

SUPPORT DOCUMENT

Inventory Integration & Negative Quantity
On Hand Updates



palladium
Accounting

Inventory Integration & Negative Quantity On Hand Updates



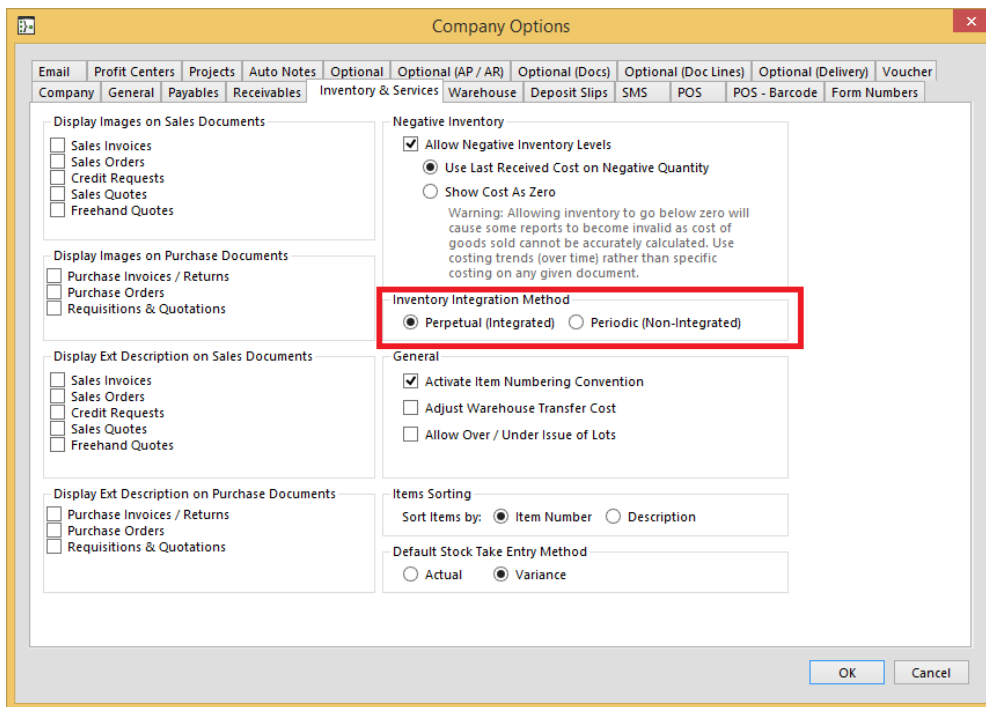
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Inventory Integration Methods

Palladium has the ability to integrate to the General Ledger on either a Perpetual (Integrated) or on a Periodic (non-integrated) method. Note that the system will allow you to switch from one method to another as required.



Perpetual Method

The Perpetual, or integrated method, will post a general ledger entry for the Cost of Sales/Inventory leg of a sales transaction, ensuring that the Inventory control account is updated with the correct value of the inventory on hand on a real-time basis.

Periodic Method

The Periodic, or non-integrated method, does not write any transactions to the inventory or cost of sales accounts at time of sale and relies on the user to post the correct general ledger journal entries at period, or month-end. In addition to this, no general ledger transactions are written for Inventory Adjustments or Stock Take processes.

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Setup
The setup methods are the same with the use of Account sets, although the main difference is that with the Periodic Method, Palladium will only use the Revenue account for Sales, and the Expense accounts (Cost of Goods) for Purchases. The reason for this is because we require control accounts for month end Journals and related account balancing.

The 'Account Set' dialog box is shown with the following details:

- Code: INVENTORY
- Description: Inventory Account Set
- Type: Inventory Service / General Ledger
- Linked Accounts:
 - Asset: 1520-0000 Inventory A
 - Revenue: 4020-0000 Sales Inventory A
 - Expense (COGS): 5020-0000 Cost Inventory A
 - Variance: 5200-0000 Purchases
- Inactive
- Buttons: OK, Cancel

Data Integrity
Certain functionality has been set as inactive using the Periodic method. These include the Inventory Ledger Validations as seen below as well as the Inventory Balance in the Company Summary tab.

The 'Check Data Integrity' dialog box is shown with the 'Inventory Ledger' tab selected. It contains the following data:

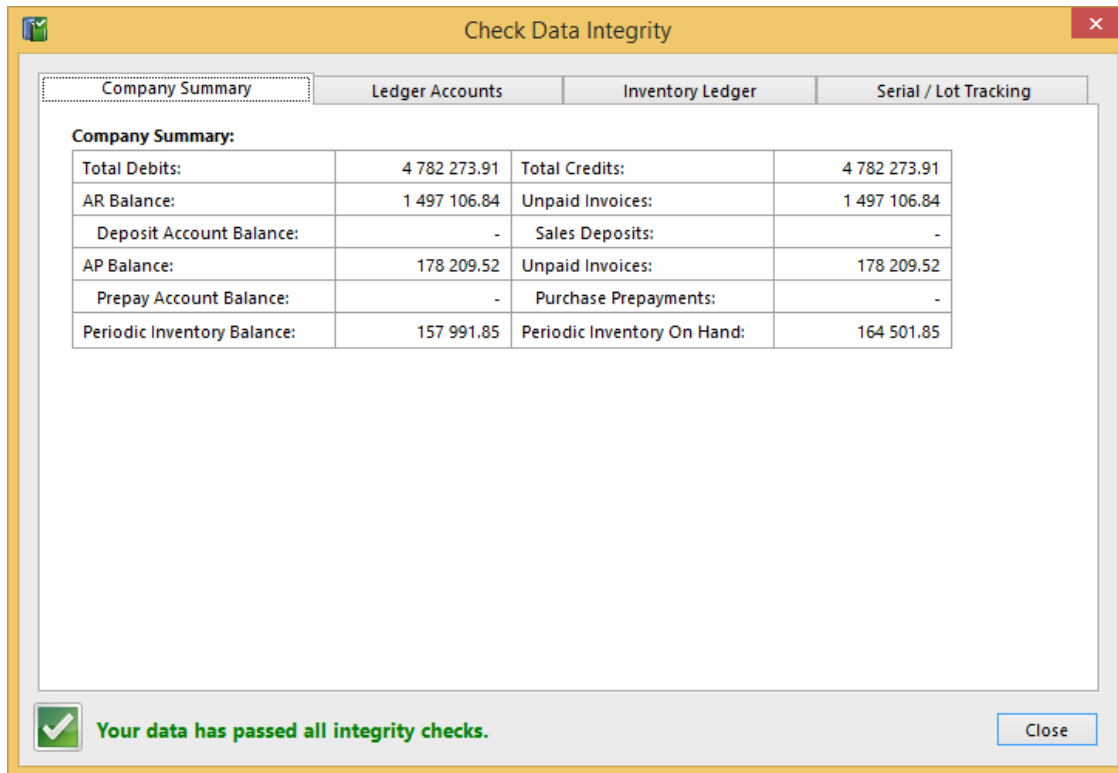
Inventory Summary:				
Account	Description	Account Balance	Inventory Balance	Variance
1520-0000	Inventory A	157 991.85	164 501.85	-6 510.00

Inventory Integrity:	
Unbalanced Inventory:	Passed
Negative Values:	N/A
Service Values:	Passed
Negative Allocations:	Passed
Orphaned Values:	N/A
Inventory Tracking Data:	N/A

Your data has passed all integrity checks. Close

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You will also see that we have set the Inventory Balance as Periodic Inventory Balance to simplify the identification thereof.



The screenshot shows a software window titled "Check Data Integrity" with a yellow border and a close button in the top right corner. The window contains a tabbed interface with four tabs: "Company Summary" (selected), "Ledger Accounts", "Inventory Ledger", and "Serial / Lot Tracking". Below the tabs is a table titled "Company Summary:" with the following data:

Total Debits:	4 782 273.91	Total Credits:	4 782 273.91
AR Balance:	1 497 106.84	Unpaid Invoices:	1 497 106.84
Deposit Account Balance:	-	Sales Deposits:	-
AP Balance:	178 209.52	Unpaid Invoices:	178 209.52
Prepay Account Balance:	-	Purchase Prepayments:	-
Periodic Inventory Balance:	157 991.85	Periodic Inventory On Hand:	164 501.85

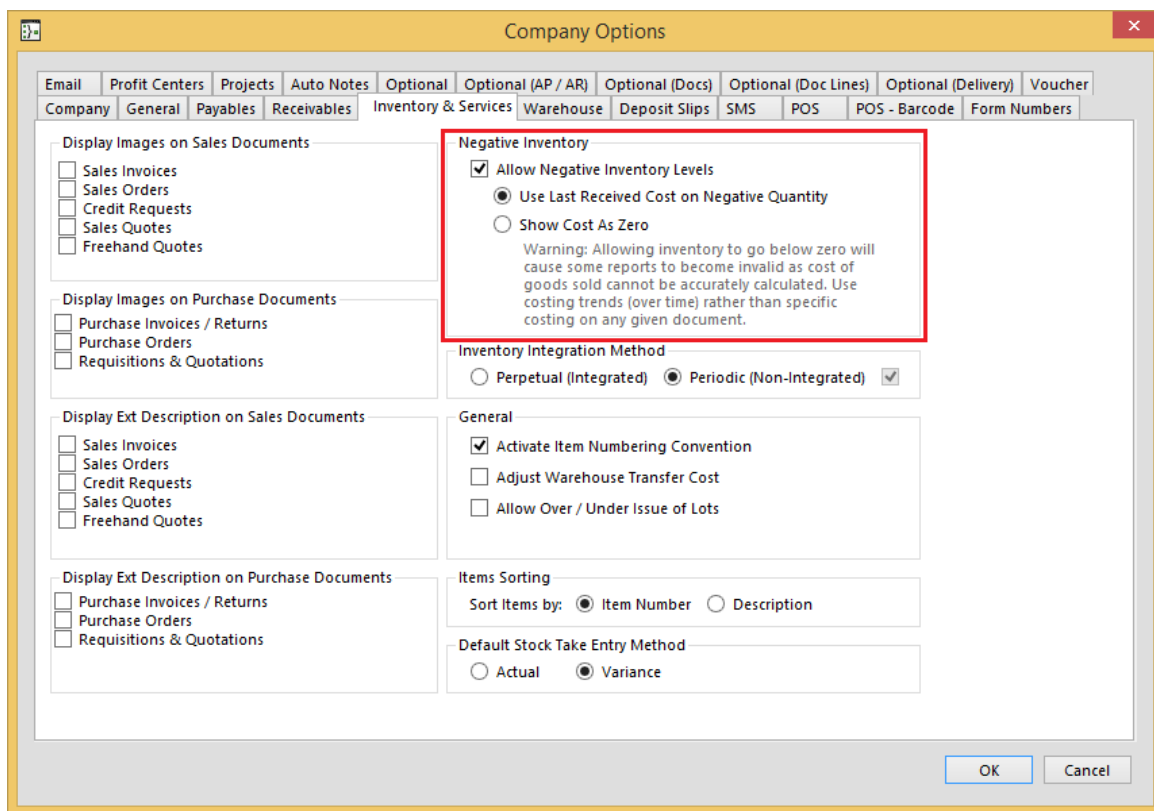
At the bottom of the window, there is a green checkmark icon followed by the text "Your data has passed all integrity checks." and a "Close" button.

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Negative Inventory

General

We have the ability to record negative on hand inventory updates either using the items last received cost or to update at zero cost.



Update at Zero Cost

Updating at zero cost will value all inventory with a negative value at Zero and a value only being recorded for all quantities exceeding 0.

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Example

Should you have a negative quantity of say 3 of item X and receive 5 at \$100 each, Palladium will receive 3 at \$0, and 2 at \$100 each, with the balance of the \$300 being allocated to that items Variance account as set on the Account sets.

Linked Accounts			
Asset:	1520-0000	Inventory A	
Revenue:	4020-0000	Sales Inventory A	
Expense (COGS):	5020-0000	Cost Inventory A	
Variance:	5200-0000	Purchases	

Inactive

OK Cancel

Update at Last Received Cost

Updating at last received cost will record all negative quantity items at the prevailing last received cost per unit. When the items are sold they will be sold at the last received cost. When items are received, the items will be received at the average negative cost, with the balance between this and the Received cost being allocated to the Variance Account as set on the Item Account Set.

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Example

Should we have a negative quantity of say 3 of item X where the prevailing last received cost was \$200 each, showing a value of -\$600, and receive 5 at \$100 each, Palladium will receive 3 at \$200, and 2 at \$100 each, with the balance of the \$200 being allocated to the Item's Variance Account.

The screenshot displays the 'Sales Invoice' window in Palladium Accounting. The main window title is 'Sales Invoice'. The menu bar includes File, Edit, View, Navigate, Sales, and Report. The toolbar contains icons for New, Open, Adjust, Credit, Convert, Centers, Project, Attach Files, Lines, and Related Item. The status bar shows 'Record', 'Print', and page number '1'. The 'Payment' dropdown is set to 'On Account'. The 'Customer' field is 'TEST NEW' and 'Ship To' is '<< Default >>'. The 'Document Items' table lists two items: '08A15877A' (240v Fridge Freezer) and 'Bicycle' (29" Trek Bicycle). The 'Bicycle' row has a red box around its '...' button. An 'Extended Description' dialog box is open, showing warranty information: 'Warranty 12 months from date of purchase', 'Extended warranty can be purchased on request', and 'Mr Bicycle recommends that all users wear the standard safety equipment including a helmet and gloves'. The dialog has 'OK' and 'Cancel' buttons. The bottom of the window shows warehouse information, department, status, terms, sales person, and a summary table with Subtotal (2 221.00), Discount (0.00), Tax (310.94), and Total (2 531.94).

Number	Location	Description
08A15877A	DEFAULT	240v Fridge Freezer
Bicycle	DEFAULT	29" Trek Bicycle

Subtotal:	2 221.00
Discount %:	0.00
Tax:	310.94
Total:	2 531.94