

# FISCAL ACCOUNTABILITY RULES

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## RULE 7.8 – VENDOR CREDITS

### Purpose

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Each agency/department is responsible for ensuring the accuracy of every invoice and for collecting all credits owed from their vendors. This rule is to ensure that vendor credit memos/invoices received from City's vendors are acknowledged and payments are returned to the City in a timely manner.

### Definition

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**Vendor Credit Memo/Invoice** – A vendor credit memo issued in response to the return of goods or over billing.

### Rule

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1. Vendor credits shall be managed in one of three ways:
  - A. The agency/department or the Vendor can deduct the credit amount from a future invoice(s).
  - B. Vendor can send a check to reimburse the City for returned goods or over billings.
  - C. A credit invoice(s) can be entered as a separate payment request, only if there is another positive payment request(s) that when combined will result in a positive amount due the vendor. These payment requests must be to the same vendor and entered as its own group into the financial system.
2. The City shall have the right to exercise any and all legal means to recover amounts determined to be owed the City. Vendors that will not reimburse the City for returned goods or over billing shall be forwarded to Treasury for collection.

### Procedures and Forms

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The **Controller's Office** is responsible for any procedures and forms associated with this rule.