Credit Note Manual

This manual is designed to help you and your team understand how to process a Credit Note/Write Off.

onelaw

Table of Contents

Administration Settings

Set up and edit credit note narrations and write-off reason codes in the Administration tab under 'Manage Codes' (see Figure 1 below).

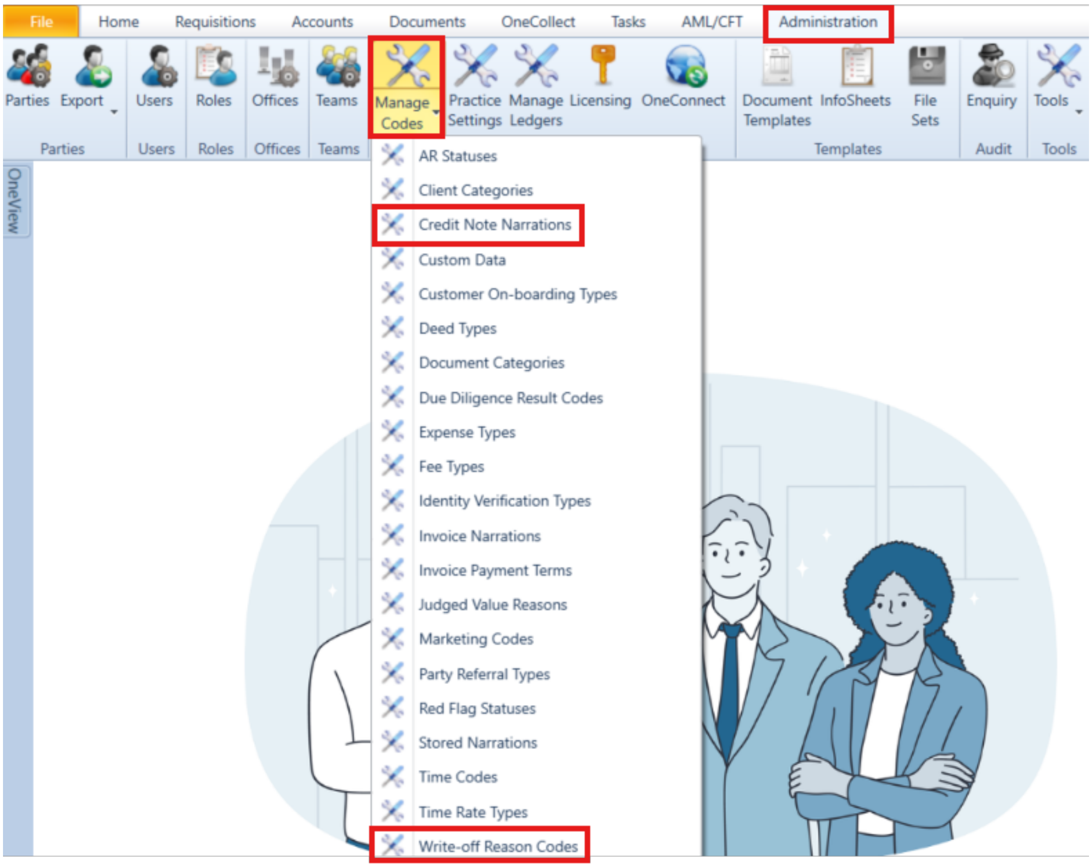

Figure 1.

The credit note narration is linked to the write-off reason code default narration. Click the green plus to add in a credit note narration (see Figure 2 below).

Credit Note Narrations

Name	Narration
Closing File	W/O remaining WIP to close matter
Discounted	Written off as part of negotiation to get balance of account
Disputed	Written off as a result of a complaint or claim
Insolvency	Client either bankrupt or in receivership etc.
Pro-Bono	Pro-bono work completed by firm
Staff Discount	Staff personal matter, not chargeable
Untraceable	Client is gone no address - unable to locate
W/Off Exp/Disb	Write off Expense/disbursement
W/Off Small Balance	Small balance that is uneconomic to pursue

.

Figure 2.

Add write-off reason codes by clicking the green plus (see Figure 3 below). Once the code field has been set and saved it cannot be edited. The description field links to the management reports. Default narration (as set in the credit note narration screen) links into the credit note posting screen.

Write-off Value Reason Codes

Code	Description	Active	Credit Note
CLOSE	Closing File	Yes	Closing File
DIS	Discount	Yes	Discounted
DISPUTE	Disputed	Yes	Disputed
INSOL	Insolvency	Yes	Insolvency
Pro-Bono	Pro-Bono	Yes	Pro-Bono
SP	Short Paid	Yes	
STAFF	Staff Discount	Yes	Staff Discount
UNTRAC	Untraceable	Yes	Untraceable
W/Off Exp/Disb	Write Off Expense/Disbursement	Yes	W/Off Exp/Disb
W/Off Small Bal	Write off Small Balance	Yes	W/Off Small Balance

Figure 3.

Credit Notes Explained

Credit notes can be used to:

+ Fully write-off a fee and its attached expenses and/or disbursements.
+ To partially or fully write-off a fee value and not the expenses/disbursement items included in the overall bill
+ To write-off only the expenses and/or disbursement amounts in a bill (i.e. leaving the fee value the same)

Credit notes allocate the write-off amount against the author/s in the bill in relation to how the fee was first processed. It is possible to manually override and allocate the write-off in an alternate split. It is also possible to add in a new author in which to allocate the full fee write-off against.

Process a Credit Note/Write-off

Find the invoice that is to be written off by searching for it in the client/matter. Double click to open the bill details screen (see Figure 4 below).

Click 'Write-off.'

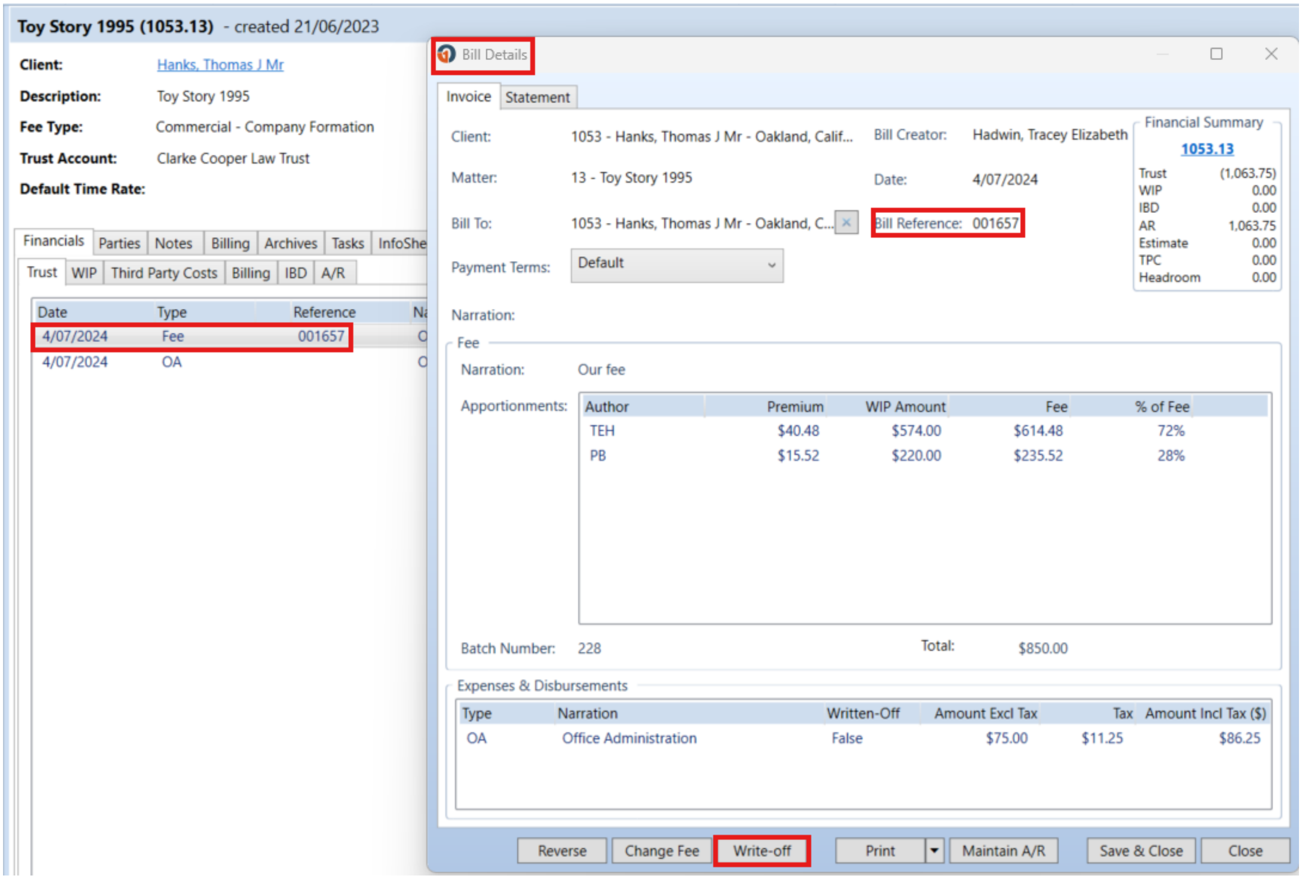

Figure 4.

This will open the Credit Note posting window.

In the example below (Figure 5) a partial write-off of the fee amount (writing off $100 worth of fees) is shown.

This write-off will pro rate itself against the author/s using the same percentage at which they were credited with the initial fee. It is possible to manually change the write-off allocation to each author by clicking the edit cog in this screen. See page 6 for these details.

The expense that was attached to this bill has been unticked to avoid writing it off at the same time. Check the bill write-off total to make sure the value being written off is correct.

'Save & Close' will give the option to print the credit note and/or manage it to the matter and the option to apply the credit to the account rendered.

TIP: By putting the invoice number in the narration (for invoice and trust A/C) field this will easily identify the credit note to the invoice it relates to.

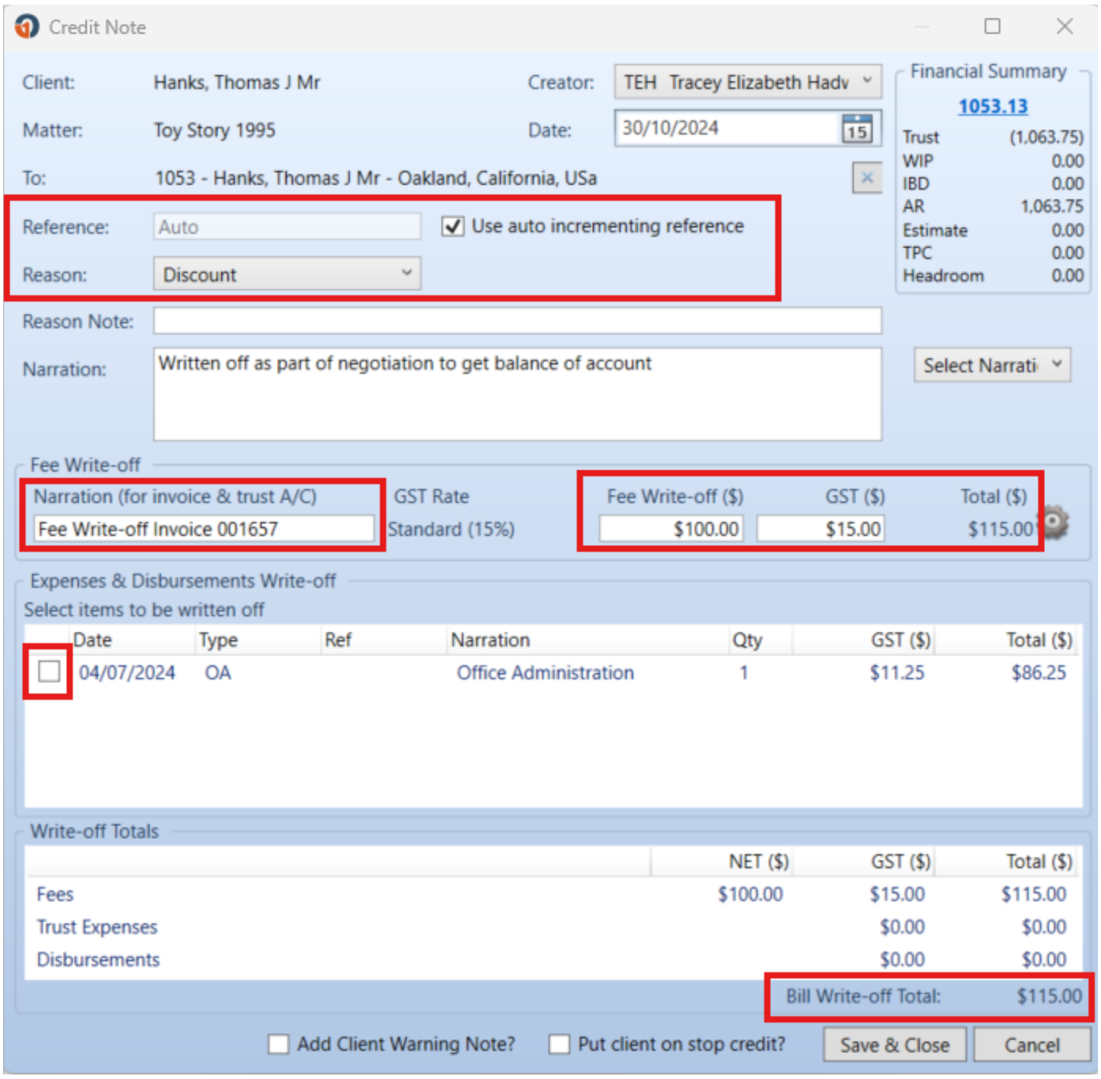

Figure 5.

In the example below (Figure 6) the expense transaction is being written off (if there is more than one expense/disbursement, ensure the items that are not being written off are unticked). Follow these steps:

1. Ensure the fee write-off ($) field is set to 0.00
2. Tick the expense/s or disbursement/s that are to be written off
3. Ensure all the other expenses/disbursements that are not to be written off are unticked
4. Check the bill write-off total is for the total sum to be written off
5. ‘Save & Close’ will give the option to print the credit note and/or manage it to the matter and then the option to apply the credit to the account rendered

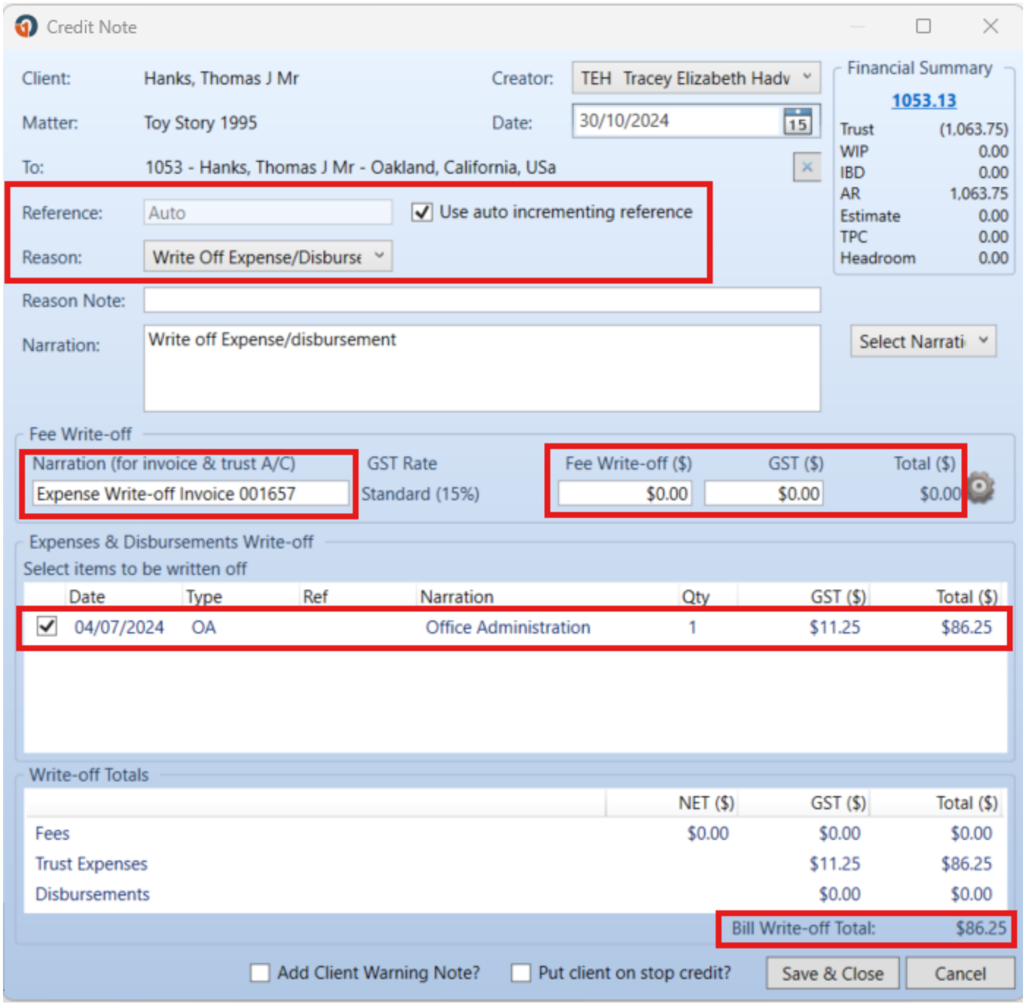

Figure 6.

To edit the fee split in a credit note, click the edit cog on the credit note posting screen (see Figure 7 below). Manually edit the fee write-off per author (i.e. zero out one author and assign the full write-off against the other author).

Add in a new author by clicking the green plus sign, selecting an author from the drop-down list and manually adjusting the fee write-off fields (i.e. zero out the other author/s and credit the full write-off value against the new author just added).

Delete an author by clicking the red minus sign (see Figure 7 below). To save this screen the 'Out of Balance' amount must be $0.00. Click 'OK' to save changes to go back the credit note posting screen. 'Save & Close' will give the option to print the credit note and/or manage it to the matter (see Figure 8 below) and then the option to apply the credit to the account rendered (see Figure 9 below).

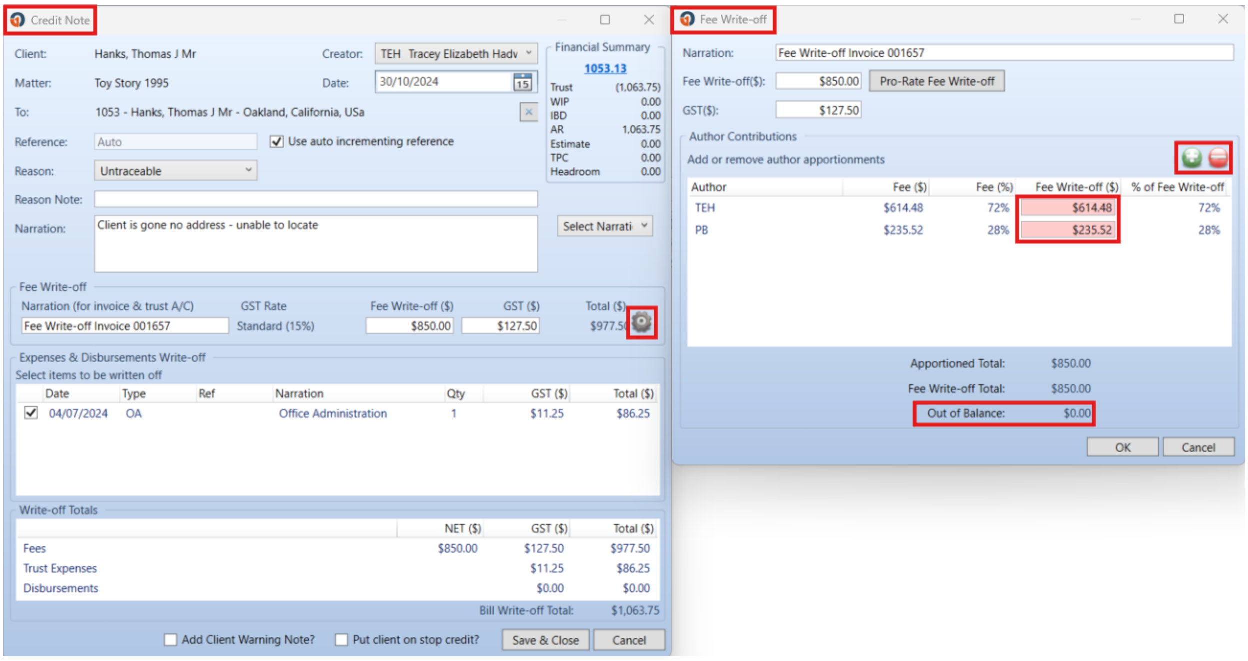

Figure 7.

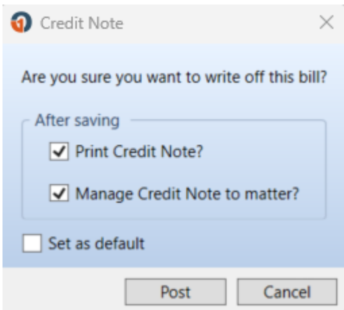

Figure 8.

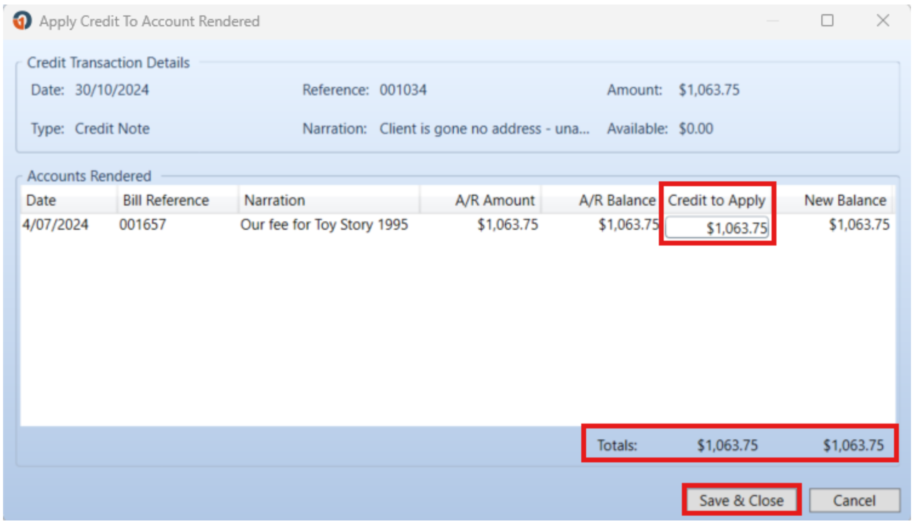

Figure 9.

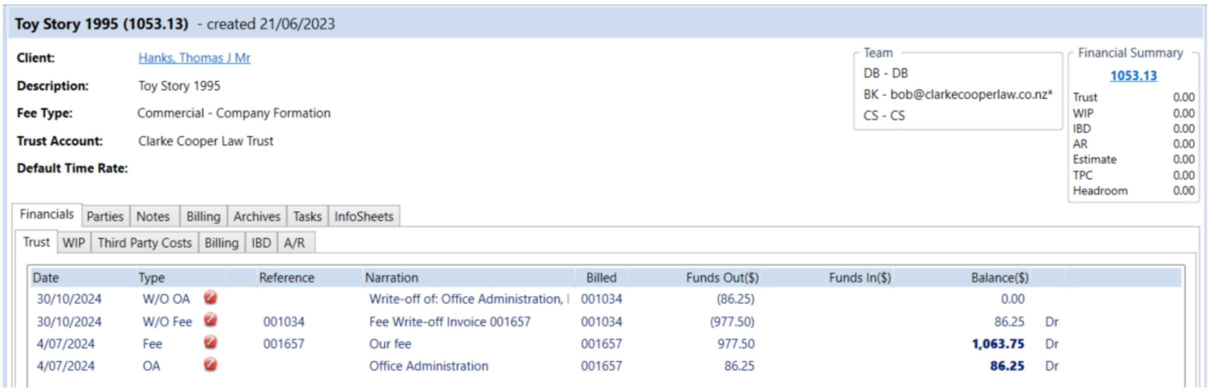

Figure 10 - Client trust ledger after full credit note write-off.

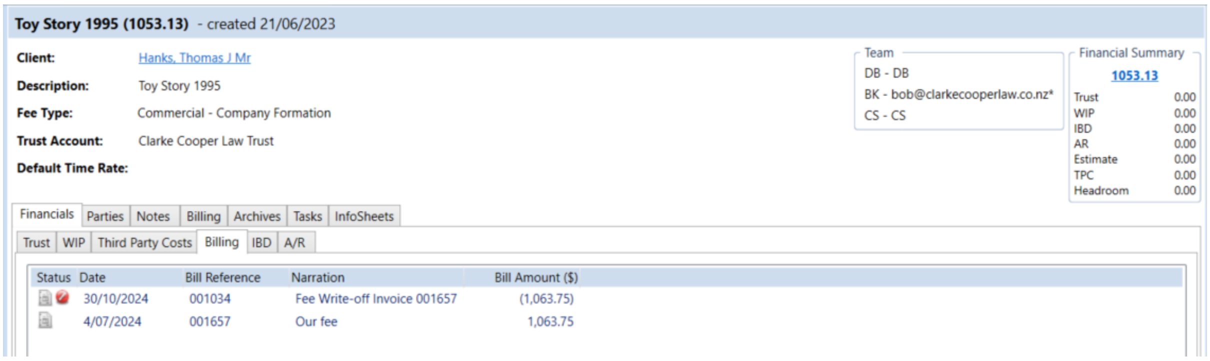

Figure 11 - Client Billing tab after full credit note write-off.

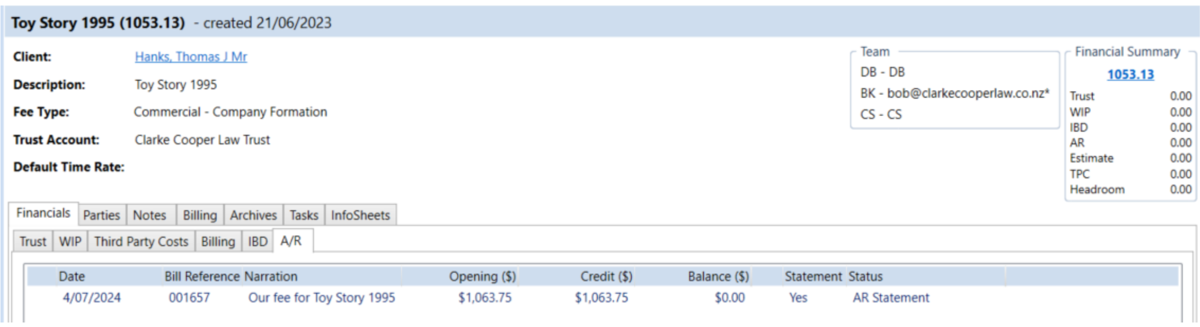

Figure 12 - Client A/R tab after full credit note write-off.