Proof of Concept To Handle Landed Cost Allowance

Requirement: Ability to enter or reference a negative value for an allowance on the Landed Cost Field in the Item Receipt, Calculate and Post the Journal Entry to the GL.

1. Create 2 Items (Done)
   1. Vendor – Freight Allowance Vendor – Freight Allowance
   2. Vendor – Freight Vendor – Freight
2. Create Purchase Order
   1. DR = Inventory Warehouse
   2. CR = Purchase Order
3. Create Receipt
   1. Enter Item
   2. Enter Landed Cost > Landed Cost Tab
      1. Select Cost Allocation Method
      2. Vendor Freight = XXXX; Source = Manual
      3. Vendor Freight Allowance = XXXX; Source = Manual
4. Create and Save Receipt, JE Should Look Like This
   1. DR = Inventory Warehouse
   2. CR = Unvouchered Merchandise
   3. DR = Inventory Warehouse = Freight Vendor – Freight
   4. CR = Unvouchered Expenses, Unvouchered Freight = Freight Vendor – Freight
   5. DR = Inventory Warehouse = Freight Allowance Vendor – Freight Allowance
   6. CR = Unvouchered Expenses, Unvouchered Freight Allowance = Freight Allowance Vendor – Freight Allowance. The value should be a contra-expense account and will be entered as a negative amount.
5. Create Bill (Assumption Vendor Issues One Bill For Item, Freight, and Allowance)
   1. Enter Line For Freight Vendor Freight; Rate; Amount; Select Landed Cost Category
   2. Enter Line For Freight Allowance Vendor; Rate; (Amount); Select Landed Cost Category

DR = Unvouchered Merchandise

DR = Unvouchered Expenses, Unvouchered Freight = Freight Vendor – Freight

CR = Accounts Payable

CR = Unvouchered Freight Allowance = Freight Allowance Vendor – Freight Allowance

1. Reconcile Landed Cost From Bill Onto Receipt
   1. Go To Landed Cost Subtab
   2. Select Cost Allocation Method
   3. Vendor – Freight Source, Select Other Transaction
   4. Select Corresponding Transaction from the previously entered bill
   5. Repeat the Same Action for Vendor – Freight Allowance

A Custom Script will need to calculate the Negative Freight Allowance Value (Landed Cost) based against the Number of Lines and selected Allocation Method. Each Negative Freight Allowance Line requires a Debit/Credit Journal Entry into the GL as the current program currently is not recognizing the negative value/transaction of the Freight Allowance Field.

Once Paid

DR = Accounts Payable

CR = Cash In Bank

5a. Create Bill (Assumption Vendor Issues One Bill For Item; Freight Company Issues Bill For Freight and Allowance)

* 1. Create Purchase Order
  2. Create Receipt For Item Only
  3. Enter Item and Estimated Landed Cost For Freight and Freight Allowance in Landed Cost Tab (Manual)
  4. Create Vendor Bill For Item Only (Jennie)
  5. Create Vendor Bill For Freight Charges and Allowance and Reference Landed Cost Category (Old Dom)
  6. Go To Landed Cost Subtab
  7. Select Cost Allocation Method
  8. Vendor – Freight Source, Select Other Transaction
  9. Select Corresponding Transaction from the previously entered bill
  10. Repeat the Same Action for Vendor – Freight Allowance
  11. Navigate Back To Item Receipt, Landed Cost Tab, and Reference Each Landed Cost and The Corresponding Transactions (Freight and Freight Allowance For Each Field).

DR = Inventory Warehouse = Freight Allowance Vendor – Freight Allowance

CR = Unvouchered Expenses, Unvouchered Freight Allowance = Freight Allowance Vendor – Freight Allowance

A Custom Script will need to calculate the Negative Freight Allowance Value (Landed Cost) based against the Number of Lines and selected Allocation Method. Each Negative Freight Allowance Line requires a Debit/Credit Journal Entry into the GL as the current program currently is not recognizing the negative value/transaction of the Freight Allowance Field.

5b. Create Bill (Assumption Vendor Issues One Bill For Item; One Bill For Freight, and CM For Freight Allowance)

1. Create Purchase Order
2. Create Receipt For Item Only
3. Enter Item and Estimated Landed Cost For Freight and Freight Allowance in Landed Cost Tab (Manual)
4. Create Vendor Bill For Item Only (Jennie)
5. Create Vendor Bill For Freight Charges and Reference Landed Cost Category (Old Dom)
6. Create Vendor Bill For CM Freight Allowance and Reference Landed Cost Category (Different Vendor)
7. Go To Landed Cost Subtab
8. Select Cost Allocation Method
9. Vendor – Freight Source, Select Other Transaction
10. Select Corresponding Transaction from the previously entered bill
11. Repeat the Same Action for Vendor Freight and Vendor – Freight Allowance
12. Navigate Back To Item Receipt, Landed Cost Tab, and Reference Each Landed Cost and The Corresponding Transactions (Freight and Freight Allowance For Each Field).

DR = Inventory Warehouse = Freight Allowance Vendor – Freight Allowance

CR = Unvouchered Expenses, Unvouchered Freight Allowance = Freight Allowance Vendor – Freight Allowance

A Custom Script will need to calculate the Negative Freight Allowance Value (Landed Cost) based against the Number of Lines and selected Allocation Method. Each Negative Freight Allowance Line requires a Debit/Credit Journal Entry into the GL as the current program currently is not recognizing the negative value/transaction of the Freight Allowance Field.