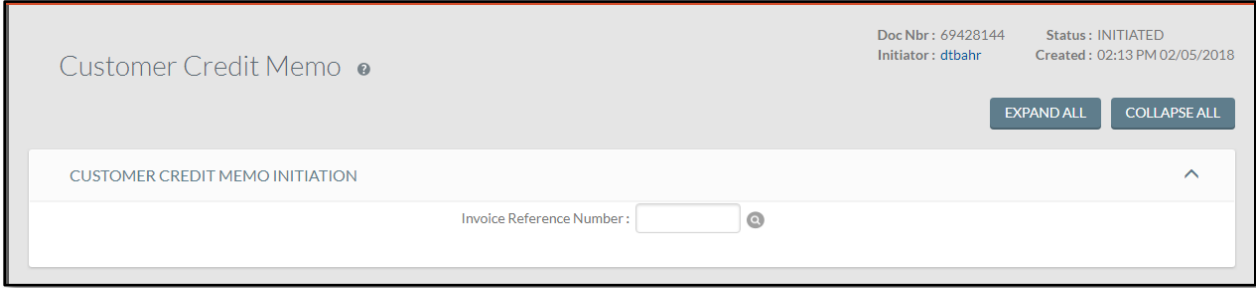# Customer Credit Memo

The Customer Credit Memo document provides a means for selecting a particular customer Invoice record (document) and then specifying an amount to be credited against an open invoice.
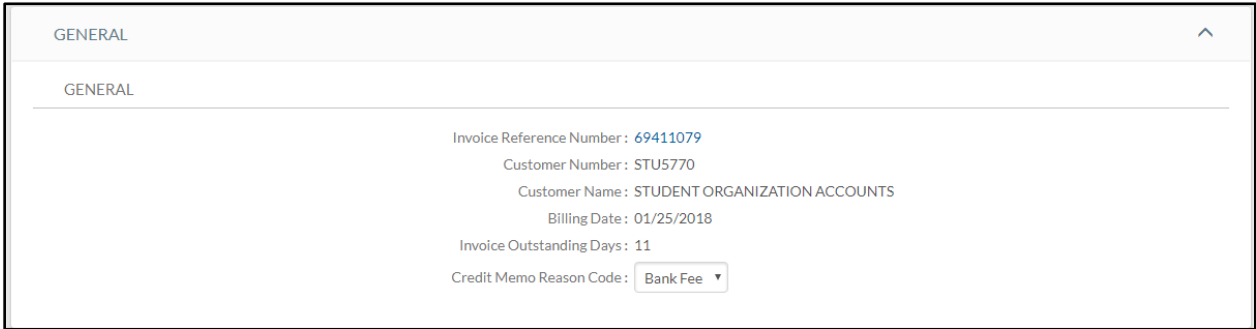
Document Layout

Customer Credit Memo ❓

Doc Nbr : 69428144   Status : INITIATED
Initiator : dtbahr   Created : 02:13 PM 02/05/2018

EXPAND ALL   COLLAPSE ALL

CUSTOMER CREDIT MEMO INITIATION

Invoice Reference Number :

The Customer Credit Memo document contains two unique tabs: **General** and **Item,** in addition to the standard financial transaction tabs.

➡ For more information about the standard tabs, see Standard Tabs in the *Overview and Introduction to the User Interface*.

General Tab

GENERAL

GENERAL

Invoice Reference Number : 69411079
Customer Number : STU5770
Customer Name : STUDENT ORGANIZATION ACCOUNTS
Billing Date : 01/25/2018
Invoice Outstanding Days : 11
Credit Memo Reason Code : Bank Fee ▾

General tab field definitions

Title	Description
Billing Date	The date the invoice was created in mm/dd/yyyy format.
Customer Name	The textual name that commonly references or represents the customer organization.
Customer Number	A unique number assigned to identify each vendor/organization as a customer.
Invoice Outstanding Days	The total number of days that have elapsed since the invoice was created.
Invoice Reference Number	The number of the original invoice being credited.

Items Tab

Items tab field definitions

Title	Description
Actions	Click the **Recalculate** button to obtain a total for your new values. Click the **Refresh** button to clear data and start again.
Amount	The total item amount that is being credited for each item. If sales tax calculation is enabled, this amount is pre-tax.
Credit Memo Total	Displays line item totals for Amount, Tax Amount, and Total Amount.
Description	A brief textual description that serves to summarize the item's purpose.
Item Code	References original invoice item number for which the credit is being issued.
Open Invoice Amount	The total price amount of the open invoice item(s) at this quantity that remains unpaid.
Open Invoice Quantity	The number of units of this particular item that remain unpaid
Quantity	The quantity of each item that is being credited.
Tax Amount	The sales tax amount for each item that is being credited.
Total Amount	The total line amount that is being credited for each line. Must adhere to the following rule: (Credited Quantity times Unit Price) plus Tax Effect equals Credited Amount
Unit Price	The dollar amount of one unit of the item that is being invoiced.
UOM	An acronym for unit of measure, this field displays an abbreviation for each type of measurement.

Process Overview

Business Rules

- You must have an invoice number against which to apply a credit.

- When inputting a credit line, you may only input quantity or price; do not edit both.

- When inputting a credit line, the number in the **Quantity** or **Price** field is the number to reduce the invoice by.

- The open amount of the invoice being credited must be greater than zero.

Routing

The customer credit memo is routed to the fiscal officer. The fiscal officer is obtained from the revenue account(s) being credited on the original invoice.

Post Processing

If the Invoice no longer has an outstanding amount after the credit memo has been processed, a note is added by the system to the Invoice indicating that the invoice has been closed and references the initiator, document type and document number of the Customer Credit Memo document.

Example

The department of Arboretum Administration at Kuali University offers surplus plants to the general public following research activities. Customers include local nurseries, individuals, and municipalities.

Unfortunately, despite the Arboretum's best efforts, some of its arborvitae suffer transplant shock and don't live beyond the 30-day guarantee made by the arboretum. Such is the case with one of the plants purchased by DCH. As such, the arboretum needs to credit DCH for the plant and reduce the amount due on the invoice accordingly. For this effort they use the Customer Credit Memo document.