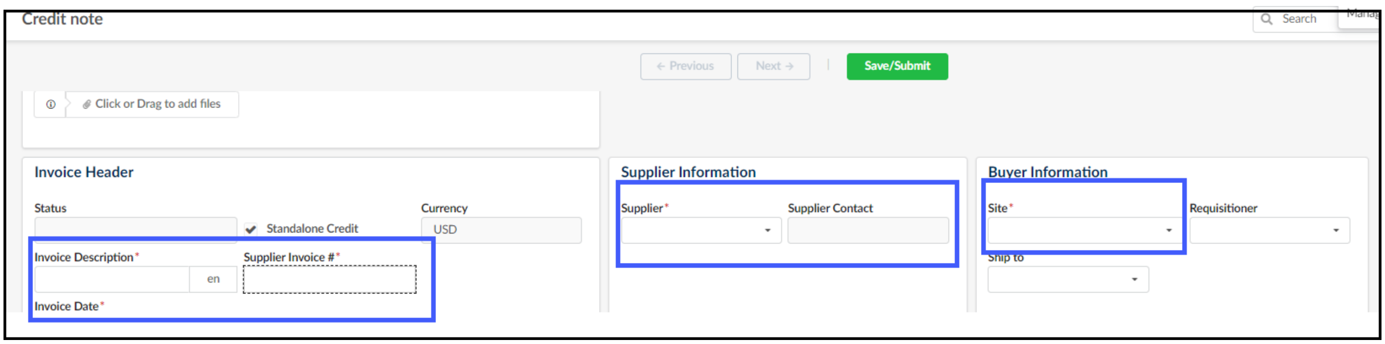
Creating and Applying Credit Notes

This document is a quick reference guide for Accounts Payable users who need to create and apply credit notes in the Arizona Procurement Portal (APP). If you have any questions, please contact the APP Help Desk at app@azdoa.gov. Additional resources are also available on the SPO website: https://spo.az.gov/.

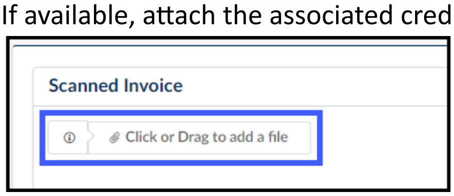
Credit notes are created when the State returns goods to the supplier, there was a price dispute, there was a discount given, or whenever there is a situation that requires the supplier to reimburse the State. Credit notes are created through the Browse Invoice page or by suppliers via the Supplier Portal.
When an invoice is being created, AP Techs are able to apply credit notes when creating an invoice. Credit notes should be applied during the Credit Note Association step of the invoice workflow. Once a credit note has been associated with an invoice, an AP Tech can click the Finish Credit Association button to have the credit note applied.

Creating a Credit Note

1. From any page in APP, navigate to the **Invoicing** drop-down menu and select **Browse** from the dropdown.
2. Click the **Create Credit Note** button.
3. Complete the **Invoice Description**, **Supplier Invoice #**, **Supplier**,**Supplier Contact, Site** and **Invoice Date** fields.



4. Use the **Orders** field drop-down to assign the created credit note to the appropriate PO.
   Note: Failure to complete this step can cause issues with the credit note being properly applied to the desired order.
5. Click **Save/Submit**.
6. If available, attach the associated credit note documentation in the **Scanned Invoice** section.

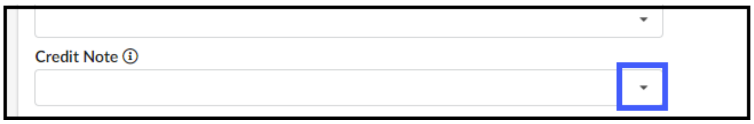


7. Click **Save**.

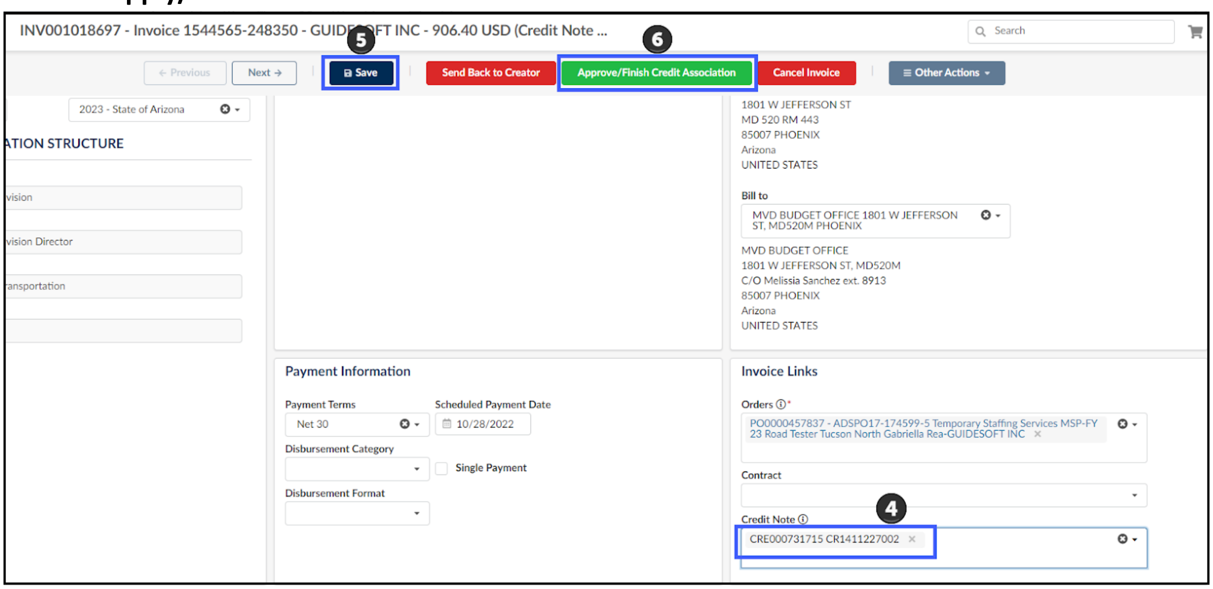
Applying Credit Note

Credit notes are applied during the Credit Note Association step of the Invoicing workflow.

1. From any page in the APP, navigate to the **Invoicing** drop-down menu and select **Browse** from the dropdown.
2. Click the **Pencil** icon for the invoice you would like to apply a credit note to.
3. Open the **dropdown** in the **Credit Note** field.



4. Select the applicable credit note.
5. Click **Save**.
6. Click the **Apply/Finish Credit Association** button.



7. The credit note has now been applied to the invoice and is visible in the Products/Services and Allocations sections.
   Note: The applied credit note amount cannot be greater than the invoiced amount. If this is the case, adjust the credit note amount in the UP Pretax field so that the total invoice amount is greater than zero.
8. Select the **Tax** for the credit note line item.
9. Update the budget information in the Allocations section for the credit note line item.
10. Click **Save**.
11. Update the **Total Inv. Amount** to be equal to the **Total (tax incl.)** amount that is listed in the Products / Services section.
12. Click **Save**.
13. Click **Submit for Approval**.