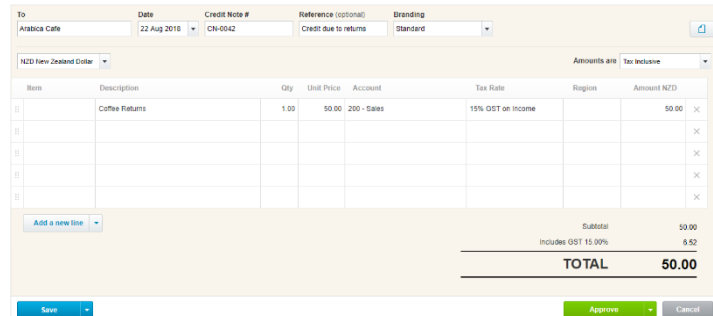


# Creating Credit Notes

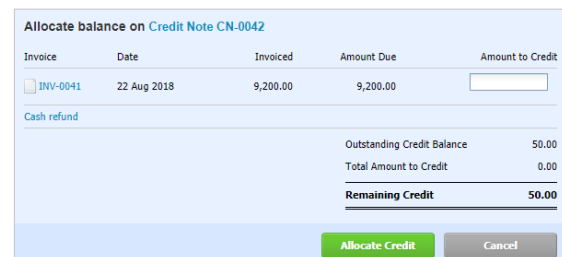
## Option 1

1. Accounts Sales New Credit Note
2. Enter all information relating to the client (ensure the client name is correct)
3. Approve the Credit Note
4. If there is already an invoice to that customer in the Xero it will prompt you to allocate it then.



The screenshot shows the Xero 'Create Credit Note' form. At the top, it is set for 'Arabica Cafe' on '22 Aug 2018' with credit note number 'CN-0042'. The currency is 'NZD New Zealand Dollar'. The table below contains one line item: 'Coffee Returns' with a quantity of 1.00, unit price of 50.00, and a total amount of 50.00. The subtotal is 50.00, and the total including 15% GST is 57.50.

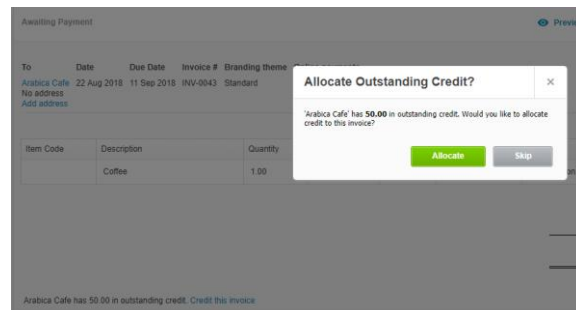
5. If you want to apply it to another invoice (that has not yet been created) then cancel the allocation and the Credit Note will sit with your other awaiting payment invoices.



This dialog shows the 'Allocate balance on Credit Note CN-0042' screen. It lists an existing invoice 'INV-0041' from '22 Aug 2018' for 9,200.00. Below, it shows a 'Cash refund' of 50.00, resulting in an 'Outstanding Credit Balance' of 50.00 and a 'Remaining Credit' of 50.00.

INV-0041	QU-0001	Arabica Cafe	22 Aug 2018	11 Sep 2018	0.00	9,200.00
CN-0042	Credit due to returns	Arabica Cafe	22 Aug 2018		0.00	(50.00)

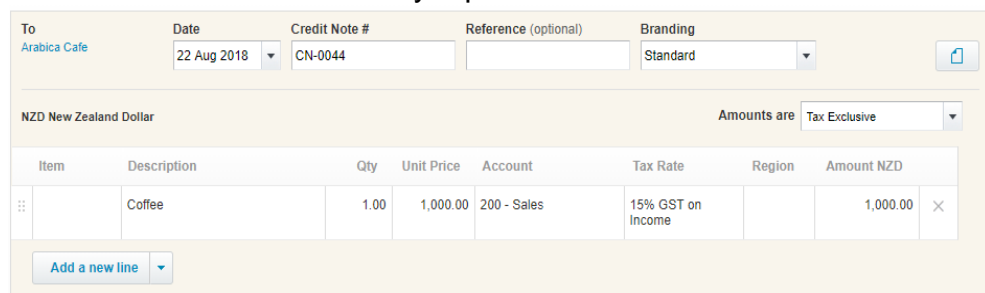
6. When you save the next invoice for that client it will give you the option to use up that credit. You can choose to do this or wait until another invoice.



This dialog asks 'Allocate Outstanding Credit?' for 'Arabica Cafe' which has 50.00 in outstanding credit. It offers 'Allocate' and 'Skip' options.

## Option 2

1. Open a current invoice.
2. Invoice Options – Add Credit Note
3. A new credit note will be created with all the information from the invoice. You can credit the full amount or only a portion.



The screenshot shows the 'Add Credit Note' form within an invoice. It is set for 'Arabica Cafe' on '22 Aug 2018' with credit note number 'CN-0044'. The currency is 'NZD New Zealand Dollar'. The table contains one line item: 'Coffee' with a quantity of 1.00, unit price of 1,000.00, and a total amount of 1,000.00. The tax rate is 15% GST on Income.