

**Overview & Objective** – The purpose of this I M & U is to demonstrate the application of A/R Debit or Credit Memos to outstanding invoices. This procedure is handled by the Staff Accountant.

**Initial Navigation** – To navigate to the Payment Batch Screen (from the Accounting Console):

1. Go to the Applications dropdown (upper right hand corner)
2. Select the Accounts Receivable Module
3. Once in the A/R Module go to the Activities dropdown (upper left hand corner)
4. Select the Activity “Manage Payments”
5. Click on the Payments (link) for the Payment Batch the Debit or Credit Memo will be entered\*

\*Note: If a monthly Payment Batch for the correct period is not available then create one:

- Click on the [Add] button (upper right hand corner)...the Payment Batch Information Screen requires:
  - \*Batch Title – Enter as follows: “[Month Year] Batch” (E.G. “May 2005 Batch”)
  - \*GL Posting Date – Enter the LAST day of the month ended (E.G. 05/31/05)
  - \*Account for Check and Cash Deposits – Select an operating or undeposited funds account

**Selecting Invoice(s) for Application of A/R Debit & Credit Memos** – The title “[Month Year] Batch Payments” should appear in the upper left hand corner, proceed as follows:

1. Click on the [Add] button (upper right hand corner)
2. The title “Receive Payments” should appear in the upper left hand corner
  - a. Click on the Select Invoices (link) for the Customer that the Debit or Credit Memo will be applied

**Applying A/R Debit or Credit Memos** – The title, “Select Invoices For Payment” should appear in the upper left hand corner, entry as follows:

- **Payment Method** – Select the appropriate payment method
  - **\*Payment Batch** – Use the default Payment Batch as presented (See above “**Initial Navigation**”)
  - **\*Customer** – Use the default Customer as presented (See above “**Selecting Invoice(s) for Application of A/R Debit & Credit Memos**”)
  - **\*Receipt Date** – Enter the date the Debit or Credit Memo will be applied. This date should fall in the date range for the Payment Batch.
  - **\*Date on Check** – Enter the date the Debit or Credit Memo will be applied. This date should fall in the date range for the Payment Batch.
  - **\*Check Amount** – Enter “0.00” in the “\*Check Amount” field
  - **Check #** – Leave this field blank
  - **Available Credits (Credit Memos/Negative Invoices/Inline Credits) Section** – Entry as follows:
    - Mark the “Receive Full” [Check Box] for the Debit or Credit Memo to be applied
  - **Available Invoices and Debit Memos Section** – Entry as follows:
    - Mark the “Receive Full” [Check Box] for the Invoice that the Debit or Credit Memo is applied...then...
      - ...In the “Amount Received” field enter the dollar amount of the Debit or Credit Memo (amount should equal the original amount of the Debit or Credit Memo selected). **Note:** After an amount is entered into the “Amount Received” field the check-box for the invoice will automatically be **UNMARKED**. Do not **attempt to remark this check-box** –it should remain unchecked.
- ⇒ When all the Debit or Credit memo information is entered click “**Save**” (upper right hand corner)
- ⇒ Review the **A/R Ledger** or **Sales Register Report** to ensure the Memo was correctly applied

**Further Instruction & Use** – For further information regarding Debit or Credit Memos contact your Account Executive or call The NDH Group, Ltd. at 312.461.0505.