

# Processing Refunds for Vendor Purchases Made on a Credit Card

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This guide explains how to handle refunds for credit card purchases from your vendors. It is intended for intermediate users.

When you return items to a vendor, receiving refunds for purchases made with credit cards (CC) must be handled different from other purchases. CC transactions with vendors are accounted for in aACE as disbursements. When you return items that were purchased on a credit card, the refund should usually be handled by creating a new, negative disbursement. If you try to handle the refund using a credit card *receipt*, it will instead activate integrated credit card *purchasing*. (For purchases made with cash or check, refunds should be handled by [creating refund records](http://aace5.knowledgeowl.com/help/processing-refunds-for-vendor-purchases) (<http://aace5.knowledgeowl.com/help/processing-refunds-for-vendor-purchases>.)

Be sure to follow your company's policies for returns and refunds, as well as the vendor's policies.

Note: If the [refund is for a customer payment made with a credit card](https://aace5.knowledgeowl.com/help/processing-refunds-for-customer-credit-card-payments) (<https://aace5.knowledgeowl.com/help/processing-refunds-for-customer-credit-card-payments>), the process requires different steps.

## Refund a CC Disbursement with a Negative Disbursement

1. Navigate from **Menu > Accts Payable > Purchases** and locate the desired purchase record.

Note: It may be helpful to use Advanced Search at the Disbursements module list view, searching for "Credit Card" in the Payment Method field, then locating the related purchase record.

2. At the purchase record's Disbursements tab, click the **Plus** button (  ).
3. Enter a record title that explains the refund and specify the "Payment Method" as **Credit Card**.
4. Enter the amount of the refund as a *negative* number in both the General Info section **Amount** field and the Purchases list **Amount** field.

Disbursement: 50012      Return - 9" Tablet; cracked screen      01/10/20      PENDING

Vendor Payment Details      Notices      Emails      Docs

**General Info**

Company > Aperture Technologies      Amount -399.99

Bank Account > 1115 Cash Checking (AI)      Reconciled

**Payment Info**

Payee Aperture Technologies  
284 7th Avenue Suite 801  
New York, NY 10015

Payment Method CREDIT CARD

Approval Code      Check Status

Memo 6478137

**Purchases**

Purchase	Date	Vendor Inv #	Vendor Inv Date	Total	Suggested Balance	Amount	Adjustment	Total
1 > 50014	01/10/20	489161	01/10/20	1,999.95	0.00	-399.99	0.00	-399.99

Total Allocated Out of Balance -399.99      0.00

Office: AI      Cancel      Save

5. Click **Save** and **Post**.

When you post the refund, it will put a balance back on the purchase and re-open the record. You will need to adjust the purchase so it accounts for the change from the refund. This is typically handled by reversing the necessary purchase details with a [credit adjustment](http://aace5.knowledgeowl.com/help/working-with-purchases#PurchaseAdjustments) (<http://aace5.knowledgeowl.com/help/working-with-purchases#PurchaseAdjustments>).