How Do You Enter a Fulfillment Credit Memo?

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A credit memo is used to credit the customer for returned merchandise. Access this option by selecting Fulfillment, Transaction, Order Entry menu. Click the Add button. Indicate the program number and the customer number that will receive the credit. The salesperson # and commission percentage will default. Enter the customer PO# from the original order, if one. Select Credit Memo in the Order type field. All credit memos for fulfillment orders are done through this selection.

In Order# to repeat, indicate the original order number. The system will access Fulfillment order history for the ship to records and items from the order. Using the original order number as the order number to repeat will allow selection of the ship to record(s) and also allow the display of all the items originally shipped. Select all or some of the items as well as the quantity to be returned.

The invoice number to apply this credit memo to may be indicated to reduce the original invoice by the amount of this credit memo. When the original order number is entered, the invoice number will default in. The invoice number to apply to may also be 0 to see the credit memo amount as a separate customer open item or if the invoice was previously paid.

Click Add, the ship to records to repeat screen will be displayed.

Each ship to record of the original order will be displayed. Select by clicking the icon on the left of the ship to number, which will change it to a blue check mark or select all.

Once you select OK, the line items screen for the selected ship to will be displayed.

Each line can be highlighted and the quantity changed to the amount being returned and credit issued. If the entire order is being returned Select all. Items can also be selected by clicking the icon to the left of the line #.

When doing a credit memo and repeating the order and select items from the display, the quantity will automatically display on the credit memo as a negative amount.

If repeat order wasn’t selected, enter the item number and the sub number of the merchandise to be credited. The quantity will default in as a negative one, it can be changed to any negative quantity. The inventory box will defaulted to checked, change it to unchecked to prevent the system from adding the returned merchandise to inventory. If upon inspection the merchandise is ok and the item should be added to inventory check this box during “Bill/Ship Customer Orders".

Note: *RMA-Return Merchandise Authorization. Give the customer the order # as the RMA #. Do a print screen of the order for the warehouse to verify the condition of the merchandise. Should it be restocked into inventory or is it damaged? This will determine when the inventory box is checked or not.*

When using the ship to information on a fulfillment credit memo, remember that it is actually the address where the merchandise was originally shipped to. If you repeated the order number, this information will be supplied from fulfillment order history.

Note: *If you are doing a credit memo for a prebill, the ship to address will probably be your company address. If the ship to code is deleted on the ship to screen, it will default in the customer’s address.*

If the original order included freight, the original freight charge will default in as a negative. A freight table may be used to calculate the amount of freight credit on the credit memo based on the subtotal of the items returned. If no freight table is to be used, leave the freight table number at zero and enter the amount of freight credit to be given as a negative amount.

The tax codes indicated will be used to calculate the amount of sales tax credit to be given and the sales and freight amounts to be deducted from these sales tax codes.

The shipping method that the customer will be using should be entered into the ship via code. If no code exists for the carrier the customer has indicated, the code may be left blank and the method typed in the space allowed.

The Edit Summary window will include the option to reduce the customer master sales and affect the “Booked/Billed Order Comparison” report. Once you check the box, the month and year to affect will activate. Enter only the month and year.

When the merchandise has been received, the credit memo may be edited and then proceed to the Bill/Ship option. Verify that the merchandise, freight and tax totals are correct on the first screen of Bill/Ship. A preview journal is available to review the information easily. Once the information has been verified then select “Finish” to update the order.

If the original order was paid by credit card, post cash/credit card will need to be run prior to Transfer to Billing. This will reverse the original credit card posting transaction.

Once the Bill/Ship Customer Order process is complete, if the inventory box on the line item window was checked, FIFO/LIFO history records can be viewed in item maintenance to see the returned merchandise.

Note**:** *If the credit memo line indicates that the merchandise should not be added to inventory due to spoilage or damage the item master will not show an increase for on hand.*

The final step is to transfer to billing and print the invoice through the Order/Billing option.