Credit Memos and Write Offs

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Overview

In service**minder**, both **Credit Memos** and **Write Offs** allow you to reduce or clear a contact's outstanding balance. While they may seem similar, they serve different purposes:

- **Credit Memos** are used to apply a credit to future invoices. Think of them as funds the contact can use later.

- **Write Offs** are used when you don't expect to receive payment and want to remove the unpaid balance for accounting purposes.

Understanding when and how to use each one ensures accurate records and reporting.

This article will review:
- Credit Memos
- Write Offs
- FAQs

Credit Memos

There are two main ways to use credit memos, depending on whether the credit is for **future use** or meant to be applied **immediately**.

Future Credit

If this is a credit that the contact can make use of at a later date, follow these steps:

1. Navigate to the contact's **Details** page.

2. Click the **Invoice** button, then choose **Credit Memo** as the type.

3. Add a service and manually set the **Unit Price** to match the credit amount.

4. Ensure the credit memo is **non-taxable**, if applicable.

To apply the credit memo in the future:

1. Open the unpaid invoice you'd like to pay off.

2. Click **Pay**.

3. Select **Credit Memo** as the payment method.

4. Choose from the dropdown of available credit memos.

5. Save the payment.

> If the credit memo is larger than the invoice balance, only the needed portion will be used. The remaining credit will stay available.

Immediate Credit

For situations where the contact should receive credit **right away**:

1. Go directly to the open invoice you'd like to pay off.

2. Click **Pay** and choose to create a **New Credit Memo** during the process.

3. Click **Save**.

This automatically creates and applies the memo without needing to set it up beforehand — perfect for one-time, immediate use credits.
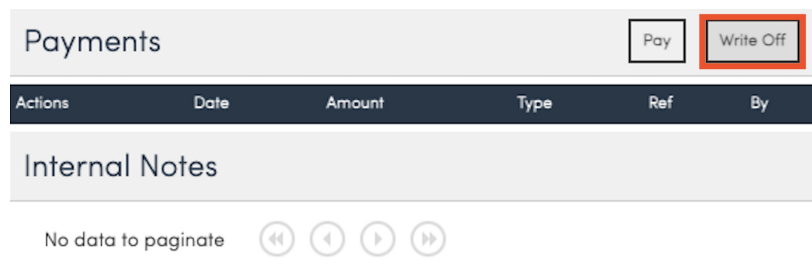
Write Offs

Write offs function similarly to credit memos but indicate that **you no longer expect to collect the money owed**. This is useful for bad debt or internal policy adjustments.

Create a Write Off

1. Go to the **Details** page of an **approved**, open invoice.

   ⚠ *You cannot write off unapproved invoices. Approve the invoice before creating a Write Off.*

2. Click the **Write Off** button (located next to the Pay button).

3. The system will automatically mark the remaining balance as written off.

FAQs

Q: Our state offers a rebate, how should we handle this in ServiceMinder?

A: The franchisee can apply a discount directly to the proposal or invoice to reflect the rebate. To account for the rebate while still reflecting accurate revenue, it's best to use a **Credit Memo**. This allows the full amount to be recorded as revenue while still giving the contact credit for the rebate.