Vendor Bill and SVL

Strategic Impact Assessment & Process Optimization

Report Date: August 7, 2025

Database: odoo16_siafa (August 6,2025 Data)

Bills Analyzed: BILL/2025/08/0032, BILL/2025/08/0033

Business Case: Reset to draft to match with actual vendor invoices

II EXECUTIVE DASHBOARD

MEDIUM RISK - Manageable with proper precautions

⊚ Key Metrics	Value	Impact Level
Total Financial Impact	\$44,380.52 USD	High
Bills Affected	2 vendor bills	Medium
⊗ Stock Valuation Layers	3 SVLs	Critical
II Journal Entries	12 entries	Medium
	2 POs	Low
Products Affected	3 inventory items	Medium

DETAILED BILL ANALYSIS

■ BILL/2025/08/0033 - Glory Tins Company Ltd.

\$ Amount: \$16,353.68 USD
7 Date: August 1, 2025

■ Status: Posted

Related PO: P05103 (fully invoiced)
Products: TB Bottom Generic 1 kg
SVL Impact: 1 layer (\$0.01 value)

BILL/2025/08/0032 - Glory Tins Company Ltd.

Mount: \$28,026.84 USD
Date: August 1, 2025

■ Status: Posted

Related PO: P05167 (fully invoiced)

Products: TB Bottom Ajwa 800g + TB Top Ajwa 800g
SVL Impact: 2 layers (\$0.01 and -\$0.01 values)

COMPREHENSIVE RISK ASSESSMENT

HIGH RISK AREAS

Stock Valuation Layer Inconsistency

Issue: 3 SVLs currently linked to bill lines

Values: Minimal (\$0.01 total) but create technical dependency

Risk: Double-counting if new SVLs created upon reposting

· Impact: Could corrupt inventory valuations

Inventory Accounting Integrity

Concern: Zero standard costs may indicate valuation issues

· Requirement: Manual reconciliation after reset

Complexity: Anglo-Saxon accounting implications

MEDIUM RISK AREAS

§ Financial Impact

• Journal Reversals: \$44,380.52 in entries to be reversed

PO Updates: Invoice status changes required

AP Impact: Accounts payable balances affected

· Reconciliation: Bank statement matching needed

Process Complexity

Accounting Method: Anglo-Saxon perpetual inventory

Stock Movements: Multiple products with existing movements

Audit Trail: Transaction history complications

Dependencies: Cross-module impacts

LOW RISK AREAS

X System Stability

· Technical Feasibility: Bills can be reset to draft

PO Integrity: Purchase orders remain valid

Dependencies: No critical system blockages

SVL LINKING MECHANISM ANALYSIS

Why Some Bills Link to SVLs and Others Don't

SVL linking is AUTOMATIC but CONDITIONAL - only when specific business conditions are met.

CONDITIONS FOR SVL LINKING

1. Product Type = 'Storable Product'

- Only physical inventory items create SVLs
- X Services and consumables do NOT create SVLs

2. Real-time Valuation Enabled

- · Product category must have perpetual inventory
- X Manual valuation does NOT create SVLs

3. 👔 Anglo-Saxon Accounting Enabled

- System-wide setting at company level
- · Required for inventory-accounting integration

4. Purchase Order Connection

- · Bill must be linked to PO
- X Direct bills do NOT create SVL links

5. Stock Movements Exist

- Physical receipt of goods must occur
- Stock moves create the actual SVLs

X WHEN BILLS DON'T LINK TO SVLs

- Service/Consumable products only
- Products with manual/periodic valuation
- No purchase order connection
- No stock movements/receipts
- Anglo-Saxon accounting disabled

PROCESS FLOW SCENARIOS

Scenario 1: RECEIPT → BILL FLOW (Most Common)

Create PO → Receive Goods → Create Bill

✓ SVL Created ✓ Links to existing SVL

Scenario 2: BILL → RECEIPT FLOW

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Create PO → Create Bill → Receive Goods

X No SVL yet ✓ Creates SVL + links to Bill
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Scenario 3: DIRECT BILL (No PO)

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Create Bill (Direct entry)
X NO SVL LINK - Service/expense items only
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X TECHNICAL DETAILS

Stock Valuation Layer Details

SVL ID	Product	Current Value	Status	Linked Bill
1340328	TB Bottom Generic 1 kg	\$0.01		BILL/2025/08/0033
1340326	TB Bottom Ajwa 800 gms	\$0.01		BILL/2025/08/0032
1340327	TB Top Ajwa 800 gms	-\$0.01		BILL/2025/08/0032

System Configuration Analysis

Anglo-Saxon Accounting: ENABLED

Real-time inventory valuation: ENABLED

Multiple product categories: Configured

Stock input accounts: Properly set up

Draft Button Logic

Method: _compute_show_reset_to_draft_button()

Condition: If ANY bill line has stock_valuation_layer_ids → button hidden

• Purpose: Prevents inventory valuation inconsistencies

WHAT HAPPENS WHEN RESETTING TO DRAFT

IMMEDIATE EFFECTS

1. Bill Status Changes

- Status: Posted → Draft
- · Draft button becomes available
- Bills become editable again

2. II Journal Entries Reversed

- 12 accounting entries cancelled
- · Account balances adjusted automatically
- Accounts payable reduced by \$44,380.52

3. Purchase Order Updates

- · PO invoice status may change
- · Billing quantities reset
- POs remain in "purchase" state

POTENTIAL COMPLICATIONS

1. Stock Valuation Layers

- CRITICAL: 3 existing SVLs will remain orphaned
- Links to account.move.line broken
- · May cause inventory valuation discrepancies

2. When Reposting with Correct Data

- · New SVLs may be created
- Risk of double-counting inventory values
- Manual cleanup of orphaned SVLs required

3. S Accounting Reconciliation

- New journal entries with corrected amounts
- · Manual matching with bank statements needed
- VAT/tax implications if amounts change

STRATEGIC RECOMMENDATIONS

© RECOMMENDED APPROACH: Credit Note Method (SAFEST)

V PRIMARY RECOMMENDATION

Why Choose Credit Notes:

- Safety First: No risk of SVL inconsistencies
- Standard Practice: Follows accounting best practices
- Audit Compliance: Maintains clear transaction history
- Fime Efficient: Faster implementation with less risk

Implementation Steps:

- 1. V Create credit notes for both bills
- 2. Create new vendor bills with correct invoice details
- 3. V Link to existing purchase orders
- 4. V Post new bills normally

Benefits:

- V No SVL complications
- V Clear audit trail
- Standard accounting practice
- V No inventory valuation risks
- V Preserves data integrity

ALTERNATIVE: Reset to Draft (Higher Risk)

ONLY IF ABSOLUTELY NECESSARY

Proceed only if:

- Credit note approach not acceptable to business
- ! Database backup and restoration capability available
- ! Technical team available for post-reset cleanup
- ! Inventory reconciliation resources available

Pre-Reset Checklist:

- iii Complete database backup
- II Export current inventory valuation report
- Document exact changes needed
- Verify no other dependencies exist

Reset Process:

- 1. \ Enable draft button (custom module or manual override)
- 2. Reset bills to draft
- 3. Nodify with correct vendor invoice details
- 4. Repost bills

Post-Reset Actions:

- Check for orphaned SVLs (IDs: 1340326, 1340327, 1340328)
- Run inventory valuation report to verify consistency
- Reconcile any duplicate valuations
- Update purchase order statuses if needed

ALTERNATIVE SOLUTIONS

Option 1: Invoice Adjustments

- Use invoice line adjustments instead of full reset
- Modify specific fields that need correction
- Minimizes SVL impact

Option 2: Supplementary Invoices

- Create additional invoices for differences
- Adjust for correct amounts using separate entries
- Maintains original invoice integrity

6 FINAL STRATEGIC DECISION

TOP RECOMMENDATION: Credit Note Approach

- IMPLEMENTATION PRIORITY: HIGH
- **6** COST IMPACT: Minimal

PROCESS IMPROVEMENTS FOR FUTURE

- 1. Validate vendor invoice details before creating POs
- 2. V Use bill drafts for corrections before posting
- 3. Implement approval workflow for bills above threshold
- Regular inventory reconciliation procedures
- 5. Staff training on Credit Note processes

📞 SUPPORT & RESOURCES REQUIRED

If Proceeding with Credit Notes:

- Punctional: Accountant to create credit notes
- Review: Finance manager approval
- ③ Timeline: 1-2 business days

If Proceeding with Reset to Draft:

- R Technical: Developer for draft button override
- Punctional: Accountant for journal verification
- inventory: Stock controller for value validation
- Audit: Documentation specialist for trail maintenance

© KEY TAKEAWAYS

WHAT WE LEARNED

- 1. SVL linking is conditional depends on product type, valuation method, and PO connection
- 2. Credit notes are safer than resetting posted bills
- 3. Inventory integrity is critical in Anglo-Saxon accounting
- 4. Prevention is better than correction

★ **NEXT STEPS**

- 1. Immediate: Implement Credit Note approach
- 2. Short-term: Train team on proper procedures

Ⅲ IMPACT SUMMARY

Area	Impact Level	Mitigation Strategy
Financial	Medium	Credit Note approach
Operational	Low	Standard procedures
Technical	High	Avoid SVL complications
Compliance	Low	Maintain audit trail
Time	Low	Quick implementation

CONCLUSION

The comprehensive analysis reveals that **Credit Notes are the optimal solution** for handling SVL-linked vendor bills. This approach maintains system integrity, follows accounting best practices, and minimizes operational risk while achieving the desired outcome of matching vendor invoices correctly.

The investigation also provides valuable insights into SVL linking mechanisms that will help prevent similar issues in the future through improved processes and preventive controls.

Report Status: COMPLETE

Business Impact: Clear path forward for safe bill handling

📅 Valid Until: System configuration changes