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 <u>credit memo on file for a vendor</u> (https://aace6.knowledgeowl.com/help/processing-refunds-for-vendorpurchases), 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 (**C**).
- 7. In the General Info section, update the **Amount** to match the Total Allocated (i.e. so the balance zeroes out).

•								Disbursements						
C Ri	ecord	d: 49 of 49									New 🖶 🛛 E	idit 🖋 🛛 Dele	te 🗶 🛛 Print 🗟 🗛	tions
Dis	sb	urseme	nt: 601	11	t	extbo	ok res	supply usin	ng credit		07/0	8/22	PENDIN	IG 🤇
`	Vend	dor Payment I	Details								Notices 😣	Tasks 🔽	Emails 🎽	Docs
ene	eral	Info			_	Payee Ad	idress			Payment	Info			
omp	pany	>		Amount		Pay To The	e Order Of			Payment N	lethod		Check #	
lacr	milla	an Macbeth-Corr	idor	۹ 82.67		Macmillar	n Macbeth-Co	orridor		CHECK				
		ount >		\sim	\sim	283 East	28th Street			Check Stat	us	Batch	Remittance Advice	
		Cash Checking (/	AI)	٩		New York	¢	NY	10018					
ank	ink Rec Status > Reconciled							American	Memo textbook resupply using credit					
	has Q	es Purchase	Date	Vendor Inv #	Ven	dor Inv Date	ates	Total	Suggested Balance 🔉	Amount	Adjustm	-	Total	×
			Date	Vendor Inv #	Ven		ates		Suggested Balance 🔉	_		-	Total	×
1	2	Purchase 60103	07/08/22	4651	07/	dor Inv Date 08/22	11	Total -336.00	-336.00 >>>	Amount -336.00	Adjustm 0.	ent .00	-336.00	ж
1	2	Purchase 60103	07/08/22 07/08/22		07/	dor Inv Date		Total		Amount	Adjustm 0.	ent		ж
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1	2	Purchase 60103 C 60104 C	07/08/22 07/08/22	4651 4658	07/	dor Inv Date 08/22	11	Total -336.00	-336.00 >> 418.67 >>	Amount -336.00	Adjustm 0. 0.	ent .00	-336.00	×

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:

Record: 11 of 27							1	iew 💠 Edit 🖋 Dei	ete 🗙 Print 🖶 Ac	tions
Company: Ap	perture T	Technolog	gies (500	35)					ACTIV	/E (
Company Details	Sales & Mark	ceting Cust	tomer Details	Vendor Details	Finance & Ac	counting		Notices 😣 🛛 Tasks 🕻	Emails M	Docs
ayee Address ♀ Syn	c with Billing 🕱 S	Sync with Office	Purchasing S	etup		*	Shipping S	Setup		
illing Salutation (Company Na	me)		Payment Terms	A/R Contact >			Carrier	Carrier Service	Account #	
Aperture Technologies			Net 30	Nick Sullivan						
Address			Send Docs Via	Email			Shipping Ter	ms	Ship Point	
84 7th Avenue Suite 801			Email	nsullivan@apertu	retech.com	2				
			PO Printout	Default Template for	POs		Free Shippin	д Туре	Free Shipping Th	resh
ity	State / Prov	Postal Code								
lew York	NY	10015	Current Purch	hasing	\frown		Preference	es		
Country	Postal Format	Currency	Last Purchase	Credit Linit	A/P Balance Credit	Balance	Drop shi	p only. Vendor only acco	epts drop shipments.	
Products (15) Pu	rchase Orders (59) Purchas	7/8/2022	rsements (40)	-4,000.00			pping not allowed. PO		
Code		Product Code		GL Account		Last Purcha	se	Date	Total	20
TBLT-7 Student Table	et, 7" Screen	7TAB814			>	50009 A	perture	12/12/19	300.00	х
TBLT-7C Student Tab	let, 7" Case				5	50278 A	perture	01/21/22	12.99	х
TBLT-8 Student Table	et, 8" Screen								0.00	×
> TBLT-8C Student Tab	let, 8" Case				5	50309 A	perture	02/18/22	14.99	х
	t, 9" Screen				>	60008 A	perture	06/14/22	399.99	х
TBLT-9 Student Table					>	50309 A	perture	02/18/22	14.99	20
	let, 9" Case									
 TBLT-9 Student Table TBLT-9C Student Table TECH-001 Electronic 				> 5001 Uncategori	zed Cost of	60074 A	perture	07/01/22	799.99	20

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

Purcha	se: 6010	7 Ap	ber	ture Tech	nolo	gi	es			07/08/2	22	OPE	EN 🧲
Purchas	e Details									Notices 😣 🔤	Fasks 🗹 🛛 Er	nails 🔛	Docs
Vendor				*	Desc	ripti	ion			Payment Comments			
Vendor >	=	* Contact >			Test								
Aperture Tec	hnologies												
Recur Transact	ion >	Vendor Inv	8	Inv Date									
		1321	0	07/08/22		tion	al Info						
Pur Order >	Payment Terms	Payment D	ue	Pmnt Expected	Test								
60121	Net 30	08/07/22	08/07/22 08/07/22										
Purchase It		GL Acct	Descr	ription			Purchase Order Job	Dept	Qty	r Unit Cost	Total	Freight	
	H-002	GL Acct 5001 1301	Elect	ription tronic Whiteboard, ixe remote control f			Purchase Order Job > 60121 > 60121	Dept AI AI	Q6	4,000.00	Total 4,000.00 29.95		R
Code 1 > TEC	H-002 H-E4	5001	Elect Delu	tronic Whiteboard,			> 60121	AI	1	4,000.00	4,000.00	0.00	रू रू
Code 1 > TEO 2 > TEO	H-002 H-E4 H-B	5001 1301 1305	Elect Delu	rronic Whiteboard, xe remote control t nting Kit			> 60121 > 60121	AI AI	1	4,000.00 29.95 4.99 Subtotal Freight	4,000.00 29.95 4.99 4,034.94 0.00	0.00	R R
Code 1 > TEO 2 > TEO 3 > TEO Disbursen	H-002 H-E4 H-B	5001 1301 1305 ments	Elect Delu Mour	rronic Whiteboard, ixe remote control i nting Kit			> 60121 > 60121	AI AI	1	Subtotal Freight Shipping Exp	4,000.00 29.95 4.99 4,034.94 0.00 0.00	0.00 0.00 0.00	R R
Code 1 > TEO 2 > TEO 3 > TEO Disbursen	H-002 H-E4 H-B	5001 1301 1305 ments	Elect Delux Mour	rronic Whiteboard, ixe remote control i nting Kit			> 60121 > 60121 > 60121	AI AI AI	1	4,000.00 29.95 4.99 Subtotal Freight Shipping Exp Tax 0% Total	4,000.00 29.95 4.99 4,034.94 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	R R
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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:

•				Disl	bursements						
Record: 49 of 49							New	🕂 Edit 🖋 Do	elete 🗶 🛛 Print 🗟 🛛 Actions		
Disbursen	nent: 601	12	64781	6478137					PENDING		
Vendor Payme	ent Details						Notic	ces 😣 🛛 Tasks	🖸 Emails 🎦 Docs		
General Info		\frown	Payee Ad	Idress			Payment Info				
Company >		Amount	Pay To The	order Of			Payment Method		Check #		
Aperture Technolog	gies	۹ 34.94	Aperture	Technologies			CHECK				
Bank Account >		\sim	284 7th A	wenue Suite 801			Check Status	Batch	Remittance Advice		
1115 Cash Checki	ng (AI)	٩	New York		NY	10015					
Bank Rec Status >		Reconciled		ates of America	NY 10015		Memo 6478137				
			011100 00		American		0110201				
Purchase 1 > 60106 2 > 60107	Date 07/08/22 07/08/22	Vendor Inv # 4654 1321	Vendor Inv Date 07/08/22 07/08/22	E	Total -4,000.00 4,034.94	Suggested Balance >> -4,000.00 >> 4,034.94 >>	Amount A -4,000.00 4,034.94	0.00 0.00	Total 34 -4,000.00 34 4,034.94 36		
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						located (34.94)			

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.