



10 A budget manager's guide to using credit notes

A service provider will normally create a credit note against an invoice. They may raise a credit note as a solution to a disputed invoice, or if an error has been made on an invoice which has led to someone being charged more than they should have been.

Once a credit note has been raised and approved by a service provider, you can then use the credit note as part of a payment for a service or product.

The Credit Notes Approved for payment folder is shown below.

The screenshot displays the 'Justan Individual of Hesselink' credit note page. The interface includes a left-hand navigation menu with folders for 'Schedule', 'Purchase order', 'Delivery note', 'Invoice', 'Credit note', 'All documents (5)', 'Approved for payment (1)', 'Used (4)', and 'Payment'. The main content area shows the following details:

Individual's name		Document status	
Individual's name	Justan Individual of Hesselink	Document status	Approved for payment
Buyer name	Ima Budget Manager	Document number	0000E
Buyer organisation	Thera Test Org (SP+BM)	Date submitted	14/11/2011
Service provider	Rob the Supplier	Date accepted	

Additional information includes:

- Gross amount to be credited: £2.32
- Created by: Rob Supplier
- Supplier invoice number: RA0036-0010-00009/001-01
- Buyer account ref:
- VAT number: GB-3347758

Using credit notes in payments

When you approve an invoice for payment, a draft payment is automatically created. Before the draft payment is submitted you may choose to add a credit note to the payment.

The value of the credit note will be deducted from the amount to be paid.

Claiming credit notes that are of a higher value than a payment

To do this, open the Payment – Draft folder shown below and go to the Payment details tab. Select the credit notes to be claimed by ticking in the selection box to the left of each credit note.

The screenshot shows the 'Payment details' tab in the software. The interface includes a sidebar with document folders like 'Draft (8)', 'Pending confirmation (4)', and 'Received (26)'. The main area displays a table of invoices and a table of credit notes.

Action	Invoice number	PO Number	Individual	Net	VAT	Gross
X	ROBZ	000036-0012-0001C/001	Justan Individual of Hesselink	£16.00	£3.20	£19.20
Recalculate						
Total invoices:				£16.00	£3.20	£19.20

	Credit note number	Individual	Parent invoice number	Net	VAT	Gross
<input checked="" type="checkbox"/>	0000E	Justan Individual of Hesselink	RA0036-0010-00009/001-01	£2.32	£0.00	£2.32
Total credit notes:				£2.32	£0.00	£2.32
Amount to be paid:				£13.68	£3.20	£16.88

Click on the Recalculate button. If the credit notes are of higher value than the approved invoices the amount to be paid will be a negative value.

Complete the Payment – Draft as per the normal process.

Submit the Payment – Draft by clicking on the Submit button.

The payment will be stored in the Payment/Pending Confirmation folder, to be confirmed by the service provider once payment has been issued to you, the budget manager.