

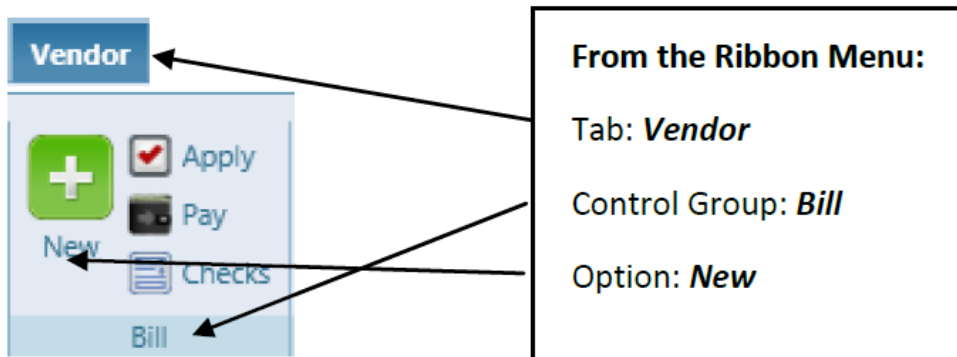
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## How Do You Record Refunds from Vendors to your Credit Cards?

Tammy Mason - 2017-09-15 - in Vendors

### How Do You Record Refunds from Vendors to your Credit Cards?



1. In **Bill-New**, there will be 2 steps:

A. Record the **Credit Memo** issued from the Vendor as a **negative** amount.

The image shows a screenshot of the 'Bill - New' form in a software application. The form has a title bar with 'Bill - New' and a close button. Below the title bar, there are buttons for 'Process', 'Import', 'Cancel', and 'Close'. The form contains several fields: 'Type' (Vendor), '40788', 'Bodek & Rhodes', 'Posting Date' (8/4/2015), 'Classification' (Invoice), 'Invoice Date' (8/4/2015), 'Reference' (credit memo advance), 'Amount' (\$120.00), 'Due Date' (10/3/2015), and 'Terms' (Net 60). There is also an 'Apply Bill' button at the bottom.

B. Because the vendor has actually put the money back on your credit card, you need to cancel out the issued credit memo by entering a Bill-New with a **positive** amount.

**Bill - New\*** x

Process Import Cancel Close

Type Vendor 40788 Bodek & Rhodes Edit Posting Date 8/4/2015

Classification Invoice

Invoice Date 8/4/2015 Reference credit card refund Amount \$120.00

Due Date 10/3/2015 Terms Net 60

Apply Bill

2. In **Bill-Apply**, there will also be 2 steps to handle the 2 entries made above.

A. Apply the Vendor's Credit Memo (from step A above), to the Order (not individual line items). Click on "Add Ledger" and enter the same ledger you originally used when you received the vendor's bill (for example, 135 Drop Ship Merchandise). Enter the amount as negative.

Process Cancel Close

Vendor 40788 Bodek & Rhodes Reference credit memo advance Posting Date 8/4/2015

**Order**

Order	Customer	Order Date	In Hand Date	Ship Date	Ship Via	Salesperson
Order 571	Allstate Insurance: Jim Jac	3/9/2015		3/28/2015	best way	John Smith (pror)

**Products**

Order	Product/SKU	Description	Vendor	Unit	Quantity	Cost	Per	Cost Total	Bill Quantity	Bill Cost	Applied
571	8206	Apron	Bodek & Rhodes	Each	50	\$6.2500	1	\$312.50	0	\$0.0000	\$0.00

**Order 571**

Ledger	Description	Memo	Applied
135	Drop Ship Merchandise		(\$120.00)

+ Add Ledger

B. Apply the "New" entry from Step B above. Apply as a "Non Order". Use the ledger for your Credit Card Asset Account. Enter as a positive amount.

Process Cancel Close

Vendor 40788 Bodek & Rhodes Reference credit card refund Posting Date 8/4/2015

**Order**

**Non Order**

Ledger	Description	Memo	Applied
103	Mastercard		\$120.00

+ Add Ledger

3. In Bill-Pay, enter a **handwritten check** using a fake check number, pay

the positive and negative invoice from the Vendor.

Process Cancel Close

Method

Account     Handwritten Check

**Annie-Time Specialties** \*\*To Print\*\*  
 5250 Nordic Drive  
 Cedar Falls, IA 50613

Date

Pay to the Order of

**Zero and 00/100** Dollars

Memo

<input type="checkbox"/>	Type	Reference	Date	Terms	Discount Date	Discount	Due Date	Amount	Discount Taken	Payment	Balance
<input type="checkbox"/>	Invoice	541318	2/17/2015	Net 60			4/18/2015	\$578.75	\$0.00	\$0.00	\$578.75
<input checked="" type="checkbox"/>	Invoice	credit memo advan	8/4/2015	Net 60			10/3/2015	(\$120.00)	\$0.00	(\$120.00)	\$0.00
<input checked="" type="checkbox"/>	Invoice	credit card refund	8/4/2015	Net 60			10/3/2015	\$120.00	\$0.00	\$120.00	\$0.00

**NOTES:**

1. When you get the credit card statement, the balance in your Credit Card Ledger should equal your new statement balance if you have everything recorded properly. Any miscellaneous charges (not made for orders) should be recorded as Ledger transactions when you are reconciling your statement to the proper ledger account. This is also how you would record any interest expense.
2. When you are done reconciling, the credit card account should have a credit balance equal to your statement balance.
3. When you make your payment (after you reconcile), do a bill new to your credit card as the amount of your payment and in bill apply, apply it to the credit card ledger account.