



# Knowledge Base Article

**Article ID:** 4173  
**Subject:** Creating and Applying a Credit Memo to an Accounts Receivable (A/R) Invoice  
**Last Modified:** April 2, 2009

**Applies to:** Pro Gold i2 2.xx, 3.xx

**Purpose:** A Credit Memo is used to apply a credit to an agent/customer's account. Credit Memos are typically generated to credit an account for an overpayment, advance payment, reimbursement, or as a bonus/allowance.

**Procedure:** The steps to create a credit memo and apply the credit memo to an invoice are listed below

- **Step 1 Create a Credit Memo**
  - Go to **Receivables Tab** and select the **Issue Credit Memo** icon
  - Select **New** button at the bottom of the screen to create a new credit memo
  - Select the agent/customer that will receive the credit
  - Fill in the **Description** field with the reason for the credit
  - Enter the amount of the credit in the **Price** field
  - Select a General Ledger (G/L) account in the **Debit Account** field
    - The default G/L account for the Credit Memo is **Undeposited Funds** (1090)
    - Use the **Undeposited Funds** account only when money is received for the credit (as in the case of an advance payment)
    - If no money is received for the credit (as in the case of a bonus or allowance), select the G/L account that is specific to the item of the credit
  - The Credit Memo will appear in the agent's account and reduces the overall balance, but the Credit Memo must be manually applied as a payment to an invoice to be used
- **Step 2 Create Deposit in bank account**
  - If money was received, you must go to the bank account in Pro Gold and enter a deposit for the amount received using the **Undeposited Funds** (i.e., 1090) as your Credit G/L account
- **Step 3 Apply a Credit Memo as a payment to an Invoice**
  - In the **Receivables Tab**, select the **Receive Payments** icon
  - Select the agent/customer from the drop-down in the upper left corner
  - A list of the unpaid invoices and/or credit memos will appear in the middle of the screen
  - Check the **Zero Payment Credit** box in the bottom left area of the screen
  - Enter amount to allocate from the credit memo in the **Amt to Allocate** field of the credit memo
    - **Note:** Credit memo amount format must be negative value=> e.g., -725.00
    - **Note:** Amount allocated from credit memo must equal the amount allocated to the outstanding invoice(s)
  - Enter amount to allocate to the outstanding invoice(s) in the **Amt to Allocate** field of the invoice(s)
    - **Note:** Invoice amount format must be a positive value => e.g., 725.00
    - **Note:** Amount allocated must equal the amount allocated from the credit memo
  - Select **Post Payments** button to apply payments
  - Select **OK** button once payment successfully applied
  - Select **Done button** to complete process

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# **PRO GOLD<sup>i2</sup>** Knowledge Base Article

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**References:** Below is a link you can use to access Enhancement HelpNet Center resources, which includes the Knowledge Base Article (KBA) Library, Pro Gold i2 Documentation, and Training Webcasts:

<http://secured.progoldi2.com/webcast.aspx>

- The Enhancement HelpNet links are located on the right side of the web page.

**Related articles:** N/A

**Keywords:** A/R, Accounts Receivable, Invoicing, Apply Payment, Receive Pay, 4173