

iLaw Accounts

Credit Notes

This guide looks at each Credit Note that can be raised for the non payment of costs.

Before posting your Credit Note, make sure that you have selected the relevant **Office** from the **Credits** menu on the navigation bar if you have **iLaw Multi-Branch** installed.

The Credit Notes menu screen consists of five options. You can return to the menu by clicking on the **Reset Wizard** button.

What do you want to do ?

- A. Raise a credit against an unpaid profit costs bill we have issued
- B. Raise a credit against a non-client invoice we have issued
- C. Receive a credit note against an invoice from a supplier
- D. Credit a client ledger to 0.00
- E. Raise a credit against a profit costs bill which has been paid.

Option A – Raise a credit against an unpaid profit costs bill we have issued

This option would be used if an invoice raised to a client is not paid in full, whether it is a privately paid invoice or costs bill that will be paid by legal aid. You can credit the whole of the invoice or only part of it, as appropriate.

Select the client you wish to raise the credit note against from the **Client** drop-down menu and you will see listed in the grid below all the invoices raised for that client currently outstanding. Select the invoice you wish to raise the credit note against.

Client

Invoice	Inv No	Description	Date	Amnt Due	VAT Due	Balance	Pay	Pay Amnt	Pay VAT
	000035	Invoice 35 - LGFS	06/12/2011	1,109.44	221.89	731.33	<input type="checkbox"/>		
	000038	Anya. Test : ILAV	06/12/2011	173.45	34.69	208.14	<input checked="" type="checkbox"/>	208.14	0.00



iLaw will not automatically split the vat element out in the **Pay VAT** column, so if there is a vat element of a credit note the **Pay Amnt** and **Pay Vat** columns must be over-written accordingly.

Credit Date	<input type="text" value="14/12/2011"/>	Department	<input type="text"/>
Amount	<input type="text" value="£208.14"/>	Credit Description	<input type="text"/>
Vat	<input type="text" value="£0.00"/>	Reason	<input type="text"/>
Cheque No	<input type="text"/>		

Change the **Credit Date** if not the actual date of posting, and complete the other boxes as appropriate. To raise the credit note, click on **Add**.

If there is more than one client invoice outstanding you can only post each credit separately. You can start a Batch Total by clicking on **Start Batch**. Post each credit note and then click on **Finish Batch**.

Option B – Raise a credit against a non-client invoice we have issued

This option allows you to raise a credit note against a non-client invoice that has been raised by the firm. An example of this would be for cleaning services or stationary purchased where all or some of the cost was never paid.

Follow exactly the same procedure as Option A, but select the non-client you wish to raise the credit note against.



iLaw will not automatically split the vat element out in the **Pay VAT** column, so if there is a vat element of a credit note the **Pay Amnt** and **Pay Vat** columns must be over-written accordingly.

If there is more than one client invoice outstanding you can only post each credit separately. You can start a Batch Total by clicking on **Start Batch**. Post each credit note and then click on **Finish Batch**.

Option C – Receive a credit note against an invoice from a supplier

This option lets you post a credit note received where an invoice has been raised to the firm. It follows the same procedure as both Option A and Option B, with the Supplier selected you wish to raise the credit note against.

Supplier

Scottish Power

Invoice

Inv No	Description	Date	Amnt Due	VAT Due	Balance	Pay	Pay Amnt	Pay VAT
n/a	Scottish Power	10/11/2011	200.00	10.00	5.76	<input type="checkbox"/>		
n/a	Scottish Power	05/12/2011	321.56	16.08	337.64	<input type="checkbox"/>		



iLaw cannot post a credit note against an invoice from a supplier that has been paid. The grid will only show those invoices that are currently outstanding.



iLaw will not automatically split the vat element out in the **Pay VAT** column, so if there is a vat element of a credit note the **Pay Amnt** and **Pay Vat** columns must be over-written accordingly.

If there is more than one client invoice outstanding you can only post each credit separately. You can start a Batch Total by clicking on **Start Batch**. Post each credit note and then click on **Finish Batch**.

Option D – Credit a client ledger to £0.00

This option can be used for rounding issues where costs or Vat have been calculated differently from payment and an outstanding amount remains on the client ledger.

It can also be used when you have raised an “All Clients” bill that included disbursements for a client who is not the “Lead client”. When an accounts invoice is raised for a claim with more than one client, it will include all disbursements for all clients, but the invoice and payment thereof will only post to the “Lead Client”, leaving an outstanding balance on the non “Lead Client” ledger card. iLaw will not allow you to close a file if it detects an outstanding balance on a ledger card.

Select the client from the drop-down menu and the outstanding ledger balance will automatically appear. You cannot change the date or the amount of the balance, but you can complete the “reason” box with a description of the reason for the credit.

Credit a Client Ledger to return it's balance to 0.00

Which Client ?	<input type="text" value="Anya. Test : ILAW 1"/>  
Credit Date :	<input type="text" value="16/12/2011"/>
Amount :	<input type="text" value="(20.00)"/>
Reason :	<input type="text"/>
<input type="button" value="Credit"/>	



Do not use this option to post a credit note against an outstanding invoice. Although it will zero the client ledger, the actual invoice will still appear as an aged debtor/creditor.

If there is more than one client invoice outstanding you can only post each credit separately. You can start a Batch Total by clicking on **Start Batch**. Post each credit note and then click on **Finish Batch**.

Option E – Raise a credit against a profit costs bill which has been paid

This would be used when a client may have already paid all outstanding invoices, but for whatever reason is having the money for one refunded to him because it is no longer appropriate e.g. client has paid privately but the Judge awards his costs to be payable from Central Funds or via a Defence Costs Order.

Exactly the same procedure as in Option A above, but the grid below will list ALL invoices raised for that client under that file reference, both those paid and those unpaid. You must also select which bank account (i.e. office or client account) the money is to be refunded from and the relevant posting out from that bank account will be made at the same time.

Client

Credit Destination Office Bank Client Bank

Office Bank Account NC

Client Bank Account NC

Invoice	Inv No	Description	Date	Amnt Due	VAT Due	Balance	Pay	Pay Amnt	Pay VAT
	000035	Invoice 35 -	06/12/11	1,109.44	221.89	731.33	<input type="checkbox"/>		
	000036	Anya. Test	06/12/11	30.25	6.05	0.00	<input type="checkbox"/>		
	000038	Anya. Test	06/12/11	173.45	34.69	208.14	<input type="checkbox"/>		
	000040	ILAW 2 - Pri	12/12/11	200.00	40.00	0.00	<input checked="" type="checkbox"/>	200.00	40.00

Credit Date Department

Amount Credit Description

Vat Reason

Cheque No

This screen could also be used to show when a client's cheque has been returned by the bank because it has "bounced" – this would then show specifically on the client's ledger card as a credit, but you will have to raise the invoice again if you wish to chase the client for payment as by posting the credit under this option it writes off the original invoice.

If there is more than one client invoice outstanding you can only post each credit separately. You can start a Batch Total by clicking on **Start Batch**. Post each credit note and then click on **Finish Batch**.