

Processing Refunds for Vendor Purchases Made on a Credit Card

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This guide explains how to handle refunds for credit card purchases from your vendors. It is intended for advanced users.

When you return items to a vendor, receiving refunds for purchases made with credit cards (CC) must be handled different from other purchases (Refunds on vendor purchases made with cash or check should be handled by [creating a refund receipt](http://aace6.knowledgeowl.com/help/processing-refunds-for-vendor-purchases) (<http://aace6.knowledgeowl.com/help/processing-refunds-for-vendor-purchases>)).

CC transactions with vendors are accounted for in aACE as disbursements. When you return items that were purchased on a credit card, the refund should usually be handled by creating a new, negative disbursement. If you try to handle the refund using a credit card *receipt*, it will instead activate integrated credit card *purchasing*.

Be sure to follow your company's policies for returns and refunds, as well as the vendor's policies.

Note: If the [refund is for a customer payment made with a credit card](https://aace6.knowledgeowl.com/help/processing-refunds-for-customer-credit-card-payments) (<https://aace6.knowledgeowl.com/help/processing-refunds-for-customer-credit-card-payments>), the process requires different steps.

Refund a CC Disbursement with a Negative Disbursement

1. Navigate from **Main Menu > Accts Payable > Purchases** and locate the desired purchase record.
2. At the purchase record's **Disbursements** tab, click the **Add** button ().
3. Enter a record title that explains the refund.
4. Set the **Payment Method** to **Credit Card**.
5. Enter the amount of the refund as a *negative* number in both the General Info section **Amount** field and the Purchases list **Amount** field.

Disbursements

Record: 1 of 1

New Edit Delete Print Actions

Disbursement: 60070 **Return - 5 Textbooks; water damage** **07/01/22** **PENDING**

Vendor Payment Details Notices Tasks Emails Docs

General Info

Company > McGullicuddy McGuire-Hall Amount: -399.95

Bank Account > 1115 | Cash Checking (AI) Reconciled

Payee Address

Pay To The Order Of McGullicuddy McGuire-Hall

382 West 38th Street

New York NY 10018

United States American

Payment Info

Payment Method: CREDIT CARD Approval Code

Credit Card Details Batch Remittance Advice

Memo: Return - 5 Textbooks; water damage

Purchases

Purchase	Date	Vendor Inv #	Vendor Inv Date	Total	Suggested Balance	Amount	Adjustment	Total
1 > 60078	07/15/22	13556	07/15/22	1,799.70	1,799.70	-399.95	0.00	-399.95

Total Allocated: -399.95 Out of Balance: 0.00

Office AI Tracking Status Cancel Save

6. Click **Save** and **Post**.

When you post the refund, it will put a balance back on the purchase and re-open the record. You will need to adjust the purchase so it accounts for the change from the refund. This is typically handled by reversing the necessary purchase details with a [credit adjustment](https://aace6.knowledgeowl.com/help/working-with-purchases#PurchaseAdjustments) (<https://aace6.knowledgeowl.com/help/working-with-purchases#PurchaseAdjustments>).