

## What is a Credit Note?

A credit note is issued to a customer to reduce the amount they owe.

It is usually created when:

- Goods are returned
- Over-billing happened
- Discount or adjustment is given

👉 A credit note reduces sales and customer balance.

# Why Credit Notes are Important?

Using credit notes in MYOB helps you to:

- ✓ Correct billing mistakes
- ✓ Maintain accurate customer & supplier balances
- ✓ Adjust GST correctly
- ✓ Keep clean audit trails

They ensure financial records remain accurate and compliant.



## Key Difference (Easy to Remember)

Credit Note	Debit Note
Given to Customer	Given to Supplier
Reduces customer balance	Reduces supplier balance
Reduces sales	Reduces purchase/expense



# Steps to Create a Credit Note in MYOB

## **1 Open Myob**

Open your MYOB company file

## **2 Go to Sales**

From the main menu, click sales.

## **3 Go to sale returns**

click on sales return and credit

## **4 Choose Customer**

Select the customer for whom the credit note is issued.

## **5        Select Original Invoice (If Applicable)**

Link the credit note to the original invoice (recommended).

## **6   Enter Credit Details**

Add:

- Returned items or adjustment amount
- Quantity and price

## **7 Apply GST / Tax Code**

Ensure the correct GST code is selected.

## **8 Save Credit Note**

Click Record / Save.



## **Important Concept**

- Credit & debit notes do not create new income or expense
- They only adjust existing invoices or bills



# What Happens After Saving Credit Note?

- Customer balance decreases
- Sales figures are reduced
- GST is adjusted
- Credit note appears in Sales Register