

AP HOW TO RECORD A VISA CREDIT FROM A SUPPLIER

You purchased some office suppliers with the company VISA card from Staples, but needed to return some of what you bought. Staples refunded the amount back to the same VISA card.

To keep it simple we're going to pretend there's no taxes involved (but it would work just the same if there were).

What you'll find:

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- optional:* Reconcile the Corporate VISA Account 6

Record the Credit on the Supplier Account

Since the credit is coming from the supplier, record it on Staple’s account with a *Purchase Invoice*.

The screenshot shows the 'Add Purchase Invoice' window with the following details:

- Supplier:** Staples Regina (07)
- Invoice Date:** Aug 15, 2013 (Callout: match the transaction date on the VISA statement)
- Reference Number:** VISACREDIT_Aug15/13
- Due Date:** Aug 15, 2013
- Location:** Dog River
- Comments:** CREDIT from return of inkjet cartridge
- Totals:**
 - Total Non-Inventory: \$0.00
 - Total Inventory: \$0.00
 - Total Cost Adjustments: \$0.00
 - Total Taxes: \$0.00
 - Total Purchase Invoice: (\$25.00)** (Callout: include any taxes as you normally would for a purchase)
- Table:**

Description	Reference	Location	PO Reference	Quantity	Unit Price	GL Account	GST	GST Incl.	Line Total
> CREDIT Office Supplies				1	(\$25.00)	63500 - Office Supplies	<input type="checkbox"/>	<input type="checkbox"/>	(\$25.00)
- Buttons:** Add Non-Inv, Purchase Fixed Asset, Edit Row, Remove Row, Import PO, Link to PO
- Callouts:**
 - positive quantity (pointing to Quantity 1)
 - negative cost (pointing to Unit Price (\$25.00))

A negative PI creates a credit on the supplier account.

The screenshot displays the 'Supplier Account Information for Staples Regina (0048)' window. The window title is 'Supplier Account Information for Staples Regina (0048)'. The main heading is 'Staples Regina (0048)' with the location 'Regina, SK' below it. On the left, there is a navigation menu with 'Add New Item', 'Reports', and 'Supplier Details/Advanced'. The main content area shows account summary statistics: 'Outstanding Purchase Invoices: \$0.00', 'Available Credits: \$25.00' (highlighted with a red box), 'Prepayments Remaining: \$0.00', and 'Current Balance: (\$25.00)'. To the right of these statistics are buttons for 'Pay Supplier' and 'Apply Credits'. Below the summary is a section for 'Account History' with a 'Documents' tab. A table lists transactions with columns for Date, Type, Reference, Add'l Info, Amount, and Comments. The table contains three rows: a purchase invoice for \$25.00 on Aug 15, 2013, a payment of \$104.99 on Feb 02, 2013, and another purchase invoice for \$104.99 on Feb 02, 2013. At the bottom of the window, there are action buttons: 'View Item', 'Edit', 'Copy', 'Delete', and 'Cancel'.

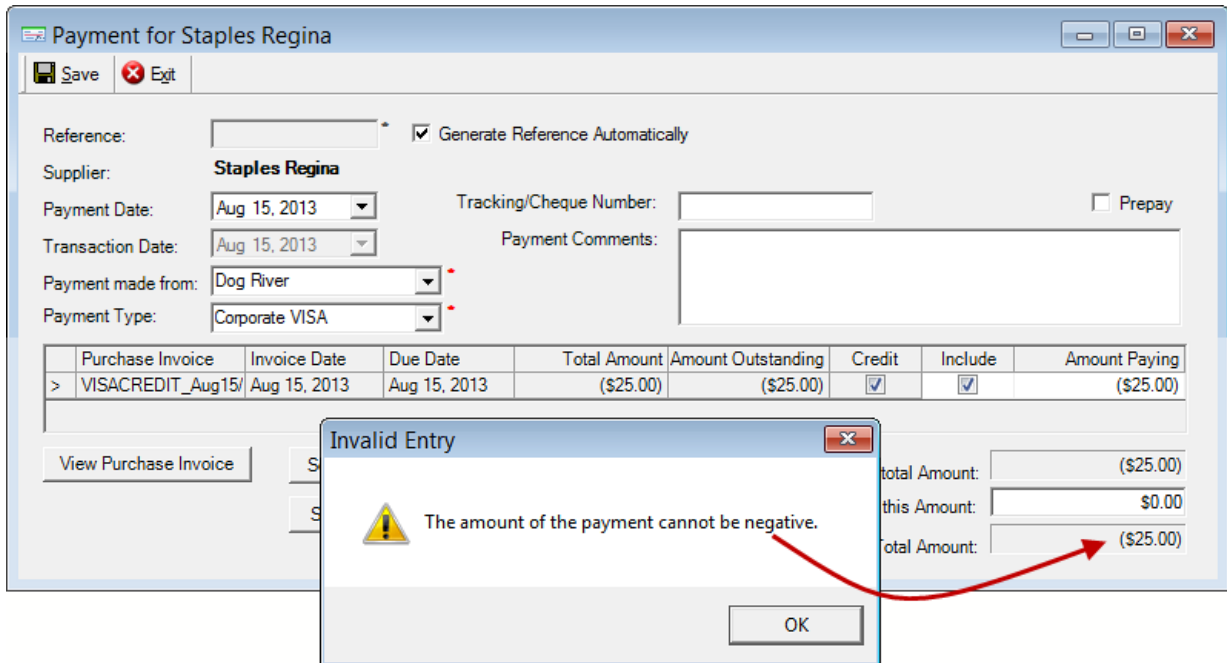
Date	Type	Reference	Add'l Info	Amount	Comments
> Aug 15, 2013	Purchase Invoice	VISACREDIT_Aug1		(\$25.00)	CREDIT from return of ink
Feb 02, 2013	Payment	DPMT00054	Corporate VISA	(\$104.99)	
Feb 02, 2013	Purchase Invoice	130227-01		\$104.99	

But ... you don't have a credit with the supplier; you have a credit with VISA.

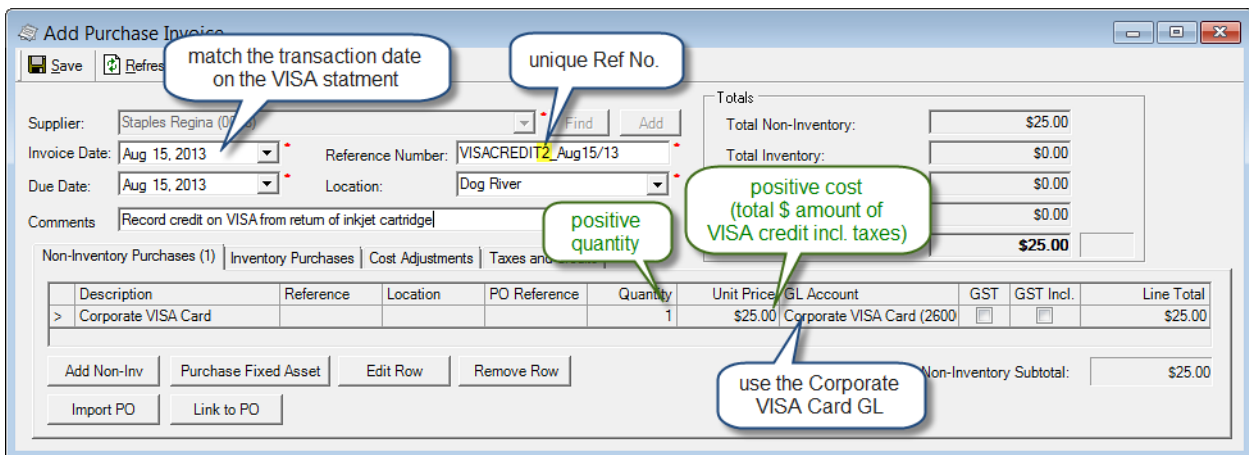
“Transfer” the Credit from the Supplier Account to VISA

“Pay” the Supplier a Negative Amount

To take the credit from the supplier account and give it to VISA it would be nice if you could just pay the supplier the *negative* amount of the credit using the same VISA payment type, but a grē won’t allow “negative payments”.



In order to balance the AP subledger and the Corporate VISA general ledger account, create a second Staple’s **Purchase Invoice** for the *positive* amount of the credit and select the Corporate VISA Card ledger account.



The value of the supplier credit is debited to Corporate VISA Card (thus reducing the balance on the card by the amount of the credit) ...



Tronia Testing Inc.
Account Transaction Detail

Aug 01, 2013 to Aug 15, 2013

Date	Source	Journal	Description	Reference	Debits	Credits	Net	Balance
26000: Corporate VISA Card								
2013-08								
Aug 01, 2013			Balance Forward					(104.99)
Aug 15, 2013	AP	J1586	AP Invoice: Staples Regina	VISACREDIT2_Aug15/13	25.00			(79.99)
					25.00	0.00	25.00	
					25.00	0.00	25.00	

... and there's now a charge for the same amount as the credit on the suppliers account.

Supplier Account Information for Staples Regina (0048)

Staples Regina (0048)
Regina, SK

Outstanding Purchase Invoices: \$25.00
Available Credits: \$25.00
Prepayments Remaining: \$0.00
Current Balance: \$0.00

Pay Supplier
Apply Credits

Account History | Documents

Date	Type	Reference	Add'l Info	Amount	Comments
> Aug 15, 2013	Purchase Invoice	VISACREDIT2_Aug		\$25.00	Record credit on VISA for
Aug 15, 2013	Purchase Invoice	VISACREDIT_Aug1		(\$25.00)	CREDIT from return of ink
Feb 02, 2013	Payment	DBMT00054	Corporate VISA	(6104.99)	

View Item | Edit | Copy | Delete | Cancel

Apply the Credit

Click *Apply Credits* and match them up.

Apply AP Credits

Save **Apply** Start Over Auto Apply Exit

Unapplied Credits

Apply	Amount	Reference	Date	Due Date	Type	Credit Available
<input checked="" type="checkbox"/>	\$25.00	VISACREDIT_Aug15/13	Aug 15, 2013	Aug 15, 2013	Invoice	\$25.00

Select All Deselect All View Item

Apply to

Reference	Invoice Date	Due Date	Orig. Amount	Outstanding	Amount to Apply
VISACREDIT2_Aug15/1	Aug 15, 2013	Aug 15, 2013	\$25.00	\$25.00	\$25.00

Available Amount: \$0.00 View Item

The credit is applied to the purchase, and the net effect to the supplier's account of the two purchase invoices is \$0.

Supplier Account Information for Staples Regina (0048)

New Search Refresh Exit

Add New Item Reports Supplier Details/Advanced

Staples Regina (0048)
Regina, SK

Outstanding Purchase Invoices: \$0.00
Available Credits: \$0.00
Prepayments Remaining: \$0.00
Current Balance: \$0.00

Pay Supplier Apply Credits

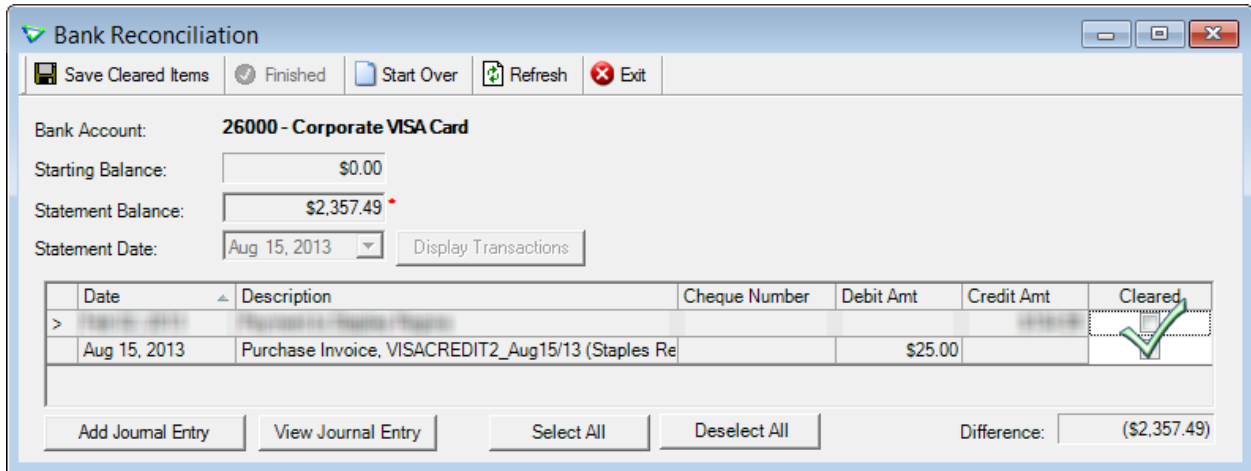
Account History Documents

Date	Type	Reference	Add'l Info	Amount	Comments
Aug 15, 2013	Purchase Invoice	VISACREDIT2_Aug		\$25.00	Record credit on VISA from
Aug 15, 2013	Purchase Invoice	VISACREDIT_Aug1		(\$25.00)	CREDIT from return of ink
Feb 02, 2013	Payment	DBMT00054	Corporate VISA	(6104.00)	

View Item Edit Copy Delete Cancel

optional: Reconcile the Corporate VISA Account

When you're ready to reconcile the Corporate VISA Card account, clear the transaction on the **Bank Reconciliation**.



The screenshot shows a software window titled "Bank Reconciliation". At the top, there are several buttons: "Save Cleared Items", "Finished", "Start Over", "Refresh", and "Exit". Below these buttons, the "Bank Account" is identified as "26000 - Corporate VISA Card". The "Starting Balance" is \$0.00, and the "Statement Balance" is \$2,357.49. The "Statement Date" is set to "Aug 15, 2013", with a "Display Transactions" button next to it. A table of transactions is displayed with the following columns: Date, Description, Cheque Number, Debit Amt, Credit Amt, and Cleared. One transaction is listed for "Aug 15, 2013" with a description of "Purchase Invoice, VISACREDIT2_Aug15/13 (Staples Re" and a debit amount of "\$25.00". The "Cleared" column for this transaction contains a green checkmark. At the bottom of the window, there are buttons for "Add Journal Entry", "View Journal Entry", "Select All", and "Deselect All". On the right side, the "Difference" is shown as "(\$2,357.49)".

Date	Description	Cheque Number	Debit Amt	Credit Amt	Cleared
>					
Aug 15, 2013	Purchase Invoice, VISACREDIT2_Aug15/13 (Staples Re		\$25.00		<input checked="" type="checkbox"/>