

# WHITE PAPER USER MANUAL FOR – MANUAL DEBIT MEMO WITH FOREIGN CURRENCY

## Module – Account Payables

**Author** : Ajinkya Patil  
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A **debit memo** is a document used to adjust an account by increasing the amount owed by a customer or decreasing the amount owed to a supplier. It's often issued to correct errors or account for adjustments in financial transactions. To explain a debit memo using the 5 W's (Who, What, When, Where, Why), here's a breakdown:

### 1. Who

- **Who Issues It:** A debit memo is usually issued by a seller or service provider to the buyer or client.
- **Who Receives It:** The recipient is typically the customer or client whose account is being adjusted.

### 2. What

- **What It Is:** A debit memo is a formal document that indicates an increase in the amount owed by the customer or a decrease in the amount receivable from the customer. It details the reason for the adjustment and provides a new balance if applicable.
- **What It Includes:** It usually includes details such as the debit memo number, date, the account affected, the amount of adjustment, and a description of the reason for the adjustment.

### 3. When

- **When It's Issued:** A debit memo is issued when there is a need to adjust a previous transaction. This could be due to errors in invoicing, changes in terms, or corrections for returned goods.
- **When It's Applied:** The adjustment or change reflected by the debit memo typically takes effect immediately or according to the terms specified in the memo.

### 4. Where

- **Where It's Used:** A debit memo is used in various settings, such as in business transactions, accounting departments, and financial reporting. It is relevant in contexts where accounts are maintained and adjustments are necessary.
- **Where It's Filed:** The document is usually filed in the accounts receivable or payable records of the issuing company and may also be communicated to the recipient through email or physical mail.

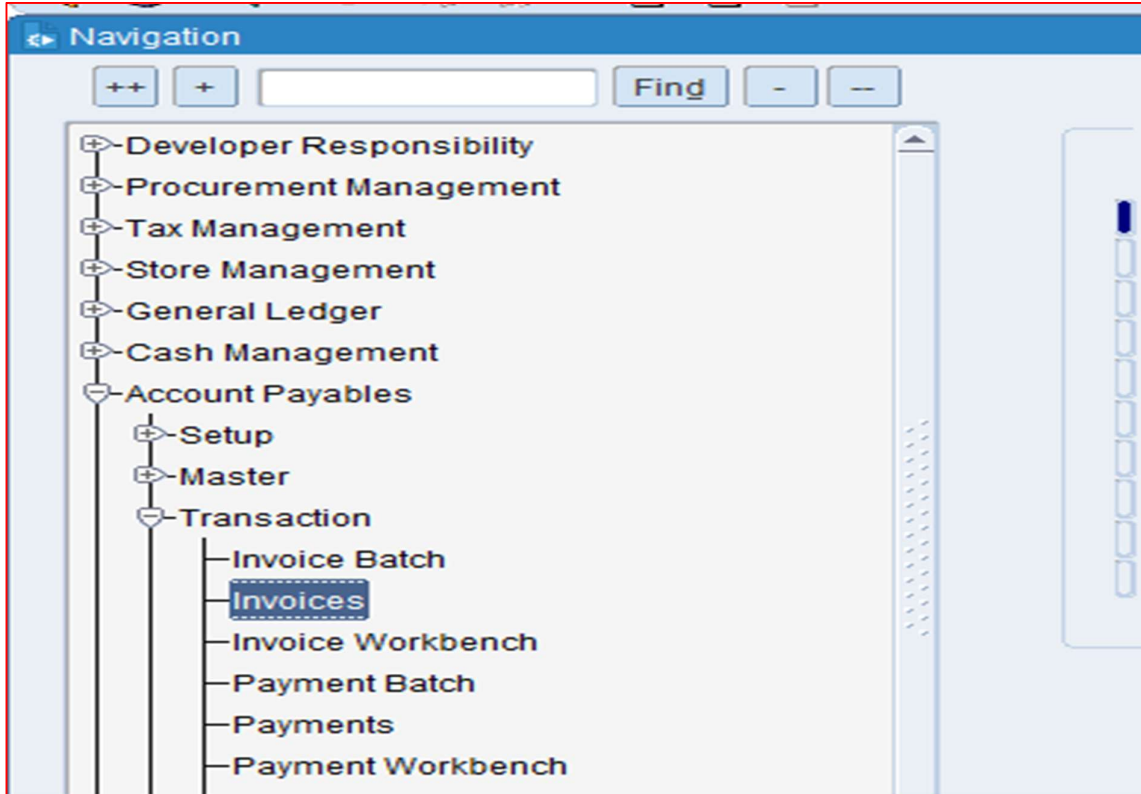
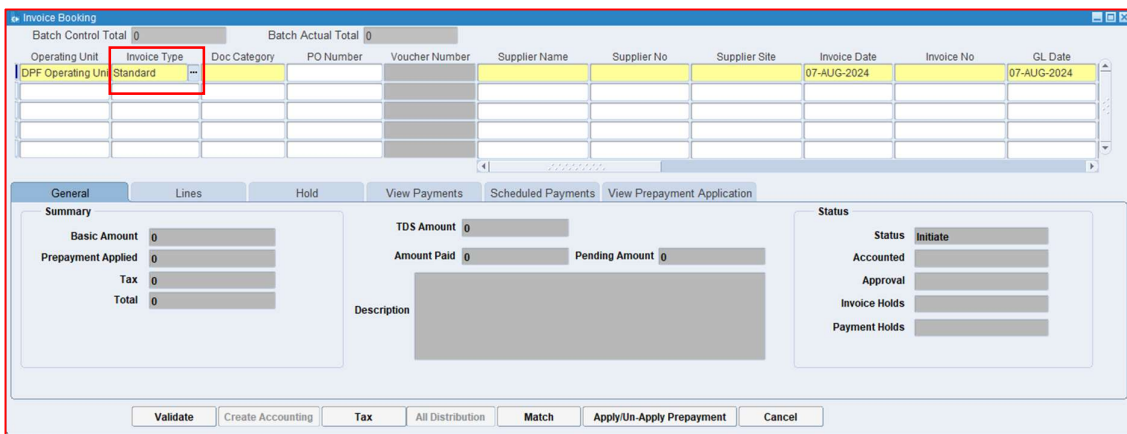
### 5. Why

- **Why It's Issued:** The primary reasons for issuing a debit memo include:
  - **Correction of Errors:** To correct mistakes in previous invoices or transactions.
  - **Adjustments for Returns:** To account for goods that were returned or services that were not delivered as expected.
  - **Changes in Terms:** To reflect changes in payment terms or additional charges that were not included in the original invoice.

In summary, a debit memo is an important tool in financial management and accounting, used to correct or adjust accounts and ensure accurate financial records.

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### Navigation – Account Payables > Invoice

The screenshot shows the 'Invoice Booking' form. The 'Invoice Type' dropdown menu is highlighted with a red box, showing the value 'Standard'. The form includes the following fields and sections:

Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Supplier Name	Supplier No	Supplier Site	Invoice Date	Invoice No	GL Date
DPF Operating Unit	Standard							07-AUG-2024		07-AUG-2024

Below the table, there are tabs for 'General', 'Lines', 'Hold', 'View Payments', 'Scheduled Payments', and 'View Prepayment Application'. The 'General' tab is active, showing a 'Summary' section with the following fields:

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

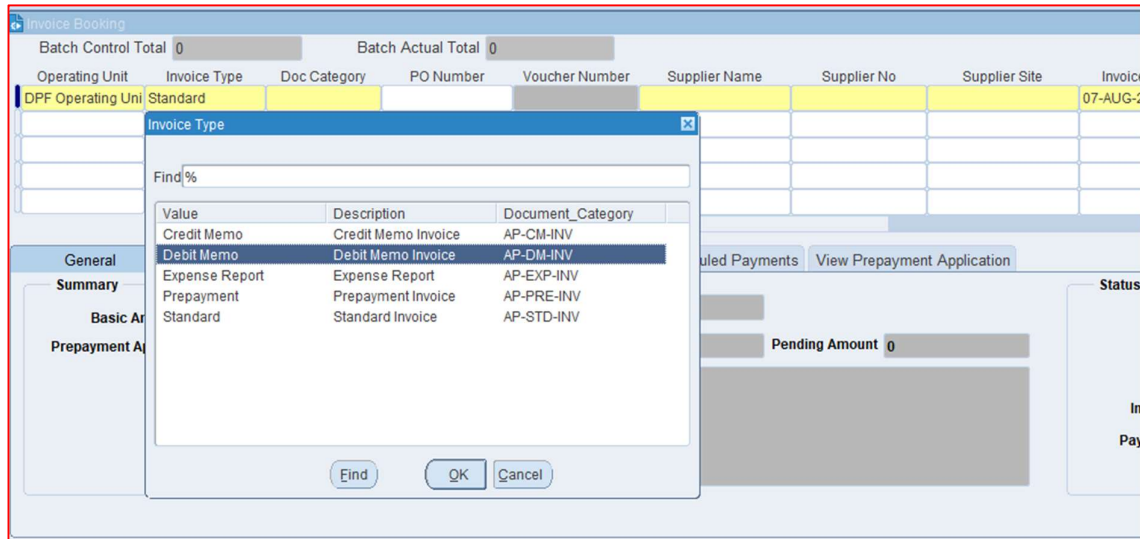
There is also a 'TDS Amount' field set to 0 and an 'Amount Paid' field set to 0. A 'Description' field is present but empty. On the right, there is a 'Status' section with the following fields:

- Status: Initiate
- Accounted: 0
- Approval: 0
- Invoice Holds: 0
- Payment Holds: 0

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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The screenshot shows the 'Invoice Booking' window. A dialog box titled 'Invoice Type' is open, displaying a list of invoice types and their corresponding document categories. The 'Debit Memo' is selected, and its document category is 'AP-DM-INV'.

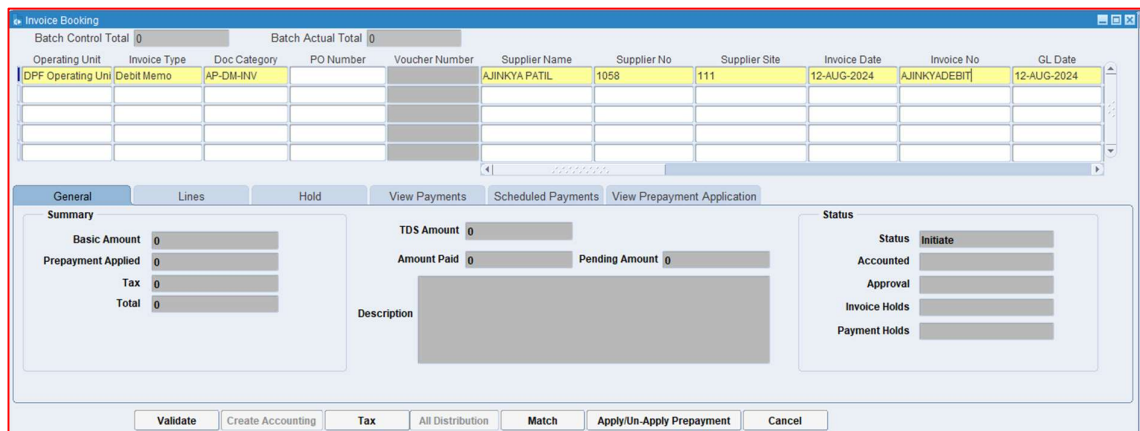
Value	Description	Document_Category
Credit Memo	Credit Memo Invoice	AP-CM-INV
<b>Debit Memo</b>	<b>Debit Memo Invoice</b>	<b>AP-DM-INV</b>
Expense Report	Expense Report	AP-EXP-INV
Prepayment	Prepayment Invoice	AP-PRE-INV
Standard	Standard Invoice	AP-STD-INV

Buttons: Find, OK, Cancel

Select the Debit Memo then select 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."



The screenshot shows the 'Invoice Booking' window with the following details filled in:

Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Supplier Name	Supplier No	Supplier Site	Invoice Date	Invoice No	GL Date
DPF Operating Unit	Debit Memo	AP-DM-INV			AJINKYA PATIL	1058	111	12-AUG-2024	AJINKYADEBIT	12-AUG-2024

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

Put the Supplier name & Invoice number

### 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.

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### What is a supplier site?

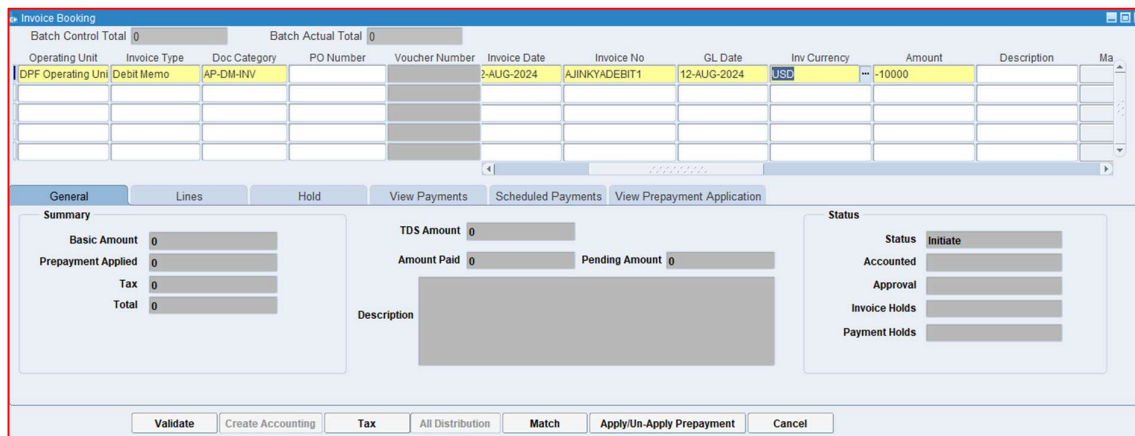
The supplier site provides detailed information about where a supplier operates, ships from, or where services are delivered. This helps in managing logistics, shipping, and procurement processes efficiently.

### What is the Invoice Number?

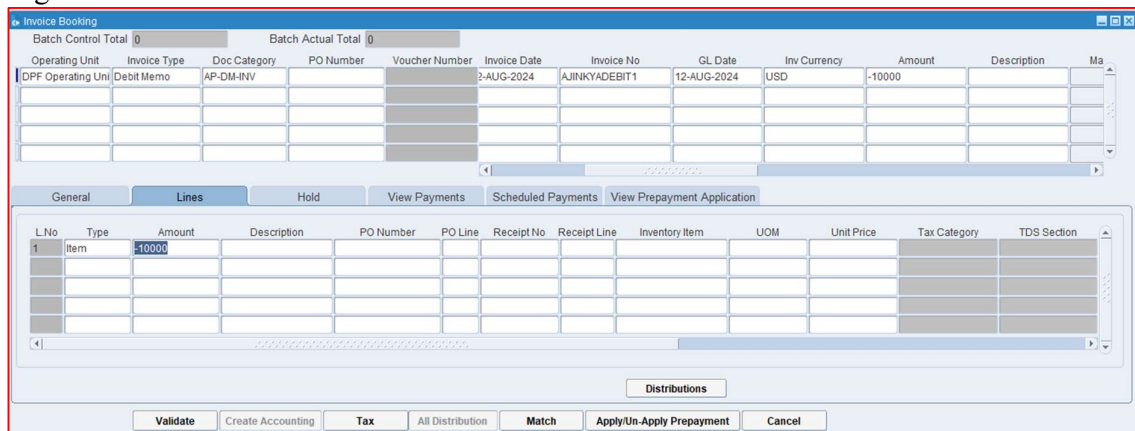
The invoice number uniquely identifies each invoice, making it easy to reference and track. It helps in distinguishing one invoice from another, which is essential for organization and clarity in financial records.

### 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 the Invoice Currency as a foreign currency USD and Take the Invoice amount in negative value.

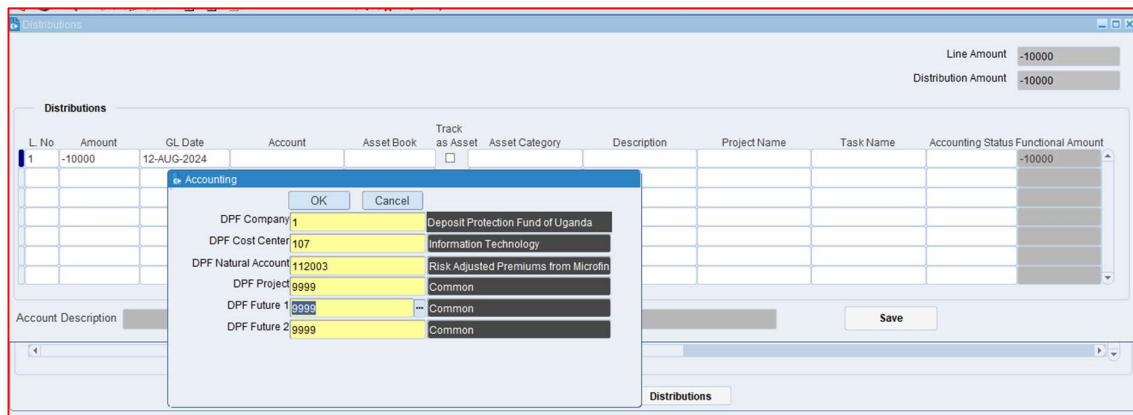


Fill in **Lines** Details and then click the **Distributions** button.

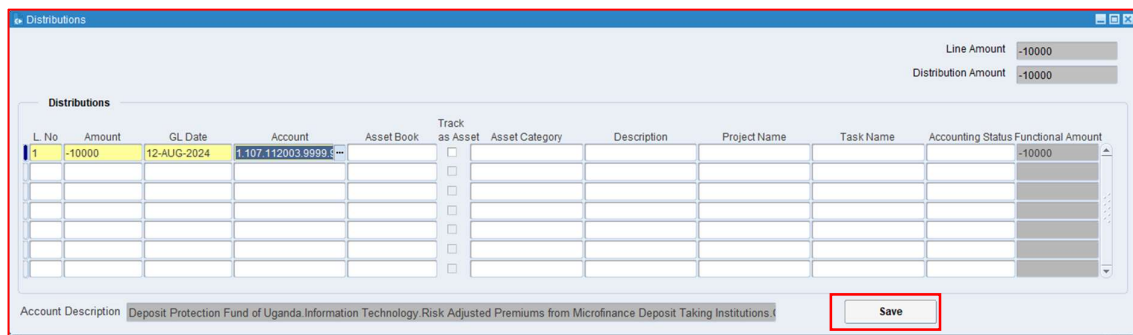
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### What is Distributions?

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

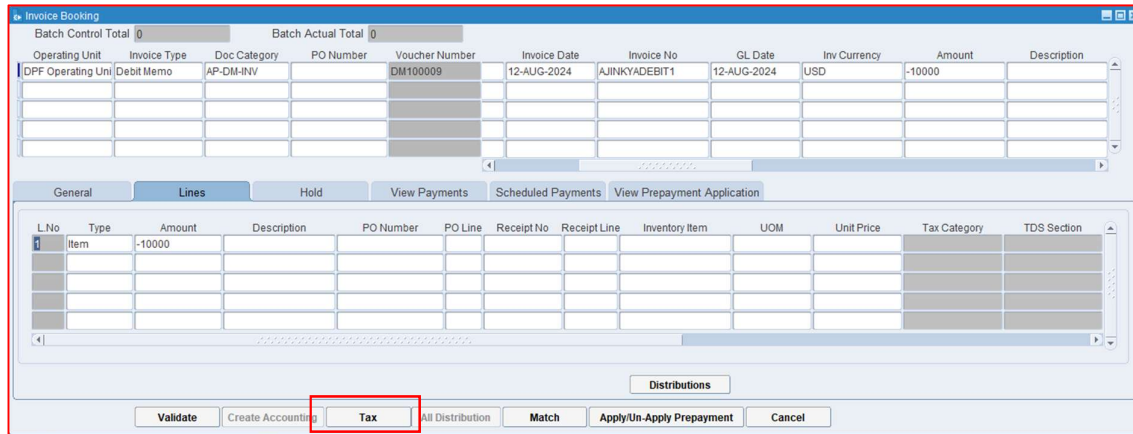


Fill **Lines Distributions** Details and Accounts Details.  
Click on ok.



Click on Save.

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Batch Control Total 0 Batch Actual Total 0

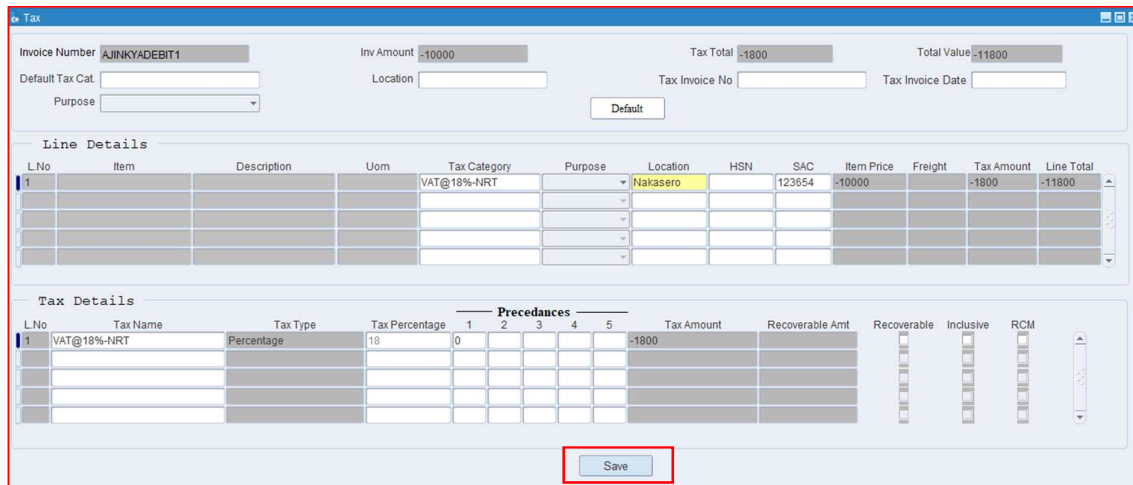
Operating Unit	Invoice Type	Doc Category	PO Number	Voucher Number	Invoice Date	Invoice No	GL Date	Inv Currency	Amount	Description
DPF Operating Unit	Debit Memo	AP-DM-INV		DM100009	12-AUG-2024	AJINKYADEBIT1	12-AUG-2024	USD	-10000	

General Lines Hold View Payments Scheduled Payments View Prepayment Application

L No	Type	Amount	Description	PO Number	PO Line	Receipt No	Receipt Line	Inventory Item	UOM	Unit Price	Tax Category	TDS Section
1	Item	-10000										

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

Click on Tax



Invoice Number AJINKYADEBIT1 Inv Amount -10000 Tax Total -1800 Total Value -11800

Default Tax Cat. Location Tax Invoice No Tax Invoice Date

Purpose Default

Line Details

L No	Item	Description	Uom	Tax Category	Purpose	Location	HSN	SAC	Item Price	Freight	Tax Amount	Line Total
1				VAT@18%-NRT		Nakasero		123654	-10000		-1800	-11800

Tax Details

L No	Tax Name	Tax Type	Tax Percentage	Precedences	Tax Amount	Recoverable Amt	Recoverable	Inclusive	RCM
1	VAT@18%-NRT	Percentage	18	0 1 2 3 4 5	-1800				

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	Debit Memo	AP-DM-INV		DM100009	12-AUG-2024	AJINKYADEBIT1	12-AUG-2024	USD	-11800	

General Lines Hold View Payments Scheduled Payments View Prepayment Application

Summary

Basic Amount .10000  
Prepayment Applied 0  
Tax .1800  
Total .11800

TDS Amount 0  
Amount Paid 0 Pending Amount .11800

Description

Status

Status Initiate  
Accounted  
Approval  
Invoice Holds  
Payment Holds

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	Debit Memo	AP-DM-INV		DM100008	12-AUG-2024	AJINKYADEBIT1	12-AUG-2024	USD	-10000	

General Lines Hold View Payments Scheduled Payments View Prepayment Application

Summary

Basic Amount .10000  
Prepayment Applied 0  
Tax 0  
Total .10000

TDS Amount 0  
Amount Paid 0 Pending Amount .10000

Description

Status

Status Validated  
Accounted  
Approval  
Invoice Holds  
Payment Holds

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	Debit Memo	AP-DM-INV		DM100009	12-AUG-2024	AJINKYADEBIT1	12-AUG-2024	USD	-11800	

General Lines Hold View Payments Scheduled Payments View Prepayment Application

Summary

Basic Amount .10000  
Prepayment Applied 0  
Tax .1800  
Total .11800

TDS Amount 0  
Amount Paid 0 Pending Amount .11800

Description

Status

Status Validated  
Accounted Accounted  
Approval  
Invoice Holds  
Payment Holds

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

Accounting is created.

XX END XX