Process a Sales Return or Allowance (Credit Memo)

The Create Credit Memos / Refunds window is used to process credit memos for returns and allowances to customers. After the sales receipt information has been updated and saved, the following has occurred:

Transactions	DR	CR	Subsidiary Records Updated	General Ledger Updated
Sales Returns & Allowance	$			✓
Inventory*	$		✓*	✓*
Sales Taxes Payable	$			✓
Accounts Receivable		$	✓	✓
Cost of Goods Sold*		$		✓*

Applies only to returns, not allowances.

Quick Reference Table

Step	Box or Other Location	Procedure
A	Home Page	Click the Refunds & Credits icon under Customers.
B	Customer: Job	Select a customer from the drop-down list or add new.
C	Date	Accept default date or edit.
D	Credit No.	Accept the default credit memo number or edit.
E	Customer	Verify that the customer information is correct or edit.
F	P.O. No.	Enter the sales invoice number of the sale related to the sales return or allowance.
G	Item	Select the first inventory item returned or given an allowance.
H	Description	Accept the default description or edit
I	Qty.	Enter the quantity returned. For allowances, leave blank.
J	Rate	Accept the default rate or edit. For allowances, enter the amount of the allowance.
K	Various	Repeat steps G – J for each inventory item returned.
L	Create Memos/Refunds window	Review the information to verify that it is correct.
M	Print button	Select the print button to print a receipt.
N	Save & Close / Save & New buttons	Click the Save & Close or Save & New button.
O	Available Credit message *(not shown)*	When the customer has an Accounts Receivable balance, the Available Credit message opens. Select the appropriate radio button. Click OK. For Apply to an invoice, the Apply Credit to Invoices window opens.
P	Apply Credit to Invoices window *(not shown)*	Highlight anywhere on the relevant invoice number line. Click Done.

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QuickBooks windows