# Process a Sales Return or Allowance (Credit Memo)

The Credit Memo and Receive Payment windows are used to process credit memos for returns and allowances to customers. Note that there are several pages of *QBO* windows for this section, and the circled letters from the Quick Reference Table below are disbursed throughout those pages. After the sales return information has been updated and saved, the following has occurred:

Transactions	DR	CR	Subsidiary Records Updated	General Ledger Updated
Sales Returns & Allowance	\$			$\checkmark$
Inventory*	\$		<b>√</b> *	<b>√</b> *
Sales Taxes Payable	\$			$\checkmark$
Accounts Receivable		\$	$\checkmark$	<b>*</b>
Cost of Goods Sold*		\$		$\checkmark$
*Applies only to returns, not allowances.				

### **Quick Reference Table**

Step	<b>Box or Other Location</b>	Procedure
A	QBO Home Page	Click the + New button → Credit Memo (in the Customers category) to open the Credit Memo window.
B	Customer	Select a customer from the drop-down list.
C	Credit Memo Date	Accept default date or change.
D	Credit Memo no.	Accept the default credit memo number or change.
E	Product/Service	Select the first inventory item returned or given an allowance.
ß	Description	Accept the default description or edit.
G	Qty.	Enter the quantity returned. For allowances, leave 1 as the quantity.
Ð	Rate	Accept the default price or edit. For allowances, enter the amount of the allowance.
0	Various	Repeat steps E-H for each inventory item returned.
J	Total Credit	Verify that the credit memo total is correct.
K	Create Memo window	Review the information to verify that it is correct.
l	Save options	Save the credit memo and close the window. If you receive a message about the transaction being linked to others, click <b>Yes</b> .
M	<b>QBO</b> Navigation Pane	Click Sales $\rightarrow$ All Sales to open the listing of all sales transactions.

(continued)

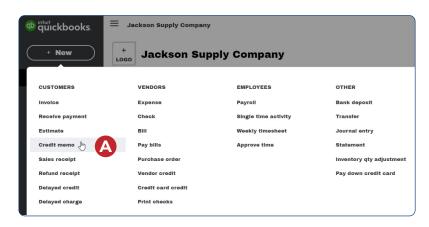
## **Quick Reference Table** (continued)

Step	Box or Other Location	Procedure
N	No. column - sales transactions list	Locate the credit memo you just processed and click on the credit memo number in the <b>No. column</b> to reopen the credit memo.
<b>0</b> 1 <b>0</b> 2	1 payment made link and Date link (in the reopened credit memo window)	O <sub>1</sub> - Click the <b>1 payment made link</b> in the top right corner of the <b>Credit Memo</b> window under the word " <b>PAID</b> ." This will open a pop-up window with a default date and a dollar amount in the <b>Amount applied</b> <b>area</b> . O <sub>2</sub> - Click on the <b>Date link</b> to open the <b>Receive Payment window</b> . This window will be used to apply the credit memo to one or more of the customer's outstanding invoices.
P	Payment date*	Enter the date of the credit memo you processed earlier. Note that <i>QBO</i> defaults to the system date, so be careful to enter the credit memo date if the default date is not correct.
0	Outstanding Transactions check box(es)*	Note that <i>QBO</i> automatically applies the credit memo to one or more of the customer's outstanding invoices, which may or may not be correct. Examine the <b>Outstanding Transactions section</b> of the window carefully and use the <b>check boxes</b> to make any changes necessary to apply the credit memo to the proper outstanding invoice(s).
R	Receive Payment window*	Review the information to verify that it is correct. When a credit memo is fully applied, the <b>Amount to Credit</b> box should be 0.
S	Save options*	Save the application of the credit memo and close the window.

\* Receive Payment window.



## Process a Sales Return or Allowance (Credit Memo) QBO windows

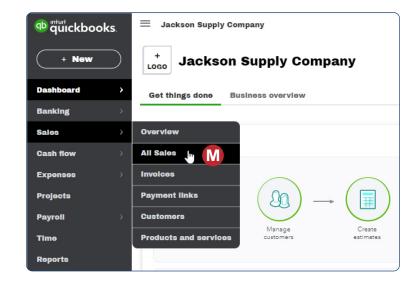


Customer	Emall	Cc/Bcc			AMOUNT TO REFUND
Choose a customer	✓ Email (Separate)	emails with a comn			\$0.00
	Send later				<b>V0.00</b>
Billing address	Credit Memo Date			Credit Memo no.	
	01/30/2022			CM-1	D
Tags 🕐			Manage tags		
Start typing to add a tag					
# PRODUCT/SER	VICE SKU	DESCRIPTION	QTY	RATE	AMOUNT
		F	G	•	亩
					亩
∭ 2					
III     2       Add lines     Clear all lines	nes			Subtotal	\$0.00
			Discount pe		\$0.00 \$0.00
Add lines Clear all lines			Discount pe	rcen 🔻	
Add lines Clear all lines	memo		Discount pe	rcen 🔻	\$0.00



### Process a Sales Return or Allowance (Credit Memo)

**QBO windows** (continued)



Sales									
Overview All S	ales Invo	ices Payme	nt links Products	and services					
Sales Transactions	\$				Import Transac	ctions <b>v</b>	Nev	w transacti	ion 🔻
	Unbilled	Last 365 Days	Unpaid Last 365 Days		Pald				
\$0 0 Estimate	\$0 0 UNBI	LLED ACTIVITY	\$0 0 OVERDUE	\$1,550 7 OPEN INVOICES	\$1,125 1 PAID LAS	T 30 DAYS			
									^
	Easily pa tracking	oks Online Pay ay and manage , 24/7 support, a	your team with auton		tax penalty protec	tion, inte <sub>l</sub>	grated tim	18	×
Filter	ast 365 Days ions 🔻							日 ①	-0-
DATE -	ТҮРЕ	NO.	CUSTOMER	МЕМО		BALANCE		STATUS	ACTIC
02/28/20	Payment		Bronson Hotel		02/28/	\$0.00	-\$58.75	Closed	
02/15/20	Credit Me	см 77 🔚 🌔	Bronson Hotel		02/15/	\$0.00	-\$246	Closed	Print
02/04/20	Credit Me	CM 71	Bestway Motor	Lodge	02/04/	-\$1,12	-\$1,12	Unappile	Print
02/03/20	Invoice	201	Anson Lodge		03/05/	\$882.00	\$882.00	Open	Recel



## Process a Sales Return or Allowance (Credit Memo)

#### **QBO windows** (continued)

Customer	Emall	Cc/Bcc					REFUND STATUS
Bronson Hotel		ironsonHotel.com					PAID
	Send later			Date 02/03/2022	Amount applied \$246.25	> 1 pay	ment made (\$246.25)
Rilling address	Credit Memo Date					Credit Memo no	<b>O</b> 1
Billing address Bronson Hotel	A					CM 77	
Bronson Hotel 7800 16 Mile Rd. Cleveland, OH 44101 Linited States Tags ?			Manago tags				
Start typing to add	a tag						
# PROD	UCT/SERVICE	SKU	DESCRIPTION	QTY	RATE		AMOUNT
III 110		110	Queen comforter	5	49.25		246.25
							ā
Add lines Cl	ear all lines					Subtotal	\$246.25
Message displayed on						Subtotal	
				0	liscount percen 🔻		\$0.00
						Ad	d sales tax
						Total	\$246.25
Message displayed on	statomont				Amount r	eceived	\$246.25
					Tota	al Credit	\$0.00
Cancol s://app.qbo.intuit.com/app/re-	cvpayment?txnld=122	Print or	Preview Make recurring N	lore			Save and close 🔻
		Print or	Proview Make recurring A	lore			Save and close
omon sc//app.qbo.intuit.com/app/re Receive Payr sustomer Bronson Hotel		ccept payments online	Proview Make recurring N	tore			
Receive Payr	Get paid 2 times faster A	ccept payments online	Preview Make recurring N	lore			() Help
Avment date	Get paid 2 times faster A Credit card visa 📷	ccept payments online	Proview Make recurring A	lore			Help > AMOUNT RECEIVED \$0.00 Amount received
A Receive Payr bustomer Bronson Hotel Payment date 02/03/2022	Get paid 2 times faster A Credit card visa 📷	ccept payments online	Proview Make recurring A	lore			(?) Help > AMOUNT RECEIVED \$0.00
Avment date	Get paid 2 times faster A Credit card visa 📷	ccept payments online	Proview Make recurring N	tore			Help > AMOUNT RECEIVED \$0.00 Amount received
A Receive Payr Bronson Hotol Rayment date 0203/2022 Choose payment methol Choose payment methol	Credit card visa e e e e e e e e e e e e e e e e e e e	ccept payments online	Preview Make recurring M	tore			Help > AMOUNT RECEIVED \$0.00 Amount received
Receive Payr      sustomer Bronson Hotel      rayment date     02/03/2022     Ayment method      Chocese payment methe	Credit card visa e e e e e e e e e e e e e e e e e e e	ccept payments online	Preview Make recurring M	tore			Help > AMOUNT RECEIVED \$0.00 Amount received
A Receive Payr Bronson Hotol Rayment date 0203/2022 Choose payment methol Choose payment methol	Get paid 2 times faster A         Credit card visa         Reference no.         Depo         Che         tions         Filter >       All	ccept payments online	Preview Make recurring A		PEN BALANCE		Help > AMOUNT RECEIVED \$0.00 Amount received 0.00
Average Action	Get paid 2 times faster A         Credit card visa         Reference no.         Depo         Che         tions         Filter >       All	eccept payments online	ORIGINAL AMO		PEN BALANCE 492.50		Help > AMOUNT RECEIVED \$0.00 Amount received 0.00
A Receive Payr      Bronson Hotel      Ayment date     0203/2022     P      wyment method      Chocse payment methor      Outstanding Transac      Find Invoice No.      DESCRIPTION      Invoice # Imviele	Get paid 2 times faster A Gredit card visa Credit card visa Credit Reference no. Depo Credit card visa Credit Filter > All	eccept payments online	ORIGINAL AMO	UNT G			() Help ) AMOUNT RECEIVED \$0.00 Amount received 0.00
A Receive Payr      Bronson Hotel      Ayment date     0203/2022     P      wyment method      Chocse payment methor      Outstanding Transac      Find Invoice No.      DESCRIPTION      Invoice # Imviele	Get paid 2 times faster         Credit card visa         Reference no.         Depo         Filter         All         111 (01/28/2023)	ccept payments online  Set to  Due Date  O2/27/2023	ORIGINAL AMO	UNT c	492.50 100.00		() Help ) AMOUNT RECEIVED \$0.00 Amount received 0.00
A Receive Payr      Bronson Hotel      Ayment date     0203/2022     P      wyment method      Chocse payment methor      Outstanding Transac      Find Invoice No.      DESCRIPTION      Invoice # Imviele	Get paid 2 times faster         Credit card visa         Reference no.         Depo         Filter         All         111 (01/28/2023)	ait to bue DATE 02/27/2023	ORIGINAL AMO	UNT c	492.50 100.00		Help AMOUNT RECEIVED \$0.00 Amount received 0.00 0.00 RAYMENT 246.25
A Receive Payr      Bronson Hotel      Ayment date     0203/2022     P      wyment method      Chocse payment methor      Outstanding Transac      Find Invoice No.      DESCRIPTION      Invoice # Imviele	Get paid 2 times faster         Credit card visa         Reference no.         Depo         Filter         All         111 (01/28/2023)	ait to bue DATE 02/27/2023	ORIGINAL AMO	UNT c	492.50 100.00		Help AMOUNT RECEIVED \$0.00 Amount received 0.00 0.00 RAYMENT 246.25
Assessment Action of the second of the secon	Get paid 2 times faster         Credit card visa         Reference no.         Depo         Image: Conservation of the servation of the servati	ait to bue DATE 02/27/2023	ORIGINAL AMO	UNT c	492.50 100.00		Help >
Anatomer Bronson Hotol  Anyment date 02(0)(2)(2)(2)  Anyment method  Choose payment method  Outstanding Transac Find Involce # Im DESCRIPTION Involce # Im Involce # Choose #	Ment Get paid 2 times faster A Credit card visa Reference no. Depo Filter > All filter > All Filter > All	ait to bue DATE 02/27/2023	ORIGINAL AMO	UNT c	492.50 100.00 < First		Help AMOUNT RECEIVED \$0.00 Amount received 0.00 0.00 RAYMENT 246.25
Arceceive Payr      Bronson Hotel      Aryment date     0203/2022     P      wyment method      Outstanding Transac      Find Involoe # Im     Involoe # Im     Involoe # Im     Involoe # Im     DESORIPTION      Find Credits      Find Credit Memo No.      DESCRIPTION	Ment Get paid 2 times faster A Credit card visa	ait to bue DATE 02/27/2023	ORIGINAL AMOUNT	UNT C 2.50 3.75 OPEN BA	492.50 100.00 < First		Help > AMOUNT RECEIVED \$0.00 Amount received 0.00 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25
Receive Payr      Bronson Hotel      Ayment date     0203/2022     P      yayment method      Outstanding Transac      Find Invoice # Im      Invoice # Im     Invoice # Im	Ment Get paid 2 times faster A Credit card visa Reference no. Depo Filter > All filter > All Filter > All	ait to bue DATE 02/27/2023	ORIGINAL AMO 40 15	UNT C 2.50 3.75 OPEN BA	492.50 100.00 < First LANCE 249.25	[ Previous 120	Help > AMOUNT RECEIVED \$0.00 Amount received 0.00 0.00 246.25 12 Next Last> 8 PAYMENT 246.25 12 Next Last>
Arceceive Payr      Bronson Hotel      Aryment date     0203/2022     P      wyment method      Outstanding Transac      Find Involoe # Im     Involoe # Im     Involoe # Im     Involoe # Im     DESORIPTION      Find Credits      Find Credit Memo No.      DESCRIPTION	Ment Get paid 2 times faster A Credit card visa	ait to bue DATE 02/27/2023	ORIGINAL AMOUNT	UNT C 2.50 3.75 OPEN BA	492.50 100.00 < First LANCE 248.25 < First	[ Previous 120	Help > AMOUNT RECEIVED \$0.00 Amount received 0.00 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25 246.25

*Reference — Sales and Cash Receipts Cycle Activities:* Process a Sales Return or Allowance (Credit Memo)