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Credit Notes

Odoo 19 Enterprise Â· Accounting

A credit note cancels or partially reduces a posted invoice. It is a legal document â€” also called a credit memo â€” required whenever a customer returns goods, overpays, or receives an incorrect invoice.

1 When to use a credit note

Use a credit note when: a customer returns goods or services, a customer has overpaid and needs a refund, the original invoice contained an error in price or quantity, or a discount needs to be applied after the invoice was posted. Never delete a posted invoice â€” always use a credit note to reverse it.

2 View existing credit notes

Accounting â–º **Customers** â–º **Credit Notes**

The credit notes list shows all existing credit notes with their number, customer, dates, amounts, payment status, and overall status. Credit notes display negative amounts â€” they reduce what the customer owes.

3 Add a credit note from an invoice

Accounting â–º **Customers** â–º **Invoices** â–º **(open invoice)** â–º **ADD CREDIT NOTE**

The most common way to create a credit note is directly from the original invoice. Open the posted invoice, click Add Credit Note, and choose the credit method.

CREDIT NOTE DIALOG FIELDS

Credit Method *	Partial Refund: refund a specific amount. Full Refund: cancel the entire invoice. Full Refund and New Draft Invoice: cancel and immediately create a corrected replacement.
Reason	Description of why the credit note is being issued. Appears on the document.
Reversal Date	Specific date or Journal Entry Date. Use a specific date to post the credit note in the correct accounting period.
Journal	Defaults to the same journal as the original invoice.

4 Create a standalone credit note

Accounting â–º **Customers** â–º **Credit Notes** â–º **NEW**

You can also create a credit note independently without a source invoice. Fill in the customer, date, journal, and add the credit lines manually. This is useful when issuing a credit for a future purchase or as a goodwill gesture.

5 Confirm and apply the credit note

CONFIRM

Credit notes are created in Draft and can be edited before confirming. Click Confirm to post the credit note. If the credit note was created from an invoice using Full Refund, Odoo automatically reconciles it against the original invoice â€" both documents are marked as paid with zero balance.

> **Partial credit note â€"** If using Partial Refund, after confirming the credit note you need to manually apply it against the invoice. Open the invoice, click Add Credit Note in the outstanding credits section, and select the credit note to apply.