

TRACELINK UNIVERSITY

Credit and debit adjustment transactions

Credit and debit adjustments are bi-directional transactions that allows buyers and sellers to ensure the accuracy of financial records and reconcile discrepancies between invoices, payments, and inventory. These adjustments ensure accurate financial records and proper inventory management, reflecting true transaction values between MAH, wholesalers, distributors, and retailers. Use the credit and debit adjustment transactions to correct errors or adjust previously recorded financial transactions. In both cases, adjustments are made to the accounts receivable or payable ledger to reflect the corrected balances. For example, if the manufacturer detects an undercharge on products shipped to the wholesaler for a specific purchase order, they send a credit and debit adjustment memo to the wholesaler, debiting them for the missing charge. Conversely, if the wholesaler finds an overcharge for products listed on a purchase order that were not received, they send a credit and debit adjustment memo to the manufacturer, debiting them for the overcharged amount.

Users can configure post-transformation logic to classify a sent or received credit and debit adjustment transaction as a client credit and debit adjustment or provider credit and debit adjustment. For example, if the `controlFileHeader/fileSenderNumber` attribute in the canonical matches the `companyIdentifierType` and `companyIdentifierValue` within the

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`thirdPartyLogisticsInformation` attribute in the canonical, the system should create the transaction subtype as Provider Credit Debit Adjustments. If no match is found, the system should instead create the transaction subtype as Client Credit Debit Adjustments.

Both credit and debit adjustments directly impact the accounts receivable or payable ledger, ensuring that it accurately reflects the current financial status. The following adjustments are recorded in the ledger to update the balances:

- Credit Adjustments - Decreases the amount a buyer (such as a pharmacy, hospital, or wholesaler) or a customer owes. It typically occurs in scenarios such as the return of goods, pricing errors, promotional discounts or rebates, and short shipments.
- Debit Adjustments - Increases the amount a buyer (such as a pharmacy, hospital, or wholesaler) or a customer owes. It may occur when applying additional charges, correcting undercharged amounts, or invoicing previously unpaid fees, under-billed shipments, price increases, additional charges, damage or loss during shipment.

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