Credit Memo Processing

Creating, applying and deleting credit memos in Evolution

Two ways to issue a credit memo — from an existing invoice or manually — plus what Evolution does automatically afterward and how to delete one.

Overview

There are two ways to create a credit memo in Evolution: **from an existing invoice** or **manually**. A "Credit Memo" is also known as a "Credit Invoice."

Credit Memo from an Existing Invoice

During invoicing, if an incorrect amount is entered, the account can be credited immediately.

1. From the **A/R** menu, choose **Invoicing**.
2. Click the **Credit Memo** button (right side of the invoicing form) to open the **Create Credit Memo** form.
3. Type the **Case Number** and select **Go**. The system displays all invoice records for the case.
4. Select the invoice to highlight it, then **Save**. Evolution creates a new credit invoice by reversing the amounts on all line items (units are negative) and adds a Print Note referencing the case, original invoice number and date.

Applying a full credit

5. From the new credit invoice, select **Invoice** or **Invoice and Print**. The system creates a full credit and assigns an invoice number.

Applying a partial credit

6. Delete the line items you do NOT want to credit: right-click the line and choose **Delete Current Line Item**, then **Yes** to confirm.
7. Once adjusted, click **Invoice** or **Invoice and Print**. Evolution creates the credit memo and confirms the invoice.

After the Credit Memo is Created

Evolution immediately updates the doctor account, case history and accounting history.

- If the original invoice was **unpaid**, the credit memo is applied to it automatically.
- If the original invoice was **paid** (and your security profile allows the Payment Entry form), Evolution opens Payment Entry to the bill-to account so you can apply the credit to any unpaid or partially paid invoice.

Note: To apply the credit balance, follow the steps under **Applying an Unapplied Payment** in the

Payment Processing Operations guide. The Notes field shows the credit memo information.

Manual Credit Memo

A manual credit memo can be created at any time.

8. From the **A/R** menu, choose **Invoicing**, then click **Credit Memo**.
9. Click **New Case** — Evolution sets the form to create a new invoice record.
10. Select the **Doctor** and **Address** (if more than one), type the patient's name, and select one **Service** to include. Click **Save**, then **OK** at the new-case prompt.
11. Edit the credit memo as needed (add services, adjust units/price/line items) and **Save**.
12. Click **Invoice** or **Invoice and Print**, then **OK**. If your profile allows the AR Payments form, you may apply the unapplied payment toward existing balances.

Note: When a manual credit memo is created, Evolution also creates a Case — it cannot have an invoice without a case. The doctor account, case history and accounting history update immediately.

Deleting a Credit Memo

You may delete a credit memo in the month it was created.

13. Go to **A/R > A/R History** and navigate to the account. The credit memo appears at the bottom under the Payments grid.
14. If the credit memo was previously applied, right-click its row and choose **Un-Apply Credit Memo Payment**, then **Yes**. Right-click again and choose **Delete Un-Applied Credit Memo Payment**.

Note: If the credit memo was never applied, the **Delete** option appears the first time you right-click.

Need help?

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