

Refund an AR Item

This guide covers how to generate a customer refund in the Accounts Receivable (AR) module and send the refund to the Accounts Payable (AP) module for payment. You can 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 AR module. You may issue a full or partial refund of a credit item.

Refunds are created with a maintenance worksheet. To make a refund payment to a customer, the customer must also be a supplier. Customers are set up at the Business Unit level, whereas Suppliers are shared enterprise wide for the State of Minnesota. Before processing a refund, you must locate the Supplier ID and connect it to the Customer record. The Customer and Supplier must be linked together for this process to work. The steps to do this are included in this guide.

All refund maintenance transactions must go through the approval process. After they are approved, 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 AP. Both processes run in the nightly batch. If you have the appropriate security, you can run them manually by following the steps included in this guide.

After, AP staff must process the voucher to pay the customer refund. AR staff are responsible for coordinating with AP staff to ensure these steps are completed.

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

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

To refund your customer, they must have a Supplier ID associated to its Billing Customer record. Without a Supplier ID, the voucher cannot be generated in AP. If you do not know the Customer's Supplier ID, you must research to see if a Supplier ID exists for the customer. You may need assistance from procurement or AP staff to do this research. If a Supplier ID does not exist, you must obtain one for this customer before processing a refund. Follow your agency's business process for requesting a Supplier ID. You may need to provide the customer's Tax Identification Number (TIN). There are two types of Supplier 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 are not processing any other refunds for this customer and the receivable does not contain multiple lines.

1. Once you know the Supplier ID, follow the below steps to enter the Customer’s Supplier ID on the Customer record. Navigate to the **General Information** page for the customer you want to refund.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Customer Interactions. The General Information page opens by default.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left menu, Links section, Customer and Contacts, General Information.

2. From the **Find an Existing Value** page for Customer General Information, enter the **SetID** (usually the same as your Business Unit).
3. Enter the Customer ID.
4. Select the **Search** button.
5. Select the customer from the **Search Results** section.

Find an Existing Value

Search Criteria

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

Recent: Choose from recent searches | Saved: Choose from saved searches

Searches: Searches

*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

Show fewer options

Case Sensitive | Include History | Correct History

Search | Clear | Save Search

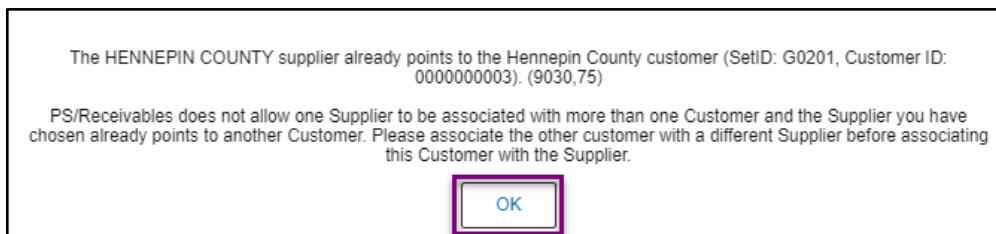
Search Results

1 rows - SetID "G1001" Customer ID "0000000001"

SetID	Customer ID	Name 1	Name 2	Telephone	City	State	Postal Code
G1001	0000000001	Hannepin County Research, Planning & Dev	(blank)	348-4466	Minneapolis	MN	55467-0238

6. The General Information page displays for the customer, select the **Miscellaneous General Info** tab.
7. Enter "SHARE" for the Supplier SetID.
8. Enter the Customer’s Supplier ID. Select the **Supplier Information** link to verify the details associated with the Supplier.
9. Select the **Save** button.

- If you receive the below error message that states the supplier is already connected to another customer record in a different SetID (agency Business Unit), contact the SWIFT Helpdesk or the other agency and request that the Supplier ID be removed from the other agency’s customer. Provide the information displayed in the message including Customer Name, SetID, and Customer ID that the supplier is currently pointed to.



10. You are not able to enter the Supplier ID on your Customer record until the other agency has removed the Supplier ID on their customer record.
11. Remember to remove the Supplier ID from your customer after the refund is processed. Doing so helps ensure that another agency does not experience the same error.

Step 2: Complete the Maintenance Worksheet

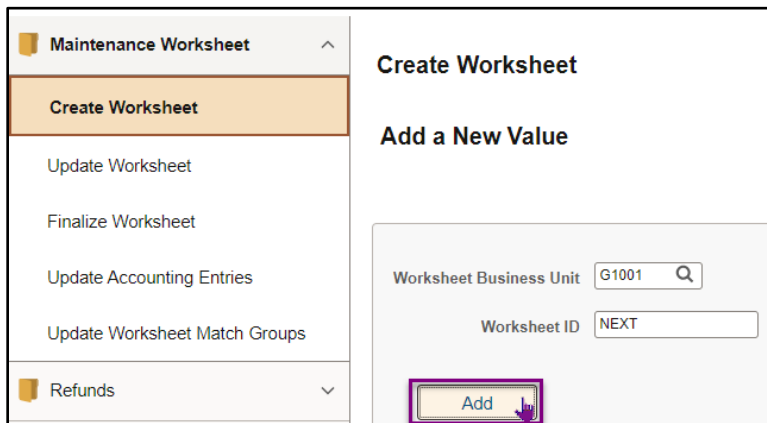
Next, you’ll create a maintenance worksheet. Most often the credit to be refunded is an OA item (“On Account” payment) that the customer would like returned. Occasionally, a refund is processed against a credit invoice with an entry type “CR.” This guide uses the OA credit example.

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

1. Navigate to the **Create Worksheet** page using one of the options below.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Maintain Items. The Create Worksheet page displays by default.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left menu, Links section, Maintain Items, Create Worksheet.

2. Select the **Add a New Value** button.
3. Accept the default Worksheet Business Unit or enter a Business Unit.
4. Accept the default "NEXT" for the Worksheet ID. SWIFT automatically assigns the next available number after saving.
5. Select the **Add** button.



6. The Worksheet Selection page displays. Use the Worksheet Selection page to select the customer and/or items that you want to work with. If you enter only **Customer Criteria**, all open items for the customer are brought in. If you enter only **Reference Criteria**, only the specific item(s) referenced are brought in. You can also use the Customer and Reference Criteria sections in combination.
 - a. To bring in all open items for the customer, complete the **Customer Criteria** section.

Field Name	Field Description
Customer Criteria	"None" is the default. Accept the default to allow the broadest search. Other options available include "Corporate Items," "Customer Items," or "Remit From Items," allowing you to restrict the type of items searched.
Customer ID	Enter the Cust ID or select the Lookup icon to search for and select a Customer.

Field Name	Field Description
Business Unit	Accept the Business Unit default or enter a Business Unit. Note: once you select the Business Unit, SWIFT populates the other fields in the Customer Reference section.

b. To bring in specific items, complete the **Reference Criteria** section.

Field Name	Field Description
*Reference Criteria	After you enter the Reference information, the value will automatically change to "Specific Value."
Qual Code	Select "I" for item.
Reference	Enter the Item ID for the Transfer or select the Lookup icon to search for the Item.
*Restrict to	Accept "All Customers" in the Restrict to field.
*Match Rule	Accept "Exact Match" in the Match Rule field.
Anchor BU	Enter the Business Unit, if not already supplied in the Customer Criteria section.
Currency	Is always "USD" for the US Dollar.

- Optionally, use the **Item Inclusion Options** section to indicate whether certain types of items are included or excluded from the worksheet. Options include "All Items," "Deduction Items Only," "Items in Dispute Only," "Exclude Collection Items," "Exclude Deduction Items," "Exclude Dispute Items."
- After setting your criteria, select the **Build** button.

Item Inclusion Options

All Items
 Deduction Items Only
 Items in Dispute Only
 [Advanced Inclusion Options](#)

Exclude Collection Items
 Exclude Deduction Items
 Exclude Dispute Items

Worksheet Action

 Created Date/Time
 Items 0

Step 3: Complete 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 item(s) that you need to change for the refund. For each item that you want to refund, complete the **Item List** entry as follows:

Field Name	Field Description
Sel	If necessary, select the Sel checkbox.
Type	Select "RC" (Refund a Credit) for the Type field. The Type field indicates the action that is taken when the worksheet is posted.
Reason	Select "REFND" (Refund). Reason codes in combination with the Entry Type help determine what accounting entries are created as the result of a transaction.

2. Select the **Save** button.
3. Select the **Worksheet Action** link.

Item List

[Detail 1](#)
 [Detail 2](#)
 [Detail 3](#)
 [Detail 4](#)
 [Detail 5](#)
 [Detail 6](#)

View Detail	Seq Nbr	Sel	Item Balance	Currency	Item ID	Line	Type	Reason	Unit	Customer
	1	<input checked="" type="checkbox"/>	-1,175.00	USD	OA-335438		RC	REFND	G1001	000000001

 Group View
 Revenue Distribution

Balance

	Dr	Cr	Adj	Net	WO	Ref
	0.00	0.00	0.00	0.00	0.00	-1,175.00

[Worksheet Selection](#)
 [Worksheet Application](#)
 [Worksheet Action](#)
 [Attachments \(0\)](#)
 [View Audit Logs](#)

Note: If you receive an error indicating that the item is already tagged in another group, it means that there is another unposted Maintenance or Payment Worksheet that has the item selected. You cannot complete the worksheet until you resolve the issue. Refer to the [Resolve Worksheet Error: Item Already Tagged in Another Group](#) guide for more information.

Step 4: Submit the Refund for Approval

1. The Worksheet Action page displays. Accept the **Action** "Submit to Workflow" and select the **OK** button.

Worksheet Action

Unit G1001 Worksheet ID 43961 Accounting Date 07/08/2024

Status Do Not Post

Worksheet Action **Posting Action** **Accounting Entry Action**

Delete Worksheet Action: Submit to Workflow OK Create/Review Entries

Delete Maintenance Group

2. Notice "Pending Approval" is now indicated in the **Posting Action** section.

Worksheet Action **Posting Action** **Accounting Entry Action**

Delete Worksheet Action: Pending Approval OK Create/Review Entries

Delete Maintenance Group

3. You receive a Notification (🔔) when the write-off is approved. If the write-off is denied, you receive a Notification and an email. For more information about the approval process, refer to the [Maintenance Worksheet Approval Process](#) guide.

Notifications

Actions Alerts

2 Alerts

Write-off / Refund approved for Maintenance ID 16288 on Business Unit B2202

Write-off / Refund approved for Maintenance ID 16285 on Business Unit B2202

4. After the refund is approved, it is automatically set to batch standard and ready for the ARUpdate process. You can select the refund link in the **Notifications - Alerts** to review the worksheet and verify that it has been set to batch standard.

Worksheet Action

Unit G1001 Worksheet ID 43961 Accounting Date 07/08/2024

Status Batch Standard

Worksheet Action **Posting Action** **Accounting Entry Action**

Delete Worksheet Action: Batch Standard OK Create/Review Entries

Delete Maintenance Group

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

1. Although the ARUpdate process automatically runs several times a day, many agencies prefer to run the ARUpdate process manually so they can finish processing the refund. Refer to the [Run the ARUpdate Process](#) guide for instructions on running the process manually.
2. After running the ARUpdate process, you can verify the refund on the Customer’s Activity page.

The screenshot shows the 'Item List' interface with the following details:

- Search Filters:** SetID: G1001, Unit: G1001, Customer: 000000001, *Level: No Relationship.
- Row Selection:** Range, GO, Select All, Deselect All.
- Item Action:** Select Action...
- Table:**

Seq Nbr	Select	Item	Line	Activities	Unit	Customer ID	Status	Terms	Entry Type	Entry Reason	Due
3	<input type="checkbox"/>	OA-335436			2 G1001	0000000001	Closed		OA	OVRPY	07/08/2024

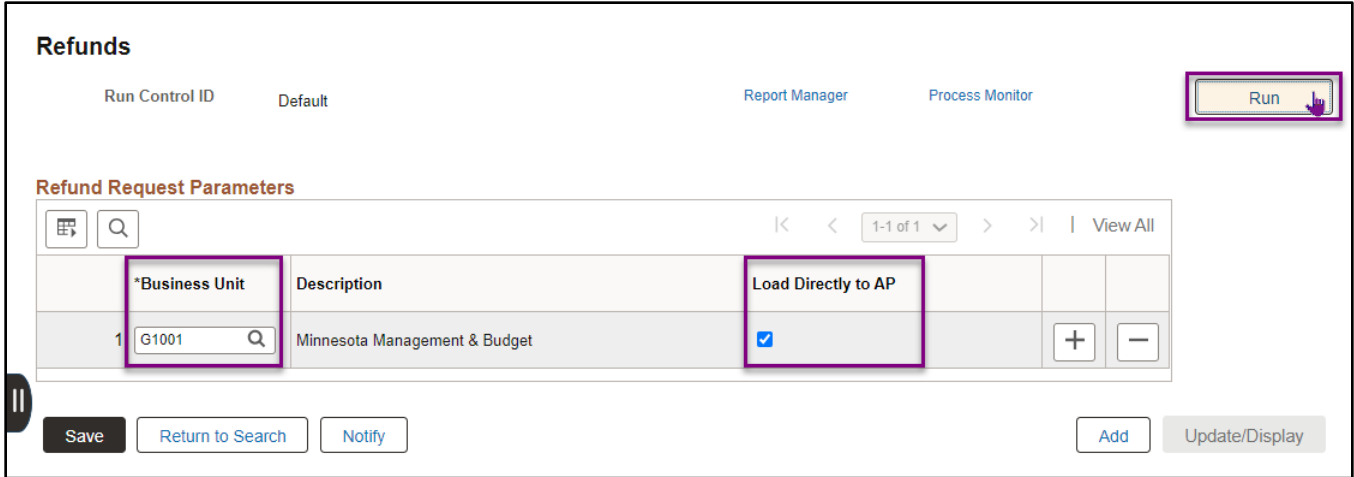
Step 6: Run the Receivable Refund Process Manually or Wait for the Nightly Batch

Next, the Receivable Refund process must run to update the Voucher Staging tables in Accounts Payable module. Often, due to separation of duties, staff that can 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.

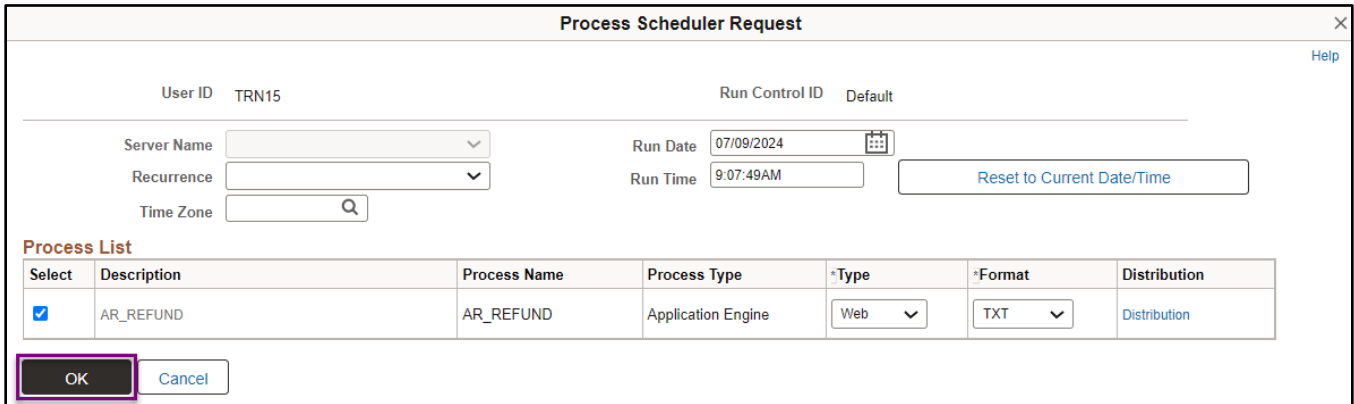
1. Navigate to the **Request Refund Item** page using one of the options below.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Maintain Items, Refunds, Request Refund Item.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left menu, Reports/Processes section, Request Refund Item.

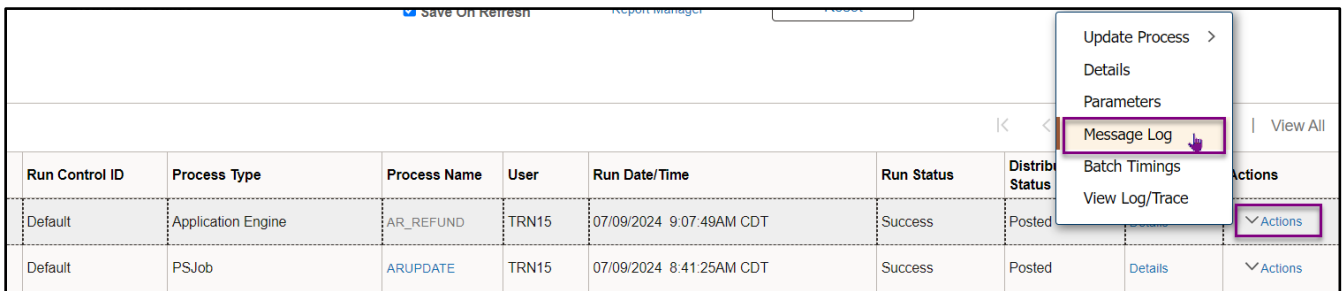
2. Use an existing Run Control ID or enter a new Run Control ID.
3. The Refunds dialog page displays. Accept the default Business Unit or enter a Business Unit.
4. Select the **Load Directly to AP** checkbox.
5. Select the **Run** button.



- The Process Scheduler Request page displays. Accept the default process “AR_REFUND” and select the **OK** button.



- You are returned to the Refunds page. Note the Process Instance number and select the **Process Monitor** link.
- You should see “Success” for the **Run Status** and “Posted” for the **Distribution Status**. Any other combination of results indicates that the process failed to run successfully.
- Select the **Message Log** link from the **Actions** drop-down menu to confirm the results of the process.



- The Message Log page displays. This page provides of the actions performed during the process. You can use this information to determine if the process ran successfully or experienced errors. In this case, notice “Inserting refund row to Payables EC tables,” indicating that SWIFT created payables items based

on the refund items it found. “Selecting Refunds for Processing for Business Unit,” indicates SWIFT found refund items for the business unit listed.

Message Log			
Process			
Instance: 45548162		Type: Application Engine	
Name: AR_REFUND		Description:	
<input type="checkbox"/> <input type="checkbox"/>		1-8 of 8 <input type="button" value="View All"/>	
Severity	Log Time	Message Text	Explain
10	10:03:06AM	Start Receivables Refund Process	<input type="button" value="Explain"/>
10	10:03:06AM	Inserting refund row to Payables EC tables	<input type="button" value="Explain"/>
10	10:03:06AM	Selecting Refunds for Processing for Business Unit G1001	<input type="button" value="Explain"/>
10	10:03:06AM	Inserting refund row to Payables EC tables	<input type="button" value="Explain"/>
10	10:03:06AM	Selecting Refunds for Processing for Business Unit G1001	<input type="button" value="Explain"/>
10	10:03:06AM	Stop Receivables Refund Process	<input type="button" value="Explain"/>
	10:03:08AM	Published message with ID 5a0516e8-3e04-11ef-b75b-0d6236949315 to create entry in folder GENERAL.	<input type="button" value="Explain"/>
	10:03:08AM	Successfully posted generated files to the report repository	<input type="button" value="Explain"/>

Note: There are rows like this for each refund item that was processed. In this example, there are two refunds. It is important to verify that the count in the Message Log matches the count of the number of refunds requested as provided by the staff entering the refund worksheets.

If the process fails to find refund items, some potential reasons include:

- ARUpdate process did 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 not set to “Batch Standard.”
- Either the Customer does not have a Supplier ID, or a one-time ID was used instead of a regular Supplier ID 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 need help, please contact the SWIFT Help Desk. Provide the Process Instance and reference information for the refund items, such as the Worksheet ID or the Customer ID.

Step 7: Communicate with the Accounts Payable

Be aware that this process creates vouchers in the AP module, but this does not issue the customer payment. AP staff must process the voucher to pay the refund to the customer. This generally occurs the next day or after batch processes run. Follow agency procedures to authorize supplier payments and to verify and track payments based on the requested refunds.

1. If you do not want tax to be calculated on the AP voucher refund, you must notify AP staff that this transaction is tax exempt. AP staff need to check the tax-exempt box on the Invoice Information tab of the voucher; otherwise, tax is calculated based on the tax code used.
2. Remember to remove the **Supplier ID** from your customer record after the refund is processed by AP so that another agency can process a refund for that supplier.
3. After the refund is processed in Accounts Payable, you can verify refund and payment information from various pages.
 - a. The **Refund Status** page displays information about the payment. The information displayed differs depending on whether the payment was made by check or electronically.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Maintain Items, Refunds, Refund Status.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left menu, Maintain Items section, Refund Status.

Refund Status																							
Unit	G0201	Voucher	00379129	Invoice	00000769129																		
Supplier	0000260908	Supplier Name	MN STATE LBA MINN STATE COMM & TECH COL																				
Short Name	MN STATE L-001	Date	12/05/2023	Status	Posted																		
Gross	2,000.00	Pay Status	Paid																				
Balance	0.000	Due Date	12/05/2023																				
Details																							
<div style="display: flex; justify-content: space-between; align-items: center;"> ☰ 🔍 1-1 of 1 ⏪ ⏩ </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Bank Code</th> <th>Account</th> <th>Reference</th> <th>Payment Amount</th> <th>Currency</th> <th>Status</th> <th>Paid Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>US001</td> <td>WF</td> <td>0008530947</td> <td style="text-align: right;">8425.00</td> <td>USD</td> <td>Paid</td> <td style="text-align: right;">2000.00</td> </tr> </tbody> </table>									Bank Code	Account	Reference	Payment Amount	Currency	Status	Paid Amount	1	US001	WF	0008530947	8425.00	USD	Paid	2000.00
	Bank Code	Account	Reference	Payment Amount	Currency	Status	Paid Amount																
1	US001	WF	0008530947	8425.00	USD	Paid	2000.00																

- b. The **Activity Item** tab of the View/Update Item Details pages displays the Voucher ID on the Refund activity. The Refund Detail link brings you to the Refund Status page shown previously.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Receivable, Maintain Items, Refunds, Refund Status.
WorkCenter	Accounting, Accounts Receivable, Receivables WorkCenter, left menu, Maintain Items section, Refund Status.

Item Maintenance											
Detail 1	Detail 2	Detail 3	Item Activity	Item Accounting Entries	Item Audit History						
Unit:	G1001	Customer:	TRN1400009	NEW ULM CITY OF							
Item ID:	OA-335423	Line:		Days Late:	89	Status:	Closed				
Balance	0.00	USD									
Item Activities											
Sequence	1	Accounting Date	04/11/2024	Posted Date	04/11/2024						
Entry Type	OA	Reason	OVRPY	Worksheet Reason	Voucher ID						
Document	TRN14AR015	Group ID		Payment ID	Amount -975.00 USD						
Group Unit	G1001	Group ID	43912	Payment	Payment ID CK 014						
Deposit Unit	G1001	Deposit ID	TRN0000003	Payment Method	CHK						
Sequence	2	Accounting Date	07/09/2024	Posted Date	07/09/2024						
Entry Type	RC	Reason	REFND	Worksheet Reason	Voucher ID 00005699						
Document	TRN14AR015	Match Group ID	99999	Amount	975.00 USD						
Group Unit	G1001	Group ID	43066	Maintenanc							

- c. If you have AP roles, the **Summary** tab for **Voucher Regular Entry** page allows you to view the voucher information in Accounts Payable. Tip: Search with Voucher Source and select the “Receivables Customer Refunds” option.

Navigation Options	Navigation Path
Navigation Collection	Accounting, Accounts Payable, Vouchers, Regular Entry, select the Find an Existing tab.
WorkCenter	Accounting, Accounts Payable, WorkCenter, left menu, Links section, Regular Entry, select the Find an Existing tab.

Summary	Related Documents	Invoice Information	Payments	Voucher Attributes	Error Summary
Business Unit	G0201	Invoice Date	12/05/2023		
Voucher ID	00379129	Invoice No	00000769129		
Voucher Style	Regular	Invoice Total	2,000.00	USD	
Supplier Name	MN STATE LBA MINN STATE COMM & TECH COL 1900 28TH AVE S 01 MOORHEAD, MN 56560				
Entry Status	Postable	Pay Terms	Net 0		
Match Status	No Match	Approval History	Voucher Source	Receivables Customer Refunds	
Approval Status	Approved		Origin	REF	
Post Status	Posted	Created On	12/07/2023 10:51AM		
		Created By	FIOPR01		
		Last Update	12/15/2023 1:01PM		
Budget Status	Valid	Modified By			
		ERS Type	Not Applicable		
Budget Misc Status	Valid	Close Status	Open		
*View Related	Payment Inquiry	Go	Audit Logs		