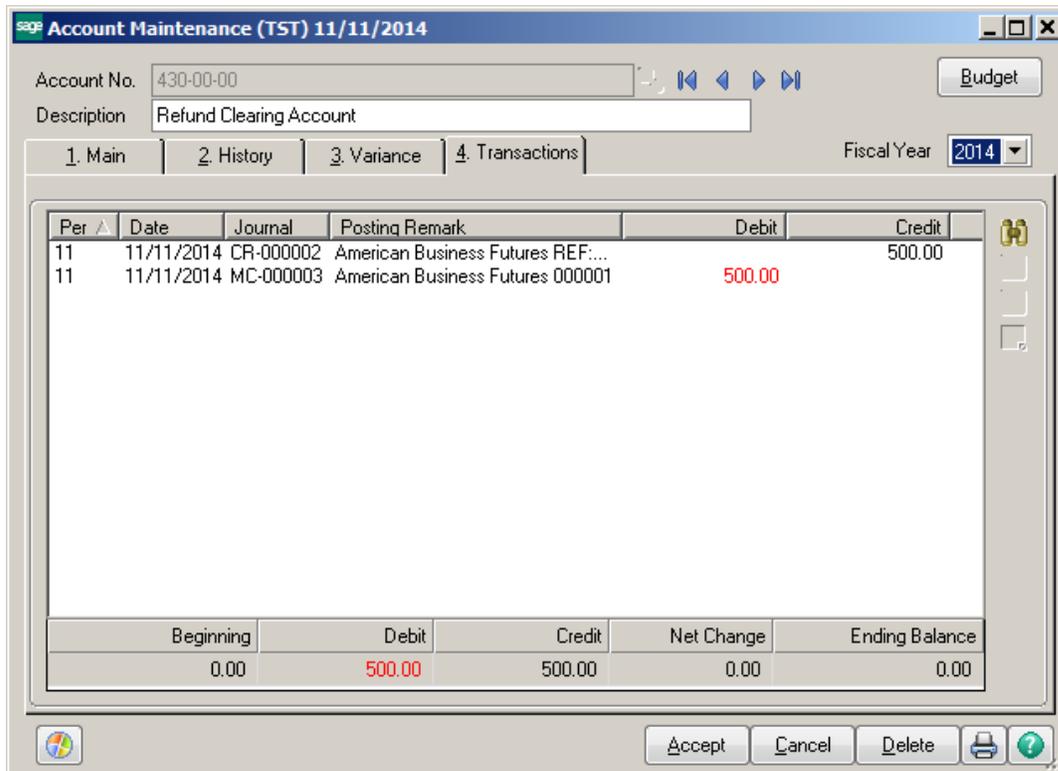
Check Number/ Invoice Number	Check Date Invoice Date	Vendor Number	Invoice Amount	Discount	Distribution Amount	Check Amount
000001 CK00000101	11/11/2014	01-NOF	American Business Futures			500.00
	11/11/2014		500.00	0.00		
	G/L Account: 430-00-00		Refund Clearing Account		500.00	
	Bank D Total:		500.00	0.00	500.00	500.00
	Report Total:		500.00	0.00	500.00	500.00

Accounts Payable Manual Check and Payment Register - Recap By Division  
 Journal Posting Date: 11/11/2014  
 Register Number: MC-000003

Test Company (TST)

Division Number: 01 TRADE ACCOUNTS PAYABLE			
G/L Account	Description	Debit	Credit
101-01-00	Cash in bank - Reg. checking		500.00
430-00-00	Refund Clearing Account	500.00	
Division 01 Total:		500.00	500.00

The General Ledger Balance for the Refund account will be zero.

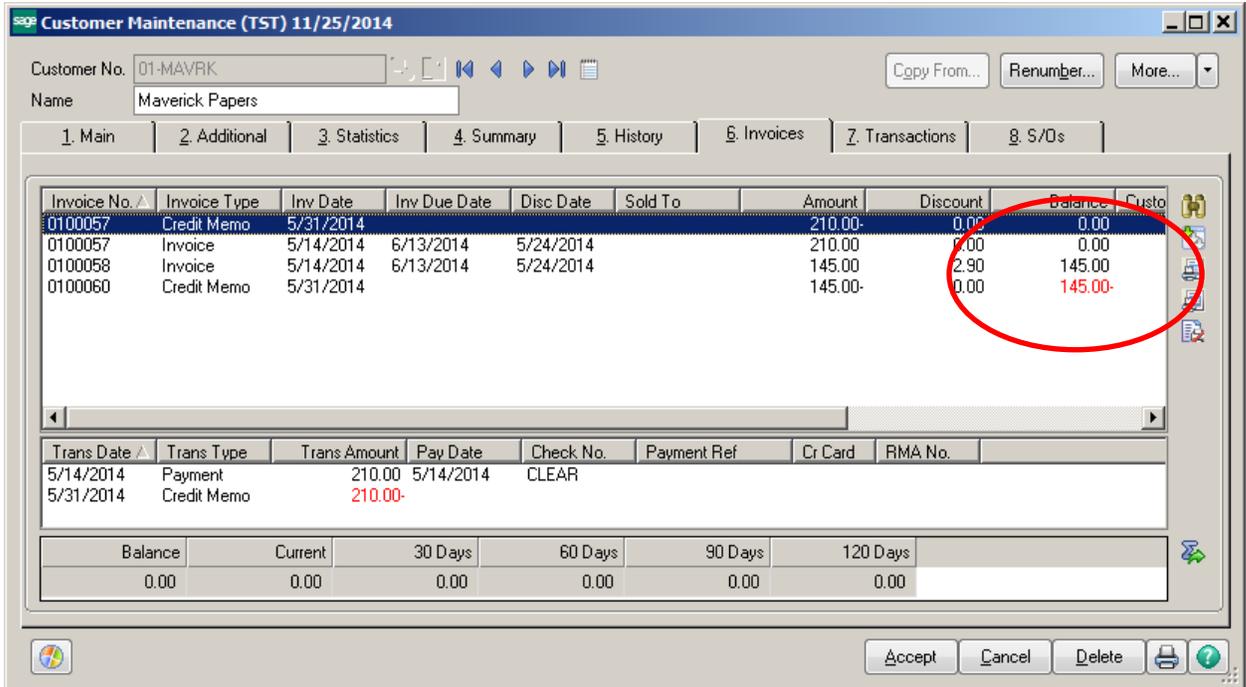


**OTHER OPTIONS:**

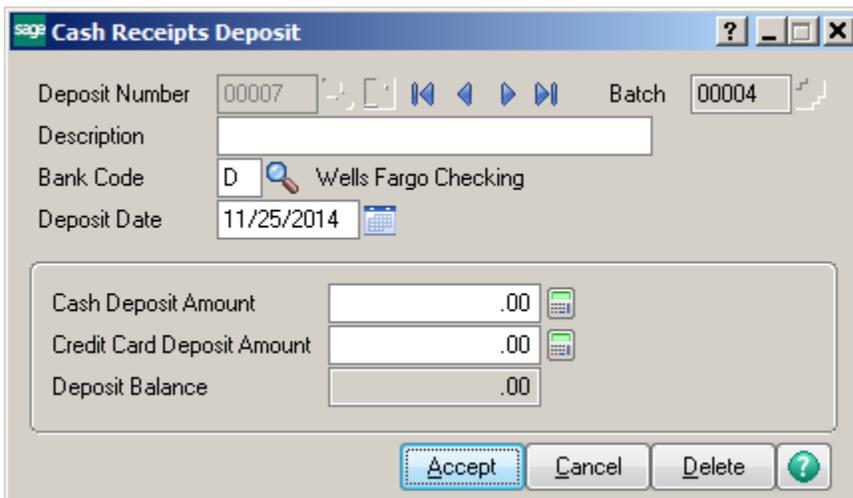
You can set up the Customer as a Vendor if you don't want to use the Not-On-File (NOF) Vendor code. You can enter the refund as an Invoice and make a payment using Check and Electronic Payments instead of doing a Quick Print check. Then use Manual Check entry to clear the two invoices against each other.

**Match Open Credit to Invoices**

**Method 1 – Zero Cash Receipt**



Click on Cash Receipts Entry. Create a new Deposit with a zero Cash Deposit Amount.



Select the Customer Number and enter CLEAR CM in the check number field. Amount Received should be Zero. Click on the Lines tab.

Customer No. 01-MAVRK Name Maverick Papers Invoice No.   
 Deposit Type Cash Check No. CLEAR CM   
 1. Header 2. Lines 3. Credit Card   
 Amount Received .00   
 Customer Balance .00 Posting Balance .00   
 Deposit Information: Deposit Number 00007 Batch 00004 Description Bank Code D Deposit Date 11/25/2014   
 Cash Amount Remaining .00 Credit Card Amount Remaining .00 Deposit Remaining .00   
 Accept Cancel Delete

Click the Select Invoices button. Choose the invoices that you want to post against each other and click Ok.

Customer No. 01-MAVRK Name Maverick Papers Invoice No.   
 Depos Select Cash Receipts Invoices   
 1. H Customer No. 01-MAVRK Name Maverick Papers   

InvoiceNo.	Inv Date	Inv Amount	Disc Avail	Amt Posted	Inv Balance
0100058-IN	5/14/2014	145.00	2.90	.00	145.00
0100060-CM	5/31/2014	145.00-	.00	.00	145.00-

 Amount Received .00 Total Selected .00   
 Show Zero Balance Invoices    
 OK   
 Accept Cancel Delete

**\*Important** – Make sure that the Amount Posted field is the same as the Invoice Amount. You may have to click on that field and manually enter the invoice Amount.

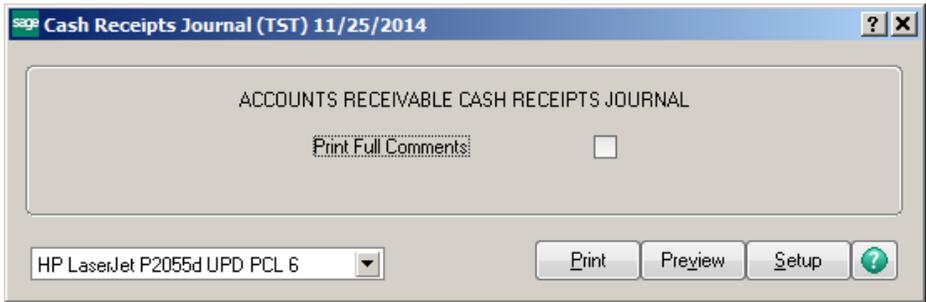
	Invoice No.	Inv Date	Inv Amount	Disc Used	Amt Posted
1	0100058-IN	5/14/2014	145.00	.00	.00
2	0100060-CM	5/31/2014	145.00	.00	145.00
3			.00	.00	.00

Line Type: Invoice  
Discount Date:   
GL Account:   
G/L Acct Desc:   
Posting Balance: 145.00  
Total Posted: 145.00

The Posting Balance should be Zero. Click on Accept. Print and Update the Cash Receipts Journal.

	Invoice No.	Inv Date	Inv Amount	Disc Used	Amt Posted
1	0100058-IN	5/14/2014	145.00	.00	145.00
2	0100060-CM	5/31/2014	145.00	.00	145.00
3			.00	.00	.00

Line Type: Invoice  
Discount Date:   
GL Account:   
G/L Acct Desc:   
Posting Balance: .00  
Total Posted: .00



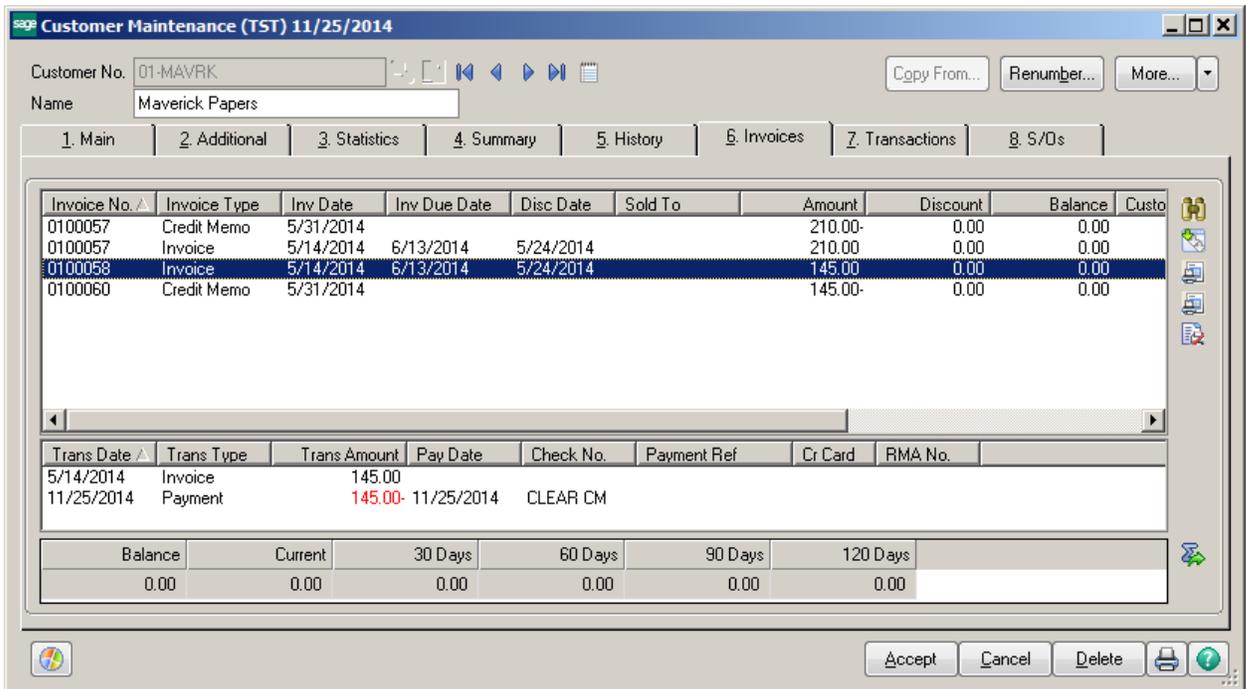
Cash Receipts Journal  
 Register Number: CR-000003  
 Batch Number: 00004

Test Company (TST)

Cash Deposits

Customer Number/Name

Invoice Number	Comment	Amount Applied	Discount Date	Discount Amount	Invoice Balance	Credit A/R	Credit Misc Account
Bank: D Wells Fargo Checking		Batch Number: 00004		Deposit Date: 11/25/2014	Deposit Number: 00007	Deposit Amount:	0.00
01-MAVRK	Maverick Papers	Check Number: CLEAR CM					
0100058-IN		145.00	5/24/2014	0.00	0.00	145.00	
0100060-CM		145.00-		0.00	0.00	145.00-	
	Posting Total	0.00		0.00		0.00	0.00
	01-MAVRK Total:	0.00		0.00		0.00	0.00
	Division 01 Total:	0.00		0.00		0.00	0.00
	Deposit 00007 Total:	0.00		0.00		0.00	0.00
	11/25/2014 Total:	0.00		0.00		0.00	0.00
	Bank D Total:	0.00		0.00		0.00	0.00
	Cash Deposits Total:	0.00		0.00		0.00	0.00
	Report Total	0.00		0.00		0.00	0.00



### Statement

TestCompany

Statement Date: 11/25/2014

Salesperson: SusanMaye

Maverick Papers  
220 Michigan Ave.  
Chicago, IL 60601

Customer Number: 01-MAVRK

Contact: Annette O'Toole

Date	Reference	Description	Charge	Credit	Balance
5/14/2014	0100058-IN		145.00		
11/25/2014		Payment Ref: CLEAR CM		145.00	0.00
5/31/2014	0100060-CM			145.00	
11/25/2014		Payment Ref: CLEAR CM	145.00		0.00

### Method 2 – Match Credits to Open Invoices

Customer Maintenance (TST) 11/25/2014

Customer No. 02-JELCO  
Name Jelco Packing

Copy From... Renumber... More...

1. Main | 2. Additional | 3. Statistics | 4. Summary | 5. History | 6. Invoices | 7. Transactions | 8. S/Os

Invoice No.	Invoice Type	Inv Date	Inv Due Date	Disc Date	Sold To	Amount	Discount	Balance	Custo
0100004	Invoice	5/5/2010	6/4/2010			2,766.22	0.00	2,766.22	
0100015	Invoice	5/28/2010	6/27/2010			2,173.61	0.00	2,173.61	
0100038	Invoice	5/16/2010	6/15/2010			116.08	0.00	116.08	VERB
0100059	Invoice	5/14/2014	6/13/2014			220.00	0.00	220.00	
0100061	Credit Memo	5/31/2014				220.00	0.00	220.00	

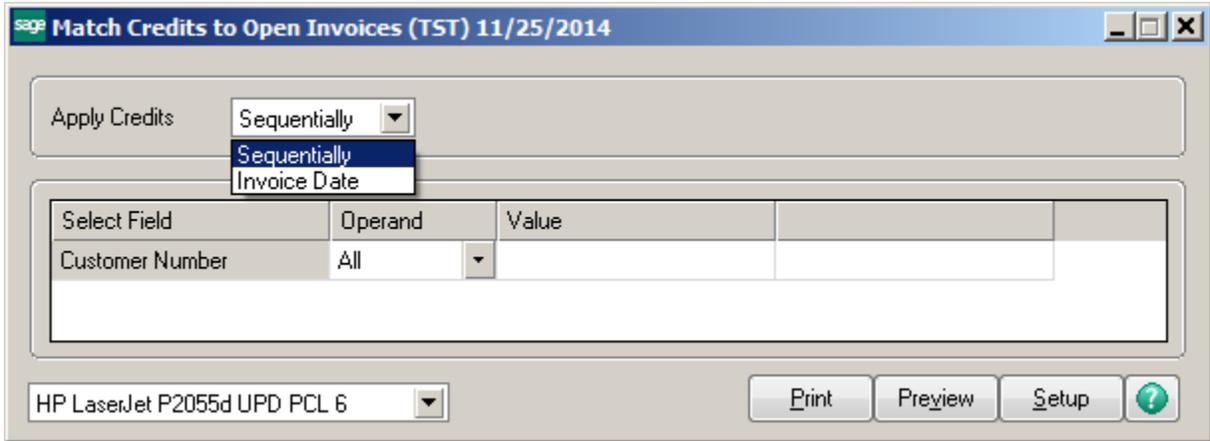
Trans Date | Trans Type | Trans Amount | Pay Date | Check No. | Payment Ref | Cr Card | RMA No.

5/5/2010 | Invoice | 2,766.22

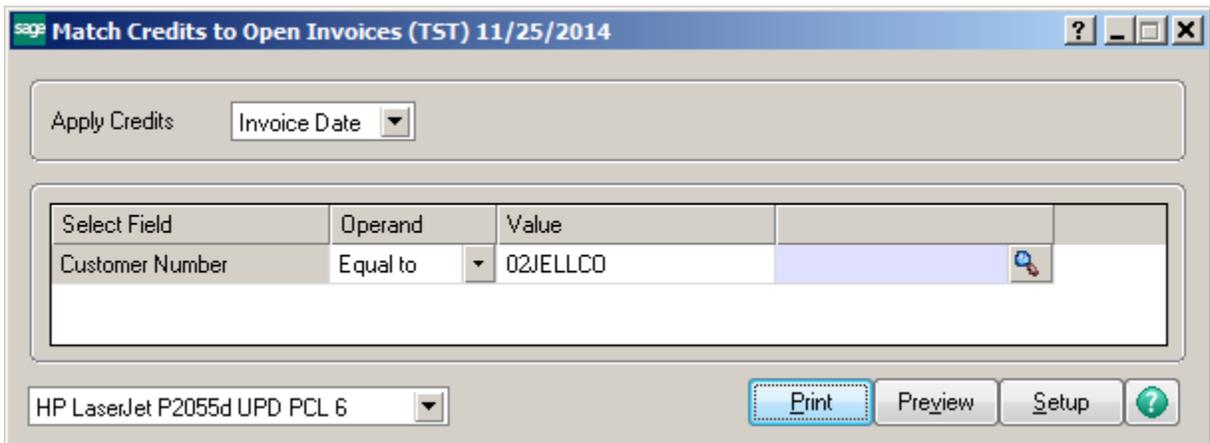
Balance	Current	30 Days	60 Days	90 Days	120 Days
5,055.91	5,055.91	0.00	0.00	0.00	0.00

Accept Cancel Delete

Click on Period End, then Match Credits to Open Invoices. Select to match Sequentially or by Invoice Date. Then enter the Customer number in the Value field.



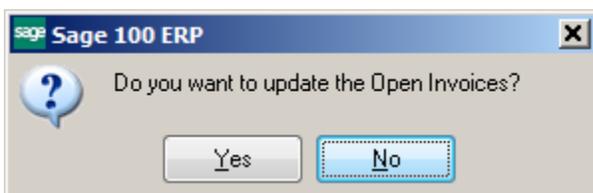
Click Print.



**\*Important** – the system will choose the oldest invoice to apply the credit too.

Match Credits To Open Invoices							Test Company (TST)	
Customer Number	Name	Credit Invoice	Credit Amount	Invoice Number	Invoice Amount	Amount Applied	Credit Balance	
02-JELLCO	Jellco Packing	0100061-CM	220.00	0100004-IN	2,766.22	220.00	0.00	
Report Total						<u>220.00</u>		

Click Yes to Update.



The Invoice will be shown as Paid with a Payment Reference of CREDIT-X.

Customer Maintenance (TST) 11/25/2014

Customer No. 02-JELLCO  
Name Jelco Packing

1. Main | 2. Additional | 3. Statistics | 4. Summary | 5. History | 6. Invoices | 7. Transactions | 8. S/Os

Invoice No.	Invoice Type	Inv Date	Inv Due Date	Disc Date	Sold To	Amount	Discount	Balance	Custo
0100004	Invoice	5/5/2010	6/4/2010			2,766.22	0.00	2,546.22	
0100015	Invoice	5/28/2010	6/27/2010			2,173.61	0.00	2,173.61	
0100038	Invoice	5/16/2010	6/15/2010			116.08	0.00	116.08	VERB.
0100059	Invoice	5/14/2014	6/13/2014			220.00	0.00	220.00	
0100061	Credit Memo	5/31/2014				220.00	0.00	0.00	

Trans Date	Trans Type	Trans Amount	Pay Date	Check No.	Payment Ref	Cr Card	RMA No.
5/5/2010	Invoice	2,766.22					
11/25/2014	Payment	220.00	11/25/2014		CREDIT-X		

Balance	Current	30 Days	60 Days	90 Days	120 Days
5,055.91	5,055.91	0.00	0.00	0.00	0.00

Accept Cancel Delete

Page: 1

### Statement

TestCompany Statement Date: 11/25/2014

Salesperson: Harvey Earlwright

Jelco Packing Customer Number: 02-JELLCO

1889 E. Ball Road Credit Limit: 20,000.00

Orange, CA 92553 Credit Available: 6,600.96

Contact: Mary Winfrey

Date	Reference	Description	Charge	Credit	Balance
5/5/2010	0100004-IN		2,766.22		
11/25/2014		PaymentRef: CREDIT-X		220.00	2,546.22
5/16/2010	0100038-IN		116.08		116.08
5/28/2010	0100015-IN		2,173.61		2,173.61
5/14/2014	0100059-IN		220.00		220.00
5/31/2014	0100061-CM			220.00	
11/25/2014		PaymentRef: CREDIT-X	220.00		0.00