

Creating and Applying Credit Notes

This document is a quick-reference guide for Accounts Payable Users who need to create and apply credit notes in the Arizona Procurement Portal (APP.) If you have any questions, please contact the APP Help Desk at app@azdoa.gov. Additional resources are also available on the SPO Website: <https://spo.az.gov/>.

Credit notes are created when the State returns goods to the supplier, there was a price dispute, there was a discount given, or whenever there is a situation that requires the supplier to reimburse the State. Credit notes are created through the Browse Invoice page or by suppliers via the Supplier Portal.

When an invoice is being created, AP Techs are able to apply credit notes when creating an invoice. Credit notes should be applied during the Credit Note Association step of the Invoice workflow. Once a credit note has been associate with an invoice, an AP Tech can click the Finish Credit Association button to have the credit note applied.

Creating a Credit Note

1. From any page in the APP, navigate to the **Invoicing** drop-down menu and select **Browse Invoices** from the dropdown.
2. Click **Create a New Credit** button.
3. Enter the **Credit Note Number, Site, Supplier, Supplier Contact** and **Credit Amount**.

The screenshot shows the 'CREDIT NOTE' creation interface. On the left, the 'CREDIT NOTE' section includes a 'Status' dropdown, a checked 'Standalone Credit' checkbox, a 'Credit Note Number' text field, a 'Credit Note Description' dropdown, a 'Credit Note Receipt Date' field set to 7/16/2018, and a 'Supplier Address' field. Below these are dropdowns for 'Site' (DCA), 'Supplier' (Harbor Freight Tools), and 'Supplier Contact'. On the right, the 'CREDIT NOTE AMOUNT' section has a 'Total Credit Amt' field with a USD symbol and an 'Amount (pretax)' field set to 0.00. At the bottom, the 'SCANNED CREDIT NOTE' section features a button labeled 'Click or Drag to add a file'.

4. Click the **Save** button.
5. If available, attach the associated credit note documentation in the **Scanned Credit Note** section.
6. Click the **Create Credit Note** button.

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Applying a Credit Note

Credit notes are applied during the Credit Note Association step of the Invoicing workflow.

1. From any page in the APP, navigate to the **Invoicing** drop-down menu and select **Browse** from the dropdown.
2. Click the **Pencil** icon for the invoice you would like to apply a credit note to.
3. Click on the **Ellipsis** icon on the **Credit Note** field.

Credit Note :

4. Select the credit note you would like to apply and click the **Close** button.

Invoice Number	Supplier	Ordered (Pretax)	Received (Pretax)	Invoiced (Pretax)	Invoice Date
CE000178289	12341235134	ACME		100.00	6/11/2018

5. Click the **Save** button.
6. Click the **Finish Credit Association** button.
7. The credit note has now been applied to the invoice and is visible in the Products / Services and Allocations sections. The applied credit note amount cannot be greater than the invoiced amount. If this is the case, adjust the credit note amount in the **UP Pretax** field so that the total invoice amount is greater than zero.
8. Select the **Tax** for the credit note line item.
9. Update the budget information in the Allocations section for the credit note line item.
10. Click the **Save** button.
11. Update the **Total Inv. Amount** to be equal to the **Total (tax incl.)** amount that is listed in the Products / Services section.
12. Click the **Save** button.
13. Click the **Submit for Approval** button.