Introduction to MS Dynamics NAV XVII.

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Credit Memo

- **Credit Memo-(Further CM) definition (terminology) and effects**

  - is a commercial document issued by a <u>seller</u> to a <u>buyer</u>. The seller usually issues a credit memo for the same or lower amount than the <u>invoice</u>, and then repays the money to the buyer or sets it off against a balance due from other transactions.

  - A Credit Memo lists the products, quantities and agreed prices for products or services the seller provided the buyer, but the buyer returned it or did not receive it or received incomplete, damaged, or incorrect.

Business model

- Let´s prepare some data in order to show CM basics
    - Create new item Z100 (Description Lever)
    - Costing Method : FIFO
    - Basic Unit of Measure : Pcs

See item card details

Created Item card (see Intro IV.)

See Sales Setup

A check mark in this field indicates that the program will not allow a return transaction to be posted unless the Appl.-from Item Entry field on the sales order line contains an entry.

This function is used when the company wants to apply an exact cost reversing policy in connection with sales returns. This means that the sales return is valued at exactly the same cost as the original sale when being put back on inventory. If an additional cost is later added to the original sale, the program updates the value of the sales return respectively.

Purchases

- Purchase from Vendor 10000

- 1st Purchase 10 pcs, Direct Unit Cost Excluding VAT= 4,0 and Location=Blue

- 2nd Purchase 10 pcs, Direct Unit Cost Excluding VAT= 8,0 and Location=Red

- See Vendor Ledger Entries

- See Item Ledger Entries

Purchase Order One

Purchase Order Two

Entries

Item Ledger Entries

Posting Date	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Invtbl.)	Open
09.09.12	Purchase	Purchase Receipt	107036	Z100			BLUE	10	10	10	0,00	400,00	0,00	✔
09.09.12	Purchase	Purchase Receipt	107037	Z100			RED	10	10	10	0,00	80,00	0,00	✔

VendorLedger Entries

10000 London Postmaster - Vendor Ledger Entries

Posting Date	Document Type	Document No.	External Document No.	Vendor No.	Description	Original Amount	Amount	Remaining Amt. (LCY)	Due Date	Pmt. Discount Date	Open	Pmt. Disc. Tolerance Date	Origi Disc.
09.09.12	Invoice	108032	ASSS	10000	Order 106028	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	✔	09.09.12	
09.09.12	Invoice	108033	IT_001	10000	Order 106030	-12 500,00	-12 500,00	-12 500,00	30.09.12	09.09.12	✔	09.09.12	
09.09.12	Invoice	108034	AAA	10000	Order 106031	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	✔	09.09.12	
09.09.12	Invoice	108035	22222	10000	Order 106032	-500,00	-500,00	-500,00	30.09.12	09.09.12	✔	09.09.12	
09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-100,00	30.09.12	09.09.12	✔	09.09.12	

General Ledger Entries

Posting Date	D... T...	Document No.	G/L Account No.	Description	G... P... T...	G... B... P...	G... P... P...	Amount	Bal. A... T...
09.09.12		108035	7191	Direct Cost 10000 on 09.09.12				-400,00	G..
09.09.12	I...	108035	7110	Order 106032	P..	N..	R..	400,00	G..
09.09.12	I...	108035	5630	Order 106032				100,00	G..
09.09.12	I...	108035	5410	Order 106032				-500,00	G..
09.09.12		108036	2110	Direct Cost 10000 on 09.09.12				80,00	G..
09.09.12		108036	7191	Direct Cost 10000 on 09.09.12				-80,00	G..
09.09.12	I...	108036	7110	Order 106033	P..	N..	R..	80,00	G..
09.09.12	I...	108036	5630	Order 106033				20,00	G..
09.09.12	I...	108036	5410	Order 106033				-100,00	G..

Credit Memo

Credit Memo -Lines

Credit Memo

Posted CM

Purchase - Credit Memo
Page 1

London Postmaster
Mrs. Carol Philips
10 North Lake Avenue
London, N12 5XY
Great Britain

CRONUS, London RC.
Jack S. Richins
Kensington Street, 22
N12 5XY London

Phone No.	+44-999 154642
Fax No.	+44-999 154625
VAT Reg. No.	GB777777777
Giro No.	888-9999
Bank	World Wide Bank
Account No.	99-99-888

Pay-to Vendor No.   10000

9. September 2012

VAT Registration No.   895741963
Purchaser   Richard Lum

Credit Memo No.   109003

Posting Date   09.09.12
(Applies to Invoice 108035)
Prices Including VAT   No

No.	Description	Quantity	Unit of Measure	Direct Unit Cost	Disc. %	Allow Invoice Disc.	VAT Identifier	Amount
	Invoice No. 108035:							
Z100	Lever	10	Piece	40,00		Yes	VAT25	400,00

Total GBP Excl. VAT	**400,00**
25% VAT	100,00
Total GBP Incl. VAT	**500,00**

VAT Amount Specification

VAT Identifier	VAT %	Line Amount	Inv. Disc. Base Amount	Invoice Discount Amount	VAT Base	VAT Amount
VAT25	25	400,00	400,00	0,00	400,00	100,00
Total		**400,00**	**400,00**	**0,00**	**400,00**	**100,00**

Ship-to Address
CRONUS International Ltd.
5 The Ring
Westminster
London, W2 8HG
Great Britain

Entries after CM was posted

VendorLedger Entries

Posting Date	Document Type	Document No.	External Document No.	Vendor No.	Description	Original Amount	Amount	Remaining Amt. (LCY)	Due Date	Pmt. Discount Date	Open
09.09.12	Invoice	108032	ASSS	10000	Order 106028	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	✔
09.09.12	Invoice	108033	IT_001	10000	Order 106030	-12 500,00	-12 500,00	-12 500,00	30.09.12	09.09.12	✔
09.09.12	Invoice	108034	AAA	10000	Order 106031	-6 332,50	-6 332,50	-6 332,50	30.09.12	09.09.12	✔
09.09.12	Invoice	108035	22222	10000	Order 106032	-500,00	-500,00	0,00	30.09.12	09.09.12	
09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-100,00	30.09.12	09.09.12	✔
09.09.12	Credit Memo	109003	AAAAA	10000	Credit Memo 1001	500,00	500,00	0,00	09.09.12		

Item Ledger Entries

Posting Date	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)
09.09.12	Purchase	Purchase Receipt	107036	Z100			BLUE	10	10	0	0,00	400,00
09.09.12	Purchase	Purchase Receipt	107037	Z100			RED	10	10	10	0,00	80,00
09.09.12	Purchase	Purchase Return ...	105003	Z100			BLUE	-10	-10	0	0,00	-400,00

Another method of CM creation
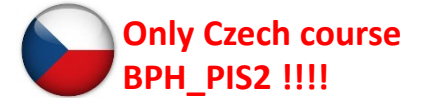
| General | Invoicing | Shipping | Foreign Trade | Application | E-Commerce |

No..	1004 [...] ✏	Posting Date	09.09.12
Buy-from Vendor No. . . .	10000 ⬆	Document Date	09.09.12
Buy-from Contact No. . .	CT000066 ⬆	Vendor Authorization No.	
Buy-from Vendor Name .	London Postmaster	Vendor Cr. Memo No. . .	
Buy-from Address	10 North Lake Avenue	Order Address Code. . .	⬆
Buy-from Address 2 . . .		Purchaser Code	RL ⬆
Buy-from Post Code/City	N12 5XY ⬆ London ⬆	Campaign No..	⬆
Buy-from Contact	Mrs. Carol Philips	Responsibility Center . .	LONDON ⬆
		Assigned User ID	⬆
		Status	Open

Show field Appl-to Item Entry and by use of F6 make a choice, which entry will be credited. You have firstly manually enter Item Number , Location and quantity

T...	No.	Description	Location Code	Quan...	Unit of Measure Code	Direct Unit Cost Excl. VAT	Line Amount Excl. VAT	Line Disco... %	Qty. to Assign	Qty. Assigned	Appl.-to Item Entry
*▶ I...	Z100	Lever	RED	2	PCS	8,00	16,00				0

Posting Date	Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amour (Non-Invtbl
▶ 09.09.12	Purchase	Purchase Receipt	107037	Z100			RED	10	10	4	0,00	80,00	

Created CM

Next step is to apply Vendor document by use
of Apply Entries =**Shift—F9**

Applied Entries window

OK and thenF9

Entries

Entry Type	Document Type	Document No.	Item No.	Description	Lot No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Invtbl.)	Open
Purchase	Purchase Receipt	107036	Z100			BLUE	10	10	0	0,00	400,00	0,00	
Purchase	Purchase Receipt	107037	Z100			RED	10	10	2	0,00	80,00	0,00	✔
Purchase	Purchase Return ...	105003	Z100			BLUE	-10	-10	0	0,00	-400,00	0,00	
Purchase	Purchase Return ...	105004	Z100			RED	-5	-5	0	0,00	-40,00	0,00	
Purchase	Purchase Return ...	105005	Z100			RED	-1	-1	0	0,00	-8,00	0,00	
Purchase	Purchase Return ...	105006	Z100			RED	-2	-2	0	0,00	-16,00	0,00	

Posting Date	Document Type	Document No.	External Document No.	Vendor No.	Description	Original Amount	Amount	Remaining Amt. (LCY)	Due Date	Pmt. Discount Date	Open	Pmt. Disc. Tolerance Date	C D
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09.09.12	Invoice	108036	44444	10000	Order 106033	-100,00	-100,00	-70,00	30.09.12	09.09.12	✔	09.09.12	
09.09.12	Credit Memo	109003	AAAAA	10000	Credit Memo 1001	500,00	500,00	0,00	09.09.12				
09.09.12	Credit Memo	109004	BBBBB	10000	Credit Memo 1002	50,00	50,00	50,00	09.09.12		✔		
09.09.12	Credit Memo	109005	CCCCC	10000	Credit Memo 1003	10,00	10,00	0,00	09.09.12				
09.09.12	Credit Memo	109006	DDDDD	10000	Credit Memo 1004	20,00	20,00	0,00	09.09.12				

End of the section XVII.