RoboVet

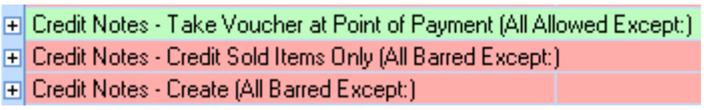
How do I...

Create a credit note (FP19)

RoboVet Version: Feature Pack 19

Security Permissions: There are 3 areas of security covering the various types of credit note.

1. **Credit Notes – Take Voucher at Point of Payment:** All new users can create a voucher at the point of payment unless they have been specifically excluded.
2. **Credit Note – Credit Sold Items Only:** Credit notes can be created for sold items in work entries that have not been paid or have been part paid.
3. **Credit Note – Create:** Unallocated credit notes can be created. There is no link to any products that have been sold.



When do I give a credit note?

The first thing to determine is whether you really do want to issue a credit note!

Here are some examples of where you should NOT issue a credit note.

- Client has returned some paid goods to the practice and wants a refund. In this case you should create a **Refund**.
- The client has not paid for the consultation and you notice that you have sold the wrong item onto the consultation. In this case, if the sale is for today, you should simply remove the wrong item from the consultation.
- The client has entered the realm of being a bad debtor and has only part paid for the outstanding work. In this case, after an appropriate length of time, you should create a **Write Off**. The client still owes the debt but by writing it off you will be able to claim back any VAT. The debt will still be displayed in the client record but the client will be excluded from debt reports (assuming all outstanding work has been written off)

So when do you give a Credit Note:

- You have issued an invoice to a client but you have since negotiated to reduce the cost of some of the items on the invoice. This may be because the client has pointed out that he/she has not received the goods or because you are being particularly 'nice'.

- You created a consultation for a date prior to your closed date but have noticed it is incorrect or the client has decided not to have the goods.

- You want to give a specific discount, for example £10, on a consultation.

- A client has ordered a repeat prescription or food, it has been added to the account and the client has phoned to cancel the order.

There are several types of credit notes:

1. The product(s) on the original consultation is credited. The consultation may or not have been invoiced and may have been part paid. The credit is automatically allocated to the consultation. (**Credit Note**)

2. A set amount of credit is given against consultation but not against any specific product(s) on the consultation. The consultation may or not have been invoiced and may have been part paid. The credit is automatically credited to the consultation. This method can also be

used at the point of payment to give a set amount or percentage of the consultation total. For example, the client may have £5 Hills Voucher and the credit is applied to a specific consultation. (**Quick Credit Note**)

3. A mixture of 1 and 2. For example you may want to credit one item that the client is not taking and give them £20.00 off the rest of the consultation. The credit is automatically credited to the consultation. (**Credit Note**)

4. Percentage credit. This is a way to give a percentage discount to the whole consultation. For example, to give an agreed 10% discount at the point of payment.

5. An unallocated credit that adds an unallocated credit payment on to the account that can be used to pay any consultations/invoices. (**Unallocated Credit**)

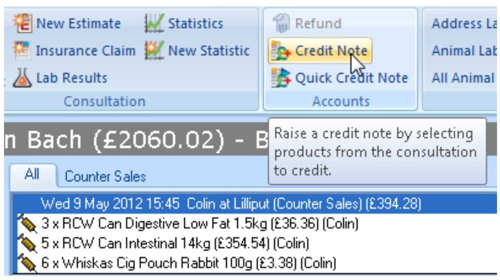
Credit notes can be generated from an animal's clinical history or from the client account window. It is better to start in the history view as it is easier to find the product to be credited.

Creating a credit note

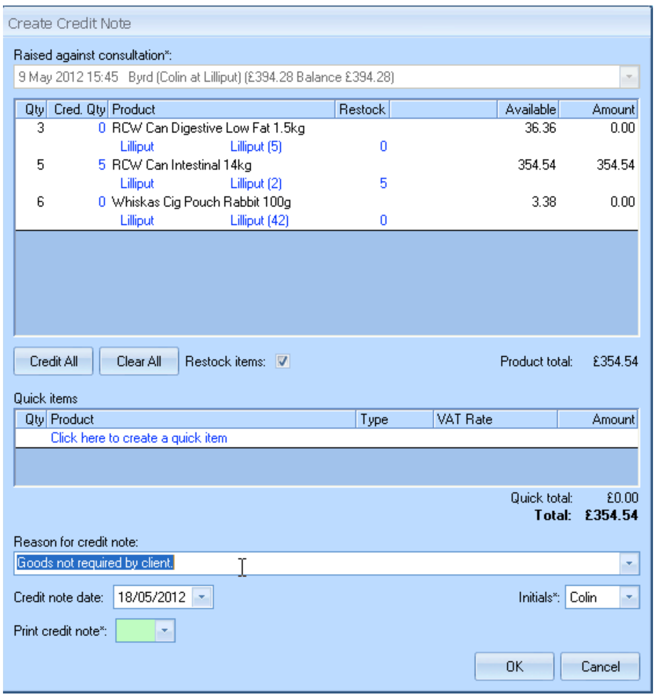
Example One – credit note for item(s) not received, the consultation has not been invoiced.

Procedure:

1. In the clinical history view find the consultation with the product to be credited. If there are a lot of consultations use the product search to find the correct consultation.



2. Click on the appropriate consultation and the header changes to dark blue. If, and only if, the consultation has been **NOT been paid in full** click on the **Credit Note** icon in the **Accounts** section of the toolbar. (Note the **Refund** option is not available because the consultation has not been paid in full.)



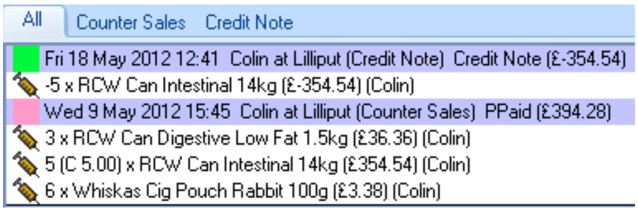
3. Enter the quantity to be credited. It is assumed that you will want to restock the product to the original location. This can be changed if appropriate.
It is possible to credit all items and then modify the selection as appropriate.

4. Enter a reason for the credit note – use the dropdown list or enter any text required.

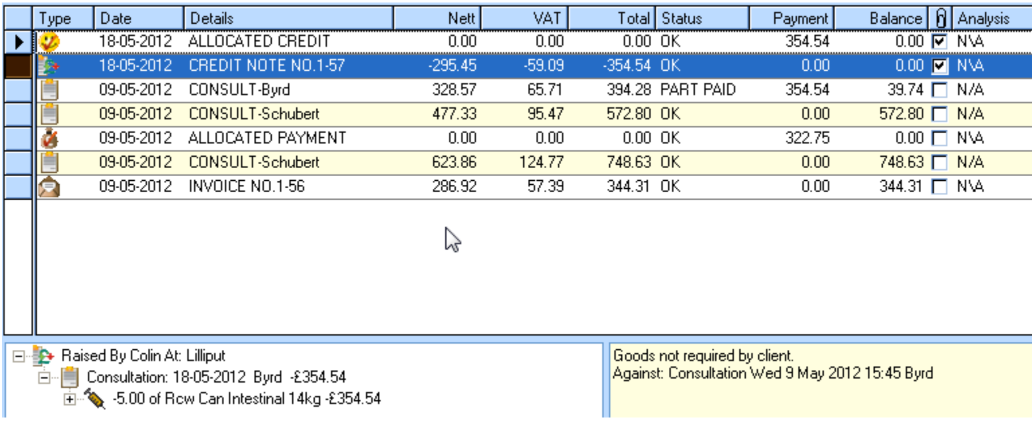
5. It is possible to change the date for the credit. If you choose this option all transactions associated with the credit note will be added using that date.

6. The credit note can be printed if necessary. If the credit note is for a client with a business the credit note will be required for their accounts. If it is for a small animal client it is usually better not to give the client a copy of the credit note – they might think they can come back and use it later, even though it has already been used.

7. After clicking **OK** the credit note can be viewed in the animal history. The original consultation shows which product has been credited. The credit note payment has been allocated to the original consultation.



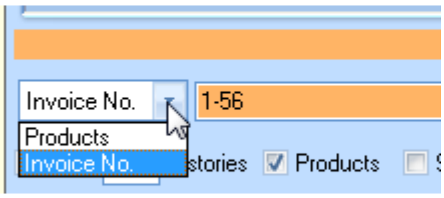
8. The **Credit Note** transaction can be viewed in the Account window with the associated payment.
   Important: If the date of the credit note is changed the associated payment and the credit note consultation will be changed to the same date.



Example Two – The consultation has been invoiced

Procedure:

1. The same as above but if you know the invoice number you can search for all the consultations in the history by changing to filter by invoice number.



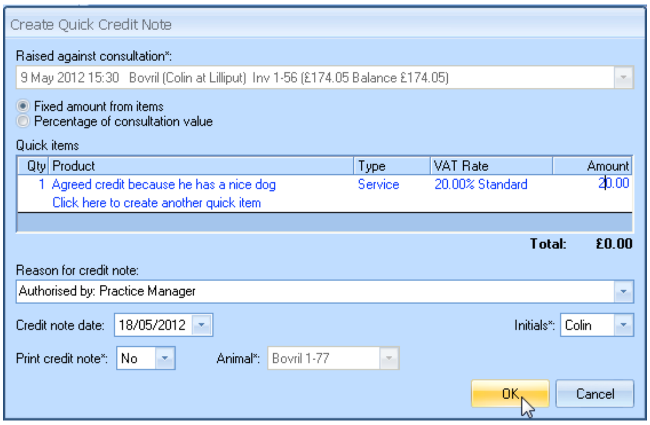
2. Select the appropriate consultation and if it has not been fully paid you will be able to create a credit note for up to the value of the unpaid amount.
   If the consultation has been fully paid then you would have to de-allocate the payment first.

Example Three – Credit a consultation for a fixed amount without associating the credit to a product within the consultation.

Procedure:

1. The same as above but after selecting the consultation choose the **Quick Credit Note** option from the **Accounts** section.

2. The **Create Quick Credit Note** window appears.
   Note that when you use this option you are effectively selling a negative product or products – they are called **Quick Items**.

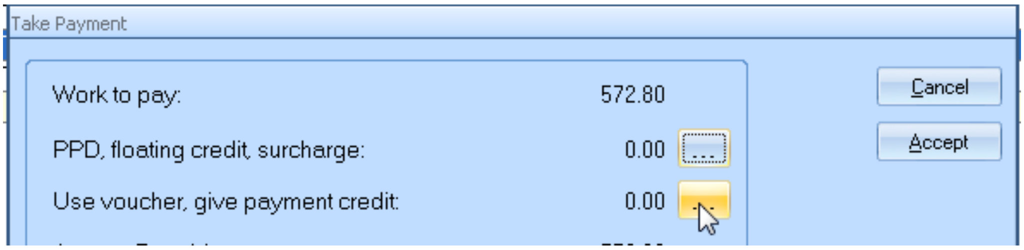


Typically you will enter one product name and an amount.
It is also possible to select the % option where the quick credit item is for a percentage of the whole consultation (assuming that it has not been part paid).

Example Four – Using a credit to apply a voucher at the point of payment.

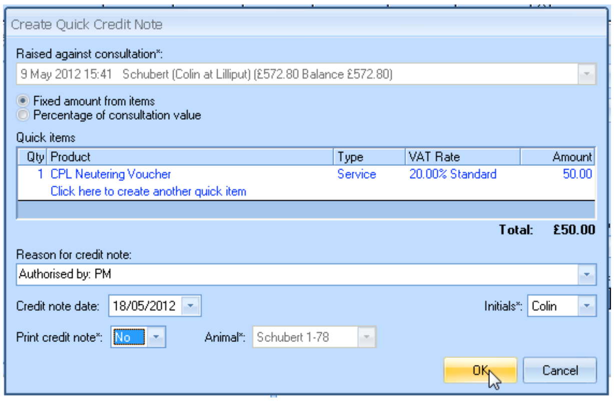
Procedure:

When taking a payment select the **Use voucher, give payment credit** option.



The **Create Quick Credit Note** window appears.

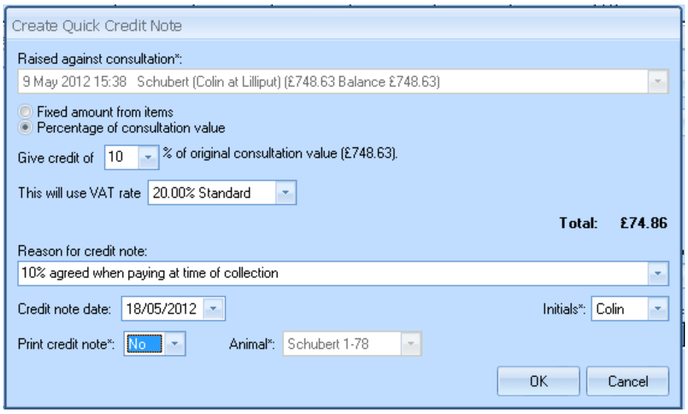
Note that you are using the same method as in the last example but the window displays the animal to which the credit is applied. In this example a single consultation was selected and so the animal can cannot be changed. If the payment is being made across several animals you must choose **one** animal to credit.
There is also a % credit function available, for example if you wanted to apply a 10% discount to the whole consultation.



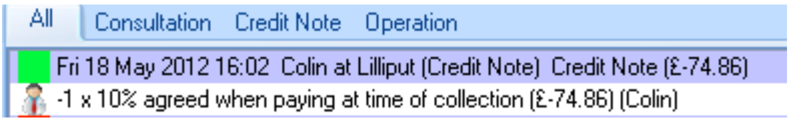
Example Five – Using a credit to apply a percentage discount at the point of payment.

Procedure:

When taking a payment select the **Use voucher, give payment credit** option.
The **Create Quick Credit Note** window appears. The format of the window is different depending on how your practice configure the % setting. In this example the setting is defaulted to enter a percentage for the whole consultation.



A credit note will be created for 10% of the consultation. The product name shown on the credit note consultation will be the text entry typed into the **Reason for credit note** box. When you OK the credit the 10% will be deducted from the amount to pay the consultation.



If you make a mistake!

If you create a credit note by mistake they can be removed by right clicking in the account grid and selecting **Credit Notes.** Highlight the credit note and click on **Remove**. This will also remove the credit payment and the credit note consultation.
(Users need permission to remove credit notes)

Important points about credit notes

1. Credits are made up of 3 elements:
    a. A credit note **consultation**.
    b. A credit note **payment**.
    c. The credit note **transaction**.

2. When the credit note is created the payment is automatically allocated to the original consultation. The date of the credit note will be the date on which the credit note created and not the date of the original consultation. The date of the credit note can be changed but this is **NOT** advisable. The date should **NEVER** be changed to one in a previous VAT quarter or you will lose the VAT!!!!

3. If the date of the credit note or credit note payment is changed in the accounts window then the date of both transactions will be changed.

4. The credit note payment is **NOT** real money. The client did not give you any money. However some practices have requested that it should be possible to give all or some of the credit as real money to a client. So, a credit payment can be given to the client.

Viewing Credit Note Details

The details of the credit can be seen in several places.

a) **Original Consultation –** In the account window and animal history view the credited items are prefixed with C (Quantity credited). (not on the printed version). The credited products will be displayed in the printed **Consultation Details** report.

b) **Credit Note** transaction in the accounts window – shows the product(s) credited, the reason for the credit note and the invoice number (if the consultation had been invoiced).

c) **Credit Payment** in the Accounts window – shows the consultation to which the payment is allocated.

d) **Statements** – the credit notes are included in full and mini-statements. If the credit has not been allocated it will also be shown on an **Outstanding** statement.

VAT Implications

When a credit is made your practice VAT liability will be reduced and included in the VAT report. You should **NOT** change the date of a credit note.
For a Sales Accounting practice the credit note consultation is used to reduce the VAT liability.

For a Cash Accounting practice the credit payment is used to reduce the VAT liability.

If a credit note is removed your practice VAT liability will be increased and included in the VAT report. You should **NOT** change the date of the credit note removal.

Insurance Claims

The credit information is not currently displayed in the insurance manager so adjustments need to be made manually.