

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