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Inventory Valuation Report Balancing

Tammy Mason - 2017-08-24 - in Inventory

Inventory Valuation Report Balancing

ProfitMaker w/Fulfillment

Objective: Provide an overview of Inventory Valuation Report balancing for ProfitMaker w/Fulfillment. This information is based on the standard printing of the report.

Terminology

Unvouched Receipts

Inventory items that have been received and not yet vouched.

Pending Receipts

Inventory items that have been vouched and not yet received.

Customer Unbilled Qty

Customer owned inventory that has not been billed. Requires use of Prebilling to accurately balance the report to the G/L.

Customer Billed Qty

Customer owned items that have been billed. Requires use of Prebilling to accurately balance the report to the G/L.

Data File Analysis

Compmast, Itemmast, Apocost, Purchord, Aoprecs and Ffxifo are the primary files being used to generate the report. Much of the processing is performed within temporary files based on the data files listed.

Report Section 1

Refer to highlighted section in the following report.

Primary files used in this section are Itemmast, Compmast and Ffxifo. The Item, Sub, Item Cust, Own By, Description, On Hand, Type and Standard Cost are based on the Item Master (Itemmast and

Compmast). The actual cost is based on the Lifo/Fifo record (Ffxifo) and is determined by calculating and accumulating for each record. Please note that this value is used for the ending report value prior to the G/L summary page.

Common problems

The on hand shows -0- but actual shows a value. This is normally caused by two or more Lifo/Fifo records where the on hand shows a positive and a negative that net to -0-, but the costs associated with each record do not match exactly.

Value extends out incorrectly due to improper Per.

Actual Cost is incorrect.

On hand is incorrect.

To correct

To correct the "On Hand" showing 0 with Actual Cost showing a balance: Use the Inventory Adjustments count option. For incorrect Actual Cost use Record adjustments/Breakages/Rejects and select Cost Record. For incorrect On Hand quantity: Use Record Adjustments/Breakages/Rejects. For Client Stored use Client Stored Inventory Processing.

ASI COMPUTER SYSTEMS												
Inventory Valuation Report - Item Master											Page: 4	
Date: 08/19/04	Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included										Oper: XXX	
Time: 12:28:33												
Item #	Sub #	Item Own	Description	On hand	Type	Standard Cost	Value	Actual Unit cost	Value	G/L #		
P62061G	3XNVY	O	#Customer billed qty	8					88.2600	137		
			#Customer unbilled qty	0					00.0000			
P62061G	LGNVY	O C	Plaque, Polo Gift	96	O P	8.5000	731.0000	9.1279	785.0000	Multi		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	El-to o	
			01/26/04	37650	AwardCraft Inc.		0404051522XX	24	0	8.5000	204.0000	
			07/13/04	37650	AwardCraft Inc.		20033 0407131659XX	48	0	6.2500	300.0000	
			Unouched receipts:									504.0000
			#Customer unbilled qty	86					786.0000			
P62061G	MDNVY	O C	Plaque, Polo Gift	96	O P	8.5000	476.0000	8.8214	494.0000	Multi		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	El-to o	
			07/13/04	37650	AwardCraft Inc.		20033 0407131659XX	36	0	6.2500	225.0000	
			Unouched receipts:									225.0000
			#Customer unbilled qty	66					484.0000			
P62061G	GMNVY	O C	Plaque, Polo Gift	38	O P	8.5000	323.0000	8.8553	336.5000	Multi		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	El-to o	
			07/13/04	37650	AwardCraft Inc.		20033 0407131659XX	24	0	6.2500	150.0000	
			Unouched receipts:									150.0000
			#Customer unbilled qty	38					386.5000			
PLGRB 10		O H	Blug, Commuter Blug w/Wh	5000	FG	0.0730	365.0000	0.0730	365.0000	136		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	El-to o	
			07/23/04	37650	AwardCraft Inc.		20030 0407231402XX	5000	0	0.0730	365.0000	
			Unouched receipts:									365.0000
PLGRB 12		O H	Blug, Commuter Blug	20000	FG	0.1228	3561.2000	0.1228	3561.2000	136		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	El-to o	
			07/23/04	37650	AwardCraft Inc.		20029 0407231401XX	4000	0	0.1228	491.2000	
			07/23/04	37650	AwardCraft Inc.		20030 0407231402XX	25000	0	0.1228	3070.0000	
			Unouched receipts:									3561.2000

ASI COMPUTER SYSTEMS						
Inventory Valuation Report - Item Master						Page: 6
Date: 08/19/04	Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included					Oper: XXX
Time: 12:28:34						
G/L #	Name	G/L total	Report total	Unouched receipts	Pending receipts	Imbalance
136	Inventory	5093.66	28815.36	9685.20	0.00	15096.50
137	Customer Inventory	0.00	0.00	0.00	0.00	0.00

Report Section 2

Refer to highlighted section in the following report.

Primary files used are Apocost, Purchord and Aoprecs. These contain the details for the Unvouched and/or Pending Receipts. Each P.O. Cost History record is analyzed to determine if it is considered an Unvouched or Pending Receipt.

Unvouched Receipt is generally correct if the P.O. Cost History record received qty is greater than the vouched qty and the P.O. Cost History record is not marked vouched complete.

Pending Receipt is generally correct if the P.O. Cost History record vouched quantity is greater than the received quantity and the Purchase Order/P.O. Cost History record is not marked received complete.

FF DS Cost is very similar to a Pending Receipt. There is an additional check to see if the P.O. Cost History ->Billing Status field is empty before determining if it is to be considered.

Common Problems

Unvouched and Pending Receipts showing that are incorrect. Quantities and values that are incorrect. Many others too numerous to list here.

ASI COMPUTER SYSTEMS											
Inventory Valuation Report - Item Master											
Date:	08/19/04		Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included							Page:	4
Time:	12:28:33									Oper:	XXX
Item #	Sub #	Item Own	Description	On hand	Type	Standard	Value	Actual	Value	Q/L #	
ou st #	by					Co st		Unit co st			
P62061G	3XNVY	O	#Cu stomer billed qty	8				88.2500		137	
			#Cu stomer unbilled qty	8				88.0000			
P62061G	LGNVY	O C	Plaque, Polo Chrl	95	O P	8.5000	731.0000	9.1279	785.0000	Multi	
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty vch	Unit co st	Et too c
			01/26/04	37690	AwardCrest Inc.	20001	0404051522XX	24	0	8.5000	204.0000
			07/13/04	37690	AwardCrest Inc.	20033	0407131659XX	48	0	6.2500	300.0000
								Unvouched receipts:			504.0000
			#Cu stomer unbilled qty	88				785.0000			
P62061G	MDNVY	O C	Plaque, Polo Chrl	95	O P	8.5000	476.0000	8.8214	494.0000	Multi	
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty vch	Unit co st	Et too c
			07/13/04	37690	AwardCrest Inc.	20033	0407131659XX	36	0	6.2500	225.0000
								Unvouched receipts:			225.0000
			#Cu stomer unbilled qty	66				494.0000			
P62061G	GMNVY	O C	Plaque, Polo Chrl	38	O P	8.5000	323.0000	8.8553	336.5000	Multi	
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty vch	Unit co st	Et too c
			07/13/04	37690	AwardCrest Inc.	20033	0407131659XX	24	0	6.2500	150.0000
								Unvouched receipts:			150.0000
			#Cu stomer unbilled qty	88				336.5000			
PLGRB 10		O H	Mug, Computer Mug w/WH	5000	FG	0.0730	365.0000	0.0730	365.0000	136	
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty vch	Unit co st	Et too c
			07/23/04	37690	AwardCrest Inc.	20030	0407231402XX	5000	0	0.0730	365.0000
								Unvouched receipts:			365.0000
PLGRB 12		O H	Mug, Computer Mug	29000	FG	0.1228	3561.2000	0.1228	3561.2000	136	
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty vch	Unit co st	Et too c
			07/23/04	37690	AwardCrest Inc.	20029	0407231401XX	4000	0	0.1228	491.2000
			07/23/04	37690	AwardCrest Inc.	20030	0407231402XX	25000	0	0.1228	3070.0000
								Unvouched receipts:			3561.2000

To Correct

Generally the problems relate to P.O. Cost History records that were not maintained properly during Receiving, Vouching or Billing. In most cases the operator can use PO Cost History Maintenance to correct the situation by modifying the record or deleting the record. There is also an option within Company Information-Inventory that allows entry of a Date to Begin Unvouched Receipts Calculation. Only P.O. Cost History records created with a date greater than the date entered in Company Information will be recognized.

Note: PO Cost History Maintenance does have a Complete action button that can be used to mark the record completely Vouched, Received and/or Billed. Options are only enabled for the relevant possibilities. I.e. If the record does not relate to a FF or PB order then marking the record Billed Complete is not allowed.

Report Section 3

Refer to highlighted section in the following report.

Primary files used are Ffxifo and Apocost. There must be items setup as Customer Owned for report section 3 to show up on the Inventory Valuation Report. The On Hand is based on cost (Lifo/Fifo) records. The Billed and Unbilled is only in regards to Customer Owned Inventory. To determine if the cost record is Billed or Unbilled the P.O. Cost History Record for that specific Lifo/Fifo record is checked for the billing status. If the Billing Status has a "B" the Lifo/Fifo On Hand value is considered Billed, otherwise it is Unbilled. Ext cost is based on the cost record's extended values.

Common Problem

The incorrect On Hand may display. This is generally due to the cost record not having a corresponding P.O. Cost History record. A valid corresponding P.O. Cost History record is based on the Item, Sub, Item Cust, P.O. and Lot# Values from the Lifo/Fifo record.

To Correct

If the problem is due to the P.O. Cost History record not existing, the operator will need to create that record. When the values don't match it will normally be due to a rounding error and should be small enough of a difference to ignore. Large differences should be reported and researched with ASICS assistance.

Common Problem

The On Hand and Customer Billed quantities do not match.

To Correct

View the Item Master's cost records and note the P.O. number and quantity for each record. In P.O. Cost History Maintenance, review each record. Each record is used to determine the quantity based on Received - Shipped + Adjusted. Correct the quantities so each P.O. Cost History record matches the cost record.

Note: PO Cost History Maintenance does have a Complete action button that can be used to mark the record billed.

ASI COMPUTER SYSTEMS												
Inventory Valuation Report - Item Master												
Date:	08/19/04	Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included								Page:	4	
Time:	12:28:33									Oper:	XX	
Item #	Sub #	Item Own	Description	On hand	Type	Standard	Value	Actual	Value	G/L #		
ouct#	by					Cost		Unit cost				
P6206 IG	3XWVY	O	#Cu stoner billed qty	8					88,2600	137		
			#Cu stoner unbilled qty	6					88,0000			
P6206 IG	LGWVY	O C	Pique, Polo Shirt	86	O P	8,5000	731,0000	9,1279	785,0000	Null		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	Elr too	
			01/26/04	37690	AwardCraft Inc.	20001	040405162200	24	0	8,5000	204,0000	
			07/13/04	37690	AwardCraft Inc.	20033	040713165900	48	0	6,2900	300,0000	
			Unreached receipts:								504,0000	
			#Cu stoner unbilled qty	86					785,0000			
P6206 IG	MDWVY	O C	Pique, Polo Shirt	96	O P	8,5000	476,0000	8,8214	494,0000	Null		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	Elr too	
			07/13/04	37690	AwardCraft Inc.	20033	040713165900	36	0	6,2900	225,0000	
			Unreached receipts:								225,0000	
			#Cu stoner unbilled qty	96					494,0000			
P6206 IG	GMWVY	O C	Pique, Polo Shirt	38	O P	8,5000	323,0000	8,8553	336,5000	Null		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	Elr too	
			07/13/04	37690	AwardCraft Inc.	20033	040713165900	24	0	6,2900	150,0000	
			Unreached receipts:								150,0000	
			#Cu stoner unbilled qty	38					336,5000			
FLSHD 10		O H	Mug, Commuter Mug w/WH	5000	FG	0,0730	365,0000	0,0730	365,0000	136		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	Elr too	
			07/23/04	37690	AwardCraft Inc.	20030	040723140200	5000	0	0,0730	365,0000	
			Unreached receipts:								365,0000	
			#Cu stoner unbilled qty	38					386,6000			
FLSHD 12		O H	Mug, Commuter Mug	25000	FG	0,1228	3561,2000	0,1228	3561,2000	136		
			Date	Vend #	Name	P.O. #	Lot number	Qty Rec	Qty veh	Unit cost	Elr too	
			07/23/04	37690	AwardCraft Inc.	20029	040723140100	4000	0	0,1228	491,2000	
			07/23/04	37690	AwardCraft Inc.	20030	040723140200	25000	0	0,1228	3070,0000	
			Unreached receipts:								3561,2000	

Report Section 4

Totals are based on accumulated values from Report Section 1. The sub-categories found in Report Section 2 - 3 are not relevant to the totals. Totals are purely based on the extended Lifo/Fifo record costs.

ASI COMPUTER SYSTEMS											
Inventory Valuation Report - Item Master											
Date:	08/19/04	Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included								Page:	5
Time:	12:28:34									Oper:	XX
Item #	Sub #	Item Own	Description	On hand	Type	Standard	Value	Actual	Value	G/L #	
ouct#	by					Cost		Unit cost			
Total				41771			25731,6100		25815,3640		
							Variance		83,75		

Report Section 5

Totals are based on various data elements from Report Section 1 - 3. Basically three types of accounts are balanced.

Inventory (136) is for House Owned Items or Customer Owned Items that have been received but not yet billed.

Customer Owned Inventory (137) is for customer-owned items that have been billed to the customer.

G/L Total is from the General Ledger (Agibal) for the current period.

For House Owned Inventory G/L Accounts:

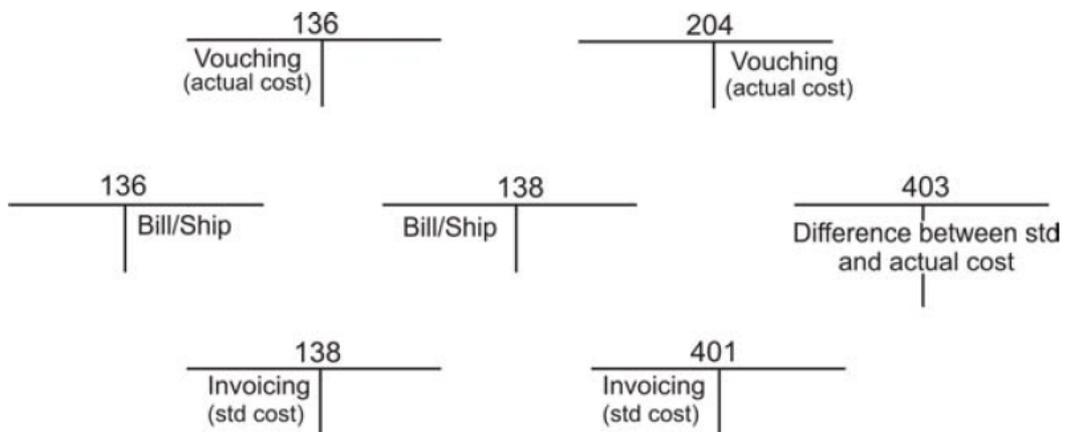
House owned items will accumulate into the report total by the account number listed next to the record printed in SECTION 1. This account is controlled by either Company Information - Inventory for the Inventory

G/L Account or by the Program Master setup (requires that the Program # is entered on the general tab in Item Master Maintenance) or by entering an account number in the Item Master on the Order Information Tab. Both the Unvouched and/or FF DS Cost/Pending Receipts that appear on a House Owned inventory item will be accumulated into their respective columns. The Imbalance is a calculation that takes the Report Total - Unvouched Receipts + FF DS Cost/Pending Receipts - G/L total .

An inventory purchase order is entered to restock house owned items. When the item is received it creates an unvouched receipt against the Inventory G/L account (136). The value of the item is included in the report total . When the vendor invoice is vouched it will be vouched to account 136. At that time the G/L total will increase and the Unvouched Receipt will decrease, but the Report Total will not change. When the item is sold it will reduce the inventory G/L and the report total.

For Customer Owned Inventory G/L Accounts.

Customer owned values are a little more complicated because part of the values will appear against House Owned Inventory and part of the values will appear against Customer Owned Inventory.

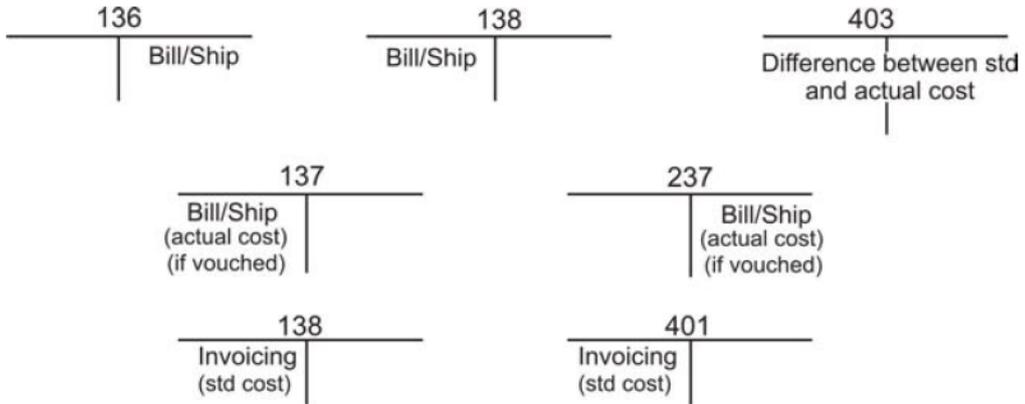


Note: For the purpose of this example, all Inventory items are vouched to the G/L for House Owned Inventory (136) regardless of ownership.

A Prebill Order is entered to purchase the Customer Owned Items and bill the corporation. The Prebill order creates an Inventory Purchase Order for Receiving and Vouching. When the merchandise is received it becomes an Unvouched Receipt against the House Owned account (136). When the Inventory Valuation Report is printed the items will show as a Customer Unbilled Quantity which will cause it to appear in the Report Total for the House Owned Inventory G/L account. When the vendor invoice is vouched it will be Vouched to account 136. At that time the G/L total will increase and the Unvouched Receipt will decrease, but the Report Total will not change. Hence we are still in balance.



The next logical step is to Bill/Ship the Prebill order. During Bill/Ship a transfer of inventory cost for the prebilled item is performed through a G/L entry from the House Owned inventory account to the Customer Owned inventory account. The Valuation report will print the value as Customer Billed quantity and will be part of the G/L summary Report total for Customer Owned Inventory.



Later as the Customer Owned merchandise is shipped both the Customer Owned inventory account and



ASI COMPUTER SYSTEMS						
Inventory Valuation Report - Item Master						
Date: 08/19/04	Sorted By Item # - House/Customer Inventory - No Items With 0 On Hand Included					Page: 6
Time: 12:28:34						Oper: XX
O/L #	Name	O/L total	Report to bal	Un vouched receipts	FF 0 B oo cr Pending receipts	Im balance
136	Inventory	5093.66	28815.36	5685.20	0.00	15006.50
137	Customer Inventory	0.00	0.00	0.00	0.00	0.00