

Merchandise Exchanges

Several weeks ago I sent a newsletter explaining how to process a store credit; instead of giving a cash or credit card refund, you require the customer to use their refund towards merchandise in the future. (Please refer to the Store Credit PosTip)

However, in the real world, there may be times when a customer returns a product and wants to exchange it for something else, either more or less expensive than what they returned. Although there are several ways this refund/exchange can be handled, the easiest way is to process the merchandise return and sale on the same Sales Receipt.

Create a new Sales Receipt. Enter the item being returned. Enter the quantity as a MINUS. This will add the merchandise back into stock. If you gave a discount on the original sale, enter the original discount as a minus.

On the next line or lines enter the merchandise being purchased. If the amount of the new purchase is more than the item being returned, the amount owed will be in the Total field, like a regular sale. Complete the sale by choosing Payment or F12 and collecting the amount owed by cash, check or credit card. You don't have to include a customer name on this transaction unless you want to.

However, if the amount of the new purchase is less than the item being returned, you will have to give either a refund or a store credit. The amount of the refund due will show in the Total field with brackets (10.00).

The easiest way to handle a refund is by offering the customer cash or a credit card credit. You don't have to include a customer name for this type of refund. Simply finish the transaction, swipe the credit card or give the customer cash.

On the other hand, if your policy is store credit only, in the payment window, choose **Account** and enter the total refund due in **Payment** column. With a store credit, you must enter the customer's name so QuickBooks can track the amount owed and the recipient of the credit.

Suggest that the customer keep the sales receipt showing the existing credit. When they return to purchase additional merchandise create a regular sales receipt and type in the customer's name. Information will appear at the left of the customer name indicating the amount of store credit available.

For additional information on how to process a sale using a store credit, please refer to the Store Credit PosTip.