Credit Memo Screen - How To's

Last Modified on 08/19/2026 11:19 pm EDT

Help Topics

'**Credit Memo screen**' is a comprehensive screen that stores and displays every significant information about a Credit Memo transaction all on one screen. It is divided into four (4) main sections to organize data and functions:

Main Fields (section)

Bill To - The entity who will pay for the order.

Ship To - The entity who will receive the order.

Credit Memo # - Record numbering type can be set at **Settings>System>Record Numbering** as manual, sequential or date format.

- Dynamic Credit Memo Labeling
  - When updating a line item on a Credit Memo, the system will now adjust the document title automatically based on the subtotal:
    - If the **Subtotal = 0**, the title will display as **"Credit Authorization #"** with a yellow background.

- If the **Subtotal > 0**, the title will display as **"Credit Memo #"** with a white background.

Invoice # - The Invoice number related to the Credit Memo.
Status - Credit Memo status is displayed here. The settings can be set at **Settings>Sales>Invoices/Credit Memo(s).**
Return to Warehouse - Indicates which Warehouse the item will be returned.
To Sync (QBO) - (checkbox) gets checked automatically each time a new Credit Memo is created in 1place then syncs with QuickBooks Online (QBO) when the record is saved.
Resync Flag - (checkbox) gets checked when a Credit Memo is changed in 1place then syncs with QBO.
Last Synced - Date & time last synced with QuickBooks Online
Credit Memo Date - The date when the Credit Memo was first created.
Entered By - Creator of the Credit Memo.
Customer PO # - The Purchase Order # on the Customer's purchase document. (Optional) For document tracking purposes.
Payment Terms - Payment terms and conditions you set as the seller. Pre-define your Payment Terms settings according to your company set conditions. **Go to Settings>Sales>General Sales Settings>Payment terms (section).**
Sales Rep - The Sales Representative who communicated or closed the sale.
Order Source - Where an order originated from.
Shipped Via - The shipping method.
Email - Customer's email address.
Job ID - The Job record related to the Credit Memo.

Add/Edit Line Item (section)

Audit Log

icon - Lets you view all updates (and details) made on this section.

Gear

icon - Click to view all Column Filters on this section. You may check/uncheck to show/hide these fields.

Double Arrow Down

icon - Click to show Line 2 fields.

Double Arrow Up

icon - Click to hide Line 2 fields.

Add/Edit Line Item (table)

Line 1 (Column Filters/Fields)	Description
To Return	The quantity (of the item) to be returned (due to defect, incomplete parts etc).
Returned	The quantity (of the item) returned by the Customer.
Item #	The unique item code.
Description	Specified item description which includes the Year, Make, Model and item category.
Reason	Reason for item return.
List Price	The basic price of an item in your catalog. Also known as the Suggested Retail Price or the standard price.
Unit Price	The 'deal price' for a specific item.
Disc % (Discount)	The discount % applied to the item that is reflected on the Invoice.
Net Price	The final Price offer of an item (after any markups or discounts).
Line Total	The total Price computation (before taxes) of each Line item on the Invoice.
Date Shipped	
Transfer From WH	
Shipped From WH	
Comments	(Optional) Any specific notes for a particular Credit Memo line item.
Vendor	Name of Supplier or Vendor.
Serial #	The unique code or part identifier of a specific item.
Invoice CM #	The Invoice related to the particular Credit Memo, if any.
Cost	
RMA	Return Merchandise Authorization
Bill ID	
Bin	This is an alpha-numeric field used by the Stock Picking Tickets to arrange the order that items are to be picked off the shelf by Picking Order, then Location, then Bin.
Lot/Serial #	

Tabs (section) - *see below.*

Footer (section)

- **New** (button) - To create a new Credit Memo record.
- **Delete** (button) - To delete that Credit Memo.
- **Refresh** (button)
- **Receive / Edit Payment(s)** (button)
- **Create Credit Memo** (button)
- **Send Email** (button)
- **Print** (button)
- **Save** (button) - To save the actions/changes made on that screen.
- **Help** (button) - Leads you to self-help articles about the **Credit Memo** screen.
- **Close** (button) - To close that screen.

Shortcut Key: **Ctrl + F8**, or

On the **Quick Start Menu**, click the + icon and select **Invoices & Credits**, or

Click the **New** button on the lower left part of the **Invoices & Credits List** screen, or

Click the **New** button on the lower left part of any **Invoices & Credits** screen.

Scenario 1: Customer returns an item(s)

1. Open the related invoice;
2. Enter the quantity that you want to return in the '**Qty Rtn**' field. (Note: If the 'Qty Rtn' field is not visible, click on the **Gear** icon and check the 'Qty Rtn' field to make it visible);
3. Click '**Commit Line Item**';
4. If you want to sync the changes in Quickbooks Online, unclick and click '**To Sync**' check box located at the upper right side of the screen. Make sure that both '**To Sync**' and '**Resync Flag**' check box were checked;
5. Click 'Save'. Once clicked a '**Syncing Invoice with Quickbooks Online**' pop ups;
6. Click '**Create Credit Memo**';
7. When prompted to return all items on the Invoice:
   - Click '**No**' if only a number of items are returned. Then when promoted to return any items where the QtyRtn>0, click '**Yes**'.
   - Click '**Yes**' if all items in the invoice are returned.
8. A **Credit Memo screen** will now be opened in a new window tab. Check for the following:
   - To automatically sync the transaction in Quickbooks Online make sure that both '**To Sync**' and '**Resync Flag**' check box were checked;
   - The value/ quantity in the '**To return**' and '**Returned**' field;
   - Select the reason of the return from the drop down list in the '**Reason**' field. Click '**Commit Line Item**'.
9. Click 'Save'. Once clicked a '**Syncing Credit memo with Quickbooks Online**' pops up;
10. Click '**Close**'.

Scenario 2: If you wish to give your customer a store credit:

1. On the Quick Start Menu, click the + icon and Select '**Invoice & Credit**' or you can press **CTRL F8** for the shortcut key;
2. In the **Credit Memo screen**, fill in the necessary information in the following fields:
   - '**Bill To**';
   - '**Description**';
   - '**Unit Price**' and '**Net Price**' for the amount.
3. Click '**Commit Line Item**';
4. Make sure that the '**To Sync**' and '**Resync Flag**' check box are checked;
5. Click '**Save**'.

1. Open the **Invoice** where you want to apply the credit memo;

2. Click '**Receive/Edit Payment(s)**';
3. In the '**Payments**' screen click '**Show/Apply Credit**';
4. An '**Apply Credits**' screen will appear;
5. In the '**Sales Number**' field choose the credit memo number you want to apply. Click on the arrow under the 'Credit Amount' field. This will automatically forward the values from the '**Credit Amount**' field to '**Amount to Apply**' field. But you can also enter (in the Amount to Apply' field) an amount lesser than the amount of the credit memo you want to apply;
6. Click '**Apply Credit**';
7. At the bottom part of the '**Payment**' screen, choose a GL Account from the drop down list in the '**GL Acct**' field;
8. Check the '**To Sync**' check box;
9. Click '**Close**';
10. In the Invoice screen, unclicked and click the '**To Sync**'. Make sure that both '**To Sync**' and '**Resync Flag**' check box were checked;
11. Notice that the '**Amount Received**' field is now filled in with amount of the credit memo applied;
12. Click '**Save**'. Once clicked a '**Syncing Invoice with Quickbooks Online**' pops up;
13. Once synced, clicked '**Close**'.

Using Shortcut Key: **F8,** or
On the **Quick Start Menu**, click the **Search** (magnifying glass) icon then select **Credit Memos**, or
(If already on the **Invoices & Credits List** screen) use the **Search** feature (**magnifying glass icon**) to type the Credit Memo number or any information/keywords to filter multi search.

Shortcut Key: **Shift+F8**, or
On the **Quick Start Menu**, click the **List** button and select **Credit Memos**, or
On the **Main Menu Bar**, click **Sales > Invoices & Credits**. (Note: Click the Type field to separate the Credit Memos from the Invoices)

On the **Invoices & Credits List** screen, check the box/es (first column on the left) to select one or more records then click **Batch Actions** button and select **Delete Selected**, or
Click the first box (topmost, on the fields row) to either select all records on a page or all records on the entire list then proceed with deletion, or
On the **Credit Memo** screen, click **Delete** button (lower left part of the screen).
Note: To preserve the integrity of the database, you cannot delete any Credit Memo record that has been used on any of the screens such as Sales Orders. Credit Memo, associated Purchase Orders, etc.

Consider below pointers:

- You cannot add Line items on the **Credit Memo** screen.
- Invoice Line Item/s cannot be edited except for the following fields:
  - Description
  - Prices

Discount

Qty Return

If opting to delete an Invoice Line item, delete first the related line item on the Sales Order screen.

On the **Main Menu** bar, click on **Reports > Invoices/Credits.**

Define your Report.

1place allows you to generate different types of Invoices/Credits Reports according to your needs. Pick from the type of Invoices/Credits Report (i.e. Invoices/Credits By Customer, Invoices/Credits By Date, Invoices/Credits By Product, etc.) from the **Reports section.**

Note: You can adjust the period covered by your report. On the **Report Period** filter section, select from the **drop down** filter lists or manually input the dates 'from' and 'to'.

Click on **Run Report**.

Note1: There is an option to further customize your Report by clicking the **Gear** (gray) icon to make the **Report Lists Settings popup** screen appear. Check or uncheck box(es) of the column(s) that you prefer to show/hide.

Note2: At this point, you may choose to Print, Email or Download your Report copy.

After doing the instructions above, click on the **Customize** (blue) button to further modify and save your newly created Report.

On the **Customize Report popup** screen:

(Optional) Select the **Min Access Level** from the **drop down** icon.

(Required) Type in the **Report Name** (whatever you want to call your Report).

(Optional) Type in any **Report Description**.

(Optional) Check the box if you want to **Make Report Private** and/or **Favorite**. Check or uncheck box(es) of the column(s) that you prefer to show/hide.

Click on **Save.**

Note1: This Report will appear on the list of **Custom Reports** and on **My Favorites** if you checked the **Favorite** box.

Note2: You can always edit or update any Custom Reports. Go to **Reports** > **Custom Reports** and click on the **Pencil** icon (under **Actions** column). Do the necessary changes and click on **Update**.

Note3: Click on the **X** button to permanently delete any Custom Report from the list.

Note: You have the option to Email, Print or Download a Report copy (see instructions below).

On the **Invoice List** screen:

Select the record(s) by checking the box(es) .

Click the

button to Print and

to download (in Excel form).

There is also an option to Share

record(s) and this feature will be available in the future.

For Invoice/Credit Memo Reports, go to **Main Menu Bar** > **Reports** > **Invoices/Credit Memos,** create your Report (*see previous instructions) then click on the

button (upper right).

- Notes:

- Printed Credit Memo reports have been updated for clearer wording:
    - “Amount Received” is now labeled “Credit Applied/Used”
    - “Balance Due” is now labeled “Credit Available”

The **Print Preview** popup screen will appear.

<u>DOWNLOAD COPY</u>: Click on

button (upper right) to <u>download</u> the Report. Save in your PC.

<u>EMAIL COPY</u>: Click on

button (lower right) to send a copy of the Report through <u>email</u>. Create the body of the Email and input other necessary details on the left side of the **Email popup** screen. Click on

button (lower right).

<u>PRINT COPY</u>: Click on

button (upper right) to <u>print</u> the Report. Adjust Print Settings then click on

button (lower right).

Input any comments or notes related to the particular Credit Memo.

Article coming soon.

This tab contains other important information about the Credit Memo such as:

Created By (Note: When a Credit Memo is created from an invoice, the system will now automatically record the logged-in user in both the **Created By** and **Entered By** fields.)
Created Date/Time
Originally Created In

Article coming soon.

1. Go to '**+ New**' button, under **Vendors** Column, click on '**Check**'

2. On the '**Check #To print**' screen. Enter the following:

- On the '**Category details**' section, choose '**Accounts Receivable**'
- On the '**Amount**' section, enter the **Credit Memo** amount;

- On the '**Customer**' section, enter the Customer's Name.
- Click '**Save and close** '.

3. After creating the check, apply the related Credit Memo. Click ' **+ New**' button, under the Customer column, choose ' **Receive payment**'

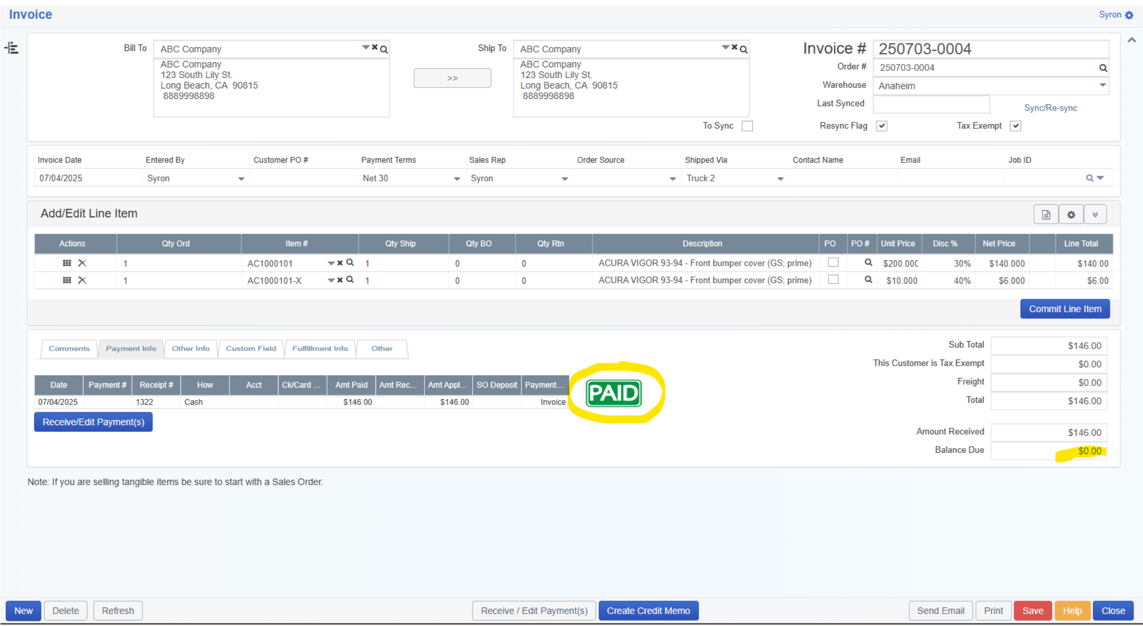
4. On the ' **Receive Payment**' screen,

- On the **Customer field**, enter the customer's name
- In the '**Outstanding Transaction**' section, select the check created
- In the '**Credit**' section, select the Credit Memo for refund.
- Click '**Save and close** '.

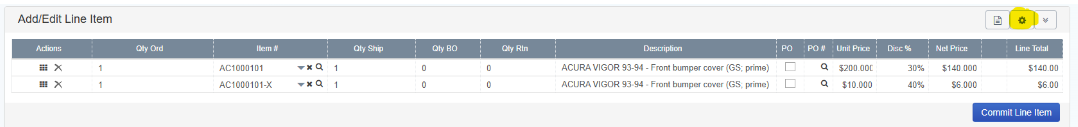
NOTE: Ensure that the 'Amount Received' located at the top right corner is zero .

Follow these steps to create a Credit Memo for one or more items after an invoice has been paid:

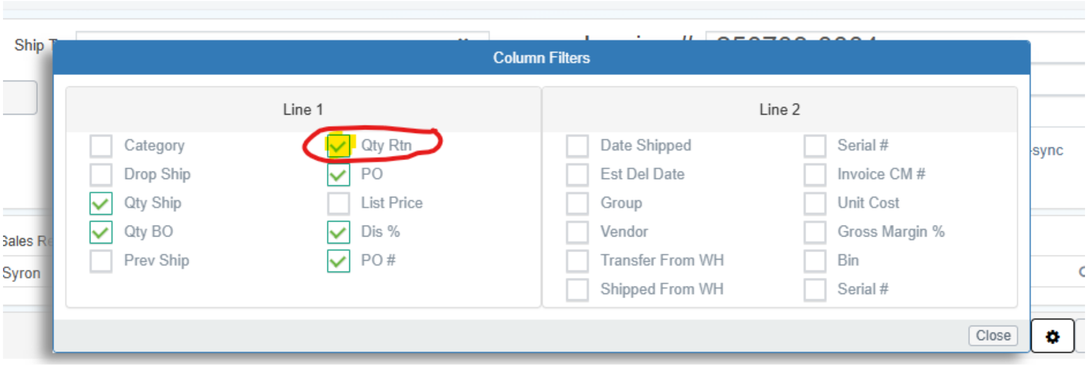
1. **Open the Paid Invoice**
   - Go to the Invoice screen and open the invoice that has already been paid.



2. **Enable the "Qty Return" Column (if not visible)**
   - In the line items section, look for the "**Qty Return**" column. If you don't see it:
     - Click the **gear** icon at the top right above the line items.

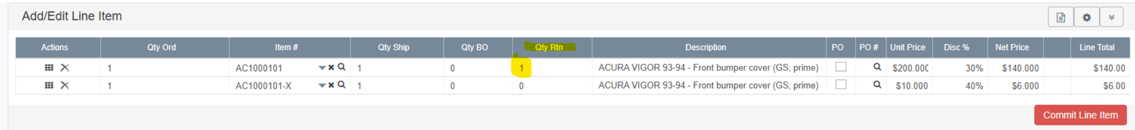


     - Under Column Filters (Line 1), check the box for "Qty Return" to make it visible.



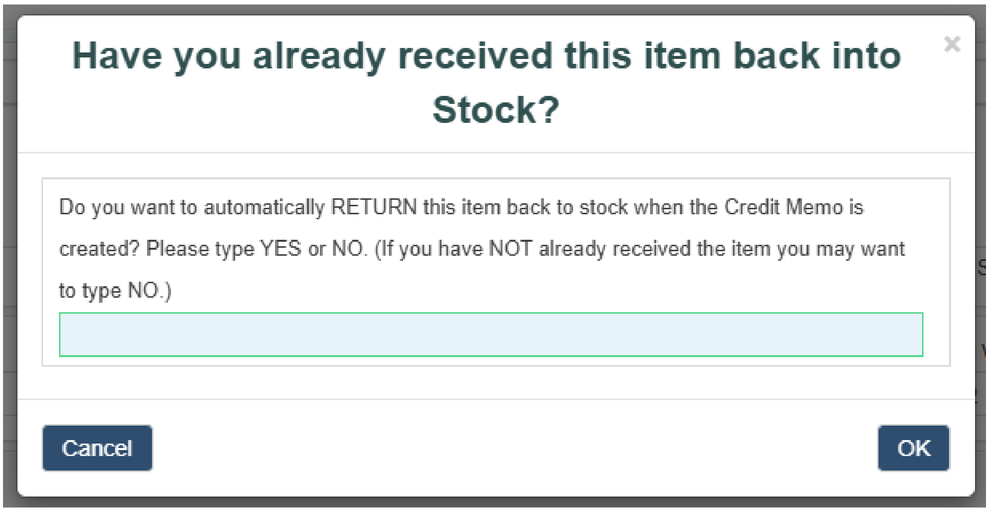
3. **Enter the Quantity to Return**

    - In the Qty Return column, enter **1** for the line item you wish to return (since you are returning a single item).



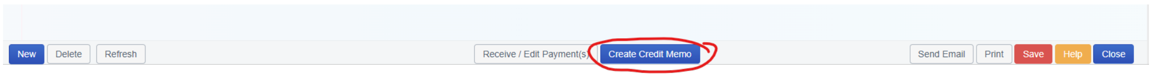
4. **Respond to the Stock Return Prompt**

    - A prompt will appear asking:
        - "Have you already received this item back into stock? Do you want to automatically RETURN this item back to stock when the Credit Memo is created? Please type YES or NO."
        - Type **YES** if the item has already been received into stock, or **NO** if it has not.



5. **Create the Credit Memo**

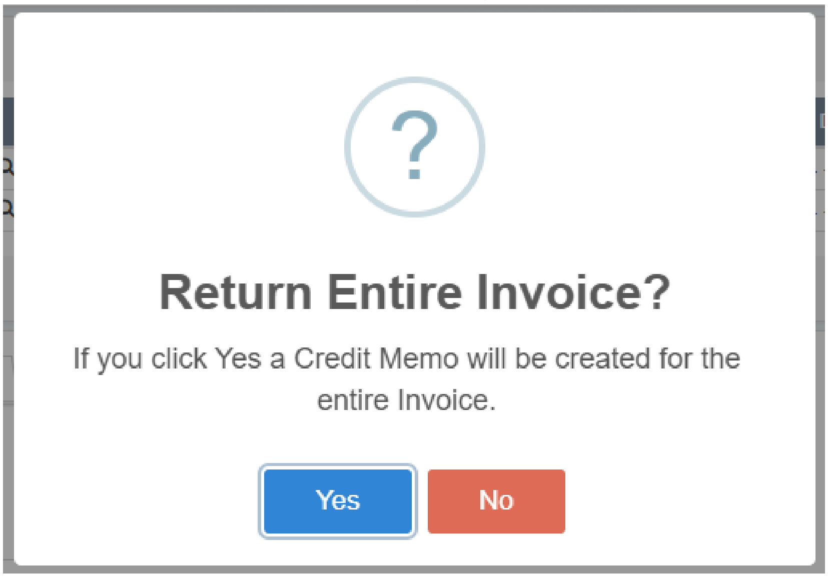
    - Click the **Create Credit Memo** button located near the bottom center of the Invoice screen to proceed.



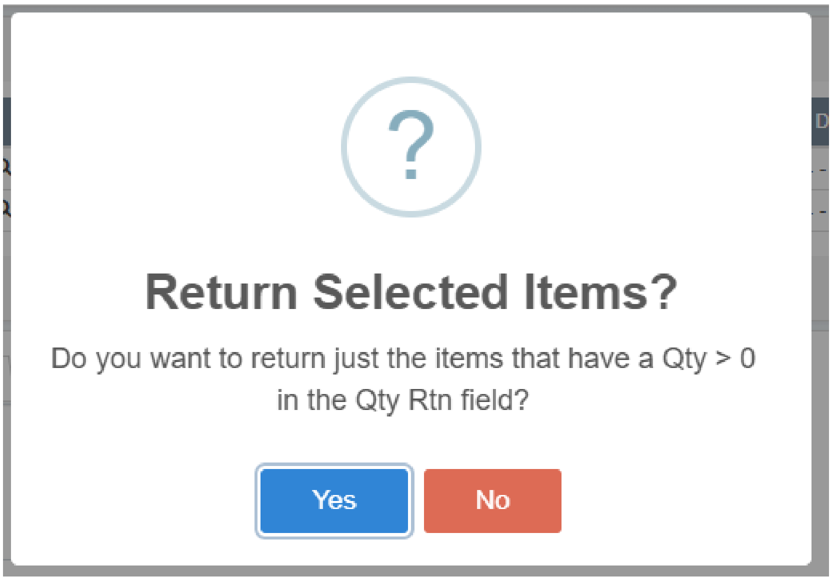
6. **Choose Return Scope**

    - When prompted: "Return Entire Invoice? If you click Yes a Credit Memo will be created for the entire Invoice."

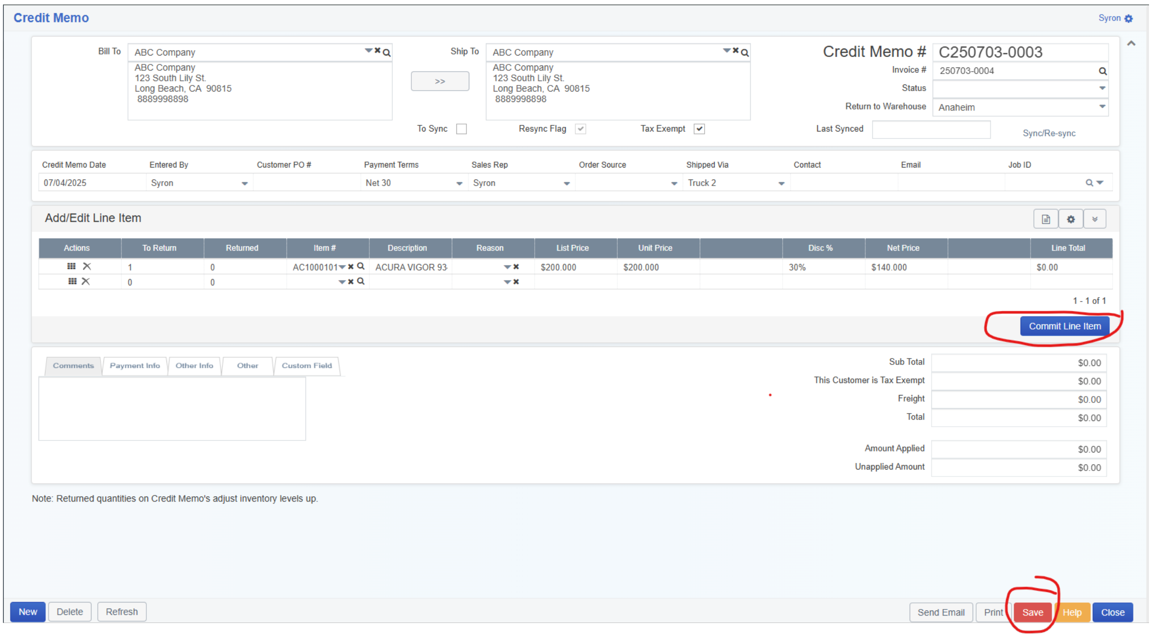
- Click **NO**, since you are only returning a single item.



- Next, you will see: "Return Selected Items? Do you want to return just the items that have a Qty > 0 in the Qty Rtn field?"
  - Click **YES** to proceed.

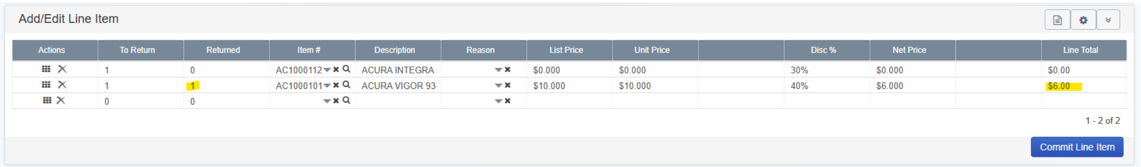


7. **Review and Save the Credit Memo**
   - The Credit Memo will open in a new tab.
   - Confirm that the correct line item(s) appear on the Credit Memo.
   - Click **Commit Line Item**, then click **Save**.



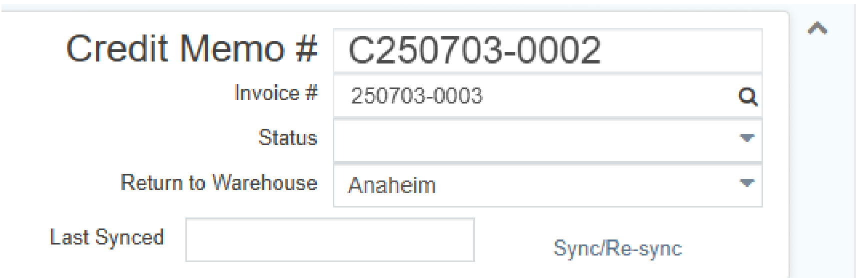
8. **Verify the Line Total Based on Return Status**

   - If the item has already been returned, the Line Total will reflect the **amount originally paid by the customer**.
   - If the item has not yet been returned, the Line Total will show **$0.00.** Once the item is returned, the total will update accordingly.



9. **Reference the Credit Memo**

   - Use the **Credit Memo number** as a reference for the return and the credit issued to the customer.



Follow the steps below to process a return and generate a Credit Memo for an unpaid invoice:

1. **Open the unpaid invoice**

   - Navigate to the **invoice** where the return needs to be processed.

2. **Enter the Qty Rtn**

   - In the **Qty Rtn** column, enter the quantity to be returned for the specific item.

- Respond to the prompt when asked whether **the item has already been returned to stock**, respond accordingly (type YES or NO).
- Click "**Commit Line Item**", This saves the changes to the item being returned.

3. **Click "Create Credit Memo"**
   - Respond to the following prompts:
     - **"Return Entire Invoice?"** – Select NO, since only one item is being returned.
     - **"Return Selected Items?**" – Select YES, to return only the items with a quantity greater than 0 in the Qty Rtn field.
     - "**Customer has not paid you yet."** – Type YES to confirm.
4. **Review and Save the Credit Memo**
   - The Credit Memo will open in a new tab.
   - Confirm that the correct line item(s) appear.
   - Click **Commit Line Item**, then **Save.**
5. **Verify the Line Total Based on Return Status**
   - If the item has already been returned, the Line Total will reflect the item's full value.
   - If the item has not yet been returned, the Line Total will display $0.00. It will update once the return is completed.
6. **Reference the Credit Memo**
   - Use the **Credit Memo number** as the reference for the return and the credit issued to the customer.

Follow these steps to process a return and generate a Credit Memo without issuing actual credit to the customer. This method maintains a paper trail for inventory and return tracking when no payment was received for the item.

1. **Open the invoice**
   - Navigate to the **unpaid invoice** for which the return will be processed.
2. **Zero out the price for the item**
   - Apply a **100% discount** on the line item or change the **Net Price to 0.00.**
   - If you do not see these columns, click the **gear icon** in the upper-right corner above the line items to adjust the visible columns.
3. **Enter the Qty Rtn**

- In the **Qty Rtn** column, enter the quantity of the item being returned.
- When asked **"Have you already received this item back into stock?"**, respond with YES or NO, depending on the situation.

4. **Click "Commit Line Item"**
    - This saves the changes to the item being returned.
5. **Click "Create Credit Memo"**
    - Respond to the prompts:
        - **"Return Entire Invoice?"** – Respond YES or NO depending on the situation.
            - If YES, confirm whether the items are being tagged as returned.
            - If NO, you will be prompted:
        - **"Return Selected Items?" –** Select YES, to return only the items with a quantity greater than 0 in the Qty Rtn field.
6. **Review and Save the Credit Memo**
    1. The Credit Memo will open in a new tab.
    2. Confirm that the correct line item(s) appear.
    3. Verify that the **Total Amount on the Credit Memo is $0.00**, since no credit is being issued.
    4. Use the **Credit Memo number** as a reference to maintain a clear audit trail.
    5. Click **Commit Line Item**, then **Save**.

If a customer returns all items from a fully paid invoice, you can generate a Credit Memo to issue credit for the return. Follow the steps below:

1. Open the paid invoice
    - Locate the invoice in the system that needs to be fully returned.
2. Enter the quantity to return for each item
    - If it is not visible, click the gear icon (above the line items table) and enable the Qty Rtn column from the column filter.
    - In the Qty Rtn column, enter the full quantity originally invoiced for each line item.
3. Respond to the stock return prompt
    - A prompt will appear:

        - “Have you already received this item back into stock? Do you want to automatically RETURN this item back to stock when the Credit Memo is created? Please type YES or NO.”
        - Respond accordingly.
    - After responding, click Commit Line Item to save the changes on the line item.
4. Click the "Create Credit Memo" button
    - The button is located at the bottom center of the invoice screen.
    - Respond to the following prompts:
        - “Return Entire Invoice?” — Select YES since all items are being returned.
        - “Do you want to automatically RETURN this item back to stock when the Credit Memo is created?” — Type YES or NO depending on whether the items have been physically returned.
5. The Credit Memo will open in a new tab
    - Review the document to ensure all line items are listed with the correct return quantities.
6. Add a reason for the return
    - In the Reason column, select the appropriate reason from the dropdown list: Customer Refused, Damaged, or Wrong Item.
7. Click "Commit Line Item", then click Save
    - This finalizes the Credit Memo.
8. Verify the Line Total
    - If the items were marked as returned, the Line Total should reflect the full amount originally paid by the customer.
9. Use the Credit Memo as reference
    - The Credit Memo number can be shared with the customer or used to apply credit to future invoices.

If a customer returns an item that is broken or damaged, and you want to issue credit without returning the item to stock, follow the steps below to create a Credit Memo using the Invoice screen:

1. Open the invoice
    - Locate and open the invoice where the item being returned is listed.
2. Enter the quantity to return for the specific item
    - If not visible, click the gear icon above the line items and enable the Qty Rtn column from the column filter.

- In the Qty Rtn column, enter the number of units being returned (e.g., 1).

3. Respond to the stock return prompt
    - A prompt will appear:
        - “Have you already received this item back into stock? Do you want to automatically RETURN this item back to stock when the Credit Memo is created? Please type YES or NO.”
        - Type NO since the item is damaged and should not be returned to inventory.
    - Then, click Commit Line Item to save the changes to the line item.
4. Click the "Create Credit Memo" button
    - Located at the bottom center of the invoice screen.
    - Respond to the following prompts:
        - “Return Entire Invoice?” — Click NO since only one item is being returned.
        - “Return Selected Items? Do you want to return just the items that have a Qty > 0 in the Qty Rtn field?” — Click YES.
5. The Credit Memo will open in a new tab
    - Review the document to confirm that the correct line item is included.
6. Select the reason for return as "Damaged"
    - In the Reason column, select Damaged from the dropdown.
7. Enter the returned quantity
    - In the Returned column, enter the number of items being returned (e.g., 1).
    - When prompted “Return item to stock?”, select NO since the item is damaged and will not be returned to inventory.
8. Click Commit Line Item, then click Save
    - This will finalize the Credit Memo without restocking the item.
9. Use the Credit Memo number for reference
    - Provide the Credit Memo number to the customer as proof of the credit issued.