

TXIS – MII ERP⁺ Practice Solution Document

WHITE PAPER USER MANUAL FOR – MANUAL CREDIT MEMO INVOICE

Module – Account Payables

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Creation Date : 17-Sep-2024
Last Updated : 17-Sep-2024
Version : 1.0

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A **credit memo** (or **credit memorandum**) is a document issued by a seller or service provider to a customer, indicating a reduction in the amount the customer owes. It is essentially the opposite of a debit memo. Here's an explanation of a credit memo using the 5 W's (Who, What, When, Where, Why):

1. Who

- **Who Issues It:** The seller or service provider issues a credit memo to the customer. It is typically issued by the accounts receivable or billing department.
- **Who Receives It:** The recipient is the customer or client who is receiving a reduction in their account balance or a refund.

2. What

- **What It Is:** A credit memo is a formal document that decreases the amount owed by the customer. It provides details about the reduction and adjusts the customer's account accordingly.
- **What It Includes:** It typically includes:
 - **Credit Memo Number:** A unique identifier for the memo.
 - **Date:** The date the credit memo is issued.
 - **Customer Information:** Details of the customer to whom it is issued.
 - **Amount:** The amount being credited.
 - **Reason:** Explanation for the credit, such as returned goods, overpayment, or adjustment for a billing error.

3. When

- **When It's Issued:** A credit memo is issued when there is a need to reduce a customer's account balance. This could be due to returned products, pricing adjustments, errors in billing, or other reasons requiring a reduction in the amount owed.
- **When It's Applied:** The credit is applied to the customer's account immediately or according to the terms specified in the memo.

4. Where

- **Where It's Used:** Credit memos are used in various business contexts, including accounting, finance, and customer service departments. They are part of the financial records and are used to adjust accounts receivable.
- **Where It's Filed:** The credit memo is filed in the accounts receivable records of the issuing company and may be sent to the customer through email or physical mail.

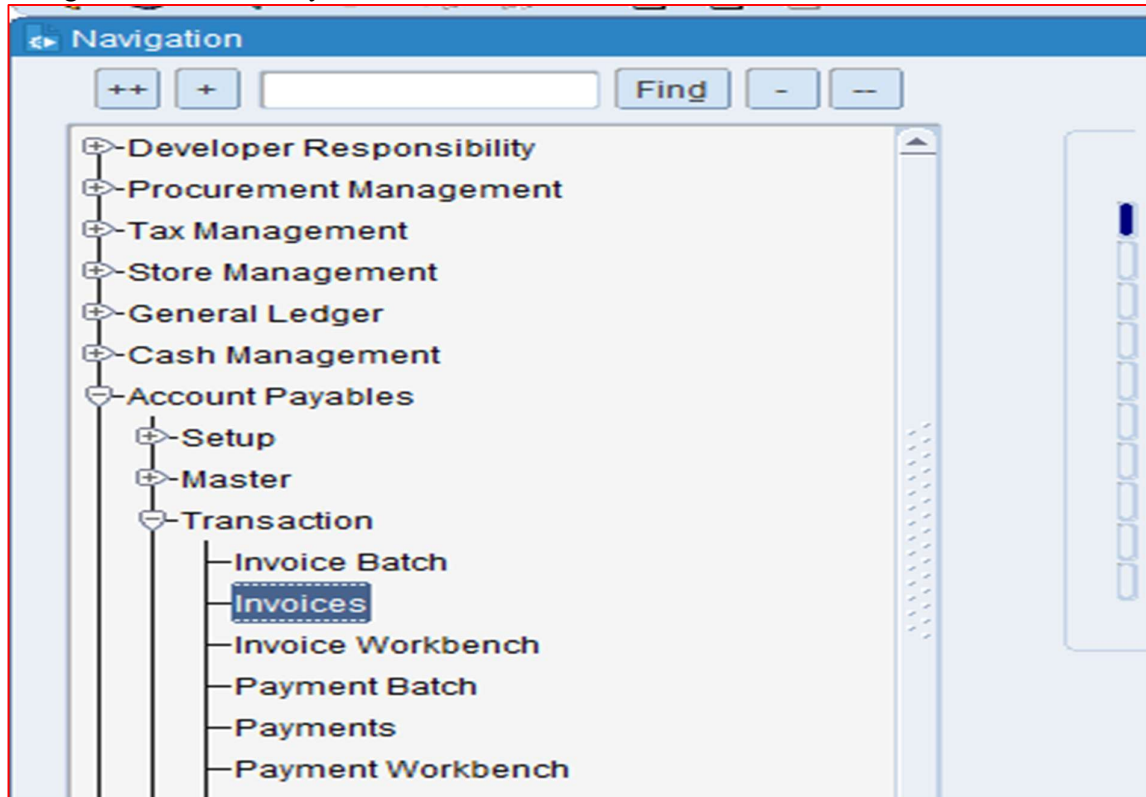
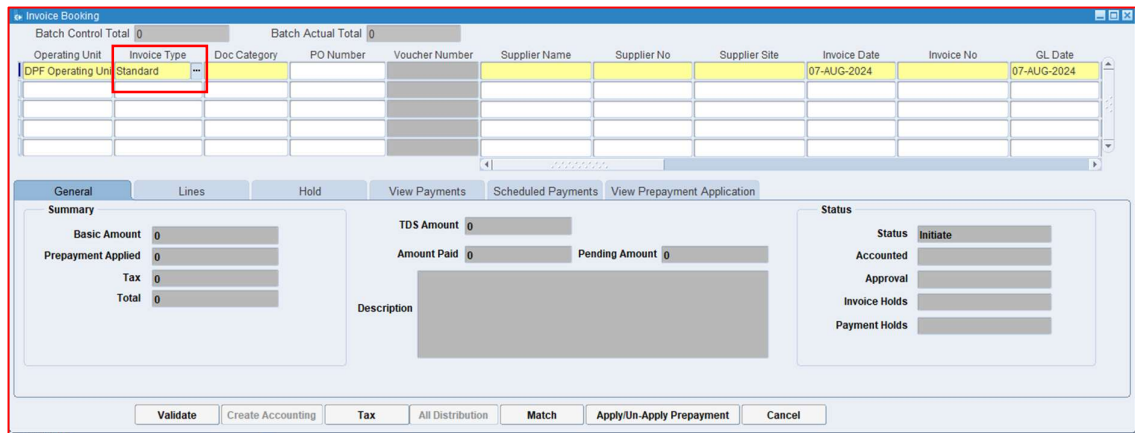
5. Why

- **Why It's Issued:** The main reasons for issuing a credit memo include:
 - **Returns:** To account for products that were returned by the customer.
 - **Billing Errors:** To correct mistakes made in an invoice or billing statement.
 - **Discounts or Adjustments:** To apply discounts or adjustments that were not originally included in the invoice.
 - **Overpayments:** To acknowledge and adjust for payments made in excess of the amount due.

In summary, a credit memo is a crucial document for managing customer accounts and ensuring that financial records accurately reflect the amounts owed and adjustments made. It helps maintain good customer relations by addressing issues related to billing and payment.

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Navigation – Account Payables > Invoice

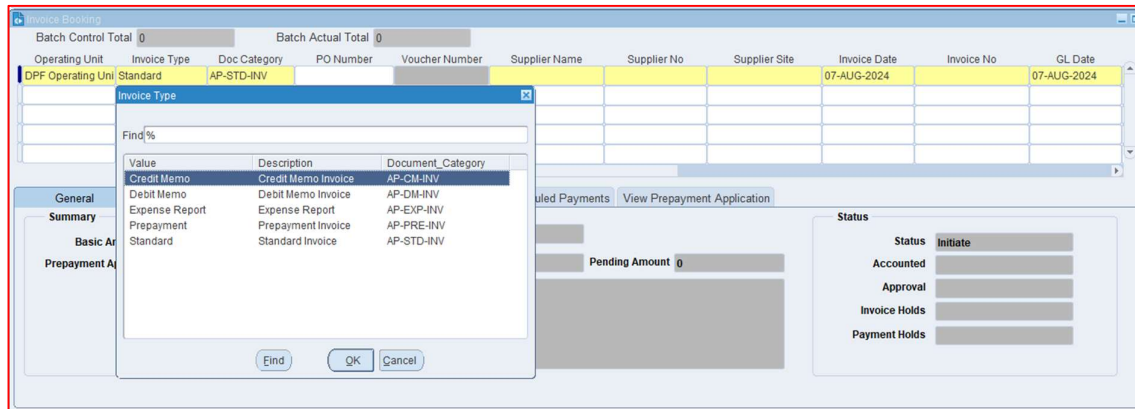



The screenshot shows the 'Invoice Booking' form in the TXIS MII ERP+ application. The form is divided into several sections:

- Header Section:** Contains fields for 'Batch Control Total' (0), 'Batch Actual Total' (0), 'Operating Unit' (DPF Operating Unit), 'Invoice Type' (Standard), 'Doc Category', 'PO Number', 'Voucher Number', 'Supplier Name', 'Supplier No', 'Supplier Site', 'Invoice Date' (07-AUG-2024), 'Invoice No', and 'GL Date' (07-AUG-2024).
- Summary Section:** Contains fields for 'Basic Amount' (0), 'Prepayment Applied' (0), 'Tax' (0), and 'Total' (0).
- TDS Section:** Contains fields for 'TDS Amount' (0), 'Amount Paid' (0), and 'Pending Amount' (0).
- Status Section:** Contains fields for 'Status' (Initiate), 'Accounted', 'Approval', 'Invoice Holds', and 'Payment Holds'.
- Description Section:** A large text area for entering the invoice description.
- Buttons:** At the bottom, there are buttons for 'Validate', 'Create Accounting', 'Tax', 'All Distribution', 'Match', 'Apply/Un-Apply Prepayment', and 'Cancel'.

Click on Invoice type LOV

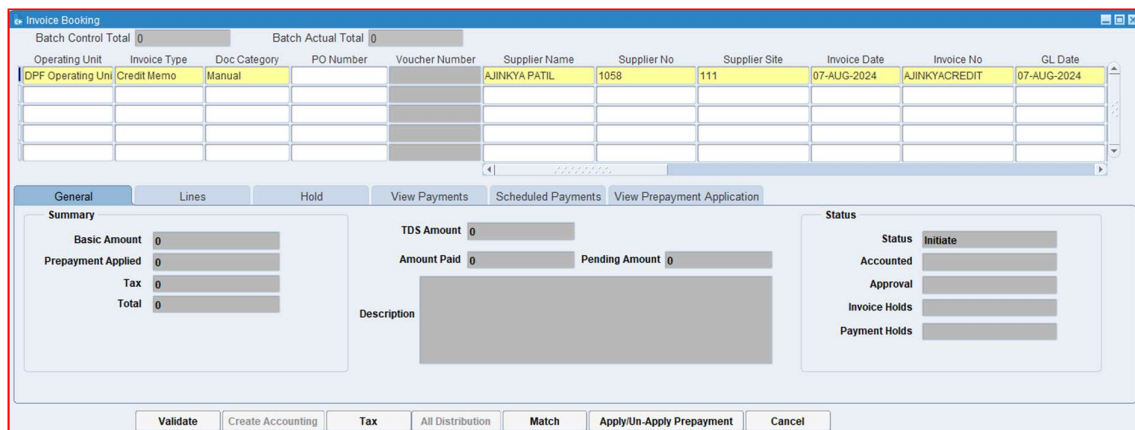
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Select Credit Memo & Doc Category

What is Document Category?

This is a classification assigned to an invoice to indicate its type or purpose. It helps the ERP system to apply specific rules, workflows, and processing steps based on the category. Examples might include "Sales Invoice," "Purchase Invoice," "Credit Note," or "Debit Note."



Put the supplier's name & Required GL date

What is Supplier's name?

It identifies the party that has supplied the goods or services, ensuring that there is clarity on who the invoice is coming from. This helps in maintaining accurate records and resolving any discrepancies related to the supplier.

What is a supplier site?

The supplier site provides detailed information about where a supplier operates, ships from, or where services are delivered. This helps in managing logistics, shipping, and procurement processes efficiently.

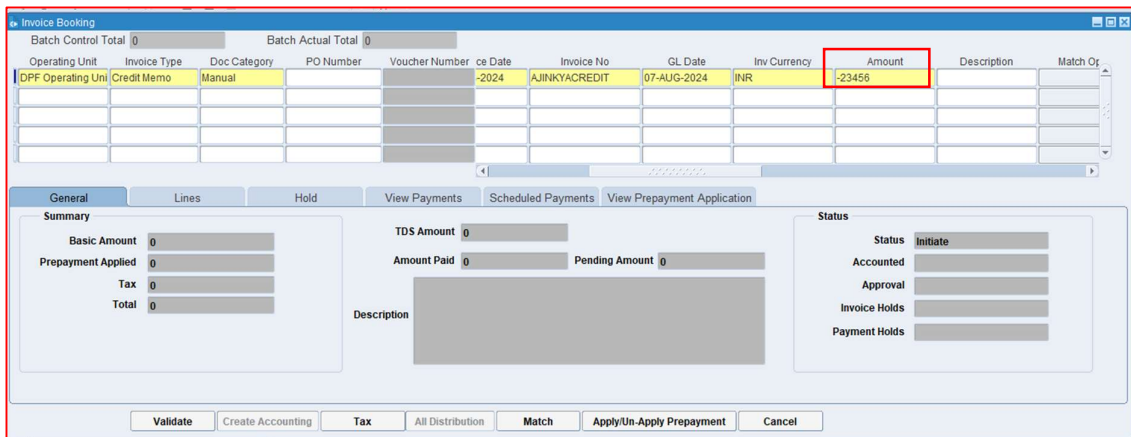
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What is the Invoice Number?

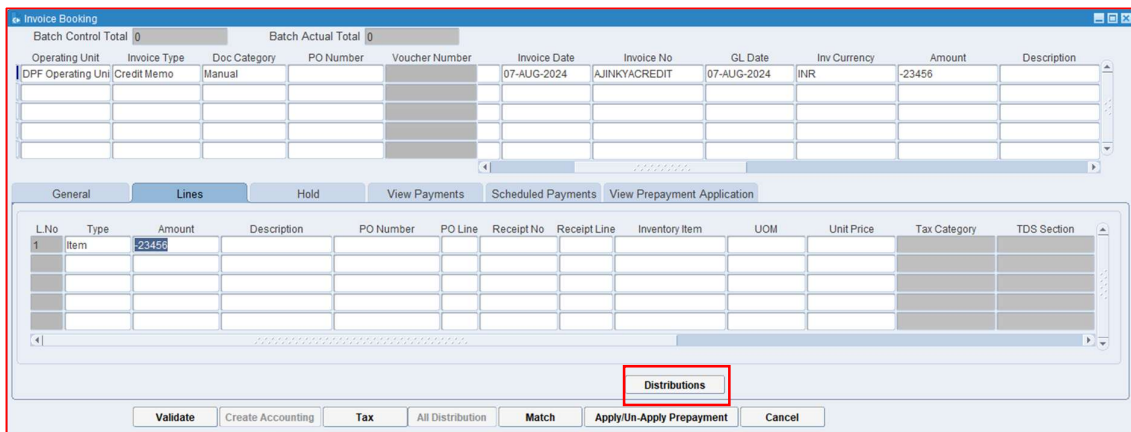
The invoice number uniquely identifies each invoice, making it easy to reference and track. It helps in distinguishing one invoice from another, which is essential for organization and clarity in financial records.

What is GL Date?

The GL date indicates the specific date on which a transaction is recorded in the General Ledger. This date determines the accounting period in which the transaction will be included for financial reporting and analysis.



Take Invoice amount in negative value

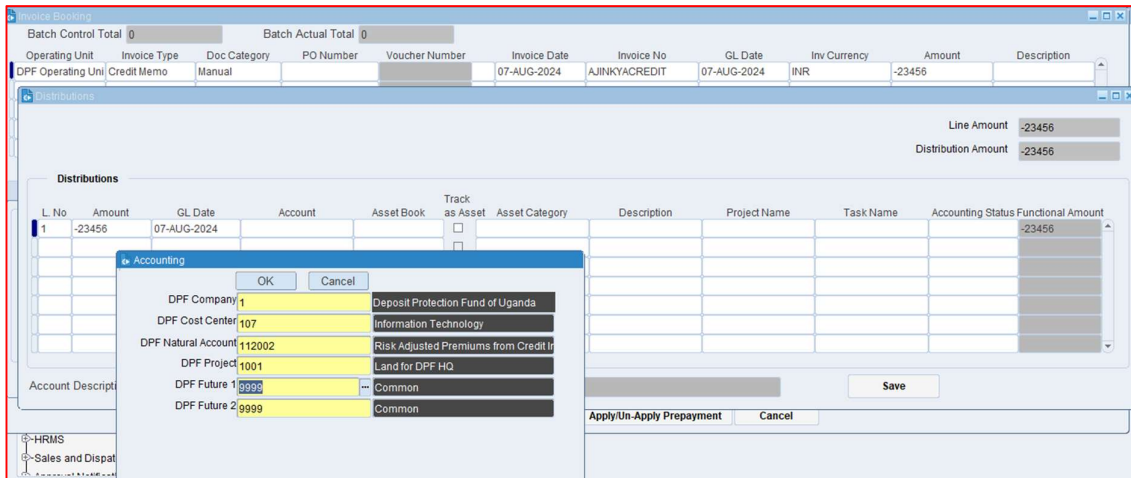


Fill in **Lines** Details and then click the **Distributions** button

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What is Distributions?

In the context of invoicing and accounting, distributions refer to the process of allocating the costs of an invoice to different accounts, cost center, or department within an organization. This ensures that expenses are recorded accurately in the financial records and helps in proper budgeting and financial analysis.



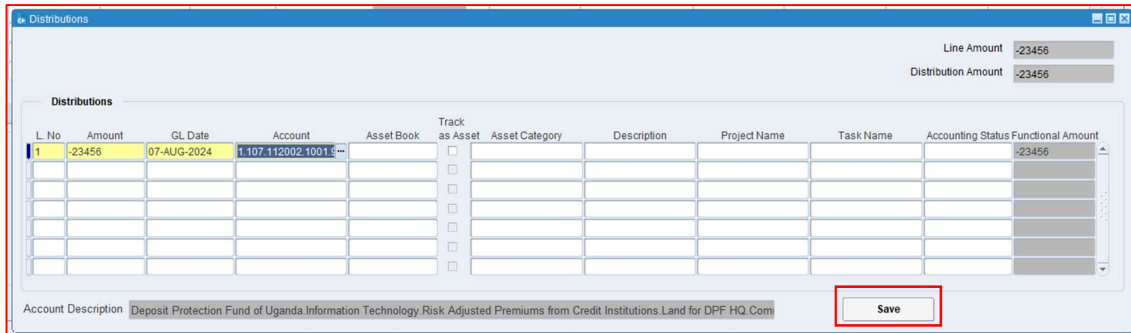
The screenshot shows the 'Distributions' window in the TXIS MII ERP system. The window displays a table with columns: L. No, Amount, GL Date, Account, Asset Book, Track as Asset, Asset Category, Description, Project Name, Task Name, Accounting Status, and Functional Amount. The first row is highlighted with L. No 1, Amount -23456, GL Date 07-AUG-2024, and Functional Amount -23456. An 'Accounting' dialog box is open, showing a list of accounts and their descriptions. The dialog box has 'OK' and 'Cancel' buttons. The 'Accounting' dialog box lists the following accounts:

Account	Description
DPF Company 1	Deposit Protection Fund of Uganda
DPF Cost Center 107	Information Technology
DPF Natural Account 112002	Risk Adjusted Premiums from Credit In
DPF Project 1001	Land for DPF HQ
DPF Future 1 9999	Common
DPF Future 2 9999	Common

The 'Save' button is visible at the bottom right of the 'Distributions' window.

Fill Lines Distributions Details and Accounts Details.

Click on ok



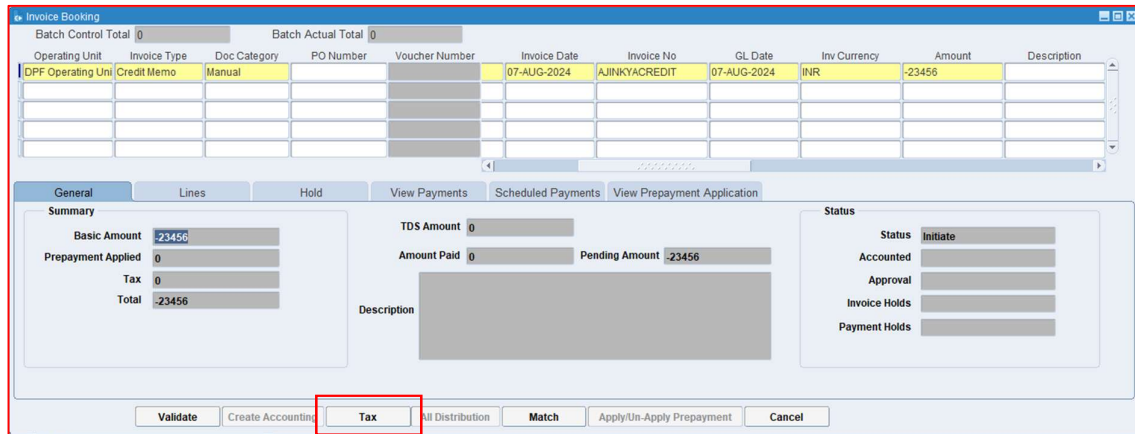
The screenshot shows the 'Distributions' window after the 'Accounting' dialog box has been closed. The 'Save' button at the bottom right of the window is highlighted with a red box. The 'Distributions' table now shows the following data:

L. No	Amount	GL Date	Account	Asset Book	Track as Asset	Asset Category	Description	Project Name	Task Name	Accounting Status	Functional Amount
1	-23456	07-AUG-2024	1107 112002 1001								-23456

The 'Account Description' at the bottom of the window reads: 'Deposit Protection Fund of Uganda Information Technology Risk Adjusted Premiums from Credit Institutions Land for DPF HQ Com'. The 'Save' button is highlighted with a red box.

Click on Save

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Invoice Booking

Batch Control Total 0 Batch Actual Total 0

Operating Unit: DPF Operating Unit, Invoice Type: Credit Memo, Doc Category: Manual, PO Number: , Voucher Number: , Invoice Date: 07-AUG-2024, Invoice No: AJINKYACREDIT, GL Date: 07-AUG-2024, Inv Currency: INR, Amount: -23456, Description:

General | Lines | Hold | View Payments | Scheduled Payments | View Prepayment Application

Summary

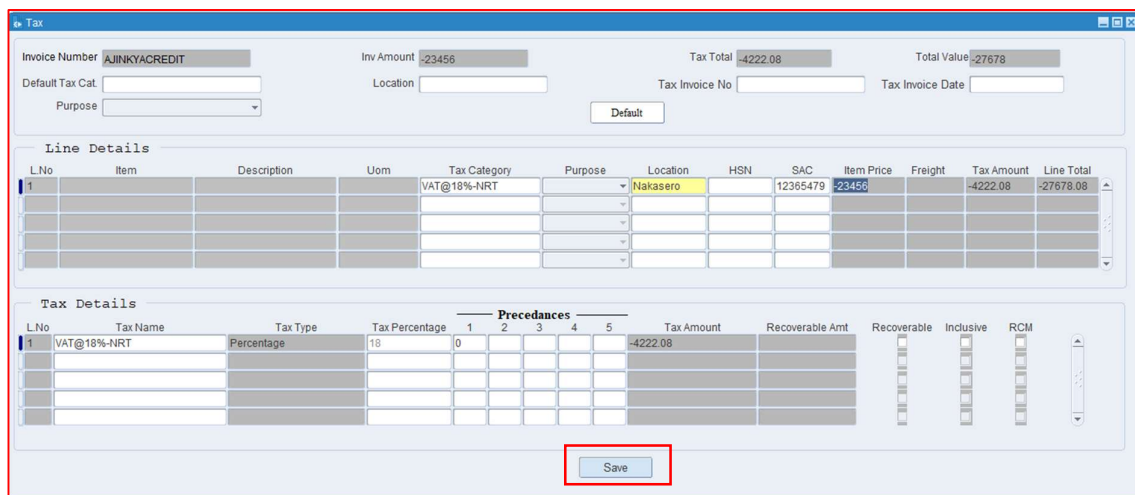
Basic Amount: -23456, Prepayment Applied: 0, Tax: 0, Total: -23456

TDS Amount: 0, Amount Paid: 0, Pending Amount: -23456

Status: Status: Initiate, Accounted: , Approval: , Invoice Holds: , Payment Holds:

Validate | Create Accounting | **Tax** | All Distribution | Match | Apply/Un-Apply Prepayment | Cancel

Click on Tax



Tax

Invoice Number: AJINKYACREDIT, Inv Amount: -23456, Tax Total: -4222.08, Total Value: -27678

Default Tax Cat: , Location: , Tax Invoice No: , Tax Invoice Date:

Purpose: , Default

Line Details

LNo	Item	Description	Uom	Tax Category	Purpose	Location	HSN	SAC	Item Price	Freight	Tax Amount	Line Total
1				VAT@18%-NRT		Nakasero		12365479	-23456		-4222.08	-27678.08

Tax Details

LNo	Tax Name	Tax Type	Tax Percentage	Precedences	Tax Amount	Recoverable Amt	Recoverable	Inclusive	RCM
1	VAT@18%-NRT	Percentage	18	0	-4222.08				

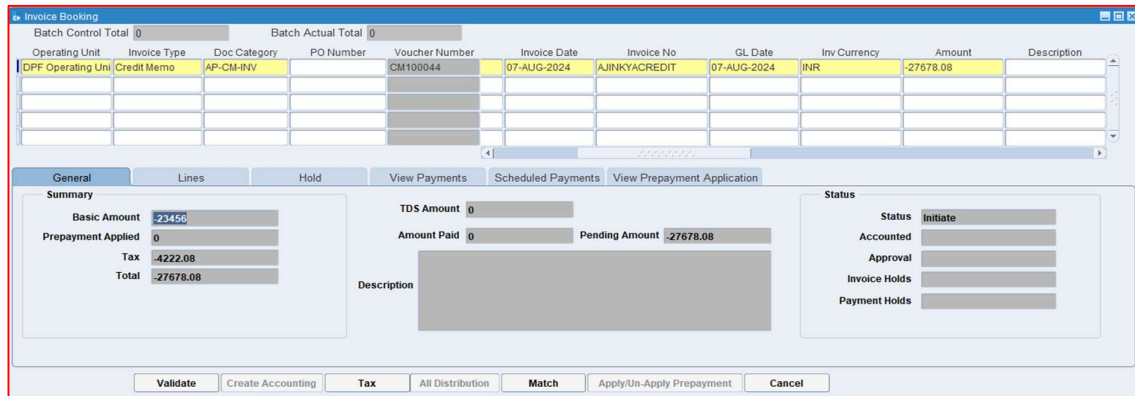
Save

Put the tax details then click on save.

What is Tax Category?

a tax category refers to a classification used to apply the correct tax rules and rates to transactions. This categorization ensures that taxes are calculated accurately based on the nature of the goods or services being provided and the applicable tax regulations.

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Invoice Booking

Batch Control Total 0 Batch Actual Total 0

Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Invoice Date	Invoice No	GL Date	Inv Currency	Amount	Description
DPF Operating Unit	Credit Memo	AP-CM-INV		CM100044	07-AUG-2024	AJINKYACREDIT	07-AUG-2024	INR	-27678.08	

General | **Lines** | **Hold** | **View Payments** | **Scheduled Payments** | **View Prepayment Application**

Summary

Basic Amount	-23456
Prepayment Applied	0
Tax	-4222.08
Total	-27678.08

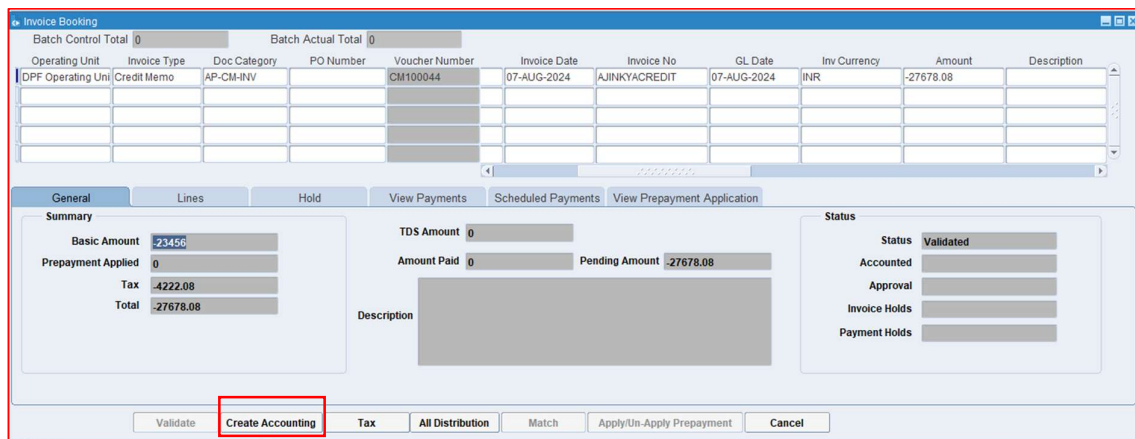
TDS Amount 0
Amount Paid 0 Pending Amount -27678.08

Status

Status	Initiate
Accounted	
Approval	
Invoice Holds	
Payment Holds	

Buttons: Validate Create Accounting Tax All Distribution Match Apply/Un-Apply Prepayment Cancel

Click on **Validate**



Invoice Booking

Batch Control Total 0 Batch Actual Total 0

Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Invoice Date	Invoice No	GL Date	Inv Currency	Amount	Description
DPF Operating Unit	Credit Memo	AP-CM-INV		CM100044	07-AUG-2024	AJINKYACREDIT	07-AUG-2024	INR	-27678.08	

General | **Lines** | **Hold** | **View Payments** | **Scheduled Payments** | **View Prepayment Application**

Summary

Basic Amount	-23456
Prepayment Applied	0
Tax	-4222.08
Total	-27678.08

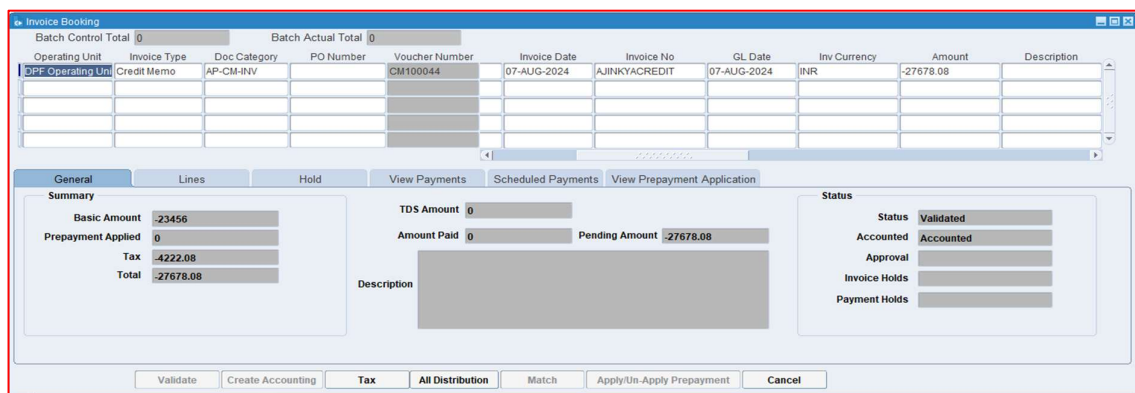
TDS Amount 0
Amount Paid 0 Pending Amount -27678.08

Status

Status	Validated
Accounted	
Approval	
Invoice Holds	
Payment Holds	

Buttons: Validate **Create Accounting** Tax All Distribution Match Apply/Un-Apply Prepayment Cancel

Click on **Create Accounting**



Invoice Booking

Batch Control Total 0 Batch Actual Total 0

Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Invoice Date	Invoice No	GL Date	Inv Currency	Amount	Description
DPF Operating Unit	Credit Memo	AP-CM-INV		CM100044	07-AUG-2024	AJINKYACREDIT	07-AUG-2024	INR	-27678.08	

General | **Lines** | **Hold** | **View Payments** | **Scheduled Payments** | **View Prepayment Application**

Summary

Basic Amount	-23456
Prepayment Applied	0
Tax	-4222.08
Total	-27678.08

TDS Amount 0
Amount Paid 0 Pending Amount -27678.08

Status

Status	Validated
Accounted	Accounted
Approval	
Invoice Holds	
Payment Holds	

Buttons: Validate Create Accounting Tax All Distribution Match Apply/Un-Apply Prepayment Cancel

Invoice is Validated & Accounted.

XX END XX