How to key into SAP when suppliers issue Credit Note to us but not involve any stock adjustment?

Resolution:

## 1. Create a 'Service'-Type A/P Credit Memo

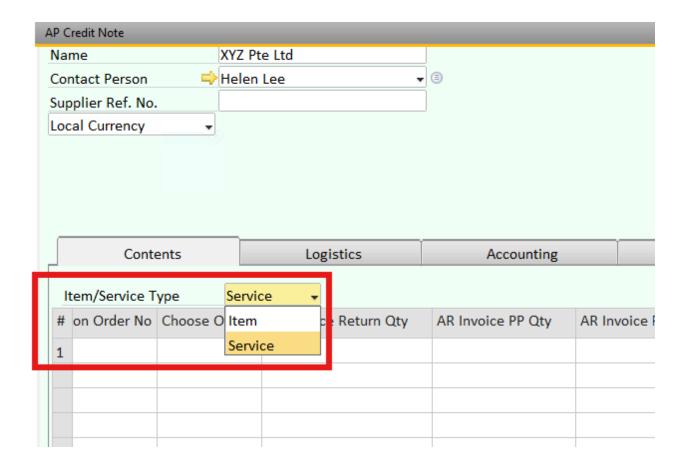
This method is best when the credit from the supplier isn't linked to a physical item return. It's ideal for:

- Overcharges
- Discount adjustments
- Refunds for services or indirect expenses

## Steps:

- 1. **Identify the Original Account:** Go to the original invoice, right-click, and select "Journal Entry." Note which **Expense/COGS account** was used.
- 2. Go to Purchasing > A/P Credit Memo.
- 3. Choose **Document Type = Service**.
- 4. Enter the **same Expense/COGS GL Account** you identified, along with the **amount**, and a **description**.
- 5. Add and post the document.

**Key Point:** This ensures your Profit & Loss (P&L) accounts stay accurate and balanced, only impacting your General Ledger (GL) accounts and vendor balances without affecting any stock quantities.



## 2. Create an 'Item'-Type A/P Credit Memo with "Without Qty Posting" Ticked

Use this option if the credit note relates to a specific item, but you *don't* want it to change your inventory levels. This works well when:

- You received damaged items but did not physically return them.
- The supplier issued a credit for a value adjustment without any physical stock movement.

## Steps:

- 1. Open Purchasing > A/P Credit Memo.
- 2. Set **Document Type = Item**.
- 3. On each relevant item row:
  - Select the item code.
  - Make sure to tick the checkbox "Without Qty Posting".
  - Enter the **value** and any necessary **remarks**.
- 4. Add and post the document.

**Key Point:** With the "Without Qty Posting" box ticked, the credit memo will adjust the financial value in accounting, but the physical quantity in your inventory will remain unchanged.

