

Credit Processing (LTS Procedure #65) - FOLIO

Scope: *This document outlines the procedure that Library Technical Services receiving staff follow when processing a credit for materials that were not supplied or were returned to vendor.*

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Unit: Monographs Receiving, OKU Serials Receiving, and E-Resources & Serials Management

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A. When to process a credit. Credits are processed in FOLIO for the following situations:

1. The library paid for an item but did not receive it from the supplier
2. An item is returned to the vendor after payment is made

B. Essential documentation needed to process a credit should include one of the following:

1. A check returned to LTS by a supplier
2. A credit memo against a specific invoice supplied by a vendor for a returned item

C. Information required to process a credit memo

1. The invoice number for which the credit memo was issued
2. The date the credit was issued
3. Title of item credited
4. The reason the credit was issued
5. The amount of the credit (in U.S. dollar, equal to the amount originally paid for the item)

D. Processing a Credit in FOLIO

1. Create an invoice in FOLIO
2. Fill in the following information
 - **Invoice date:** Credit memo date. If there is none, use today's date
 - **Status:** Change from "open" to "reviewed" when you are ready for accounting to approve the credit
 - **Bill to name:** Select your appropriate dept.
 - **Vendor invoice number:** Credit memo invoice number. When using a blank credit memo use the invoice number the item was originally paid on, adding "CM" as a suffix, e.g 12345CM
 - **Vendor name:** LTS assigned vendor code
 - **Payment method:** "Physical check"
 - **Export to accounting:** This should be checked when payment method is "Physical check"
 - **Upload your invoice:** Add your department name, date paid and your initials to the invoice first (Example: LTS RECEIVING - LM - 06/28 /21)
 - **Save & close**
 - **Scroll down to Invoice lines:** Click "Actions" then "+ Add line from POL" ; using the same POL and fund number that was used for the original payment
 - **Add price proceeded with a minus sign** (e.g. -25.00)
 - **Save & close**

E. Check the accuracy of the on-line credit

1. Verify that the same fund number for the original payment is used for the credit
2. Verify that the credit amount is proceeded with a minus sign
3. Verify that the total amount on the paper credit memo and the FOLIO credit invoice agree

F. What to do with the paper credit memo?

1. Once the credit memo/invoice has been scanned and saved you may discard it