

Applying Credit Memo to a New Transaction

TRANSACTIONS – CREDIT INVOICE

APPLYING CREDIT MEMOS

Artsystems GalleryPro and Studio allows a work or works on an Invoice to be converted to a Credit Memo. If payment for the work(s) has already been received; the buyer is credited the monies to their account for use on a future purchase. This document will demonstrate the process of correctly applying credited monies to a future purchase transaction.

Scenario: Buyer A purchases two works on one invoice. Two payments are received paying the invoice in full. Buyer A returns one work for credit. Buyer A then purchases a third work on a new invoice. Credited monies from work returned are applied to new invoice.

INVOICE

- I. An invoice is created for Buyer A with two works.

The screenshot shows the 'Transactions' window with the following details:

Sold to: Buyer A, 11 West 25th Street, 5th Floor, New York, NY 10010

Ship to: (Empty)

Shipped?:

Invoice: IN0013

Inventory #	Artist	Title	Retail	%	Discount	Sales Price
00097	Chagall, Marc, 1889-19	Flowers 3/100, 1968	8,000.00	0	0.00	8,000.00
DAV-025	Davies, Sally	Painting no. 239: Lichten	8,500.00	0	0.00	8,500.00
<input type="checkbox"/> Work Discount:			16,500.00	.000	.00	16,500.00

Totals:

- Total Misc: .00
- SubTotal: 16,500.00
- Tax Jurisdiction 1: NYC Sales Tax, 8.2500, 1,361.25
- Tax Jurisdiction 2: .0000, .00
- Total: 17,861.25**

Prepared: 09/01/2006 By: [Dropdown] Tax Jurisdiction 1: NYC Sales Tax

Authorized: / / By: [Dropdown] Tax Jurisdiction 2: [Dropdown]

RECEIVE PAYMENT

Two payments are received for the above works. The first payment is for \$10,000.00 and the second payment is for remaining balance of \$7861.25.

2. Create first received payment for \$10,000.00.

Transactions

Received from: Buyer A
11 West 25th Street
5th Floor
New York, NY 10010

Receipt: RE0005
Payment Method:
Reference #:

Works | Notes | Shipment | Misc.

Invoice #	Date	Invoice Total	Balance	Received
IN0013	09/01/2006	17,861.25	7,861.25	10,000.00

Prepared: 09/05/2006 By:
Authorized: / / By:

Total: 10,000.00

3. Create second received payment for \$7,861.25.

Transactions

Received from: Buyer A
11 West 25th Street
5th Floor
New York, NY 10010

Receipt: RE0006
Payment Method:
Reference #:

Works | Notes | Shipment | Misc.

Invoice #	Date	Invoice Total	Balance	Received
IN0013	09/01/2006	17,861.25	0.00	7,861.25

Prepared: 09/15/06 By:
Authorized: / / By:

Total: 7,861.25

Click in the Received from field to hyperlink to contact record.

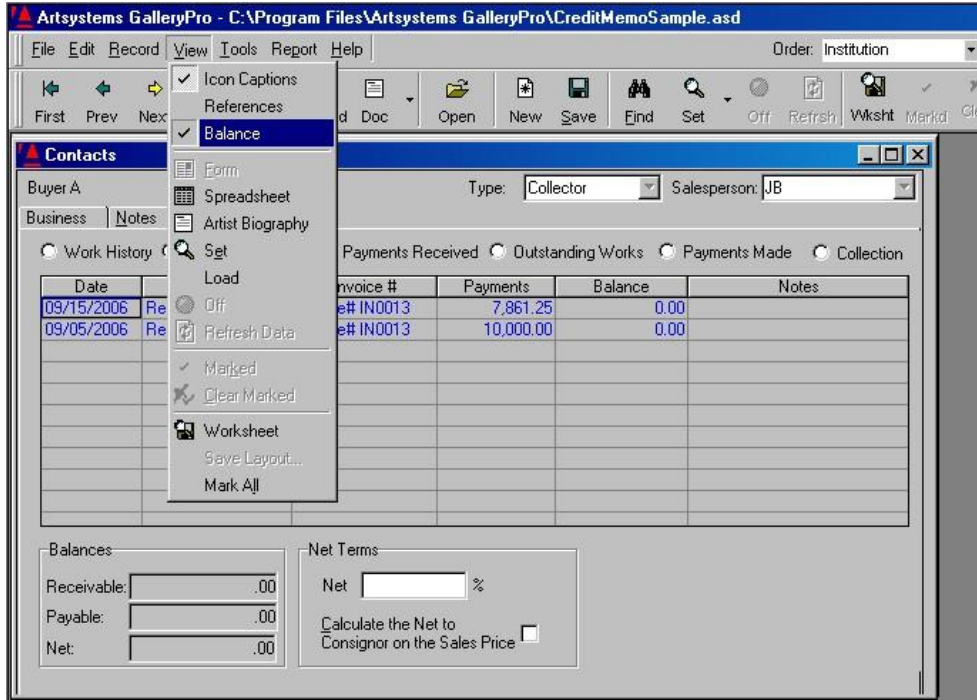
Note the Balance is now zero.

CONTACT STATISTICS

Contact Statistics provide a balance for **Work History** and **Payments Received** which is very helpful when checking balances for a particular client.

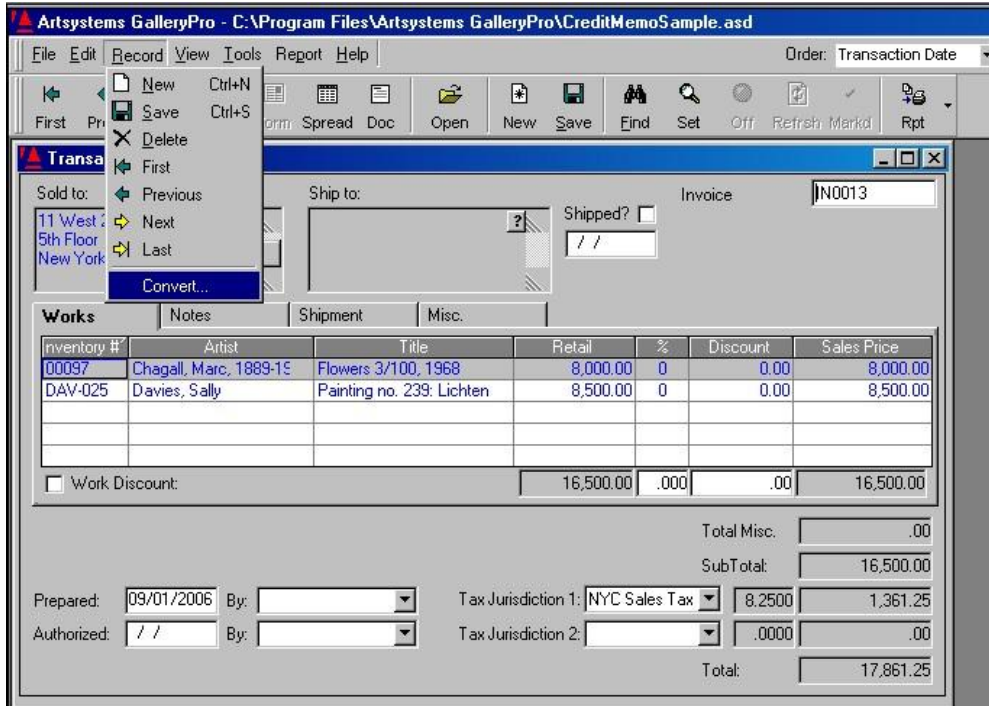
Click in the **Sold To** or **Received From** or **Credit To** field on the transaction to hyperlink to the contact record. Then click the **Statistics** tab on the Contact record.

Note: If balance is not showing, go to **View > Balance** from the Menu bar. There currently is not a balance due for this buyer since invoice is paid in full.

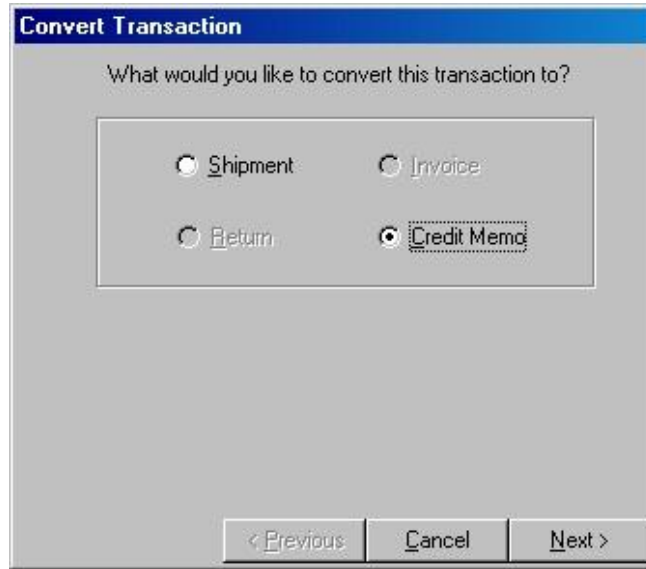


CONVERT INVOICE TO CREDIT MEMO

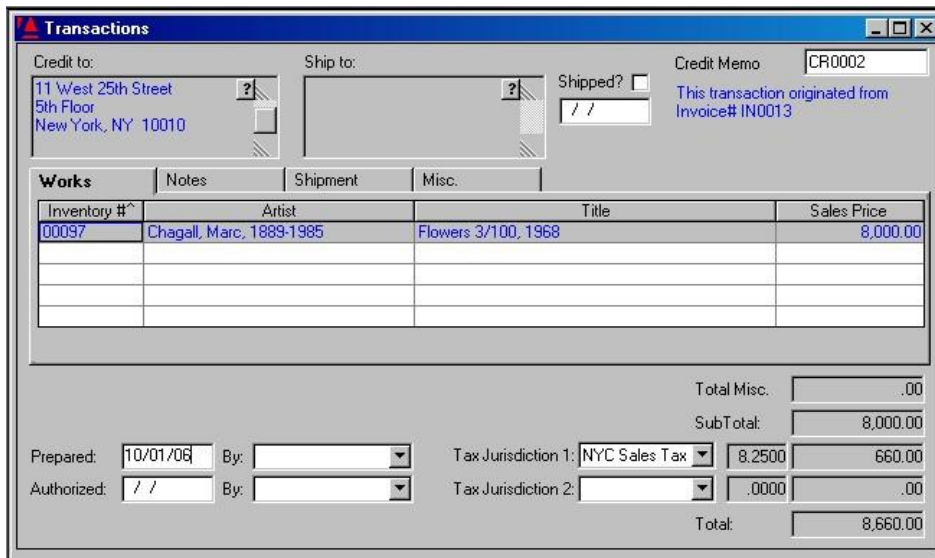
4. In **Transactions** module, open the invoice to credit. Go to form view.
5. Click **Record > Convert**.



6. A **Convert Transaction** window will open. Select **Credit Memo**. Click **Next**.



7. Select the work or works to be credited by marking the work with a checkmark. Click **Finish**. The Credit Memo is created.



CONTACT STATISTICS WITH CREDIT MEMO

- Click in the **Credit To** field to view the Contact Statistics after credit memo is created. Note the balance is now a negative amount equal to the credit memo and showing in red.

Buyer A Type: Collector Salesperson: JB

Business Notes **Statistics**

Work History
 Work Movement
 Payments Received
 Outstanding Works
 Payments Made
 Collection

Date	Receipt #	Invoice #	Payments	Balance	Notes
09/15/2006	Receipt# RE0006	Invoice# IN0013	7,861.25	0.00	
09/05/2006	Receipt# RE0005	Invoice# IN0013	10,000.00	0.00	

Balances: Receivable: -8,660.00
 Payable: .00
 Net: -8,660.00

Net Terms: Net %
 Calculate the Net to Consignor on the Sales Price

CREATE NEW INVOICE

- Create a new invoice for new purchase from Buyer A.

Sold to: 11 West 25th Street, 5th Floor, New York, NY 10010

Ship to: [Empty]

Shipped? / /

Invoice: IN0016

Works Notes Shipment Misc.

Inventory #	Artist	Title	Retail	%	Discount	Sales Price
COR-004	Corot, Jean Baptiste Cz	Les Prés au Vieux Saule,	10,000.00	0	0.00	10,000.00

Work Discount: 10,000.00 .000 .00 10,000.00

Total Misc: .00
 SubTotal: 10,000.00

Prepared: 10/18/2006 By: [Empty] Tax Jurisdiction 1: NYC Sales Tax 8,2500 825.00
 Authorized: / / By: [Empty] Tax Jurisdiction 2: [Empty] .0000 .00
 Total: 10,825.00

10. Hyperlink to Contact Statistics to view new balance once new invoice is created. The new balance reflects the difference between the previous credit and the new amount due. ($\$10825.00 - \$8660.00 = \$2165.00$)

Buyer A Type: Collector Salesperson: JB

Business Notes **Statistics**

Work History
 Work Movement
 Payments Received
 Outstanding Works
 Payments Made
 Collection

Date	Receipt #	Invoice #	Payments	Balance	Notes
09/15/2006	Receipt# RE0006	Invoice# IN0013	7,861.25	0.00	
09/05/2006	Receipt# RE0005	Invoice# IN0013	10,000.00	0.00	

Balances: Receivable: 2,165.00
 Payable: .00
 Net: 2,165.00

Net Terms: Net %
 Calculate the Net to Consignor on the Sales Price

APPLYING CREDIT

11. In **Transactions** module, open the **first Received Payment** form. Note the balance on the first invoice displays as the amount of the work credited, though the invoice is paid in full. The amount actually received is the difference between the Received amount displaying and the credited amount. ($\$10,000.00 - \$8,660.00 = \$1340.00$)
12. Enter $\$1340.00$ as the amount Received. The balance now correctly returns to zero.
13. On the second line for the second invoice, apply the credited amount of $\$8660.00$.
14. Check Contact Statistics.

Transactions

Received from: Buyer A
11 West 25th Street
5th Floor
New York, NY 10010

Receipt: RE0005
Payment Method:
Reference #:

Works | Notes | Shipment | Misc.

Invoice #	Date	Invoice Total	Balance	Received
IN0013	09/01/2006	17,861.25	0.00	1,340.00
IN0016	10/18/2006	10,825.00	2,165.00	8,660.00

Prepared: 09/05/2006 By:
Authorized: / / By:

Total: 10,000.00

Balance on first invoice reflects credited amount.

The credit has now been applied and Contact Statistics are correct.

Contacts

Buyer A Type: Collector Salesperson: JB

Business | Notes | **Statistics**

Work History Work Movement **Payments Received** Outstanding Works Payments Made Collection

Date	Receipt #	Invoice #	Payments	Balance	Notes
09/05/2006	Receipt# RE0005	Invoice# IN0016	8,660.00	2,165.00	
09/15/2006	Receipt# RE0006	Invoice# IN0013	7,861.25	8,660.00	
09/05/2006	Receipt# RE0005	Invoice# IN0013	1,340.00	8,660.00	

Balances: Receivable: 2,165.00 Payable: .00 Net: 2,165.00

Net Terms: Net %
Calculate the Net to Consignor on the Sales Price

If further assistance is needed, please contact Artsystems Support.
Artsystems Support 212-620-5500 x 2
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