

QUICK REFERENCE GUIDE

Processing Refunds

October 31, 2016

Processing Refunds

This topic includes the steps needed to generate a refund in the Accounts Receivable module and to send the refund item to the Accounts Payable module for payment to the vendor. SWIFT enables you to process refunds whenever a credit exists on the customer's account. A credit is created for a customer by entering a credit bill in the Billing Module or by applying a payment "On Account" in the Accounts Receivable module. Before processing the refund, you must enter the Customer's Vendor ID on the Customer record. Customer and Vendor must be linked together for this process to work. The steps to do this are included in this guide.

The Agency Receivable Specialist creates a Maintenance Worksheet in the Accounts Receivable module to process the refund. This enables the user to select the credit items to be refunded by customer or by item reference number. The Maintenance Worksheet refunds items with credit balances or creates a new refund for credits remaining from maintenance tasks. The Receivable Specialist may issue a full or partial refund of a credit item.

Once the worksheet is completed and saved, the ARUpdate process prepares the refund for processing, and then the Receivables Refund process picks up the refund request and creates the necessary records in Accounts Payable. Both processes are run nightly in batch processing. Both can also be run manually. The steps to run these processes manually are included in this AR/BI 3 Accounts Receivable User Guide.

After the maintenance worksheet is completed and the ARUpdate and Receivables Refund processes ran in Accounts Receivable, the vouchers must be processed by Accounts Payable staff in order for the customer refund to be paid. Accounts Receivable staff are responsible for coordinating with staff in Accounts Payable to make sure these steps are completed.

Note: If you do not want tax to be calculated on the AP voucher refund, the AR staff must notify the AP staff that this transaction should be tax exempt. The AP staff will need to check the tax-exempt box on the Invoice Information tab of the voucher; otherwise tax will be calculated based on the tax code used.

In the example used in this topic, a customer has paid a bill in the amount of \$75 twice and has requested a refund of the second payment. The customer's account activity shows a \$75 On-Account credit.

Acctg Date	Item ID	Line	Entry Type	Entry Reason	Entry Amount	Entry Currency	Unit
12/03/2014	00000223119	1	IN		75.00	USD	G1001
12/10/2014	00000223119	1	PY		-75.00	USD	G1001
12/10/2014	00000223119	1	PY		75.00	USD	G1001
12/12/2014	QA-71506	0	OA	OVRPY	-75.00	USD	G1001

Steps to complete:

- Step 1: Verify the Customer's Vendor ID on the Customer Record
- Step 2: Complete the Maintenance Worksheet Selection page
- Step 3: Apply the Payment to the Customer Account on the Worksheet Application page
- Step 4: Select a Posting Action for the Worksheet on the Worksheet Action page
- Step 5: Run the ARUpdate Manually or Wait for the Batch
- Step 6: Run the Receivable Refund Process Manually or Wait for the Nightly Batch
- Step 7: Communicate with the Accounts Payable

Step 1: Enter the Customer's Vendor ID on the Customer Record

In order to process a refund, the customer you are refunding must have a Vendor ID number associated to its Billing Customer record. Without a vendor number, the voucher cannot be generated in Accounts Payable. If you are certain the customer already has a Vendor ID entered on the Customer record, you may skip this step and begin the refund worksheet.

If you do not know the Customer's Vendor ID, you must do some research to see if a vendor number exists for the customer. You may need assistance from procurement or accounts payable staff to do this research. If a vendor number does not exist, you must obtain a *Vendor ID* for this customer before processing a refund. Follow your agency's business process for requesting a *Vendor ID*. There are two types of *Vendor IDs*:

- Regular – use this if you expect to be processing additional refunds for this customer sometime in the future or if the receivable coming from AR contains multiple lines which are considered additional refunds.
- One-time – use this if you will not be processing any other refunds for this customer and the receivable does not contain multiple lines.

You may need to provide the customer's Tax Identification Number (TIN) when you request the Vendor ID.

Once you know the Vendor ID, follow the below steps to enter the Customer's Vendor ID on the Customer record.

Begin by navigating to the *General Information* page for the customer you will refund.

1. **Navigation Links:** Customers, Customer Information, General Information.
2. At the *General Information* page, click the **Find an Existing Value** tab.
3. Enter the *SetID* (usually the same as your Business Unit).
4. Enter the *Customer ID*.

Favorites | Main Menu > Customers > Customer Information > General Information

General Information

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value Add a New Value

Search Criteria

SetID: = G1001

Customer ID: begins with 0000000001

Name 1: begins with

Name 2: begins with

Telephone: begins with

City: begins with

State: begins with

Postal Code: begins with

Include History Case Sensitive

Search Clear Basic Search Save Search Criteria

5. Click on the **Search** button.
6. If there are multiple entries in the **Search Results** section, click on the link for the customer you want to refund.
7. At the *General Information* page for the customer, click the **Miscellaneous General Info** tab.

Favorites | Main Menu > Customers > Customer Information > General Information

General Info Bill To Options Ship To Options Sold To Options **Miscellaneous General Info**

SetID: G1001 Customer ID: 0000000001 Hennepin County Research, Planning & Dev

Miscellaneous General Info

*Name 1: Hennepin County Research, Planning & Dev

Name 2:

Name 3:

Tax ID:

Vendor SetID: SHARE Vendor ID: 0000197294 [Vendor Information](#)

Workflow User:

Customer Web Site: [Go To Website URL](#)

Stock Symbol: [Go To Stock Symbol](#)

Sub Customer Information

SubCustomer

SubCustomer 1: SubCustomer 2:

Date Last Maintained: 12/10/2014 Last Maintained By Operator ID: 00637298

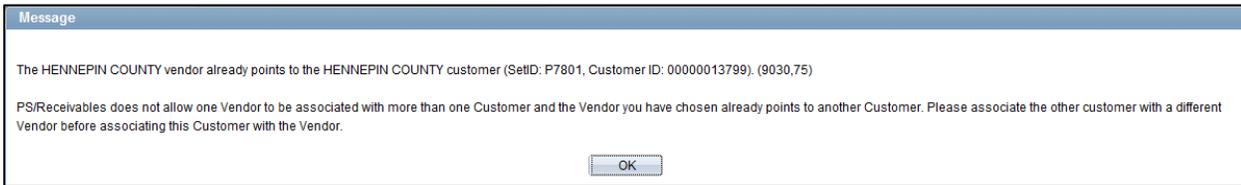
[General Info](#) General Info Links: ...More

Save Return to Search Notify Refresh Add Update/Display Include History

[General Info](#) | [Bill To Options](#) | [Ship To Options](#) | [Sold To Options](#) | [Miscellaneous General Info](#)

8. Enter "SHARE" for the *Vendor SetID*
9. Enter the Customer's *Vendor ID*.
Note: You can verify the details associated with the *Vendor ID* by clicking the *Vendor Information* Link.

You may receive the below error message that the vendor already points to a customer in a different *SetID* (agency Business Unit). The message will also display the *SetID*, and *Customer ID* that the vendor is currently pointed to.



You will not be able to enter the Vendor ID on your Customer record until the other agency has removed the Vendor ID on their customer record. You will need to contact the SWIFT Helpdesk or the other agency and request that the Vendor ID be removed from the other agency's customer after their refund has processed.

You should also remove the Vendor ID from your customer after your refund is processed so that another agency will not experience the same error.

Step 2: Complete the Maintenance Worksheet Selection page

The next step in processing a refund is to create a maintenance worksheet. You can select the credit to be refunded by entering customer information and searching for any open credits. You can also enter one or more reference numbers to identify the credits to be refunded. This is the more common method and is used as an example in this topic.

Most often the credit to be refunded is an "On Account" (OA) payment that the customer would like returned. Occasionally, a refund is processed against a credit invoice with an entry type "CR". This topic uses the OA credit example.

Note: As of the printing of this manual, there is a budget-related issue regarding refunds of credit invoices which does not impact the issuance of the payment check but may require a correcting journal entry. Agency Assistance is able to identify the transactions at issue and will contact you with any additional steps that may be required.

Begin by navigating to the *Create Worksheet* page.

1. **Navigation Links:** Accounts Receivable, Receivables Maintenance, Maintenance Worksheet, Create Worksheet.
2. Select the **Add a New Value** tab.
3. Accept the default *Worksheet Business Unit* or enter a *Business Unit*.
4. Accept the default "NEXT" for the *Worksheet ID* and the system will automatically assign the next number available when the worksheet is saved.
5. Click on the **Add** button. The *Worksheet Selection* page displays. Use the *Worksheet Selection* page to select the items that will appear on the worksheet.
 - You can select Items by customer using the fields in the **Customer Criteria** section or by *Item* using fields in the **Reference Criteria** section. You can also use the Customer and Reference criteria in combination.
6. Optionally, enter the desired **Customer Criteria** described below. (In this example, no Customer Criteria is used. We know the Item ID for the Item we want to refund.)

Favorites | Main Menu > Accounts Receivable > Receivables Maintenance > Maintenance Worksheet > Create Worksheet

Worksheet Selection | Worksheet Matches

Unit: G1001 Worksheet ID: NEXT

Customer Criteria

*Customer Criteria: **Customer Reference** Find | View All | First | 1 of 1 | Last

Cust ID: Business Unit: + -

Name:

Remit SetID: Remit From ID:

Corporate SetID: Corporate ID:

Rate Type: Acctg Date:

MICR ID:

Reference Criteria

*Reference Criteria: **Item Reference** Personalize | Find | View All | First | 1 of 1 | Last

*Restrict to:

Qual Code	Reference	To Reference
<input type="text"/>	<input type="text"/>	<input type="text"/>

*Match Rule:

Anchor BU:

Item Inclusion Options

All Items Deduction Items Only Items in Dispute Only

Exclude Deduction Items Exclude Collection Items Exclude Dispute Items

Item Selection Filter

Acctg Date From: Acctg Date To:

AR Specialist: Deduction Reason: Broker ID:

Worksheet Action

 Created Date/Time: Number of items in worksheet: 0

Worksheet Selection [Worksheet Application](#) [Worksheet Action](#)

Field Name	Description
Customer Criteria	The default is "None." Generally you will accept the default to allow the broadest search. Other options available in the drop-down list allow you to restrict the type of items searched to "Corporate Items," "Customer Items," or "Remit From Items."
Cust ID	Enter the <i>Customer ID</i> or click on the Lookup icon to search for and select a <i>Customer ID</i> .
Rate Type	Always "CRRNT."
Acctg Date	Confirm the accounting date. Defaults to current date. Generally, this should not be changed.
MICR ID/Link MICR	These are not used in Minnesota.

- Optionally, use the **Reference Criteria** section to specify which items will be selected when you build the worksheet. In this example, **Reference Criteria** are entered on the worksheet since we know the *Item ID* for the item we want to refund.

The screenshot shows the 'Create Worksheet' interface with the following sections:

- Unit:** G1001, **Worksheet ID:** NEXT
- Customer Criteria:**
 - *Customer Criteria: None
 - Customer Reference: Find | View All | First | 1 of 1 | Last
 - Cust ID: []
 - Business Unit: []
 - Name: []
 - Remit SetID: []
 - Remit From ID: []
 - Corporate SetID: []
 - Corporate ID: []
 - Rate Type: CRRNT
 - Acctg Date: 12/12/2014
 - MICR ID: []
 - Link MICR button
- Reference Criteria:**
 - *Reference Criteria: Specific Value
 - *Restrict to: All Customers
 - *Match Rule: Exact Match
 - Anchor BU: G1001
 - Currency: USD
 - Item Reference: Personalize | Find | View All | First | 1 of 1 | Last
 - Table with columns: Qual Code, Reference, To Reference
 - Table content: I, OA-71506
- Item Inclusion Options:**
 - All Items
 - Deduction Items Only
 - Items in Dispute Only
 - Exclude Deduction Items
 - Exclude Collection Items
 - Exclude Dispute Items
- Item Selection Filter:**
 - Acctg Date From: []
 - Acctg Date To: []
 - AR Specialist: []
 - Deduction Reason: []
 - Broker ID: []
- Worksheet Action:**
 - Build button
 - Clear button
 - Created Date/Time: []
 - Number of items in worksheet: 0

Field Name	Field Description
Reference Criteria	Must = "Specific Value". After you enter the Reference, the value will automatically change to "Specific Value".
Qual Code	Select "I - Item".
Reference	Enter the Item to be refunded or click on the Lookup to search for the Item. (This is generally an "On Account" (OA) Item. Occasionally, a refund is processed against a credit invoice with an entry type "CR".)
Anchor BU	Enter the Business Unit, if not already supplied in the Customer Criteria section.
Currency	Accept the default "USD".

- Optionally, use the **Item Inclusion Options** section to indicate whether certain types of items will be included or excluded from the worksheet. The default is to include all items.
- After setting your criteria, click the **Build** button to create the new refund worksheet.

Step 3: Apply the Payment to the Customer Account on the Worksheet Application page

Next, complete the *Worksheet Application* page to specify the action that should be taken for the selected items.

1. Default *Entry Types* have been applied to the worksheet that you will need to change for the refund. Complete the **Item List** section as follows:

Field Name	Field Description
Type	Select "RC" (Refund a Credit) for the <i>Type</i> field for the Items you want to refund, indicating what action will be taken when the worksheet is posted.
Reason	Select "REFND" (Refund). <i>Reason</i> codes in combination with <i>Entry Type</i> help determine what accounting entries will be created as the result of a transaction.
Sel	Click the Sel checkbox for each item you want to refund.

Note: Optionally, the **Item Action** section fields can be used to set the *Entry Type* and *Reason* for all the selected Items in the worksheet. This is most useful when there are multiple items on the list.

10. Click the **Save** button.

Step 4: Set the Worksheet Items for Posting on the Worksheet Action page

Next, use the *Worksheet Action* page to set the Items for posting.

1. Click on the *Worksheet Action* link.
2. **WARNING!** Make sure to select “**Batch Standard**” for the *Action* in the **Posting Action** section. If you leave the default “Do Not Post”, the information entered will be saved, but the transaction will not be posted.
3. Click on the **OK** button.
4. Click on the **Save** button.

Favorites | Main Menu > Accounts Receivable > Receivables Maintenance > Maintenance Worksheet > Create Worksheet > Update Worksheet > Finalize Worksheet [New Window](#)

Worksheet Action

Unit: G1001 Worksheet ID: 7539 Accounting Date: 12/12/2014

Status: Batch Standard

Worksheet Action

Posting Action
Action: Batch Standard

Accounting Entry Action

[Worksheet Selection](#) [Worksheet Application](#) Worksheet Action

Note: the *Status* field now displays “Batch Standard”.

Step 5: Run the ARUpdate Manually or Wait for the Batch

WARNING! The ARUpdate process must be run before proceeding to the next step.

Although the ARUpdate process does run automatically several times a day, many agencies prefer to run the ARUpdate process manually so they can finish processing the refund.

1. Refer to the [“Running the ARUpdate Process”](#) topic for instructions on running the process manually.
2. After running the ARUpdate process, the refund should display on the *Customer’s Activity* page.

Acctg Date	Item ID	Line	Entry Type	Entry Reason	Entry Amount	Entry Currency	Unit
12/03/2014	00000223119	1	IN		75.00	USD	G1001
12/10/2014	00000223119	1	PY		-75.00	USD	G1001
12/10/2014	00000223119	1	PY		75.00	USD	G1001
12/12/2014	OA-71506	0	OA	OVRPY	-75.00	USD	G1001
12/12/2014	OA-71506	0	RC	REFND	75.00	USD	G1001

Step 6: Run the Receivable Refund Process Manually or Wait for the Nightly Batch

Next, the Receivable Refund process must be run to update the Voucher Staging tables.

Usually, because of separation of duties requirements, staff that run the processes are different from staff that create the refund worksheets. It is important for both groups to communicate to ensure that the requested number of refund items is processed successfully.

After the refunds have been processed in AR, the vouchers must be approved and processed by Accounts Payable staff in order for the customer refund to be paid.

Begin by navigating to the *Request Refund Item* page.

1. **Navigation Links:** Accounts Receivable, Receivables Maintenance, Refunds, Request Refund Item.
2. Use an existing *Run Control ID* or enter a new *Run Control ID*.
3. At the *Refunds* page, accept the default *Unit* or enter a *Unit*. (This is generally the same as your Business Unit.)
4. Click on the **Load Directly to AP** checkbox.

5. Click on the **Save** button.
6. Click the **Run** button. The *Process Scheduler Request* page displays.
7. Accept the default process **AR_REFUND** and click on the **OK** button. You are returned to the *Refunds* page.

Select	Description	Process Name	Process Type	*Type	*Format	Distribution
<input checked="" type="checkbox"/>	AR_REFUND	AR_REFUND	Application Engine	Web	TXT	Distribution

- Note the Process Instance number and click on the **Process Monitor** link to ensure the process is successful.

The screenshot shows the 'Process Monitor' interface. At the top, there is a breadcrumb trail: 'Favorites | Main Menu > Accounts Receivable > Receivables Maintenance > Refunds > Request Refund Item > Process Monitor'. Below this, there are tabs for 'Process List' and 'Server List'. A 'View Process Request For' section contains search filters: 'User ID' (TEST_TRN), 'Type', 'Last' (1 Days), 'Server', 'Name', 'Instance' (to), 'Run Status', 'Distribution Status', and a 'Save On Refresh' checkbox. A 'Refresh' button is also present. The main area is a table titled 'Process List' with columns: Select, Instance, Seq., Process Type, Process Name, User, Run Date/Time, Run Status, Distribution Status, and Details. The table contains five rows of data, all with a 'Success' status and 'Posted' distribution status. Below the table are 'Save' and 'Notify' buttons, and a link to 'Go back to Request Refund Item'.

Select	Instance	Seq.	Process Type	Process Name	User	Run Date/Time	Run Status	Distribution Status	Details
<input type="checkbox"/>	11452010		Application Engine	AR_REFUND	TEST_TRN	12/12/2014 2:44:06PM CST	Success	Posted	Details
<input type="checkbox"/>	11452003		PSJob	ARUPDATE	TEST_TRN	12/12/2014 2:31:11PM CST	Success	Posted	Details
<input type="checkbox"/>	11451996		PSJob	ARUPDATE	TEST_TRN	12/12/2014 12:39:10PM CST	Success	Posted	Details
<input type="checkbox"/>	11451989		PSJob	ARUPDATE	TEST_TRN	12/12/2014 12:22:11PM CST	Success	Posted	Details
<input type="checkbox"/>	11451982		PSJob	DUNNINGA	TEST_TRN	12/11/2014 2:56:25PM CST	Success	Posted	Details

- Monitor for the Process Name “AR_REFUND” for the instance you ran. Click on the **Refresh** button every 30 seconds to ensure that the Run Status = Success and the Distribution Status = “Posted”. Any other combination of results indicates that the process failed to run successfully.
- Click on the *Details* link to confirm the results of the Receivables Refund process. The *Process Detail* page displays. This page shows details about how the process ran in the system, and can be used to confirm that the process ran successfully or to determine the cause of errors.
- Click on the *Message Log* link. The *Message Log* page displays. This page shows a step-by-step breakdown of the actions performed during the process.

Favorites | Main Menu > Accounts Receivable > Receivables Maintenance > Refunds > Request

Message Log

Process

Instance: 11452010 Type: Application Engine
Name: AR_REFUND Description: AR_REFUND

Severity	Log Time	Message Text	Explain
10	2:45:43PM	Start Receivables Refund Process	Explain
10	2:45:53PM	Selecting Refunds for Processing	Explain
10	2:45:54PM	Inserting refund row to Payables EC tables	Explain
10	2:45:55PM	Stop Receivables Refund Process	Explain
10	2:45:56PM	Report Repository URL is: http://reports.swift.state.mn.us:7181/SchedulerTransfer/fms91gq (63,68)	Explain
10	2:45:56PM	Transferred file: R:\psreports\FMS91GQ\20141212\10404818 VAE_AR_REFUND_11452010.log file size: 0KB (63,53)	Explain
10	2:45:56PM	File transfer successful. Success (63,52)	Explain
10	2:45:56PM	Successful Http Reply Code: 200 - OK (63,57)	Explain
	2:45:56PM	Published message with ID def8c942-823f-11e4-8016- daed48bdda4c to create entry in folder GENERAL.	Explain
	2:45:56PM	Successfully posted generated files to the report repository	Explain

Return

- The first row reads “Selecting Refunds for Processing” indicating that SWIFT was able to find refund items.
- The second row reads “Inserting refund row to Payables EC tables” indicating that SWIFT created payables items based on the refund items it found.

Note: There will be a row like this for each refund item that was processed. In this example there was only one item, so only one row was inserted. It is important to verify that the count in the Message Log matches the count of the number of refunds to be processed. This count is provided by the staff responsible for entering the refund worksheets.

If the process failed to find refund items, the rows described above will not be present in the *Message Log*. There could be several reasons for this:

- ARUpdate process was not run first, meaning there are no refund items for this process to find
- Process may have been run for the wrong Business Unit
- Posting Action was not changed to “Batch Standard” but left as “Do Not Post”
- Customer does not have a vendor number or one-time number was used instead of regular for an AR Item with multiple lines

Check for any possible reasons for the missed refund items first. Work internally with the staff that created the refund worksheets to troubleshoot the process. If you still believe the process should have found refund items but did not, please contact the SWIFT Help Desk and provide the Process Instance and reference information for the refund items, such as the *Worksheet ID* numbers or the Customer number.

Step 7: Communicate with the Accounts Payable

Be aware that this process creates vouchers in Accounts Payable but this does not mean the customer will get paid.

Although the refund processes are now complete in Accounts Receivable, the vouchers must be processed by Accounts Payable staff in order for the customer refund to be paid. This generally occurs the next day or after batch processes run. Follow agency procedures to authorize vendor payments and to verify and track payments based on the requested refunds.

- If you do not want tax to be calculated on the AP voucher refund, the AR staff must notify the AP staff that this transaction should be tax exempt. The AP staff will need to check the tax-exempt box on the Invoice Information tab of the voucher; otherwise tax will be calculated based on the tax code used.
- You should remove the Vendor ID from your customer after your refund is processed so that another agency can process a refund for that vendor.

After the refund is processed in Accounts Payable, you can view Refund information on the following pages:

- **Navigation Links:** Accounts Receivable, Receivable Maintenance, Refund Status. Information displayed on this page will differ depending on whether the payment was made by check or electronically.

Refund Status

Unit: B4201 Voucher: 00087740 Invoice: 5000150611

Vendor: 0000844843 Name: Training Vendor
ShortName: CHEARS A-001
Date: 02/22/2016 **Status: Posted**

Gross: 97.00 Pay Status: Paid
Balance: 0.000 Due Date: 02/22/2016

Bank Code	Account	Reference	Short Vendor Name	Payment Amount	Currency	Status	Paid Amount
1 US001	WF	0003096053	Training Vendor	97.00	USD	Paid	97.00

Return to Search Previous in List Next in List Notify

- **Navigation Links:** Accounts Receivable, Customer Accounts, Item Information, View/Update Item Details, Item Activity tab. The Voucher ID displays on the Refund Activity. The Refund Detail link brings you to the Refund Status page shown previously.

Item Activity

Unit: B4201 Customer: 0000024281 Training Customer

Item ID: 50001506111 Line: 1 Days Late: 87 Status: Closed

Balance: 0.00 USD

Sequence	Entry Type	Reason	Accounting Date	Worksheet Reason	Posted Date	Voucher ID	Amount
3	PY		12/02/2015		12/02/2015		-388.00 USD
4	RC	REFND	02/22/2016		02/22/2016	00087740	97.00 USD

Refund Detail

- If you have the role, you can also view the voucher information in Accounts Payable. **Navigation Links:** Accounts Payable, Vouchers, Add/Update, Regular Entry. (**Tip:** Search with Voucher Source = Receivables, Customer Refunds).

Voucher

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value Add a New Value

Search Criteria

Business Unit: = B4201

Voucher ID: begins with 00087740

Invoice Number: begins with

Invoice Date: =

Short Vendor Name: begins with

Vendor ID: begins with

Name 1: begins with

Voucher Style: =

Related Voucher: begins with

Entry Status: =

Voucher Source: = Receivables Customer Refunds

Agency Origin: begins with

Case Sensitive

Search Clear Basic Search Save Search Criteria

Search Results

Business Unit	Voucher ID	Invoice Number	Gross Invoice Amount	Payment Amount	Invoice Date	Short Vendor Name	Vendor ID	Name 1	Voucher Style	Related Voucher	Entry Status	Voucher Source	Agency Origin
B4201	00087740	50001506111	97	97	02/22/2016	Training	010000844843	Training Customer	Regular (blank)		Postable	Cust Rfnds	RE