Merchandise Returns

Processing returns is a part of doing business.

You can use your system to provide sensible customer credits, while maintaining an accurate inventory count.

Point of Sale provides two ways to return merchandise: Credit Memos and Line Item Credits.

In this course, we describe how to setup the system for merchandise returns, explain the difference between credit memos and line item credits, and how to handle each.

We also describe system tools that help ensure the transaction is valid and handled according to your store's policies.

Topics

- Options and Security
- Credit Memo – Return Only
- Line Item Credit – Return with Purchase
- Store Vouchers and Gift Cards

Options and Security

Proper setup of options and security ensures your business gets the most benefit from returns validation.

We begin with two options that must be set to use this feature.

Option ID 8305 - Merchandise Returns Validation on System, must be set to Yes.

When set to Yes, exchanges and returns are dependent on prior purchases, and you will have access to the Returns Viewer to further investigate trends, and possible problems.

Option ID 5007 - Reprice credit items when transaction is repriced?, must be set to No.

You will want to examine the other option ID's related to Return Validation.

Based on your business model, you can determine how many months of history to view at POS, if returns should be posted against the oldest or most recent sale, and if the current or the original cost should be used.

Returns can be an area vulnerable to fraud.

You can set option ID 5494 - Require cash customer information on a return to Yes so that POS prompts the clerk to capture customer information such as name, phone number, and address when selecting the cash customer account during a return.

You can require this information at POS and validate randomly selected returns with a simple phone call.

Options ID 8414 and 8416 will also be specific to your business.

By editing the return item reason code table, you can enter up to 12 specific descriptions to better track returned items.

Use the Search field in Options Configuration to easily locate all options that reference Returns Validation.

There are several security bits that will need review to use the Returns Validation function.

A full list, along with their detailed descriptions, is available in the Eagle Help files under the title Returns Validation: Options and Security.

Best Practice dictates that only upper level management should have access to override invalid returns.

Credit Memo – Return Only

Use Credit Memos when a customer is only returning items.

When processing a basic credit memo, begin on the POS posting screen as with a regular transaction.

When a customer is only returning merchandise and not purchasing anything else, select the Credit key on the ribbon menu.

Notice that the Transaction Type changed from SALE to CREDIT MEMO.

Select the return method.

For Return with Receipt, scan the barcode on the original purchase receipt or invoice.

For Return with Bank Card, ask the customer to swipe the card used on the original purchase.

Alternatively, you can continue without having the customer present a receipt or a bank card.

Select the customer that is returning the item, then scan or enter the SKU for the first item.

The Returns Validation window displays, and you can view the prior purchases of this item.

Highlight the correct sold item.

If the item has never been purchased in your store by this customer, or if there is no outstanding available quantity to return against, the system can be set up to display a warning message by enabling the security bits mentioned earlier.

Select the Type of return.

If a customer returns an item in good condition, meaning it can be resold, choose code R.

If the item is defective, choose D so you can request a credit from your vendor.

You'll use the final code, E, if a customer brings in a damaged or defective item and would like to exchange it for the exact item.

This reports the original defective item to defective shrinkage, while the system pulls the new item from inventory.

For better tracking of your return activity, your clerks should also select one of the reason codes.

Once you select the proper return code, the item is posted to the grid.

The Codes column shows the return code that you chose. If this return is an Exchange, you'll see an extended cost of $0.00 in the posting grid.

The system adds a comment line to the transaction displaying the original invoice number and original invoice date.

Total the transaction as normal.

If this was a return for a cash customer and you set option ID 5494 to yes, the system requires the clerk to obtain the customer's name and phone number.

Follow your documented store policy to tender the transaction for the customer.

Typically, the refund tender is the same as that used in the original sale. For instance, if the original purchase was paid by cash, you would enter the amount being refunded in the box marked Cash.

Check with your supervisor to confirm your store's policy for refund tenders.

Line Item Credit – Return with Purchase

You can process a customer return and purchase within the same transaction.

Begin by scanning or entering the SKU they wish to return. Enter the return quantity and then press the CREDIT key on the ribbon instead of pressing Enter.

Complete the information needed for Return Validation and press Enter. The returned item's extended cost displays in red when it is posted to the grid.

Continue scanning any other returns and purchases.

With all the items posted, total the transaction as usual.

The Totals screen displays a refund total or an amount due, based on the items that were purchased and returned.

If the customer has a credit balance at the end of the transaction, you'll follow your store's policy in tendering that amount.

Check with your supervisor to see if your store allows cash or credit card refunds.

Depending on your receipt policy or the type of item being returned, a store credit may be the correct option. We will discuss vouchers and gift cards in another topic.

With all the returns posted, total the transaction.

The Totals screen displays the refund amount due to the customer in red and prompts you to enter the amount to tender. If the customer owes money, process that transaction as you normally would.

Keep in mind if you need to return to the Posting screen, you may do so by pressing Escape before completing the tender process.

Returns validation also provides access to the Customer Returns Viewer. Here you can view all regular, defective, and exchange-for-defective returns for a specific customer, range of dates, or specific clerk.

You must have security bit 802 Access Customer returns viewer to use this viewer.

Access the viewer from the POS header screen by opening the Miscellaneous menu or the main browser window under the Sales Review menu.

If you have questions or concerns about a clerks' or customers return history, you can easily conduct further research in this grid.

Store Vouchers and Gift Cards

Store Vouchers are another tool to use for returns that qualify as exceptions to your store's return policies.

You can specify a minimum amount with option ID 5412 – Minimum amount for issuing a store voucher so that cash customers with a refund less than the specified minimum would get cash rather than a voucher.

If your store wants the clerks to issue a voucher to cash customers instead of cash when giving a refund, set Option ID 5488 - Store Voucher required on a POS Refund to Yes.

Enable security bit 684 to override any exceptions.

Online help includes step by step instructions for Setting Up Store Vouchers.

Store vouchers are an alternate tender in POS. Find them in the Tender section of the ribbon menu.

You can also press F2 to trigger the pop up menu.

The system prints the cash customer's information on their receipt and automatically stores it in Quick Recall.

The system does not keep track of outstanding voucher balances; therefore, you'll want to retain a copy of individual vouchers.

When a customer wants to use a store voucher toward a purchase, and the voucher's value is greater than the purchase, the system can re-issue a new voucher for the remaining amount.

During a re-issue, the clerk is prompted for name, phone number, and original transaction number, all of which will print on the re-issued store voucher.

In addition to vouchers, your store may offer gift cards for customers who don't have their original receipts.

If your store is set up to issue gift cards for returns without receipts, the gift card activation window automatically displays when you total the return.

This reminds you to activate the gift card to complete the transaction.

For more information on gift card set up and activation, refer to the In-Store Gift Cards section in the Epicor Learning Center course catalog.

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