

Create and Apply Credits and Refund the Client

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STUDIO DESIGNER

Create the Credit

1. Create a credit item by clicking the Duplicate Button from within the original item. Change the quantity to a negative number (freight, crating, installation and other will NOT automatically become negative. You must manually, change or remove these.)

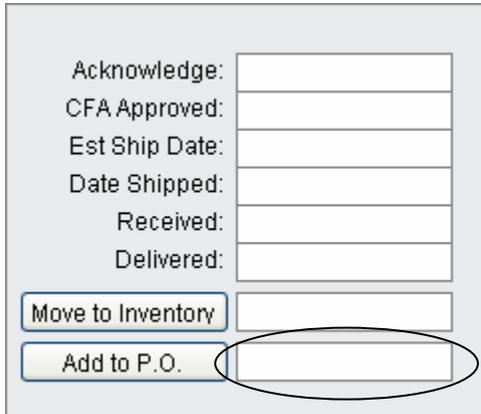
- If you will be receiving a credit or refund from the vendor, make sure that the appropriate amount is reflected in the purchase cost column as well. The example below includes a re-stocking fee.

The screenshot shows the 'Design Item' form in Microsoft Access. The 'Item' section contains various dropdown menus for Client (DOUGLAS), Project, Room (001), Item (004), Vendor (MAX), Ship To (CANYON), and Sales Code (FURN). The 'Entry' list shows two entries: 'Credit for Venetian Console with Marble Top' and 'Restocking fee in other'. Below this is a table with columns for Purchase Cost, Budget, Price, Mark Up Percent, Mark Up Amount, Total, Taxable, Deposit Percent, and Deposit Amount. The 'Other' cost is circled in red, and the '\$130.00' value in the 'Total' column for that row is also circled in red.

Purchase Cost	Budget	Price	Mark Up Percent	Mark Up Amount	Total	Taxable	Deposit Percent	Deposit Amount
Unit: Each								
Quantity: -1	1	-1				Tax % 1: 8.25		
Unit Cost: \$3,470.00	\$0.00	\$3,470.00			(\$3,470.00)	Tax % 2: 0		
Sub Total: (\$3,470.00)	\$0.00	(\$3,470.00)			(\$1,041.00)	Yes	50	(\$1,735.00)
			30	\$1,041.00	(\$4,511.00)	Yes	50	(\$520.50)
Freight: \$0.00		\$0.00	30	\$0.00	\$0.00	Yes	50	\$0.00
Crating: \$0.00		\$0.00	30	\$0.00	\$0.00	Yes	50	\$0.00
Installation: \$0.00		\$0.00	30	\$0.00	\$0.00	Yes	50	\$0.00
Other: \$100.00	P.O. Deposit	\$100.00	30	\$30.00	\$130.00	Yes	50	\$65.00
Sales Tax: \$0.00	50				(\$361.43)		50	(\$180.72)
Total: (\$3,370.00)	(\$1,685.00)				(\$4,742.43)			(\$2,371.22)

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- Add the credit item to the original PO. Enter the original PO # into the Add to PO field on the Payments tab and click the Add to PO Button.



A screenshot of a software interface showing a form with the following fields and buttons:

- Acknowledge:
- CFA Approved:
- Est Ship Date:
- Date Shipped:
- Received:
- Delivered:
- Move to Inventory
- Add to P.O.

The "Add to P.O." button is highlighted with a red oval, and an arrow points from the top right towards it.

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Refund the Client

2. Write an office check to the client using suspense as the expense account.
3. Record a negative client deposit on the item changing the cash account to the suspense account.
 - Use the check number that you wrote to the client in the check # field. Type "Refund" after the check #. ("3293REFUND" in the check number field)
 - Enter the date that the refund check was printed.
 - Enter the refund amount in the Amount to Apply column for the credit item.
 - Click Apply Payment.

Project	Proposal #	Invoice #	Description	Selling Price	Freight/Tax	Payments	Balance	Amount to Apply
			Credit for Venetian Console with Marble Top	(\$4,511.00)	(\$231.43)	\$0.00	(\$4,742.43)	
			Queen Duvet Cover	\$455.00	\$0.00	\$0.00	\$455.00	
	0001	1	Venetian Console with Marble Top	\$4,511.00	\$372.15	\$4,883.15	\$0.00	
	0001	2	Marble Top for Venetian Console	\$1,183.00	\$97.60	\$1,280.60	\$0.00	
	0001	3	Tulip Iron Sconces	\$1,170.00	\$96.53	\$1,266.53	\$0.00	
	0001	4	Reupholster Side Chair	\$487.50	\$40.22	\$527.72	\$0.00	
	0001	5	Fabric for Side Chair	\$499.20	\$0.00	\$499.20	\$0.00	
	0002		Reupholster Vanity Chair	\$461.50	\$38.08	\$499.58	\$0.00	
	0002		Vanity Chair Fabric	\$450.45	\$0.00	\$450.45	\$0.00	
	0002	9	Venetian Pedestal Sink	\$1,781.00	\$146.93	\$1,927.93	\$0.00	
	0002	9	18th Century Venetian Wall Sconces	\$2,236.00	\$184.47	\$0.00	\$2,420.47	
				\$36,349.95	\$2,797.24	\$19,583.26	\$19,563.93	

4. Invoice the item(s), the credit by itself or with other existing items.

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Record a Vendor Refund

1. When the refund check is received from the vendor, record it as a miscellaneous cash receipt using suspense as the income account.
2. Through Order Check Vouchers, enter the vendors refund check as a negative manual check on the credit order. Note that in the example below, we only received a partial refund of \$490.00 as we had not paid the original item in full, and they also deducted the balance of another item before refunding the remainder.

The screenshot shows the Microsoft Access application window titled "Microsoft Access - [P.O. Check Vouchers]". The main window displays a table with the following columns: P.O. #, Vendor, Client, Vendor Inv #, Inv Date, Inv Due, Amount, Payments, Pending, Balance, and Check Amount. The table contains 16 rows of data, with the 23rd row highlighted. Below the main table, a detailed view of the 23rd P.O. entry is shown, including columns for Item Description, Inventory, Vendor Inv #, Inv Date, Inv Due, Amount, Payments, Pending, Balance, and Check Amount.

P.O. #	Vendor	Client	Vendor Inv #	Inv Date	Inv Due	Amount	Payments	Pending	Balance	Check Amount
31	MAX	DOUGLAS				\$4,600.00	\$0.00	\$0.00	\$4,600.00	
30	EUROFAB	DOUGLAS				\$1,595.50	\$0.00	\$0.00	\$1,595.50	
29	MAX	DOUGLAS				\$835.00	\$417.50	\$0.00	\$417.50	
28	EUROFAB	DOUGLAS				\$310.00	\$195.00	\$0.00	\$115.00	
27	STAR	DOUGLAS				\$900.00	\$450.00	\$0.00	\$450.00	
26	STELLA	DOUGLAS				\$275.00	\$137.50	\$0.00	\$137.50	
24	EUROFAB	DOUGLAS				\$384.00	\$192.00	\$0.00	\$192.00	
23	MAX	DOUGLAS				\$1,010.00	\$1,500.00	\$0.00	(\$490.00)	(\$490.00)
22	STELLA	TAYLOR				\$255.00	\$127.50	\$0.00	\$127.50	
21	GOLDEN	TAYLOR				\$2,300.00	\$755.00	\$0.00	\$1,545.00	
20	MAX	SMITH				\$4,700.00	\$2,350.00	\$0.00	\$2,350.00	
19	EUROFAB	SMITH				\$918.00	\$235.00	\$0.00	\$683.00	
18	MAX	TAYLOR				\$1,400.00	\$700.00	\$0.00	\$700.00	
17	STELLA	GOLDMAN				\$280.00	\$110.00	\$0.00	\$170.00	
16	MAX	GOLDMAN				\$4,200.00	\$2,100.00	\$0.00	\$2,100.00	

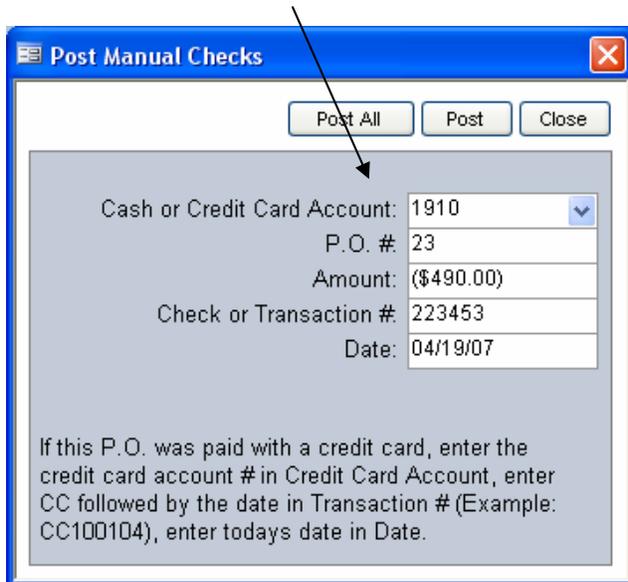
Item Description	Inventory	Vendor Inv #	Inv Date	Inv Due	Amount	Payments	Pending	Balance	Check Amount
View Venetian Console with					\$3,470.00	\$1,000.00	\$0.00	\$2,470.00	\$2,470.00
View Marble Top for Venetia					\$910.00	\$500.00	\$0.00	\$410.00	\$410.00
View Credit for Venetian Cor					(\$3,370.00)	\$0.00	\$0.00	(\$3,370.00)	(\$3,370.00)

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3. Click Post Credit Card or Manual

a. Change the cash account to suspense and use the vendors check number in the Check # field.

SUSPENSE = 1910



Post Manual Checks

Post All Post Close

Cash or Credit Card Account: 1910

P.O. #: 23

Amount: (\$490.00)

Check or Transaction #: 223453

Date: 04/19/07

If this P.O. was paid with a credit card, enter the credit card account # in Credit Card Account, enter CC followed by the date in Transaction # (Example: CC100104), enter todays date in Date.

4. Click Post

5. If the credit will only offset the cost of the original item or another open order, you will need to record a manual check on the original item (or the item that the credit will be applied to) and a negative manual check on the credit item to remove the open balances.

6. If you will be applying the vendor credit to another outstanding order of greater value, as opposed to receiving a refund, simply select the credit order for payment, along with the order the credit will be applied to the next time the vendor is paid. The credit item will then be listed on the check stub for both your record and the vendor's record.

** The same procedure can be used whether the items have been invoiced or just proposed.

Credits create an audit trail that can be clearly followed by both your office staff and your clients. They also help to insure that sales tax credits are recognized.