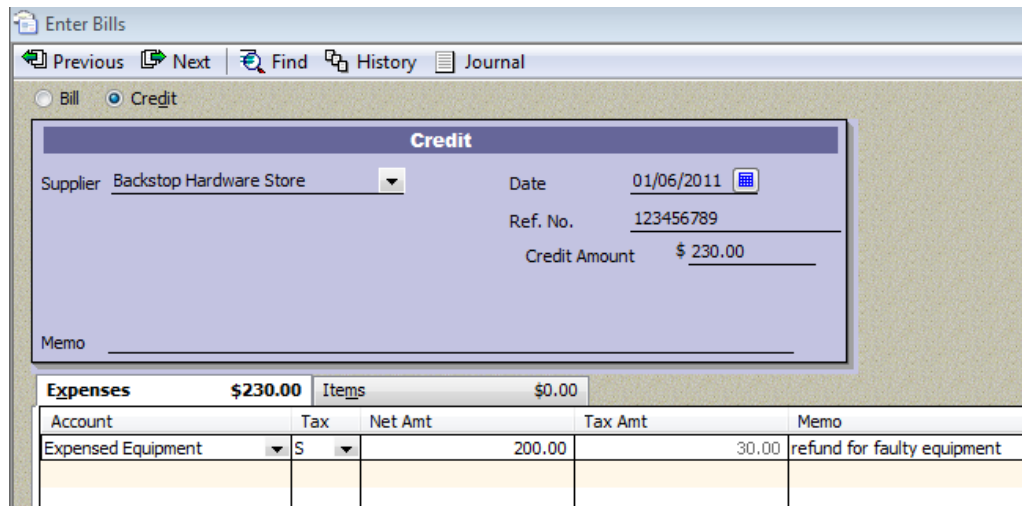
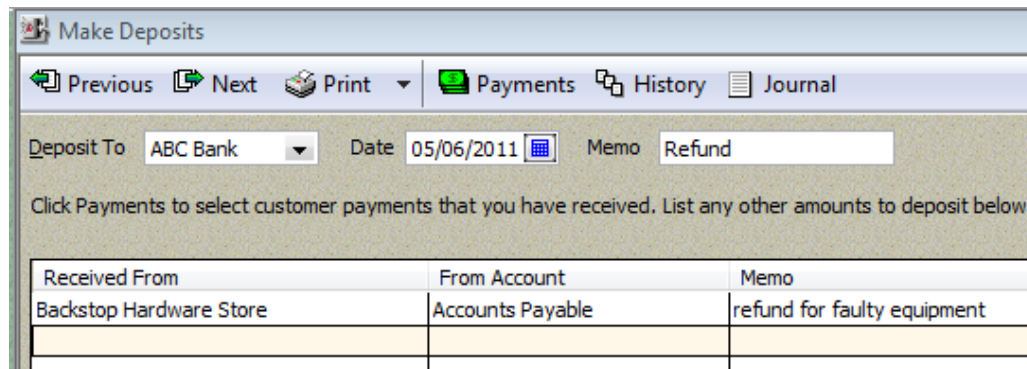


If you receive a refund from a supplier you can't just use the Record Deposits feature in QuickBooks as the GST will not be accounted for. The correct procedure is as follows:

Enter a Bill Credit for the amount of the refund. Code to whatever you coded the original transaction to so that they offset each other.



Under Record Deposits enter the refund amount and code to Accounts Payable.



Go to Pay Bills and you will see the deposit in the list there.

1. Highlight the transaction and tick the box
2. Click on Apply Credits (the bill credit amount will be there under Total Credits Available)
3. The Apply Credits window will open onscreen. The bill credit should be ticked and highlighted. Click on Done.
4. You will be back to the Pay Bills window. The Bill Credit amount will be in the Credits Used column and the Amount to Pay will be zero. Set the payment date to be the same date as the refund, check the bank account, and then click on Pay Selected Bills.

The screenshot shows the 'Pay Bills' window in QuickBooks. A dialog box titled 'Apply Credits' is open, showing details for a bill from 'Backstop Hardware Store' with an amount due of 230.00. The dialog also shows a table of credits:

Date	Ref. No.	Credit Amt.	Amt. To Use	Credit Balance
01/06/2011	123456789	230.00	230.00	0.00
Totals		230.00	230.00	0.00

The main 'Pay Bills' window shows a list of bills with columns for Date Due, Supplier, Ref. No., Amt. Due, Credits Used, and Amt. To Pay. The bill from Backstop Hardware Store is selected.

The screenshot shows the 'Pay Bills' window after the credits have been applied. The 'Apply Credits' dialog box is no longer present. The 'Pay Bills' window now shows a 'Totals' row with a balance of 0.00. The 'Credit Information for Highlighted Bill' section shows 'Number of Credits' as 0 and 'Total Credits Available' as 0.00. The 'Payment Date' is set to 05/06/2011. A 'Pay Selected Bills' button is visible at the bottom right.

The Payment Confirmation window will then come up and you are done.