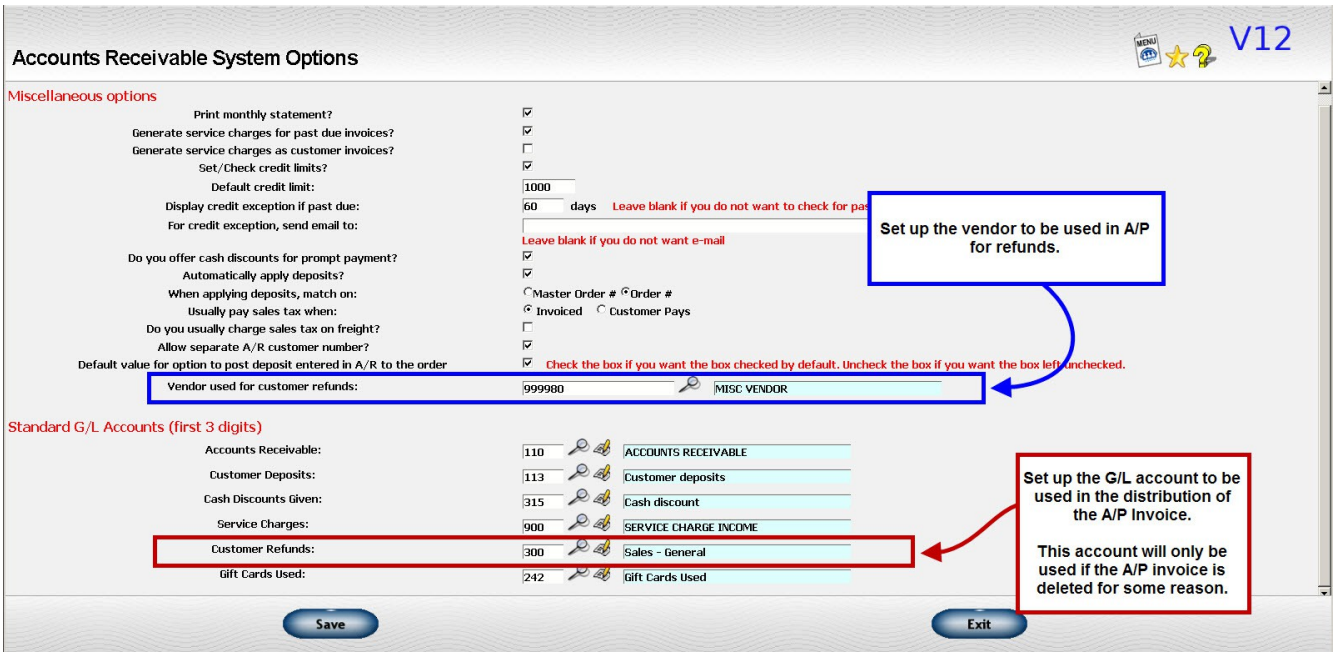
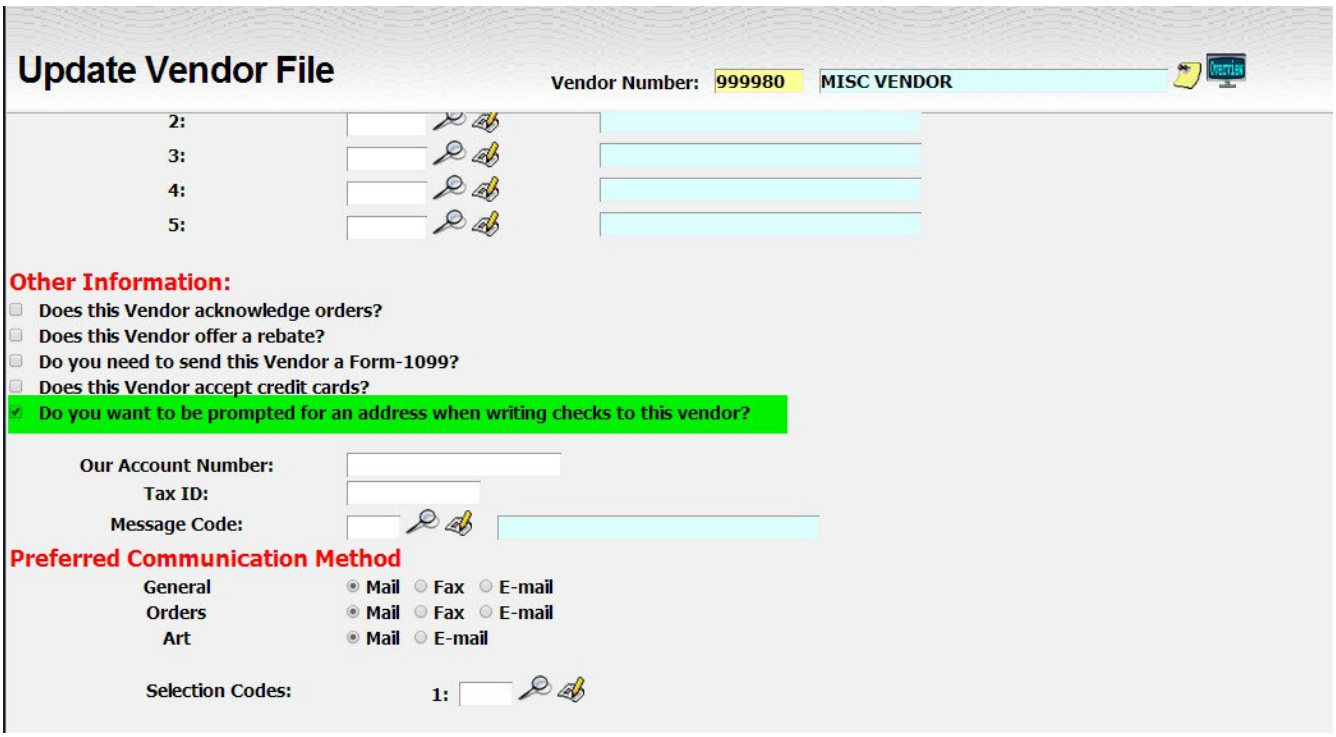
# Handling a Refund to a Customer

To use Lakeshore's refund option, you will need to make sure that your system options are set correctly. Go to Reference Information – System Options – Accounts Receivable and make sure that you have a Refund Vendor set up and that you have assigned a G/L account for Customer Refunds.




Make sure that that the box "Ask Address?" box is checked on the Update Vendor File for the Customer Refund Vendor.



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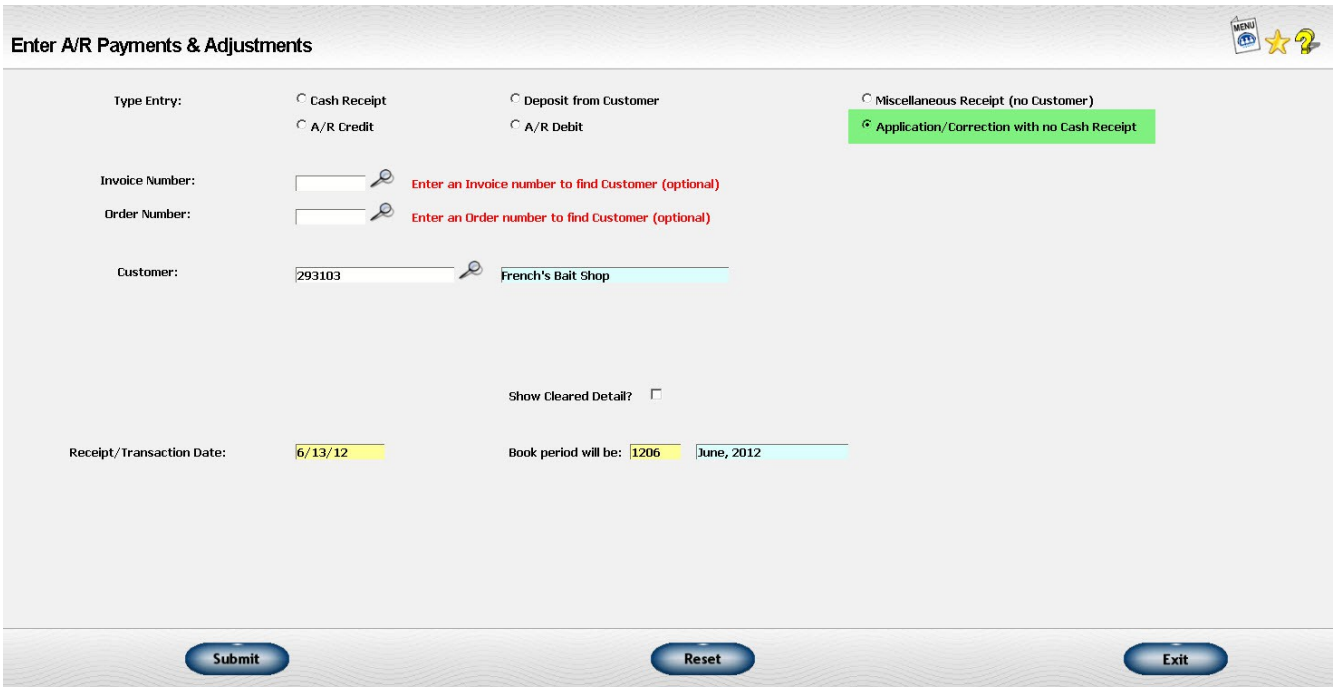
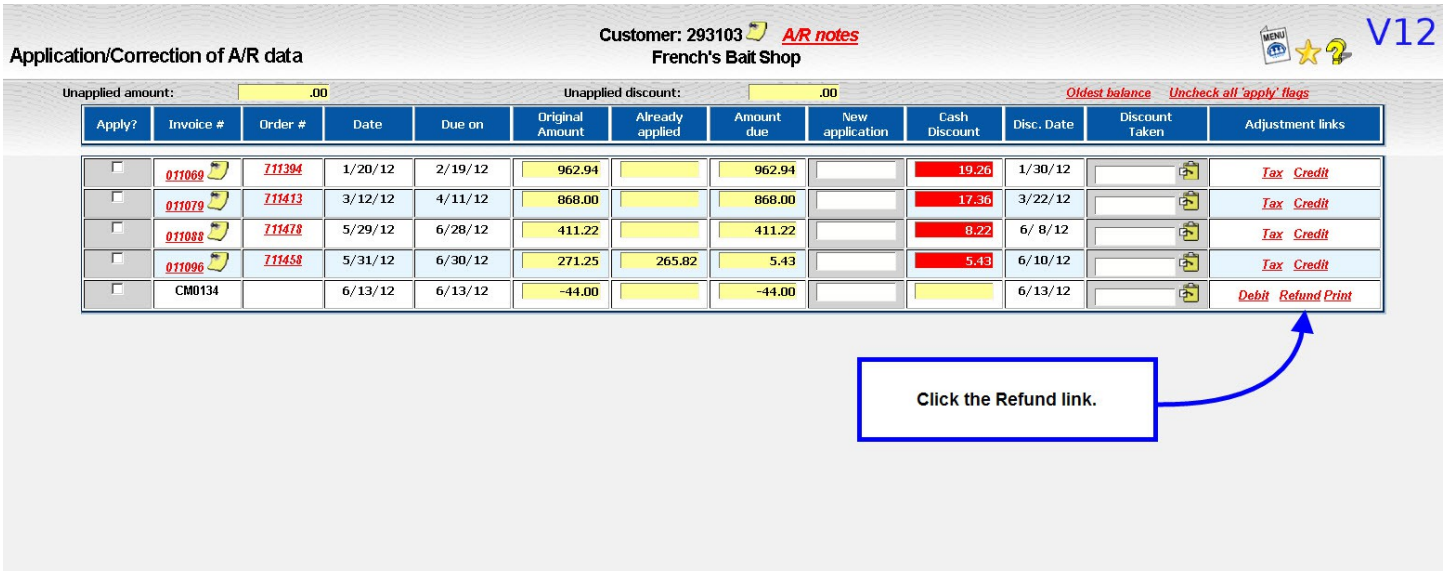
Now to do the refund, follow these steps.

1. Start a new Cash Receipts Session.
2. Go to Enter Payments and Adjustments and select "Application/Correction with no Cash Receipt"




3. Enter your customer number and click "Submit".
4. On the Application screen that opens, find the line that has the amount that you want to refund. To the right of the amount that you owe them, you will see a red link that says "Refund". Click this link.



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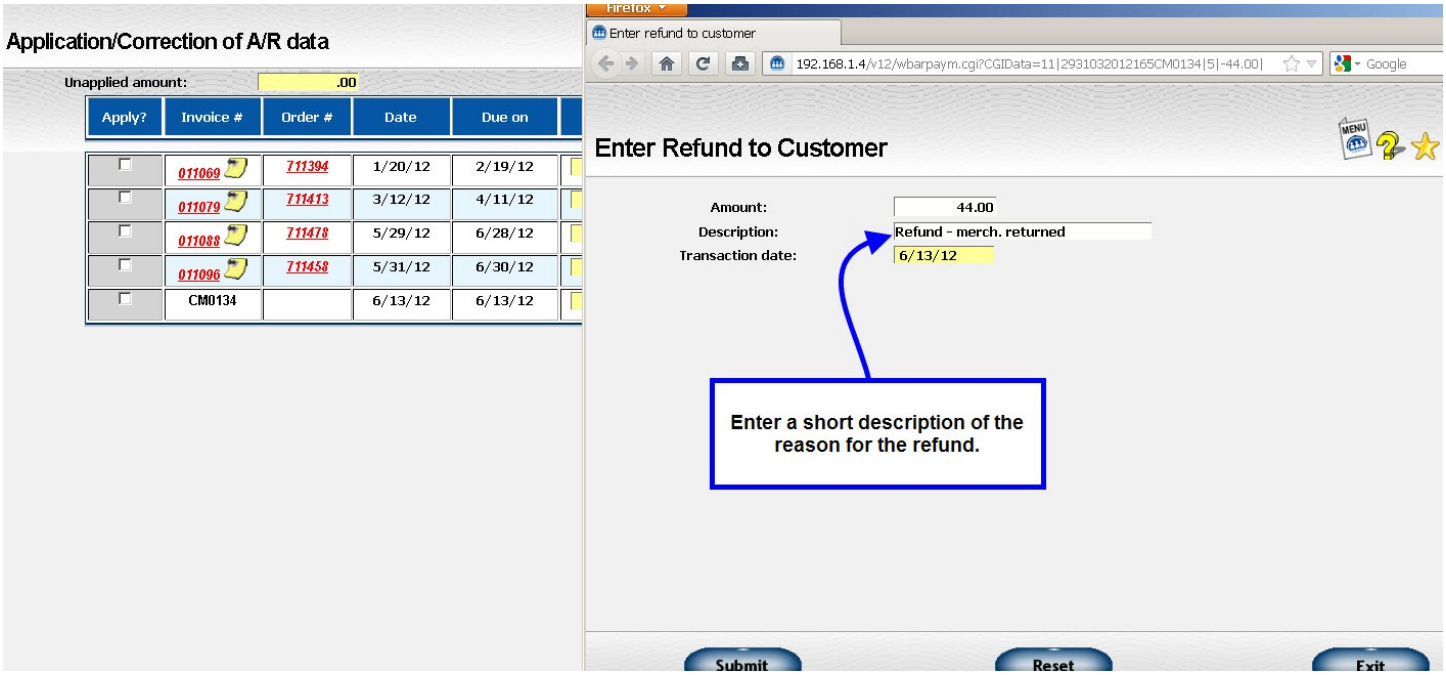
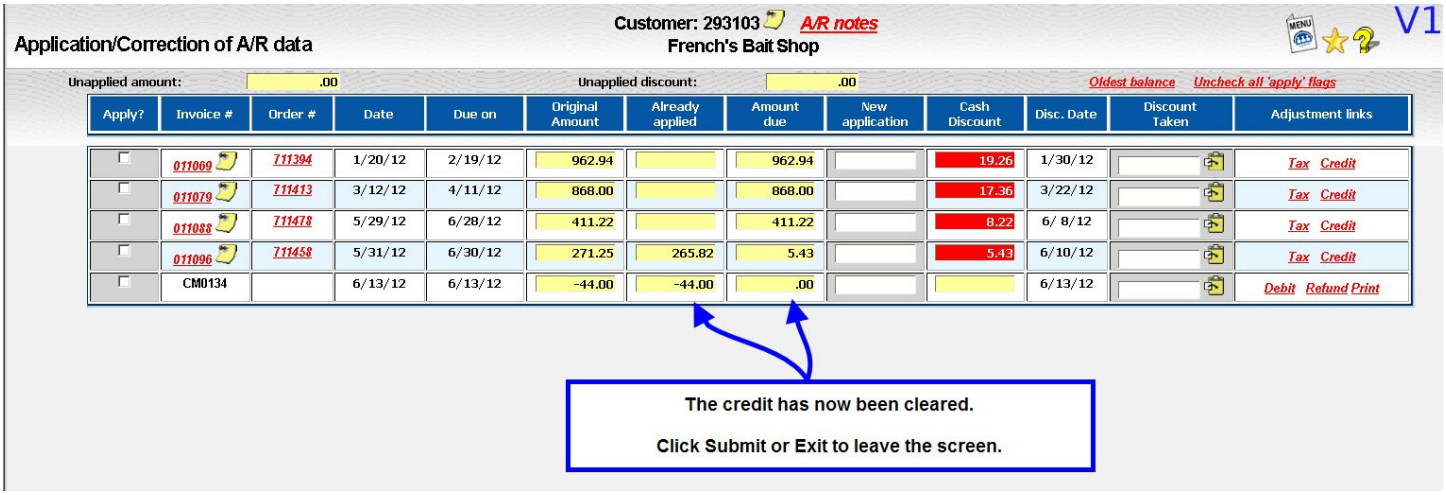
5. A new window will open for you to complete the information for the refund. Double check the amount and enter a short description of the refund. Once you have this done, click the "Submit" button which will close the Refund window.




6. You will notice that the invoice amount due has been cleared. Click the "Submit" button or the "Exit" button to leave the screen.




7. Once you close the Cash Receipts Journal, everything gets posted and a new invoice will be posted to the Customer Refund vendor. The invoice number will be the Customer Number of the customer getting the refund followed by a slash, then the debit memo number that cleared the credit on the customer. You can see this if you go to Accounts Payable – Display A/P Detail – Display A/P Detail by Vendor and enter the Customer Refund Vendor number.

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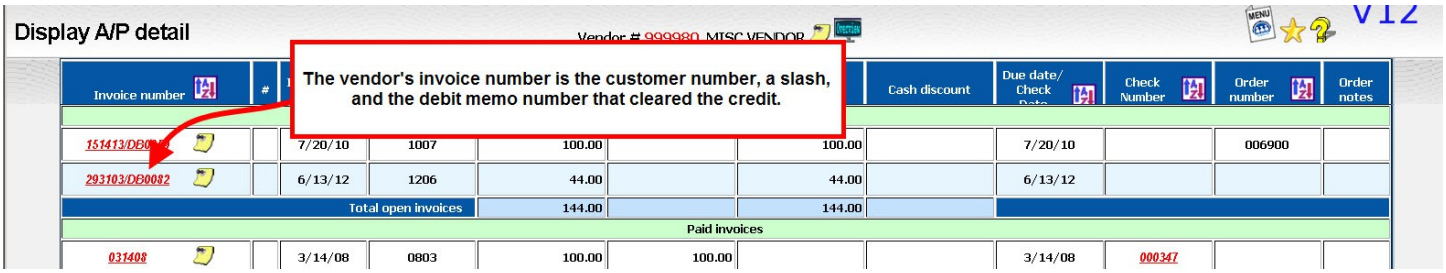
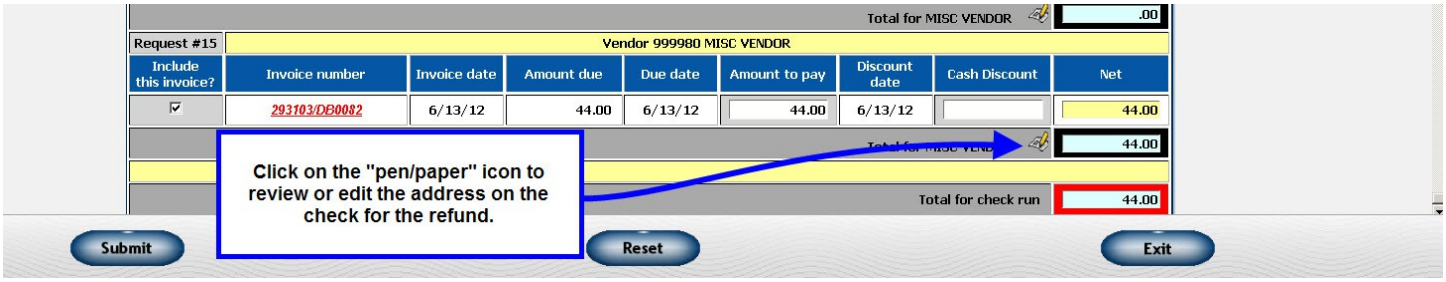
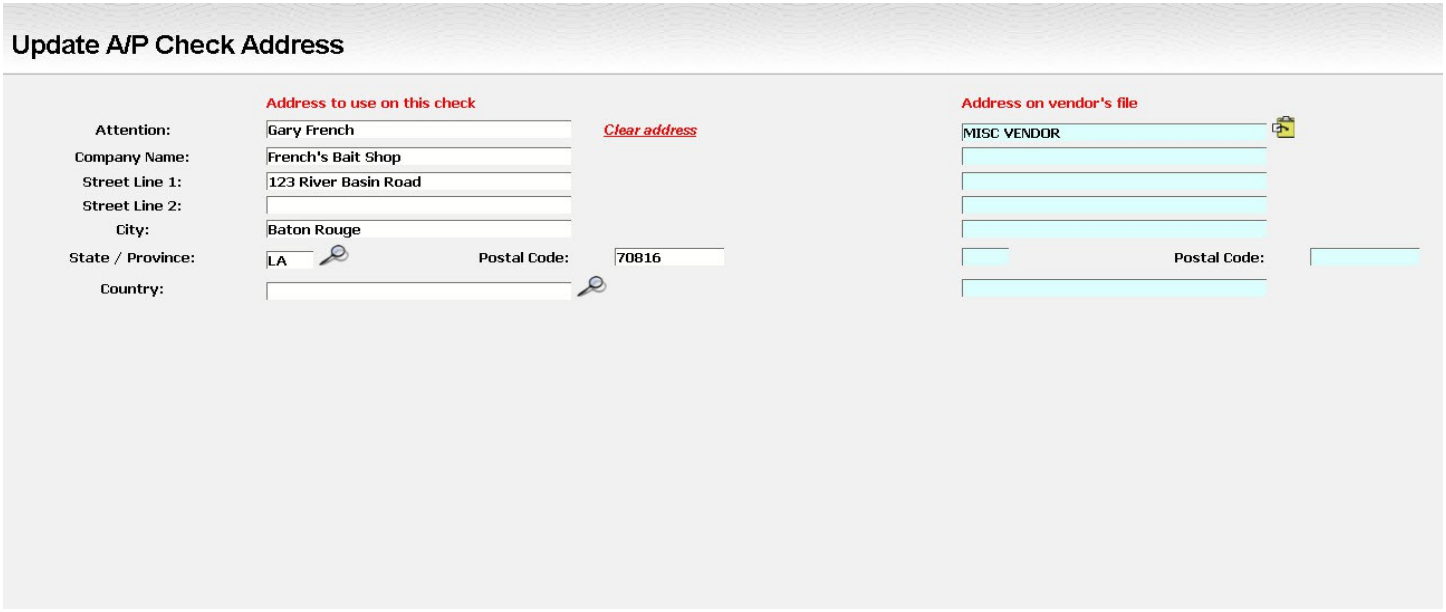
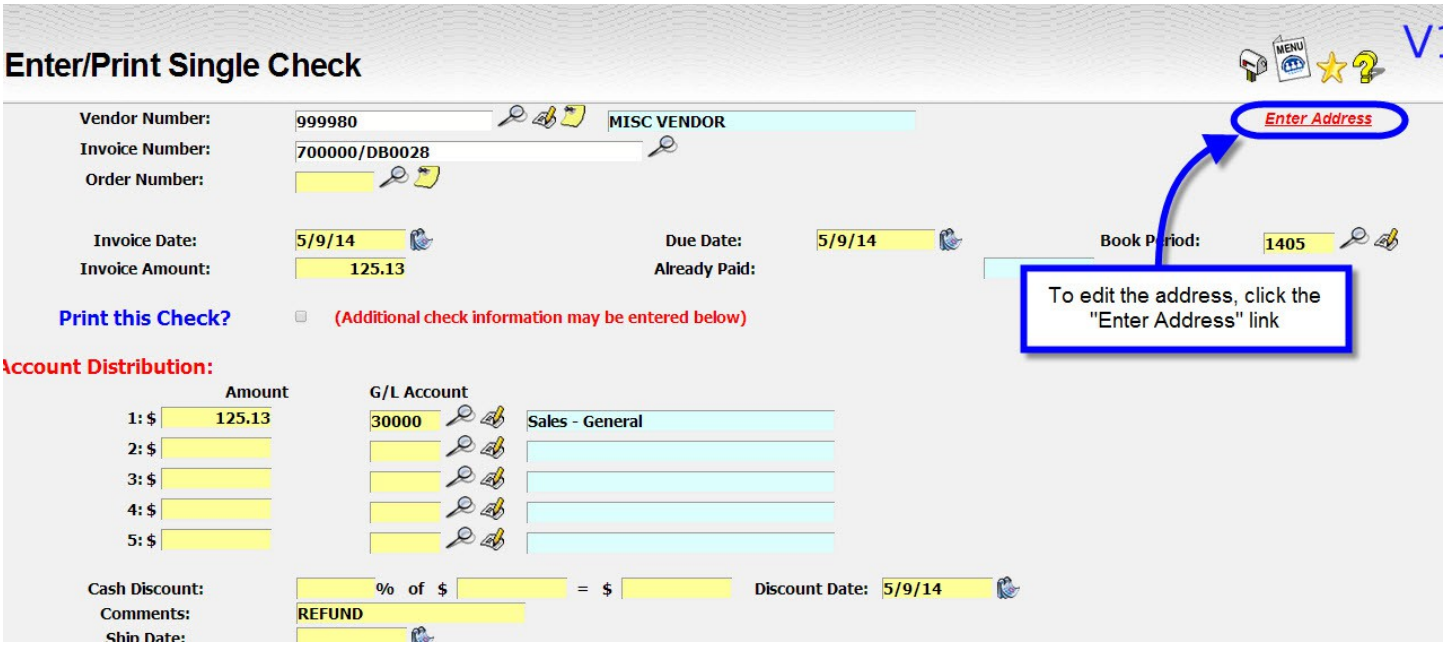



8. When you do your check run a check will appear for the Customer Refund Vendor. If you click on the pencil and paper icon next to the total of the check, a window will open that allows you to edit the address on the check. The customer's address should be filled in.




If you make changes to the address, make sure to click "Submit" to save the changes.

If you are cutting the check using "Enter/Print Single Check", then enter the Customer Refund Vendor and then the you can use the look-up to find the invoice number. To check the address or edit it, click the "Enter Address" link. If you make changes to the address, make sure to click the save button.

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