

# Applying a Vendor Credit to a Purchase

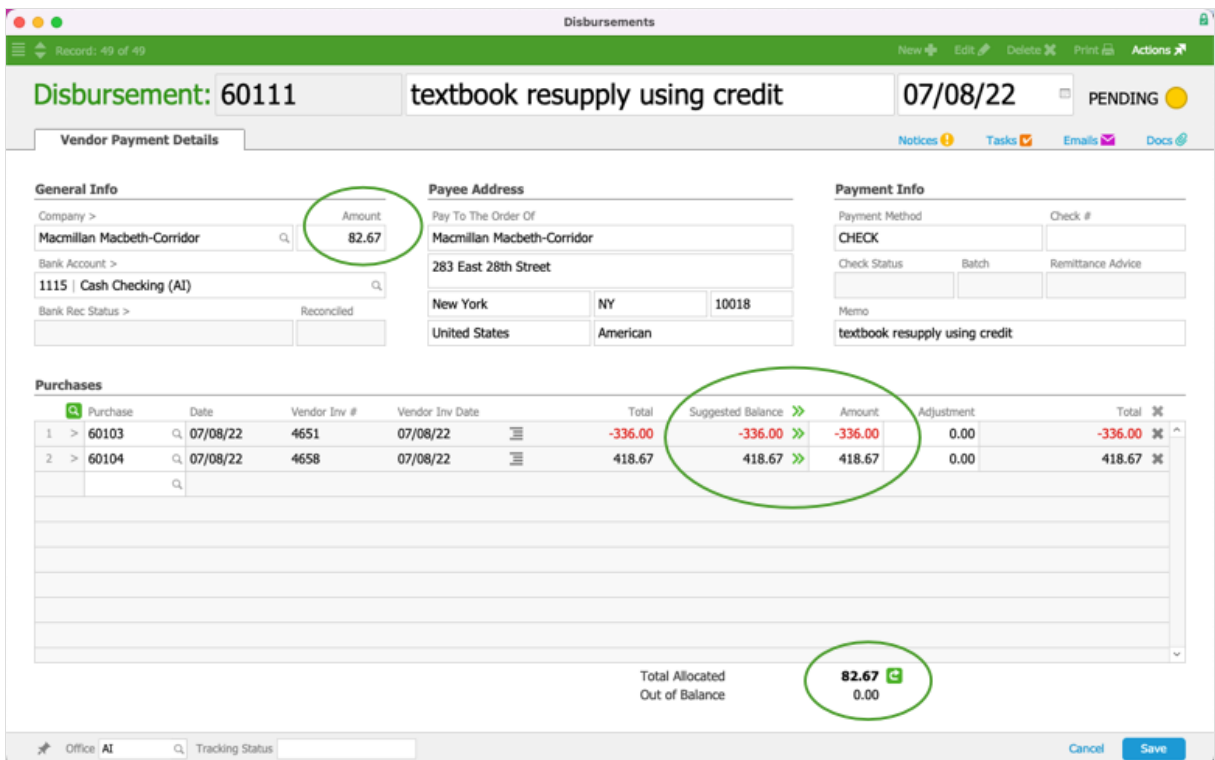
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This guide explains how to pay a vendor using an existing credit memo. It is intended for general users.

If you have a [credit memo on file for a vendor](https://aace6.knowledgeowl.com/help/processing-refunds-for-vendor-purchases) (<https://aace6.knowledgeowl.com/help/processing-refunds-for-vendor-purchases>), you can apply that credit to other outstanding balances on open purchases.

## Apply a Vendor Credit from the Disbursements Module

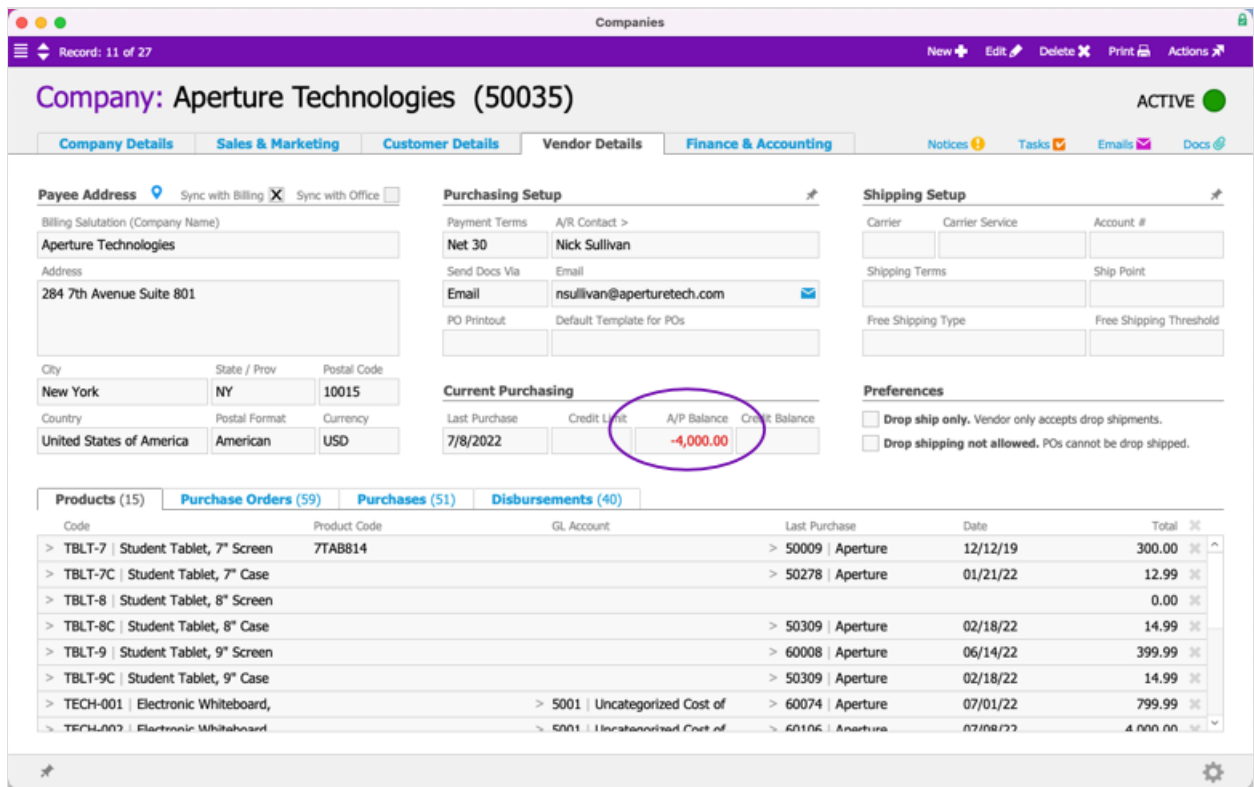
1. Navigate from **Main Menu > Accts Payable > Disbursements**.
2. In the menu bar, click **New > Vendor Payment**.
3. In the **Company** field, specify the vendor with whom you have a credit.  
The company's open purchases are displayed in the Purchases list, including the available credit showing as a negative amount.
4. Remove any unrelated purchases from the Purchases list – the list should only show the available credit and the purchase you want to apply that credit to.
5. Click the **Apply ( >> )** icon for the Suggested Balance of the credit and the purchase.
6. In the Totals section, click the **Refresh icon ( ↻ )**.
7. In the General Info section, update the **Amount** to match the Total Allocated (i.e. so the balance zeroes out).



8. Click **Save** and **Post**.

**Example**

Suppose that aACME Education Solutions has a \$4,000.00 credit with a vendor from a recent product return. This shows as a negative value on the company record Vendor Details tab:



They also have an open purchase with that vendor, totaling \$4,034.94:

**Purchase: 60107 | Aperture Technologies**      07/08/22      OPEN

**Vendor**  
 Vendor: Aperture Technologies    Contact: Nick Sullivan  
 Vendor Inv #: 1321    Inv Date: 07/08/22  
 Pur Order: 60121    Payment Terms: Net 30    Payment Due: 08/07/22    Pmnt Expected: 08/07/22

**Description**  
 Test

**Additional Info**  
 Test

**Purchase Items**

Code	GL Acct	Description	Purchase Order	Job	Dept	Qty	Unit Cost	Total	Freight
1 > TECH-002	5001	Electronic Whiteboard, Mounted	60121		AI	1	4,000.00	4,000.00	0.00
2 > TECH-E4	1301	Deluxe remote control for	60121		AI	1	29.95	29.95	0.00
3 > TECH-B	1305	Mounting Kit	60121		AI	1	4.99	4.99	0.00

**Disbursements**    Adjustments    Refunds

Disbursement	Date	Memo	Payment Ref	Amount

**Summary:**  
 Subtotal: 4,034.94    Freight: 0.00  
 Shipping Exp: 0.00  
 Tax: 0%    0.00  
**Total: 4,034.94**  
 Balance: 4,034.94    100%  
 Sugg Disc: 0.00  
 Use Tax: 0.00

The available credit can be applied to the current purchase from the Disbursements modules, using the steps described above.

At the disbursement record, the suggested balances from the open purchase and the available credit are displayed. By updating the Amount field in the General Info section, the Out of Balance value becomes zero – the check plus the product return credit offsets the open balance of the purchase:

The screenshot displays the 'Disbursements' interface for a vendor payment. At the top, the record number is 49 of 49. The main header shows 'Disbursement: 60112' and '6478137' with a date of '07/08/22' and a status of 'PENDING'. The 'Vendor Payment Details' section includes 'General Info' (Company: Aperture Technologies, Amount: 34.94), 'Payee Address' (Aperture Technologies, 284 7th Avenue Suite 801, New York, NY 10015), and 'Payment Info' (Payment Method: CHECK, Check #: 6478137). Below this is a 'Purchases' table with columns for Purchase, Date, Vendor Inv #, Vendor Inv Date, Total, Suggested Balance, Amount, Adjustment, and Total. The table contains two rows: one with a total of -4,000.00 and another with a total of 4,034.94. At the bottom right, the 'Total Allocated Out of Balance' is shown as 34.94 and 0.00. The interface includes search bars for Office and Tracking Status, and buttons for Cancel and Save.

Purchase	Date	Vendor Inv #	Vendor Inv Date	Total	Suggested Balance	Amount	Adjustment	Total
1 >	07/08/22	4654	07/08/22	-4,000.00	-4,000.00	-4,000.00	0.00	-4,000.00
2 >	07/08/22	1321	07/08/22	4,034.94	4,034.94	4,034.94	0.00	4,034.94

This same process can be used when a vendor has a credit balance that will *entirely* cover another purchase. Suppose the second purchase in our previous example was only for \$4,000.00. The actual disbursement would total \$0.00 because the \$4,000.00 credit would cover the entire balance. No payment would be sent to the vendor, but the credit would be accounted for in aACE and the purchase would be closed.