Microsoft Dynamics SL

# Landed Cost

Release 2015

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# Introduction

## Landed Cost Overview

The Landed Cost module in Microsoft Dynamics® SL enables users to account for additional costs beyond the merchandise cost incurred in purchasing inventory items. For instance, companies may routinely incur freight or insurance charges on their purchases from overseas vendors. With the Landed Cost module, users can create and assign landed cost codes to incoming additional costs. The software then uses these codes to determine how to allocate each of the additional costs to items that have been received into inventory. Landed costs can be allocated by cost, quantity, or weight in this release of the Landed Cost module. Landed costs will be expensed or included in the inventory cost based on the item's valuation method (FIFO, LIFO, Average Cost, Standard Cost, Specific Identification, or User Specified).

The Inventory and Purchasing modules must be installed in conjunction with the Landed Cost module to incorporate the landed cost functionality. Landed cost requirements have implications on all areas of the purchasing cycle, including:

- Accounts Payable
- General Ledger
- Inventory
- Purchasing

There are two entry points for landed costs — Purchasing's *Receipt/Invoice Entry* (04.010.00) and Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). Landed costs may be entered in one or both of these applications depending on the timing of the receipt of the landed cost invoices.

- **Receipts Entry** — Landed costs can be entered along with the purchase order receipt through Purchasing's *Receipt/Invoice Entry* (04.010.00). If the item's valuation method is FIFO, LIFO, Average Cost, or Specific Identification then the inventory cost will be updated with the allocated landed cost for the full quantity received. The landed cost for other valuation methods will be posted to a general ledger landed cost variance account. An accounts payable voucher will also be created for each landed cost entered.
- **Voucher Entry** — Any time subsequent to the receipt of goods, landed costs can be entered through Accounts Payable's *Voucher and Adjustment Entry* (03.010.00) and allocated to user-selected inventory items on specific purchase order receipts. If the item has a valuation method of FIFO, LIFO, Average Cost, or Specific Identification, the inventory cost will be updated for the receipt quantity that is still remaining in inventory. The landed cost for other valuation methods and for the receipt quantity that was sold prior to the processing of the landed costs will be posted directly to a general ledger landed cost variance account.

Please refer to the "Concepts" section for more information about the types of landed costs, the differences between the receipt and voucher entry methods, and how the Landed Cost module interacts with other modules.

# User Guide Overview

This user guide provides information regarding the setup and use of the Landed Cost module. Reviewing the user guide can help you make informed decisions regarding the implementation of the Landed Cost module in your business.

## What is Covered in the User Guide?

The user guide consists primarily of procedures and checklists that describe how to perform the various tasks featured in the Landed Cost module. The user guide also contains topics that help you become better acquainted with the capabilities of the module. Topics are arranged in a logical order that builds on information previously presented in other user guides.

## Who Should Use the User Guide?

The user guide is designed for readers who are new to Microsoft Dynamics SL. The guide provides the information necessary for making decisions regarding how to use the Landed Cost module in order to get the most from your system.

## How to Use the User Guide

Read the appropriate section of the user guide before proceeding with any system customizations. The user guide presents the procedures and steps required for completing the various customization processes. To assist you in locating information, the user guide contains:

- A “Table of Contents” of logically organized activities and tasks.
- A “Concepts” section summarizing key ideas that are central to processing landed costs.
- An alphabetized “Quick Reference Task List” of commonly performed tasks.
- A “Task Guidelines” section including step-by-step procedures for entering and processing landed costs.
- An alphabetized “Index” of the information provided in the user guide.

# Concepts

## What is a Landed Cost?

A landed cost is an additional cost beyond the merchandise cost incurred in purchasing an inventory item. For instance, companies may routinely incur freight or insurance charges on their purchases from overseas vendors. With the Landed Cost module, users can create and assign landed cost codes to incoming additional costs. The software then uses these codes to determine how to allocate each of the additional costs to inventory. Landed costs can be allocated by cost, quantity, volume, or weight. Landed costs will be expensed or included in the inventory cost based on the item's valuation method (FIFO, LIFO, Average Cost, Standard Cost, Specific Identification, or User Specified).

### Types of Landed Costs

- **Vendor Invoices** — The vendor invoice is for the total cost of the goods purchased and is typically in the vendor's currency. Vendor invoices may also include additional landed costs for freight and insurance depending on the purchase agreement.

  **Note:** If the vendor invoice includes the additional landed costs, the landed costs can be entered with the purchase order receipt, but two separate accounts payable vouchers will be created — one for the merchandise costs and one for the additional landed costs. The vendor will receive separate payment checks that need to be applied to the single invoice.

- **Freight and Miscellaneous Origin Charges** — These charges are for freight and other origin charges such as pick-up, handling, insurance, port charges, and inspection fees. They are invoiced by a freight forwarding company and are normally in the currency of the country or region of origin. However, if the freight forwarder has a partner or agent in the destination country or region, then the invoice may be in the destination country or region's currency. It is also possible that this invoice could be in a different currency from either the vendor or the destination country or region's currency.
- **Customs Duties** — The Landed Costs module will handle customs duties in future versions. Customs duties are based on rate percentages established for different product categories by the destination country or region's government. The invoice for these charges is in the destination country or region's currency.
- **Value-Added Taxes** — These are taxes that can apply to landed costs, typically to customs costs. Value-added tax (VAT) is not normally included in the cost of the goods, but is booked separately for use as a tax credit.
- **Miscellaneous Destination Charges** — When goods clear customs, additional incidental charges may be incurred for clearing the goods and delivering them to the destination. These charges would normally be in the currency of the destination country or region, and would include port handling, wharfage fees, additional freight charges within the destination country or region, and processing fees from the agency handling the importation on behalf of the company.

# How Does Landed Cost Interact with Other Modules?

The Landed Cost module is closely integrated with several other modules that are involved in the purchasing cycle, including:

- Purchasing
- Accounts Payable
- Inventory
- General Ledger

## Integration with Other Modules

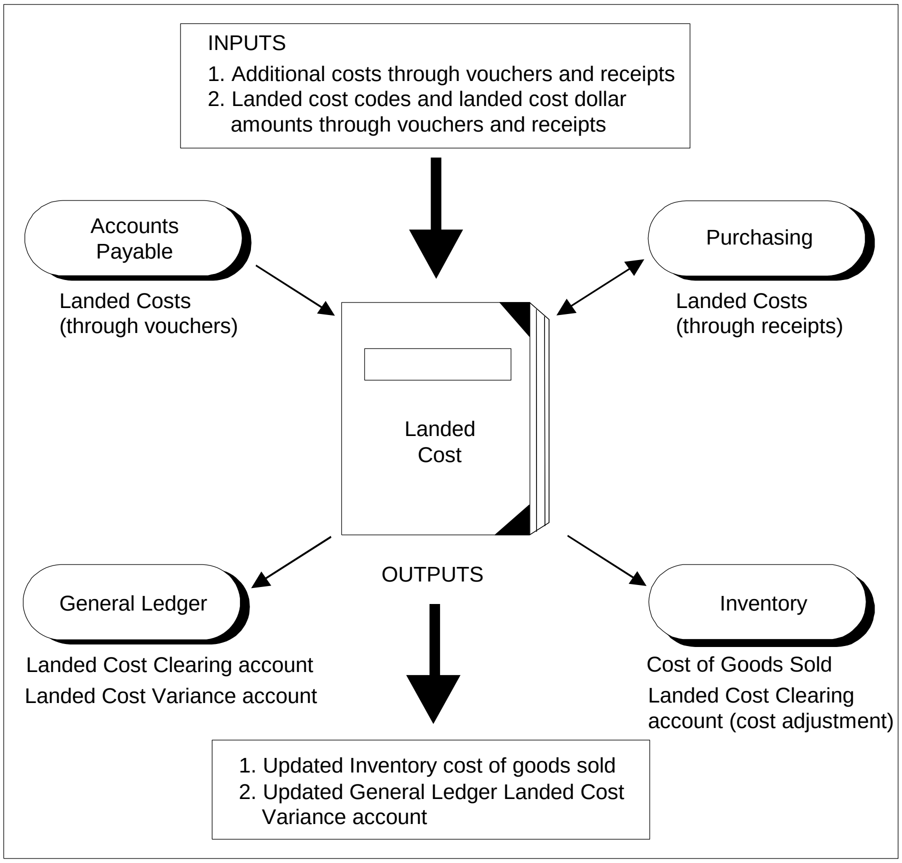

INPUTS
1. Additional costs through vouchers and receipts
2. Landed cost codes and landed cost dollar amounts through vouchers and receipts
Accounts Payable
Landed Costs (through vouchers)
Purchasing
Landed Costs (through receipts)
Landed Cost
OUTPUTS
General Ledger
Landed Cost Clearing account
Landed Cost Variance account
Inventory
Cost of Goods Sold
Landed Cost Clearing account (cost adjustment)
1. Updated Inventory cost of goods sold
2. Updated General Ledger Landed Cost Variance account

*Figure 1: Landed Cost Interaction*

## Purchasing

Landed costs can be entered at the time of purchase order receipt through *Landed Cost Receipt Entry* (61.010.00), which is accessed by clicking **Landed Costs** on Purchasing's *Receipt/Invoice Entry* (04.010.00). After Purchasing's *Release Receipt Batches* (04.400.00) successfully releases the purchase order receipt batch, it automatically calls *Process PO Landed Cost Batches* (61.200.00) to release the associated landed cost batches.

## Accounts Payable

Landed costs can be entered after goods have been received through *Landed Cost Allocation Entry* (61.020.00), which is accessed by clicking **Landed Cost Allocation** in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). After Accounts Payable's *Release AP Batches* (03.400.00) successfully releases the accounts payable voucher batch, it automatically calls *Process AP Landed Cost Batches* (61.210.00) to release the associated landed cost batches.

## Inventory

When landed costs are processed through *Process PO Landed Cost Batches* (61.200.00), an inventory cost adjustment batch updates the inventory costs for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Cost Identification. The same is true if the landed costs are processed through *Process AP Landed Cost Batches* (61.210.00). However, if any of the received items have been sold prior to the processing of the landed costs entered through Accounts Payable, then only the cost for the items remaining in inventory is updated. The landed cost for the quantity sold prior to the processing of the landed costs is posted directly to a general ledger landed cost variance account.

## General Ledger

When landed costs for items with valuation methods of Standard Cost or User Specified Cost are processed through *Process PO Landed Cost Batches* (61.200.00), the costs are posted directly to a general ledger landed cost variance account. The same is true for items with these valuation methods when landed costs are processed through *Process AP Landed Cost Batches* (61.210.00). In addition, when landed costs entered through Accounts Payable for items with valuation methods of FIFO, LIFO, Average Cost, or User Specified have any receipt quantity that was sold prior to the processing of the landed costs, the costs are posted directly to a general ledger landed cost variance account.

See "Accounting Entries for Landed Costs Entered Using the Receipt Method" on page 11 and "Accounting Entries for Landed Costs Entered Using the Voucher Method" on page 12 for more information about the specific accounts that are debited and credited.

## Currency Manager

If the multi-currency feature is enabled through Currency Manager, each landed cost entered at the time of Purchasing's *Receipt/Invoice Entry* (04.010.00) can have a different currency. The only restriction is that the landed cost screen can only handle currencies with two decimal places. When landed costs are entered in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00), the user selects the currency for the accounts payable voucher. The landed cost allocation for the user-selected receipt numbers/inventory items are calculated in the accounts payable voucher currency.

If the Bi-Monetary Inventory feature is enabled through Inventory, landed cost amounts that update inventory costs are also calculated in the bi-monetary currency.

## System Manager

System Manager is used to unlock the Landed Cost module and to assign user access rights to Landed Cost screens. See the System Manager online help or user guide for more information on unlocking modules and assigning access rights.

Note that System Manager's *Transaction Import* (98.500.00) cannot be used with *Landed Cost Receipt Entry* (61.010.00) or *Landed Cost Allocation Entry* (61.020.00) because they are not true subscreens of the screens from which they are invoked.

# How Do I Set Up the Landed Cost Module?

Unlike most modules, Landed Cost does not have a separate setup screen but is instead configured through the Purchasing, Inventory, and Accounts Payable modules. Landed Cost setup includes the following steps:

1. Assigning landed cost variance accounts and subaccounts in *IN Setup* (10.950.00), *Product Classes* (10.280.00), and *Inventory Items* (10.250.00) in Inventory. .
2. Setting up landed cost codes through *Landed Cost Codes* (61.100.00) in Purchasing.
3. Assigning default landed cost codes to vendors through *Vendor Maintenance* (03.270.00) in Accounts Payable.

## Installation

Please refer to the *Microsoft Dynamics SL Installation Guide* for installation information. Once the module is installed, you need to unlock the module and set up user access rights using the System Manager module. Refer to the System Manager online help or user guide for more information.

## Setting Default Landed Cost Variance Accounts and Subaccounts in Inventory

Landed costs will be posted directly to the general ledger landed cost variance account and subaccount for inventory items that have a valuation method of Standard Cost or User-Specified. Also, landed costs will be posted to this account for the other valuation methods when some or all of the receipt quantity has been sold prior to the processing of the landed costs in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00).

To avoid having to assign a landed cost variance account to each individual landed cost transaction that is processed, default accounts and subaccounts can be set up through the Inventory module:

- A global default account and subaccount can be assigned in the **Miscellaneous Accounts** tab in *IN Setup* (10.950.00).
- A product class-specific default account and subaccount can be defined in the **GL Accounts** tab of *Product Classes* (10.280.00).
- An item-specific default account and subaccount can be defined in **GL Accounts** tab of *Inventory Items* (10.250.00).

The global landed cost variance account and subaccount in *IN Setup* (10.950.00) are the defaults for the product class account and subaccount when a new product class is set up. The product class account and subaccount are the defaults for the inventory item account and subaccount when a new item is set up. Landed cost processing looks at the inventory item level to find the landed cost variance account and subaccount.

## Setting up Landed Cost Codes in Purchasing

User-defined landed cost codes can be set up for each landed cost type in *Landed Cost Codes* (61.100.00) (see “Types of Landed Costs” on page 3 for more information). An allocation method of Cost, Quantity, Volume, or Weight is specified for each landed cost code. The allocation method is the basis for the calculation used to distribute the landed cost across the received inventory items. Users can set up any number of landed cost codes.

In addition to the allocation method, other information such as the application method, vendor, terms, reason code, and clearing account are assigned to the landed cost code. The application method determines in what applications the landed cost code can be entered (Purchasing's *Receipt/Invoice Entry* (04.010.00) or Accounts Payable's *Voucher and Adjustment Entry* (03.010.00)). The remaining entries are used for the landed cost processing. The entries in *Landed Cost Codes* (61.100.00) cannot be overridden in the landed cost entry screens.

Ideally, you should set up a different landed cost code for each possible combination of application method, allocation method, vendor, terms, reason code, and clearing account likely to be used. Note that vendors and terms are only assigned to landed cost codes that use the receipt application method, and clearing accounts and subaccounts are only assigned to landed costs codes that use the voucher application method. (See "Entering Landed Costs Using Vouchers vs. Receipts" on page 8 for more information.)

Landed cost codes are most usable if they indicate key characteristics, such as the landed cost type. The landed cost code's description should elaborate other key characteristics, such as the allocation method and vendor, so users can easily differentiate between the various landed cost codes in a list of possible values. For example, MISCDESABC might be the code for miscellaneous destination charges for vendor ABC.

## Assigning Default Landed Cost Codes to Vendors in Accounts Payable

When the landed cost code is entered through Purchasing's *Receipt/Invoice Entry* (04.010.00), the vendor for the landed cost is the vendor associated with the landed cost code in *Landed Cost Codes* (61.100.00). When the landed cost code is entered through Accounts Payable's *Voucher and Adjustment Entry* (03.010.00), the vendor for the landed cost is the vendor entered on the accounts payable voucher. If a default landed cost code was entered for the vendor in *Vendor Maintenance* (03.270.00), then that code will be the default for **Landed Cost** on the **Defaults** tab in *Voucher and Adjustment Entry* (03.010.00).

# How Do I Enter Landed Costs?

Once setup is complete, landed costs can be entered through Purchasing's *Receipt/Invoice Entry* (04.010.00) or Accounts Payable's *Voucher and Adjustment Entry* (03.010.00).

## Entering Landed Costs Using Vouchers vs. Receipts

The Landed Cost module provides two entry points for landed costs — Purchasing's *Receipt/Invoice Entry* (04.010.00) and Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). It is possible to use one or a combination of both entry points, depending on the timing of the receipt of the landed cost invoices.

- **Receipts Entry** — If landed costs are known at the time the purchase order receipt is processed, they can be entered along with the receipt through Purchasing's *Receipt/Invoice Entry* (04.010.00).
- **Voucher Entry** — If landed costs are not invoiced until after the goods are received, they can be entered using Accounts Payable's *Voucher and Adjustment Entry* (03.010.00).

When landed costs are entered at the time of the purchase order receipt, each landed cost amount entered will be allocated across all the applicable line items on the purchase order receipt. Applicable items on the receipt are those with a **Receipt For** type of one of the following: Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, or Goods for Project. Only inventory goods that are received into inventory can have landed costs allocated to them. Therefore, the remaining **Receipt For** types of Description Line, Freight Charges, Misc Charges, Services for Expense, and Services for Project cannot have landed costs allocated to them.

When landed costs are entered in an accounts payable voucher, each landed cost amount entered will be allocated across user-selected inventory items on specific purchase order receipts with the valid **Receipt For** types.

In either case, the purchase order receipt must be released prior to processing the entered landed costs.

If some costs are known at the time of the purchase order receipt and other costs are not invoiced until after the receipt has been processed, a combination of the two methods can be used to enter the total landed costs. Regardless of the method, when landed costs are entered, the appropriate inventory cost adjustments, Accounts Payable postings and General Ledger postings will be generated.

## Estimating Landed Costs

The Landed Cost module does not provide the functionality to handle the processing of estimated landed costs in an automated fashion. Users can enter estimated landed costs when the purchase order receipt is processed. However, there is no provision in this module to automatically calculate the cost differential when the actual landed costs are received. The cost differentials must be manually calculated and entered as an adjustment in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00).

Because the cost differentials must be manually calculated upon receipt of the actual landed cost invoices, users must be diligent when entering landed cost estimates at the time of the purchase order receipt. If the total amount of the landed cost invoice is entered in *Voucher and Adjustment Entry* (03.010.00) and not the cost differential, the inventory costs will be overstated.

## Landed Cost Allocation Calculations

A landed cost's allocation method designates how costs will be distributed across the applicable inventory items. Options are:

- Quantity — The additional cost will be distributed across the applicable items proportionally based on quantity.
- Cost — The additional cost will be distributed across the applicable items proportionally based on extended cost.
- Volume — The additional cost will be distributed across the applicable items proportionally based on the extended volume of the items on the purchase order receipt.
- Weight — The additional cost will be distributed across the applicable items proportionally based on extended weight.

For example, if the allocation method is Cost, then the landed costs are allocated among line items on the purchase order receipt as follows:

1. The percentage of the landed costs to be allocated to the individual line item is equal to the extended cost for the individual line item divided by the sum of the extended costs for all the applicable line items on the receipt. Note that "applicable line items" refers to those with a **Receipt For** type of Goods for Inventory, Goods for Sales Orders, Non-Inventory Goods, and Goods for Project.
2. The total dollar amount of the landed costs to be allocated to the individual line item is equal to the percentage of landed costs to be allocated to the individual line item from step 1 multiplied by the entered landed cost dollar amount.
3. For the last line item on the receipt, the allocated landed cost amount is the entered landed cost dollar amount minus the sum of the landed cost dollar amounts allocated to all the other applicable line items. The same logic is applied when the allocation method is Quantity, Volume, or Weight, by using the extended quantity, volume, and weight values.

**Note:** Landed costs can only be assigned to receipts where the sum of the weight, cost, volume, or quantity (depending on whether the landed cost allocation method is Weight, Cost, Volume, or Quantity) for the applicable line items is greater than zero. For example, if the sum of the weights on the applicable line items is zero, then the user will not be able to enter a landed cost code with an allocation method of Weight. The same logic is applied when the allocation method is Cost, Volume, or Quantity.

# How Do I Release Landed Costs?

Once landed costs are entered, they must be released to update Inventory cost calculations and General Ledger postings.

- For landed costs entered using the receipt method, after Purchasing's *Release Receipt Batches* (04.400.00) successfully releases the purchase order receipt batch, it automatically calls *Process PO Landed Cost Batches* (61.200.00) to process the associated landed cost batches. If the landed cost processing fails during the purchase order receipt release, the landed cost batch processing can be manually initiated through *Process PO Landed Cost Batches* (61.200.00) on the Purchasing menu.

  **Note:** If there is a failure in the landed cost batch processing, none of the landed cost codes entered for the associated receipt number will be processed. The failure is at the purchase order receipt level, not at the landed cost code level.

- For landed costs entered using the voucher method, after Accounts Payable's *Release AP Batches* (03.400.00) successfully releases the accounts payable voucher batch, it automatically calls *Process AP Landed Cost Batches* (61.210.00) to process the associated landed cost batches. If the landed cost processing fails during the accounts payable voucher release, the landed cost batch processing can be manually initiated through *Process AP Landed Cost Batches* (61.210.00) on the Accounts Payable menu.

  **Note:** If there is a failure in the landed cost batch processing, none of the landed cost codes entered for the associated accounts payable document will be processed. The failure is at the accounts payable document level, not at the landed cost code level.

## Inventory Adjustments

Only inventory items that have been received into inventory can have landed costs allocated to them. Therefore, landed costs can only be applied to purchase order receipts with the following **Receipt For** types: Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, and Goods for Project.

Once landed cost batches have been processed, inventory costs are updated based on the item's valuation method and the **Receipt For** type:

- The inventory cost for items with valuation methods FIFO, LIFO, Average Cost, and Specific Identification are updated with the allocated landed costs through the creation of an inventory cost adjustment batch. A separate inventory cost adjustment batch is created for each landed cost code entered with the purchase order receipt.
- If the **Receipt For** type is Goods for Project, then the inventory cost will not be updated with the allocated landed costs. Receipts of Goods for Project are posted directly to the project and do not update inventory.
- The landed costs for inventory items with valuation methods of Standard Cost and User-Specified are posted directly to a general ledger landed cost variance account because the inventory costs for these valuation methods are not updated when items are received into inventory.
- Landed costs for non-stock items will be posted directly to a general ledger landed cost variance account because non-stock items can only have a valuation method of Standard Cost or User-Specified Cost.

Landed cost adjustments to inventory appear as standard inventory adjustment transactions (transaction type AJ) on Inventory reports.

## Accounting Entries for Landed Costs Entered Using the Receipt Method

When landed cost codes are entered in *Landed Cost Receipt Entry* (61.010.00), the landed costs are allocated across all the applicable line items on the purchase order receipt. Each entered landed cost code creates a separate accounts payable voucher, inventory cost adjustment batch, and general ledger batch (if applicable) for the associated purchase order receipt number. The following accounting entries are made when the landed cost batch is released in *Process PO Landed Cost Batches* (61.200.00).

**Note:** In *Landed Cost Codes* (61.100.00) each landed cost code has a reason code associated with it. The account and subaccount associated with the reason code are the landed cost clearing account and subaccount used for posting landed costs entered at the time of the purchase order receipt.

### Accounts Payable Postings

If the inventory item does not have a **Receipt For** type of Goods for Project:

- Debit Landed Cost Clearing account
- Credit Vendor AP account

If the inventory item has a **Receipt For** type of Goods for Project:

- Debit Project Account from the PO Receipt
- Credit Vendor AP account

**Note:** Only the landed cost accounts payable voucher will be created when the **Receipt For** type is Goods for Project. The release of the landed cost accounts payable voucher will create the proper General Ledger postings. No Inventory or direct General Ledger postings are necessary.

### Inventory Postings (Cost Adjustment)

If the inventory item does not have a **Receipt For** type of Goods for Project and has a valuation method of FIFO, LIFO, Specific Identification, or Average Cost:

- Debit Inventory account
- Credit Landed Cost Clearing account

### General Ledger Postings

If the inventory item does not have a **Receipt For** type of Goods for Project and has a valuation method of Standard Cost or User-Specified:

- Debit Landed Cost Variance account
- Credit Landed Cost Clearing account

## Accounting Entries for Landed Costs Entered Using the Voucher Method

Each landed cost code entered on an accounts payable voucher transaction line creates a separate inventory cost adjustment batch and general ledger batch (if applicable). The landed costs are allocated across the user-selected purchase order receipts and inventory items in *Landed Cost Allocation Entry* (61.020.00). The following accounting entries are created when the landed cost batch is released in *Process AP Landed Cost Batches* (61.210.00).

### Accounts Payable Postings

Accounts Payable postings for the landed cost entered on the accounts payable transaction line when the transaction line account is not a project account:

- Debit the account on the landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)
- Credit the vendor accounts payable account entered on the **Override** tab

### Inventory and General Ledger Postings

Inventory and General Ledger postings when the account on the accounts payable landed cost transaction line is not a project account:

If the inventory item does not have a **Receipt For** type of Goods for Project and has a valuation method of FIFO, LIFO, Specific Identification, or Average Cost:

- When the full receipt quantity is still in the cost layer in inventory, or for Average Cost the quantity on hand for the site in inventory is equal to the full receipt quantity, the Inventory cost adjustment is as follows:
  - Debit the Inventory account
  - Credit the account on the accounts payable landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)
- When none of the receipt quantity is still in the cost layer in inventory, or for Average Cost the quantity on hand for the site in inventory is zero, the General Ledger posting is as follows:
  - Debit the Landed Cost Variance account
  - Credit the account on the accounts payable landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)
- When part of the receipt quantity is still in the cost layer in inventory, or for Average Cost the quantity on hand for the site is greater than zero but not the full receipt quantity, for the portion of the allocated landed costs that can be applied to the quantity remaining in inventory, the Inventory cost adjustment is as follows:
  - Debit the Inventory account
  - Credit the account on the accounts payable landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)

- For the remaining portion of the allocated costs for the quantity that was previously sold, the General Ledger posting is as follows:
  - Debit the Landed Cost Variance account
  - Credit the account on the accounts payable landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)

If the inventory item does not have a **Receipt For** type of Goods for Project and has a valuation method of Standard Cost or User-Specified, the General Ledger posting is as follows:

- Debit the Landed Cost Variance account
- Credit the account on the landed cost transaction line (defaults to the landed cost clearing account associated with the landed cost code)

If the inventory item has a **Receipt For** type of Goods for Project and the account on the landed cost transaction line is not a project account:

- Debit the project account from the purchase order receipt
- Credit the account on the landed cost transaction line (the default account is the landed cost clearing account associated with the landed cost code)

### Postings when the Transaction Line Account is a Project Account

When the landed cost entered on the accounts payable transaction line has a transaction line account that is a project account, no inventory or general ledger transactions are generated for the entries in *Landed Cost Allocation Entry* (61.020.00) regardless of the **Receipt For** type. Any entries in *Landed Cost Allocation Entry* (61.020.00) will be for reference only.

## Failed Batch Releases

When the purchasing or accounts payable batch release completes successfully, it automatically calls the associated landed cost batch processing module. In either case, the standard batch release must be completed successfully before the landed cost batch processing can be executed. Therefore, if either the purchasing or the accounts payable batch release fails, the landed cost processing cannot be initiated.

If the purchasing receipt batch release is successful, and the landed cost processing fails, it is still possible to access *Landed Cost Receipt Entry* (61.010.00) and modify the data. After the appropriate modifications have been made, *Process PO Landed Cost Batches* (61.200.00) can be accessed from the Purchasing menu to re-release the landed cost batch. If the accounts payable batch release is successful, and the landed cost processing fails, the it is still possible to access *Landed Cost Allocation Entry* (61.020.00) and modify the data. After the appropriate modifications have been made, *Process AP Landed Cost Batches* (61.210.00) can be opened from the Accounts Payable menu to re-release the landed cost batch.

If there is a failure in the landed cost batch processing in *Process PO Landed Cost Batches* (61.200.00), none of the landed cost codes entered for the associated receipt number will be processed. The failure is at the purchase order receipt level, not at the landed cost code level. Similarly, if there is a failure in the landed cost batch processing in *Process AP Landed Cost Batches* (61.210.00), none of the landed cost codes entered for the associated accounts payable document will be processed. The failure is at the accounts payable document level, not at the landed cost code level.

# How Do I Revise Landed Cost Entries?

The process of revising landed cost entries depends on whether the associated landed cost batch has been released.

## Revising Landed Cost Entries That Have Not Been Released

In Accounts Payable, Landed Cost codes, AP transactions lines, AP documents, and AP batches with associated landed costs may all be revised or deleted if they have not yet been released. The software will display a message warning that all associated landed costs entered in *Landed Cost Allocation Entry* (61.020.00) will be deleted as well.

In Purchasing, a purchase order receipt or batch associated with a landed cost may be revised or deleted if it not yet been released. The software will display a message warning that all associated landed costs entered in *Landed Cost Receipt Entry* (61.010.00) will be deleted as well.

## Revising Landed Cost Entries That Have Been Released

If a landed cost entry has already been released as part of the landed cost batch process, it cannot be revised or deleted. Instead, an adjusting entry must be made in Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00). See the Accounts Payable online help or user guide for more information about making adjusting entries.

# Task Guidelines

## Quick Reference Task List

This list contains tasks that are commonly performed with the Landed Cost module. Each task is cross-referenced to the page in the user guide that describes how to perform the task.

### How Do I Define...?

- The application method for a landed cost (the application method determines whether landed costs can be entered using vouchers or receipts) — “Application Method” on page 36.
- The default vendor, terms, reason code, or clearing account and subaccount for a landed cost code — “Landed Cost Codes (61.100.00)” on page 35.
- The default variance account and subaccount in Inventory — “Defining Default Landed Cost Variance Accounts and Subaccounts” on page 16.
- The default landed cost code for a vendor — “Assigning Landed Costs Codes to Vendors” on page 19.

### How Do I Enter...?

- Landed costs using receipts — “Entering Landed Costs Using Receipts” on page 20.
- Landed costs using vouchers — “Entering Landed Costs Using Vouchers” on page 22.

### How Do I Process/Release...?

- Landed costs using receipts — “Releasing Landed Costs when Using the Receipts Method” on page 24.
- Landed costs using vouchers — “Releasing Landed Costs When Using the Voucher Method” on page 25.

### How Do I Revise...?

- Landed costs — “How Do I Revise Landed Cost Entries?” on page 14.

### How Do I Set Up...?

- The Landed Cost module — “Setting up Landed Costs” on page 16.
- Landed cost codes — “Defining Landed Cost Codes” on page 18.

# Setting up Landed Costs

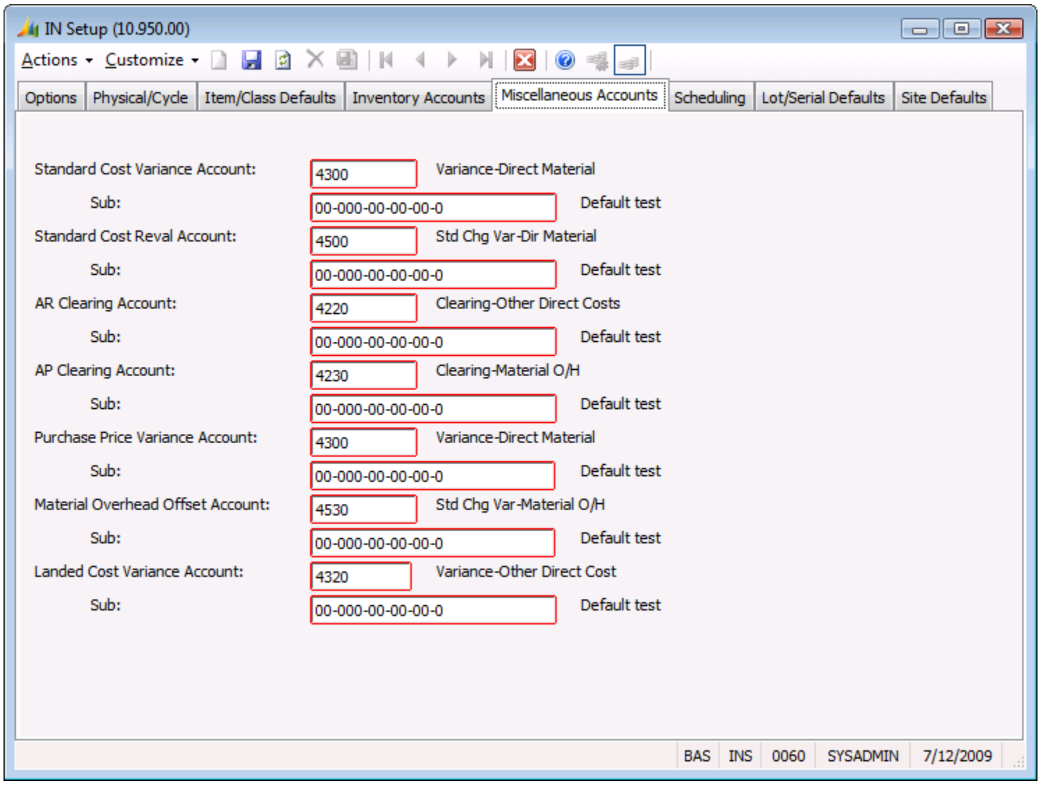
There is no setup screen for the Landed Cost module. Setting up landed costs includes defining default landed cost accounts in Inventory, defining landed cost codes in Purchasing, and assigning default landed cost codes to vendors in Accounts Payable.

## Defining Default Landed Cost Variance Accounts and Subaccounts

The landed cost variance account is the account that landed costs are posted to for inventory items that have a valuation method of Standard Cost or User Specified. Also, landed costs are posted to this account when some or all of the item receipt quantity has been sold prior to the processing of the landed costs through Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). To avoid having to assign a landed cost variance account to each individual landed cost transaction that is processed, the landed cost variance account and subaccount are looked up from Inventory's *Inventory Items* (10.250.00). If the landed cost variance account and subaccount are not set up in *Inventory Items* (10.250.00), then the landed cost processing will use the variance account and subaccount from *IN Setup* (10.950.00). See "Setting Default Landed Cost Variance Accounts and Subaccounts in Inventory" on page 6 for more information.

**To set up default variance accounts and subaccounts:**

1. Select **Inventory | IN Setup** to open *IN Setup* (10.950.00) and click the **Miscellaneous Accounts** tab.

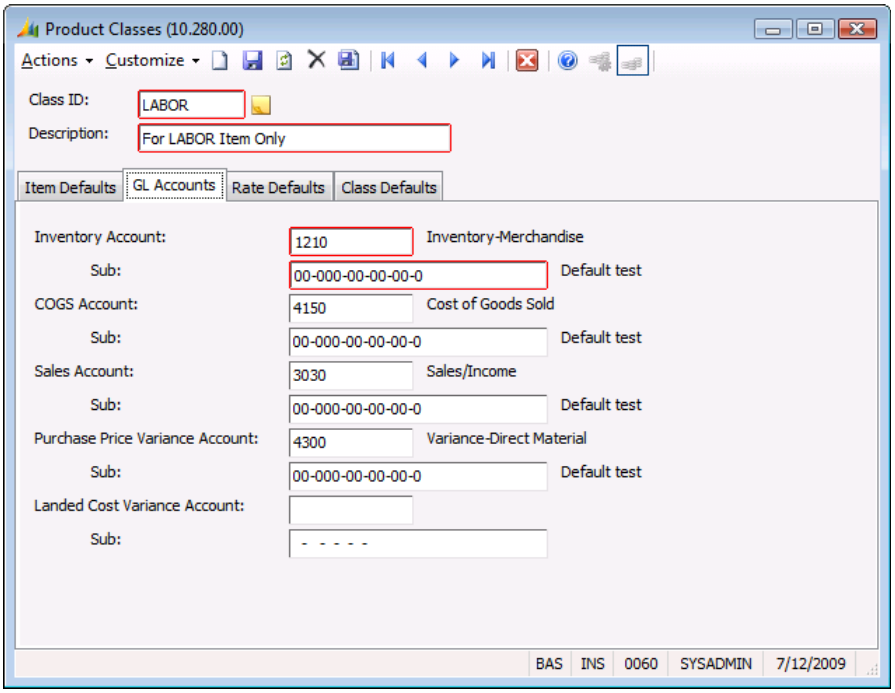


| | | |
|---|---|---|
| Standard Cost Variance Account: | 4300 | Variance-Direct Material |
| Sub: | 00-000-00-00-00-0 | Default test |
| Standard Cost Reval Account: | 4500 | Std Chg Var-Dir Material |
| Sub: | 00-000-00-00-00-0 | Default test |
| AR Clearing Account: | 4220 | Clearing-Other Direct Costs |
| Sub: | 00-000-00-00-00-0 | Default test |
| AP Clearing Account: | 4230 | Clearing-Material O/H |
| Sub: | 00-000-00-00-00-0 | Default test |
| Purchase Price Variance Account: | 4300 | Variance-Direct Material |
| Sub: | 00-000-00-00-00-0 | Default test |
| Material Overhead Offset Account: | 4530 | Std Chg Var-Material O/H |
| Sub: | 00-000-00-00-00-0 | Default test |
| Landed Cost Variance Account: | 4320 | Variance-Other Direct Cost |
| Sub: | 00-000-00-00-00-0 | Default test |

*Figure 2: IN Setup (10.950.00), Miscellaneous Accounts tab*

2. In **Landed Cost Variance Account** and **Sub**, enter the default variance account and subaccount most commonly used for landed cost transactions. Press `F3` for a list of possible values.
3. Save and close *IN Setup* (10.950.00).

4. Select **Inventory | Product Classes** to open *Product Classes* (10.280.00) and click the **GL Accounts** tab. The values entered for **Landed Cost Clearing Account** and **Sub** in *IN Setup* (10.950.00) appear here when a new product class is entered.

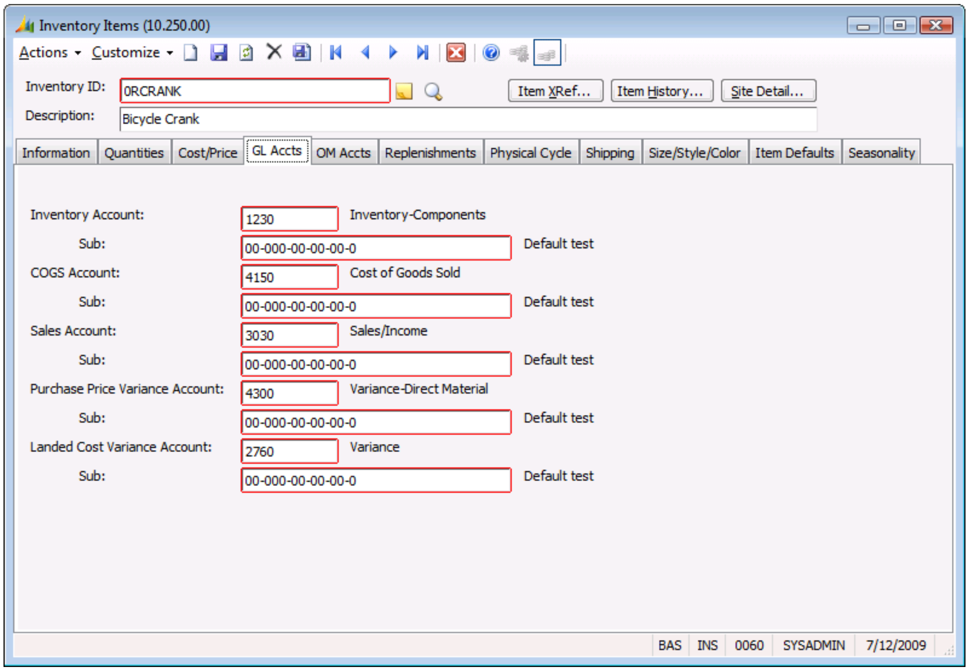

Product Classes (10.280.00)
Actions
Customize
Item Defaults
GL Accounts
Rate Defaults
Class Defaults
BAS
INS
0060
SYSADMIN
7/12/2009

Class ID: LABOR
Description: For LABOR Item Only

Inventory Account: 1210 Inventory-Merchandise
Sub: 00-000-00-00-00-0 Default test
COGS Account: 4150 Cost of Goods Sold
Sub: 00-000-00-00-00-0 Default test
Sales Account: 3030 Sales/Income
Sub: 00-000-00-00-00-0 Default test
Purchase Price Variance Account: 4300 Variance-Direct Material
Sub: 00-000-00-00-00-0 Default test
Landed Cost Variance Account:
Sub: - - - - -

*Figure 3: Product Classes (10.280.00), GL Accounts tab*

5. For each product class, change the defaults for **Landed Cost Variance Account** and **Sub** if necessary.
6. Save and close *Product Classes* (10.280.00).
7. Select **Inventory | Inventory Items** to open *Inventory Items* (10.250.00) and click the **GL Accts** tab. The values entered for **Landed Cost Variance Account** and **Sub** in *Product Classes* (10.280.00) appear here when a new item is entered.


Inventory Items (10.250.00)
Actions
Customize
Item XRef...
Item History...
Site Detail...
Information
Quantities
Cost/Price
GL Accts
OM Accts
Replenishments
Physical Cycle
Shipping
Size/Style/Color
Item Defaults
Seasonality
BAS
INS
0060
SYSADMIN
7/12/2009

Inventory ID: 0RCRANK
Description: Bicycle Crank

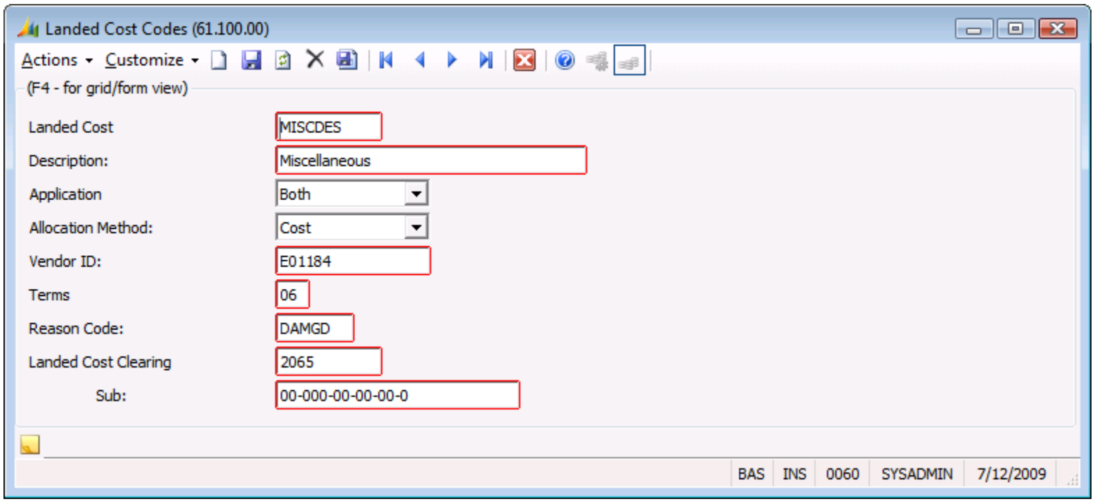
Inventory Account: 1230 Inventory-Components
Sub: 00-000-00-00-00-0 Default test
COGS Account: 4150 Cost of Goods Sold
Sub: 00-000-00-00-00-0 Default test
Sales Account: 3030 Sales/Income
Sub: 00-000-00-00-00-0 Default test
Purchase Price Variance Account: 4300 Variance-Direct Material
Sub: 00-000-00-00-00-0 Default test
Landed Cost Variance Account: 2760 Variance
Sub: 00-000-00-00-00-0 Default test

*Figure 4: Inventory Items (10.250.00), GL Accts tab*

8. For each item, change the defaults for **Landed Cost Variance Account** and **Sub** if necessary.
9. Save and close *Inventory Items* (10.250.00).

## Defining Landed Cost Codes

Landed cost codes are used during receipt and voucher entry to enter additional costs incurred in purchasing inventory items. A landed cost code should be set up for each combination of application method, allocation method, vendor, etc. that will be used in your company. See “Setting up Landed Cost Codes in Purchasing” on page 6 and “Landed Cost Codes (61.100.00)” on page 35 for more information.



| | |
|---|---|
| Landed Cost | MISCDES |
| Description: | Miscellaneous |
| Application | Both |
| Allocation Method: | Cost |
| Vendor ID: | E01184 |
| Terms | 06 |
| Reason Code: | DAMGD |
| Landed Cost Clearing | 2065 |
| Sub: | 00-000-00-00-00-0 |

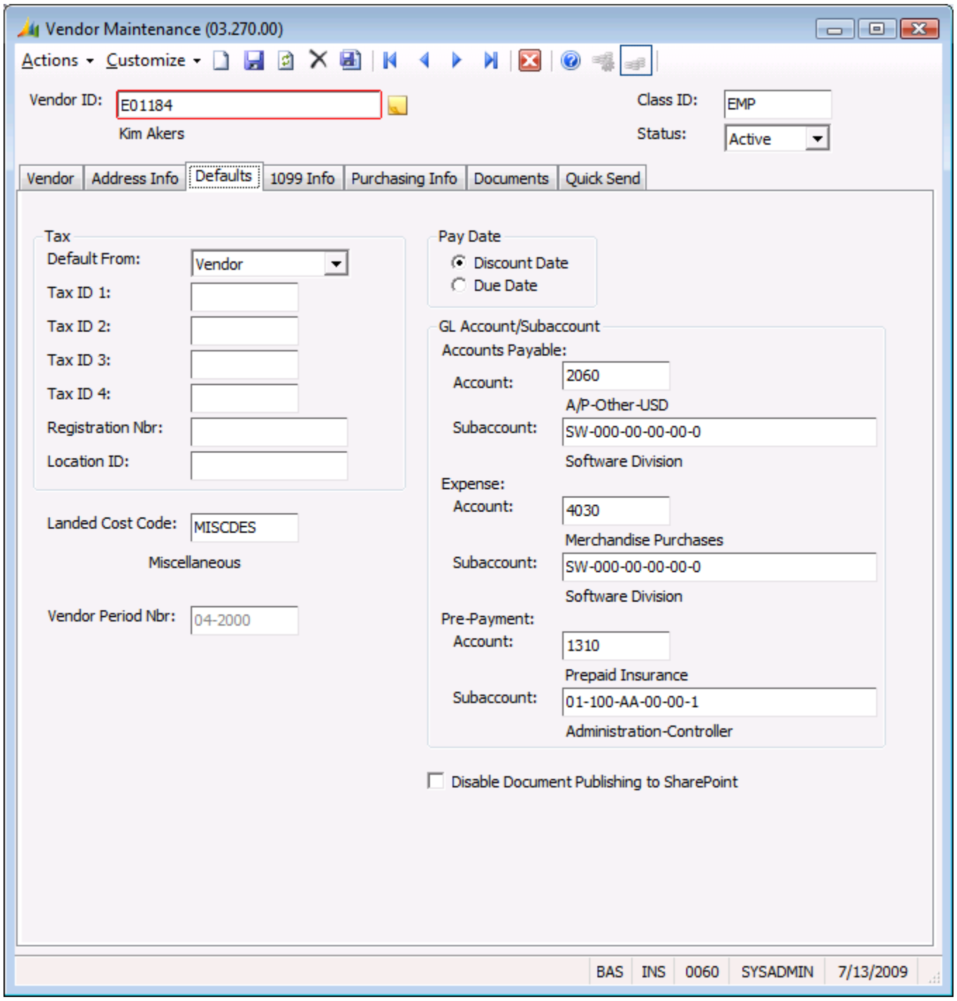
*Figure 5: Landed Cost Codes (61.100.00)*

**To create a landed cost code:**

1. Select **Purchasing | Landed Cost Codes** to open *Landed Cost Codes* (61.100.00).
2. Enter an alphanumeric code in **Landed Cost Code**. Landed cost codes are most usable when they identify the type of landed cost, such as VENINV for vendor invoices, or MISCDES for miscellaneous destination charges.
3. In **Description**, enter a description of the landed cost code’s key characteristics, such as the vendor or allocation method. The description should be detailed enough to help users differentiate between landed cost codes in lists of possible values.
4. In **Application Method**, select whether this landed cost code can be entered in Purchasing at the time of the purchase order receipt or in Accounts Payable or in both applications. See “Entering Landed Costs Using Vouchers vs. Receipts” on page 8 for more information.
5. In **Allocation Method,** select the basis to use for distributing the landed costs: Cost, Quantity, Volume, or Weight.
6. When creating codes using the receipt application method, select the **Vendor ID** associated with this landed cost. The **Terms ID** will default to the terms ID associated with the vendor in Accounts Payable’s *Vendor Maintenance* (03.270.00). Select either field, and then press `F3` to see a list of possible values.
7. In **Reason Code**, select the reason code to be used in the inventory cost adjustment batch for this landed cost. The reason code account and subaccount are used as the landed cost clearing account and subaccount when the landed costs are entered at the time of the purchase order receipt. Select the field and press `F3` to see a list of possible values or to create a new reason code on the fly.
8. When creating codes using the voucher application method, select an account and subaccount for **Landed Cost Clearing Account** and **Sub**. Select either field, and then press `F3` to see a list of possible values.
9. Click **Save** on the toolbar.

## Assigning Landed Costs Codes to Vendors

A landed cost code with an application method of Voucher or Both can be set up as a default for a particular vendor on the **Defaults** tab in Accounts Payable's *Vendor Maintenance* (03.270.00). When the vendor is entered in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00), the **Landed Cost Code** on the **Defaults** tab in the voucher will default from *Vendor Maintenance* (03.270.00). The **Landed Cost Code** on the **Defaults** tab in the voucher is the default for the transaction lines.



Vendor ID: E01184
Kim Akers
Class ID: EMP
Status: Active

Tax
Default From: Vendor
Tax ID 1:
Tax ID 2:
Tax ID 3:
Tax ID 4:
Registration Nbr:
Location ID:

Landed Cost Code: MISCDES
Miscellaneous

Vendor Period Nbr: 04-2000

Pay Date
● Discount Date
○ Due Date

GL Account/Subaccount
Accounts Payable:
Account: 2060
A/P-Other-USD
Subaccount: SW-000-00-00-00-0
Software Division
Expense:
Account: 4030
Merchandise Purchases
Subaccount: SW-000-00-00-00-0
Software Division
Pre-Payment:
Account: 1310
Prepaid Insurance
Subaccount: 01-100-AA-00-00-1
Administration-Controller

☐ Disable Document Publishing to SharePoint

*Figure 6: Vendor Maintenance (03.270.00)*

**To assign a default landed cost code to a vendor:**

1. Select **Accounts Payable | Vendor Maintenance** to open *Vendor Maintenance* (03.270.00), and click on the **Defaults** tab.
2. Enter a default landed cost code for this vendor in **Landed Cost Code.** Select the field and press `F3` to see a list of possible values.
3. Click **Save** on the toolbar.

# Entering Landed Costs

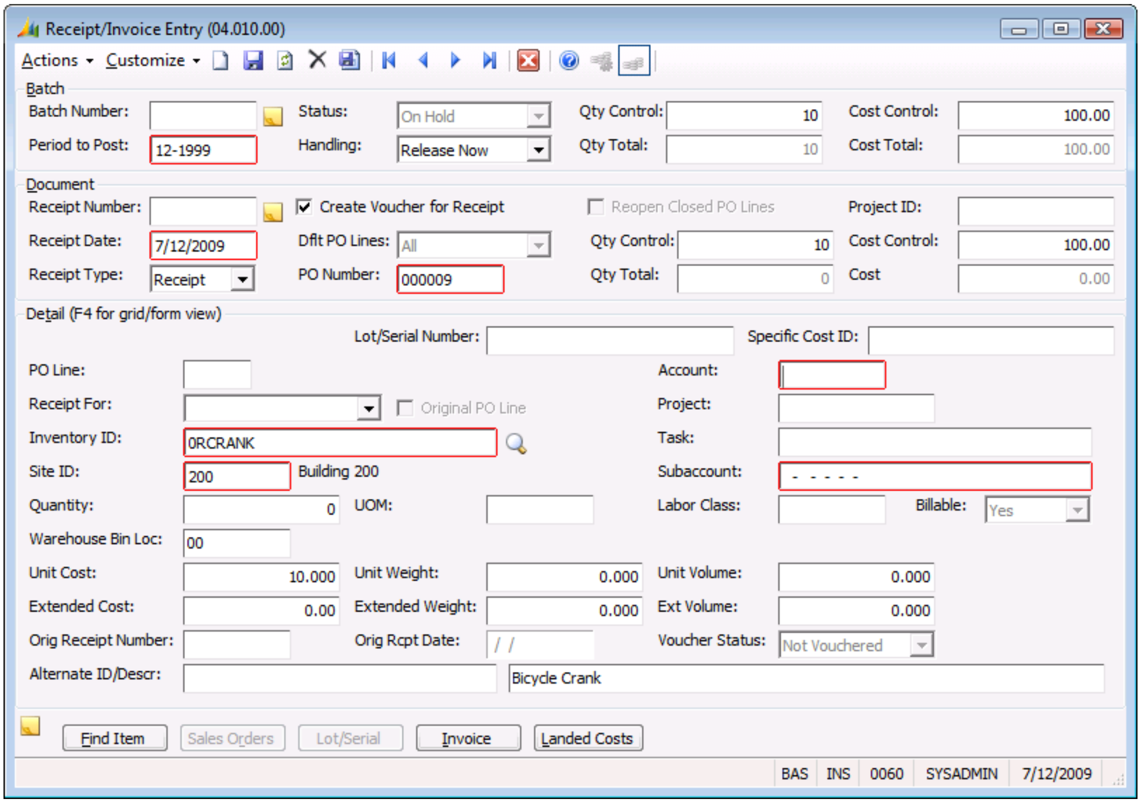
There are two entry points for landed costs — Purchasing's *Receipt/Invoice Entry* (04.010.00) and Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). Landed costs may be entered in one or both of these applications depending on the timing of the receipt of the landed cost invoices. If the actual landed costs are known at the time the purchase order receipt is processed, the landed costs can be entered with the receipt. If the landed costs are not invoiced until after the goods have been received, they can be entered in *Voucher and Adjustment Entry* (03.010.00). See "Entering Landed Costs Using Vouchers vs. Receipts" on page 8 for more information.

## Entering Landed Costs Using Receipts

Landed costs can be entered along with the purchase order receipt using Purchasing's *Receipt/Invoice Entry* (04.010.00). Landed costs are entered at the receipt number level (not the receipt batch level). Each receipt number can have associated landed costs entered. See "Landed Cost Receipt Entry (61.010.00)" on page 27 for more information.

**To enter a landed cost at the time of the purchase order receipt:**

1. Select **Purchasing | Receipt/Invoice Entry** to open *Receipt/Invoice Entry* (04.010.00).



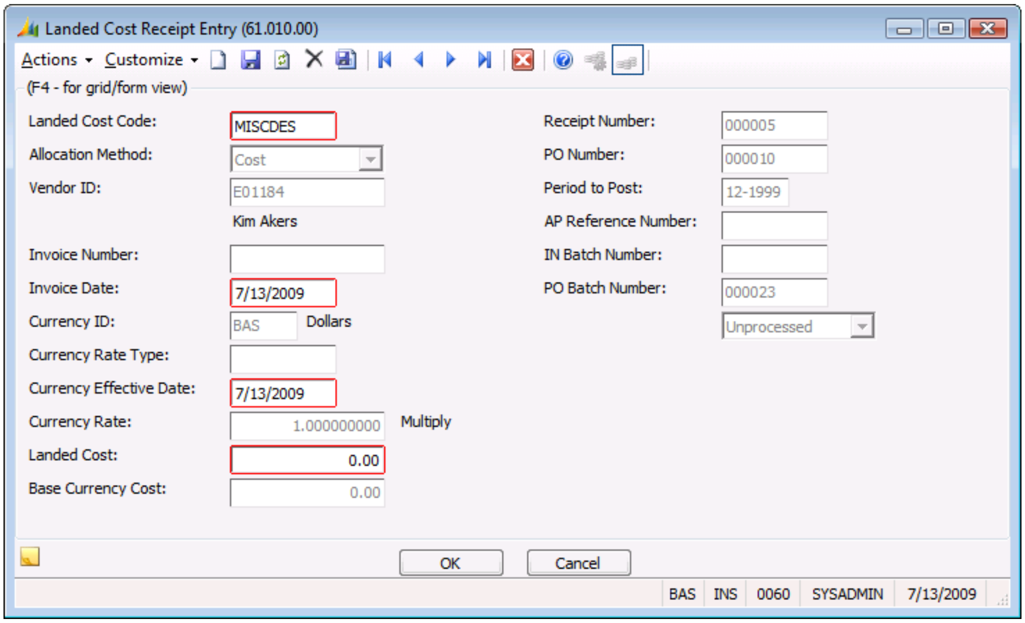
Batch Number:
Status: On Hold
Qty Control: 10
Cost Control: 100.00
Period to Post: 12-1999
Handling: Release Now
Qty Total: 10
Cost Total: 100.00
Receipt Number:
☑ Create Voucher for Receipt
☐ Reopen Closed PO Lines
Project ID:
Receipt Date: 7/12/2009
Dflt PO Lines: All
Qty Control: 10
Cost Control: 100.00
Receipt Type: Receipt
PO Number: 000009
Qty Total: 0
Cost 0.00
Lot/Serial Number:
Specific Cost ID:
PO Line:
Account:
Receipt For:
☐ Original PO Line
Project:
Inventory ID: 0RCRANK
Task:
Site ID: 200 Building 200
Subaccount: - - - - -
Quantity: 0
UOM:
Labor Class:
Billable: Yes
Warehouse Bin Loc: 00
Unit Cost: 10.000
Unit Weight: 0.000
Unit Volume: 0.000
Extended Cost: 0.00
Extended Weight: 0.000
Ext Volume: 0.000
Orig Receipt Number:
Orig Rcpt Date: / /
Voucher Status: Not Vouchered
Alternate ID/Descr: Bicycle Crank

*Figure 7: Receipt/Invoice Entry (04.010.00)*

2. Enter the information for the purchase order receipt as usual. See the Purchasing online help or user guide for more information.

   **Note:** The purchase order receipt must be saved before landed costs can be entered. An automatic save will be performed when the **Landed Costs** button is clicked. Landed costs are entered at the receipt number level (not the receipt batch level). Therefore, each receipt number in a receipt batch has its own associated landed costs. An unlimited number of landed costs may be attached to a purchase order receipt.

3. Click **Landed Costs** to open *Landed Cost Receipt Entry* (61.010.00).


Landed Cost Receipt Entry (61.010.00)
Actions
Customize
(F4 - for grid/form view)
OK
Cancel
BAS
INS
0060
SYSADMIN
7/13/2009

Landed Cost Code: MISCDES
Allocation Method: Cost
Vendor ID: E01184
Kim Akers
Invoice Number:
Invoice Date: 7/13/2009
Currency ID: BAS Dollars
Currency Rate Type:
Currency Effective Date: 7/13/2009
Currency Rate: 1.000000000 Multiply
Landed Cost: 0.00
Base Currency Cost: 0.00
Receipt Number: 000005
PO Number: 000010
Period to Post: 12-1999
AP Reference Number:
IN Batch Number:
PO Batch Number: 000023
Unprocessed

*Figure 8: Landed Cost Receipt Entry (61.010.00)*

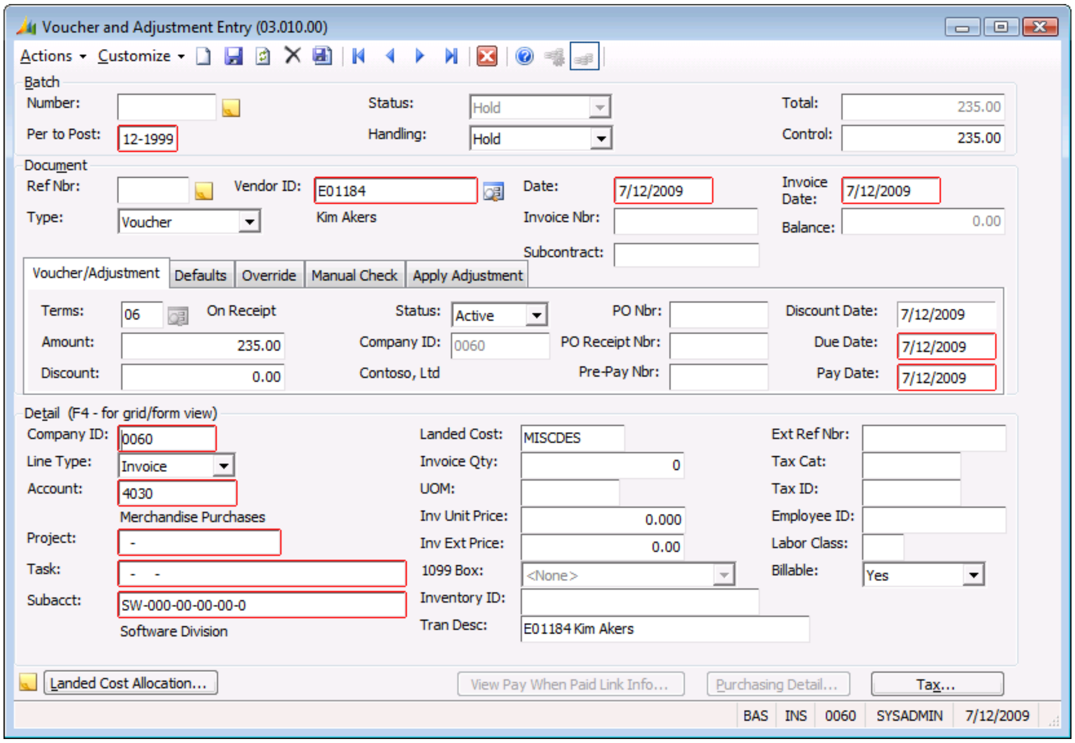
4. Enter the appropriate **Landed Cost Code.** Select the field and press `F3` to see a list of possible values.
5. In **Invoice Number** and **Invoice Date**, enter the vendor's invoice number and invoice date for the landed cost.
6. Enter the total amount of the landed cost in **Landed Cost.**
7. Click **OK.** The entries in *Landed Cost Receipt Entry* (61.010.00) are saved, the screen is closed, and you are returned to *Receipt/Invoice Entry* (04.010.00).

## Entering Landed Costs Using Vouchers

Any time after the receipt of goods, landed costs can be entered in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00) and allocated to previously received inventory. See "Landed Cost Allocation Entry (61.020.00)" on page 31 for more information.

**To enter a landed cost using a voucher:**

1. Select **Accounts Payable | Voucher and Adjustment Entry** to open *Voucher and Adjustment Entry* (03.010.00).



Batch
Number:
Per to Post: 12-1999
Status: Hold
Handling: Hold
Total: 235.00
Control: 235.00

Document
Ref Nbr:
Vendor ID: E01184
Kim Akers
Date: 7/12/2009
Invoice Date: 7/12/2009
Type: Voucher
Invoice Nbr:
Balance: 0.00
Subcontract:

Terms: 06 On Receipt
Status: Active
PO Nbr:
Discount Date: 7/12/2009
Amount: 235.00
Company ID: 0060
Contoso, Ltd
PO Receipt Nbr:
Due Date: 7/12/2009
Discount: 0.00
Pre-Pay Nbr:
Pay Date: 7/12/2009

Detail (F4 - for grid/form view)
Company ID: 0060
Line Type: Invoice
Account: 4030
Merchandise Purchases
Project: -
Task: - -
Subacct: SW-000-00-00-00-0
Software Division
Landed Cost: MISCDES
Invoice Qty: 0
UOM:
Inv Unit Price: 0.000
Inv Ext Price: 0.00
1099 Box: <None>
Inventory ID:
Tran Desc: E01184 Kim Akers
Ext Ref Nbr:
Tax Cat:
Tax ID:
Employee ID:
Labor Class:
Billable: Yes

BAS INS 0060 SYSADMIN 7/12/2009

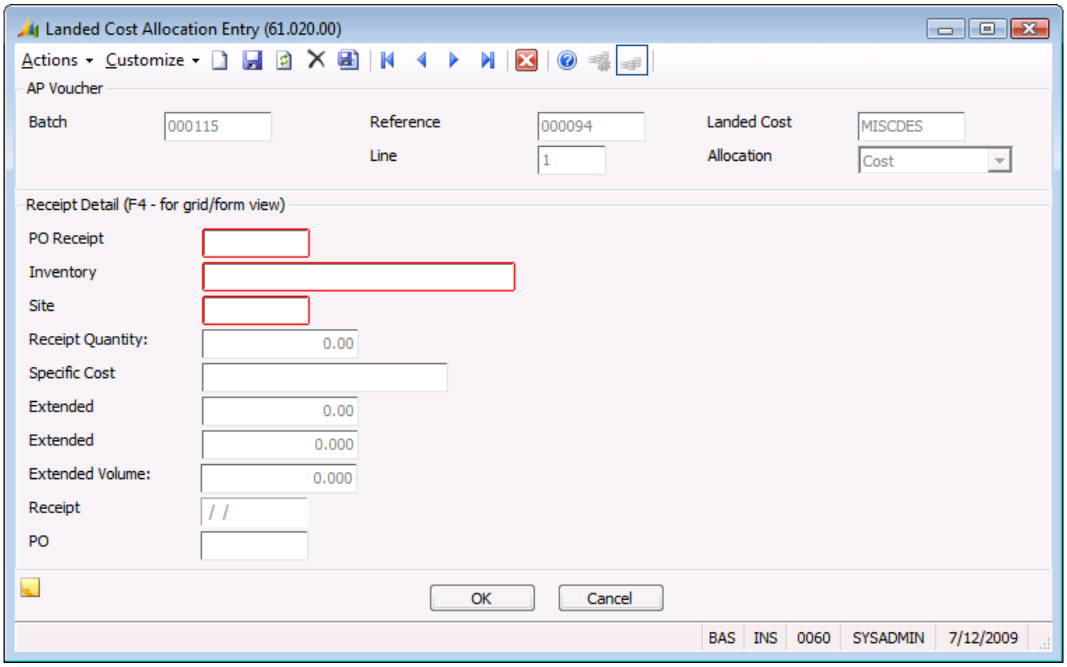
*Figure 9: Voucher and Adjustment Entry (03.010.00), Defaults tab*

2. Enter the information for the voucher as usual. See the Accounts Payable online help or user guide for more information.

   **Note:** Landed costs are entered as transaction lines on an accounts payable voucher document. If a landed cost code is entered for the transaction line, then the **Landed Cost Allocation** button will be enabled to allow entry of purchase order receipt numbers and inventory items in *Landed Cost Allocation Entry* (61.020.00). The accounts payable voucher must be saved before entries can be made in *Landed Cost Allocation Entry* (61.020.00). An automatic save is performed when the **Landed Cost Allocation** button is clicked.

3. If a default landed cost code was previously defined for the vendor, then it appears in **Landed Cost** on the **Defaults** tab which automatically populates the **Landed Cost** fields in the grid with this same value. Otherwise, enter a landed cost code in **Landed Cost** (select the field and press `F3` to see a list of possible values). The default values can be overridden.

4. Click **Landed Cost Allocation** to open *Landed Cost Allocation Entry* (61.020.00).


Landed Cost Allocation Entry (61.020.00)
Actions
Customize
AP Voucher
Receipt Detail (F4 - for grid/form view)
PO Receipt
Inventory
Site
Specific Cost
PO
OK
Cancel

Batch: 000115
Reference: 000094
Line: 1
Landed Cost: MISCDES
Allocation: Cost
Receipt Quantity: 0.00
Extended: 0.00
Extended: 0.000
Extended Volume: 0.000
Receipt: / /

BAS | INS | 0060 | SYSADMIN | 7/12/2009

*Figure 10: Landed Cost Allocation Entry (61.020.00)*

5. In **PO Receipt Number**, enter the number of the purchase order receipt to which the landed cost is being applied. Select the field and press `F3` to see a list of available purchase order receipts.

   **Note:** When a purchase order receipt number is entered, it cannot be overwritten with a different number. The purchase order receipt number line must be deleted and re-entered.

6. In **Inventory ID**, enter the ID for the inventory item on the selected purchase order receipt to which the landed cost is to be applied. Select the field and press `F3` to see a list of inventory items on the purchase order.
7. If the inventory item was entered on the purchase order receipt for a single site, then **site ID** will default. If the inventory item was entered on the purchase order receipt for multiple sites, then enter the **site ID** for the item. Select the field and press `F3` to see a list of sites for the item on the purchase order.

   **Note:** The same receipt number and inventory item can be entered multiple times if the site is different for each entry.

8. If the item has a valuation method of **Specific Cost ID**, then enter the specific cost ID. Select the field and press `F3` to see a list of specific cost IDs for the item on the purchase order.
9. Click **OK**. The entries in *Landed Cost Allocation Entry* (61.020.00) are saved, the screen is closed, and you are returned to *Voucher and Adjustment Entry* (03.010.00).

   **Note:** The same receipt number/inventory item/site ID/specific cost ID combination cannot be entered more than once in *Landed Cost Allocation Entry* (61.020.00).

# Releasing Landed Costs

Landed costs are released differently depending on whether they were entered using the receipt or voucher method. For landed costs entered using the receipt method, after Purchasing's *Release Receipt Batches* (04.400.00) successfully releases the purchase order receipt batch, it automatically calls *Process PO Landed Cost Batches* (61.200.00) to release the associated landed cost batches. For landed costs entered using the voucher method, after Accounts Payable's *Release AP Batches* (03.400.00) successfully releases the accounts payable voucher batch, it automatically calls *Process AP Landed Cost Batches* (61.210.00) to release the associated landed cost batches. See "How Do I Release Landed Costs?" on page 10 for more information about releasing landed costs.

## Releasing Landed Costs when Using the Receipts Method

In normal processing the landed costs will be processed as part of Purchasing's *Release Receipt Batches* (04.400.00) without any user intervention. However, if the landed cost processing fails during the purchase order receipt release process, the landed cost batch process can be manually initiated through *Process PO Landed Cost Batches* (61.200.00) on the Purchasing menu.

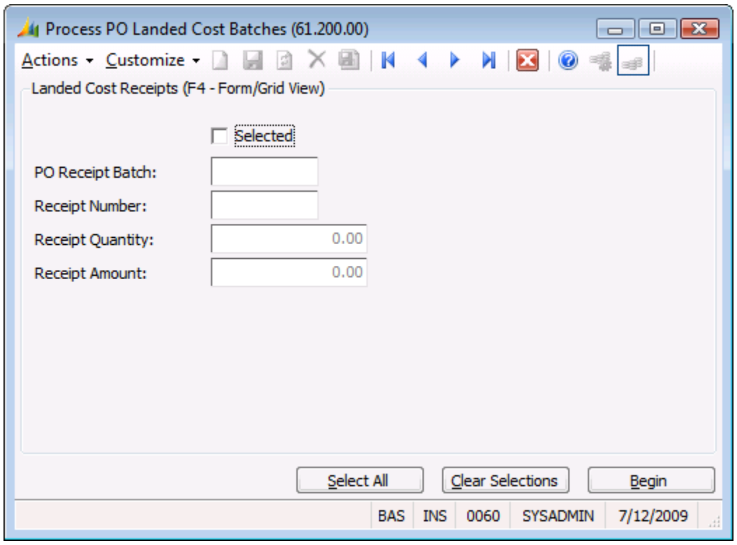
Before landed costs can be released, the associated purchase order receipt batch must be successfully released.

If there is a failure in the landed cost batch processing in *Process PO Landed Cost Batches* (61.200.00), none of the landed cost codes entered for the associated receipt number will be processed. The failure is at the purchase order receipt level, not at the landed cost code level.

**To release a landed cost entered using the receipts method:**

1. Select **Purchasing | Release Receipt Batches** to open *Release Receipt Batches* (04.400.00) and release all purchase order receipts batches that contain receipt numbers with associated landed costs to be released. See the Purchasing online help or user guide for more information.
2. Click **Begin Processing**. When there are landed costs associated with receipt numbers within a receipt batch, the software automatically calls *Process PO Landed Cost Batches* (61.200.00) to process any landed costs associated with the purchase order receipt batches being released. No user intervention is required.

   **Note:** If the landed cost process fails as part of the *Release Receipt Batches* (04.400.00) process, then modify the landed cost entries as required and open *Process PO Landed Cost Batches* (61.200.00) on the Purchasing menu.


Process PO Landed Cost Batches (61.200.00)
Actions
Customize
Landed Cost Receipts (F4 - Form/Grid View)
☐ Selected
Select All
Clear Selections
Begin
BAS
INS
0060
SYSADMIN
7/12/2009

PO Receipt Batch:

Receipt Number:

Receipt Quantity: 0.00

Receipt Amount: 0.00

*Figure 11: Process PO Landed Cost Batches (61.200.00)*

3. Select all items in the grid to be released.
4. Click **Begin Processing**.

## Releasing Landed Costs When Using the Voucher Method

In normal processing, the landed costs will be processed as part of Account Payable's *Release AP Batches* (03.400.00) without any user intervention. However, if the landed cost process fails during the accounts payable batch release process, the landed cost batch process can be manually initiated through *Process AP Landed Cost Batches* (61.210.00) on the Accounts Payable menu.

Before landed costs can be released, the associated accounts payable voucher batch must be successfully released.

If there is a failure in the landed cost batch process in *Process AP Landed Cost Batches* (61.210.00), none of the landed cost codes entered for the associated accounts payable document will be processed. The failure is at the accounts payable document level, not at the landed cost code level.

**To release a landed cost entered using the voucher method:**

1. Select **Accounts Payable | Release AP Batches** to open *Release AP Batches* (03.400.00) and release all accounts payable voucher batches that have documents with associated landed costs to be released. See the Accounts Payable online help or user guide for more information.
2. Click **Begin Processing**. When there are landed costs associated with an accounts payable voucher batch, the software automatically calls *Process AP Landed Cost Batches* (61.210.00) to process any landed costs associated with the accounts payable voucher batches being released. No user intervention is required.

   **Note:** If the landed cost process fails as part of the *Release AP Batches* (03.400.00) process then modify the landed cost entries as required and open *Process AP Landed Cost Batches* (61.210.00) on the Accounts Payable menu.

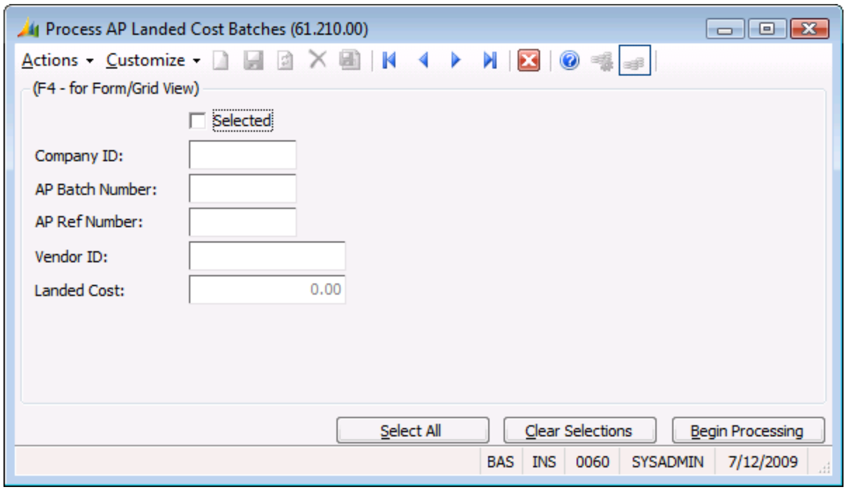

Process AP Landed Cost Batches (61.210.00)
Actions
Customize
(F4 - for Form/Grid View)
☐ Selected
Company ID:
AP Batch Number:
AP Ref Number:
Vendor ID:
Landed Cost:
0.00
Select All
Clear Selections
Begin Processing
BAS
INS
0060
SYSADMIN
7/12/2009

*Figure 12: Process AP Landed Cost Batches (61.210.00)*

3. Select all items in the grid to be released.
4. Click **Begin Processing**.

# Landed Cost Screens

## Landed Cost Receipt Entry (61.010.00)

*Landed Cost Receipt Entry* (61.010.00) is used to enter landed costs associated with the purchase order receipt being processed. Access this screen by clicking **Landed Costs** on Purchasing's *Receipt/Invoice Entry* (04.010.00).

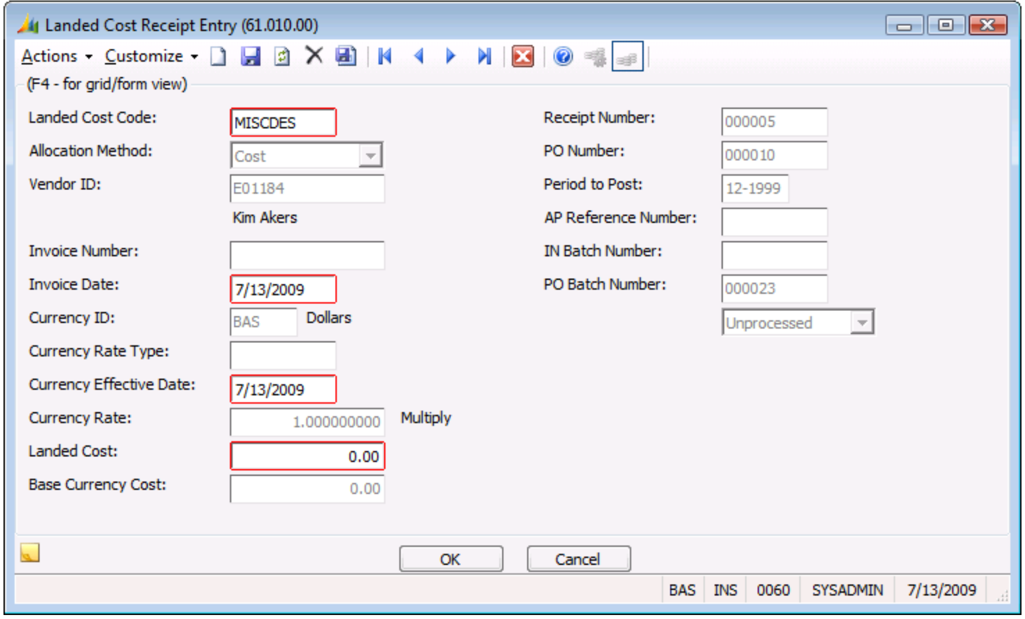
Landed costs can be entered once the purchase order receipt is saved in *Receipt/Invoice Entry* (04.010.00). An automatic save is performed when the **Landed Costs** button is clicked.

Landed costs are entered at the receipt number level. A single purchase order receipt batch may contain multiple receipt numbers and each receipt number can have associated landed costs entered in *Landed Cost Receipt Entry* (61.010.00).

**Notes:**

- Only inventory items that have been received into inventory can have landed costs allocated to them. Therefore, landed costs can only be applied to purchase order receipts with the following **Receipt For** types: Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, and Goods for Project.
- The Landed Cost Codes List (possible values list) in *Landed Cost Receipt Entry* (61.010.00) is restricted to ensure that a landed cost code cannot be entered when the sum of the corresponding values for the allocation method on the applicable line items on the receipt is zero. For example, if the sum of the weights on the applicable line items is zero, then the user will not be able to enter a landed cost code with an **Allocation Method** of Weight in *Landed Cost Receipt Entry* (61.010.00). The same logic will be applied when the **Allocation Method** is Cost, Volume, or Quantity.
- If the multi-currency feature is enabled in Currency Manager, each landed cost entry can have a different currency. The only restriction is that *Landed Cost Receipt Entry* (61.010.00) can only handle currencies with two decimal places of precision.
- If the Bi-Monetary Inventory feature is enabled in Inventory, a currency rate lookup will be performed for converting the base currency to the bi-monetary currency when the entries in *Landed Cost Receipt Entry* (61.010.00) are saved. When Bi-Monetary Inventory is enabled, any landed cost allocations that update inventory must be converted into the bi-monetary currency using the specified bi monetary currency rate type. If a currency rate cannot be found for the bi monetary currency conversion, a warning message will be displayed.
- Landed costs can also be entered using accounts payable vouchers. See "Entering Landed Costs Using Vouchers vs. Receipts" in the "Concepts" section for more information.

*Landed Cost Receipt Entry* (61.010.00)


Landed Cost Receipt Entry (61.010.00)
Actions
Customize
(F4 - for grid/form view)
OK
Cancel

Landed Cost Code: MISCDES
Allocation Method: Cost
Vendor ID: E01184
Kim Akers
Invoice Number:
Invoice Date: 7/13/2009
Currency ID: BAS Dollars
Currency Rate Type:
Currency Effective Date: 7/13/2009
Currency Rate: 1.000000000 Multiply
Landed Cost: 0.00
Base Currency Cost: 0.00
Receipt Number: 000005
PO Number: 000010
Period to Post: 12-1999
AP Reference Number:
IN Batch Number:
PO Batch Number: 000023
Unprocessed

BAS INS 0060 SYSADMIN 7/13/2009

*Figure 13: Landed Cost Receipt Entry (61.010.00)*

Following are the field descriptions for *Landed Cost Receipt Entry* (61.010.00).

## Landed Cost Code

**Landed Cost Code** is a user-defined code that identifies the landed cost and how it is to be allocated. Press `F3` to see a list of the landed cost codes that can be entered for the associated purchase order receipt number, and select a value to populate **Landed Cost Code**. Landed cost codes are defined using *Landed Cost Codes* (61.100.00), which is accessed from the Purchasing menu. **Landed Cost Code** is a required field.

## Allocation Method

**Allocation Method** is the allocation method associated with the entered **Landed Cost Code** in *Landed Cost Codes* (61.100.00). It designates the basis used to allocate the landed cost across the applicable line items on the purchase order receipt (Cost, Quantity, Volume, or Weight). This field cannot be changed in *Landed Cost Receipt Entry* (61.010.00). If the allocation method needs to be modified, it must be changed in *Landed Cost Codes* (61.100.00), which is accessed from the Purchasing menu. The allocation method options are:

- Quantity — The additional cost will be distributed across the applicable items proportionally based on the quantities on the purchase order receipt.
- Cost — The additional cost will be distributed across the applicable items proportionally based on the extended costs of the items on the purchase order receipt.
- Volume — The additional cost will be distributed across the applicable items proportionally based on the extended volume of the items on the purchase order receipt.
- Weight — The additional cost will be distributed across the applicable items proportionally based on the extended weight of the items on the purchase order receipt.

## Vendor ID

**Vendor ID** identifies the vendor associated with the landed cost code. **Vendor ID** is defaulted from *Landed Cost Codes* (61.100.00) for the entered landed cost code, and is a display only field. If the vendor needs to be changed, it must be changed in *Landed Cost Codes* (61.100.00), which is accessed from the Purchasing menu.

### Invoice Number

In **Invoice Number**, enter the vendor's invoice number for the landed cost. **Invoice Number** is an optional field.

### Invoice Date

In **Invoice Date**, enter the date of the vendor's invoice for the landed cost. **Invoice Date** is a required field.

### Currency ID

**Currency ID** indicates the transaction currency for the landed cost. If **Activate Multi-Currency Entry** is selected in *CM Setup* (24.950.00), then the currency ID defaults to the one entered for the vendor on the **Vendor** tab in Accounts Payable's *Vendor Maintenance* (03.270.00). If there is a default vendor currency, then **Currency ID** will be enabled or disabled based on whether **Allow Vendor Currency ID Override** is selected in *CM Setup* (24.950.00). If **Activate Multi-Currency Entry** is not selected in *CM Setup* (24.950.00), then **Currency ID** defaults to the base currency and this field is disabled.

**Currency ID** is a required field.

**Note:** If the currency ID is not the base currency, then the landed cost entered is in the specified currency. The currency conversion that takes place is converting the entered landed cost from the foreign currency to the base currency.

### Currency Rate Type

If **Currency ID** is the base currency, then **Currency Rate Type** is left blank and is disabled.

If **Currency ID** is not the base currency, then **Currency Rate Type** defaults to the currency rate type entered for the vendor on the **Vendor** tab in Accounts Payable's *Vendor Maintenance* (03.270.00). If there is a default vendor currency rate type, then **Currency Rate Type** will be enabled or disabled based on **Allow Vendor Rate Type Override** in *CM Setup* (24.950.00).

**Note: Currency Rate Type** is required if the currency ID is not the base currency.

### Currency Effective Date

If **Currency ID** is the base currency, then the default **Currency Effective Date** is the business date. If **Currency ID** is not the base currency, then **Currency Effective Date** defaults from the effective date for the currency rate found for the **Currency ID** and **Currency Rate Type. Currency Effective Date** is a required field.

### Currency Rate

If **Currency ID** is the base currency, then the **Currency Rate** is set to 1.000000000 and disabled. If **Currency ID** is not the base currency, then the software looks up the rate for the entered currency ID and currency rate type based on the **AP Rate Selection Date** setting in *CM Setup* (24.950.00).

### Landed Cost

In **Landed Cost,** enter the total invoiced amount of the landed cost in the selected currency. The landed cost amount must be greater than zero. **Landed Cost** is a required field.

### Base Currency Cost

**Base Currency Cost** is the landed cost converted to the base currency. The **Base Currency Cost** is calculated based on the values in **Landed Cost** and **Currency Rate.** This field is display only.

### Receipt Number

**Receipt Number** identifies the associated purchase order receipt number for which the landed costs are entered. This field is display only. Receipt numbers are assigned in Purchasing's *Receipt/Invoice Entry* (04.010.00).

## PO Number

**PO Number** identifies the purchase order number that the purchase order receipt was created from. This number is created in Purchasing's *Purchase Orders* (04.250.00), and is entered on the a purchase order receipt in *Receipt/Invoice Entry* (04.010.00). This field is display only.

## Period To Post

**Period to Post** specifies the fiscal period and year to which the purchase order receipt batch and the landed cost batch will be posted. For example, 08-2002 posts receipts to the eighth period of fiscal year 2002. This field is display only.

## AP Reference Number

**AP Reference Number** identifies the accounts payable voucher document that is created for the landed cost when the landed costs are processed. This number is not displayed until the landed cost accounts payable voucher is created by *Process PO Landed Cost Batches* (61.200.00). This field is display only.

## IN Batch Number

**IN Batch Number** identifies the inventory cost adjustment batch that is created when the landed costs are processed. This number is not displayed until the landed cost inventory cost adjustment batch is created by *Process PO Landed Cost Batches* (61.200.00). This field is display only.

## PO Batch Number

**PO Batch Number** identifies the purchase order receipt batch that contains the purchase order receipt number for which the landed cost is being entered. Batch numbers are assigned in Purchasing's *Receipt/Invoice Entry* (04.010.00). This field is display only.

## Status

**Status** indicates whether the landed cost has been processed. The initial status is Unprocessed until the landed cost batch is released, at which time the status is automatically updated to Processed. This field is display only.

# Landed Cost Allocation Entry (61.020.00)

*Landed Cost Allocation Entry* (61.020.00) is used to allocate landed costs to specific purchase order receipts and inventory items when the landed costs are invoiced after the purchase order receipt. This screen can only be accessed by clicking **Landed Cost Allocation** in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00).

When landed cost invoices are received, they can be entered through Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). For each landed cost transaction line entered in the AP Document Detail frame, *Landed Cost Allocation Entry* (61.020.00) can be invoked by clicking **Landed Cost Allocation**. One or more purchase order receipts and specific items on each receipt can be entered in *Landed Cost Allocation Entry* (61.020.00).

Accounts payable voucher batches may contain multiple voucher documents and an unlimited number of landed costs may be entered in each voucher document. The accounts payable voucher must be saved before entries can be made in *Landed Cost Allocation Entry* (61.020.00). Clicking **Landed Cost Allocation** performs an automatic save of the accounts payable voucher.

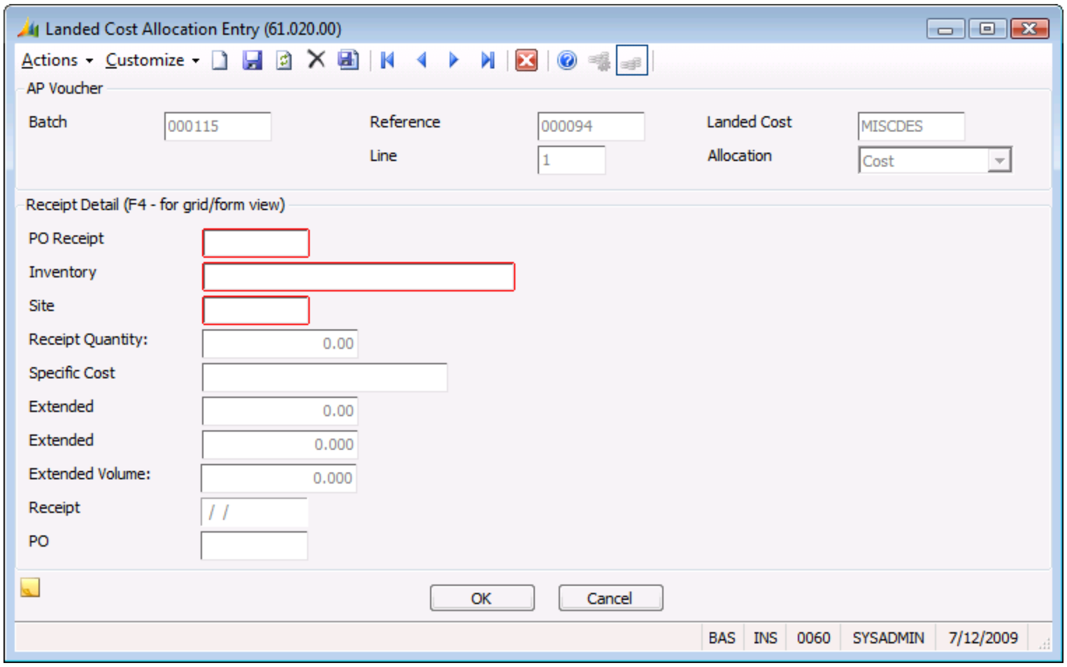
Landed costs can be allocated to purchase order receipts and inventory items using *Landed Cost Allocation Entry* (61.020.00) if:

- The purchase order receipt has been released.
- The company ID on the purchase order receipt matches the company ID on the accounts payable landed cost transaction line.
- The **PO Type** on the purchase order receipt is Regular Order.
- The **Receipt Type** on the purchase order receipt is Receipt.
- The purchase order receipt contains at least one line item that has a **Receipt For** type of Goods for Inventory, Goods for Sales Orders, Non-Inventory Goods, or Goods for Project.
- The sum of the values on the applicable line items on the purchase order receipt number corresponding to the landed cost allocation method (Cost, Quantity, Volume, or Weight) is greater than zero.

**Note:**

- The combination of receipt number, inventory item, site ID, and specific cost ID must be unique for each row in *Landed Cost Allocation Entry* (61.020.00). If the same combination of receipt number, inventory item, site ID, and specific cost ID is entered multiple times on the purchase order but with different **Receipt For** types, the combination will only be entered once in *Landed Cost Allocation Entry* (61.020.00). However, the landed cost allocation processing will take the different **Receipt For** types into consideration when creating the Inventory cost adjustments and General Ledger postings.
- When a landed cost code is entered on the transaction line, the account and subaccount will normally default to the landed cost clearing account and subaccount associated with the entered landed cost code in *Landed Cost Codes* (61.100.00). The only exception to this is if the existing account on the transaction line at the time the user enters the landed cost code is a project account (the account has an account category entered in the Project Controller Options frame in General Ledger's *Chart of Accounts Maintenance* (01.260.00)). In this case, the existing project account and subaccount on the transaction line will not be overwritten when a landed cost code is entered.
- If the landed cost transaction line is associated with a project, then any entries in *Landed Cost Allocation Entry* (61.020.00) will be for reference only. They will not be used to create any inventory cost adjustments or General Ledger postings. In this case, the release of the accounts payable voucher will create the necessary postings, and no Inventory or General Ledger postings are required.
- Landed costs can also be entered at the time of purchase order receipt using Purchasing's *Receipt/Invoice Entry* (04.010.00). See "Entering Landed Costs Using Vouchers vs. Receipts" in the "Concepts" section for more information.

Landed Cost Allocation Entry (61.020.00)


Landed Cost Allocation Entry (61.020.00)
Actions
Customize
AP Voucher
Receipt Detail (F4 - for grid/form view)
OK
Cancel
BAS
INS
0060
SYSADMIN
7/12/2009

Batch 000115
Reference 000094
Line 1
Landed Cost MISCDES
Allocation Cost
PO Receipt
Inventory
Site
Receipt Quantity: 0.00
Specific Cost
Extended 0.00
Extended 0.000
Extended Volume: 0.000
Receipt / /
PO

*Figure 14: Landed Cost Allocation Entry (61.020.00)*

Following are the field descriptions for *Landed Cost Allocation Entry* (61.020.00).

## Batch Number

**Batch Number** identifies the accounts payable batch associated with the accounts payable document that contains the entered landed cost transaction line. Batch numbers are assigned in Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## Reference Number

**Reference Number** identifies the specific accounts payable document that contains the entered landed cost transaction line. Reference numbers are assigned in Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## Line Number

**Line Number** identifies the landed cost transaction line from the Detail section of the accounts payable document in Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## Landed Cost Code

**Landed Cost Code** is the code entered on the landed cost transaction line in the accounts payable document. It identifies the landed cost that will be allocated to the receipt number/inventory item entries in *Landed Cost Allocation Entry* (61.020.00). This field is display only.

## Allocation Method

**Allocation Method** designates how costs will be distributed across the applicable inventory items. Options are:

- Quantity — The additional cost will be distributed across the applicable items proportionally based on the quantities on the purchase order receipt.
- Cost — The additional cost will be distributed across the applicable items proportionally based on extended costs of the item on the purchase order receipt.

- Volume — The additional cost will be distributed across the applicable items proportionally based on the extended volume of the items on the purchase order receipt.
- Weight — The additional cost will be distributed across the applicable items proportionally based on the extended weight of the items on the purchase order receipt.

The field is display only.

### PO Receipt Number

**PO Receipt Number** identifies the purchase order receipt number to which the landed cost is to be allocated. Receipt numbers are assigned in Purchasing's *Receipt/Invoice Entry* (04.010.00). **PO Receipt Number** is a required field.

Press `F3` to see a list of available purchase order receipt numbers. The possible values list will only display purchase order receipt numbers that meet the following criteria:

- The **PO Type** for the purchase order receipt is Regular Order.
- The purchase order receipt has been released.
- The company ID on the purchase order receipt matches the company ID on the landed cost transaction line.
- The purchase order receipt has a **Receipt Type** of Receipt.
- The purchase order receipt contains at least one line item that has a **Receipt For** type of Goods for Inventory, Goods for Sales Orders, Non-Inventory Goods, or Goods for Project and the sum of the line item values corresponding to the landed cost allocation method is not zero.

### Inventory ID

**Inventory ID** identifies the inventory item on the selected purchase order receipt number to which the landed cost is to be allocated. Press `F3` to see a list of the applicable inventory items on the selected purchase order receipt. The possible values list will only display the inventory items that meet the following criteria:

- The item has a **Receipt For** type of Goods for Inventory, Goods for Sales Order, Goods for Project, or Non-Inventory Goods.
- The value (Cost, Quantity, Volume, or Weight) corresponding to the landed cost allocation method is not zero.

The Inventory List (possible values list) will only display the inventory items associated with the entered receipt number that have **Receipt For** types of Goods for Inventory, Goods for Sales Order, Goods for Project, and Non-Inventory Goods where the line item value corresponding to the landed cost allocation method is not zero. If only one inventory item exists for the receipt number/inventory item combination then that item will default in **Inventory ID**.

**Inventory ID** is a required field.

### Site ID

**Site ID** identifies the inventory site for the selected receipt number/inventory item to allocate the landed cost to. Press `F3` to see a list of applicable sites. The possible values list will display those sites associated with the **PO Receipt Number** and **Inventory ID** entered.

If there are multiple lines on the purchase order receipt with the same inventory item ID and site ID, then the inventory item will be listed once in the screen and the cost, quantity, volume, and weight will be summed. The **Receipt For** type will not be taken into consideration at the time of data entry. However, when the landed cost allocations are calculated, the **Receipt For** type will be taken into account and the dollar amount will be distributed appropriately. **Site ID** is a required field.

**Note:** The same purchase order receipt number/inventory item/site ID/specific cost ID combination cannot be entered more than once.

### Receipt Quantity

**Receipt Quantity** indicates the quantity received on the purchase order receipt for the selected receipt number/inventory item/site ID/specific cost ID combination. If the same combination was entered on the purchase order receipt more than once, then the **Receipt Quantity** will be the sum of the quantities for the line items. This value is from Purchasing's *Receipt/Invoice Entry* (04.010.00) and is display only.

### Specific Cost ID

**Specific Cost ID** must be entered for the receipt number/inventory item/site ID combination from the purchase order receipt when the item's valuation method is Specific Cost ID. Press `F3` to see a list of available specific cost IDs. The possible values list will only display the specific cost IDs associated with the **PO Receipt Number**, **Inventory ID**, and **Site ID** entered.

**Specific Cost ID** is a required field if the **Valuation Method** for this item is Specific Cost ID.

**Note:** The same purchase order receipt number/inventory item/site ID/specific cost ID combination cannot be entered more than once.

### Extended Cost

**Extended Cost** is the total extended cost for the receipt number/inventory item/site ID/specific cost ID combination on the purchase order receipt in base currency. If the same combination was entered on more than one line on the purchase order receipt, then the **Extended Cost** is the sum of the extended costs on the receipt for all the lines. This field is display only.

### Extended Weight

**Extended Weight** is the total extended weight for the receipt number/inventory item/site ID/specific cost ID combination on the purchase order receipt. If the same combination was entered on more than one line on the purchase order receipt, then the **Extended Weight** is the sum of the extended weights on the receipt for all the lines. This field is display only.

### Receipt Date

**Receipt Date** is the receipt date for the selected **Receipt Number.** This value is from Purchasing's *Receipt/Invoice Entry* (04.010.00) and is display only.

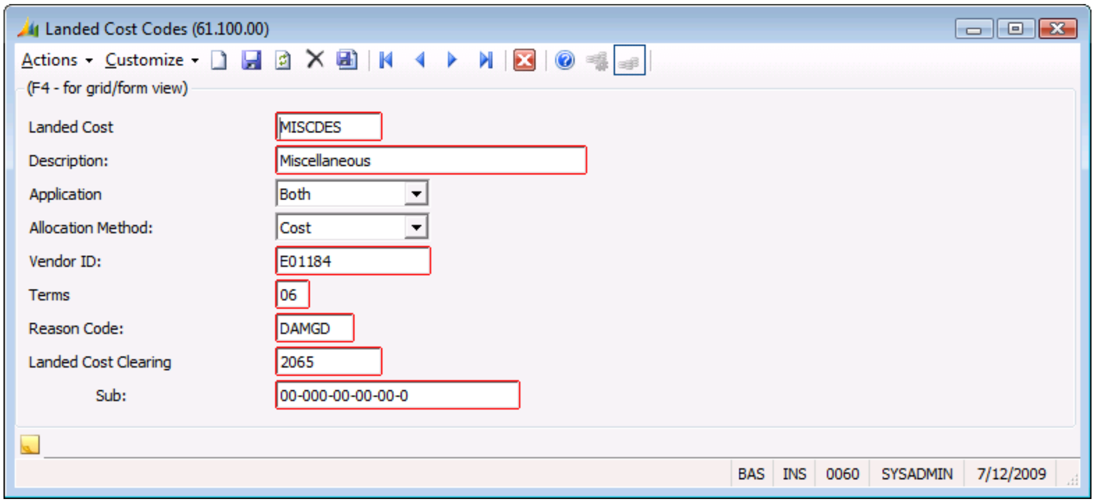
### PO Number

**PO Number** identifies the purchase order associated with the selected **Receipt Number.** This number is created in Purchasing's *Purchase Orders* (04.250.00) and is assigned to a receipt in *Receipt/Invoice Entry* (04.010.00). This field is display only.

# Landed Cost Codes (61.100.00)

*Landed Cost Codes* (61.100.00) is accessed from the Purchasing menu and is used to define codes to represent the various types of additional costs beyond the merchandise cost incurred in purchasing inventory items. Landed cost codes are assigned to transactions during purchase order receipt or accounts payable voucher entry, and indicate how the additional costs should be allocated. Landed cost codes also indicate the vendor, terms, and reason code (for codes using the Receipt application method) and the reason code and clearing accounts (for codes using the Voucher application method). An unlimited number of landed cost codes may be defined.

Each landed cost code must be assigned an application method of Receipt, Voucher, or Both. Landed costs to be entered only at the time of the purchase order receipt should be set up with an application method of Receipt, and are entered using *Landed Cost Receipt Entry* (61.010.00) which is accessed from Purchasing's *Receipt/Invoice Entry* (04.010.00). Landed costs to be entered only at the time of the voucher entry should be set up with an application method of Voucher, and are entered using *Landed Cost Allocation Entry* (61.020.00) which is accessed from Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). Landed costs that can be entered in either Purchasing or Accounts Payable should be set up with an application method of Both. The selected application method affects which data fields are required when the landed cost code is entered.



|  |  |
|---|---|
| Landed Cost | MISCDES |
| Description: | Miscellaneous |
| Application | Both |
| Allocation Method: | Cost |
| Vendor ID: | E01184 |
| Terms | 06 |
| Reason Code: | DAMGD |
| Landed Cost Clearing | 2065 |
| Sub: | 00-000-00-00-00-0 |

*Figure 15: Landed Cost Codes (61.100.00)*

Following are the field descriptions for *Landed Cost Codes* (61.100.00).

## Landed Cost Code

**Landed Cost Code** is a user-defined alphanumeric code used to define how incoming landed costs should be allocated. Rather than defining these characteristics on a case-by-case basis as each landed cost is entered, landed cost codes can be set up ahead of time. Then, as landed costs are entered during receipt and/or voucher entry, a landed cost code can be used to quickly assign the appropriate values for the allocation method, vendor, terms, reason code, and clearing account. These default values can be overridden. **Landed Cost Code** is a required field.

## Description

**Description** is used to identify the key characteristics of the landed cost code. Its purpose is to help differentiate between landed cost codes in lists of possible values and elsewhere. **Description** is a required field.

### Application Method

**Application Method** indicates whether the landed cost will be entered using *Landed Cost Receipt Entry* (61.010.00), which is accessed from Purchasing's *Receipt/Invoice Entry* (04.010.00), or *Landed Cost Allocation Entry* (61.020.00) which is accessed from Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). Options are:

- Receipt — The landed cost code can only be entered at the time of purchase order receipt.
- Voucher — The landed cost code can only be entered at the time of accounts payable voucher entry.
- Both — The landed cost code can be entered either at the time of purchase order receipt or in accounts payable voucher entry.

**Application Method** is a required field.

### Allocation Method

**Allocation Method** designates how costs will be distributed across the applicable inventory items. Options are:

- Quantity — The additional cost will be distributed across the applicable items proportionally based on the quantities on the purchase order receipt.
- Cost — The additional cost will be distributed across the applicable items proportionally based on extended costs of the item on the purchase order receipt.
- Volume — The additional cost will be distributed across the applicable items proportionally based on the extended volume of the items on the purchase order receipt.
- Weight — The additional cost will be distributed across the applicable items proportionally based on the extended weight of the items on the purchase order receipt.

The field is display only.

### Vendor ID

**Vendor ID** is an identification number for the vendor associated with the landed cost code. Press `F3` to see a list of IDs for all vendors in the database, and select a value to populate the **Vendor ID**. Vendor IDs are defined using *Vendor Maintenance* (03.270.00) in Accounts Payable.

If the **Application Method** is Receipt:

- **Vendor ID** is a required field. The vendor is needed to process the associated accounts payable voucher for the landed cost.

If the **Application Method** is Voucher:

- **Vendor ID** is disabled. The vendor entered on the accounts payable voucher is the vendor for the landed costs.

### Terms ID

**Terms ID** is the identification code for the terms associated with the **Vendor ID**. This field is automatically populated upon selection of the **Vendor ID**, and defaults from the terms associated with the vendor in *Vendor Maintenance* (03.270.00) in Accounts Payable.

If the **Application Method** is Receipt:

- **Terms ID** is a required field. It defaults from *Vendor Maintenance* (03.270.00) for the selected vendor.

If the **Application Method** is Voucher:

- **Terms ID** is disabled. The terms entered on the accounts payable voucher are the terms for the landed costs.

## Reason Code

**Reason Code** is used to indicate the reason for an inventory transaction. Press `F3` to see a list of all reason codes in the database, and select a value to populate the **Reason Code**. Reason codes are defined using Inventory's *Reason Codes* (10.350.00). **Reason Code** is a required field.

If the **Application Method** is Receipt:

- The account and subaccount associated with the reason code are used as the landed cost clearing account and subaccount for Landed Cost postings. Also, the reason code is used for the Inventory cost adjustment transaction.

If the **Application Method** is Voucher:

- The reason code is used for the Inventory cost adjustment transaction, if an Inventory cost adjustment is applicable. However, the reason code account and subaccount are not used as the landed cost clearing account and subaccount.

## Landed Cost Clearing Account

**Landed Cost Clearing Account** is the clearing account that will be used for landed cost transactions when the **Application Method** is Voucher. Press `F3` to see a list of all General Ledger accounts, and select a value to populate **Landed Cost Clearing Account**.

If the **Application Method** is Receipt:

- **Landed Cost Clearing Account** is disabled. The account and subaccount associated with the reason code are used for the landed cost clearing account and subaccount.

If the **Application Method** is Voucher:

- **Landed Cost Clearing Account** is a required field. It is used for the Landed Cost postings.

## Sub

**Sub** is the clearing subaccount that will be used for landed cost transactions when the **Application Method** is Voucher. Press `F3` to see a list of all General Ledger accounts, and select a value to populate **Sub**.

If the **Application Method** is Receipt:

- Landed cost clearing **Sub** is disabled. The account and subaccount associated with the reason code are used for the landed cost clearing account and subaccount.

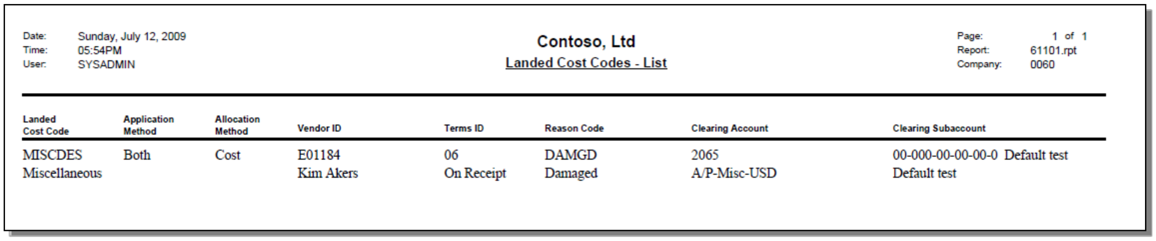
If the **Application Method** is Voucher:

- Landed cost clearing **Sub** is a required field. It is used for the Landed Cost postings.

# Landed Cost Codes (61.101.00) Report

The *Landed Cost Codes* (61.101.00) report is accessed from the Purchasing reports menu, and is used to generate a master list of all landed cost codes in the database. The report lists all the information entered in *Landed Cost Codes* (61.100.00): **Landed Cost Code, Application Method**, **Allocation Method**, **Vendor ID**, **Terms ID**, **Reason Code**, **Clearing Account**, and **Subaccount**.

**Note: Clearing Account** and **Subaccount** are not available on *Landed Cost Codes* (61.100.00) if you select Receipt in **Application Method**.



Date: Sunday, July 12, 2009
Time: 05:54PM
User: SYSADMIN

**Contoso, Ltd**
Landed Cost Codes - List

Page: 1 of 1
Report: 61101.rpt
Company: 0060

| Landed Cost Code | Application Method | Allocation Method | Vendor ID | Terms ID | Reason Code | Clearing Account | Clearing Subaccount |
|---|---|---|---|---|---|---|---|
| MISCDES<br>Miscellaneous | Both | Cost | E01184<br>Kim Akers | 06<br>On Receipt | DAMGD<br>Damaged | 2065<br>A/P-Misc-USD | 00-000-00-00-00-0 Default test<br>Default test |

Figure 16: Landed Cost Codes (61.101.00) report

Refer to the System Manager help or user guide for more information about generating reports and standard reporting options.

# Process PO Landed Cost Batches (61.200.00)

*Process PO Landed Cost Batches* (61.200.00) releases the landed cost batches entered in *Landed Cost Receipt Entry* (61.010.00) at the time of the purchase order receipt. After Purchasing's *Release Receipt Batches* (04.400.00) successfully releases the purchase order receipt batch, it automatically calls *Process PO Landed Cost Batches* (61.200.00) to process the associated landed cost batches. If the landed cost processing fails during the purchase order receipt release, the landed cost batch processing can be manually initiated by accessing *Process PO Landed Cost Batches* (61.200.00) from the Purchasing menu. If there is a failure in the landed cost batch processing in *Process PO Landed Cost Batches* (61.200.00), none of the landed cost codes entered for the associated receipt number will be processed. The failure is at the purchase order receipt level not, at the landed cost code level.

*Process PO Landed Cost Batches* (61.200.00) creates the accounts payable vouchers, inventory cost adjustment batches, and general ledger batches as required for landed costs entered at the time of the purchase order receipt. Note that:

- Landed costs cannot be processed until the associated purchase order receipt batch has been successfully released.
- Landed costs entered through Accounts Payable are released by *Process AP Landed Cost Batches* (61.210.00).

The inventory cost for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification will be updated with the allocated landed costs through the creation of an inventory cost adjustment batch. *Process PO Landed Cost Batches* (61.200.00) will create the inventory cost adjustment batch and release it so no manual intervention is required. A separate inventory cost adjustment batch is created for each landed cost code entered.

If Bi-Monetary Inventory is enabled, a currency rate lookup to convert the base currency to the bi-monetary currency will be performed in *Process PO Landed Cost Batches* (61.200.00). If a currency rate cannot be found and an inventory cost adjustment needs to be created, a message will be written to the Event Log and processing will be exited. If this occurs, set up the required currency rate and then open *Process PO Landed Cost Batches* (61.200.00) from the Purchasing menu to manually release the landed cost batch.

The landed costs for inventory items with valuation methods, Standard Cost and User-Specified, will be posted to the landed cost variance account through the creation of a general ledger batch. If a general ledger batch needs to be created and the landed cost variance account/subaccount is missing in *Inventory Items* (10.250.00) and *IN Setup* (10.950.00), an error message will be written to the Event Log and the landed cost processing will be exited. If this occurs, enter the landed cost variance account/subaccount and then open *Process PO Landed Cost Batches* (61.200.00) from the Purchasing menu to manually release the landed cost batch. When applicable, separate general ledger batches are created for each landed cost code entered.

Separate accounts payable vouchers will be created for each landed cost code entered with the purchase order receipt.

If the landed cost processing fails during the Purchasing's *Release Receipt Batches* (04.400.00), necessary modifications can be made in *Landed Cost Receipt Entry* (61.010.00) and then *Process PO Landed Cost Batches* (61.200.00) can be accessed from the Purchasing menu to manually release the landed cost batch.

**Note:**

- Landed costs will update inventory costs based on the item's valuation method:
  - The inventory cost for items with valuation methods, FIFO, LIFO, Average Cost, and Specific Identification will be updated with the allocated landed costs through the creation of an inventory cost adjustment batch. A separate inventory cost adjustment batch is created for each landed cost code entered in *Landed Cost Receipt Entry* (61.010.00).
  - The landed costs for inventory items with valuation methods of Standard Cost or User-Specified will be posted directly to the general ledger landed cost variance account because the inventory costs for these valuation methods are not updated when items are received into inventory.

  - Landed costs for non-stock items will be posted directly to the general ledger landed cost variance account because non-stock items can only have a valuation method of Standard Cost or User-Specified Cost.

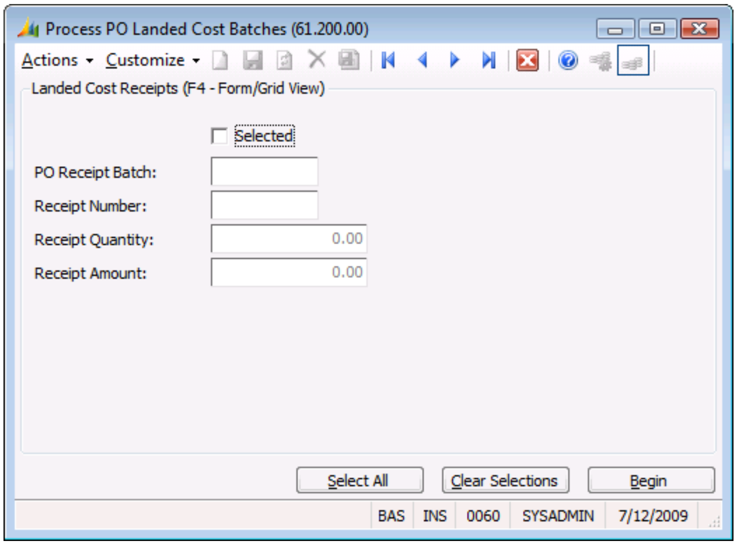
- The landed costs will be allocated across the inventory items on the receipt that have **Receipt For** types of Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, and Goods for Project, according to the designated allocation method (Cost, Quantity, Volume, or Weight). If additional items that were not on the purchase order are added at the time of receipt, they will also be included in the allocation of the landed costs.

  If the **Receipt For** type is Goods for Project, an accounts payable transaction line will be inserted on the landed cost accounts payable voucher and no inventory or general ledger transactions will be created. The account and subaccount from the Goods for Project line on the purchase order receipt will be used as the account/subaccount on the accounts payable voucher line for the allocated landed costs for the Goods for Project item. When the landed cost accounts payable voucher is released, the Accounts Payable postings will be:

  - A debit to the project account/subaccount from the accounts payable voucher transaction line.
  - A credit to the accounts payable account for the vendor in *Vendor Maintenance* (03.270.00).

  No additional postings are required when the **Receipt For** type is Goods for Project.

- Unit of measure will not be taken into consideration during the landed cost allocation calculations. The Cost, Quantity, and Weight values on the purchase order receipt will be used as entered without considering the unit of measure. For example, suppose a purchase order receipt has two items, one with a quantity of 100 each and one with a quantity of 50 packs. The landed cost allocation calculations will sum the total quantity for the items on the purchase order receipt as 150 — no unit of measure conversions will be performed. The same is true for the items' costs and weights.


Process PO Landed Cost Batches (61.200.00)
Actions
Customize
Landed Cost Receipts (F4 - Form/Grid View)
Select All
Clear Selections
Begin
BAS
INS
0060
SYSADMIN
7/12/2009

☐ Selected

| | |
|---|---|
| PO Receipt Batch: | |
| Receipt Number: | |
| Receipt Quantity: | 0.00 |
| Receipt Amount: | 0.00 |

*Figure 17: Process PO Landed Cost Batches (61.200.00)*

Following are the field descriptions for *Process PO Landed Cost Batches* (61.200.00).

### Selected

**Selected** marks the landed costs associated with the receipt for release.

### PO Receipt Batch

**PO Receipt Batch** is the purchase order receipt batch with associated landed costs that are available for release. Note that landed cost batches are not available for release until the corresponding purchase order receipt batches have been successfully released through Purchasing. This field is display only.

### Receipt Number

**Receipt Number** is the purchase order receipt with associated landed costs that are available for release. Landed costs are attached to purchase order receipts using *Landed Cost Receipt Entry* (61.010.00), which is accessed from Purchasing’s *Receipt/Invoice Entry* (04.010.00). This field is display only.

### Receipt Quantity

**Receipt Quantity** indicates the total quantity of items received on the purchase order receipt with associated landed costs available for release. This field is display only.

### Receipt Amount

**Receipt Amount** indicates the total receipt amount of the items received on the purchase order receipt with associated landed costs available for release. This field is display only.

### Select All

Click **Select All** to mark all of the receipts in the grid to be released.

### Clear Selections

Click **Clear Selections** to deselect all of receipts in the grid so that none are marked to be released. Specific receipts can then be selected using the **Selected** check box.

### Begin Processing

Click **Begin Processing** to start the landed cost processing for the selected receipts.

# Process AP Landed Cost Batches (61.210.00)

*Process AP Landed Cost Batches* (61.210.00) processes the landed costs entered in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00) by allocating the landed cost entered on the transaction line across the associated purchase order receipt numbers/inventory items entered in *Landed Cost Allocation Entry* (61.020.00). After Accounts Payable's *Release AP Batches* (03.400.00) successfully releases the accounts payable voucher batch, it automatically calls *Process AP Landed Cost Batches* (61.210.00) to process the associated landed cost batches. If the landed cost process fails during the accounts payable voucher release, the landed cost process can be manually initiated by accessing *Process AP Landed Cost Batches* (61.210.00) from the Accounts Payable menu. If there is a failure in the landed cost batch process in *Process AP Landed Cost Batches* (61.210.00), none of the landed cost codes entered for the associated accounts payable document will be processed. The failure is at the accounts payable document level not at the landed cost code level.

*Process AP Landed Cost Batches* (61.210.00) creates the inventory cost adjustment batches and general ledger batches as required for the receipt numbers/inventory items entered in *Landed Cost Allocation Entry* (61.020.00). Note that:

- Landed costs cannot be processed until the associated accounts payable voucher batch has been successfully released.
- Landed costs entered through Accounts Payable are released by *Process AP Landed Cost Batches* (61.210.00).

The inventory cost for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification will be updated with the allocated landed costs through the creation of an inventory cost adjustment batch. If some of the items from the purchase order receipt have been sold prior to the landed costs being processed then the inventory cost for the remaining quantity in inventory will be updated and the landed cost allocation for the previously sold items will be posted to the general ledger landed cost variance account. *Process AP Landed Cost Batches* (61.210.00) will create the inventory cost adjustment batch for the cost update for the item quantity still remaining in inventory and, also, release it so no manual intervention is required. A separate inventory cost adjustment batch is created for each landed cost transaction line on the accounts payable voucher.

If Bi-Monetary Inventory is enabled, a currency rate lookup to convert the base currency to the bi-monetary currency will be performed in *Process AP Landed Cost Batches* (61.210.00). If a currency rate cannot be found and an inventory cost adjustment needs to be created, a message will be written to the Event Log and processing will be exited. If this occurs, set up the required currency rate and then open *Process AP Landed Cost Batches* (61.210.00) from the Accounts Payable menu to manually release the landed cost batch.

The landed costs for inventory items with valuation methods of Standard Cost and User-Specified will be posted to the landed cost variance account through the creation of a general ledger batch. Also, for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification, if some of the items from the purchase order receipt were sold prior to the landed costs being processed, then the landed cost allocation for the previously sold items will be posted to the landed cost variance account through the creation of a general ledger batch. If a general ledger batch needs to be created and the landed cost variance account/subaccount is missing in *Inventory Items* (10.250.00) and *IN Setup* (10.950.00), an error message will be written to the Event Log and the landed cost processing will be exited. If this occurs, enter the landed cost variance account/subaccount and then open *Process AP Landed Cost Batches* (61.210.00) from the Accounts Payable menu to manually release the landed cost batch. When applicable, separate general ledger batches are created for each landed cost transaction line on the accounts payable voucher.

If the landed cost processing fails during the Accounts Payable's *Release AP Batches* (03.400.00), necessary modifications can be made in *Landed Cost Allocation Entry* (61.020.00) and then *Process AP Landed Cost Batches* (61.210.00) can be accessed from the Accounts Payable menu to manually release the landed cost batch.

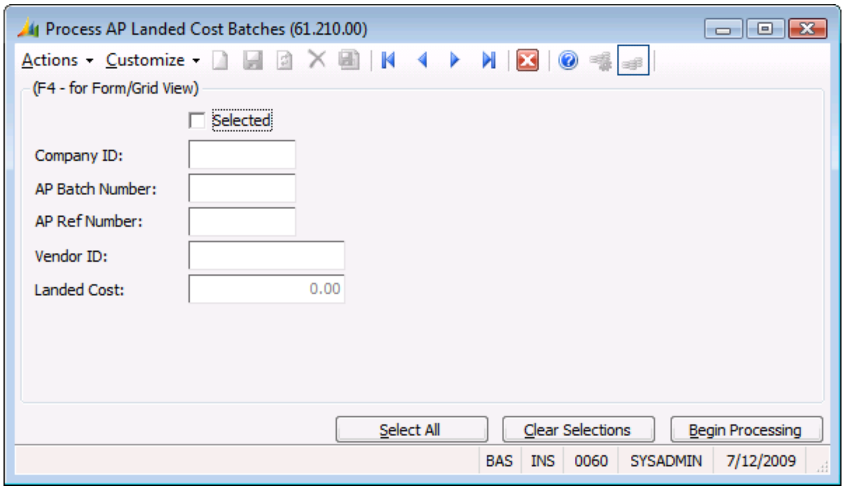
**Note:**

- Landed costs will update inventory costs based on the item’s valuation method:
  - The inventory cost will be updated for the selected inventory items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification through the creation of an inventory cost adjustment batch. If some of the items on the purchase order receipt are sold prior to the landed cost processing, then the landed inventory cost for the remaining quantity in inventory will be updated through the creation of an inventory cost adjustment batch. The landed cost allocation for the previously sold items will be posted to the landed cost variance account through the creation of a general ledger batch.
  - The landed costs for inventory items with valuation methods of Standard Cost or User-Specified will be posted directly to the general ledger landed cost variance account because the inventory costs for these valuation methods are not updated when items are received into inventory.
  - Landed costs for non-stock items will be posted directly to the general ledger landed cost variance account because non-stock items can only have a valuation method of Standard Cost or User-Specified Cost.
- The landed costs will be allocated across the receipt numbers/inventory items entered in *Landed Cost Allocation Entry* (61.020.00). The receipt number/inventory item entry in *Landed Cost Allocation Entry* (61.020.00) is restricted so that only valid receipt numbers/inventory items can be entered. For example, the receipt number/inventory item must have a **Receipt For** type of Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, and Goods for Project.
- If the account on the landed cost transaction line is not a project account and a receipt number/inventory item combination is entered in *Landed Cost Allocation Entry* (61.020.00) that has a **Receipt For** type of Goods for Project, the following transactions will be created:

  The accounts payable voucher landed cost transaction line will generate:
  - A debit to the account on the landed cost transaction line (should be the landed cost clearing account associated with the landed cost code).
  - A credit to the vendor’s accounts payable account.

  *Process AP Landed Cost Batches* (61.210.00) will generate:
  - A debit to the project account from the purchase order Goods for Project line item.
  - A credit to the account on the landed cost transaction line (should be the landed cost clearing account associated with the landed cost code).
- Unit of measure will not be taken into consideration for the landed cost allocation calculations. The cost, quantity, volume, and weight values on the purchase order receipt will be used as entered without considering the unit of measure. For example, a purchase order receipt has two items, one with a quantity of 100 each and one with a quantity of 50 packs. The landed cost allocation calculations will sum the total quantity for the items on the purchase order receipt as 150 — no unit of measure conversions will be performed. The same is true for the items’ costs, volumes, and weights.

*Process AP Landed Cost Batches* (61.210.00)



Landed Cost: 0.00

BAS | INS | 0060 | SYSADMIN | 7/12/2009

*Figure 18: Process AP Landed Cost Batches (61.210.00)*

Following are the field descriptions for *Process AP Landed Cost Batches* (61.210.00).

## Selected

**Selected** marks landed costs associated with the accounts payable document (identified by the **AP Ref Number**) as available for release.

## Company ID

**Company ID** indicates the company associated with the landed cost transaction being selected for release. Company IDs are assigned to the landed cost transaction in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00) This field is display only.

## AP Batch Number

**AP Batch Number** identifies an accounts payable batch that contains the accounts payable documents with landed costs that are available for release. Accounts payable batch numbers are assigned in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## AP Ref Number

**AP Ref Number** is the Accounts Payable document that has associated landed costs that are available for release. Accounts payable reference numbers are assigned in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## Vendor ID

**Vendor ID** identifies the vendor associated with the landed costs that are available for release. Vendor IDs are assigned in Accounts Payable's *Voucher and Adjustment Entry* (03.010.00). This field is display only.

## Landed Cost

**Landed Cost** indicates the total of the landed cost monetary amounts entered on the landed cost transaction lines in the accounts payable document. This field is display only.

## Select All

Click **Select All** to mark all of the items in the grid as available to be released.

## Clear Selections

Click **Clear Selections** to deselect all of items in the grid so that none are marked to be released. Specific accounts payable documents can then be individually selected using the **Selected** check box.

## Begin Processing

Click **Begin Processing** to start the landed cost processing for the selected items.

# Accounts Payable Screens

## Accounts Payable Menu

When the Landed Cost module is installed, the *Process AP Landed Cost Batches* (61.210.00) screen is accessible on the Accounts Payable menu. See “Landed Cost Screens” on page 27 and “Process AP Landed Cost Batches (61.210.00)” on page 42 for more information.

## Voucher and Adjustment Entry (03.010.00)

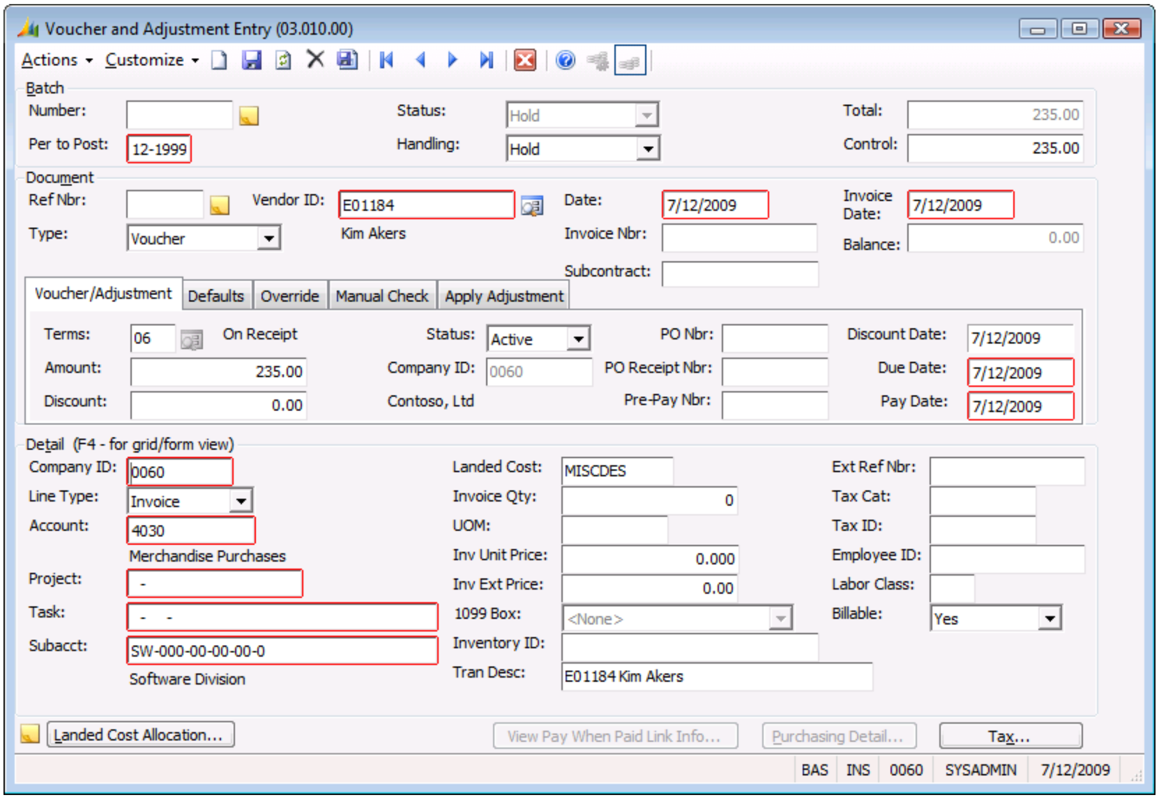
Landed cost code fields are enabled in Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00) when the Landed Cost module is installed. These fields allow a landed cost code to be assigned to an accounts payable voucher. The **Landed Cost Allocation** button, which opens *Landed Cost Allocation Entry* (61.020.00), is also enabled to allow entry of purchase order receipts/inventory items to allocate the landed cost.

Landed costs are entered at the voucher document detail level (not the voucher batch level). A unique reference number identifies each voucher document, which can have one or more landed cost codes entered in the transaction lines in the Detail frame. Each landed cost code that is entered can be tied to one or more specific purchase order receipt numbers and items on those receipt numbers.

**Note:**

- The Document **Type** must be Voucher in order to enter landed costs.
- Landed costs can only be entered on the transaction line if the **AP Document Company ID** on the **Override** tab and the **Company ID** on the transaction line are the same.
- If you change a landed cost code on a transaction line to another landed cost code with a different allocation method, a message will prompt you to review the entries in *Landed Cost Allocation Entry* (61.020.00) to confirm they are still correct.
- If you delete a landed cost code, a landed cost transaction line, an accounts payable document or the accounts payable batch, you will be prompted that all the associated entries in *Landed Cost Allocation Entry* (61.020.00) will also be deleted if you continue with the deletion.
- If you attempt to modify a voucher that was created through *Process PO Landed Cost Batches* (61.200.00), when you save you will be prompted that this may cause Accounts Payable, Inventory, and General Ledger postings to be out of balance. You have the option to continue with the save.

See the Accounts Payable online help or user guide for more information about this screen.


Voucher and Adjustment Entry (03.010.00)
Actions
Customize
Landed Cost Allocation...
View Pay When Paid Link Info...
Purchasing Detail...
Tax...

Batch
Number:
Status: Hold
Total: 235.00
Per to Post: 12-1999
Handling: Hold
Control: 235.00

Document
Ref Nbr:
Vendor ID: E01184
Kim Akers
Date: 7/12/2009
Invoice Date: 7/12/2009
Type: Voucher
Invoice Nbr:
Balance: 0.00
Subcontract:

Voucher/Adjustment | Defaults | Override | Manual Check | Apply Adjustment

Terms: 06 On Receipt
Status: Active
PO Nbr:
Discount Date: 7/12/2009
Amount: 235.00
Company ID: 0060
PO Receipt Nbr:
Due Date: 7/12/2009
Discount: 0.00
Contoso, Ltd
Pre-Pay Nbr:
Pay Date: 7/12/2009

Detail (F4 - for grid/form view)
Company ID: 0060
Line Type: Invoice
Account: 4030
Merchandise Purchases
Project: -
Task: - -
Subacct: SW-000-00-00-00-0
Software Division
Landed Cost: MISCDES
Invoice Qty: 0
UOM:
Inv Unit Price: 0.000
Inv Ext Price: 0.00
1099 Box: <None>
Inventory ID:
Tran Desc: E01184 Kim Akers
Ext Ref Nbr:
Tax Cat:
Tax ID:
Employee ID:
Labor Class:
Billable: Yes

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*Figure 19: Voucher and Adjustment Entry (03.010.00)*

Following are descriptions of the fields and buttons added to *Voucher and Adjustment Entry* (03.010.00) when the Landed Cost module is installed. For descriptions of the other fields on this screen, see the Accounts Payable online help or user guide.

## Landed Cost (Defaults tab)

**Landed Cost** defaults from the landed cost code assigned to the vendor in Accounts Payable's *Vendor Maintenance* (03.270.00). This code is used as the default landed cost code for the transaction detail lines in the grid, and can be overridden. Select the field and click `F3` to see a list of all the landed cost codes that can be entered in *Voucher and Adjustment Entry* (03.010.00).

## Landed Cost (Detail grid)

**Landed Cost** (he landed cost code on the transaction line) defaults from **Landed Cost** on the **Defaults** tab, and can be overridden. Select the field and click `F3` to see a list of all the landed cost codes that can be entered in *Voucher and Adjustment Entry* (03.010.00).When a landed cost code is entered on the transaction line, the account and subaccount will normally default to the landed cost clearing account and subaccount associated with the landed cost code as defined in *Landed Cost Codes* (61.100.00). The only exception is if the existing account on the transaction line at the time the landed cost code is entered is a project account (the account has an account category entered in the Project Controller Options frame in General Ledger's *Chart of Accounts Maintenance* (01.260.00)). In this case, the existing project account and subaccount on the transaction line will not be overwritten when a landed cost code is entered.

## Landed Cost Allocation (Button)

Click **Landed Cost Allocation** to open *Landed Cost Allocation Entry* (61.020.00), which is used to enter the purchase order receipts and inventory items to allocate the landed cost. The entries in *Landed Cost Allocation Entry* (61.020.00) are only editable if the landed cost batch has not been processed.

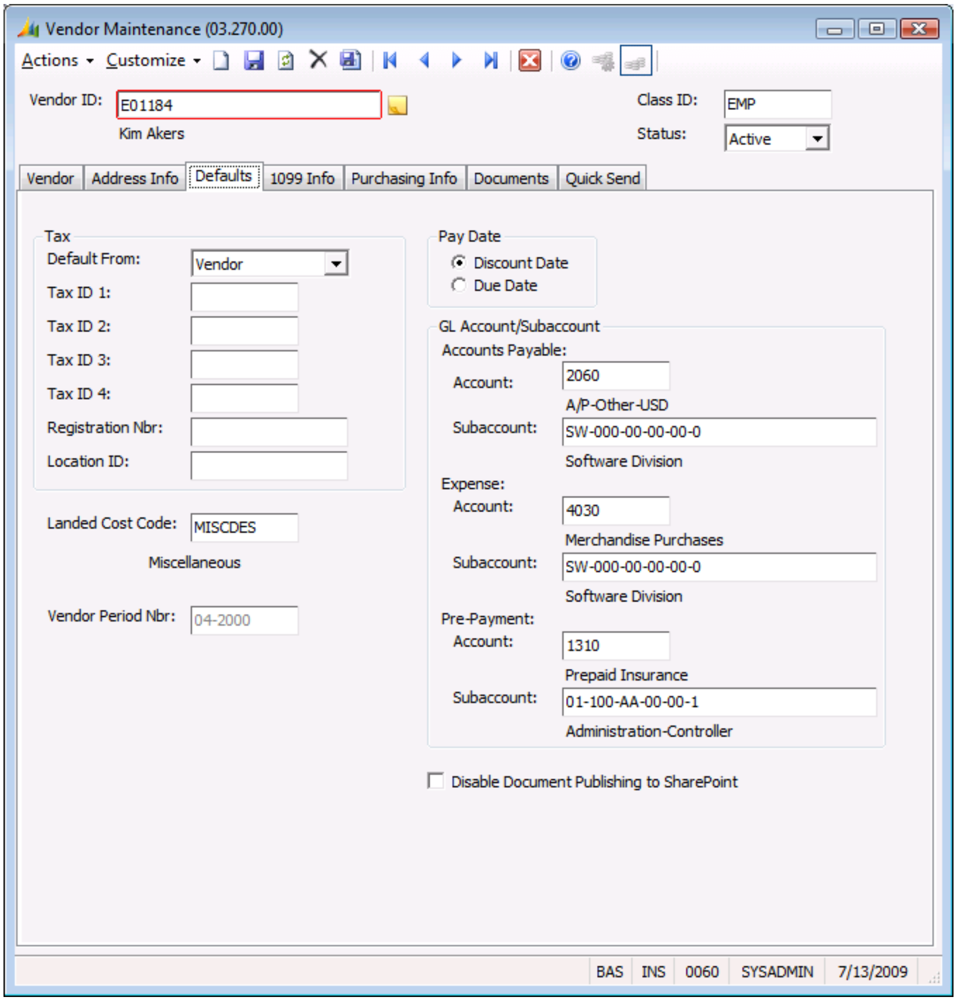
**Note:**

- A voucher must be saved before receipt number/inventory item entries can be made in *Landed Cost Allocation Entry* (61.020.00). If the voucher has not been saved, an automatic save will be performed when **Landed Cost Allocation** is clicked.
- The extended price must be greater than zero when a landed cost code is entered on the transaction line.
- If the landed cost transaction line was created by *Process PO Landed Cost Batch*es (61.200.00), then **Landed Cost** is disabled. In this case the landed cost allocation has already been calculated and no further landed cost processing is allowed.

# Vendor Maintenance (03.270.00)

A landed cost code field is enabled in Accounts Payable’s *Vendor Maintenance* (03.270.00) when the Landed Cost module is installed. It is used to assign a default landed cost code to a vendor.

*Vendor Maintenance* (03.270.00) is used to define vendors and track associated information such as addresses and default accounts. See the Accounts Payable online help or user guide for more information about this screen.



Vendor ID: E01184
Kim Akers
Class ID: EMP
Status: Active

Tax
Default From: Vendor
Tax ID 1:
Tax ID 2:
Tax ID 3:
Tax ID 4:
Registration Nbr:
Location ID:

Landed Cost Code: MISCDES
Miscellaneous

Vendor Period Nbr: 04-2000

Pay Date
● Discount Date
○ Due Date

GL Account/Subaccount
Accounts Payable:
Account: 2060
A/P-Other-USD
Subaccount: SW-000-00-00-00-0
Software Division
Expense:
Account: 4030
Merchandise Purchases
Subaccount: SW-000-00-00-00-0
Software Division
Pre-Payment:
Account: 1310
Prepaid Insurance
Subaccount: 01-100-AA-00-00-1
Administration-Controller

☐ Disable Document Publishing to SharePoint

*Figure 20: Vendor Maintenance (03.270.00)*

Following is a description of the field added to *Vendor Maintenance* (03.270.00) when the Landed Cost module is installed. For descriptions of the other fields on this screen, see the Accounts Payable online help or user guide.

## Landed Cost Code

The landed cost code entered in *Vendor Maintenance* (03.270.00) will be used as the default value for this vendor in *Voucher and Adjustment Entry* (03.010.00). It will be displayed in **Landed Cost** on the **Defaults** tab of *Voucher and Adjustment Entry* (03.010.00), and can be overridden.

# Release AP Batches (03.400.00)

When the Landed Cost module is installed, Accounts Payable’s *Release AP Batches* (03.400.00) automatically calls *Process AP Landed Cost Batches* (61.210.00) when the accounts payable batch has been successfully released. *Process AP Landed Cost Batches* (61.210.00) processes the landed costs associated with the accounts payable vouchers in the accounts payable batch.

*Release AP Batches* (03.400.00) and *Process AP Landed Cost Batches* (61.210.00) are separate processes. The accounts payable voucher batch may release successfully while the landed cost batch release may fail. In this case, open *Landed Cost Allocation Entry* (61.020.00) through Accounts Payable’s *Voucher and Adjustment Entry* (03.010.00), modify the data, and manually release the landed cost batch using *Process AP Landed Cost Batches* (61.210.00) on the Accounts Payable menu.

Before landed costs can be released, the associated accounts payable batch must be successfully released. Until the accounts payable batch is successfully released, the associated landed costs cannot be processed.

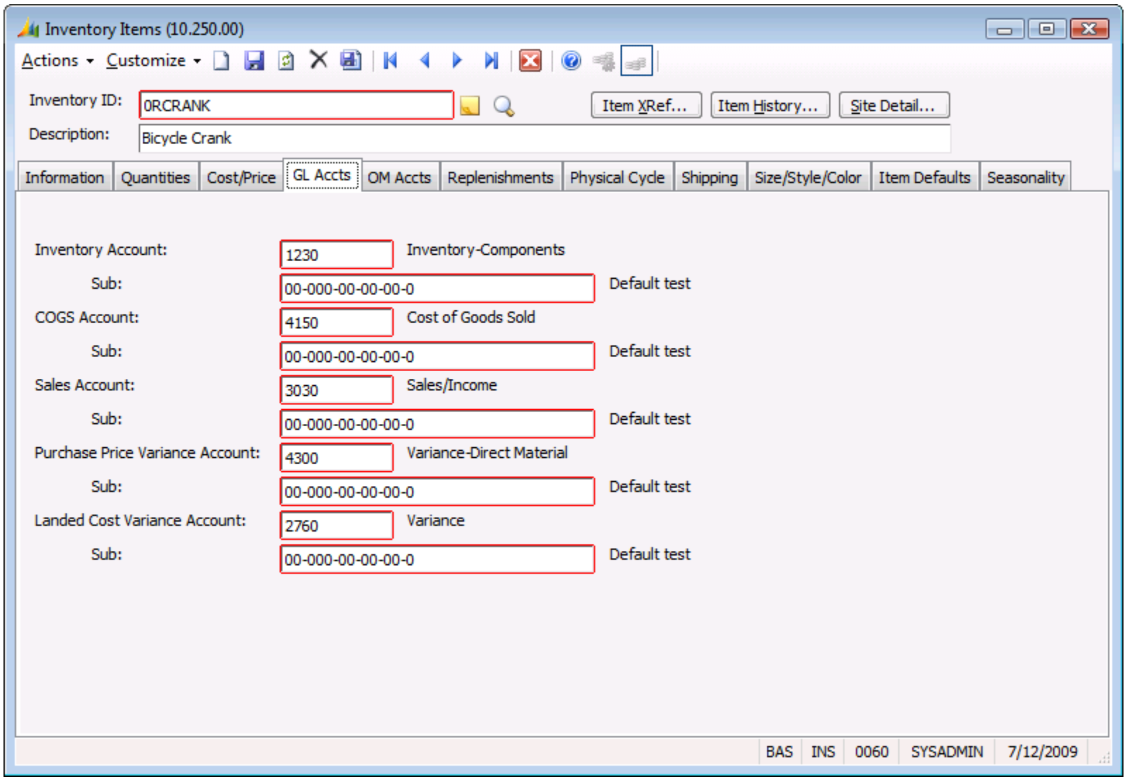
In normal processing the landed costs will be processed as part of Account Payable’s *Release AP Batches* (03.400.00) without any user intervention. However, if the landed cost process fails during the accounts payable batch release process, the landed cost batch process can be manually initiated through *Process AP Landed Cost Batches* (61.210.00) on the Accounts Payable menu.

See the Accounts Payable online help or user guide for more information about *Release AP Batches* (03.400.00).

# Inventory Screens

## Inventory Items (10.250.00)

Landed cost variance account and subaccount fields are enabled on the **GL Accts** tab of *Inventory Items* (10.250.00) when the Landed Cost module is installed. See the Inventory online help or user guide for more information about inventory items and *Inventory Items* (10.250.00).


Inventory Items (10.250.00)
Actions
Customize
Item XRef...
Item History...
Site Detail...
Information
Quantities
Cost/Price
GL Accts
OM Accts
Replenishments
Physical Cycle
Shipping
Size/Style/Color
Item Defaults
Seasonality
BAS
INS
0060
SYSADMIN
7/12/2009

Inventory ID: 0RCRANK

Description: Bicycle Crank

Inventory Account: 1230 Inventory-Components

Sub: 00-000-00-00-00-0 Default test

COGS Account: 4150 Cost of Goods Sold

Sub: 00-000-00-00-00-0 Default test

Sales Account: 3030 Sales/Income

Sub: 00-000-00-00-00-0 Default test

Purchase Price Variance Account: 4300 Variance-Direct Material

Sub: 00-000-00-00-00-0 Default test

Landed Cost Variance Account: 2760 Variance

Sub: 00-000-00-00-00-0 Default test

*Figure 21: Inventory Items (10.250.00), GL Accts tab*

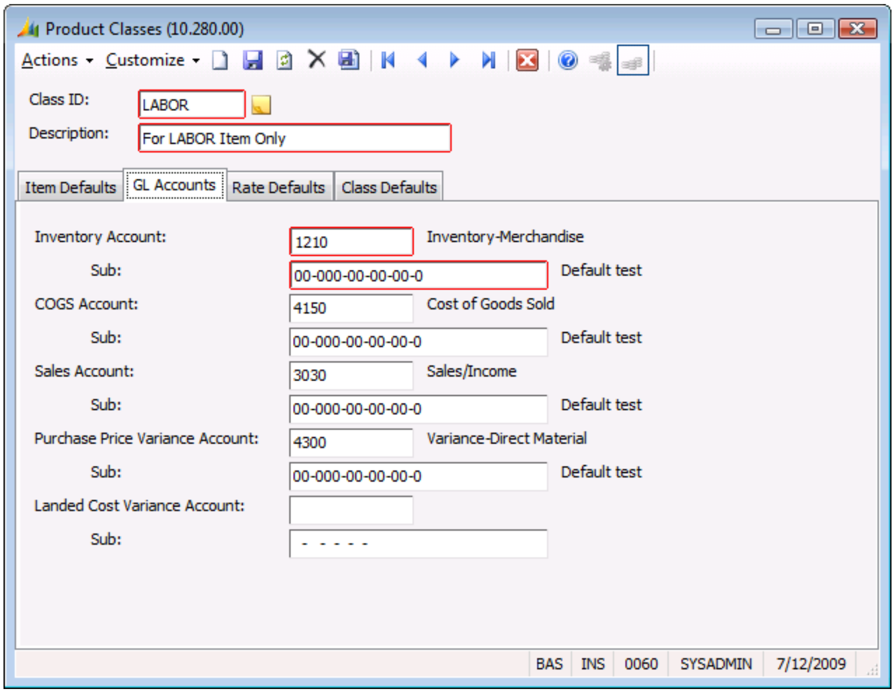
Following are descriptions for fields enabled in *Inventory Items* (10.250.00) when the Landed Cost module is installed. For descriptions of other fields on this screen, refer to the Inventory online help or user guide.

### Landed Cost Variance Account and Sub

The **Landed Cost Variance Account** is the account that landed costs are posted to for inventory items that have a valuation method of Standard Cost or User-Specified. Also, landed costs are posted to this account for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification when some or all of the receipt quantity is sold prior to the landed costs being processed through Accounts Payable. The landed cost variance account and subaccount default from the **GL Accounts** tab of *Product Classes* (10.280.00) when a new inventory item is set up. The defaults can be overridden.

# Product Classes (10.280.00)

Landed cost variance account and subaccount fields are enabled on the **GL Accounts** tab of *Product Classes* (10.280.00) when the Landed Cost module is installed. See the Inventory online help or user guide for more information about product classes and *Product Classes* (10.280.00).



Class ID: LABOR
Description: For LABOR Item Only

Inventory Account: 1210 Inventory-Merchandise
Sub: 00-000-00-00-00-0 Default test
COGS Account: 4150 Cost of Goods Sold
Sub: 00-000-00-00-00-0 Default test
Sales Account: 3030 Sales/Income
Sub: 00-000-00-00-00-0 Default test
Purchase Price Variance Account: 4300 Variance-Direct Material
Sub: 00-000-00-00-00-0 Default test
Landed Cost Variance Account:
Sub: - - - - -

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*Figure 22: Product Classes (10.280.00), GL Accounts tab*

Following are descriptions for fields enabled in *Product Classes* (10.280.00) when the Landed Cost module is installed. For descriptions of other fields on this screen, refer to the Inventory online help or user guide.

## Landed Cost Variance Account and Sub

The **Landed Cost Variance Account** is the account that landed costs are posted to for inventory items that have a valuation method of Standard Cost or User-Specified. Also, landed costs are posted to this account for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification when some or all of the receipt quantity is sold prior to the landed costs being processed through Accounts Payable.

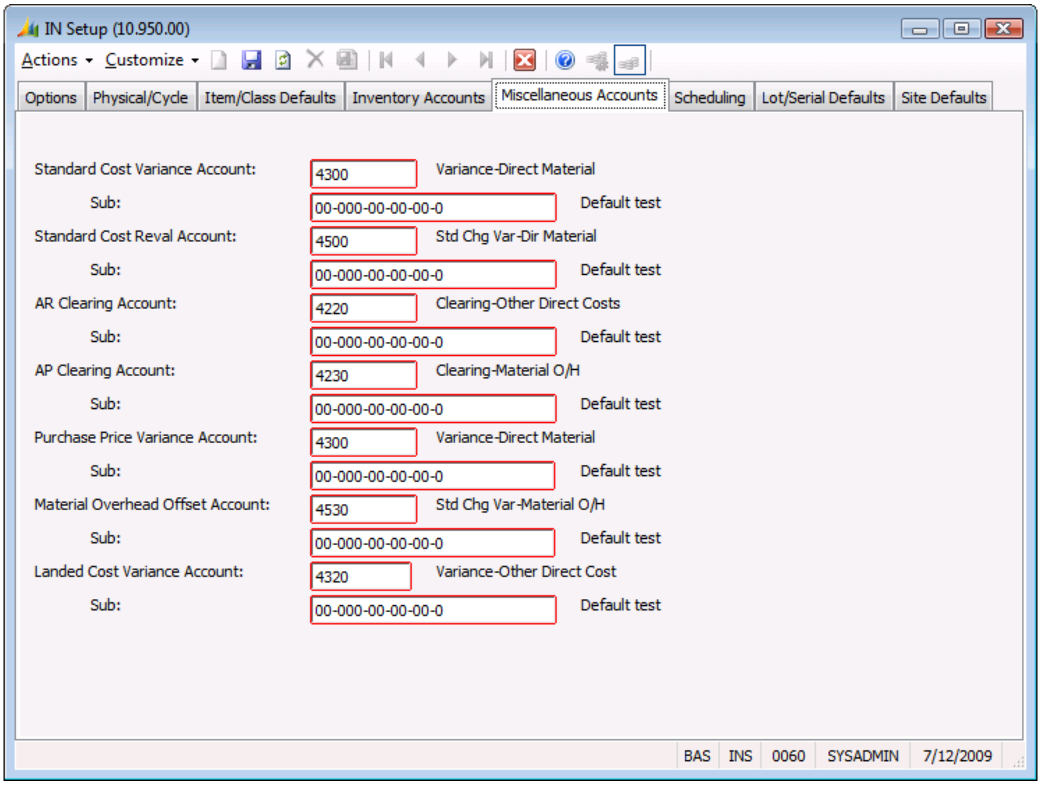
The landed cost variance account and subaccount default from the **Miscellaneous Accounts** tab in *IN Setup* (10.950.00) when a new product class is defined. The defaults can be overridden. The account and subaccount entered in *Product Classes* (10.280.00) are the defaults for the landed cost variance account and subaccount on *Inventory Items* (10.250.00) when the product class is entered.

# IN Setup (10.950.00)

Landed cost variance account and subaccount fields are enabled on the **Miscellaneous Accounts** tab in *IN Setup* (10.950.00) when the Landed Cost module is installed. *IN Setup* (10.950.00) is the main setup screen for the Inventory module, and is used to specify global Inventory settings and defaults.

**Note:** If **Enable Bi-Monetary Inventory** is checked in *IN Setup* (10.950.00) then bi-monetary inventory calculations will be performed. If the currency rate cannot be found, the landed cost processing will be halted.

See the Inventory online help or user guide for more information about *IN Setup* (10.950.00).



Standard Cost Variance Account: 4300 Variance-Direct Material
Sub: 00-000-00-00-00-0 Default test
Standard Cost Reval Account: 4500 Std Chg Var-Dir Material
Sub: 00-000-00-00-00-0 Default test
AR Clearing Account: 4220 Clearing-Other Direct Costs
Sub: 00-000-00-00-00-0 Default test
AP Clearing Account: 4230 Clearing-Material O/H
Sub: 00-000-00-00-00-0 Default test
Purchase Price Variance Account: 4300 Variance-Direct Material
Sub: 00-000-00-00-00-0 Default test
Material Overhead Offset Account: 4530 Std Chg Var-Material O/H
Sub: 00-000-00-00-00-0 Default test
Landed Cost Variance Account: 4320 Variance-Other Direct Cost
Sub: 00-000-00-00-00-0 Default test

*Figure 23: IN Setup (10.950.00), Miscellaneous Accounts tab*

Following are descriptions for fields enabled in *IN Setup* (10.950.00) when the Landed Cost module is installed. For descriptions of other fields on this screen, refer to the Inventory online help or user guide.

## Landed Cost Variance Account and Sub

The **Landed Cost Variance Account** is the account that landed costs are posted to for inventory items that have a valuation method of Standard Cost or User-Specified. Also, landed costs are posted to this account for items with valuation methods of FIFO, LIFO, Average Cost, and Specific Identification when some or all of the receipt quantity is sold prior to the landed costs being processed through Accounts Payable.

The account and subaccount entered in *IN Setup* (10.950.00) are used as defaults when a new product class is set up in *Product Classes* (10.280.00). The account and subaccount entered for the product class are in turn used as defaults when a new inventory item is defined for that product class. These default values can be overridden.

If a landed cost variance account and subaccount are not entered for an item in *Inventory Items* (10.250.00), the landed cost processing will use the landed cost variance account in *IN Setup* (10.950.00). If a posting to the landed cost variance account is required and a landed cost variance account is not entered in either *Inventory Items* (10.250.00) or *IN Setup* (10.950.00), a message will be written to the Event Log and processing will end.

# Purchasing Screens

## Purchasing Menu

When the Landed Cost module is installed, two screens and one report are enabled on the Purchasing menu:

- "Landed Cost Codes (61.100.00)" — see page 35
- "Landed Cost Codes (61.101.00) Report" — see page 38
- "Process PO Landed Cost Batches (61.200.00)" — see page 39

Refer to "Landed Cost Screens" on page 27 for more information about these screens and reports.

## Receipt/Invoice Entry (04.010.00)

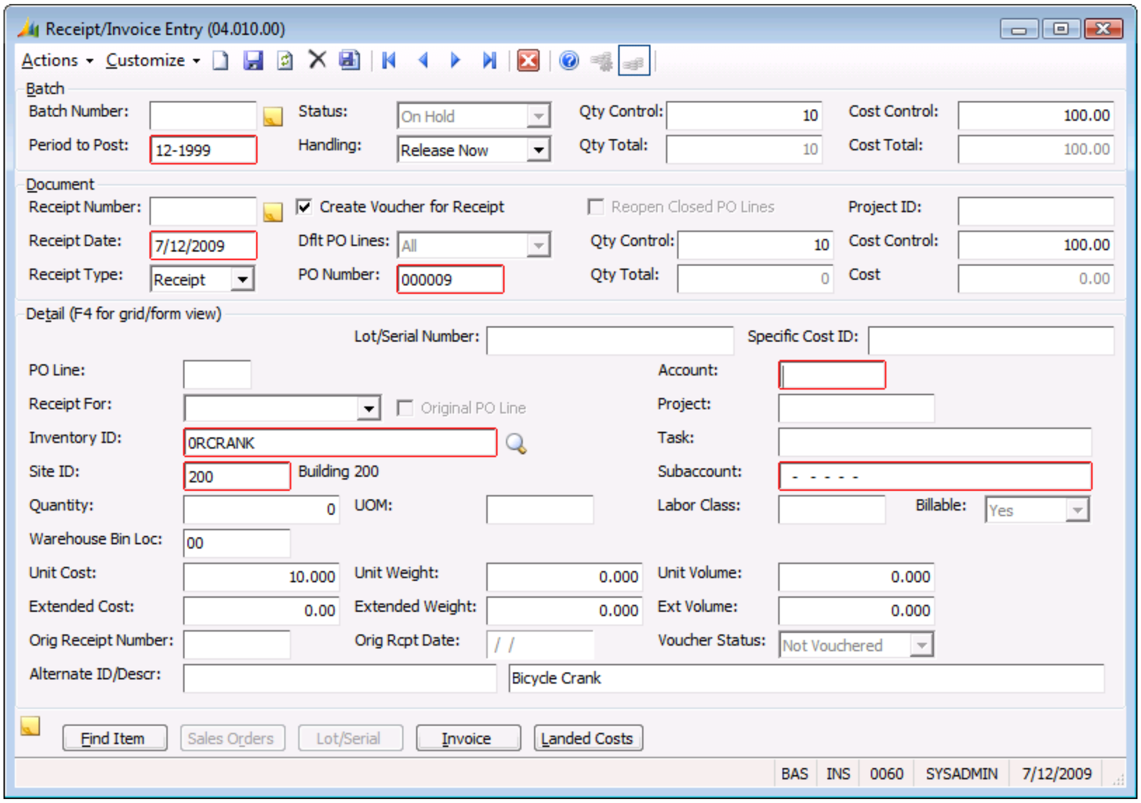
A **Landed Costs** button is enabled in Purchasing's *Receipt/Invoice Entry* (04.010.00) when the Landed Cost module is installed. This button opens *Landed Cost Receipt Entry* (61.010.00), for entry of landed costs associated with the purchase order receipt.

Landed costs are entered at the receipt document level (not the receipt batch level). A unique receipt number identifies each receipt document, which can have one or more landed costs associated with it. Each landed cost must be associated with a receipt number.

**Note:**

- The **Receipt Type** must be Receipt in order to enter landed costs.
- Landed costs can only be allocated to line items with the following **Receipt For** types: Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, and Goods for Project.
- If you delete a purchase order receipt number or a purchase order receipt batch and landed costs have been entered for the receipt in *Landed Cost Receipt Entry* (61.010.00), you will be prompted that the landed cost entries will also be deleted.

See the Purchasing online help or user guide for more information about *Receipt/Invoice Entry* (04.010.00).



Batch Number:
Period to Post: 12-1999
Status: On Hold
Handling: Release Now
Qty Control: 10
Qty Total: 10
Cost Control: 100.00
Cost Total: 100.00

Receipt Number:
☑ Create Voucher for Receipt
☐ Reopen Closed PO Lines
Project ID:
Receipt Date: 7/12/2009
Dflt PO Lines: All
Qty Control: 10
Cost Control: 100.00
Receipt Type: Receipt
PO Number: 000009
Qty Total: 0
Cost 0.00

Lot/Serial Number:
Specific Cost ID:
PO Line:
Account:
Receipt For:
☐ Original PO Line
Project:
Inventory ID: 0RCRANK
Task:
Site ID: 200 Building 200
Subaccount: - - - - -
Quantity: 0
UOM:
Labor Class:
Billable: Yes
Warehouse Bin Loc: 00
Unit Cost: 10.000
Unit Weight: 0.000
Unit Volume: 0.000
Extended Cost: 0.00
Extended Weight: 0.000
Ext Volume: 0.000
Orig Receipt Number:
Orig Rcpt Date: / /
Voucher Status: Not Vouchered
Alternate ID/Descr: Bicycle Crank

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*Figure 24: Receipt/Invoice Entry (04.010.00)*

Following is a description for the field enabled in *Receipt/Invoice Entry* (04.010.00) when the Landed Cost module is installed. For descriptions of other fields on this screen, refer to the Purchasing online help or user guide.

## Landed Costs

Click **Landed Costs** to open *Landed Cost Receipt Entry* (61.010.00) and enter landed costs associated with the purchase order receipt. The entries in *Landed Cost Receipt Entry* (61.010.00) are only editable if the landed cost batch has not been processed.

**Note:**

- The **Receipt Type** must be Receipt to enter landed costs in *Landed Cost Receipt Entry* (61.010.00).
- At least one line item on the receipt must have a **Receipt For** type of Goods for Inventory, Goods for Sales Order, Non-Inventory Goods, or Goods for Project to enter landed costs in *Landed Cost Receipt Entry* (61.010.00).
- When **Landed Costs** is clicked, an automatic save of the purchase order receipt is executed.

# Release Receipt Batches (04.400.00)

When the Landed Cost module is installed, Purchasing's *Release Receipt Batches* (04.400.00) automatically calls *Process PO Landed Cost Batches* (61.200.00) when the purchase order receipt batch has been successfully released. *Process PO Landed Cost Batches* (61.200.00) processes the landed costs associated with the purchase order receipt.

*Release Receipt Batches* (04.400.00) and *Process PO Landed Cost Batches* (61.200.00) are separate processes. The purchase order receipt batch may release successfully while the landed cost batch release may fail. In this case, open *Landed Cost Receipt Entry* (61.010.00) through Purchasing's *Receipt/Invoice Entry* (04.010.00), modify the data, and manually release the landed cost batch using *Process PO Landed Cost Batches* (61.200.00) on the Purchasing menu.

Before landed costs can be released, the associated purchase order receipt batch must be successfully released. Until the purchase order receipt batch is successfully released, the associated landed costs cannot be processed.

In normal processing the landed costs will be processed as part of Purchasing's *Release Receipt Batches* (04.400.00) without any user intervention. However, if the landed cost process fails during the purchase order receipt batch release process, the landed cost batch process can be manually initiated through *Process PO Landed Cost Batches* (61.200.00) on the Purchasing menu.

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