

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 [seller](#) to a [buyer](#). The seller usually issues a credit memo for the same or lower amount than the [invoice](#), 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.)

Z100 Lever - Item Card

General Invoicing Replenishment Planning Foreign Trade Item Tracking E-Commerce Warehouse

No. Z100 Search Description . . . LEVER

Description Lever Inventory 0

Base Unit of Measure . . . PCS Qty. on Purch. Order . . . 0

Bill of Materials Qty. on Prod. Order . . . 0

Shelf No. Qty. on Component Lines . . . 0

Automatic Ext. Texts . . . Qty. on Sales Order . . . 0

Created From Nonstoc. . . Qty. on Service Order . . . 0

Item Category Code. . . MISC Service Item Group . . .

Product Group Code. . . SUPPLIERS Blocked

Last Date Modified . . . 27.10.14

Item Sales Purchases Functions Help

Z100 Lever - Item Card

General Invoicing Replenishment Planning Foreign Trade Item Tracking E-Commerce Warehouse

Costing Method FIFO Gen. Prod. Posting Group RETAIL

Cost is Adjusted. VAT Prod. Posting Group VAT25

Cost is Posted to G/L Inventory Posting Group RESALE

Standard Cost 9,30 Net Invoiced Qty. 0

Unit Cost 0,00 Allow Invoice Disc.

Overhead Rate 0,00 Item Disc. Group

Indirect Cost % 0 Sales Unit of Measure . . . PCS

Last Direct Cost 9,30

Price/Profit Calculation. . . Profit=Price-... Unit Price 10,00

Profit % 100

Item Sales Purchases Functions Help

Z100 Lever - Item Card

General Invoicing Replenishment Planning Foreign Trade Item Tracking E-Commerce Warehouse

Replenishment System. . Purchase Production

Purchase Manufacturing Policy . . Make-to-Stock

Vendor No. 10000 Routing No.

Vendor Item No. L100 Production BOM No.

Purch. Unit of Measure . . PCS Rounding Precision . . . 1

Lead Time Calculation . . . Flushing Method. Manual

Scrap % 0

Lot Size. 0

Item Sales Purchases Functions Help

Z100 Lever - Item Card

General Invoicing Replenishment Planning Foreign Trade Item Tracking E-Commerce Warehouse

Reordering Policy Lot-for-Lot Reorder Cycle. 1W

Include Inventory Safety Lead Time

Reserve Optional Safety Stock Quantity . . . 0

Order Tracking Policy . . . None Reorder Point. 0

Stockkeeping Unit Exists. . . Reorder Quantity 0

Critical Maximum Inventory 0

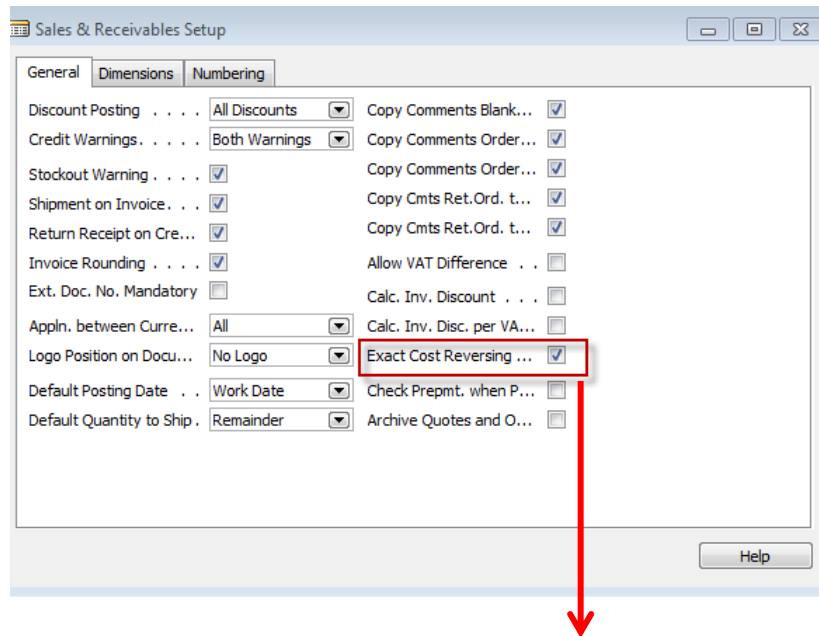
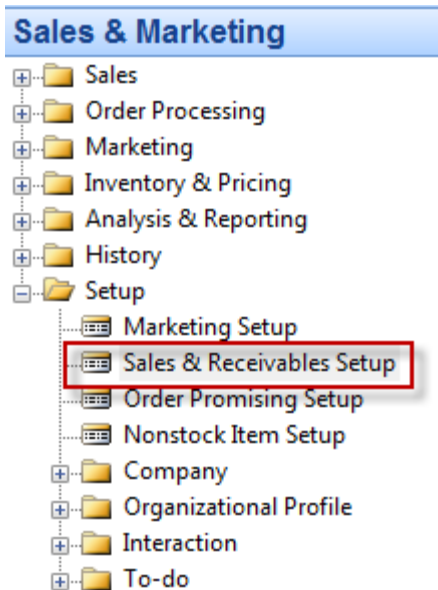
Minimum Order Quantity . . . 0

Maximum Order Quantity . . . 0

Order Multiple. 0

Item Sales Purchases Functions Help

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

106032 London Postmaster - Purchase Order

General Invoicing Shipping Foreign Trade E-Commerce Prepayment

No. 106032 Posting Date 09.09.12

Buy-from Vendor No. 10000 Order Date 09.09.12

Buy-from Contact No. CT000066 Document Date 09.09.12

Buy-from Vendor Name London Postmaster Quote No.

Buy-from Address 10 North Lake Avenue Vendor Order No.

Buy-from Address 2 Vendor Shipment No.

Buy-from Post Code/City N12 5XY London Vendor Invoice No. 11111

Buy-from Contact Mrs. Carol Philips Order Address Code.

No. of Archived Versions. 0 Purchaser Code RL

Responsibility Center LONDON

Assigned User ID

Status Open

No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measure ...	Direct Unit Cost Excl. VAT	Line Amount Excl. VAT	Line Disc
▶ Z100	Lever	BLUE	10		PCS	40,00	400,00	

Order Line Functions Posting Print... Help

Vendor Information

- Buy-from Vendor
- Order Addresses (2)
- Contacts (3)
- Purchase History
- Pay-to Vendor

Item Information

- Item Card
- Availability (10)
- Purchase Prices (0)
- Purchase Line Di... (0)

Microsoft Dynamics NA...

Receive Invoice Receive and Invoice

OK Cancel

Purchase Order Two

106033 London Postmaster - Purchase Order

General Invoicing Shipping Foreign Trade E-Commerce Prepayment

No. 106033 ...

Buy-from Vendor No. 10000 ↑

Buy-from Contact No. CT000066 ↑

Buy-from Vendor Name London Postmaster

Buy-from Address 10 North Lake Avenue

Buy-from Address 2

Buy-from Post Code/City N12 5XY ↑ London ↑

Buy-from Contact Mrs. Carol Philips

No. of Archived Versions. 0

Posting Date 09.09.12

Order Date 09.09.12

Document Date 09.09.12

Quote No.

Vendor Order No.

Vendor Shipment No.

Vendor Invoice No. 444444

Order Address Code. ↑

Purchaser Code RL ↑

Responsibility Center LONDON ↑

Assigned User ID ↑

Status Open

Line No.	Description	Location Code	Quantity	Reserved Quantity	Unit of Measure	Direct Unit Cost Excl. VAT	Line Amount Excl. VAT
1	Z100 Lever	RED	10		PCS	8,00	80,00

Vendor Information

- Buy-from Vendor
- Order Addresses (2)
- Contacts (3)
- Purchase History
- Pay-to Vendor

Item Information

- Item Card
- Availability (10)
- Purchase Prices (0)
- Purchase Line Di... (0)

Microsoft Dynamics NA...

Receive
 Invoice
 Receive and Invoice

OK Cancel

Order Line Functions Posting Print... Help

Credit Memo

Purchase

- Planning
- Order Processing
 - Vendors
 - Contacts
 - Quotes
 - Orders
 - Blanket Orders
 - Return Orders
 - Transfer Orders
 - Invoices
 - Credit Memos

General		Invoicing	Shipping	Foreign Trade	Application	E-Commerce	Credit Memo -Header	
No.	1001						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

Credit Memo -Lines

Calculate Invoice Discount
Explode BOM
Insert Ext. Texts
Apply Entries... Shift+F9
Get Std. Vend. Purchase Codes...
Get Return Shipment Lines...
Copy Document...
Move Negative Lines...
Get Posted Document Lines to Reverse...
Send Approval Request
Cancel Approval Request
Release Ctrl+F11
Reopen

Line ▾ Functions ▾ Posting ▾ Help

Options

Document Type Posted Invoice ▾
Document No. 108035 ↑
Buy-from Vendor No. . . . 10000
Buy-from Vendor Name . London Postmaster
Include Header
Recalculate Lines

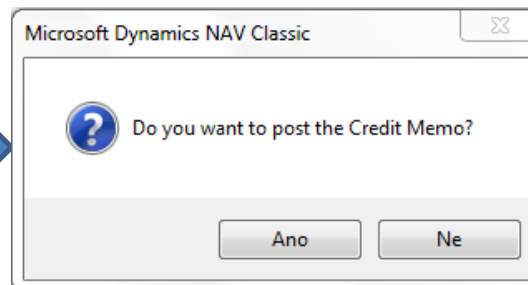
Credit Memo

General Invoicing Shipping Foreign Trade Application E-Commerce

No. 1001 [edit]
Buy-from Vendor No. 10000 [up]
Buy-from Contact No. CT000066 [up]
Buy-from Vendor Name London Postmaster
Buy-from Address 10 North Lake Avenue
Buy-from Address 2
Buy-from Post Code/City N12 5XY [up] London [up]
Buy-from Contact Mrs. Carol Philips

Posting Date 09.09.12
Document Date 09.09.12
Vendor Authorization No.
Vendor Cr. Memo No. AAAAA [red box]
Order Address Code. [up]
Purchaser Code. RL [up]
Campaign No. [up]
Responsibility Center LONDON [up]
Assigned User ID [up]
Status Open

T... No.	Description	Location ...	Quantity	Unit of M...	Direct Uni...	Line Amount E...	Line ...
▶	Invoice No. 108035:						
I... Z100	Lever	BLUE	10	PCS	40,00	400,00	



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. GB77777777
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

Allow

No.	Description	Quantity	Unit of Measure	Direct Cost	Unit Disc. %	Invoice VAT Disc.	VAT Identifier	Amount
Z100	Invoice No. 108035: 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

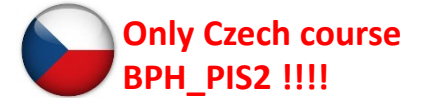
Entries after CM was posted

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
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



Only Czech course
BPH_PIS2 !!!!

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

T... No.	Description	Location Code	Unit of Measure	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				363

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

Applied Entries window



Only Czech course
BPH_PIS2 !!!!

General

Posting Date 09.09.12 Currency Code

Document Type Credit Memo Amount 20,00

Document No. 1004 Remaining Amount. 20,00

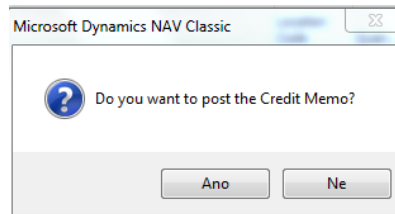
Vendor No. 10000

Description Credit Memo 1004

Applies-t...	Posting D...	D...	Documen...	External ...	Vendor No.	Description	Curre...	Remaining Am...	Appln. Remai...	Amount to Apply	Appln. Amoun...	Due Date	Pmt. Disc...	F
	31.12.11	I...	5578	5578	10000	Opening Entries, Vendors		-24 080,19	-24 080,19	0,00	0,00	20.01.12	31.12.11	
	31.12.11	I...	5672	5672	10000	Opening Entries, Vendors		-57 792,45	-57 792,45	0,00	0,00	21.01.12	31.12.11	
	04.01.12	I...	108018	23047	10000	Order 106002		-8 132,00	-8 132,00	0,00	0,00	31.01.12	04.01.12	
	07.01.12	I...	108019	23587	10000	Order 106003		-8 245,76	-8 245,76	0,00	0,00	31.01.12	07.01.12	
	18.01.12	I...	108023	24521	10000	Order 106006		-15 846,00	-15 846,00	0,00	0,00	31.01.12	18.01.12	
	26.01.12	I...	108028	11111	10000	Order 106024		-121,88	-121,88	0,00	0,00	31.01.12	26.01.12	
	26.01.12	I...	108030	A1	10000	Order 106026		-375,00	-375,00	0,00	0,00	31.01.12	26.01.12	
	26.01.12	I...	108031	A2	10000	Order 106027		-250,00	-250,00	0,00	0,00	31.01.12	26.01.12	
	09.09.12	I...	108032	ASSS	10000	Order 106028		-6 332,50	-6 332,50	0,00	0,00	30.09.12	09.09.12	
	09.09.12	I...	108033	IT_001	10000	Order 106030		-12 500,00	-12 500,00	0,00	0,00	30.09.12	09.09.12	
	09.09.12	I...	108034	AAA	10000	Order 106031		-6 332,50	-6 332,50	0,00	0,00	30.09.12	09.09.12	
▶	1004	09.09.12	I...	108036	44444	10000	Order 106033	-90,00	-90,00	-90,00	-90,00	30.09.12	09.09.12	
	09.09.12	C...	109004	BBBBB	10000	Credit Memo 1002		50,00	50,00	0,00	0,00	09.09.12		



OK and then F9



Entries



Only Czech course
BPH_PIS2 !!!!

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-Inv/tbl.)	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. Disc. Date	Open	Pmt. Disc. Tolerance Date	C	D
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	0,00	30.09.12	09.09.12		09.09.12		
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.

