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:

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***.

A negative PI creates a credit on the supplier account.

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 agrē won't allow "negative payments".
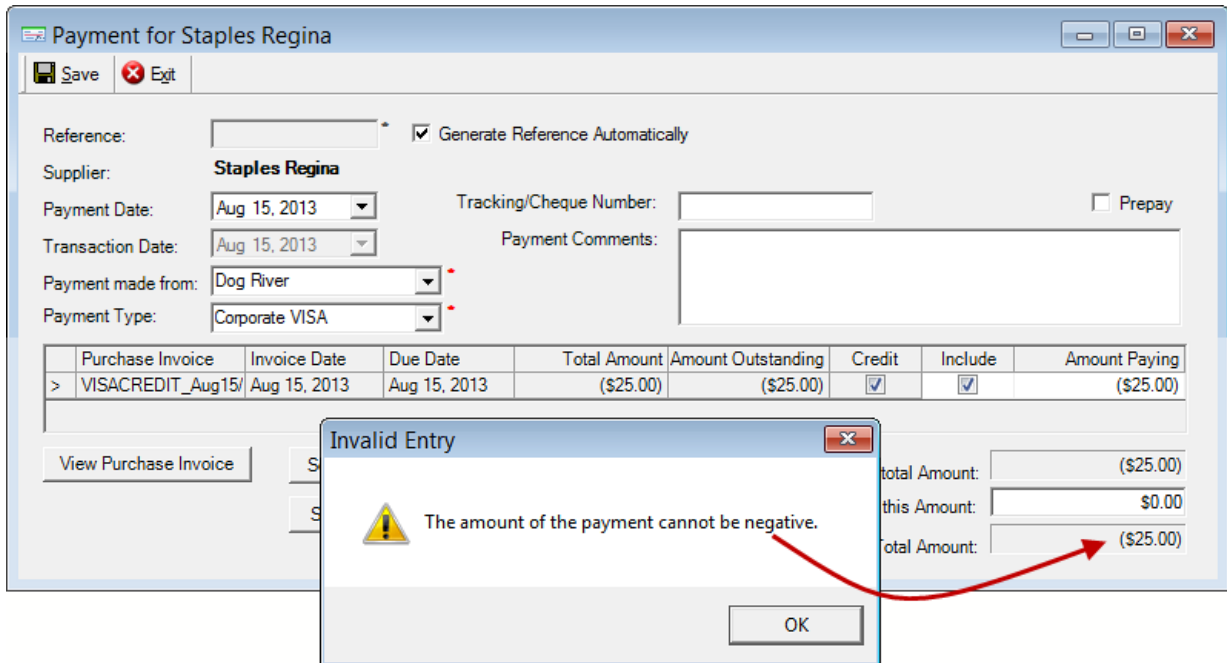
In order to balance the AP subledger and the Corporate VISA general ledger account, create a second Staple's **Purchase Invoice** for the *positive* amount of the credit and select the Corporate VISA Card ledger account.
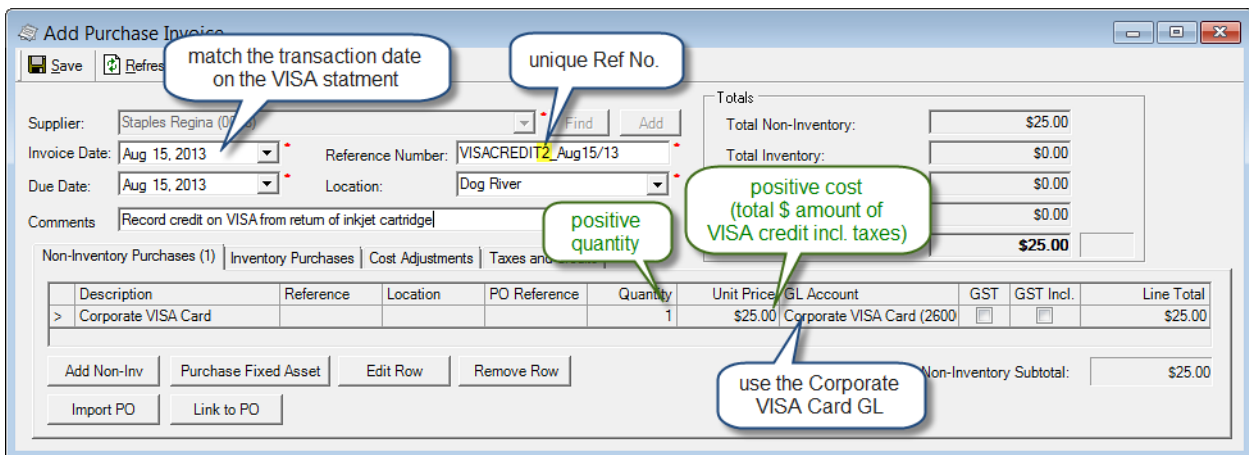
The value of the supplier credit is debited to Corporate VISA Card (thus reducing the balance on the card by the amount of the credit) …

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

Apply the Credit

Click *Apply Credits* and match them up.

The credit is applied to the purchase, and the net effect to the supplier's account of the two purchase invoices is $0.
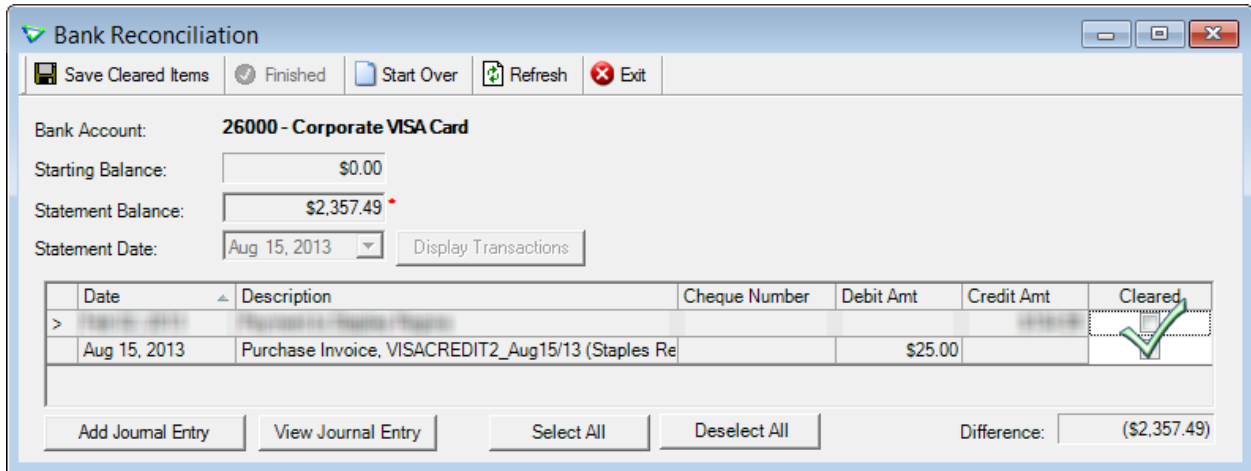
optional: Reconcile the Corporate VISA Account

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