
Non-Student Accounts Receivable Processing Credit Memos

Processing Credit Memos In KFS

Customer Credit Memos (CRM) are used to cancel an invoice (or portion thereof). CRMs can only be processed on invoices with a balance due. When the eDoc is submitted, it will automatically route to the Fiscal Officer (FO) and the AR manager for approval. To ensure timely response/approval, please include adequate backup/support in the Notes and Attachments section. *Please note: once a credit memo is approved, the revenue which was initially credited to the department KFS account will be reversed.*

For additional step-by-step directions on how to complete a credit memo, please reference the [KFS Cash Operations and Accounts Receivable Procedural Guide](#).

When to Process a CRM:

- Customer Error (incorrect customer/customer name or address)
- Invoiced Item Returned/Service Never Provided
- Duplicate Invoice
- Invoice Error (incorrect amount billed, incorrect KFS account/object code)
- Invoice Never Relieved (payment received by department and processed on an Advance Deposit/Cash Receipt)
- Customer Dispute (charge cannot be validated)
- Improper Method of Billing (should have been processed on Internal Billing eDoc)

Examples of Acceptable Backup to Process CRM:

- Corrected/Replacement Invoice eDoc Number (entered in Notes and Attachments)
- Payment Received at department (advance deposit/cash receipt eDoc number entered in Notes and Attachments)
- Proof of item returned/service never provided

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If, when submitting a CRM, you cannot provide sufficient backup to justify the reversal, the AR Manager will ad hoc the Dean or Department Head for final approval.

When NOT to Process a CRM:

- Customer is Deceased
- Customer is Bankrupt
- Invoice is Deemed Uncollectable
- Settlement Agreement Reached between Customer and Legal Counsel

These accounts are considered write offs and are reviewed and prepared for approval on an annual basis by the Accounts Receivable Office.