

## What is a Debit Note?

A debit note is issued to a supplier to reduce the amount you owe them.

It is usually created when:

- Goods are returned to supplier
- Supplier overcharged
- Price correction is required

👉 A debit note reduces purchase expense and supplier balance.

# Why Debit Notes are Important?

Using Debit 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 Purchase**

From the main menu, click Purchase.

## **3 Go to Purchase returns**

click on Purchase return and debits

## **4 Choose Supplier**

Select the Supplier for whom the debit note is issued.

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

Link the debit note to the original bill (recommended).

## **6    Enter Debit Details**

Add:

- Returned items or adjustment amount

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

Ensure the correct GST code is selected.

## **8 Save Debit 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 Debit Note?

- Supplier balance decreases
- Purchase expense is reduced
- GST is adjusted
- Debit note appears in Purchases Register

# ✗ Common Mistakes to Avoid

- ✗ Creating credit instead of debit (or vice versa)
- ✗ Applying wrong GST code
- ✗ Not linking to original invoice/bill
- ✗ Recording adjustment as normal invoice