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## Cancellations and Credits

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This guide covers the procedures Artlook provides for removing stock items from the system and, where these have already been sold, the mechanisms for reversing the transaction and issuing credit.

### 1. Removing an item

Artlook permits the straightforward deletion of items which are available, consigned in or noted. You cannot delete items which have a status of sold or consigned out.

#### (a) Deleting an available or consigned in item

Right click on the relevant item and choose “Inventory and Stock Wizard”. Choose “Sell, Dispose or Remove Item(s)” and choose “Deleting – entered in error” from the options that appear below. Artlook will immediately ask you to confirm the deletion. This process cannot be undone – be certain that you wish to delete the item at this stage before proceeding.

#### (b) Deleting a Noted item

Right click on the item in question and choose “Delete – noted item”. Artlook asks you to confirm the deletion. Again this process cannot be undone.

#### Using the “Replicate Item” feature

This utility is relevant to deletions where the deletion is as a result of the item having been set up wrongly in some way. Once an item has been created in Artlook through the Inventory and Stock Wizard certain elements cannot be changed. You cannot for instance change: the supplier, the cost of the acquisition, the type of consignment (fixed or commission). Where it becomes necessary to change these details the item must first be removed and then re-acquired and in this circumstance you should use the Replicate item feature to make this a very much more straightforward and quicker process.

Before you delete the item right click on it and choose “Replicate Item”.

The screen which appears contains all details previously entered during the original acquisition of the item and represents the second stage of the Inventory and Stock Wizard based on the original acquisition method (purchased, consigned in or noted) From here you can change any of the entered details based on the original acquisition type.

**New item: Three Brothers**

Artist / maker: Parker, Karen Editor Date / tax point: 15/07/2003  
 Stock type: Painting Manual ref. no. (if any):  
 Title: Three Brothers

Supplier: Bainbridge, D & M  
 231 Horsedge Street  
 Casterbridge  
 Dorset  
 OL1 3DP  
 Imported

Purchase currency: GBP  
 Date acquired by supplier:  
 Supplier Tax Number:  
 Not charging tax

Insurance:  Provide insurance cover  
 Insurer:  
 Value: 0

Acquisition tax regime: Tax scheme name: Margin scheme Rate: 0.00 %

Purchase price		Published list price		Minimum selling price	
£	1000	£	2000	£	2000
Input tax	£0.00	Simple margin	100.00%		100.00%
Net	£1,000.00	Est. sales tax	£148.94		£148.94
Gross	£1,000.00	Margin post-tax	85.11%		85.11%

Prices and margins are NET of taxes

Acquisition costs (charged by this supplier)  Show in supplier's currency

Type	Note	Currency	Amount	Taxable	Tax rate	Tax	Gross
Acquisition cost	Acquisition cost	GBP	1,000.00	<input checked="" type="checkbox"/>	0	0.00	1,000.00

GBP 1,000.00      0.00      1,000.00

Buttons: ? Help, << Back, >> Next, X Cancel

Bottom bar: New, Acquire, Purchase

The screen shot above shows the result of choosing to Replicate an item which was previously purchased and shows the original purchase cost, supplier's details etc. If you wish to change the acquisition type hit the Back button and make a different selection from the screen as it appears on the right. If you wished to change the acquisition to a consignment you would select "Acquiring an item in another way" and then "Consigning in". Doing this based

**New item: Three Brothers**

What are you doing with this NEW item?

Purchasing an item  
 Acquiring an item in another way  
 Noting an item

Type of acquisition

Purchasing  
 Accepting a GIFT

Buttons: ? Help, << Back, >> Next, X Cancel

Bottom bar: New, Acquire, Purchase

on the example item above would change the display thus:

**New item: Three Brothers**

Artist / maker: Parker, Karen Editor Date / tax point: 15/07/2003 Consigned in until: 13/10/2003  
 Stock type: Painting Manual ref. no. (if any):  
 Title: Three Brothers

Supplier: Bainbridge, D & M  
 231 Horsedge Street  
 Casterbridge  
 Dorset  
 OL1 3DP  
 Imported

Purchase currency: GBP Date acquired by supplier:  
 Supplier Tax Number:  
 Not charging tax

Insurance:  Provide insurance cover  
 Insurer:  
 Value: 0

Acquisition tax regime: Tax scheme name: Margin scheme Rate: 0.00 %

Proposed purchase price		Published list price		Minimum selling price	
£	1000	£	2000	£	2000
Input tax	£0.00	Simple margin	100.00%		100.00%
Net	£1,000.00	Est. sales tax	£148.94		£148.94
Gross	£1,000.00	Margin post-tax	85.11%		85.11%

Prices and margins are NET of taxes

Consignment or loan agreement:  
 Agreed purchase price on sale: 1000 GBP  Commission agreed: 50 %

Acquisition costs (charged by this supplier)  Show in supplier's currency

Type	Note	Currency	Amount	Taxable	Tax rate	Tax	Gross
Acquisition cost	Acquisition cost	GBP	0.00	<input type="checkbox"/>	0	0.00	0.00
			GBP 0.00			0.00	0.00

Buttons: ? Help, << Back, >> Next, X Cancel

Buttons: New, Acquire, Purchase

As can be seen, all item details are retained but Consignment details are now included. These can be changed (for instance to a commission based consignment) as required.

To proceed with the replication remove the "Insurance" tick or provide details of your insurer which will enable the Next button. The final screen once again contains all previously entered information and from here the transaction can be completed.

The result will be two identical stock items and the original can now be deleted.



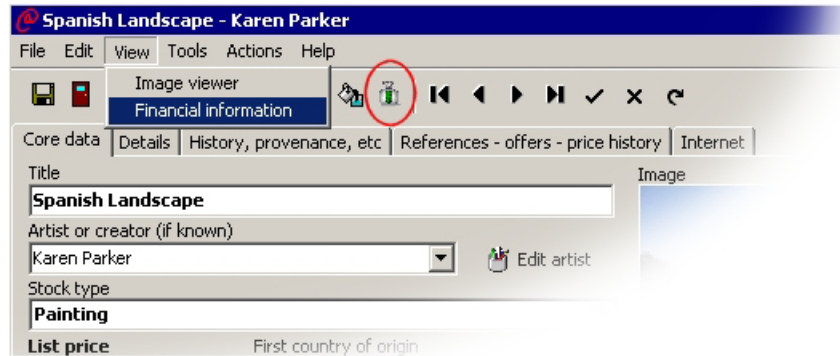
**TIP**

To help distinguish between the original and the replicated item edit the title of the replicated item by adding an "R" to the title. Once the original has been deleted simply edit the item and remove the "R".

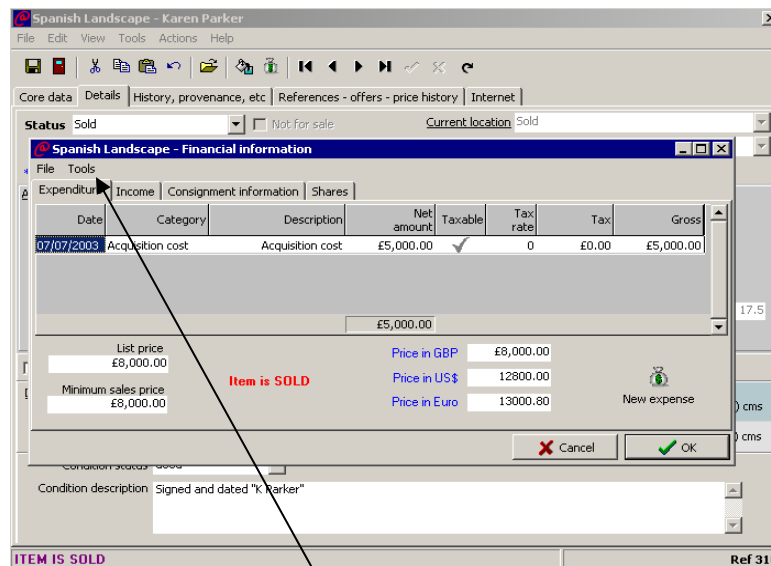
## 2. Cancelling a sales transaction

It will always be necessary to cancel the sales transactions for a sold item before it can be deleted. There will also, of course, be circumstances where you wish to reverse or credit out a sales transaction and take an item back into stock either at the price sold or at a different price.

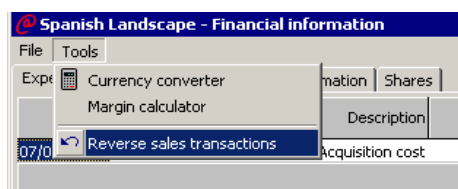
Artlook provides two methods for cancelling a sales transaction. Double click on a sold stock item and choose View | Financial Information or click the shortcut icon.



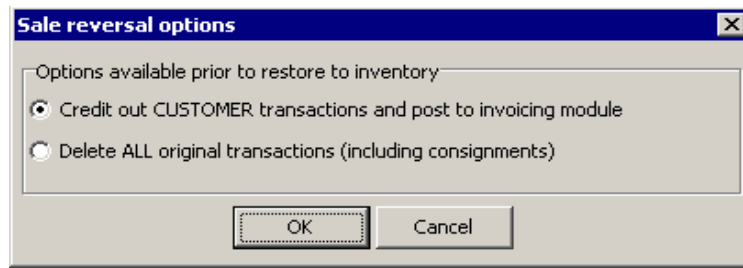
This will open the Financial Information screen as shown below:



From this screen choose Tools | Reverse Sales Transaction:



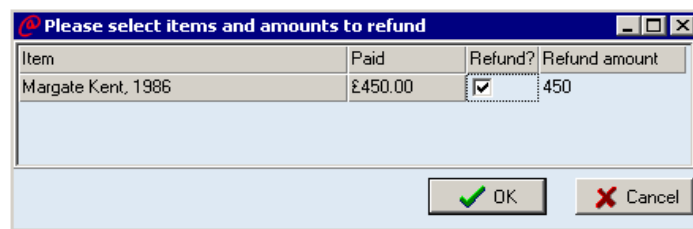
Artlook will display the following screen:



### (a) Issuing a Credit Note

Use the “Credit” option to generate a credit note to the original purchaser and thereby provide a balancing entry in the VAT ledgers (ie if you have already declared and paid a tax liability arising from the sale this will provide a reversal enabling you to incorporate a reclaim in your next return).

Artlook provides you with the ability to credit at less than the original sales price. Clicking OK on the Credit option brings up the following screen:



Click OK on this screen unless you wish to first change the “Refund amount”.

Artlook does not generate a Credit Note automatically. To generate the Credit Note for the reversal go to Accounts | Invoices & Receipts. Locate the customer in the “Unissued” section. Click on the plus sign and you will see an item beginning “Refund” and the name of the artist and stock item reference number. Right click the item and choose Issue followed by Credit Note (or a pinned customised version of the credit note if you have one).

Once the Credit Note has been marked as issued the customer account will be fully updated and a Statement will show the refund transaction. Issued or unissued, the Credit Note represents a tax invoice (Artlook uses the original invoice number and prefixes this with a “C”) and will appear on sales reports as a negative item thereby providing a correct “balancing entry” for VAT records.

Please note that the crediting process will have the effect of putting the item back into available stock and updating the customer’s account. This process will not affect any previously processed stock acquisition information. In particular, if this was originally a consigned item there will be no reversal of the consignment transaction – the stock item is now “owned” and no further supplier settlement is relevant once the piece is re-sold.

## **(b) Deleting transactions**

The alternative method of reversing a sales transaction is to completely remove all details of the transaction from the system. This process does not generate any balancing negative transactions for the item. If you are seeking to cancel a sales transaction for which you have already declared a VAT liability you should **not** use this option, you should raise a credit note instead.

The effect of the deletion will be to remove the original sales invoice number from the invoice log. You should therefore mark your original hard copy of the invoice as "Void". It will also remove all details from the customer account. If the item had originally been consigned in all details of the invoice to the consignor for fees or commission will also be removed.

Artlook will give you an option of printing an "advice note". This can be useful as a reference but please note that this advice note will show all items sold on the original invoice, not just the individual item which has been returned to stock.

Once the transaction has been deleted the item will appear as available and can be resold, or deleted altogether, as required.