



**LEADERS HOLDING CO.™**

Est. 1971

## Monthly Focus



### What: Credit Memos Procedure

**Why:** A credit memo is how merchandise is returned to inventory via F.R.O.G. once it's been delivery updated (a Sales Type 9).

**When:** Anytime a Return or Exchange needs to be processed in F.R.O.G. AFTER an invoice becomes delivery updated (a Sale Type 9).

**Who:** All store team members are accountable for understanding how to process a Credit Memo. With this fundamental knowledge, every team member will be able to best help the customer process a return/exchange to ensure customer satisfaction.

### FAQ:

- ✓ How do I identify if an invoice is a Sale or a Credit Memo?
  - A Credit Memo invoice will begin with the letter "C"
  - Example: 1951649 is a Sale, **C1951707** is a Credit Memo
- ✓ When should a credit memo be put into the system?
  - Only after the Original sale ticket is Deliver Updated (Sale Type 9).
- ✓ What happens when I create a Credit Memo?
  - The credit memo allows for the product to come back into inventory, refunding the customer or exchanging for a different item.
- ✓ When does the product on the Credit Memo officially show as returned back into the F.R.O.G. system?
  - When the Credit Memo is Credit Memo Delivery Updated (Sale Type 9).
- ✓ If I am processing an exchange, when does the rewrite/new ticket get put into F.R.O.G.?
  - The new order is put into the system before entering the Credit Memo. This way, if you are utilizing funds from the Credit Memo to pay for the new order, the new order will already be in the system. By doing it this way, it makes an easy accounting step for transferring money from sales invoice to another.
- ✓ If I am processing an exchange, what do I enter when F.R.O.G prompts "Enter Refund Amount?"

- \$0.00, this will prompt F.R.O.G. to ask you which invoice you want to move the funds to. Enter the invoice number for the exchange invoice you wrote before you created the credit memo.
- ✓ If you make an error on the credit memo, and you see that after it has been created and saved, how is that fixed?
  - You can cancel the credit memo, and create a new one. Cancelled credit memos will become a sale type 8
- ✓ Credit Memo Procedure:
  - <R:\Procedure Manual\4.0 Customer Accounts AR\4.11 Credit Memos & Exchanges.pdf>