Credits from Vendors

This job aid describes the process of obtaining credits from vendors, both vendors found in iBuyNU and others.

Background

In order to be eligible for a credit for a line item of a purchase order, the line item must be fully paid.

You may obtain a credit from a vendor for a variety of reasons:

- Return of item
- Wrong item
- Damaged item, etc.

Vendors in iBuyNU

Items purchased from iBuyNU (catalog requisition) are subject to a two-way match of the purchase order and vendor invoice. Payments to iBuyNU vendors happen quickly. If there is an issue with an item after payment, a credit may be due back to the chart string that was used for purchase. Credit memos need to be in physical form (not electronic form) from the vendor.

What do I need to do?

- Contact vendor for return instructions and execute as instructed.
- Request a credit memo for item(s).
- **Ask the vendor to include the Purchase Order ID (PURID) and/or the original invoice number on the credit memo (for easy cross reference for AP).**
- Track the credit on subsequent budget statements, GL008 or GM045.
Vendors outside iBuyNU

Items purchased using a non-catalog requisition are subject to a three-way match of the Purchase Order, vendor Invoice and Receipt. If an item is not received, incorrect or damaged, there are two sides to the credit process:

1. **NUFinancials is the financial side of the transaction.**
   a. If an item is received in *good condition*, enter a receipt, matching will take place and payment will be sent.
   b. *If an item is not received at all*, do not enter a receipt, matching for that item will not take place and payment for that item will not be sent. Follow up with vendor or submit a PO Change Request, as appropriate.
   c. *If an item is to be returned, incorrect, or damaged*, do not enter a receipt, but complete a Reject Shipment entry (See *Enter a Receipt* job aid, p. 9). Matching for that item will not take place and payment will not be sent.
   d. You may need to submit a PO Change request to make the necessary changes to the order so that the PO, Invoice and Receipt to match and generate payment. See training guides at under Purchasing for:
      - Submit Request to Change Purchase Order
      - Cancel a Receipt for a Changed or Rolled Purchase Order
      - Create a Receipt for a Changed or Rolled Purchase Order

2. **Vendor contact/action is the physical side of the transaction.**
   a. You need to contact the vendor to resolve the issue, initiate a return/replacement, receive vendors’ return instructions, and a Return Materials Authorization (RMA) number, as applicable. Complete return instructions.
   b. You need to request a credit memo from vendor if payment has already been sent.
   c. The credit memo needs to go to Accounts Payable, 2020 Ridge.

**What do I need to do?**
   o Contact vendor for return instructions and complete as instructed.
   o Request a credit memo for item(s).
   o *Ask the vendor to include the Purchase Order (PURxxxxxxx) and/or the original invoice number on the credit memo* (for easy cross reference for AP).
   o Track credit on subsequent budget statements, GL008 or GM045.
Why is the Purchase Order and original vendor invoice number so important?

The credit memo needs to go to Accounts Payable. Accounts Payable will check to see if original invoice has been paid. If so, Accounts Payable will enter an adjustment voucher based on the Purchase Order and/or original vendor invoice number in NUFinancials. It is very helpful to AP if the Purchase Order and/or original vendor invoice number is indicated by vendor or by you. If there is no reference to the purchase order or original vendor invoice, AP will not be able to easily return the funds to the correct chart string.

Once AP enters the adjustment voucher, a credit will appear on GL008 or GM045 as a negative number in the transaction column.

For more information on AP’s process for credit memos and credit processing, see http://www.northwestern.edu/procurement/payment/procard/docs/accountspayable-faq.pdf

Researching a Purchase Order number

- Navigate to eProcurement > Manage Requisitions. Access the Lifespan view, see the Purchase Orders icon.
  
  Note the Purchase Order number.

Researching an original vendor invoice number

Remember a vendor’s invoice, when entered into NUFinancials, is called a Voucher and has a Voucher ID. A Voucher ID can be found several ways:

- Navigate to eProcurement > Manage Requisitions. Access the Lifespan view, see the Invoice or Payment icons.
  
  Note the Voucher ID number.

- Navigate to Accounts Payable > Vouchers > Add/Update > Regular Entry > Find an Existing Value. Use search fields to find specific voucher.
  
  Note invoice number (Vendor’s invoice number) on Summary tab.

Tracking/Checking a credit

- Credit (or adjustment vouchers), once entered can be seen on the Regular Voucher page and the subsequent budget statements, GL008 and GM045 as a negative amount.

- When a credit is entered into NUFinancials, the letters ‘CR’ are placed before the credit memo number to indicate a credit.

- A quick way to retrieve a list of adjustment vouchers, use the Invoice Number search field and enter CR% (remember % is the wildcard key in NUFinancials). Note: Vendors have varying timelines for returning credits.