How to Create Credit Memo with Inventory Impact

Credit Memo can either have or not have impact on inventory. The option that controls this is the **Inventory Impact** on Credit Memo screen. A new Credit Memo screen has no inventory impact by default.

The following are the steps in creating a Credit Memo without an inventory impact.

1. Open the **Sales | Invoices menu**. If there is no existing record yet, this will open a new Invoice screen.
2. If the search grid is displayed, click the **New button** to open a new Invoice screen.
3. Select **Credit Memo** on **Type** combo box. Note that the 'Inventory Impact' checkbox button will be displayed below the Item Information area at the bottom portion of the screen. It is checked by default, leave it as is.
4. Fill out the header details as needed. The required details are Customer, Location, Bill To, Ship To, Terms, and Currency.
   a. Select a **Source**. The options are Standard, Software, Tank Delivery, and Provisional.
   b. Select a **Customer**.
   c. Select a different **Location**, **Bill To**, **Ship To**, **Terms**, and **Currency** if needed. But don't leave these fields blank.
   d. Enter other details that you see necessary. Refer to **Invoice | Field Description | Header Details** to help you in filling out the fields.
5. Add details on grid. Refer to **Invoice | Field Description | Grid Details** to help you in filling out the fields. Note that **UOM** is a required detail. Complete filling in the **Item No**, **Shipped**, **UOM**, **Price** and other fields necessary to ensure they are appropriate for the customer's credit memo.

The grid will also allow you to enter **miscellaneous items** that do not have an Inventory Item record. You can do this by not selecting an Item No and simply entering its Description, Shipped and Price, and other necessary details..

6. Click **Save button**. Notice that the **Invoice No** field will be filled in with a unique and system generated number.

> ⚠️ *You can skip saving the record if the transaction is to be posted right away since it will be saved automatically.*

Here is a sample record.

Let us view the GL entries when this record is posted. Click the Recap button. Take note of the impacted accounts.

Related Topics

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1. Open the **Sales | Invoices menu**. If there is no existing record yet, this will open a new Invoice screen.
2. In the search grid, click the **New button** to open a new Invoice screen. You will notice that some of the fields, like the **Type**, **Location**, **Invoice Date**, **Due, Ship Date**, and **Currency** are already populated by default.
3. Select **Credit Memo** on **Type** combo box.
4. Fill out the header details as needed. Refer to **Credit Memo | Field Description | Header Details** to help you in filling out the fields. Note that the required details are Customer, Location, Bill To, Ship To, Terms, and Currency
5. Add details on grid. Refer to **Credit Memo | Field Description | Grid Details** to help you in filling out the fields. Note that UOM is a required detail.
   Complete filling in the Item No, Shipped, UOM, Price and other fields necessary to ensure they are appropriate for the customer's credit memo.

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6. Click **Save button**. Notice that the **Invoice No** field will be filled in with a unique and system generated number.

Here is a sample Credit Memo.

The following are the steps in creating a Credit Memo.

1. Open the **Sales | Invoice menu**. If there is no existing record yet, this will open a new Invoice screen.
2. In the search grid, click the **New toolbar button** to open a new Invoice screen. You will notice that some of the fields, like the **Type**, **Location**, **Invoice Date**, **Post, Ship Date**, and **Currency** are already populated by default.
3. Fill out the header details as needed. Refer to Credit Memo | Field Description | Header Details to help you in filling out the fields. Note that the required details are Customer, Location, Bill To, Ship To, Terms, and Currency
4. Add details on grid. Refer to Credit Memo | Field Description | Grid Details to help you in filling out the fields. Note that the required details are UOM and Price.
   Complete filling in the Item No, UOM, Shipped, Price and other fields necessary to ensure they are appropriate for the customer's credit memo.

   The grid will also allow you to enter **miscellaneous items** that do not have an Inventory Item record. You can do this by not selecting an Item No and simply entering its Description, Shipped and Price, and other necessary details..

5. Click **Save button**. Notice that the **Invoice No** field will be filled in with a unique and a system generated number.

Here is a sample Credit Memo.

The following are the steps in creating a Credit Memo.

1. Open the **Sales | Credit Memos menu**. If there is no existing record yet, this will open a new Credit Memo screen.
2. In the search grid, click the **New toolbar button** to open a new screen. You will notice that some of the fields, like the **Invoice Type**, **Location**, **Invoice Date**, **Post Date**, **Currency**, and **Ship Date**, are already populated by default.
3. Enter the header details as needed. Refer to Credit Memo | Field Description | Header Details to help you in filling out the fields.
4. Enter the grid details as needed. Complete filling in the Item No, UOM, Ordered, Shipped, and other fields necessary to ensure they are appropriate for the customer's credit memo. Note that before selecting an Item No, you need to select a **Location** to filter the items per location.

The grid will also allow you to enter miscellaneous items that do not have an Inventory Item record. You can do this by not selecting an Item No and simply entering its Description, Ordered, Shipped, and Price. Refer to Credit Memo | Field Description | Grid Details to help you in filling out the fields.

5. Click **Save button**. Notice that the **Invoice No** field will be filled in with a unique and a system generated number.

> ⚠️ *You can skip saving the record if the transaction is to be posted right away since it will be saved automatically.*

Here is a sample Credit Memo.

The following are the steps in creating and posting a Credit Memo.

1. Open the **Accounts Receivable > Activities > Credit Memo menu**. If there is no existing record yet, this will open a new Credit Memo screen and then proceed to step 3. If there are existing record, this will open the **Search Credit Memo**. If the search screen is displayed, proceed to step 2.
2. If the Search screen is displayed, click the **New toolbar button** to open a new screen. You will notice that some of the fields, like the **Invoice Type**, **Location**, **Invoice Date**, **Post Date**, **Currency**, and **Ship Date**, are already populated by default.
3. Enter the header details. A list of the **Details tab > Header fields** is listed in Credit Memo.
4. Enter the grid details. Complete filling in the Location, Item No, UOM, Ordered, Shipped, and other fields necessary to ensure they are appropriate for the customer's credit memo. Note that before selecting an Item No, you need to select a **Location** to filter the items per location.

	Location	Item No	Description	UOM	Ordered	Shipped	Price	Total
☑	01	SWITCH	On/Off Light Kit Switch F...	EACH	1.00	1.00	20.92	20.92

The grid will also allow you to enter miscellaneous items that do not have an Inventory Item record. You can do this by not selecting an Item No and simply entering its Location, Description, Ordered, Shipped, and Price. A list of the **Details tab > Grid Details** is listed in Credit Memo.

	Location	Item No	Description	UOM	Ordered	Shipped	Price	Total
	01	SWITCH	On/Off Light Kit Switch F...	EACH	1.00	1.00	20.92	20.92
☑	01		Sample Miscellaneous Item		10.00	10.00	3.15	31.50

5. Click **Save button**. Notice that the **Invoice Number** field will be filled in with a unique and a system generated number.

> ⚠ You can skip saving the record if the transaction is to be posted right away since it will be saved automatically.

Here is a sample Credit Memo.