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IBM Maximo Asset Management
IBM Tivoli Asset Management for IT

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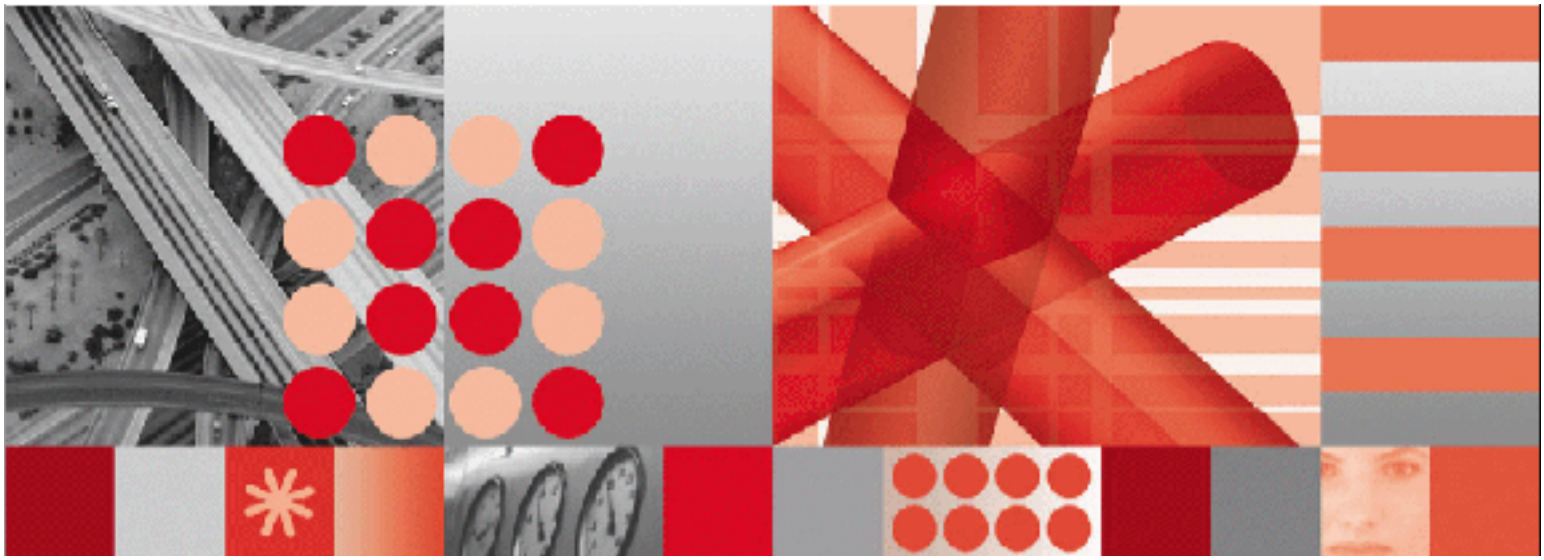

Finance Manager Guide

Note
Before using this information and the product it supports, read the information in "Notices" on page 115.

This edition applies to version 7, release 1, modification 0 of IBM Maximo Asset Management and to all subsequent releases and modifications until otherwise indicated in new editions.

Contents

About This Publication

The IBM *Maximo Asset Management Finance Manager Guide* discusses financial data collection features. More specifically, the guide explains how GL account codes default as a result of standard processes, such as inserting records, using resources, receiving materials, and approving invoices.

The procedures and processes in this manual describe a default "out of the box" configuration. Because you can customize to meet the needs of your business, they might not match your configuration exactly.

Intended Audience

The Finance Manager, or anyone else in your organzation responsible for integrating external financial systems should read this guide.

Security and Database Configuration

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This chapter describes the following topics as they are related to the *Finance Manager Guide*:

- Security
- Database Configuration

Security

Security is important when implementing GL account codes so that the application can communicate with a financial system.

Groups (of users) establish security. You establish and maintain security through the Users application (for users) and the Security Groups application (for groups) in the Security module. Security groups can have as many users as needed for security purposes. Also, users must belong to each corresponding group to have that type of security access.

For more information about establishing security, see the *System Administrator Guide.*

Database Configuration

The section describes the following database configuration actions:

- Authorizing GL Component Access
- Configuring your GL Account
- Using the Chart of Accounts Application
- Setting up Validation
- Specifying Validation Options for GL Account Codes
- Working with Locations

Authorizing GL Component Access

You set up GL account code formats using the **GL Account Configuration** action in the Database Configuration application in the Configuration module.

You use the GL Components tab in the Security Groups application to specify which groups can edit the account codes.

You can specify edit privileges separately for each component of the account code. This lets you restrict users from updating specified GL components while letting them edit other components.

Configuring your GL Account

Use the **GL Account Configuration** action in the Database Configuration application to specify the basic format of GL account codes. Every organization uses this format. To support different configurations for each organization, configure your GL components to the maximum length that any organization might use.

Account Components

Several distinct components (also called segments) represent each GL code. Delimiters separate components when the account codes appear on your page. The delimiters in the database are always stored, which lets your database support variable lengths for individual components.

Use GL Account Configuration to define the length and the data type of each component and to indicate whether each component is mandatory or optional.

The first component of the GL code is the cost center. You can use up to three characters to define your own cost center. The following are examples of cost centers you can define:

- FIN (Finance Group)
- RD (Research and Development)
- SM (Sales and Marketing)

Mandatory and Optional Components

Within an account code, a component can be mandatory or optional. In a fully defined account, specify all mandatory components. In a partially defined account, you can identify the mandatory component by the placeholder characters that it contains.

You do not have to specify an optional component. The optional component appears only if you specify it. Any optional components must come at the end of the account string. You cannot place an optional component between two mandatory components.

Example

You designated the first three components of an account as mandatory and the fourth as optional, making 1234-567 an unacceptable account code. Since the third component is mandatory, you must assign characters to the third component, even if you use placeholders. If both the third and fourth components are unknown, the account code would be 1234-567-???, assuming that you are using the character “?” as your placeholder. Since the fourth component is both optional and unknown, that component does not appear.

Using the Chart of Accounts Application

In the Chart of Accounts application, you can perform the following activities:

- Enter company GL defaults, by company type
- Enter inventory-related account defaults for all inventory locations
- Enter resource code control accounts
- Enter valid values for each of the GL account components
- Select validation options
- Set up financial periods

You use the Chart of Accounts application to identify GL accounts. By using GL Account Configuration in the Database Configuration application, you can configure the application to use the GL accounts in your external financial system. Using the same account structure, the application can work interactively with your external financial system.

To ensure that your system represents your external financial system GL accounts properly, check the Chart of Accounts application, which displays the GL accounts.

For more information about using the Chart of Accounts application, see the *System Administrator Guide*.

Setting up Validation

Within the Chart of Accounts Application, the **Deactivate GL Validations?** check box is cleared by default to indicate that validation has been enabled.

To enable both GL account code validation and financial period validation, do not select the **Deactivate GL Validations?** check box.

For more information about the fields contained on the Validation Options dialog box, see the following section, "Specifying Validation Options for GL Account Codes."

Specifying Validation Options for GL Account Codes

To specify how you want to validate GL accounts when you enter them in a GL account field, you use the Validation Options dialog box in Chart of Accounts.

NOTE You specify the format of GL account codes using the GL Account Configuration dialog box in Database Configuration.

To specify how you want to validate GL accounts, complete the following steps:

1. Open the Chart of Accounts application.

2 In the Organizations table window, select the organization for which you want to specify validation rules.

3 From the Select Action menu, select **Validation Options** to open the Validation Options dialog box, which contains four check box boxes.

4 Select or clear the appropriate check boxes:

- **Deactivate GL Validations?** – If you leave this check box cleared (the default), GL entries are validated in GL account fields against values in Chart of Accounts. These values are specified by the following two check boxes (**Validate GL Component Combinations?** and **Validate Financial Periods**?).

  If you select this check box:

  - GL fields are not validated. You disable the general ledger feature even though you can still enter values in GL fields.
  - the remaining check boxes are cleared, and you cannot select them.

- **Validate GL Component Combinations?** – You can either select or clear this check box.

  - If you select this check box (the default), a GL account entry is accepted only if the combination of component values matches a GL account code in the GL Accounts table window. The Select GL Account dialog box does not display any component value that has not been used as part of a GL account code in the GL Accounts table window.
  - If you clear this check box, any combination of valid component values is accepted. To be valid, a component value must match a value in the GL Component Maintenance dialog box. The composite GL account code does not have to match an existing one in the GL Accounts table window.

- **Validate Financial Periods?** – If you select this check box (the default), the transaction is verified that it falls within an open, valid financial period, as defined in the Financial Periods dialog box.

  If you clear this check box, the defined financial period is not validated.

  To define financial periods for your company, use the Chart of Accounts application. For more information, see the *System Administrator Guide*.

  After you close a financial period by entering an actual close date, no financial transactions are assigned to that period.

- **Require valid GL account for all transactions?** – If you clear this check box (the default), transactions are allowed when you do not specify a valid GL account.

- If you select this check box, valid GL debit and credit accounts must be present on all transactions. In most cases, the GL accounts from the vendor record are used as a default.

5 To save any validation changes, click **OK**.

Example

You configure account codes to have three mandatory components. You make 1111 a valid first component, 222 a valid second component and 333 a valid third component. However, you create no account code in Chart of Accounts containing both 222 as a second component and 333 as a third component.

If you select the **Validate GL Component Combinations**? check box, you cannot use the account code 1111-222-333.

If, you clear the **Validate Component Combinations?** check box, you can use the account code 1111-222-333.

Working with Locations

Several location types are recognized and tracked. Understand how and why you use each location type and how each type differs from the others. You can establish a **GL** account code for any type of location.

Operating Locations

Operating locations are where you use your assets; therefore, employees usually write work orders either for a location itself or an asset in an operating location. You also use operating locations to build a location hierarchy. You can design the location hierarchy to include all locations in your plant against which work orders are written. You also can use the hierarchy to track assets moving in and out of locations.

You can have several location hierarchies and hierarchies can share locations. You may find it helpful to assign default GL account codes to locations, instead of assets. For more information, see the *IBM Maximo Asset Manager Product Reference Guide*.

Other Asset Type Locations

In addition to operating locations, assets also can be in other "asset type" locations, such as vendor, salvage, and repair locations. You can assign default GL accounts to these locations.

Storeroom Locations

You name an inventory storeroom using its location. Employees stock items in and from where they issue items.

Other Inventory Type Locations

Other "inventory type" locations are labor and courier. Use labor and courier locations to track inventory items either en route to or from vendors, or between a storeroom and its destination (another storeroom, or a work order site, for example).

Courier records can have an associated company location record, and labor records can have an associated labor location record. You also can transfer inventory directly to a labor or courier location. For more information about locations, see the *Product Reference Guide*.

Transaction Types 2

The following tables list transaction types by their associated database table.

Each database table name is uppercase, followed by the table description. For each database table, the following tables list transaction types and associated processes.

In the Transaction Type column, the database name for the transaction is uppercase, followed by the transaction full name or description.

The Associated Processes column briefly describes the processes that can write the corresponding transaction type to the database table. For more information about these processes, see Chapter 4, "Financial Process Chapters."

Database Tables

The section contains information for the following database tables:

- INVOICETRANS – Invoice Transactions
- INVTRANS – Inventory Transactions
- LABTRANS – Labor Transactions
- MATRECTRANS – Material Receipts Transactions
- MATUSETRANS – Material Use Transactions
- SERVRECTRANS – Service Receipts Transactions
- TOOLTRANS – Tools Transactions

INVOICETRANS -- Invoice Transactions

The following table lists the transaction types and associated processes for the INVOICETRANS (Invoice Transactions) table.

INVOICETRANS Transaction Types and Associated Processes

Transaction Type	Transaction Value
TOTAL – Invoice total transaction	The total amount of the invoice, including tax.
TAX1 – Tax transaction for tax type 1	If the invoice includes tax type 1, the line cost equals the sum of tax type 1 on all invoice lines.
TAX2 – Tax transaction for tax type 2	If the invoice includes tax type 2, the line cost equals the sum of tax type 2 on all invoice lines.
TAX3 – Tax transaction for tax type 3	If the invoice includes tax of type 3, the line cost equals the sum of tax type 3 on all invoice lines.
TAX4 – Tax transaction for tax type 4	If the invoice includes tax of type 4, the line cost equals the sum of tax type 4 on all invoice lines.
TAX5 – Tax transaction for tax type 5	If the invoice includes tax type 5, the line cost equals the sum of tax type 5 on all invoice lines,
INVCEVAR – Invoice cost variance transaction	For materials received into a storeroom if a cost variance between receipt and invoice exists, and if either following condition is true: UpdateInventory = 1 and invoice quantity > current balance Or UpdateInventory = 0, the line cost equals the sum of all price variances on the invoice
CURVAR – Currency variance transaction	Approve invoice for materials to go to storeroom if a currency variance between receipt and invoice exists and if either following condition is true: UpdateInventory = 1 and invoice quantity > current balance Or Update Inventory = 0, the line cost equals the sum of all currency variances on the invoice

INVTRANS -- Inventory Transactions

The following table lists the transaction types and associated processes for the INVTRANS (Inventory Transactions) table.

INVTRANS Transaction Types and Associated Processess

Transaction Type (Value)	Inventory Action
AVGCSTADJ – Average cost adjustment	**Adjust Average Cost** action in Inventory.
CAPCSTADJ – Capitalized cost adjustment	**Adjust Capitalized Cost** action in Inventory.
CURBALADJ – Current balance adjustment	**Adjust Current Balance** action in Inventory. Reconcile Balances action in Inventory.
INSERTITEM – Inserting an item record	Insert an item/location record in Inventory. Duplicate record. Add **Item to Storeroom Location** action in Inventory. Transfer in or transfer out in Issues and Transfers. This action is used to transfer material items to a storeroom location where the items did not previously exist.
PCOUNTADJ – Physical count adjustment	**Adjust Physical Count** action in Inventory.
STDCSTADJ – Standard cost adjustment	**Adjust Standard Cost** action in Inventory.
STDRECADJ – Standard receipt adjustment	Receive Material on Purchase Orders into storeroom if the following conditions are met: ▼ Default issue cost is set to standard. ▼ Receipt price differs from the standard cost.

LABTRANS -- Labor Transactions

The following table lists the transaction types and associated processes for the LABTRANS (Labor Transactions) table.

LABTRANS Transaction Types and Associated Processes:

Transaction Type (Value)	Associated Processes
WORK	Report labor use of type WORK (that is, for hours spent in actual work time).
NON-WORK	Report labor use of type NON-WORK (that is, for hours spent in non-work transaction).
OT-REF	Report labor use of type OT-REF (that is, for hours spent in overtime refused)—memo transaction only.
TRAV	Report labor use of type TRAV (that is, for hours spent in travel time). Synonym of WORK.
WMATL	Report labor use of type WMATL (that is, for hours spent waiting for materials). Synonym of WORK.
SICK	Report labor use of type SICK (that is, for hours spent in sick time). Synonym of NON-WORK.
VAC	Report labor use of type VAC (that is, for hours spent in vacation time). Synonym of NON-WORK.

MATRECTRANS -- Material Receipts Transactions

The following table lists the transaction types and associated processes for the MATRECTRANS (Material Receipts Transactions) table.

MATRECTRANS Transaction Types and Associated Processes

Transaction Type (Value)	Associated Processes
RECEIPT – Material receipt	Material Receipt in Receiving.
RETURN – Material return	Material Returns in Receiving.
TRANSFER – Material transfer	Transfer Current Item action in Inventory. Transfer In and Transfer Out in Issues and Transfers. Material receipt, internal in Receiving. Move/modify assets from non-storeroom location to inventory-type location in Assets, Purchasing, or Work Orders.
INVOICE – Invoice variance	Approve invoice for materials purchased for a storeroom, if a cost variance between receipt and invoice exists.

MATUSETRANS -- Material Use Transactions

The following table lists the transaction types and associated processes for the MATUSETRANS (Material Use Transactions) table.

MATUSETRANS Transaction Types and Associated Processes

Transaction Type (Value)	Associated Processes
ISSUE – Issue or usage	Issue an item in Inventory Control. Issue an item in Issues and Transfers. Report metered material use against a work order. Report actual material use. Material receipt, external, issue on receipt.
RETURN – Return item to store	Return a non-rotating item using Issue Current Item in Inventory. Return an item using Issues and Transfers. Report actual material use.

SERVRECTRANS -- Service Receipts Transactions

The following table lists the transaction types and associated processes for the SERVRECTRANS (Service Receipts Transactions) table.

SERVRECTRANS Transactions Types and Associated Processes

Transaction Type (Value)	Associated Processes
RECEIPT	Service receipt in Receiving.
INVOICE – Invoice variance	Approve invoice for services, either with no PO, or with a cost variance between receipt and invoice. Approve invoice for services subsequent to distributing costs for those services.

TOOLTRANS -- Tools Transactions

The following table lists the transaction types and associated processes for the TOOLTRANS (Tools Transactions) table.

TOOLTRANS Transaction Type and Associated Process

Transaction Type (Value)	Associated Process
none	Stores records that show actual tool use.

Valid GL Accounts 3

Overview

This chapter describes the valid General Ledger (GL) account types that you can establish and use. You can set up these accounts so that they correspond to accounts that you use in your external accounting system.

When you establish your Chart of Accounts, you can match the account *codes* in your accounting system to the account *names* in the Chart of Accounts application. For information about the Chart of Accounts application, see the *System Administrator Guide*.

Transactions have a debit and a credit entry. For each transaction, s a certain account is written to the database as the debit account. however, the cost of the transaction can be negative or positive to create the correct net accounting effect. In other words, the net effect of a credit is to create a given account by "debiting" that account with a negative cost amount.

For example, in recording a receipts price variance, the receipts price variance account is "debited". This action occurs whether the receipt price is higher or lower than the purchase order price. If the receipt price is lower than the purchase order price, The receipts price variance account "debits" by a negative amount. Similarly, the net effect of a debit is to "credit" an account by a negative amount.

Company-Related Accounts

This section describes the following company-related accounts:

- AP Suspense account
- Receive But Not Invoiced (RBNI) account

AP Suspense Account

The AP Suspense account holds the value of invoices that you have approved, but not paid. When you approve an invoice, the AP Suspense account for the invoice total transaction is credited, and the RBNI account is debited.

You can establish the AP Suspense account on a company-by-company basis. If you do not specify an account for a particular company, the AP Suspense account defaults in the Chart of Accounts. The Chart of Accounts lists the AP Suspense account by company type, under the Company-Related Accounts action.

RBNI Account vs. AP Suspense Account When Invoice Is Approved

the RNBI account . . .	and the . . .
is debited	AP Suspense account is credited.

Received but not Invoiced (RBNI) Account

The RBNI account is used to track materials and services that you have received, but that you have not yet invoiced. When you receive an item, the RBNI account is credited. When you approve the invoice for that item, the RBNI account is debited for the invoice total transaction.

You can establish the RBNI account on a company-by-company basis. If you do not specify an account for a particular company, the RBNI account defaults in the Chart of Accounts. The Chart of Accounts lists the RBNI accounts by company type, under the **Company-Related Accounts** action.

Inventory-Related Accounts

This section describes the following inventory-related accounts:

- Currency Variance account
- Inventory Control account
- Inventory Cost Adjustment account
- Inventory GL account (item resource code)
- Invoice Cost Variance account
- Purchase Variance account
- Receipts Price Variance account
- Rotating Suspense account
- Shrinkage Cost account

Currency Variance Account

The Currency Variance account is used to track differences between the receipt price and the invoice cost that result from changes in the exchange rate. Even if the exchange rate fluctuates between receipt and invoice, this account is debited only if either following condition is true:

- You cleared the **Update Cost/Currency Variances on Inventory Costs?** check box.

  or

- You selected the **Update Cost/Currency Variances on Inventory Costs?** check box and the invoice amount exceeds the current balance.

If you use standard cost, clear the **Update Cost/Currency Variances on Inventory Costs**? check box.

If you clear the check box, the transaction amount is written to the Currency Variance account. If you select the check box and the invoice amount exceeds its current balance, the second listed condition is true. The difference is written to the Currency Variance account.

NOTE The **Update Cost/Currency Variances on Inventory Costs?** check box is located on the Inventory Defaults dialog box. To access this dialog box, complete the following steps:

1. Select **Administration > Organizations** to open the Organizations application.
2. Select an organization from the list provided and click the Organization tab.
3. From the Select Action menu and select **Inventory Options > Inventory Defaults** to open the Inventory Defaults dialog box.

The Currency Variance account is written in a Currency Variance transaction:

- If an exchange rate change causes the invoice cost in base currency to exceed the receipt cost in base currency, the transaction amount is positive.
- If an exchange rate change causes the invoice cost in base currency to be less than the receipt cost in base currency, the transaction amount is negative.

This account is paired with the Inventory Control account: When the currency variance account value increases, the Inventory Control account value decreases.

Currency Variance Account vs. Inventory Control Account

If the Currency Variance account . . .	the Inventory Control account . . .
increases,	decreases.
decreases,	increases.

Variance accounts track price variances by *storeroom location*, not by *item*.

Inventory Control Account

The Inventory Control account stores the monetary value of the stock in the associated storeroom location. When you transfer an item, the receiving storeroom is debited and the issuing storeroom is credited. Also, the inventory control account is credited for the following transactions involving inventory items:

- receipts price variance
- invoice cost variance
- currency variance
- material issue or use

The Inventory Control account is debited for the following transactions involving inventory items: receipt, total cost variance, and return. The inventory control account is also the debit account when a stock adjustment results from:

- adjust current balance
- adjust standard cost
- change capitalized status
- reconcile balances

Inventory Cost Adjustment Account

The inventory cost adjustment account is used to track changes when the **Adjust Average Cost** or **Adjust Standard Cost** actions cause the average price or the standard price, respectively, to change.

This account is credited in an average cost adjustment or standard cost adjustment transaction. The inventory cost adjustment account is paired with the Inventory Control account. When the Inventory Cost adjustment account is credited, it debits the Inventory Control account. When the average or standard cost increases, the transaction amount is positive.

Average or Standard Cost vs. Transaction Amount

If the average or standard cost . . .	the transaction amount is . . .
increases,	positive.
decreases,	negative.

Inventory GL Account (item resource code)

The Inventory GL account holds the resource code associated with the commodity group that you set up in the Chart of Accounts. The account appears as a segment of merged accounts in transactions such as issues, returns, and transfers of the item from the storeroom location.

Invoice Cost Variance Account

The Invoice Cost Variance account is used to track variances in the price, expressed in the vendor currency, between receipt and invoice for the associated storeroom location. If the cost, expressed in the vendor currency, changes between receipt and invoice, this account is debited only if either of the following conditions is true:

- UPDATEINVENTORY in the MAXVARS table is set to 0 (No).
- UPDATEINVENTORY in the MAXVARS table is set to 1 (Yes), and the invoice monetary value exceeds the current balance.

(If you use the standard cost, set the UpdateInventory flag to 0, [No].)

If the flag is set to 0, the amount of the transaction is written to the Invoice Cost Variance account. If the flag is 1 and the invoice amount exceeds the account balance, the only the difference is written to the Invoice Cost Variance account.

The Invoice Cost Variance account is debited in an invoice cost variance transaction. When the invoice line cost exceeds the receipt cost, the transaction amount is positive. When the invoice line cost is less than the receipt cost, the transaction amount is negative.

Invoice Line Cost vs. Transaction Value

If the invoice line cost . . .	the transaction amount is . . .
exceeds the receipt cost,	positive.
is less than the receipt cost,	negative.

This account is paired with the Inventory Control account. When the Invoice Cost Variance account value increases, the Inventory Control account value decreases.

NOTE Variance accounts track price variances by *storeroom location*, not by *item*.

Purchase Variance Account

The Purchase Variance Account is not used for any transactions.

Receipts Price Variance Account

The Receipts Price Variance account is used for the standard cost only. The account tracks differences between the inventory standard cost and the receipt cost (which is storeroom specific), for items in the associated storeroom location. The Return Price Variance account is debited in an inventory standard receipt adjustment transaction. When the purchase price at receipt exceeds the standard cost, the transaction amount is positive. When the purchase price at receipt is less than the standard cost, the transaction amount is negative.

Purchase Price at Receipt vs. Transaction Amount Value

If the purchase price at receipt . . .	the transaction amount is . . .
exceeds the standard cost,	positive.
is less than the standard cost,	negative.

The Receipts Price Variance account is paired with the Inventory Control account; when the Receipts Price Variance account value increases, the Inventory Control account value decreases.

NOTE Variance accounts track price variances by *storeroom location*, not by *item*.

Rotating Suspense Account

The Rotating Suspense account holds the accumulated cost of repairs to an asset until you move the asset into a storeroom.

The Rotating Suspense account is the debit account for work orders that you charge to a storeroom (that is, for which the **Charge to Store?** check box is selected). This account is charged when you use material, labor, or tools to complete the work order. When this account is debited for resource use, it credits the appropriate resource control account.

In addition, the Rotating Suspense account is debited when you receive a service associated with rotating assets if the **Charge to Store?** check box is selected. If the cost of the service on the approved invoice exceeds the cost at receipt (when you approve the invoice), this account is debited for the variance. When the Rotating Suspense account is debited for the received or invoiced service, it credits the RBNI account for the vendor.

Rotating Suspense Account vs. RBNI Account

the . . .	and the . . .
rotating suspense account is debited	RBNI account for the vendor is credited.

Finally, the Rotating Suspense account is the credit account when you move rotating assets from a non-storeroom location to an inventory-type location. When you move the assets into the storeroom, A transaction of type TRANSFER is written to the MATRECTRANS table. The transfer transaction causes the Rotating Suspense account to be credited and the Inventory Control account to be debited for the receiving storeroom.

Rotating Suspense Account vs. Inventory Control Account

the . . .	and the . . .
inventory control account is debited	rotating suspense account is credited.

In the Chart of Accounts application, you can specify a *global* Rotating Suspense account code. To specify this account code, select the **Organization Default Account** action and enter a value in the **Global Rotating Suspense Account** field.

The value you enter becomes the default for the Rotating Suspense Account (ASSET.ROTSUSPACCT) field in the Assets application or you can specify a new value in this field.

NOTE By default, the ASSET.ROTSUSPACCT field is not visible.

Shrinkage Cost Account

The Shrinkage Cost account is used to track differences between actual inventory quantities and calculated quantities. This account is credited in a current balance adjustment transaction and in a reconciling balances transaction. When the actual inventory quantity exceeds the calculated current balance, the transaction amount is positive.

Shrinkage Cost Account vs. Transaction Value

If the actual inventory quantity . . .	the transaction amount is . . .
exceeds the calculated current balance	positive.
is less than the calculated current balance	negative.

This account is paired with the Inventory Control account, which is the debit account in a current balance adjustment transaction.

Location and Asset Accounts

This section describes the following location and asset-related accounts:

- Asset GL Account
- Operating Location GL Account

Asset GL Account

The Asset GL account is the default debit account for work orders, purchase orders, and other types of accounts against an asset. You can establish this account only on the asset record (it does not default from any other record).

Assign GL accounts to locations instead of to assets (see note following this paragraph). The **Asset GL Account** field does not appear initially in the Assets application. Therefore, to specify a GL account for a particular asset, first display the **Asset GL Account** field in the Assets application.

NOTE If you fully specify an Asset GL account, costs are never charged related to that asset (that is, resulting from a work order) to the operating location GL account. This occurs regardless of the asset location. More specifically, any account components that you specify in creating the asset GL account overrides those same components in the operating location GL account. For example, if you create a work order in asset with GL account 1111-222-???, and the work order is to be performed at an operating location with GL account 1111-333-444, the GL debit account for the work order is 1111-222-444.

GL Debit Account for Work Order from Asset and Location GL Accounts

Account	Number
Asset GL account	1111-222-???
Operating Location GL account	1111-333-444
GL Debit account for Work Order	1111-222-444

Operating Location GL Account

The operating location GL account is the default debit account for work orders, purchase orders, and other types of accounts against the location. You can establish this account only on the operating location record (it does not default from any other record).

Preventive Maintenance Account

This section describes the PM (preventive maintenance) GL account.

PM GL Account

The PM GL account is used when a preventive maintenance record generates a work order. Typically, you specify only one segment of the account code to represent the type of work. You establish this account directly on the PM record.

On the work order, the account is merged with the asset and location GL account codes (either together or separately), if those codes exist. In the merger, if codes have defined components in the same segment, the PM GL account components have the highest priority. This means that the PM GL account code segments override defined segments in the same position from the location and asset GL account codes (either together or separately).

Resource Codes

You can associate resource codes – typically one segment of a GL account – with resources used on work orders. The following resource codes are described in this section:

- Inventory Resource Code
- Labor Resource Code
- Tool Resource Code

Resource Accounting

Associating the codes lets you do *resource accounting*. With resource accounting, you assign an account component to each resource. This account component merges, called the resource code, into the GL debit account for the cost of the work order or other transaction when you record use of the resource. You can establish resource codes in the Chart of Accounts for groups of resources (items of a certain type, for example). You also can establish resource codes on individual records.

Resource accounting offers the advantage of letting you perform in-depth analysis of resource use. For example, you can analyze use by commodity group, individual item, or labor code.

Inventory Resource Code

Inventory Resource codes are the inventory resource component of the debit account in a transaction. For example, when you create a work order requiring an inventory item, that work order line item includes the inventory resource account component in the GL debit account code.

In the Chart of Accounts, you can define inventory resource codes by commodity group. To track items by individual item identifiers, display the **GL account** field in the Item Master application and overwrite the code on the item record itself.

Labor Resource Code

Labor Resource Code are the labor resource component of the debit account in a transaction. For example, when you create a work order requiring labor, the work order line item includes the labor resource account segment in the GL debit account code.

In the Chart of Accounts, you can define one labor resource code for internal labor, and another for external labor. Additionally, to track laborers by individual identifier, display the **GL account** field in the Labor application and overwrite the code on the labor record itself.

Tool Resource Code

Tool resource codes are the tool resource component of the debit account in a transaction. For example, when you create a work order requiring a tool, that work order line item includes the tool resource account component in the GL debit account code.

In the Chart of Accounts, you can create two resource codes, one for internal resource tools and one for external resource tools. To change the default resource code by individual tool identifier, go to **Inventory > Tools**, select the Tools tab, and select **Tool/Organization Details** from the Select Action Menu.

Resource Control Accounts

This section describes the following resource control accounts:

- External Labor Resource Control account
- External Tools Control account
- Internal Labor Control account
- Internal Tools Control account

External Labor Control Account

The External Labor Control account is used as the credit account for any external labor transaction. It is the accrual account for the value of external (contract) labor "issued" to work orders or other activities. For example, this account is credited when you report external labor use on a work order.

You define the external labor control account in the Chart of Accounts for all external labor. You also can define default accounts by the external labor vendor. You can overwrite the account code on the individual labor record. To do so, display the **Labor Control Account** field in the Labor application.

This account is paired with the debit account in the transaction, which includes the labor resource code as a component.

External Tools Control Account

The external tools control account is used as the credit account for any external tool transaction. The accrual account contains the value of external tools (for a contractor) issued to work orders or other activities. For example, this account is credited when you report external tool use on a work order.

You define the external tools control account for each vendor in the Companies application for all external tools owned by that individual vendor. In the Chart of Accounts, you can create two resource codes, one for internal resource tools and one for external resource tools. To change the default resource code by individual tool identifier, go to **Inventory > Tools**, select the Tools tab, and select Tool/Organization Details from the Select Action Menu.

The External Tools Control account is paired with the debit account in the transaction, which includes the tool resource code as a component.

Internal Labor Control Account

Each Labor record may have one or more Craft/Skill Levels, and each Craft/Skill Level may have a defined labor rate. If no vendor is specified on the defined labor rate, the rate is considered internal and has an internal Labor Control Account. The Internal Labor Control Account is the Internal Labor Account from the Work Location for the labor. When you update the Work Location, the Internal Labor Account from the new Work Location is placed in each of the Internal Rates for the labor.

The Application Designer can be used to display the Labor Control Account in the detail area of each of the Labor rates. You can update the account on that screen. However, if the Labor Work Location is then changed, your manually entered account is overwritten by the Internal Labor Account of the new Work Location.

Internal Tools Control Account

The internal tools control account is used as the credit account for any internal tool transaction. It is the accrual account for the value of internal tools issued to

work orders or other activities. For example, this account is credited when you report internal tool use on a work order.

To define the default internal tools control account, go to **Financial > Chart of Accounts** and select **Organization Default Accounts** from the Select Action menu.

You can overwrite the account code on the individual tool record. To display the **Control Account** field go to **Inventory > Tools** and select **Tool/Organization Details** from the Select Action menu.

This account is paired with the debit account in the transaction, which would include the tool resource code as a component.

Tax Accounts

This section describes the following tax accounts:

- Paid Tax GL account
- Unpaid Tax GL account

Paid Tax GL Account

The Paid Tax GL account is the accrual account for tax that you pay to a vendor or supplier. In most countries, you pay tax to a vendor or supplier, instead of a government tax authority. You can specify the Paid Tax GL account in two ways:

- You can specify a value for individual tax codes, or specify a Tax Type GL account in the **Paid** field used as the default.
- You can specify a Paid Tax GL account for tax types 1 through 5.

When you approve an invoice that includes tax, the Paid Tax GL account is debited. The Paid Tax GL account is defined for each tax code. If an individual GL account has not been assigned for the tax code, the GL account that is specified for the tax type is used.

The transaction amount is the sum of the amounts specified for each tax type in the invoice lines. (For an invoice of type Credit, the amount is negative.)

When the invoice includes tax, the paid tax GL account is paired with the RBNI account. When the paid tax GL account is debited, it credits the RBNI account.

When the invoice does not include tax, the paid tax GL account is paired with the unpaid tax GL account. When the unpaid tax GL account is debited, it credits the paid tax account.

Invoices with and without Tax vs. Accounts

If the invoice . . .	the . . .	and the . . .
includes tax,	paid tax GL account is debited	RBNI account is credited.
does not include tax,	unpaid tax GL account is debited	paid tax account is credited.

Unpaid Tax GL Account

The **Update Cost/Currency Variances on Inventory Costs?** check box is located on the Inventory Defaults dialog box. To access this dialog box, complete the following steps:

1. Select **Administration > Organizations** to open the Organizations application.
2. Select an organization from the list provided and click the Organization tab.
3. From the Select Action menu, select **Inventory Options > Inventory Defaults** to open the Inventory Defaults dialog box.

You can create and manage the Unpaid Tax GL account, also within the Organizations application, by selecting **Purchasing Options > Tax Options** from the Select Action menu.

The **Unpaid Tax GL Account** field is the accrual account for unpaid tax. You use this account only for invoices that require you to pay tax directly to a government tax authority, instead of vendors or suppliers.

You can indicate the Unpaid Tax GL account in two ways:

- Specify an Unpaid Tax GL account for tax type 1 through 5. This account is used as the default.
- Specify a value in the **Unpaid Tax GL Account** field for each individual tax code.

When you approve an invoice, the Unpaid Tax GL account is debited. The Unpaid Tax GL account is defined for each tax code. If an individual GL account has not been assigned for the tax code, the GL account for the tax type is used.

The transaction amount is the sum of the amounts specified for each tax type in the invoice lines. (For an invoice of type Credit, the amount is negative.) When the Unpaid Tax GL account is debited, it credits the Paid Tax GL account.

Financial Process Chapters

4

This chapter assists you in understanding the following chapters:

- Chapter 5: Financial Processes in Assets
- Chapter 6: Financial Processes in Inventory
- Chapter 7: Financial Processes in Preventive Maintenance
- Chapter 8: Financial Processes in Purchasing
- Chapter 9: Financial Processes in Resources
- Chapter 10: Financial Processes in Service Desk

General Ledger Account Transaction Processes

This chapter describes in detail the processes that cause general ledger account transactions to be written. A "process" is a series of tasks that you can perform. Generally, these transactions reside in transaction tables, which you can map to your external financial system.

NOTE Processes resulting in debit/credit transactions use decimal fields and amount (cost) fields. To minimize the effects of rounding in calculations, use the Database Configuration application. Use this application to set the "scale" (the number of places calculated and displayed to the right of the decimal point) of these fields to six or more places.

For a process to assign a default code to a particular account, you first must establish that default code in the Chart of Accounts.

Example

If you insert a company record for a vendor, a default code is assigned to the Received But Not Invoiced (RNBI) account. For the assignment to occur, however, you first must establish which code to use for the RBNI account for vendors.

To establish your vendor RBNI code, use the Chart of Accounts application (**Company-Related Accounts** action). For more information about chart of accounts, see the *System Administrator Guide*.

To overwrite the default code for an account, you must have authorization. For more information, see Chapter 1, "Security and Database Configuration."

If you have authorization to edit account codes, you might need to display the field in the relevant application. For example, suppose that for a certain labor

record, you want to use a code other than the default for the GL account. To overwrite the default account code, you first must make the **GL Account** field visible in the Labor application.

Merged Account Codes

Certain processes cause the creation or use of a merged account code. For example, reporting labor use against a work order typically causes a debit to a merged account. The sources of the merged account are the Labor GL account and the Work Order GL account.

In this example, both the Labor GL account and the Work Order GL account are merged as neither one typically has all of its components specified. For example, if the Labor GL account is ????-???-300, and the Work Order GL account is 6000-300-???, the Debit account for labor use is 6000-300-300.

Debit Account for Labor Use from Merger of Labor and Work Order GL Accounts

Account	Number
Labor GL account	????-???-300
Work Order GL account	6000-300-???
Debit account for Labor Use	6000-300-300

However, if these two accounts both have the second component specified, the second component of one account code must take precedence over the second component of the other account code. There are rules about which accounts take precedence over others.

For the relevant processes in this guide, we show a table with a numbered list of source accounts. For these processes, the account with the higher priority (lower number) takes precedence over the account with the lower priority (higher number). For example, in the process, "Report Internal Labor Usage," the sources of the debit and credit accounts is displayed in priority in the following table:

Debit and Credit Accounts for Report Internal Labor Usage

Source of GL Account	Debit	Credit	Source of GL Account
1 Labor GL account	$15.00 x 2 = $30.00	$15.00 x 2 = $30.00	Labor control account
2 Work Order GL account			
3 Asset GL account			
4 Operating Location GL account			

Consider what the merge order of the debit account components for this particular process illustrates as a general rule: If you charge a financial

transaction, involving a resource, to a work order, an asset, or an operating location, the merge order of the components of the relevant GL accounts always has the listed priority.

Example

GL account codes specified on the PM, asset, and operating location records named in the Work Orders application.

Merged Accounts and Account Numbers

Account	Number
PM record GL account (priority 1)	2345-???-???
Asset GL account (priority 2)	6789-787-???
Operating location GL account (priority 3)	5555-999-XYZ
Work Order GL account	2345-787-XYZ

Example

Purchase a bearing that you charge to work order 1020:

- Work order 1020 is for repairing a forklift in the shipping and receiving department.
- The item resource code for a bearing is ????-???-200.
- The work order GL account for work order 1020 is ????-301-201.
- The forklift has no specified GL account.
- The location GL account for shipping and receiving is 6500-300-???.

The resulting GL debit account for the transaction is 6500-300-200.

- You specify the first component for only the location GL (6500).
- You specify the second component both in the work order GL (301) and the location GL (300), and the location GL takes priority,
- You specify the third component for both the item resource code (200) and the work order GL (201), and the item resource code takes priority.

GL Debit Accounts and Account Numbers

Account	Number
Item Resource Code	????-???-200
Work Order GL account	????-301-201
Location GL account	6500-300-???
GL Debit account	6500-300-200

NOTE When account codes merge the result can be an account code that is not established in the Chart of Accounts application. In that case, an error message appears and you cannot complete the current transaction. Use the following table to determine further action:

Merged Account Codes Action Table

If your company . . .	then . . .
intends to use the merged account code	an authorized user must establish the account code in Chart of Accounts before you can proceed with the attempted transaction
does not use the merged account code	ensure that you are attempting a valid transaction.

GL Account Tracking

Most users need not be concerned which GL account codes to enter in the application. After you define the accounts and associated codes in Chart of Accounts (or, in a few cases, specified on records), most GL account fields default to an account code or merged codes entered elsewhere.

Each account code or segment that you enter in Chart of Accounts or in GL fields in other applications is validated against the account codes in the Chart of Accounts application. (In most cases, if you have authority, you can overwrite the default GL code.)

This following section describes where the GL account codes are located that populate various fields or database columns. For each application described in Chapters 5 – 10, the GL field information is divided into two sections:

- Displayed Fields
- Database Fields

Displayed Fields

The Displayed Fields sections of the financial processes chapters name the following items:

- the GL field you see on the page or would see if the associated field were displayed
- the field that is the source of the GL code in that field.

When the value in another field is used as the default "source" field, the field containing the value used as the default might be listed as the origin of the source. If not, you can see the source field elsewhere in this chapter to find out *its* source.

The financial processes chapters present the information in the following format:

Field Name (COLUMNNAME) ⇐ Source field on source page ⇐ Source field/ page

You can read the ⇐ symbol in this chapter to mean "comes from" or "defaults to." When you read a statement from left to right, this symbol describes the "path" use to fill the GL field named to the left of or above the first arrow.

Example

The **GL Debit Account** field on the PR Lines tab:

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application.

The field to the right of the last arrow must meet one of the following criteria:

- It is the field where someone entered the GL account code or segment, generally, in the Chart of Accounts application.

- It is a field in another application, which has its own section. To trace the GL account code to its entry in Chart of Accounts or other ultimate source application, see that section.

Most fields in applications are associated with a column in a database table. Although some fields are calculated for display on the page (that is, they have no associated database table column where the value is stored), all GL fields have associated database table columns. By using the standard page views, you can see some values from the GL-related columns in the database table.

However, other GL-related fields are not displayed automatically. Although a database column in the table is associated with the application, the data is not display in that column unless you make the field visible.

Account Code Priorities

Some instances exist where the GL code in a field can come from more than one potential source field. If GL codes are in more than one potential source field, those codes are merged. When these codes merge, there is an order of priority for the multiple sources. This priority exists so that when codes or segments of codes "compete", the codes or segments to use are known. The possible sources are listed in order of their priority in the potential merger. Codes or segments from higher-priority (lower number) sources take precedence over codes or segments from lower-priority (higher number) sources.

Example

The **GL Account** field in the Work Orders application:

GL Account (GLACCOUNT) ⇐

1. Preventive Maintenance **GL Account** field ⇐ manual entry (no default);
2. Asset **GL Account** field (not displayed) ⇐ manual entry (no default);
3. Locations **GL Account** field ⇐ manual entry (no default).

The PM, Asset, and Location fields on a work order provide possible links to the PM, Asset, and Operating location records of the GL accounts. For any fields that are filled on the work order record, the corresponding records are checked and the GL accounts are obtained from the fields according to the priorities listed above—1 through 3

For example, if GL accounts exist for all three, the PM GL account takes priority over both the asset GL account and the location GL account. If no PM record exists (or no PM GL account), the GL account of the asset record has next priority. If neither a PM GL account nor an asset GL account exist, the location GL account is used.

The account inserted into the **Work Orders GL Account** field can be a combination, or merger, of the three references accounts. If an account with higher priority is only partially defined (for example, 2345-???-???), and an account of lower priority has defined segments where the higher priority does not, the segments from the account with the lower priority complete the undefined segments in the higher priority account.

Intermediate Sources of Account Codes

Several cases of GL fields might have one or more “intermediate” source fields between the online field and its ultimate source. For example, the GL fields on a PO line come from the PR line if a PR exists; otherwise, they come directly from the source. Such possible intermediate sources are in parentheses.

Example

The **GL Debit Account** field on the Inventory Transactions Report.

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO Lines tab ⇐ (**GL Debit Account** field on PR Lines application) ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application

Database Fields

The Database Fields sections of the financial processes chapters provide similar information as the Displayed Fields section. Rather than provide names of fields in applications or on pages, the Database Fields section provides database table and column names.

The Database section presents table and column name information in the following format:

TABLENAME1.COLUMNNAME ⇐ TABLENAME2.COLUMNNAME

Financial Processes in Assets

5

This chapter describes the financial processes for the following applications in the Assets module:

- Assets
- Locations

Assets Application

To enter an account code, display the **GL Account** field on an asset record in order

The **Rotating Suspense Account** field only contains a code when the asset is rotating (that is, an item number is specified on the asset record).

Database Fields

ASSET.GLACCOUNT ⇐ manual entry (no default)

ASSET.ROTSUSPACCT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRELACC and GROUPVALUE = ROTSUSPACCT) (**Global Rotating Suspense Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts)

Move/Modify Assets

To complete this process, select **Move/Modify Assets** from the Select Action menu in the Asset application.

Moving and modifying assets between non-storeroom locations (for example, between operating locations, or from an operating location to a repair location) has no financial implications. However, an asset-move transaction is recorded and validated GL accounts are listed.

Moving and modifying rotating assets from a non-storeroom location to an inventory-type location does have financial implications: an asset-move transaction and a financial transaction are recorded.

Move and Modify Assets Between Operating or Other Non-Storeroom Locations

Moving and modifying assets does not create any GL financial transactions, or change any GL account fields on asset or location records. However, when you enter the new location on the Move/Modify Assets dialog box, if you have defined an asset GL account, a preliminary account validation is performed. More specifically, it is determined if merging the asset's GL account and the new location's GL account produces a valid account code.

The following table illustrates how a valid account code is determined.

Move/Modify Assets Account Validation

Account	Number
Asset GL account	????-???-200
Destination Location GL account	6004-304-???
Merged GL account	6004-304-200

If 6004-304-200 is a valid account, the asset can be moved or modified. The validated account codes are stored with the transaction record. To view the account stored with the transaction, select the **View Asset History** action from the Select Action menu.

If merging the asset GL account and the destination location GL account does not produce a valid account, entering the destination location on the Move/Modify Assets page produces an error message.

Using the previous example, suppose that 6004-304-200 is not valid. The first line of the error message reads, "GL account 6004-304-200 is invalid." The message shows the source account codes (for example, 6004-304-??? and ????-300-200) that merged into the invalid account code. As stated in the error message, you can proceed with the move/modify by changing the Asset GL account and/or the Destination Location GL account to make the merger valid. Alternatively, an authorized user can establish the currently invalid account code as a valid account code in Chart of Accounts.

On the Move/Modify Assets page, and in the asset transaction record (this is not a financial transaction), the **GL Credit Account** field displays the old merged GL account (for example, of asset/from location) and the **GL Debit Account** field displays the new merged GL account (for example, of asset/to location). You cannot modify the credit or debit account while moving the asset.

NOTE In a standard move or modify transaction, no GL accounts are changed, credited, or debited that might have been associated with the asset by displaying the **GL Account** field on the asset record. If the asset is a rotating asset and has an associated rotating suspense account, moving/modifying it does not affect on that suspense account, except when moving the rotating asset to a storeroom. For more information, see the section "Move Rotating Assets from Non-Storeroom Location to Storeroom or Inventory Control Location" on page 35.

Displayed Fields

You can see the fields for an asset-move/modify transaction on the Move/Modify Assets page.

GL Debit Account (GLDEBITACCT) ⇐ **GL Account** field in Locations for the destination or "to" location.

GL Credit Account (GLCREDITACCT) ⇐ **GL Account** field in Locations for the source or "from" location.

Database Fields

Again, these transactions in ASSETTRANS are not financial transactions, but rather, move/modify asset transactions.

ASSETTRANS.GLDEBITACCT ⇐ ASSET.GLACCOUNT (**GL Account** field in Asset)

ASSETTRANS.GLCREDITACCT ⇐ ASSET.GLACCOUNT (**GL Account** field in Asset)

Move Rotating Assets from Non-Storeroom Location to Storeroom or Inventory Control Location

Moving a rotating asset from a non-storeroom location to a storeroom or other inventory-type location (labor, courier) creates *two* transactions:

1. an *asset-move transaction*
2. a *financial transaction*—an inventory material receipt transaction, TRANSFER—written to the MATRECTRANS table.

The asset-move transaction displays, in the **GL Debit Account** field, the merger of the asset GL account (if any) and the storeroom location GL account. The move transaction shows, in the **GL Credit Account** field, the merger of the asset GL account and the "from" location GL account.

Storeroom Location Control Account vs. Rotating Suspense Account

the...	and the...
storeroom control account of the location is debited	rotating suspense account is credited.

This financial transaction uses the storeroom location's control account as the debit account and the rotating suspense account as the credit account.

Primary Transaction

When you click View Details for an asset record on the Move/Modify Assets page, the **GL Credit Account** and **GL Debit Account** fields are displayed. These fields are read-only.

The storeroom's control account is debited and the rotating asset's rotating suspense account is credited. Click **OK** to create both transactions:

- the asset-move transaction
- the storeroom's material receipt transaction

The date and time are used in the **Change Date** field on the Move/Modify Assets page to determine the financial period for the transaction. The **Change Date** field defaults to the system date and time.

Example

Move a rotating asset, asset #11430, from its current operating location to the central storeroom.

Source of GL Account for Moved Rotating Asset

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account	$150.00 *	$150.00 *	Rotating suspense account

* If you have not applied any charges to the asset, the amount of the transaction is zero.

The charges against the rotating asset are stored in the rotating suspense account of the asset. At the time of the move, The storeroom control account is debited and the rotating suspense account is credited.

Moving Rotating Assets from Non-Storeroom Location to Storeroom or Other Inventory-Type Location

This move to an inventory location results in not only an asset-move transaction (ASSETTRANS table), but also a financial transaction (MATRECTRANS table).

On the Move/Modify Assets page (asset-move transaction):

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **Inventory Control Account** field for item at destination location in the Inventory application (not displayed) ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts for the associated inventory-type location.

NOTE If the "to" location is a labor or courier location, the **GL Debit Account** field defaults to the **Control Account** field of the transit location record associated with the labor or courier.

GL Credit Account (GLCREDITACCT) ⇐ **Rotating Suspense Account** field (not displayed) in Asset ⇐ **Global Rotating Suspense Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

These following transactions in ASSETTRANS are only move/modify asset transactions, not financial transactions.

Database Fields

ASSETTRANS.GLDEBITACCT ⇐ INVCOST.CONTROLACC for item at destination location ⇐ LOCATIONS.CONTROLACC

ASSETTRANS.GLCREDITACCT ⇐ ASSET.ROTSUSPACCT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRELACC and GROUPVALUE = ROTSUSPACCT)

The following transactions to MATRECTRANS *are* financial transactions.

MATRECTRANS.GLDEBITACCT ⇐ INVCOST.CONTROLACC for item at destination location ⇐ LOCATIONS.CONTROLACC

MATRECTRANS.GLCREDITACCT ⇐ ASSET.ROTSUSPACCT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRELACC and GROUPVALUE = ROTSUSPACCT)

Swap Assets

To swap an asset, select **Swap Assets** from the Select Action menu in the Assets application. Swapping assets involves replacing one asset with another.

See the following table for GL financial transaction information for the asset you are replacing:

GL Financial Transaction Information

If the asset you are replacing is moved from an operating location or a non-storeroom location to . . .	the general ledger financial transaction for swapping this asset is identical to . . .
another operating location or another non-storeroom location	"Move and Modify Assets Between Operating or Other Non-Storeroom Locations," on page 34.
a storeroom or other inventory control-type location	"Move Rotating Assets from Non-Storeroom Location to Storeroom or Inventory Control Location," on page 35.

See the following table for GL financial information for the replacement asset:

GL Financial Transaction Information

You can move the replacement asset from a non-storeroom location to . . .	the general ledger financial transaction for swapping this asset is identical to . . .
an operating location.	"Move and Modify Assets Between Operating or Other Non-Storeroom Locations," on page 34.

Locations Application

This section provides the displayed field and database field for the Locations application.

Displayed Field **GL Account** (GLACCOUNT) ⇐ manual entry (no default).

Database Field LOCATIONS.GLACCOUNT ⇐ manual entry (no default)

NOTE Besides the GLACCOUNT column, the LOCATIONS database table also contains the following columns: CONTROLACC, INVOICEVARACC, CURVARACC, SHRINKAGEACC, INVCOSTADJACC, and RECEIPTVARACC. These database columns are relevant to inventory-type locations, only.

Financial Processes in Inventory

6

This chapter describes the financial processes for the following applications in the Inventory module:

- Item Master
- Inventory
- Issues and Transfers
- Tools

Item Master Application

This section describes how you can use the **Change Capitalized Status** action in the Item Master Application to write general ledger account transactions.

Change Status from Non-Capitalized to Capitalized

To change the status of an item from non-capitalized to capitalized, select **Change Capitalized Status** from the Select Action menu. On the Change Capitalized Status dialog box, manually enter an account code that you plan to use as the capital GL account. A default capital GL account is not provided.

The following is changed for that item:

- storeroom status to capitalized
- the average, last, and standard costs to zero in all storerooms containing that item

The system date and time is used to determine the financial period for the transaction.

Primary Transactions

When you select the **Current Capitalized Status** check box on the Change Capitalized Status dialog box, the account code you manually entered in the **Capital GL Account** field is associated with the item, for all storerooms containing the item. In the CONTROLACC column of the INVCOST table, the Inventory Control account code is replaced with the Capital GL account code for all storerooms containing the item. In effect, this transfers the charge or value associated with the item from the Inventory Control account to the Capital GL account.

In the INVCOST table, for each row that corresponds to an item, the SHRINKAGEACC and INVCOSTADJACC columns are cleared. For each storeroom that contains the item, a CAPCSTADJ transaction is written to the INVTRANS table.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ manually entered **Capital GL Account** field on the Change Capitalized Status dialog box in the Item Master application.

GL Credit Account (GLCREDITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ manual entry on the Change Capitalized Status dialog box (no default)

INVTRANS.GLCREDITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

Example

A pump is currently in the central storeroom at last, standard, and average costs of $6400. The current balance of pumps in the Central storeroom is 2. The same pump is in the Garage storeroom at last, standard, and average cost of $6500. The current balance of pumps in the Garage storeroom is 3.

You change the capitalized status from non-capitalized to capitalized for the pump. Because two storerooms contain the pump, two transactions appear in INVTRANS:

Source of GL Account for Change Capitalized Status

Source of GL Account	Debit	Credit	Source of GL Account
Manually entered capital GL account	2 x $6,400.00 = $12,800.00	2 x $6,400.00 = $12,800.00	Inventory control account of Central storeroom
Manually entered capital GL account	3 x $6,500.00 = $19,500.00	3 x $6,500.00 = $19,500.00	Inventory control account of Garage storeroom

The value of a transaction is determined by using the following formula:

```
Line cost = Current Balance x Issue Cost
```

where

Issue Cost = Average Cost or Standard Cost, depending on the setting specified in Multisite Setup for Issue Cost.

Example

A pump is currently stored in one storeroom at last cost of $6200, standard cost of $6400, and average cost of $6300. The current balance of pumps is 2. You change its capitalized status from non-capitalized to capitalized. The Average Cost is in place (that is, the Default Issue Cost is set to average in Multisite Setup).

Source of GL Account for Capitalized Item.

Source of GL Account	Debit	Credit	Source of GL Account
Manually entered capital GL account	2 x $6,300.00 = $12,600.00	2 x $6,300.00 = $12,600.00	Inventory control account

NOTE If you use standard cost, the value of the transaction is $12,800, two times the standard cost of $6400.

Secondary Transaction

The values in the **Standard Cost** and **Average Cost** fields are set to zero. When you issue the now-capitalized item, the item is issued at zero cost.

In the INVCOST table, both the SHRINKAGEACC (shrinkage cost account) and INVCOSTADJACC (inventory cost adjustment account) columns are cleared. If you later perform a transaction that causes a debit either to the Shrinkage Cost account or the Inventory Cost adjustment account, the GLDEBITACCT column is blank for that transaction. Similarly, if you perform a transaction that causes a credit either to the Shrinkage Cost account or to the Inventory Cost adjustment account, the GLCREDITACCT column is blank for that transaction.

In the INVCOST table, the CONTROLACC column contains the Capital GL account code. If you perform a transaction, such as a transfer, with the capitalized item, the account code you manually enter in the **Capital GL Account** field acts as the control account in the transaction.

Example

You capitalize a pump, and you enter 7000-800-900 as the Capital GL account code. Now, you transfer the capitalized pump from the Central storeroom to the Garage storeroom.

If the pump is not capitalized, the debit account is the Inventory Control account of the Garage storeroom, and the credit account is the Inventory Control account of the Central storeroom. Since the pump is capitalized, the following transaction occurs:

Source of GL Account for Capitalized Item

Source of GL Account	Debit	Credit	Source of GL Account
7000-800-900 (Capital GL account)	$0.00	$0.00	7000-800-900 (Capital GL account)

Change Status from Capitalized to Non-Capitalized

To change the Capitalized status from capitalized to non-capitalized, select **Change Capitalized Status** from the Select Action menu in Item Master. You can enter a memo in the **Memo** field, but the **Current Capitalized Status?** field is read-only on the Change Capitalized Status dialog box.

The status is changed to non-capitalized for all storerooms containing the item. The average, last, and standard costs remain at zero for all storerooms. You establish these default account codes in the Storeroom application.

The system date and time is used to determine the financial period for the transaction.

Primary Transaction

When you select **Change Capitalized Status** on the Change Capitalized Status dialog box, TRANSTYPE = CAPCSTADJ is written to the INVTRANS table for each storeroom containing the item. The line cost of the transaction from Y to N is always zero.

Example

A capitalized pump is currently stocked both in the Central storeroom and in the Garage storeroom. Since the pump is capitalized, the last, standard, and average costs equal zero in both storerooms. You change the status from capitalized to non-capitalized for that pump.

Since two storerooms contain the pump, two transactions appear in INVTRANS:

Source of GL Account for Capitalized Item

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account of Central	$0.00	$0.00	Capital GL account
Inventory control account of Garage	$0.00	$0.00	Capital GL account

To set the issue cost of an item to a non-zero value, select an action from the Select Action menu in Inventory:

If you issue items at average cost, select **Inventory > Inventory Adjustments > Average Cost**.

If you do not want the cost of an item to be zero in any storeroom, select **Inventory > Inventory Adjustments > Standard Cost**.

Displayed Fields

GL Credit Account (GLDEBITACCT) ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ read-only **Capital GL Account** field on the Change Capitalized Status dialog box in the Item Master application ⇐ **GL Control Account** field (not displayed) in the Inventory application⇐ manual entry on displayed field; *or*

⇐ account code manually entered on Change Capitalized Status dialog box in the Item Master application if there was a previous transaction from non capitalized to capitalized. (In that earlier transaction from non capitalized to capitalized, the code you entered in the **Capital GL Account** field is written to the **GL Control Account** field on the item/location record.)

Database Fields

INVTRANS.GLDEBITACCT ⇐ LOCATIONS.CONTROLACC

INVTRANS.GLCREDITACCT ⇐ INVCOST.CONTROLACC ⇐ manual entry (no default)

Secondary Transaction

When the item becomes non-capitalized, the Control, Shrinkage, and Inventory Cost Adjustment account codes default according to storeroom location. In the database, this event occurs in the INVCOST table. You establish these default account codes in the Storerooms application.

Inventory Application

Eight accounts are associated with inventory records that are used for inventory transactions, for material receipt transactions, and for material usage transactions. For more information about these eight accounts, see the following sections:

- "Accounts in the INVCOST Table and the Locations Table" on page 44
- "Accounts Only in the Locations Table" on page 44
- "Account Only in the Inventory Cost Table" on page 45

Inventory accounts default to the type and location of the item. Additionally, items can have item/location specific accounts.

Establish Account Codes

To establish the default . . .	use the . . .
inventory GL resource account code	Inventory Resource Code dialog box in Chart of Accounts.
account codes for location accounts	Inventory-Related Accounts dialog box in Chart of Accounts.

Also, when adding a storeroom in the Storerooms application, you can specify the default account codes on the Storeroom tab.

When you add items to storerooms, the storeroom location accounts are used as the default for that item or location record. When you specify an item type, the GL resource account code is used for that item type as the default.

To edit codes assigned to the storeroom location accounts, display the fields in the Inventory application. Editing the code by using the Inventory application changes the code for only the item/location record showing on the page.

Example

Suppose that all items in the Central Storeroom have the default inventory control account of 6600-800-800. Item #1001 is showing in the Inventory application, and you change the code showing in the **Control Account** field to 6600-800-801. As a result, item #1001 in Central now has control account code 6600-800-801, but other items in Central still have control account code 6600-800-800.

The remaining four inventory-related accounts are in the Locations database table, not in the Inventory table. The following four accounts are in the Locations table:

- Currency Variance account
- Invoice Cost Variance account
- Purchase Variance account
- Receipts Price Variance account

Accounts in the INVCOST Table and the Locations Table

Three account fields are associated with the inventory cost record of the item/location (that is, the INVCOST database table *and* the Locations table). Like the field for the inventory GL account, the Inventory application does not display these fields.

If you display any of these account fields, you can edit the codes in those fields to make them item-specific. Editing the account codes in the Inventory application does not change the account for all items in that inventory location, but rather, only for that location record.

Database Fields

INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC (**Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts and on the Storeroom tab of the Storeroom application) ⇐ direct entry (no default)

INVCOST.SHRINKAGEACC ⇐ LOCATIONS.SHRINKAGEACC (**Shrinkage Cost Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts and on the Storeroom tab of the Storeroom application) ⇐ direct entry (no default)

INVCOST.INVCOSTADJACC ⇐ LOCATIONS.INVCOSTADJACC (**Inventory Cost Adjustment** account field both on the Inventory-Related Accounts dialog box in Chart of Accounts and on the Storeroom tab of the Storeroom application) ⇐ direct entry (no default)

Accounts Only in the Locations Table

Four account fields are not associated with the Inventory Cost table, but with the Locations table. You can view and edit these four fields on the Storeroom tab in the Storeroom application.

Displayed Fields

Receipts Variance Account (RECEIPTVARACC) ⇐ **Receipts Price Variance Account** field

Invoice Variance Account (INVOICEVARACC) ⇐ **Invoice Cost Variance Account** field

Currency Variance Account (CURVARACC) ⇐ **Currency Variance Account** field

Purchase Variance Account (PURCHVARACC) ⇐ **Purchase Variance Account** field

NOTE Do not use the Purchase Variance account for any transactions. If you want to use commitment accounting, you can customize this account to store differences between PO costs and invoice costs when using a budget.

Database Fields

LOCATIONS.RECEIPTVARACC ⇐ direct entry (no default)

LOCATIONS.INVOICEVARACC ⇐ direct entry (no default)

LOCATIONS.CURVARACC ⇐ direct entry (no default)

LOCATIONS.PURCHVARACC ⇐ direct entry (no default)

Account Only in the Inventory Cost Table

One inventory GL account (item resource code) is associated with the inventory cost record (that is, the Inventory Cost (INVCOST) table) of the item/location. To establish the default inventory GL account (item resource) code, use the Inventory Resource Code dialog box in Chart of Accounts. The codes on the Inventory Resource Code dialog box vary by item type.

A **GL Account** field is also in the Inventory application that you can make visible. You can edit the account code to make the code specific to an item/location record.

Database Fields

INVCOST.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRESCODE) (Inventory Resource field for the item type on Inventory Resource Codes dialog box in Chart of Accounts. (This item resource code is typically only one component of the Inventory **GL Account** field.) ⇐ direct entry (no default)

Insert Item

Inserting a master item or item/location record is not a financial transaction. Inserting items does not cause any GL account codes to be written to the **GL Debit Account** and **GL Credit Account** fields in the transaction record.

Adjust Current Balance

The **Current Balance Adjustment** and **Reconcile Balances** actions create a CURBALADJ transaction. The account in the **Control GL Account** field is used as the debit account. The account in the **Shrinkage Cost Account** field is used as the credit account.

The Current Balance Adjustment dialog box in the Inventory application adjusts the current balance of a stocked item. The current balance is a running total of how many instances of that item are in a storeroom. For each bin in this storeroom, you can enter a new current balance and specify the control and shrinkage account numbers associated with this adjustment.

To adjust the current balance of an item, complete the following steps:

1. From the Inventory application, display the item record whose current balance you want to adjust.
2. From the Select Action menu, select **Inventory Adjustments > Current Balance**. The Current Balance Adjustment dialog box opens, with the **item name** and **description** fields populated.
3. In the **New Balance** field, type a new balance value for each bin that you want to adjust.

4 Click **OK**. The Current Balance Adjustment dialog box closes, and the new balance for each bin is saved.

A CURBALADJ (current balance adjustment) transaction is written to the INVTRANS table.

The INVCOST table is the primary source of the default codes for the inventory control account and the Shrinkage GL account.

NOTE The system date and time is used to determine the financial period for the transaction.

Example

Adjust the current balance of a bearing. The default issue cost in the Organizations application is set to Average Cost and the bearing in inventory has an average cost of $22.00. Both the physical count and current balance are 4, but you know that the current balance is actually 3

Source of GL Account for Adjust Current Balance

Source of GL Account	Debit	Credit	Source of GL Account
Inventory Control account	(3-4) x $22.00= -$22.00	(3-4) x $22.00= -$22.00	Shrinkage Cost account

NOTE If you capitalize the item, the default debit account is the Capital GL account, the default credit account is empty, and the line cost is zero. For more information, see "Change Status from Capitalized to Non-Capitalized" on page 41.

Inventory Transaction, Type =CURBALADJ

When you select **Adjust Current Balance** or **Reconcile Balances** from the Select Action menu, a current balance adjustment (CURBALADJ) transaction is written to the Inventory Transactions (INVTRANS) table.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **GL Shrinkage Account** field (not displayed) in the Inventory application ⇐ **Shrinkage Cost Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

INVTRANS.GLCREDITACCT ⇐INVCOST.SHRINKAGEACC ⇐ LOCATIONS.SHRINKAGEACC

Adjust Physical Count

When you select **Physical Count Adjustment** from the Select Action menu, a physical count adjustment transaction (PCOUNTADJ) is written to the Inventory Transactions table.

The physical count is typically a number you adjust at predefined intervals, such as monthly, quarterly, or annually. For each storeroom that carries an item, you can view the bin number, lot number, and the physical count that is currently reported.

After you perform an inventory count, you can adjust the physical count for any storeroom and enter the count date. You can then reconcile the balance to the current count.

To adjust the physical count of an item, complete the following steps:

1. From the List tab of the Inventory application, display the item you want.
2. From the Select Action menu, select **Inventory Adjustments > Physical Count**. The Physical Count Adjustment dialog box opens, with item name location, and count information.
3. In the **Count Date** field, enter the date when you took the physical count or click **Select Date and Time** to retrieve the date.

NOTE If you use the **Physical Count Date** field in the header section, the date for all rows in the table window is changed. If you do not want to adjust the count date for all rows, edit the **Count Date** field for each row you want to change.

4. Click **Refresh** to update the count dates in the table window.
5. For each bin you want to adjust, enter a new physical count value in the **New Count** field.
6. Click **OK**. The Physical Count Adjustment dialog box closes. The new physical count is saved for each storeroom and a record is written, TRANSTYPE = PCOUNTADJ, to the INVTRANS table.

Example

Adjust the physical count of a bearing, currently in inventory at last, standard, and average cost of $22.00. The physical count is shown as 4, but the new physical count is 2.

Source of GL Account for Adjust Physical Count Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Shrinkage cost account	(-2) x $22.00 = -$44.00	(-2) x $22.00 = -$44.00	Shrinkage cost account

Adjusting the physical count has no net effect accounts in the GL. The net effect occurs only when you complete the reconcile balances process. For more information see the following section, "Reconcile Balances."

Inventory Transaction, Type = PCOUNTADJ

A physical count adjustment writes a transaction to the INVTRANS table, and appears in the Inventory Transactions application. Since the transaction uses the same account for the debit side and the credit side, the transaction has no net effect on the general ledger.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Shrinkage Account** field (not displayed) in the Inventory application ⇐ **Shrinkage Cost Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Debit Account (GLCREDITACCT) ⇐ **GL Shrinkage Account** field (not displayed) in the Inventory application ⇐ **Shrinkage Cost Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ INVCOST.SHRINKAGEACC ⇐ LOCATIONS.SHRINKAGEACC

INVTRANS.GLCREDITACCT ⇐INVCOST.SHRINKAGEACC ⇐ LOCATIONS.SHRINKAGEACC

Reconcile Balances

When you select **Reconcile Balances** from the Select Action menu, a current balance adjustment (RECBALADJ) transaction is created. For more information, see "Adjust Current Balance," on page 45.

To reconcile balances, select **Reconcile Balances** from the Select Action menu. This process sets the current balance equal to the physical count plus or minus any transactions that occur between the physical count and reconciliation. From a GL account perspective, the **Reconcile Balances** action is like the **Adjust Current Balances** action. On the Reconcile Balances page, both the **Control GL Account** field and the **Shrinkage GL Account** field display their respective default account codes, as defined for that item/location.

For example, if you reconcile the current balance of an item in the central storeroom, the **Control GL Account** field defaults to the inventory control account for that item, in the central storeroom.

NOTE The INVCOST table is the primary source of the default codes for the Inventory Control account and the Shrinkage GL account.

The system date and time is used to determine the financial period for the transaction.

When you click **OK** on the Reconcile Balances page, a reconcile balance adjustment (RECBALADJ) transaction is written to the INVTRANS table.

Example

Reconcile the current balance of a bearing, currently in inventory at last, standard, and average cost of $22.00. The physical count is 2, but the current balance is initially 3

Source of GL Account for Reconcile Balance.

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account	(4-3) x $22.00 = -$22.00	(4-3) x $22.00 = -$22.00	Shrinkage cost account

If you capitalize the item, the default debit account is the Capital GL account, the default credit account is blank, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Adjust Standard Cost

When you select **Standard Cost Adjustment** from the Select Action menu, a Standard Cost Adjustment (STDCSTADJ) transaction is written. The account in the **Control GL Account** field is used as the debit account. The account in the **Cost Adjustment GL Account** field is used as the credit account.

The INVCOST table is the primary source of the default code for the inventory control account. The system date and time is used to determine the financial period for the transaction.

The **Standard Cost** field on the Inventory tab is read-only so you must use the Adjust Standard Cost dialog box to change the standard cost.

The Standard Cost Adjustment dialog box contains the following columns:

- Condition Code
- Condition Rate
- Description
- Standard Cost

The Standard Cost Adjustment dialog box contains the following columns you can edit:

- Control Account for the INVCOST record
- Cost Adjustment Account for the INVCOST record
- New Standard Cost

To adjust standard cost of an item, complete the following steps:

1 From the List tab of the Inventory application, display the item whose Standard Cost you want to adjust.

2 Click the Inventory tab to see the inventory information of that item.

3 From the Select Action menu, select **Inventory Adjustments > Standard Cost**. The Standard Cost Adjustment dialog box opens.

The standard cost value is shown in the **Standard Cost** field.

4 Type the adjusted standard cost value in the **New Standard Cost** field.

NOTE If you are adjusting the cost of an item that is condition-enabled, you can adjust the costs for all condition levels.

5 Update the GL account information in the **Control Account** and **Cost Adjustment** fields.

Adjusting the Standard Cost affects these values.

6 Click **OK**. The **Standard Cost** field on the Inventory tab displays the new value.

The standard cost adjustment is recorded in the Inventory Transactions table and a STDCSTADJ (standard cost adjustment) transaction is written to the INVTRANS table.

NOTE Use the **Standard Cost Adjustment** action only if you use standard cost management.

Example

Adjust the standard cost of a bearing from $22.00 to $25.00. The current balance of the item is 2.

Source of GL Account for Standard Cost Adjustment

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account	($25.00-$22.00) x 2= $6.00	($25.00-$22.00)x 2 = $6.00	Inventory cost adjustment account

If you capitalize the item, the standard cost is zero, and you cannot perform the transaction.

Inventory Transaction, Type Field = STDCSTADJ

When you select **Adjust Standard Cost** from the Select Action menu, a STDCSTADJ transaction is written to the Inventory Transactions (INVTRANS) table.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **GL Cost Adjustment Account** field (not displayed) in the Inventory application ⇐ **Inventory Cost Adjustment Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

INVTRANS.GLCREDITACCT⇐INVCOST.INVCOSTADJACC ⇐ LOCATIONS.INVCOSTADJACC

Adjust Average Cost

When you select **Average Cost Adjustment** from the Select Action menu, an Average Cost Adjustment (AVGCSTADJ) transaction is created. The **Control GL Account** field is used as the debit account and the **Cost Adjustment GL Account** field is used as the credit account.

If you issue items at average cost and want any price increases reflected immediately in the issue cost, you might want to adjust the average cost value.

To adjust the average cost of an item, complete the following steps:

1. From the List tab of the Inventory application, display the item whose average cost you want to adjust.
2. Click the Inventory tab. The Inventory tab opens.
3. On the Select Action menu, select **Inventory Adjustments > Average Cost**. The Average Cost dialog box opens.
4. Type the average cost value in the **Average Cost** field. If you are adjusting the cost of a condition enabled item, you can adjust the costs for all condition levels.

NOTE You can enter a new value for the average cost directly; or you can specify a percentage increase/decrease by which to adjust the average cost in the **Cost %** field. If you enter a figure in the **Cost %** field, the **New Average Cost** field is updated accordingly.

TIP To enter a ten-percent increase, enter 10. If you enter 0.10, the average cost is increased one-tenth of one percent.

5. Update the GL account information in the **Control Account** and **Cost Adjustment Account** fields. Adjusting the current balance figure affects these values.
6. Click **OK**. The **Average Cost** field on the Inventory tab displays the new value. The average cost adjustment is recorded in the Inventory Transactions table.

The INVCOST table is the primary source of the default account code for the inventory control account.

The system date and time are used to determine the financial period for the transaction.

When you click **OK** on the Average Cost Adjustment page, an AVGCSTADJ transaction is written to the INVTRANS table.

Example

Adjust the average cost of a bearing from $22.00 to $25.00. The current balance of the item is 2

Source of GL Account for Average Cost Adjustment

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account	($25.00-$22.00)x 2= $6.00	($25.00-$22.00)x 2 = $6.00	Inventory cost adjustment account

If you capitalize the item, the average cost is zero, and you cannot perform the transaction.

Inventory Transaction, Type Field = AVGCSTADJ

When you select **Adjust Average Cost** from the Select Action menu, an AVGCSTADJ transaction is written to the Inventory Transactions (INVTRANS) table.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (hidden) in the Inventory application ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Debit Account (GLCREDITACCT) ⇐ **GL Cost Adjustment Account** field (hidden) in the Inventory application ⇐ **Inventory Cost Adjustment Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

INVTRANS.GLCREDITACCT⇐INVCOST.INVCOSTADJACC ⇐ LOCATIONS.INVCOSTADJACC

Issue Current Item

For both issues and returns, the GL account fields on the Issue Current Item page default in the same way that the GL account fields default in the Issues and Transfers application. For a description of the sources of the GL fields on the Issue Current Item page, see “Issues Tab” on page 66.

In the Inventory application, to issue an item, select **Issue Current Item** from the Select Action menu.

The date and time in the **Entered Date** field on the Issue Current Item page is used to determine the financial period for the transaction. The **Entered Date** field defaults to the system date and time.

When you click **Save** to issue the item, ISSUETYPE = ISSUE is written to the MATUSETRANS table.

Example

Issue 20 bearings at $0.50 (issue cost

Source of GL Account for Average Cost Adjustment

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory GL account (item resource code) **2** If issued to a work order ⇨ work order GL account **3** If issued to asset ⇨ ▼ Asset GL account ▼ GL account of the location for an asset **4** If issued to a location ⇨ ▼ If only one asset at location, asset GL account ▼ Location GL account	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account

If you capitalize the item (bearings), the default credit account is the Capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Return an Item

To return an item, select **Issue Current Item** from the Select Action menu.

The date and time is used in the **Entered Date** field on the Issue Current Item page to determine the financial period for the transaction. The **Entered Date** field defaults to the system date and time.

Primary Transaction

When you click **Save**, ISSUETYPE = RETURN is written to the MATUSETRANS table.

Example

Return 4 bearings at $0.50 (issue cost

Source of GL Account Code for Return an Item

Source of GL Account	Debit	Credit	Source of GL Account
Inventory control account	4 x $0.50 = $2.00	4 x $0.50 = $2.00	**1** Inventory GL account (item resource code) **2** If returned from a work order ⇨ **work order GL account** **3** If returned from asset ⇨ Asset GL account GL account the location for an asset **4** If returned from a location ⇨ If only one asset at location, asset GL account Location GL account

If you capitalize the item, the default debit account is the Capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Transfer Current Item

The following sections describe the displayed fields and detailed fields for the **Transfer Current Item** action in the Inventory application.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

If the item is transferred to a labor or courier location, the **Control Account** field for the labor or courier in Locations; otherwise,

If in response to an internal purchase order, the **GL Debit Account** field on the PO Lines tab; otherwise,

GL Control Account field (not displayed) in the Inventory application for the "to" location ⇐ **Inventory Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account field (GLCREDITACCT) ⇐

the **GL Credit Account** field on the PO Lines tab *if in response to an internal purchase order*, *otherwise,*

GL Control Account field (not displayed) in the Inventory application for "from" location ⇐ **Inventory Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐

If transferred to a labor or courier location, LOCATIONS.CONTROLACC; *otherwise,*

If in response to an internal purchase order, POLINE.GLDEBITACCT; *otherwise,*

INVCOST.CONTROLACC for "to" location ⇐ LOCATIONS.CONTROLACC

MATRECTRANS.GLCREDITACCT ⇐

INVCOST.CONTROLACC for "from" location ⇐ LOCATIONS.CONTROLACC

Assemble/Disassemble Kit

Two actions that let you work with kits:

- assemble kit (gather items to create a kit)
- disassemble kit (take a kit apart)

Assemble / Disassemble Balance Information

When you . . .	you increase the balance of the . . .	and you reduce the balance of the . . .
assemble a kit	kit record	respective items within the kit.
disassemble a kit	respective items within the kit	kit record.

NOTE The online help for the Inventory application gives information about assembling and disassembling kits.

Kit Cost Variance Transaction

If a discrepancy exists between the value of a kit and the combined cost of the components in that kit, a Kit Cost Variance (KITCOSTVAR) transaction is written that represents the variance between the two (the cost of a kit and the combined cost of that kit components).

This financial transaction uses the Control account for the storeroom location as the debit account and the Receipt Variance account as the credit account. The following example illustrates the transaction:

Example

Disassemble a kit using the standard cost: The value of the kit is $430 (standard cost), the combined standard cost of the components is $410. This action results in a cost variance of $20.

Source of GL Code for Kit Cost Variance

Source of GL Account	Debit	Credit	Source of GL Account
Control Account of the Storeroom Location	$20.00	$20.00	Receipt Variance Account

Receipt Adjustment Transactions

This section describes the following types of inventory transactions indicated by the **Transaction Type** field:

- Transfer Transactions
- PO Material Receipts Transactions
- Standard Receipt Adjustment Transactions

Transfer Transactions

You can view transaction records for transfers on the Transactions tab in Inventory, just as you can view them in Issues and Transfers. For information about the sources of the GL fields for these transaction records, see "Transfer Out Tab" on page 67 and "Transfer In Tab" on page 68.

The Issue Type for this transaction is TRANSFER, which is written to the database table. However, it does not appear in the **Issue Type** field on the page.

PO Material Receipts Transactions

This section lists displayed and database fields for the following types of PO Material Receipts transactions:

- direct issue purchases from outside vendors
- storeroom purchases from outside vendors
- storeroom purchases from internal vendors

For Storeroom Purchases (Issue on Receipt? = N) from Outside Vendor

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO Lines tab ⇐ (**GL Debit Account** field on PR Lines tab) ⇐ **GL Control Account** field (hidden) for storeroom location in the Inventory application.

GL Credit Account (GLCREDITACCT) ⇐ **GL Credit Account** field on PO Lines tab ⇐ (**GL Credit Account** field on PR Lines tab) ⇐ **RBNI** field for vendor in Companies ⇐ **RBNI** field for Company Type for vendor on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐ POLINE.GLDEBITACCT ⇐ (PRLINE.GLDEBITACCT) ⇐ INVCOST.CONTROLACC

MATRECTRANS.GLCREDITACCT⇐ POLINE.GLCREDITACCT ⇐ (PRLINE.GLCREDITACCT) ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

For Storeroom Purchases (Issue on Receipt? = N) from Internal Vendor (Another Storeroom)

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO Lines tab ⇐ (**GL Debit Account** field on PR Lines tab) ⇐ **GL Control Account** field (hidden) for receiving storeroom location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **GL Credit Account** field on PO Lines tab ⇐ (**GL Credit Account** field on PR Lines tab) ⇐ **GL Control Account** field (hidden) for "vendor" storeroom location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐ POLINE.GLDEBITACCT ⇐ (PRLINE.GLDEBITACCT) ⇐ INVCOST.CONTROLACC (of receiving storeroom location)

MATRECTRANS.GLCREDITACCT ⇐POLINE.GLCREDITACCT ⇐ (PRLINE.GLCREDITACCT) ⇐ INVCOST.CONTROLACC (of vendor storeroom location)

For Direct Issue Purchases (Issue on Receipt? = Y) From Outside Vendor

NOTE You can create direct issue purchase requisitions and purchase orders only for external vendors.

The sources for service receipt GL accounts are the same, except that no item resource code (**Inventory GL Account** field) is involved with services.

NOTE The following displayed fields and database fields are listed in order of account priorities. For more information about account code priorities, see Chapter 4, "Financial Process Chapters."

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO Lines tab ⇐ (**GL Debit Account** field on PR Lines tab) ⇐

1. **GL Account** field (hidden) in the Inventory application ⇐ **Inventory Resource** field for item **Type** field on Inventory Resource Codes dialog box in Chart of Accounts;
2. **Work Order GL Account** field;
3. **Asset GL Account** field (hidden);
4. **Location GL Account** field.

GL Credit Account (GLCREDITACCT) ⇐ **GL Credit Account** field on PO Lines tab ⇐ (**GL Credit Account** field on PR Lines tab) ⇐ **RBNI** field for vendor in Companies ⇐ **RBNI** field for **Company Type** field (for vendor on PO line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐ POLINE.GLDEBITACCT ⇐ (PRLINE.GLDEBITACCT) ⇐

1. INVCOST.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRESCODE and GROUPVALUE = item type for item on PO line)
2. WORKORDER.GLACCOUNT
3. ASSET.GLACCOUNT
4. LOCATIONS.ACCOUNT

MATRECTRANS.GLCREDITACCT ⇐ POLINE.GLCREDITACCT ⇐ (PRLINE.GLCREDITACCT) ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Standard Receipt Adjustment Transactions

When you use the standard cost, you can create this transaction as a secondary transaction to a material receipt transaction when the receipt price differs from the standard cost.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **Receipts Price Variance Account** field for storeroom location ⇐ **Receipts Price Variance Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVTRANS.GLDEBITACCT ⇐ LOCATIONS.RECEIPTVARACC
INVTRANS.GLCREDITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

Issues and Transfers Application

This section describes the following processes within the Issues and Transfer Application:

- Issue an Item within One Site
- Issue an Item Between Sites within the Same Organization
- Return Previously Issued Item
- Transfer Out
- Transfer In

Issue an Item within One Site

In Issues and Transfers, you can issue an item from the Issue tab within the same site.

The date and time in the **Actual Date** field is used to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

Transaction

When you click **Save**, ISSUETYPE = ISSUE is written to the MATUSETRANS table.

Example

Issue 20 bearings at $0.50 (issue cost).

Source of GL Account for Issuing an Item

Source of GL Account		Debit	Credit	Source of GL Account
1	Inventory GL account (item resource code)	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account
2	If issued to a work order ⇨ work order GL account			
3	If issued to asset ⇨ Asset GL account GL account of location for the asset			
4	If issued to a location ⇨ If only one asset at location, asset GL account Location GL account			

If you capitalize the item, the default credit account is the Capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Issue an Item Between Sites within the Same Organization

In Issues and Transfers, you can issue an item from the Issue tab between sites within the same organization.

The date and time is used in the **Actual Date** field to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

Transaction

When you click **Save**, ISSUETYPE = ISSUE is written to the MATUSETRANS table.

Example

Issue 20 bearings at $0.50 (issue cost) from the storeroom in Site A to the storeroom in Site B

Source of GL Account for Issuing an Item Between Sites in Same Organization.

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory GL account (item resource code)	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account
2 If issued to a work order ⇨ work order GL account			
3 If issued to asset ⇨ Asset GL account GL account of location for the asset			
4 If issued to a location ⇨ If only one asset at location, asset GL account Location GL account			

NOTE If you capitalize the item, the default credit account is the Capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Return Previously Issued Item

To return an item, click **Select Items for Return** on the Issue tab.

The date and time in used in the **Actual Date** field in the table window to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

To return items in Issues and Transfers, select the applicable items from a list of previously issued items. The transaction is posted with a negative line cost and the accounts are the same debit and credit as the issue transaction. These accounts are read-only.

Transaction

When you click **Save**, ISSUETYPE = RETURN is written to the MATUSETRANS table.

Example

Return 4 bearings that were issued at $0.50 each. At issue, the debit account was 1111-111-111 and the credit account was 2224-224-222.

Source of GL Account for Returning a Previously Issued Item

Source of GL Account	Debit	Credit	Source of GL Account
1111-111-111 GL Debit used when item was issued (read-only)	4 x $0.50 = $2.00	4 x $0.50 = $2.00	2224-224-222 GL Credit used when item was issued (read-only)

Transfer Out

To transfer out an item, click **Select Items for Transfer** on the Transfer Out tab.

Te date and time are used in the **Actual Date** field to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

Primary Transaction

When you click **Save**, ISSUETYPE = TRANSFER is written to the MATUSETRANS table.

Example 1

Transfer 20 bearings at $0.50 (issue cost) from the central storeroom to the packaging storeroom in the same site.

Source of GL Account for Transferring an Item within the Same Site

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory control account of destination storeroom.	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account of source storeroom.
2 If in response to an internal purchase order ⇨ **purchase order line GL Debit Account**			If in response to an internal purchase order ⇨ **purchase order line GL Credit Account**

Example 2

Transfer 20 bearings at $0.50 (issue cost) from the central storeroom in Site A to the packaging storeroom in Site B within the same organization.

Source of GL Account for Transferring an Item within the Same Organization

Source of GL Account	Debit	Credit	Source of GL Account
3 Inventory Control Account of Central Storeroom in Site B.	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Clearing Account of Organization B

NOTE Using the previous example to complete a transfer of items across organizations, two transactions are required:

1 The central storeroom in Site A must issue items to a courier.

2 The packaging storeroom in Site B must transfer items in from the courier to the storeroom.

If you capitalize the item and it exists in the destination, the default for both the debit and credit accounts is the capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

If you capitalize the item and your company is stocking it in the destination for the first time, the debit account for the transfer is the Inventory Control account of the destination. The credit account is the Capital GL account.

Transferring a capitalized item to a new inventory location inserts the item as capitalized into the new inventory location. The control account for the item in that new inventory location is the Inventory Control account, not the Capital GL account.

Secondary Transaction

Transferring against an internal PO creates the same transaction as receiving material against an internal PO. For more information, see Chapter 8, "Financial Processes in Purchasing."

Transferring against an internal PO produces a secondary transaction under the following conditions:

- your standard cost is used as your issue cost
- the receipt price varies from the standard price in the destination storeroom

In either scenario, the following record is written to the INVTRANS table:

TRANSTYPE = STDRECADJ

The value of the transaction (line cost) is determined with the following equation:

Receipt Qty x (Receipt Price - Standard Price)

Example

You transfer 20 bearings into the central storeroom at $0.50 each (primary transaction), but the standard cost of the bearings in the central storeroom is $0.45 each. Your company uses the standard cost.

NOTE If the item is capitalized, the default credit account is the Capital GL account. Also, because the standard cost of a capitalized item is zero, the line cost for the standard receipt adjustment transaction equals the receipt price of the item. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

Source of GL Account with Different Item Costs

Source of GL Account	Debit	Credit	Source of GL Account
Receipts price variance account	($0.50 -$0.45) x 20 = $1.00	($0.50 -$0.45) x 20 = $1.00	Inventory control account

NOTE All cost entries and calculations are performed in the base currency.

Transfer In

To transfer in an item, click **Select Items for Transfer** on the Transfer In tab.

The date and time are used in the **Actual Date** field to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

Primary Transaction

When you click **Save**, the following record is written to the MATRECTRANS table:

ISSUETYPE = TRANSFER

Example

Transfer 20 bearings at $0.50 (issue cost) to the packaging storeroom from the central storeroom.

Source of GL Account for Transfer Between Storerooms

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory control account of destination storeroom.	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account of source storeroom.
2 Inventory control account of destination storeroom.			Inventory control account of source storeroom.

Example

Transfer 20 bearings at $0.50 (issue cost) from the central storeroom in Site A to the packaging storeroom in Site B within the same organization.

Source of GL Account for Transfer between Sites, Sam Organization

Source of GL Account	Debit	Credit	Source of GL Account
3 Inventory control account of destination storeroom in Site B.	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Inventory control account of source storeroom in Site A.
4 If in response to an internal purchase order with no courier ⇨ **purchase order line GL Debit Account.**			If in response to an internal purchase order with no courier ⇨ **purchase order line GL Credit Account.**
5 If in response to an internal purchase order with courier ⇨ **purchase order line GL Debit Account**			If in response to an internal purchase order with courier ⇨ **clearing account of organization**

Transfer 20 bearings at $0.50 (issue cost) from the central storeroom in Site A, Organization A to the packaging storeroom in Site B, Organization B

Source of GL Account for Transfer between Sites, Different Organizations

Source of GL Account	Debit	Credit	Source of GL Account
6 Inventory Control Account of Central Storeroom in Site B.	20 x $0.50 = $10.00	20 x $0.50 = $10.00	Clearing Account of Organization B.

NOTE Using the previous example, to transfer items across organizations, two transactions are required:

1 The central storeroom in Site B must transfer items from the storeroom to the courier.

2 The packaging storeroom in Site A must receive items from a courier.

If the item is capitalized and it exists in the destination, the default for both the debit and credit accounts is the Capital GL account, and the line cost is zero. For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

If the item is capitalized and your company is stocking it in the destination for the first time, the debit account for the transfer is the Inventory Control account of the destination. The credit account is the Capital GL account.

Transferring a capitalized item to a new inventory location inserts the item as capitalized into the new inventory location. The control account for the item in that new inventory location is the Inventory Control account, not the Capital GL account.

Secondary Transaction

Transferring against an internal PO creates the same transaction as receiving material against an internal PO. For more information, see Chapter 8, "Financial Processes in Purchasing."

Transferring against an internal PO produces a secondary transaction under the following conditions:

- Standard cost is used as your issue cost.
- The receipt price varies from the standard price in the destination storeroom.

Under these conditions, the following record is written to the INVTRANS table:

TRANSTYPE = STDRECADJ, to the INVTRANS table.

The value of the transaction (line cost) is determined with the following equation:

Receipt Qty x (Receipt Price - Standard Price)

Example

You transfer 20 bearings into the central storeroom at $0.50 each (primary transaction), but the standard cost of the bearings in the central storeroom is $0.45 each. Your company uses the standard cost.

Source of GL Account for Transfer with Different Costs

Source of GL Account	Debit	Credit	Source of GL Account
Receipts price variance account	($0.50 -$0.45) x 20 = $1.00	($0.50 -$0.45) x 20 = $1.00	Inventory control account

If the item is capitalized, the default credit account is the Capital GL account. Also, since the standard cost of a capitalized item is zero, the line cost for the standard receipt adjustment transaction equals the receipt price of the item.

For more information, see "Change Status from Non-Capitalized to Capitalized" on page 39.

NOTE All cost entries and calculations are performed in the base currency.

Issues and Transfers Database Transactions

In Issues and Transfers, you can transfer an item against an internal purchase order. This section explains the GL transactions resulting from "Transfer In" and "Transfer Out," earlier in this chapter. For more information, see Chapter 8, "Financial Processes in Purchasing."

Issues Tab

When you issue an item, the default accounts are determined in the following ways:

Issue Type of Issue

GL Debit Account (GLDEBITACCT) ⇐

1. **GL Account** field (not displayed) in the Inventory application ⇐ **Inventory Resource** field for the Item Type on the Inventory Resource Codes dialog box in Chart of Accounts (typically only one segment only of the **GL Debit Account** field);

2. **GL Account** field in Work Orders, if work order number specified; ⇐ **GL Account** field in Preventive Maintenance, if based on PM record; *or,* **GL Account** field in Asset (not displayed); *or,* **GL Account** field in Locations;

3. **GL Account** field in Asset (not displayed);

4. **GL Account** field in Locations.

GL Credit Account (GLCREDITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application.

Issue Type of Issue

MATUSETRANS.GLDEBITACCT ⇐

1. INVCOST.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRESCODE)
2. WORKORDER.GLACCOUNT ⇐ PM.GLACCOUNT; *or,* ASSET.GLACCOUNT; *or,* LOCATIONS.GLACCOUNT
3. ASSET.GLACCOUNT
4. LOCATIONS.GLACCOUNT

MATUSETRANS.GLCREDITACCT ⇐ INVCOST.CONTROLACC ⇐ LOCATIONS.CONTROLACC

Issue Type of Return

GL Debit Account (GLDEBITACCT) ⇐ **GL Credit Account** on Select Items for Return page for selected item.

GL Credit Account (GLCREDITACCT) ⇐ **GL Debit Account** on Select Items for Return page for selected item.

Issue Type of Return

MATUSETRANS.GLDEBITACCT ⇐ MATUSETRANS.GLCREDITACCT for the issue transaction of the item.

MATUSETRANS.GLCREDITACCT ⇐ MATUSETRANS.GLDEBITACCT for the issue transaction of the item.

Transfer Out Tab

This section provides GL field information for the Transfer Out tab.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

the **Control Account** field for the labor or courier in Locations, *if the item is transferred to a labor or courier location*; *between two storerooms at the same site.*

the **GL Debit Account** field on the PO Lines tab *if in response to an internal purchase order*; *between two storerooms at the same site.*

the **Clearing Account** of the transferring out organization for the site, if in response to an internal purchase order between a transferring out site and a receiving site.

GL Control Account field (not displayed) in the Inventory application for the "to" location ⇐ **Inventory Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐

the **GL Credit Account** field on the PO Lines tab *if in response to an internal purchase order, otherwise,*

GL Control Account field (not displayed) in the Inventory application for "from" location ⇐ **Inventory Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐

LOCATIONS.CONTROLACC, *if transferred to a labor or courier location, otherwise,*

POLINE.GLDEBITACCT, *if in response to an internal purchase order; between two storerooms at the same site.*

ORGANIZATION.CLEARING ACCOUNT, *clearing account of the organization of the transferring out site, if in response to an internal purchase order between a transferring out site and a receiving site.*

INVCOST.CONTROLACC for "to" location ⇐ LOCATIONS.CONTROLACC

MATRECTRANS.GLCREDITACCT ⇐

POLINE.GLCREDITACCT, *if in response to an internal purchase order; otherwise,*

INVCOST.CONTROLACC for "from" location ⇐ LOCATIONS.CONTROLACC

Transfer In Tab

This section provides GL field information for the Transfer In tab.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

If in response to an internal purchase order, the **GL Debit Account** field on the PO line otherwise,

GL Control Account field (not displayed) in the Inventory application for "to" location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐

I*f the item is transferred from a labor our courier location,* the **Control Account** field for the labor or courier in the Locations application, otherwise

If in response to an internal purchase order, the **GL Credit Account** field on the PO line otherwise,

If in response to an internal purchase order between a receiving site and a transferring out site, the **Clearing Account** of the receiving organization for that site.

GL Control Account field (not displayed) in the Inventory application for the "from" location ⇐ **GL Control Account** field (not displayed) in Locations for the "from" location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

MATRECTRANS.GLDEBITACCT ⇐

If in response to an internal purchase order, POLINE.GLDEBITACCT; otherwise,

INVCOST.CONTROLACC for "to" location ⇐ LOCATIONS.CONTROLACC

MATRECTRANS.GLCREDITACCT ⇐

If transferred from a labor or courier location,LOCATIONS.CONTROLACC; otherwise,

If in response to an internal purchase order, POLINE.GLCREDITACCT; otherwise,

If in response to an internal purchase order between a receiving site and a transferring out site, ORGANIZATION.CLEARING ACCOUNT, the clearing account of the receiving organization for that site.

INVCOST.CONTROLACC for "from" location ⇐ LOCATIONS.CONTROLACC

Tools Application

Both the tools GL accounts (tool resource codes) and the tools control accounts can be divided into two different types: internal and external. For the tools GL account, the tool resource code that you assign to Outside? = N becomes the default for the internal tools GL account, whereas the code that you assign to Outside? = Y becomes the default for the external tools GL account.

As with the tools GL accounts (tool resource codes), there are internal and external tools control accounts. Thus, the tools control account code that you assign to Outside? = N becomes the default for the internal tools control account, whereas the codes that you assign to Outside? = Y become the defaults for the external tools control accounts.

Furthermore, for the external tools control accounts, you can assign a unique default code for each vendor.

If Outside? Field = N

TOOL.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = TOOLRESCODE and GROUPVALUE = N) (Tool Resource field for Outside? = N on Tool Resource Codes dialog box in Chart of Accounts) ⇐ direct entry (no default)

TOOL.CONTROLACC ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INTTOOLREC, and GROUPVALUE = ALL) (Control Account field on Internal Tools Control Accounts dialog box in Chart of Accounts) ⇐ direct entry (no default)

If Outside? Field = Y

TOOL.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = TOOLRESCODE, and GROUPVALUE = Y) (Tool Resource field for Outside? = Y on Tool Resource Codes dialog box in Chart of Accounts) ⇐ direct entry (no default)

TOOL.CONTROLACC ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = EXTOOLREC, and GROUPVALUE = vendor name) (Control Account field for Vendor on External Tools Control Accounts dialog box in Chart of Accounts) ⇐ direct entry (no default)

Financial Processes in Preventive Maintenance 7

This chapter describes the financial processes for the Preventive Maintenance application in the Preventive Maintenance module.

Preventive Maintenance Application

Any GL account (segment) entered in the Preventive Maintenance application is used on work orders that you generate from the PM record.

Displayed Field **GL Account** (GLACCOUNT) ⇐ manual entry (no default)

Database Field PM.GLACCOUNT ⇐ manual entry (no default)

Financial Processes in Purchasing

8

This chapter describes the financial processes for the following applications in the Purchasing module:

- Companies
- Purchase Requisitions
- Purchase Orders
- Receiving
- Invoices

Companies Application

Displayed Fields

In the Companies application, the GL account fields (**AP Control Account**, **RBNI Account**, **Suspense Account**) default according to company type as specified in the **Company Type** field.

RBNI (RBNIACC) ⇐ **RBNI** field for Company Type on Company-Related Accounts dialog box in Chart of Accounts.

Suspense (APSUSPENSEACC) ⇐ **AP Suspense** field for Company Type on Company-Related Accounts dialog box in Chart of Accounts.

AP Control (APCONTROLACC) ⇐ **AP Control** field for Company Type on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC

COMPANIES.APSUSPENSEACC ⇐ COMPANYACCDEF. APSUSPENSEACC

COMPANIES.APCONTROLACC ⇐ COMPANYACCDEF.APCONTROLACC

Purchase Requisitions

This section describes the following actions, selected from the PR Lines tab in the Purchase Requisitions application, that cause GL account transactions to be written:

- Material requisitions for direct issue (Issue on Receipt? = Y)
- Material requisitions from internal vendor (another storeroom)
- Material requisitions for storeroom from external vendor

PR Lines Tab

The following sections describe the displayed fields and database fields for material requisitions.

Material Requisitions for Storeroom From External Vendor

The following sections describe the displayed fields and database fields for Material Requisitions for a storeroom from an external vendor.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field for Vendor in Companies ⇐ **RBNI** field for **Company Type** field (for Vendor on PR line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

PRLINE.GLDEBITACCT ⇐ INVCOST.CONTROLACC

PRLINE.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = company type of vendor)

Material Requisitions for Direct Issue (Issue on Receipt? = Y)

The following sections describe the displayed fields and database fields for Material Requisitions for a direct issue when Issue on Receipts = Y.

Displayed Fields

Direct issue requisitions and purchase orders can only be created for an external vendor.

GL Debit Account (GLDEBITACCT) ⇐

GL Account field (not displayed) in the Inventory application ⇐ **Inventory Resource** field for item **Type** field on Inventory Resource Codes dialog box in Chart of Accounts;

1. **Work Order GL Account** field;
2. **Asset GL Account** field (not displayed);
3. **Location GL Account** field.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field for Vendor in Companies ⇐ **RBNI** field for **Company Type** field (for Vendor on PR line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

PRLINE.GLDEBITACCT ⇐

1. INVCOST.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRESCODE and GROUPVALUE = item type for item on PO line)
2. WORKORDER.GLACCOUNT
3. ASSET.GLACCOUNT

4 LOCATIONS.GLACCOUNT

PRLINE.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = company type of vendor)

Material Requisitions From Internal Vendor (Another Storeroom)

The following section describes the displayed fields and database fields for Material Requisitions from the storeroom of an internal vendor.

NOTE This transaction involves internal Purchase Orders within the same site or between two sites within the same organization.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application for requisitioning storeroom location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application for "vendor" storeroom location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

Database Fields

PRLINE.GLDEBITACCT ⇐ INVCOST.CONTROLACC (of requisitioning location) ⇐ LOCATIONS.CONTROL.ACC

PRLINE.GLCREDITACCT ⇐ INVCOST.CONTROLACC (of vendor location) ⇐ LOCATIONS.CONTROL.ACC

NOTE You cannot create a service requisition that names an internal vendor.

Material Requisitions From Internal Vendor (Another Storeroom) in a Different Organization

The following section describes the displayed fields and database fields for Material Requisitions from an internal vendor in a different organization.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Control Account** field (not displayed) in the Inventory application for requisitioning storeroom location ⇐ **Inventory Control Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **Organization Clearing Account** field in the Organization application for the organization of the receiving site.

Database Fields

PRLINE.GLDEBITACCT ⇐ INVCOST.CONTROLACC (of requisitioning location) ⇐ LOCATIONS.CONTROL.ACC

PRLINE.GLCREDITACCT ⇐ ORGANIZATION.CLEARINGACCOUNT

Purchase Requisitions for Services

The following sections describe different types of Service Requisitions:

▼ Line Type = Service

- Line Type = Standard Service
- Rotating Asset when the **Charge to Store?** check box = Y

Purchase Requisitions (Line Type = Service)

The following section describes the displayed fields for Service Requisitions when the Line Type = Service.

Displayed Fields

The **GL Debit Account** and **GL Credit Account** fields for a service requisition default just as they do for a direct issue material requisition (page 74) except that the merger does not involve an item resource code unless you order the service requisition for an asset and you select the **Charge to Store?** check box.

Purchase Requisitions (Line Type = Standard Service)

The following section describes the displayed fields for Service Requisitions when the Line Type = Standard Service.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Account** field for the Organization / Service item as defined in the Service Items application using the **Service Item / Organization Details** action.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field for vendor in Companies ⇐ **RBNI** field for **Company Type** field (for vendor on PR line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

PRLINE.GLDEBITACCT ⇐ ITEMORGINFO.GLACCOUNT

PRLINE.GLCREDITACCT ⇐ COMPANIES.RBNIACC (of vendor) ⇐ COMPANYACCDEF.RBNIACC where TYPE = company type of the vendor

Purchase Requisitions for Rotating Asset, When Charge to Store? = Y

The following section describes the displayed fields for Service Requisitions when the **Issue on Receipts** check box = Y for a rotating asset and the **Charge to Store?** check box = Y.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **Rotating Suspense Account** field (not displayed) in Asset ⇐ **Global Rotating Suspense Account** field on the Inventory-Related Accounts dialog box in Chart of Accounts.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field for vendor in Companies ⇐ **RBNI** field for **Company Type** field (for vendor on PR line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

PRLINE.GLDEBITACCT ⇐ ASSET.ROTSUSPACCT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRELACC and GROUPVALUE = ROTSUSPACCT)

PRLINE.GLCREDITACCT ⇐ COMPANIES.RBNIACC (of vendor) ⇐ COMPANYACCDEF.RBNIACC where TYPE = company type of the vendor

Purchase Orders Application

This section describes the **Material Orders from External Vendor** action selected from the PO Lines tab in the Purchase Orders application. This action causes GL account transactions to be written.

PO Lines Tab

You can copy PO line items from PR line items, or you can enter them directly on a purchase order. In the first case, the GL fields are copied from the PR. In the second case, PO line GL fields default exactly as they do on a PR.

The following section shows the case of ordering storeroom items from an external vendor, with the PR line shown in parentheses, indicating that the PO GL information might have been copied from there.

For information about other cases of purchase orders (from internal vendor, for issue on receipt materials, or for services), see "PR Lines Tab," on page 74.

Material Orders From External Vendor

The following sections describe the displayed fields and database fields for Material Orders from external vendors.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PR line ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application.

GL Credit Account (GLCREDITACCT) ⇐ **GL Credit Account** field on PR line ⇐ **RBNI** field for vendor in Companies ⇐ **RBNI** field for **Company Type** field (for vendor on PO line) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

POLINE.GLDEBITACCT ⇐ (PRLINE.GLDEBITACCT) ⇐ INVCOST.CONTROLACC

POLINE.GLCREDITACCT ⇐ (PRLINE.GLCREDITACCT) ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC where TYPE = company type of the vendor

Receiving Application

This section describes the following types of receipts:

- Material Receipt, External, into Storeroom
- Material Receipt, External, issue on Receipt
- Material Receipts, Inspection Required
- Material Receipts are Organizations, Internal

Material Receipt, External, into Storeroom

You perform this process on the Material Receipts tab in Receiving.

The date and time are used in the **Received Date** field to determine the financial period for the transaction. The **Received Date** field defaults to the system date and time.

NOTE The Loaded Cost column in the table window represents the cost of material, plus any taxes or standard services that have been added to the line.

Primary Transaction

When you click **Save**, a record is written to the MATRECTRANS table.

Example

Receive 20 bearings at $0.50 each.

Source of GL Account for Material Receipts, External into Storeroom

Source of GL Account	Debit	Credit	Source of GL Account
Purchase order line Debit Account	10 x $0.50 = $5.00	20 x $0.50 = $10.00	Purchase order line Credit Account

NOTE All cost entries and calculations are made in the base currency.

Material Receipt, External, Issue on Receipt

To do this process on the Material Receipts tab click New Row or Select Ordered Items.

The date and time are used in the **Received Date** field to determine the financial period for the transaction. The **Received Date** field defaults to the system date and time.

Primary Transaction

When you click **Save**, ISSUETYPE = RECEIPT is written to the MATRECTRANS table.

As with the previous process (Material Receipt, External, into Storeroom), you use the same debit and credit accounts for inserting a PO line or PR line.

Secondary Transaction

A record is written to the MATUSETRANS table. This record represents the issue of the item upon receipt. From an accounting perspective, it is the same transaction as in MATRECTRANS.

Material Receipt, Inspection Required?

The following section describes how to process a receipt, when an inspection of the item is required, through the Material Receipts tab in the Receiving application.

The inspection status is determined through the **Inspection Required?** check box on the PO Lines in the Purchase Orders application.

Purchase Orders Application with Receipt Required? check box indicated

If you selected the **Inspection Required?** check box, the Inspection Status on the Material Receipts tab defaults to WINSP (Waiting for Inspection) upon receipt.

Use the **Change Inspection Status** action in the Receiving application to accept or reject these items.

Receiving Application with Change Inspection Status action indicated

In the following example, you have transferred eight items to your storeroom and returned two to the vendor. After you complete the transaction, the Material Receipts tab displays updated line item information.

Example

The following table shows what GL transactions are written when a you receive 10 copper tubings at $0.50 each. Upon inspection, eight copper tubings are accepted and the remaining two copper tubings are rejected.

Source of GL Account for Material Receipt, Inspection Required

Transaction Type	Source of GL Account	Debit	Credit	Source of GL Account
Receipt	Holding Location GL account	10 x $0.50 = $5.00	10 x $0.50 = $5.00	RBNI (Received But Not Invoiced) GL account from company application
Transfer to your Storeroom	Your Storeroom's GL account	8 x $0.50 = $4.00	8 x $0.50 = $4.00	Holding Location GL account
Return to Holding Location	Holding Location GL account	–2 x $0.50 = –$1.00	–2 x $0.50 = –$1.00	RBNI GL account from company application

Material Receipt, Internal

To receive an item against an internal PO, you use the Issues and Transfers application with the Receiving application.

The date and time are used in the **Received Date** field to determine the financial period for the transaction. The **Received Date** field defaults to the system date and time.

When you click **Save**, ISSUETYPE = TRANSFER is written to the MATRECTRANS table.

If you use standard cost, a potential secondary transaction can occur. For example, if you move the item from storeroom A to storeroom B, and the receipt price of the item differs from the standard price of the item in storeroom B. TRANSTYPE = STDRECADJ is written to the INVTRANS table.

The value of the transaction (that is, the LINECOST) is equal to the following equation:

```
[Receipt Quantity x (Receipt Price-Standard Price in Storeroom B).
```

If you receive an item that is rotating and/or requires inspection, use the following table to determine whether to use Case 1 or Case 2.

Case 1/Case 2 Reference Table

If you are receiving an item against an internal PO and that item is . . .	and . . .	see . . .
rotating	requires inspection	Case 1.
rotating	does not require inspection	Case 1.
non-rotating	requires inspection	Case 1.
non-rotating	does not require inspection	Case 2.

Case 1

You create an internal PO and add a PO line where the item quantity is five and the unit cost is $10. You want to transfer the item from the Central Storeroom at your Bedford site to the Central Storeroom at your Nashua site.

The number of transactions you enter in Issues and Transfers depends upon whether you are receiving a rotating or non-rotating item.

Case 1 Receiving Item and Transaction Table

If you are receiving . . .	you enter . . .
a rotating item,	one transaction for each item.
a non-rotating item,	one transaction for all items.

Each of these transactions appears in the MATRECTRANS table as type TRANSFER and inspection status TRANSFER.

NOTE If you are receiving an inspection-required item, a courier for that item is required.

Source of GL Account for Rotating Item

Source of GL Account	Debit	Credit	Source of GL Account
Clearing account for your Bedford site	1 * $10 = $10	1 * $10 = $10	Inventory Control account for the Central storeroom of your Bedford site.
	1 * $10 = $10	1 * $10 = $10	
	1 * $10 = $10	1 * $10 = $10	
	1 * $10 = $10	1 * $10 = $10	
	1 * $10 = $10	1 * $10 = $10	

Source of GL Account for Non-Rotating Item

Source of GL Account	Debit	Credit	Source of GL Account
Clearing account for your Bedford site	5 * $10 = $50	5 * $10 = $50	Inventory Control account for the Central storeroom of your Bedford site.

Use the Receiving application if you must confirm or inspect the item or serialize the transaction.

Receive Item and Transfer to Central Storeroom in your Nashua Site

Source of GL Account	Debit	Credit	Source of GL Account
Hold location of your Nashua site	5 * $10 = $50	5 * $10 = $50	Clearing account of your organization for the Bedford site
Inventory Control of Central Storeroom in Nashua site	5 * $10 = $50	5* $10 = $50	Holding location of your Nashua site

Case 2

You create an internal PO and add a PO line where the item quantity is five and the unit cost is $10. You want to transfer the item from the Central Storeroom at your Bedford site to the Central Storeroom at your Nashua site.

In Issues and Transfers, you enter one transaction for the five non-rotating items that do not require inspection.

NOTE A courier is not required since the item does not require inspection.

Transfer from Central Storeroom at your Bedford Site

Source of GL Account	Debit	Credit	Source of GL Account
Your Inventory Control account for the Central Storeroom in Nashua	5 * $10 = $50	5 * $10 = $50	Your Inventory Control account for the Central Storeroom in Bedford

Material Receipt across Organizations Internal

There are two types of material receipts across internal organizations:

- Material Returns
- Service Receipts

Material Returns

To return an item against a PO, use the Material Receipts tab and click **New Row** or **Select Items for Return**. When using New Row, enter a negative quantity for the return. If you use Select Items for Return, a negative quantity transaction is created.

When you click **Save**, ISSUETYPE = RETURN is written to the MATRECTRANS table. If the transaction was created by using Select Items for Return, a reference is recorded to the original receipt transaction by populating the RECEIPTREF column in the MATRECTRANS table.

Service Receipts

To receive a service, use the Service Receipts tab and click either **New Row** or **Select Ordered Services**.

The date and time in the **Received Date** field to is used to determine the financial period for the transaction. The **Received Date** field defaults to the system date and time.

When you click **Save**, TRANSTYPE = RECEIPT is written to the SERVRECTRANS table.

From a GL perspective, this process produces a transaction analogous to the primary transaction for an external material receipt (that is, you use the same debit and credit accounts as you use for inserting either a PO line or a PR line).

NOTE The **GL Debit Account** and **GL Credit Account** fields on both the Material Receipts tab and the Service Receipts tab have the same sources as they do for the associated PR or PO line. For more information, see "Purchase Orders Application," on page 77.

Invoices Application

Although records might be created to establish GL accounts, no GL transactions occur until you approve the invoice. Upon invoice approval, many transactions can occur.

The date and time are used in the **Entered Date** field in the Invoices application to determine the financial period for transactions in this application. All transactions are in the base currency.

NOTE Processes that result in debit/credit transactions use decimal fields and amount (cost) fields. Minimize the effects of rounding in calculations by using the Database Configuration application to set the "scale" (the number of places calculated and displayed to the right of the decimal point) of these fields to six or more places.

Invoice Lines Tab

Use the Invoice application to select the Invoice Lines tab.

You can copy invoice line items from PO line items or enter them directly. If you copy an invoice line from a PO, the **GL Debit Account** field for that invoice line defaults to the PO line debit account. When you directly enter invoice line items, the invoice line **GL Debit Account** field defaults exactly as if inserting a PR line. For more information about how the debit account defaults, see "PR Lines Tab," on page 74.

The **GL Credit** field source is always the RBNI account for the vendor that the you have specified in the Invoices application.

In the Database section, both the PO line and the PR line are shown in parentheses, indicating that you might have copied the invoice GL information from the PO. For information about account defaults for invoices containing either materials to be issued on receipt or services, see "PR Lines Tab," on page 74.

Inserting invoice lines creates no GL transactions until you reach the "approve invoice" stage. For more information, see "Approve Invoice" on page 86.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO Lines tab ⇐ **GL Debit Account** field on PR Lines tab ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field in Companies for vendor ⇐ **RBNI** field for **Company Type** field (for vendor in Invoices application) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVOICECOST.GLDEBITACCT ⇐ (POLINE.GLDEBITACCT) ⇐ (PRLINE.GLDEBITACCT) ⇐ INVCOST.CONTROLACC

INVOICECOST.GLCREDITACCT⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.APSUSPENSEACC (where TYPE = type of vendor company)

Not Charged to Store

You receive an invoice for two hours of computer repair at $50 an hour. The invoice has no associated PO and it is not Charged to Store. In addition to the primary transaction, a transaction is written to the SERVRECTRANS table.

GL Account Source when Invoice Not Charged to Store

Source of GL Account	Debit	Credit	Source of GL Account
1 If issued to a work order ⇨ work order GL account	2 x $50.00 = $100.00	2 x $50.00 = $100.00	Company RBNI (Received But Not Invoiced) account
2 If issued to asset ⇨ Asset GL account asset location of GL account			
3 If issued to a location ⇨ If only one asset at location, asset GL account Location GL account			

Service for Item With No PO, if Charge to Store? = N

Database Fields

SERVRECTRANS.GLDEBITACCT ⇐ INVOICECOST.GLDEBITACCT ⇐ *or,* WORKORDER.GLACCOUNT, *or,* ASSET.GLACCOUNT, *or,* LOCATIONS.GLACCOUNT

SERVRECTRANS.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Charged to Store

If the **Charge to Store?** check box is selected, the charges are carried through to the rotating asset.

You receive an invoice for two hours of computer repair at $50 an hour. The invoice has no associated PO, and it is Charged to Store. In addition to the primary transaction, a transaction is written to SERVRECTRANS.

GL Account Source when Invoice Charged to Store

Source of GL Account	Debit	Credit	Source of GL Account
Asset rotating suspense account	2 x $50.00 = $100.00	2 x $50.00 = $100.00	Company RBNI account

Furthermore, when UPDATEINVENTORY = 1, the database inventory cost of the rotating asset (for example, the computer) is updated.

Service for Item With No PO, if Charge to Store? = Y

Database Fields

SERVRECTRANS.GLDEBITACCT ⇐ INVOICECOST.GLDEBITACCOUNT ⇐ ASSET.ROTSUSPACCT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = INVRELACC and GROUPVALUE = ROTSUSPACCT)

SERVRECTRANS.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Distribute Costs Page

Default information on this page comes from the INVOICECOST table; where data results from inserting invoice line items. The **GL Debit Account** and **GL Credit Account** source fields are the same fields used when inserting an invoice line, discussed previously in "Invoice Lines Tab," on page 83.

As with inserting invoice lines, using the Distribute Costs page creates no GL transactions until you reach the "approve invoice" stage. For more information, see "Approve Invoice," on page 86.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on invoices line.

GL Credit Account (GLCREDITACCT) ⇐ **GL Credit Account** field on invoices line ⇐ **RBNI** field in Companies for vendor ⇐ **RBNI** field for **Company Type** field (for vendor in Invoices) on Company-Related Accounts dialog box in Chart of Accounts.

Database Fields

INVOICECOST.GLDEBITACCT (⇐ POLINE.GLDEBITACCT)(⇐ PRLINE.GLDEBITACCT)

INVOICECOST.GLCREDITACCT ⇐ COMPANIES.APSUSPENSEACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Example

Materials are purchased for a storeroom.

GL Debit Account (GLDEBITACCT) ⇐ **GL Debit Account** field on PO line ⇐ **GL Debit Account** field on PR line ⇐ **GL Control Account** field (not displayed) for storeroom location in the Inventory application.

GL Credit Account (GLCREDITACCT) ⇐ **RBNI** field in Companies for vendor ⇐ **RBNI** field for **Company Type** field (for vendor in Invoices) on Company-Related Accounts dialog box in Chart of Accounts.

INVOICECOST.GLDEBITACCT (⇐ POLINE.GLDEBITACCT) ⇐ (PRLINE.GLDEBITACCT) ⇐ INVCOST.CONTROLACC

INVOICECOST.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Transactions Resulting From Distributing Costs

NOTE The actual GL transactions occur only at the time of invoice approval.

For Materials

MATRECTRANS.GLDEBITACCT ⇐ INVOICECOST.GLDEBITACCT ⇐ POLINE.GLDEBITACCT

MATRECTRANS.GLCREDITACCT ⇐ INVOICECOST.GLCREDITACCT ⇐ POLINE.GLCREDITACCT

Approve Invoice

All displayed GL fields in the Invoices application already acquired their values when you inserted the invoice lines. When you approve an invoice, the values in any application GL fields are not affected; however, at least one database transaction is created and possibly others.

The date and time in the **Entered Date** field is used in the Invoices application to determine the financial period for transactions in this application.

If a PO number for the invoiced item exists *and* the **Buy Ahead** field (typically not displayed by default) in the Purchase Orders application is set to Buy Ahead, the exchange rate at invoice approval is the rate locked in with the vendor when you create the PO. Otherwise, if the **Vendor Currency** field in the Invoices application is populated, the exchange rate is the current active rate from the Exchange Rate table in Currency Management.

Invoice Total Transaction (Primary Transaction)

When you approve an invoice, the following record is written to the INVOICETRANS table:

TRANSTYPE = TOTAL

Example

Approve an invoice for 20 bearings at $0.50 each, plus tax of $0.75.

GL Account Source to Approve an Invoice

Source of GL Account	Debit	Credit	Source of GL Account
Company RBNI account	(20 x $0.50) + $0.75 = $10.75	(20 x $0.50) + $0.75 = $10.75	Company AP suspense account

A secondary transaction moves the tax portion into a tax account. We include tax in the preceding example to emphasize that the line cost for the TOTAL transaction includes tax. For more information about taxes, see "Tax Transactions" on page 88.

NOTE If the unit cost of the item is in a foreign currency (for example, Canadian dollars, the LINECOST is in the base currency (for example, U.S. dollars). The approval date determines the exchange rate used at invoice approval. The enter date in the INVOICE table determines the financial period.

Database Fields

INVOICETRANS.GLDEBITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

INVOICETRANS.GLCREDITACCT ⇐ COMPANIES.APSUSPENSEACC ⇐ COMPANYACCDEF.APSUSPENSEACC (where TYPE = type of vendor company)

Additional Transactions

The following additional transactions can occur. These potential transactions are written to the INVOICETRANS, MATRECTRANS, and/or SERVRECTRANS tables. All transactions are in the base currency.

Service Transaction for Each Invoice Line With no Associated PO Line

If the invoice contains a line for a service for which no PO line exists, an additional transaction is written to the SERVRECTRANS table. Because no associated PO exists, no receipt for that service exists. However, an entry to account is required for the receipt stage. Therefore, the debit account defaults as if you inserted a PO line (or a PR line).

Additional Possible Transaction for Materials

Materials to be Issued on Receipt

If the item is a material to be issued on receipt, any change in the item cost is accounted for by writing entries to both the MATRECTRANS and MATUSETRANS tables. The accounts default as if inserting a PR line. If the materials are charged to a work order, the Actual Materials Cost is also updated.

Example

You approve an invoice for 20 bearings at 3.30 CAD each. The base currency is U.S. dollars, and the exchange rate is currently 5.00 Canadian dollars per 1.00 U.S. dollar. At the point of receipt, the item price is only 3.00 CAD, and the exchange rate is 6.00 CAD per U.S. dollar.

At receipt, the bearings are 3.00 CAD = $0.50 each.

At invoice approval, the bearings are 3.30 CAD = $0.66 each.

The following record, ISSUETYPE = INVOICE, is written to both the MATRECTRANS and MATUSETRANS tables

Source of GL Account for MATRECTRANS and MATUSETRANS.

Source of GL Account	Debit	Credit	Source of GL Account
Debit account established upon insertion of invoice line = PO line debit Account	($0.66-$0.50) x 20 = $3.20	($0.66-$0.50) x 20 = $3.20	PO line credit account = Company RBNI account

If Issue on Receipt? = Y

MATUSETRANS.GLDEBITACCT ⇐ INVOICECOST.GLDEBITACCT ⇐ POLINE.GLDEBITACCT

MATUSETRANS.GLCREDITACCT ⇐ INVOICECOST.GLCREDITACCT⇐ POLINE.GLCREDITACCT

For Service

SERVRECTRANS.GLDEBITACCT ⇐ INVOICECOST.GLDEBITACCT ⇐ POLINE.GLDEBITACCT

SERVRECTRANS.GLCREDITACCT ⇐ INVOICECOST.GLCREDITACCT ⇐ POLINE.GLCREDITACCT

Tax Transactions

As in the preceding example, an invoice can include tax. If so, in addition to the transaction of TRANSTYPE = TOTAL, a transaction is written to the INVOICETRANS table with TRANSTYPE = TAX*n*, where $1 \le n \le 5$. The value of *n* depends on which tax type you selected for the tax in Chart of Accounts.

Pay Tax to Vendor

Recall the example used for the primary transaction:

Example 1

Approve an invoice for 20 bearings at $0.50 each, plus tax of $0.75.

If the tax is of type Tax 1, the following tax transactions are written: TRANSTYPE = TAX1 to INVOICETRANS.

Source of GL Account for Pay Tax to Vendor

Source of GL Account	Debit	Credit	Source of GL Account
Paid Tax GL account	$0.75	$0.75	Company RBNI account

Example 2

Additionally, there is an option to add taxes to the cost of the item. When you choose this option and Pay Tax to Vendor is true, a single transaction of TRANSTYPE=TOTAL is written to the INVOICETRANS table. A tax type transaction in not written in this scenario.

If Tax Paid to Vendor (Pay Tax to Vendor? = Y) and if Tax is of Type Tax *n*, where $1 \leq n \leq 5$

INVOICETRANS.GLDEBITACCT ⇐ INVOICE.TAX*n*GL ⇐ TAXTYPE.INCLUSIVEGL

INVOICETRANS.GLCREDITACCT ⇐ COMPANIES.RBNIACC ⇐ COMPANYACCDEF.RBNIACC (where TYPE = type of vendor company)

Do Not Pay Tax to Vendor

Recall the example used for the primary transaction:

Example 1

Approve an invoice for 20 bearings at $0.50 each, plus tax of $0.75.

If the tax is of type Tax 1, a tax transaction is written with TRANSTYPE = TAX1 to INVOICETRANS

Source of GL Account for Do Not Pay Tax to Vendor

Source of GL Account	Debit	Credit	Source of GL Account
Paid Tax GL account	$0.75	$0.75	Unpaid Tax GL account

Example 2

When you can add tax to items and Pay Tax to Vendor is false, two transactions are written to the INVOICETRANS table:

- a transaction of TRANSTYPE=TAX*n*, where $1 \leq n \leq 5$
- a transaction of TRANSTYPE=TOTAL.

Approve an invoice for 20 bearings at $0.50 each, plus tax of $0.75.

If the tax is of type Tax 1, a tax transaction is written with TRANSTYPE = TAX1 to INVOICETRANS.

Source of GL Account for Do Not Pay Tax to Vendor

Source of GL Account	Debit	Credit	Source of GL Account
Company RBNI Account	$0.75	$0.75	Unpaid Tax GL account

Database Fields

If Tax Paid Directly to Authority (Pay Tax to Vendor? = N) and if Tax is of Type Tax *n*, where $1 \le n \le 5$

INVOICETRANS.GLDEBITACCT ⇐ INVOICE.TAX*n*GL ⇐ TAXTYPE.EXCLUSIVEGL

INVOICETRANS.GLCREDITACCT ⇐ TAXTYPE.INCLUSIVEGL

Cost Variance Transactions

If time lapses between receiving the item and approving the invoice, the cost associated with the invoice line might differ from the cost of the item at receipt. Both the resulting transaction(s) and the transaction table(s) to which they are written vary in accordance with several factors. Also, if you purchased the item for a storeroom, the variance based is accounted for on the source of the cost change, including the following potential sources:

1. the cost on the invoice is different from the cost at receipt
2. the exchange rate changes between the time of receipt and invoice approval

With any cost variance, a transaction is written to either MATRECTRANS or SERVRECTRANS, depending on whether the item is material or service. As with records written to PRLINE and POLINE, the source of the accounts varies, depending on the nature of the item and on the planned use for the item.

In addition, a currency variance and invoice cost variance transactions might be written to INVOICETRANS.

Variances for Materials

If the invoice line is for materials, the total exchange rate gain or loss is calculated related to the line. This amount is combined with the total variance due to cost changes related to the same invoice line. One transaction is written for both currency variance and invoice cost variance to the MATRECTRANS table (and to the MATUSETRANS table, if set to Issue on Receipt on the PO line). Both the debit and credit accounts default as if you inserted a receipt line for a PO. In addition, if variances are tracked separate transactions can be written for each type of variance to the INVOICETRANS table.

If you purchased the item for inventory (not for issue on receipt), any cost variances are accounted for based on two determining factors:

- the quantity of an item on the invoice, relative to the current balance of the item in the storeroom *at the time of invoice approval*
- the value of UPDATEINVENTORY in MAXVARS

If many items are issued or transferred out since receipt, the current balance at invoice approval time might be less than the invoice quantity.

In the following three cases, a transaction is written to the MATRECTRANS table and/or the INVOICETRANS table for the entire variance.

- UPDATEINVENTORY = 1 (the default) and Invoice Quantity ≤ Current Balance (page 91)
- UPDATEINVENTORY = 1 (the default) and Invoice Quantity > Current Balance (page 91)
- UPDATEINVENTORY = 0 and the Average Cost is not updated (page 93)

Case 1

UPDATEINVENTORY = 1 (the default) and Invoice Quantity ≤ Current Balance

For the items remaining in inventory, the average cost of the item is updated to reflect the per unit variance by writing a transaction of TRANSTYPE = INVOICE to the MATRECTRANS table for the amount in inventory.

Example

You approve an invoice for 20 bearings at 3.30 CAD each. The base currency is U.S. dollars, and the exchange rate is currently 5.00 Canadian dollars per 1.00 U.S. dollar. At the point of receipt, the item price is only 3.00 CAD, and the exchange rate is 6.00 CAD per U.S. dollar.

At receipt, the bearings are 3.00 CAD = $0.50 each.

At invoice approval, the bearings are 3.30 CAD = $0.66 each.

Average Cost Change

Originally, 10 items were in the storeroom at $0.50 each. Upon receipt, there are 30 items at $0.50 each for a total value of $15.00. Upon invoice approval, the value increases by $3.20 to $18.20. The average cost is $18.20 divided by 30 = $0.61.

NOTE If you capitalize this item, the average cost in the storeroom changes. If the item you capitalized has a zero cost in the storeroom before you approve the invoice, it has a positive cost after you approve the invoice.

Source of GL Account for Invoice Cost Variance Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Debit account established upon insertion of invoice line = PO Line debit account	($0.66-$0.50) x 20 = $3.20	($0.66-$0.50) x 20 = $3.20	PO line credit account = company RBNI account

Case 2

UPDATEINVENTORY = 1 (the default) and Invoice Quantity > Current Balance

For the items remaining in inventory, the average cost of the item is updated to reflect the per unit variance by writing a transaction of TRANSTYPE = INVOICE to the MATRECTRANS table for the amount in inventory.

A transaction of TRANSTYPE = INVCEVAR is written to the INVOICETRANS table for the items that you issued out of the storeroom. This transaction is written after you received the item, but before you approve the item.

If a change in the exchange rate caused any of the remaining variance, a transaction of TRANSTYPE = CURVAR is written to the INVOICETRANS table for the remainder of the currency variance.

Example

From your inventory, you receive 20 bearings when the exchange rate is 3.00 Canadian Dollars (CAD) = $0.50 U.S. Dollars (USD). (For this example, assume you already have 10 bearings currently in inventory.)

When the exchange rate changes to 3.00 CAD = $.60 USD, you issue all 10 of the items that were already in inventory plus four of the 20 bearings that you recently received.

When you receive the invoice for the 20 bearings, the exchange rate is 3.30 CAD = $0.66 USD.

Average Cost Change

Each of the 20 bearings you ordered is now worth $0.16 more at invoice than at receipt. Of those 20 items, 4 have already been issued from the storeroom.

Instead of taking the $3.20 (20 x $0.16 = $3.20) and allocating it among the 16 remaining items, which would create a $0.20 increase per item, the average cost of the storeroom is maintained correctly by increasing the average cost of each item by $0.16 to $0.66.

Upon invoice approval, the 16 bearings remaining in the storeroom are accounted for by debiting the inventory control account and crediting the RBNI account by 16 x $0.16 = $2.56. Also, the invoice cost variance account is debited and the company RBNI account is credited 4 x $0.16 for the already issued four bearings.

Source of GL Account for Average Price Change

Source of GL Account	Debit	Credit	Source of GL Account
Inventory Control Account	16 x $0.16 = $2.56	16 x $0.16 = $2.56	Company RBNI account

The remaining amount of $3.20 - $2.56 = $0.64 is allocated between the currency variance and invoice cost variance accounts through the following transactions that are written to the INVOICETRANS table.

NOTE If you capitalize this item, the average cost in the storeroom changes. If the capitalized item has a cost of $0.00 in the storeroom before you approve the invoice, it has a positive cost after you approve the invoice.

Currency Variance Transaction

Here, we must control for the cost variable. The cost on receipt was 3.00 CAD = $0.50. If the cost at invoice had been 3.00 CAD, as opposed to 3.30 CAD, the cost

per bearing at invoice would have been 3.00 CAD = $0.60. Four invoice items are no longer in the storeroom.

Source of GL Account for Currency Variance Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Currency variance account	($0.60-$0.50) x 4 = $0.40	($0.60-$0.50) x 4 = $0.40	Company RBNI account

NOTE If the item is capitalized, the credit account is the inventory control account and not the Capital GL account.

Invoice Cost Variance Transaction

In this transaction, we must control the exchange rate variable. If the exchange rate at receipt is the same as the invoice exchange rate, the cost per bearing at receipt is 3.00 CAD = $0.60 (not $0.50). The cost at invoice was 3.30 CAD = $0.66. Four items are no longer in the storeroom.

NOTE Variance accounts track cost variances by **storeroom location**, not by **item**.

Source of GL Account for Invoice Cost Variance Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Invoice Cost Variance account of Storeroom	($0.66-$0.60) x 4 = $0.24	($0.66-$0.60) x 4 = $0.24	Company RBNI account

The $0.64 variance for the four items in inventory consists of a $0.40 currency variance and a $0.24 cost variance.

NOTE Even if the item is capitalized, the credit account is the inventory control account, not the Capital GL account.

Case 3

UPDATEINVENTORY = 0 and the Average Cost is not updated

A change in the exchange rate causes TRANSTYPE = CURVAR to be written to the INVOICETRANS table for that portion of the total variance.

A change in the cost in the foreign currency causes TRANSTYPE = INVCEVAR to be written to the INVOICETRANS table for that portion of the total variance.

NOTE Both the preceding overview and the following example apply to both capitalized and non-capitalized items.

Example

You approve an invoice for 20 bearings at 3.30 CAD each. The base currency is U.S. dollars, and the exchange rate is currently 5.00 Canadian dollars per 1.00 U.S. dollar. At the point of receipt, the item price is only 3.00 CAD, and the exchange rate is 6.00 CAD per U.S. dollar.

At receipt, the bearings are 3.00 CAD = $0.50 each.

At invoice approval, the bearings are 3.30 CAD = $0.66 each.

Currency Variance Transaction

The cost on receipt is 3.00 CAD = $0.50. If the cost at invoice is 3.00 CAD, as opposed to 3.30 CAD, the cost per bearing at invoice is 3.00 CAD = $0.60. The CURVAR transaction is written to the INVOICETRANS table

Source of GL Account for Currency Variance Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Currency variance account	($0.60-$0.50) x 20 = $2.00	($0.60-$0.50) x 20 = $2.00	Inventory control account

NOTE Even if the item is a capitalized item, the credit account is the inventory control account, not the Capital GL account.

Invoice Cost Variance Transaction

For this transaction, you control the exchange rate variable. If the exchange rate at receipt is the same as the invoice exchange rate, the cost per bearing at receipt is 3.00 CAD = $0.60 (not $0.50). The cost at invoice was 3.30 CAD = $0.66. The INVCEVAR transaction is written to INVOICETRANS.

NOTE Variance accounts track cost variances by **storeroom location**, not by **item**.

Source of GL Account for Invoice Cost Variance Transaction

Source of GL Account	Debit	Credit	Source of GL Account
Invoice Cost Variance account of Storeroom	($0.66-$0.60) x 20 = $1.20	($0.66-$0.60) x 20 = $1.20	Inventory Control account

The $3.20 variance for the 20 items on the invoice is made of a $2.00 currency variance and a $1.20 cost variance.

NOTE Even if the item is capitalized, the credit account is the inventory control account, not the Capital GL account.

Variances for Services

If the line item is a service, any changes are tracked to the item cost by writing an entry to the SERVRECTRANS table. The accounts default as if a PR line was being inserted.

Furthermore, if the service is associated with a work order, the actual service cost is updated for the work order.

Service Not Charged to Store

You receive an invoice for a service that required 2 hours at a rate of 3.30 CAD per hour. The base currency is U.S. dollars, and the exchange rate is currently 5.00 CAD per dollar. At the point of receipt, the item price is only 3.00 CAD, and the exchange rate is 6.00 CAD per U.S. dollar.

At receipt, the hourly rate is 3.00 CAD = $50.00

If no exchange rate change occurs, the hourly rate at invoice approval is 3.30 CAD = $55.00 However, the exchange rate changed to 5.00 CAD per dollar. Therefore, at invoice approval, the hourly rate is 3.30 CAD = $66.

The following transaction is written to the SERVRECTRANS table

Source of GL Account for Service Not Charged to Store

Source of GL Account	Debit	Credit	Source of GL Account
1 If issued to a work order ⇨ **work order GL account**	($66.00-$50.00) x 2 = $32.00	($66.00-$50.00) x 2 = $32.00	Company RBNI account
2 If issued to asset ⇨ Asset GL account GL account of asset location			
3 If issued to asset ⇨ Asset GL account GL account of asset location			

Service Charged to Store

The debit account for the transaction to the SERVRECTRANS table is the rotating suspense account of the asset that was serviced. Otherwise, this transaction works exactly as if the invoice is for a service where the **Charge to Store** check box is clear.

In addition, if UPDATEINVENTORY = 1, the database inventory cost of the rotating asset is updated.

Transactions Resulting From the Distribute Costs Process

Recall the following conditions that determine Distribute Costs:

- the invoice line has a PO line number specified
- you receive the line and distributed the costs to another GL account

At invoice approval, the corresponding entries to the GL are made depending upon the invoice line item.

Invoice Line Item and Transaction Table

If the invoice line item is a . . .	the transaction is written to the . . .
material,	MATRECTRANS table.
service,	SERVRECTRANS table.

The costs can be distributed for only material line items when you select the **Issue on Receipt?** check box. At the approve invoices stage, consider any lines that the user inserts on the Distribute Costs page as new invoice lines that need the receipt transaction.

Example

Suppose that originally, as a result of your receiving 20 bearings at $0.50 each, the following transaction is written to the MATRECTRANS table.

Source of GL Account for Service Charged to Store

Source of GL Account	Debit	Credit	Source of GL Account
1111-111-111 (Purchase order line debit account)	20 x $0.50 = $10.00	20 x $0.50 = $10.00	3333-333-333 (Purchase order line credit account)

Later, you decide that to charge 20% of the cost to account 2224-111-111 (perhaps two bearings went to a different location than planned).

Using the distribute costs process, you back out the invoice line corresponding to that receipt. On the Distribute Cost page, you distribute the cost. Upon invoice approval, the following transactions are written to the MATRECTRANS table. The account codes are the codes you entered on the Distribute Costs page.

Source of GL Account for MATRECTRANS Table

Source of GL Account	Debit	Credit	Source of GL Account
1111-111-111 (Purchase order line debit account)	-$10.00	-$10.00	3333-333-333 (Purchase order line credit account)
1111-111-111 (Purchase order line debit account)	$8.00	$8.00	3333-333-333 (Purchase order line credit account)
2224-111-111 (Defaults as if receiving the item)	$2.00	$2.00	3333-333-333 (Defaults as if receiving the item)

Financial Processes in Resources

9

This chapter describes the financial processes for the Labor application in the Labor module.

Labor Application

If the rate records associated with a Labor (Labor Craft Rate) are internal labor rates (vendor is null), they typically receive one set of default GL accounts. If they are external labor rates (vendor is not null), they receive another set of default GL accounts.

Database Fields

If Vendor is null

LABORCRAFTRATE.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = LABRESCODE and GROUPVALUE = 0) (**Labor Resource** field for Outside? = N on Labor Resource Codes dialog box in Chart of Accounts) ⇐ direct entry (no default)

LABORCRAFTRATE.CONTROLACC ⇐ LOCATIONS.INTLABREC (where the LOCATION = LABOR.WORKLOCATION and SITE=LABOR.WORKSITE)

If Vendor is not null

LABORCRAFTRATE.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = LABRESCODE and GROUPVALUE = 1) (**Labor Resource** field for Outside? = Y on Labor Resource Codes dialog box in Chart of Accounts) ⇐ direct entry (no default)

LABORCRAFTRATE.CONTROLACC ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = EXLABREC and GROUPVALUE = vendor name) (**Control Account** field for associated **Vendor** field on External Labor Control Accounts dialog box in Chart of Accounts) ⇐ direct entry (no default)

Financial Processes in Service Desk

10

This chapter describes the financial processes for the Service Requests, Incidents, and Problems application in the Service Desk module.

Service Requests, Incidents, and Problems Applications

The following section describes the default GL account rules for starting and stopping the timer in the Service Requests, Incidents, or Problems application.

Starting and Stopping the Timer to Capture Time Spent on a Ticket

The following fields describe GL account default rules once you have started the timer.

Displayed Fields

GL Account (GLACCOUNT) ⇐ **GL Control Account** field (displayed), normal validation rules for GL accounts apply.

GL Account (GLACCOUNT) ⇐ **GL Control Account** field (not displayed), see the following table.

The following table describes which GL account rules apply when the GL Control Account field does not appear on the ticket

GL Account Rules without GL Control Account Field on Ticket

If Asset or Location are . . .	and Site and Asset Site are . . .	use the GL account . . .
not on ticket	equal or not equal	from the Labor record of the user running the application as the LABTRANS (GL) default. If the GL account does not exist, the Global Ticket GL account is used as the LABTRANS (GL) default.
on ticket	not equal	the Asset or Location generates the LABTRANS (GL) record. If asset or location do not have an associated GL account, the GL account from the Labor record of the user running the application is used as the LABTRANS (GL) default. If the Labor record does not have a valid GL account, the Global Ticket GL account is used as the LABTRANS (GL) default.
both on ticket	equal	as determined by existing Asset or Location merging rules. If asset and location do not have associated GL accounts, the GL account from the Labor record of the user running the application is used as the LABTRANS (GL) default. If the Labor record does not have a valid GL account, the Global Ticket GL account is used as the LABTRANS (GL) default.

Financial Processes in Work Orders

11

This chapter describes the financial processes for the following applications in the Work Orders module:

- Work Order Tracking
- Quick Reporting
- Labor Reporting

Work Order Tracking Application

This section describes the following Work Order Tracking application processes:

- Report Actual Material Use
- Report Actual Labor Use
- Report Actual Tool Use
- Move/Modify Assets
- Swap Assets

Report Actual Material Use

The date and time in the **Actual Date** field are used to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

When you click **Save**, after you enter material use information, a record is written, ISSUETYPE = ISSUE, to the MATUSETRANS table. The quantity is posted as a negative value.

Example

Report use of 20 bearings (item type = BEARINGS), that costs $0.20 per piece, on the Materials subtab on the Actuals tab in Work Order Tracking.

Source of GL Account for Report Actual Material Use

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory GL account (item resource code)	-20 x $0.20 = $4.00	-20 x $0.20 = $4.00	Inventory control account
2 Work order GL account			

NOTE If the item is capitalized, the default credit account is the Capital GL account, and the line cost is zero. For more information, see Chapter 6, "Financial Processes in Inventory."

If Issue Type Field is set to "Return"

After you enter material use information and click **Save**, the following record is written to the MATUSETRANS table:

ISSUETYPE = RETURN

The quantity is posted as a positive value.

Example

Report return of 20 bearings (item type = BEARINGS), that costs $0.20 each, on the Materials subtab on the Actuals tab in Work Order Tracking.

Source of GL Account for Report Actual Material Use – Return Issue Type

Source of GL Account	Debit	Credit	Source of GL Account
1 Inventory GL account (item resource code)	20 x $0.20 = -$4.00	20 x $0.20 = -$4.00	Inventory Control account
2 Work order GL account			

If the item is capitalized, the default debit account is the capital GL account, and the line cost is zero. For more information, seeChapter 6, "Financial Processes in Inventory."

The GL fields for actual material use that is reported or viewed in Work Orders default just as they do when the usage is recorded or viewed in the Inventory application or the Issues and Transfers application.

Report Actual Labor Use

The GL fields for actual labor use that is reported or viewed in Work Orders default just as they do when the usage is recorded or viewed in Labor Reporting. For more information about GL field sources, see "Labor Reporting Application," on page 105.

At the transaction level, reporting actual labor use by labor code or craft works just as it does when using the Labor Reporting application to report labor use. For more information, see the following sections:

- "Report Labor Use for Internal Resources," on page 107
- "Report Labor Use for External Resources," on page 108

The date and time in the **Actual Date** field is used to determine the financial period for the transaction. The **Actual Date** field defaults to the system date and time.

Report Actual Tool Use

The following section describes displayed fields and database fields for Internal Tools and External Tools.

Internal Tools

The date and time in the **Entered Date** field is used in the table to determine the financial period of the transaction. The **Entered Date** field defaults to the system date and time.

Example

Report the use of a hoist for 2 hours at a cost of $5.00 an hour on the Tools subtab in the Actuals tab in Work Order Tracking.

Source of GL Account for Report Actual Tool Use (Internal Tools)

Source of GL Account	Debit	Credit	Source of GL Account
1 Internal tools GL account (resource code)	2 x $5.00 = $10.00	2 x $5.00 = $10.00	Internal tools control account
2 Work order GL account			

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

1 **GL Account** field in the **Tool / Organization Details** action of the Tools application ⇐ **Internal Tool Resource Code** field from the **Resource Codes** action in Chart of Accounts;

2 **GL Account** field in Work Orders. The GL fields for actual material use that is reported or viewed in Work Orders default just as they do when the usage is recorded or viewed in the Inventory application or the Issues and Transfers application. See these sections for additional information.

GL Credit Account (GLCREDITACCT) ⇐ **Control Account** field in the **Tool / Organization Details** action of the Tools application ⇐ **Control Account** field in the Organization Default Accounts action of the Chart of Accounts.

Database Fields

TOOLTRANS.GLDEBITACCT ⇐

1 ITEMORGINFO.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = TOOLRESCODE and GROUPVALUE = 0) ⇐ direct entry (no default)

2 WORKORDER.GLACCOUNT ⇐ PM.GLACCOUNT or ASSET.GLACCOUNT or LOCATIONS.GLACCOUNT

TOOLTRANS.GLCREDITACCT ⇐ ITEMORGINFO.CONTROLACC ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = TOOLREC and GROUPVALUE = TOOLRECACCT) ⇐ direct entry (no default)

External Tools

Report external tool use the same as you report internal tool use. If the tool's **Outside?** check box is selected, the external tool resource code is used on the debit side, and the external tools control account, established by tool vendor, on the credit side.

When you click **Save** after entering tool use information, a record is written to the TOOLTRANS table.

The date and time in the **Entered Date** field in the table window is used to determine the financial period for the transaction. The **Entered Date** field defaults to the system date and time.

Example

Report the use of hoist for 2 hours, at $7.00 an hour, belonging to a contractor, on the Tools subtab in the Actuals tab in Work Order Tracking

Source of GL Account for Report Actual Tool Use (External Tools)

Source of GL Account	Debit	Credit	Source of GL Account
1 External tools GL account (resource code) 2 Work order GL account	2 x $7.00 = $14.00	2 x $7.00 = $14.00	External tools control account, for tool vendor

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

1 **GL Account** field in the **Tool / Organization Details** action of the Tools application ⇐ **External Tool Resource Code** field from the **Resource Codes** action in Chart of Accounts;

2 **GL Account** field in Work Orders. The GL fields for actual material use that is reported or viewed in Work Orders default just as they do when the usage is recorded or viewed in the Inventory application or the Issues and Transfers application. See these sections for additional information.

GL Credit Account (GLCREDITACCT) ⇐ **Control Account** field in the **Tool / Organization Details** action of the Tools application ⇐ **Tool Control Account** field for Vendor in the Companies application.

Database Fields

TOOLTRANS.GLDEBITACCT ⇐

1. ITEMORGINFO.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = TOOLRESCODE and GROUPVALUE = 1 ⇐ direct entry (no default)

2. WORKORDER.GLACCOUNT ⇐ PM.GLACCOUNT or ASSET.GLACCOUNT or LOCATIONS.GLACCOUNT

TOOLTRANS.GLCREDITACCT ⇐ ITEMORGINFO.CONTROLACC ⇐ COMPANIES.TOOLCONTROLACCOUNT ⇐ direct entry (no default)

Move/Modify Assets

You can select **Move/Modify Assets** from the Select Action menu in Work Order Tracking. This action is described in detail in the Assets application section. For more information, see Chapter 5, "Financial Processes in Assets."

Quick Reporting Application

The **GL Account** field in these applications, whether displayed or not, populates just as it does in Work Order Tracking.

In the Quick Reporting application, you can perform the following actions:

- move/modify assets
- report actual labor use
- report actual material use
- report actual tool use

These processes are identical to the processes in the Work Order Tracking application described in this chapter.

Labor Reporting Application

The Labor Reporting application lets you report actual labor usage and see the transaction records of previously reported actual labor usage, whether reported via this application or via the Labor subtab on the Actuals tab in Work Order Tracking.

You can edit the **GL Debit Account** field and the **GL Credit Account** field when reporting labor usage. Once you click **Save**, the transaction is recorded and all fields become read-only.

Work Types

The GL fields default in the same manner for all three work types:

- NON-WORK (including Sick (SICK) and Vacation (VAC)
- OT-REF (overtime refused)
- WORK (including Travel (TRAV) and Waiting on Material (WMATL)

Reporting WORK

To report WORK, enter any one of the following items:

- Asset Number
- GL Debit Account
- Operating Location
- Work Order Number

If you enter the Work Order Number, Asset Number, or Operating Location, a value defaults to the GL Debit Account field.

Reporting NON-WORK and OT-REF

To report NON-WORK and OT-REF, you can leave the following fields blank:

- GL Debit Account
- Work Order
- Asset
- Operating Location

If you do not specify a GL Debit Account, that field blank is left blank.

Displayed Fields

GL Debit Account (GLDEBITACCT) ⇐

1. **GL Account** field (not displayed) in Labor ⇐ **Labor Resource** field (for Vendor = Null *or* for Vendor = Not Null) on Labor Resource Codes dialog box in Chart of Accounts;
2. **GL Account** field in Work Orders (see source description in Work Order Tracking section,
3. **GL Account** field (not displayed) in Asset.
4. **GL Account** field in Locations.

GL Credit Account (GLCREDITACCT) ⇐

1. **Control Account** field (not displayed) in Labor ⇐ **Control Account** field for Work Location on Internal Labor Control Accounts dialog box in Chart of Accounts; or
2. **Control Account** field for Vendor on External Labor Control Accounts dialog box in Chart of Accounts; or

3 **GL Debit Account** field from purchase order line on PO Lines page in Purchase Orders.

Database Fields

LABTRANS.GLDEBITACCT ⇐

1 LABORCRAFTRATE.GLACCOUNT ⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = LABRESCODE and GROUPVALUE = 0 *or* GROUPVALUE = 1)

2 WORKORDER.GLACCOUNT

3 ASSET.GLACCOUNT

4 LOCATIONS.GLACCOUNT

LABTRANS.GLCREDITACCT ⇐ LABOR.CONTROLACC ⇐ LOCATIONS.INTLABREC

⇐ ACCOUNTDEFAULTS.GLDEFAULT (where DFLTGROUP = EXLABREC and GROUPVALUE = vendor name) *or*

If LABTRANS PONUM is not null, LABTRANS.GLCREDITACCT ⇐ POLINE.DEBITGLACCT (where LABTRANS.PONUM = POLINE.PONUM and LABTRANS.POLINENUM = POLINE.POLINENUM)

Report Labor Use

The following sections describe the following financial transactions in the Labor Reporting application that cause General Ledger account transactions to be written:

- Report Labor Use for External Resources
- Report Labor Use for Internal Resources

Report Labor Use for Internal Resources

The Labor Reporting application lets you report actual labor use and see the transaction records of previously reported actual labor use. This applies whether reported via this application or the Labor subtab on the Actuals tab in Work Order Tracking. You can edit the **GL Debit Account** field and the **GL Credit Account** field when you report labor use before you save the record. After the transaction is recorded, all fields become read-only.

The GL fields default in the same manner for all three work types:

- NON-WORK (including SICK and VAC)
- OT-REF
- WORK (including TRAV and WMATL)

In order to report use of type WORK, enter any of the following items:

- a GL debit account
- a work order number
- an asset number
- an operating location

In the cases of NON-WORK and OT-REF, you can report "usage" without entering this data. If you do not enter a work order number, asset number, or location, the **GL Debit Account** field does not default to anything. In such cases, you would typically enter a code manually in the **GL Credit Account** field.

Primary Transaction

When you save a record after reporting actual labor use, a record of type WORK (or a synonym) is written to the LABTRANS table.

The date and time in the **Enter Date** field is used to determine the financial period for the transaction. The **Enter Date** field defaults to the system date and time.

Example

Joe Jones works for 2 hours at a rate of $15.00 per hour.

Source of GL Code for Report Labor Use for Internal Resources

Source of GL Account	Debit	Credit	Source of GL Account
1 Internal labor GL account (resource code)	$15.00 x 2 = $30.00	$15.00 x 2 = $30.00	Internal labor control account of work location
2 Work order GL account			
3 Asset GL account			
4 Operating location GL account			

The preceding table lists GL sources in order of priority. For example, the Labor Resource account code overrides any defined segment in the same position of the Work Order GL account, which, if present, overrides the Asset GL account which overrides any segments in the same position from the GL account of the location.

Report Labor Use for External Resources

You report external labor usage similarly to how you report internal labor usage.

When you save a record after reporting actual labor use, a record of type WORK (or a synonym) is written to the LABTRANS table.

The date and time in the **Enter Date** field is used in the Daily Time table to determine the financial period for the transaction. The **Enter Date** field defaults to the system date and time.

Example 1

Bill Smith works for 2 hours at a rate of $15.00 per hour. A vendor provides Bill's services.

Source of GL Code for Report Labor Use for External Resources

Source of GL Account	Debit	Credit	Source of GL Account
1 External labor GL account (resource code)	$15.00 x 2 = $30.00	$15.00 x 2 = $30.00	External labor control account for the vendor
2 Work order GL account			
3 Asset GL account			
4 Operating location GL account			

Example 2

As in the previous example, Bill Smith works for 2 hours at a rate of $15.00 per hour. A vendor provides Bill's services, but the following example has an outstanding purchase order for those services.

Source of GL Code for Report Labor Use for External Resources

Source of GL Account	Debit	Credit	Source of GL Account
1 External labor GL account (resource code)	$15.00 x 2 = $30.00	$15.00 x 2 = $30.00	Purchase Order lines GL debit account.
2 Work order GL account			
3 Asset GL account			
4 Operating location GL account			

The GL debit account of the purchase order for the external service order is assumed to be a temporary charge account; receiving the service in Labor Reporting, therefore, clears the charge in the temporary account and charges the correct debit account.

The preceding table lists GL sources in order of priority. For example, the Labor Resource account code overrides any defined segment in the same position of the Work Order GL account, which overrides the Asset GL account, if present, which overrides any segments in the same position from the GL account of the operating location.

GL Database Columns Appendix

Overview

The table in this appendix lists the GL account columns found in user applications. It shows the Application, table, and column name for each column. The table also indicates whether you must fully specify the GL account.

The **GL Account Specification Required (Fully or Partially)** column indicates whether the GL database column (and its corresponding field on a tab) requires a fully specified account, or whether a partially specified account will be accepted.

A fully specified account has an account code in each required component, for example, 6100-350-SAF. A partially specified account has placeholder characters for one or more account components, for example, 6100-???-SAF.

GL Database Column Definitions

Application	Table	Column Name	GL Account Specification Required (Fully or Partially)
CHRTACCT	TAX	EXCLUSIVEGL	Fully
CHRTACCT	TAX	INCLUSIVEGL	Fully
CHRTACCT	TAXTYPE	EXCLUSIVEGL	Fully
CHRTACCT	TAXTYPE	INCLUSIVEGL	Fully
COMPANY	COMPANIES	APCONTROLACC	Fully
COMPANY	COMPANIES	APSUSPENSEACC	Fully
COMPANY	COMPANIES	RBNIACC	Fully
COMPANY	COMPANIES	APCONTROLACC	Fully
ASSET	ASSETTRANS	GLDEBITACCT	Partially
ASSET	ASSETTRANS	GLCREDITACCT	Partially
ASSET	ASSET	GLACCOUNT	Partially
ASSET	ASSET	ROTSUSPACCT	Fully
INVENTOR	INVCOST	CONTROLACC	Fully
INVENTOR	INVCOST	GLACCOUNT	Partially
INVENTOR	INVCOST	INVCOSTADJACC	Fully
INVENTOR	INVCOST	SHRINKAGEACC	Fully
INVENTOR	INVRESERVE	GLACCOUNT	Fully
INVENTOR	INVTRANS	GLCREDITACCT	Fully
INVENTOR	INVTRANS	GLDEBITACCT	Fully
INVENTOR	REORDER	CONTROLACC	Fully
INVENTOR	REORDER	GLACCOUNT	Fully

Application	Table	Column Name	GL Account Specification Required (Fully or Partially)
INVOICE	APTRANS	GLCREDITACCT	Fully
INVOICE	APTRANS	GLDEBITACCT	Fully
INVOICE	INVOICE	APCONTROLACCT	Fully
INVOICE	INVOICE	APSUSPENSEACCT	Fully
INVOICE	INVOICE	TAX1GL	Fully
INVOICE	INVOICE	TAX2GL	Fully
INVOICE	INVOICE	TAX3GL	Fully
INVOICE	INVOICE	TAX4GL	Fully
INVOICE	INVOICE	TAX5GL	Fully
INVOICE	INVOICECOST	GLCREDITACCT	Fully
INVOICE	INVOICECOST	GLDEBITACCT	Fully
INVOICE	INVOICETRANS	GLCREDITACCT	Fully
INVOICE	INVOICETRANS	GLDEBITACCT	Fully
INVOICE	SCHARGES	GLDEBITACCT	Fully
LABOR	LABORCRAFTRATE	CONTROLACC	Fully
LABOR	LABORCRAFTRATE	GLACCOUNT	Partially
LABOR	LABTRANS	GLCREDITACCT	Fully
LABOR	LABTRANS	GLDEBITACCT	Fully
LOCATION	LOCATIONS	CONTROLACC	Fully
LOCATION	LOCATIONS	CURVARACC	Fully
LOCATION	LOCATIONS	GLACCOUNT	Partially
LOCATION	LOCATIONS	INVCOSTADJACC	Fully
LOCATION	LOCATIONS	INVOICEVARACC	Fully
LOCATION	LOCATIONS	PURCHVARACC	Fully
LOCATION	LOCATIONS	INVOICEVARACC	Fully
LOCATION	LOCATIONS	PURCHVARACC	Fully
LOCATION	LOCATIONS	RECEIPTVARACC	Fully
LOCATION	LOCATIONS	SHRINKAGEACC	Fully
PM	PM	GLACCOUNT	Partially
PO	POLINE	GLCREDITACCT	Fully
PO	POLINE	GLDEBITACCT	Before approval: Partially On approval: Fully
PR	PRLINE	GLCREDITACCT	Fully

Application	Table	Column Name	GL Account Specification Required (Fully or Partially)
PR	PRLINE	GLDEBITACCT	Before approval: Partially On approval: Fully
RECEIVING	MATRECTRANS	GLCREDITACCT	Fully
RECEIVING	MATRECTRANS	GLDEBITACCT	Fully
RECEIVING	MATUSETRANS	GLCREDITACCT	Fully
RECEIVING	MATUSETRANS	GLDEBITACCT	Fully
RFQ	RFQLINE	GLDEBITACCT	Fully
RFQ	RFQVENDOR	GLCREDITACCT	Fully
RFQ	QUOTATIONLINE	GLCREDITACCT	Fully
SERV	SERVRECTRANS	GLCREDITACCT	Fully
SERV	SERVRECTRANS	GLDEBITACCT	Fully
TOOL	TOOL	CONTROLACC	Fully
TOOL	TOOL	GLACCOUNT	Partially
TOOL	TOOLTRANS	GLCREDITACCT	Fully
TOOL	TOOLTRANS	GLDEBITACCT	Fully
WOTRACK	WORKORDER	GLACCOUNT	Partially
WOTRACK	WOSTATUS	GLACCOUNT	Partially

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