

CREDIT MEMO – COST ONLY

Procedure to enter a Cost Only line after an AR Invoice has been updated to the Open Invoice file.

You can use this procedure only if you are currently paying out commissions at time of cash receipts, and you are using a straight gross profit percentage as your commission calculation. If you begin using a sliding scale based on a percentage of gross profit, this process will need to be modified to verify that the commission adjustment is the total amount of the adjustment you are looking for when you get to the total screen, if not, you will need to adjust the commission. Because this invoice is still in the pending file, the commission pending will be adjusted.

- If the invoice has not been paid in full, create an AR Invoice in Accounts Receivable, Invoice, and Invoice Data Entry. Can Use the same Invoice Number. Enter the Customer Code and any other information on the Invoice Header Screen. Click (Next) button. Using the same invoice number will attach these costs and Commission adjustments to original invoice.
- At the A/R Invoice Entry Screen, select Special Charge from the drop-down menu at the Line Type field.
- Query the Item Code field and select the Special Charge Code called Cost Only or Cost Adjustment. Use the same product code as the original sale if you wish to have this adjustment post to the same category for sales analysis purposes. Enter the Quantity Ordered as EACH/1. Sell price would be zero.
- Enter or Tab to the Cost field and enter the total cost being adjusted.
(Note: if you are reducing cost, enter Quantity Ordered as a (-) negative.)
 - a. Click the save button
 - b. Click No to the Warning Message about the price being lower than cost.
 - c. Click the Next button

You are now at the A/R Invoice Summary Screen

- a. Click Next
- b. Click Finish

You are done!

If your invoice has already been paid in full by the customer or you pay commission at time of invoicing. You will need to modify this procedure as follows.

Use the Same procedure as above, except create a NEW Invoice Number. **DO NOT USE** the original Invoice Number. This will create an entry on the commission payable report for the impact to commissions.

*** Additional Notes ***

- Since this is a cost only invoice, Sales tax is not an issue.
- If you are using the feature to post both a commission pending and payable entry to General Ledger, you will need to review the GL posting after this adjusting zero Invoice is created. Zero invoices post directly to commission payable, however if circumstances still show this
- When printing this type of invoice, make sure that this is not mailed or emailed to your client.
- If you are using Image Library, using the same invoice number can overwrite the original Invoice, this may be a consideration with determining the numbering of this credit memo.