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.

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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.

AP Credit Note									

Name XYZ Pte Ltd
Contact Person ➡ Helen Lee ⊟
Supplier Ref. No.
Local Currency

Contents	Logistics	Accounting	Attachments

Item/Service Type [Item ▾]

#	Item No.	Quantity	Unit Price	Discount %	VAT Code	Total (LC)	GL Account	Country/Region of Origin	Without Qty Posting	UoM
1	➡ A00003	1	SGD 406.80	0.00	SI ▾	SGD 406.80 ➡	130000	▾	☑	Manu
2				0.00	SI				☐	