How to Reverse Credit Memo Applied to Wrong Item or GL Account

Last Modified on 07/11/2024 12:11 pm EDT

This document will go over how to fix a credit memo that has been applied to an invoice and the wrong GL account or item code was used. The steps are done in SedonaOffice version 6.2.0.16.
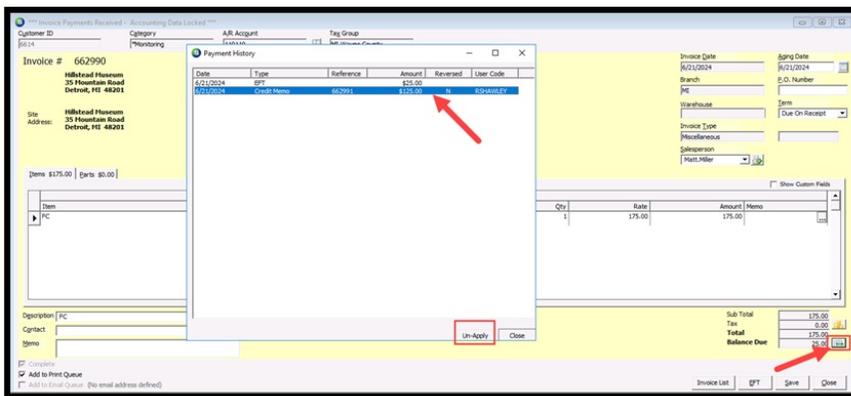
Overview

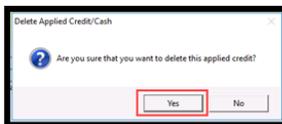The steps below assume the user has the proper permissions to perform the needed steps.

Steps:

A. Un-Apply Credit Memo

1. Open Invoice that was credited off with wrong credit memo

2. Click on the View Payments button by Balance Due

3. In the Payment History window – Highlight the Credit Memo to be Un-Applied – Click on Un-Apply button

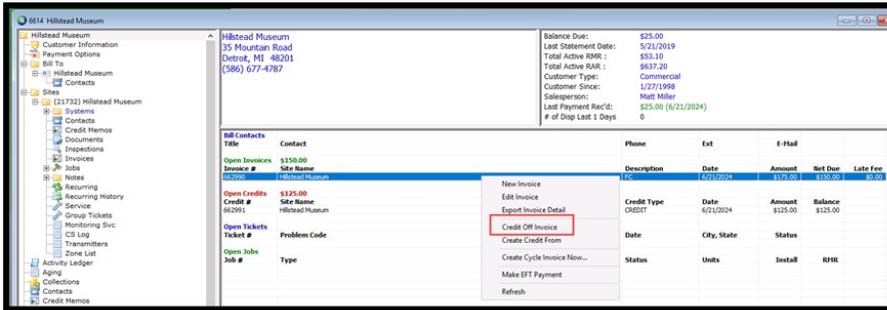4. Click Yes to complete the process

5. After unapplied, the Balance Due will show amount left to pay and will be able to see the Reversed Credit Memo in the Payment History window
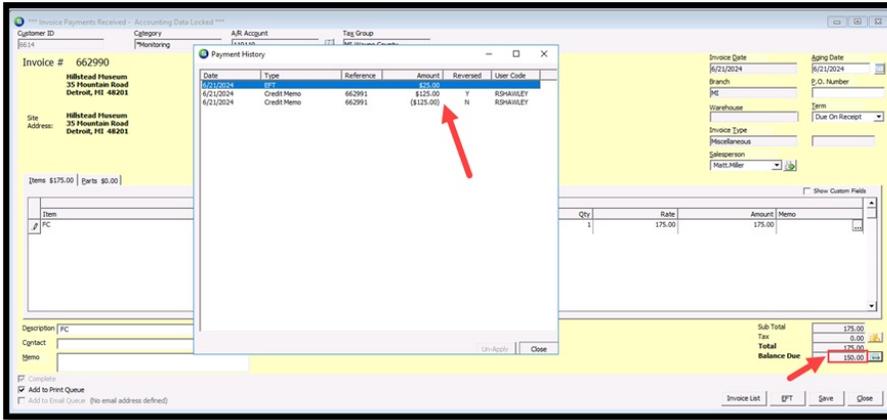
B. Apply New Credit Memo

1. In Open Invoices – the invoice should now show as open – Right click on the invoice – At this point you may choose to Credit Off Invoice or Create Credit From.

2. If you choose credit off invoice and there are no other payments on the invoice, the invoice will now be credited. If you selected to create credit from you will have to save the credit, and then the invoice will be credited. If you selected Credit Off Invoice and there was a partial payment on the invoice then the Credit off Invoice Balance Window will appear. In this window fill in all information – The GL Account needs to be what will be credited – Fill in Category Code and Memo – Click OK

3. Click Yes when ready to credit off the invoice balance

4. Click Cancel button to close out the window

5. The Invoice balance will now be credited off and the invoice will no longer show as being open

C. Zero Out Wrong Credit Memo

** Since the wrong credit memo has already been applied it cannot be deleted or removed, instead it will need to be applied to a Misc GL Account".

1. In Open Credits, the wrong credit memo will show as being open
2. Right click on the open memo – Click Apply

3. Click on the Other Tab to apply the memo to a Misc GL account – Fill in the information for the GL Account to be used – Fill in Memo – Click on Save

4. Once saved the account no longer will show the open credit memo or the invoice that was to be wrote off