

**The behaviour of the system if the “Adjust Receipt Cost” flag is selected or NOT selected on the product valuation method:**

All > Parameters > Inventory

**Valuation method** OK

Valuation methods 1

Valuation

Valuation source: **FIFO Cost**    Valuation alternate: Standard Cost    Receipt value: Order Cost    Receipt alternate: Standard Cost

Counts

Difference < 0: FIFO Cost    Negative alternate: Standard Cost    Difference > 0: Last Cost    Positive alternate: Standard Cost

Standard rules

**Adjust receipt costs**     Nil cost allowed

Receipt valuation exceptions

1	Movement type	Code	Valuation source	Valuation alternate	Cost Adjustment	Nil cost allowed

**Setup:**

Purchase Order: 20UN x £13

Purchase Invoice: 20UN x £15

Posting for the Receipt: £260 stock cost at the time of receipt

All > Financials > Journals

**Journal Entry STDON : Tab complete transaction** Currency

Header    Legal    Analytical    IAS    Ledg 4    Ledg 5    Ledg 6    Ledg 7    Ledg 8

Site: VS012    Document Type: STK01    Number: STK0121VS01200012    Date: 21/01/07

Journal: STKM    Category: Actual    Status: Temporary    Transaction: STD00

Legal

1	Site	Id...	Collective	General	BP	Debit	Credit	Description	Free reference	Tax
1	VS012	1		230200		260.00		Inventory	L10	GB001
2	VS012	2		320500			260.00	RECV50120008/1000	- L70	GB001

Totals

Total Debit: 260.00 GBP    Total Credit: 260.00 GBP

Account

Description: 320500 : Goods Received not Invoiced    Balance:

Purchase Invoice posting: £300 (+ £60 VAT)

Journal Entry STDON: Tab complete transaction

Site: VS012, Document Type: PUIINV, Number: PIN2101VS01200002, Date: 21/01/07

Journal: PIN, Category: Actual, Status: Temporary, Transaction: STDCO

Site	Id...	Collective	General	BP	Debit	Credit	Description	Free reference	Tax
VS012	1	PL	320000	GB013		360.00	Invoice GB013		
VS012	2		391000		60.00		Invoice GB013		GB001
VS012	3		320500		300.00		POVS0120022/1000		GB001

Totals

Total Debit: 360.00 GBP, Total Credit: 360.00 GBP

Account

Description: 320500 : Goods Received not Invoiced, Balance:

### Scenario one:

If the stock has NOT been consumed before the invoice AND if there is a variance in purchase order price (20 UN x £13) and the invoice price (20 UN x £15). After this invoice has been posted and running the stock accounting interface. We will get below additional postings:

#### Posting with the Flag Ticked:

Second posting for the same receipt, It will revalue the stock based on the invoice price instead of the receipt price, £2 variance for Stock 20 UN, stock value UP by £40.

Journal Entry STDON: Tab complete transaction

Site: VS012, Document Type: STK01, Number: STK0121VS01200013, Date: 21/01/07

Journal: STKM, Category: Actual, Status: Temporary, Transaction: STDCO

Site	Id...	Collective	General	BP	Debit	Credit	Description	Free reference	Tax
VS012	1		230200		40.00		Inventory	L10	GB001
VS012	2		320500			40.00	RECVS0120008/1000	-L70	GB001

Totals

Total Debit: 40.00 GBP, Total Credit: 40.00 GBP

Account

Description: 320500 : Goods Received not Invoiced, Balance:

#### Posting Without the Flag:

This time, It will not touch the stock account and will only Credit the GRNI account while debiting one of the P&L accounts for the variance.

### Scenario two:

If the stock HAS been consumed (5 UN being consumed, remaining 15 UN in the stock) BEFORE the invoice AND if there is a variance in PO price and Invoice Price:

#### Posting with the Flag Ticked:

System will INCREASE the value of the remaining stock i.e 15 UN x £2, £30 debit in inventory and will adjust the remaina balance of £10 to a P&L account.

#### Posting without the Flag Ticked:

No stock account will be touched, all the variance will be posted to the P&L account.

Journal Entry STDON : Tab complete transaction

Currency

Header Legal Analytical IAS Ledg 4 Ledg 5 Ledg 6 Ledg 7 Ledg 8

Site \* VS012 Document Type \* STK01 Number STK0121VS01200018 Date \* 21/01/07  
 GB Bike Stock  
 Journal \* STKM Category \* Actual Status \* Temporary Transaction STDCO  
 STKM

Legal

	Site	Id...	Collective	General	BP	Debit	Credit	Description	Free reference	Tax
1	VS012	1		320500			40.00	RECVS0120008/1000	- L70	GB001
2	VS012	2		720000		40.00		Adj. purchase order / Inw. L90		GB001
3										

Totals

Total Debit	40.00	GBP	Total Credit	40.00	GBP
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Account

Description	Balance
320500 : Goods Received not Invoiced	