



Financial Integration and Reconciliation Transactions

Infor LN Financials

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About this Guide

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1 Introduction

1.1 Purpose

This document describes the available integration transactions and reconciliation transactions in Infor LN and provides numerous examples to illustrate the transaction flow.

1.2 Scope

This document describes all the integration transactions that originate from Operations Management. In addition, this document also describes some integration transactions that come from Central Invoicing and Financials. For these integration transactions, this chapter describes the implications for reconciliation. In addition, this document describes all specific reconciliation transactions that are not integration transactions.

Note: This document does not describe integration transactions for procurement card purchases, Fixed Asset Management, dimension accounting from Central Invoicing, or disposal from Central Invoicing.

1.3 Acronyms

Term	Description
ASC	Assembly Control
BO	Business Object
C	Credit
D	Debit
FIFO	First In First Out
FITR	Financial Transaction
IDT	Integration Document Type
LIFO	Last in First Out
LOT	Lot Price
MAUC	Moving Average Unit Cost
OM	ERP Operations Management
PCS	PCS Project (Manufacturing)

SFC	Shop Floor Control
SSP	Supplier Stage Payment
TF	ERP Financials
TP	ERP Project
TROR	Transaction Origin
WIP	Work in Process

2 General Information

2.1 Data used for the examples

The following data is used in the examples:

- Normal Warehouse: NWH1
- Normal Warehouse: NWH2
- Project Warehouse: PWH1
- Project WIP Warehouse PWWH1
- Project WIP Warehouse PWWH2
- Consignment Owned Warehouse: COWH1
- Shop Floor Warehouse: SFCWH1
- TP Project: TP1
- PCS Project: PCS1
- PCS Calculation Office: PCO1
- PCS Cost Component: GEN
- Purchase Office: PO1
- Purchase Office: PO2

If the **Use Tax Number of other Financial Companies** check box in the Tax Parameters (tctax0100m000) session is selected, for purchase orders, the purchase office used in the integration transactions can also be an accounting office.

- Sales Office: SO1

If the **Use Tax Number of other Financial Companies** check box in the Tax Parameters (tctax0100m000) session is selected, for sales orders, the sales office used in the integration transactions can also be an accounting office.

- SFC Calculation Office: SCO1
- Work Center/Work Cell: WC1
- Work Center/Work Cell: WC2
- Assembly Line: AL1
- Surcharge SUR on assembly line AL1: 10%
- Assembly Line: AL2
- Line Station: LS1
- Line Station: LS2
- ASC Calculation Office: ASC1
- Service Department: SD1
- Service Department: SD2

If the **Use Tax Number of other Financial Companies** check box in the Tax Parameters (tctax0100m000) session is selected, for service orders, the service department used in the integration transactions can also be an accounting office.

Purchased Item: PI1

- Purchase Price 100 USD
- Sales Price 200 USD
- Item Receipt Surcharge (IRS) of 10%
- Warehouse Receipt Surcharge (WRS) of 3 USD for warehouse NWH1
- Item Issue Surcharge (IIS) of 20%
- Warehouse Issue Surcharge (WIS) of 5 USD for warehouse NWH1
- Warehouse Issue Surcharge (WIS) of 6 USD for warehouse NWH2
- Effective Cost Components:
 - MAT: aggregated material
 - OPR: aggregated operational
 - SUR: aggregated surcharge
 - WRS: detailed surcharge
 - LC1: detailed material
- Valuation prices, in this case, are:
 - Receipt 100 (MAT) + 10 (SUR)
 - Receipt in NWH1 100 (MAT) + 10 (SUR) + 3 (WRS)
 - Issue 100 (MAT) + 32 (SUR)
 - Issue from NWH1 100 (MAT) + 37.6 (SUR) + 3 (WRS)
 - Issue from NWH2 100 (MAT) + 38 (SUR)

Customized Purchased Item: PCS1 PI1

See data of item PI1

Purchased Item: PI2

- Purchase Price 50 USD
- Sales Price 150 USD
- Effective cost components:
 - MAT: aggregated material
 - OPR: aggregated operational
 - SUR: aggregated surcharge

Manufactured Item: MI1

- BOM: Three pieces of PI1 and two pieces of PI2
 - Item Receipt Surcharge (IRS) of 10 percent
 - Warehouse Receipt Surcharge (WRS) of 3 USD for warehouse NWH1
 - Item Issue Surcharge (IIS) of 20 percent
 - Warehouse Issue Surcharge (WIS) of 5 USD for warehouse NWH1
 - One hour labor of 20 USD
 - Effective Cost Components:
-

MAT: aggregated material

OPR: aggregated operational

SUR: aggregated surcharge

- Valuation Prices, in this case, are:

Receipt 400 (MAT) + 20 (OPR) + 147.6 (SUR), if components are not issued from NWH1

Receipt in NWH1 400 (MAT) + 20 (OPR) + 178.98 (SUR), if components are also issued from NWH1

Issue 400 (MAT) + 20 (OPR) + 261.12 (SUR)

Issue from NWH1 400 (MAT) + 20 (OPR) + 303.78 (SUR)

Manufactured Item: MI2

- BOM: Two pieces of PI1 and five pieces of PI2

- One hour labor of 20 USD

- Effective Cost Components:

MAT: aggregated material

OPR: aggregated operational

SUR: aggregated surcharge

- Valuation Prices, in this case, are:

Receipt 50 (MAT) + 20 (OPR) - 64 (SUR), if components are not issued from/received in NWH1

Receipt in NWH1 50 (MAT) + 20 (OPR) - 91.2 (SUR), if components are also issue from/received in NWH1

Manufactured Items: MWIPH1 and MWIPS1 (subcontracting)

Note: These manufactured items don't have their own BOM. So only surcharges can be set up. For this reason, valuation method Standard Cost does not make much sense for these kind of items.

- Item Receipt Surcharge (IRS) of \$10 USD

- Warehouse Receipt Surcharge (WRS) of \$3 USD for warehouse NWH1

- Item Issue Surcharge (IIS) of \$20 USD

- Warehouse Issue Surcharge (WIS) of \$5 USD for warehouse NWH1

- Effective Cost Components:

MAT: aggregated material

OPR: aggregated operational

SUR: aggregated surcharge

- Valuation Prices, in this case, are:

Receipt 0 (MAT) + 0 (OPR) + 10 (SUR),

Receipt in NWH1 0 (MAT) + 0 (OPR) + 13 (SUR)

Issue 0 (MAT) + 0 (OPR) + 30 (SUR)

Issue from NWH1 0 (MAT) + 0 (OPR) + 38 (SUR)

List Item: LI1

- Purchase Price 200 USD
- Sales Price 500 USD
- Consists of three pieces of PI1 and two pieces of PI2
- Effective cost component: 100 (from general item data)

Cost Item: CI1

- **Cost to be Specified** has value **Yes** on the item group
- Cost Price is 50 USD
- Effective cost component: GEN (aggregated material, type general)

Cost Item: CI2

- The **Cost to Be Specified** parameter has value **No** on the item group
- Cost Price is 50 USD
- Effective cost component: GEN (aggregated material, type general)

Subcontracting Item: SI1

- Subcontracting cost component SFC: SUB

Generic Item: GI1 (order system FAS)

- Option Based Item Price: 100 USD
- Item Receipt Surcharge (IRS) of 10 percent
- Item Issue Surcharge (IIS) of 20 percent
- Effective cost components:
 - MAT: aggregated material
 - OPR: aggregated operational
 - SUR: aggregated surcharge

Employee: EMP1

Employee Department: ED1

3 Purchase Requisition

3.1 Economic Transactions

If a purchase requisition line is approved, you can create integration transactions on the purchase requisition line. This depends on the value of the purchase requisition parameter **Create Financial Economic Stock Transactions**.

This parameter can have the following values:

- **No**: No integration transactions are created.
- **Order Price**: Order price is used.

Note: For a requisition line with an empty item, no economic integration transactions are created.

3.1.1 All item types

Example: Order line for purchase requisition REQ000001 of two pieces of item PI1 for warehouse NWH1.

The price on the order line is 110 USD

Upon submitting the purchase requisition the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
<i>1.</i>	<i>10005060: Purchase Requisition / On Order</i>		<i>BO: Purchase Requisition / REQ000001</i>		
D	Goods to be Ordered	Commitments / 17	NWH1	MAT	220 USD
C	Purchase Requisition	Commitments / 18	PO1	MAT	220 USD

For all items, the same postings are created. Surcharges are not applicable. If a requisition line contains no item then the cost component is left empty.

When converting the purchase requisition to a purchase order journal entry 1 is reversed when approving the purchase order.

4 Purchase Order

Project pegged purchase order in combination with one of below mentioned concepts is not supported:

- Production Operation Subcontracting (with material flow)
- Purchase Item Subcontracting
- Handle by Component
- 'Costs to be specified'

For project pegged orders the transactions for customer owned goods are made per peg line with filled project related fields in the logged elements.

4.1 Economic Transactions

If a purchase order line is approved, you can create integration transactions on the purchase order line. This depends on the value of the purchase parameter **Create Financial Economic Stock Transactions**.

This parameter can have the following values:

- **No**: No integration transactions are created.
- **Order Price**: Order price is used.
- **Valuation Price**: Valuation price is used.

The parameter value is ignored, for example, in the following situations:

- For a consignment replenishment order, or for a consignment payment order, no economic integration transactions are created.
- For a no payment order no economic integration transactions are created.
- For an equipment item, a subcontracting item, or a generic item the order price is also used if the parameter has value **Valuation Price**.
- For a purchase order of type return rejected goods, no economic integration transactions are created.
- Separate economic transactions are also created per linked landed cost line if the parameter is set to **Order Price** (If the parameter is set to **Valuation Price** the landed costs are expected to be part of the Standard Cost and therefore not booked separately)

4.1.1 Purchased/tool/cost/service items and warehouse

Example: Order line for purchase order PUR000001 of two pieces of item PI1 for warehouse NWH1. The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component

Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The parameter has value **Order Price** and the price on the order line is **100 USD**

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	MAT	200 USD
C	Purchase On Order	Commitments / 2	PO1	MAT	200 USD

To account for the linked landed costs journal entry 3 and 4 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	LC1	8 USD
C	Purchase On Order	Commitments / 2	PO1	LC1	8 USD
4.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	LC2	12 USD
C	Purchase On Order	Commitments / 2	PO1	LC2	12 USD

The parameter has value **Valuation Price**

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
5.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	MAT	200 USD
C	Purchase On Order	Commitments / 2	PO1	MAT	200 USD
6.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	SUR	20 USD

C	Purchase On Order	Commitments / 2	PO1	SUR	20 USD
7.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000001		
D	Goods to be Received	Commitments / 1	PO1	WRS	6 USD
C	Purchase On Order	Commitments / 2	PO1	WRS	6 USD

For tool items, the same postings are created.

For cost items and service items, the same postings are created. Surcharges are not applicable for those items. Therefore, if the parameter has value **Valuation Price**, only journal entry 5 is created, with the effective cost component of the cost item or service item. For a purchase order line with three supplier stage payments lines of 30 USD, 50 USD and 120 USD, journal entry 2 is replaced by the following postings:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
8.	10001142: Purchase Order / Planned Stage Payment		BO: Purchase Order / PUR000001		
D	Committed Stage Payments	Commitments / 19	PO1	MAT	30 USD
C	Stage Payment On Order	Commitments / 20	PO1	MAT	30 USD
9.	10001142: Purchase Order / Planned Stage Payment		BO: Purchase Order / PUR000001		
D	Committed Stage Payments	Commitments / 19	PO1	MAT	50 USD
C	Stage Payment On Order	Commitments / 20	PO1	MAT	50 USD
10.	10001142: Purchase Order / Planned Stage Payment		BO: Purchase Order / PUR000001		
D	Committed Stage Payments	Commitments / 19	PO1	MAT	120 USD
C	Stage Payment On Order	Commitments / 20	PO1	MAT	120 USD

Note: The amount of the supplier stage payment line is used, so the purchase parameter "Create Financial Economic Stock Transactions" is not used for these transactions.

4.1.2 List/manufactured items and warehouse

Example: The order line for purchase order PUR000002 of two pieces of item LI1 for warehouse NWH1. The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component

Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The parameter has value **Order Price** and the price on the order line is **450 USD**

The following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
11.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	100	900 USD
C	Purchase On Order	Commitments / 2	PO1	100	900 USD

To account for the linked landed costs journal entry 12 and 13 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
12.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	LC1	8 USD
C	Purchase On Order	Commitments / 2	PO1	LC1	8 USD
13.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	LC2	12 USD
C	Purchase On Order	Commitments / 2	PO1	LC2	12 USD

The parameter has value **Valuation Price**

In this case, economic transactions are created for the components. List item LI1 consists of three items PI1 and two items PI2. Therefore, if two pieces of item LI1 are bought, this implies six items PI1 and four items PI2.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
14.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	MAT	600 USD
C	Purchase On Order	Commitments / 2	PO1	MAT	600 USD
15.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	SUR	60 USD
C	Purchase On Order	Commitments / 2	PO1	SUR	60 USD

16.	<i>10001060: Purchase Order / On Order</i>		<i>BO: Purchase Order / PUR000002</i>		
D	Goods to be Received	Commitments / 1	PO1	WRS	18 USD
C	Purchase On Order	Commitments / 2	PO1	WRS	18 USD
17.	<i>10001060: Purchase Order / On Order</i>		<i>BO: Purchase Order / PUR000002</i>		
D	Goods to be Received	Commitments / 1	PO1	MAT	200 USD
C	Purchase On Order	Commitments / 2	PO1	MAT	200 USD

Journal entries 14, 15, and 16 are for item PI1, journal entry 17 is for item PI2.

Note that for a purchase order line with supplier stage payments the On Order transaction for the material amount is replaced by the Planned Stage Payment transaction.

4.1.3 Project / Project WIP / Project Warehouse

Example: order line for purchase order PUR000003 of two pieces of item PI1 for project TP1 of 110 USD each.

The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

In this case, no integration transaction with Purchase Order/On Order is written. Instead of this, a record is written in the financial tables in TP. In TP, this record must be approved and posted. Upon posting from TP, a journal entry is created. This journal entry is always against order price:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
18.	<i>100024060: Project Costs & Commitments / On Order</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project Soft Commitments	Commitments / 15	TP1		220 USD
C	Purchase On Order	Commitments / 16	TP1		220 USD

The same journal entry is created when the order is for a delivery to a project warehouse (PWH1) or to a project WIP warehouse (PWWH2).

A record in the financial tables in TP is also created for each landed cost line. Upon posting from TP journal entry 19 and 20 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

19.	100024060: Project Costs & Commitments / On Order		BO: Project Cost and Commitment / TP1		
D	Project Soft Commitments	Commitments / 15	TP1		8 USD
C	Purchase On Order	Commitments / 16	TP1		8 USD
20.	100024060: Project Costs & Commitments / On Order		BO: Project Cost and Commitment / TP1		
D	Project Soft Commitments	Commitments / 15	TP1		12 USD
C	Purchase On Order	Commitments / 16	TP1		12 USD

Note: Transactions are valid regardless whether project pegging is applicable or not.

For a purchase order line with three supplier stage payments lines of 30 USD, 50 USD and 140 USD and one project peg TP-A, the transaction Purchase Order / On Order is replaced by three Project Costs & Commitments / Planned Stage Payment transactions.

The following posting is created for the first SSP line:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
21.	10024142: Project Costs & Commitments / Planned Stage Payment		BO: Project Cost and Commitment / TP-A		
D	Committed Stage Payments (Project)	Commitments / 21	TP-A		30 USD
C	Project Stage Payment On Order	Commitments / 22	TP-A		30 USD

Note: For the second and third SSP line similar transactions are made with 50 USD and 140 USD.

4.1.4 No warehouse/project

In some cases, no warehouse or project is filled on the purchase order line, for example, direct delivery, subcontracting, or receipt of cost and service items without warehouse. In this case, journal entries are equal to the journal entries 2 through 7, with the difference that for the debit side of the transaction, the enterprise unit of the purchase office is used.

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1. The value of the parameter is **Order Price**. The order price is 110 USD. The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1

By Quantity	No		6 USD	LC2

The following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
22.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000004		
D	Goods to be Received	Commitments / 1	PO1	MAT	220 USD
C	Purchase On Order	Commitments / 2	PO1	MAT	220 USD

To account for the linked landed costs journal entry 23 and 24 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
23.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000004		
D	Goods to be Received	Commitments / 1	PO1	LC1	8 USD
C	Purchase On Order	Commitments / 2	PO1	LC1	8 USD
24.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000004		
D	Goods to be Received	Commitments / 1	PO1	LC2	12 USD
C	Purchase On Order	Commitments / 2	PO1	LC2	12 USD

4.1.5 Return orders

For return orders, journal entries 2, 5 to 7, 11, 14 to 17, 18 and 22 are also created, with the difference that the amounts are negative.

Note: Landed cost functionality is not supported for return orders.

4.1.6 Receipts

When the receipt is made for the order line, or when the issue is made for a return order, journal entries 2 through 22 are also reversed. As a result, the same journal entries are created, but with a negative amount, or with a positive amount for return orders.

Therefore, after receipt, the balance on the ledger accounts for Commitments / 1, Commitments / 2, Commitments / 15, and Commitments / 16 is 0 (zero) USD again. For a partial receipt, a reversal is also made for the full quantity. For the non-received part, new economic transactions are created for the remaining quantity.

4.2 Material supply for item subcontracting

4.2.1 Issue

Note: A project WIP warehouse cannot be used on a material supply line.

Example: A subcontractor creates two items MWIPS1 for you. Purchase order PUR000024 is created for this. The subcontractor needs 3 items PI1, which you deliver to him. For this a transfer from your own warehouse to an 'administrative' warehouse is created (because it is still your inventory). The postings for the transfers are described in section *Warehousing, Transfers*. Say the 'administrative' warehouse is NWH1 (which is maybe not logical, but for the postings it does not matter). At certain time, the subcontractor informs you that the 3 pieces of PI1 are used.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The following integrations transactions are created when the goods are used from the warehouse (inventory transaction IT0000085 is created for this)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
25.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000085		
D	Inventory	Inventory / 1	NWH1	SUR	81 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	81 USD
26.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000085		
D	Inventory	Inventory / 1	NWH1	SUR	15 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	15 USD
27.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000085		
D	Interim Transit	Interim Transit / 1	NWH1		360 USD
C	Inventory	Inventory / 1	NWH1	MAT	360 USD
28.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000085		
D	Interim Transit	Interim Transit / 1	NWH1		132 USD
C	Inventory	Inventory / 1	NWH1	SUR	132 USD
29.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000085		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Inventory	Inventory / 1	NWH1	WRS	9 USD
30.	10001052: Purchase Order / Issue		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	360 USD

C	Interim Transit	Interim Transit / 1	NWH1		360 USD
31.	10001052: Purchase Order / Issue		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	132 USD
C	Interim Transit	Interim Transit / 1	NWH1		132 USD
32.	10001052: Purchase Order / Issue		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	9 USD
C	Interim Transit	Interim Transit / 1	NWH1		9 USD

4.2.2 Return

In this case, the purchase issue is done with the amount of the original purchase issue. The warehouse receipt is also carried out with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, in case of valuation method FIFO, LIFO, or MAUC, to the Standard Cost, in case of Standard Cost, or to the lot price, in case of LOT.

Example: See data of section *Purchase Order, Material supply for item subcontracting, Issue*. The subcontractor needs only two pieces of item PI1. So one is returned to the 'administrative' warehouse. Inventory Transaction ID IT0000086 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged, as described in entries 38 and 39. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
33.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000086		
D	Inventory	Inventory / 1	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
34.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000086		
D	Inventory	Inventory / 1	NWH1	SUR	44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
35.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000086		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

36.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000086	
D	Inventory	Inventory / 1	NWH1	SUR	16.7 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.7 USD
37.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000086	
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
38.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000086	
D	Inventory	Inventory / 1	NWH1	SUR	-48.7 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-48.7 USD
39.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000086	
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD
40.	10001052: Purchase Order / Issue			BO: Purchase Order / PUR000024	
D	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD
41.	10001052: Purchase Order / Issue			BO: Purchase Order / PUR000024	
D	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	-44 USD
C	Interim Transit	Interim Transit / 1	NWH1		-44 USD
42.	10001052: Purchase Order / Issue			BO: Purchase Order / PUR000024	
D	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD

(*) 10 percent of 120 + 44 + 3

(**) 44 + 16.7 – 12 (original value on SUR)

Note: The subcontractor can use the item for another order, in which case the item can remain in the 'administrative' warehouse. The item can also be returned. In that case a transfer is created. Postings for transfers are described in section *Warehousing, Transfers*.

Note: Receipt correction and rejection are not possible for material supply inbound lines.

4.3 Supplier stage payment release

Supplier stage payment lines are processed separately from the purchase order lines. At the release action financial transactions are logged that are counter posted by supplier stage payment invoices.

4.3.1 Non-project pegged

Example: Order line for purchase order PUR000001 of two pieces of item PI1 for warehouse NWH1. The first SSP line has an amount of 30 USD, the second SSP line has an amount of 50 USD and the third SSP line has an amount of 140 USD.

The following postings are created at releasing the first SSP line:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
43.	10001142: Purchase Order / Planned Stage Payment		BO: Purchase Order / PUR000001		
D	Committed Stage Payments	Commitments / 19	PO1	MAT	-30 USD
C	Stage Payment On Order	Commitments / 20	PO1	MAT	-30 USD
44.	10001143: Purchase Order / Released Stage Payment		BO: Purchase Order / PUR000001		
D	Accrued Released Stage Payments	Interim Costs / 25	PO1	MAT	30 USD
C	Stage Payment – Not Paid	Interim Costs / 26	PO1	MAT	30 USD

Notes:

- For the second and third SSP line similar transactions are made with 50 USD and 140 USD.

4.3.2 Project pegged

Example: Order line for purchase order PUR000001 of two pieces of item PI1 for warehouse NWH1. The first SSP line has an amount of 30 USD, the second SSP line has an amount of 50 USD and the third SSP line has an amount of 140 USD. One project peg TP-A is linked to the order line.

The following postings are created at releasing the first SSP line:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Project peg	Amount
45.	10024142: Project Costs & Commitments / Planned Stage Payment			BO: Project Cost and Commitment / TP-A		
D	Committed Stage Payments (Project)	Commitments / 21	TP-A	MAT	A	-30 USD
C	Project Stage Payment On Order	Commitments / 22	TP-A	MAT	A	-30 USD
46.	10001143: Purchase Order / Released Stage Payment			BO: Purchase Order / PUR000001		
D	Accrued Released Stage Payments	Interim Costs / 25	PO1	MAT		30 USD
C	Stage Payment – Not Paid	Interim Costs / 26	PO1	MAT		30 USD

Notes:

- For the second and third SSP line similar transactions are made with 50 USD and 140 USD
- If more project pegs are linked to the order line then the SSP lines are split according to the peg quantities.

4.4 Receipts

4.4.1 Purchased item in warehouse

The following situations can be distinguished:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

Note: For order lines with SSP lines only Payment = Pay on Receipt is supported.

Note: For project pegged orders Payment = Pay on Use and Internal Payment are not supported.

4.4.1.1 Payment = Pay on Receipt, Internal payment = Pay on Receipt

4.4.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

Example: Receipt of order line for purchase order PUR000001 of two pieces of item PI1 for warehouse NWH1. The order price is 110 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Inventory transaction ID IT0000001 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
47.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
48.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		8 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	8 USD
49.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
50.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	232 USD
C	Interim Transit	Interim Transit / 1	NWH1		232 USD
51.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
52.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	24 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	24 USD

53.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the order line has one or more SSP lines the journal entry 47 is replaced by next transaction:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
54.	10001144: Purchase Order / Receipt (Stage Payment)		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Invoiced Stage Payment	Interim Costs / 27	PO1		220 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
55.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-32 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-32 USD
56.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	-8 USD
C	Standard Cost Result	End Account / 731	NWH1	LC1	-8 USD
57.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-4 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price, the following situations can occur:

- Lot is not present yet. In that case, lot price is created with amounts 116 (MAT), 4 (LC1), 11 (SUR) and 3 (WRS, with no integration transactions).
- Lot is already present and lot price is 116 (MAT), 4 (LC1), 11 (SUR) and 3 (WRS). No integration transactions.
- Lot is already present and lot price is, for example, 116 (MAT), 4 (LC1), 11 (SUR) and 4 (WRS).

The following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
58.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Note

For item subcontracting, additional postings are required. This is described in section *Purchase Order, Receipts, Purchase item subcontracting*.

If the purchase order is a direct delivery linked to a sales order with payment Pay on Receipt and ship to warehouse filled, the postings as described in section *Sales Order, Issues, Direct delivery* are created instead of the postings described above.

4.4.1.1.2 Intercompany trade relationship present between purchase office and warehouse

If an intercompany trade relationship is defined between a purchase office and a warehouse, the costs are not taken over one to one from the purchase office to the warehouse. The warehouse pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Receipt of order line for purchase order PUR000001 of two pieces of item PI1 for warehouse NWH1. The order price is 110 USD each. The intercompany trade price is a commercial price of 190 USD.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Inventory transaction ID IT0000001 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
59.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
60.	10001180: Purchase Order / Landed Costs Invoiced Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		8 USD

C	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	8 USD
61.	10001179: Purchase Order / Landed Costs Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		12 USD
C	Landed Costs Cover	End Account / 119	PO1	LC2	12 USD
62.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD
63.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	38 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	38 USD
64.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the order line has one or more SSP lines the journal entry 47 is replaced by next transaction:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
65.	10001181: Purchase Order / Receipt Intercompany (Stage Payment)		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		380 USD
C	Invoiced Stage Payment	Interim Costs / 27	PO1		380 USD

Also Standard Cost Result and Lot Result are possible, as explained in the example without intercompany trade.

Note

in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 62 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

For item subcontracting, additional postings are required. This is described in section *Purchase Order, Receipts, Purchase item subcontracting*.

If the purchase order is a direct delivery linked to a sales order with payment Pay on Receipt and ship to warehouse filled, the postings as described in section *Sales Order, Issues, Direct delivery* are created instead of the postings described above.

4.4.1.2 Payment = Pay on Use, Internal payment = Pay on Receipt

Example: Receipt of order line for purchase order PUR000006 of two pieces of item PI1 for warehouse NWH1. The order price is 110 USD each. The inventory transaction ID IT0000004 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
66.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000006		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		220 USD
67.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000004		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 3	NWH1		220 USD

4.4.1.3 Payment = Pay on Use, Internal Payment = Pay on Use

Example: Receipt of order line for purchase order PUR000020 of two pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000076 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
68.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	FWH2		220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		220 USD

69.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	220 USD
C	Interim Transit	Interim Transit / 3	FWH2		220 USD
70.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		220 USD
71.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 3	NWH1		220 USD

4.4.1.4 Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: Receipt of order line for purchase order PUR000021 of two pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000078 is created during receipt. Surcharges and are not taken into account in a financial warehouse, they are taken into account when the goods are received in the normal warehouse. Integration transactions 74 and 75 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment-related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
72.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 1	FWH2		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		220 USD
73.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	220 USD
C	Interim Transit	Interim Transit / 1	FWH2		220 USD
74.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		220 USD

75.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000078		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 3	NWH1		220 USD

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

Valuation method LOT is not possible in a financial warehouse (because surcharges are not calculated for a financial warehouse, and the lot price is fixed at the first receipt). If the valuation method of item PI1 in warehouse FWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
76.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-20 USD
C	Standard Cost Result	End Account / 731	FWH2	MAT	-20 USD
77.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	SUR	20 USD
C	Standard Cost Result	End Account / 731	FWH2	SUR	20 USD

4.4.1.5 Payment = No Payment, Internal Payment = Not Applicable

Example: Receipt of order line for purchase order PUR000022 of two pieces of item PI1 for warehouse NWH1. The customs value is 110 USD each (in case of No Payment, the order price is 0 and the customs value must be taken). The inventory transaction ID IT0000080 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. For customer owned-related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
78.	15001074: Purchase Order / Receipt / Customer Owned		BO: Purchase Order / PUR000022		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
79.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000080		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

4.4.2 List/manufactured item in warehouse

Three scenarios exist:

- Production operation subcontracting (with material flow) and Item subcontracting (for manufactured items only). This is described in sections:
Purchase Order, Receipts, Production operation subcontracting (with material flow)
Purchase Order, Receipts, Purchase item subcontracting
- Issue by main item: In this case, for manufactured items only, journal entries 47 through 65 are created.
- Issue by components (for list items and manufactured items).
 For this scenario, the following example is valid.

Example: Receipt of order line for purchase order PUR000002 of two pieces of item LI1 for warehouse NWH1. The order price is 450 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Inventory transaction ID IT0000003 is created during receipt. The payment is pay on receipt, the internal payment is pay on receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
80.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 1	NWH1		900 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		900 USD
81.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 1	NWH1		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	8 USD
82.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
83.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	MAT	684 USD
C	Interim Transit	Interim Transit / 1	NWH1		684 USD

84.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000003		
D	Inventory	Inventory / 1	NWH1	LC1	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
85.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000003		
D	Inventory	Inventory / 1	NWH1	SUR	69 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	69 USD
86.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT00000003		
D	Inventory	Inventory / 1	NWH1	WRS	18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	18 USD
87.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000003		
D	Inventory	Inventory / 1	NWH1	MAT	228 USD
C	Interim Transit	Interim Transit / 1	NWH1		228 USD
88.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000003		
D	Inventory	Inventory / 1	NWH1	LC1	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD

Journal entries 83, 84, 85 and 86, are for the six pieces of PI1. Journal entries 87 and 88 are for the four pieces of PI2. The amounts of journal entries 83,84 and 87, 88 are determined in the following way:

- Purchase price of item PI1 is 100 USD. LI1 consists of three pieces, for a total of 300 USD.
- Purchase price of item PI2 is 50 USD. LI1 consists of two pieces, for a total of 100 USD.
- Item PI1 receives 300/400 of;
 - o the total price of 900 USD (675 USD) on cost component MAT
 - o the landed cost amount of 12 USD (9 USD) on cost component MAT
 - o the landed cost amount of 8 USD (6 USD) on cost component LC1
- Item PI2 receives 100/400 of;
 - o the total price of 900 USD (225 USD) on cost component MAT
 - o the landed cost amount of 12 USD (3 USD) on cost component MAT
 - o the landed cost amount of 8 USD (2 USD) on cost component LC1

In addition, in this case, Standard Cost results and lot results can be applicable. This is handled in the same way as is described with journal entries 55, 56 and 58 per component.

Furthermore, payment and/or internal payment can have value Pay on Use, and payment can also have value No Payment. The postings in this case are similar to the postings as described in section *Return orders, Purchased item from warehouse*. The postings related to the purchase order are on the main item, the postings related to the warehouse receipt are on the components.

Furthermore, it is possible intercompany trade relation is present between the purchase office and the warehouse. The postings in this case are similar to the postings as described in journal entries 59 up to 65. In case of a commercial price, the commercial price can be retrieved from the main item or the components, based on the parameter in Intecompany Trade

4.4.3 Consignment replenishment

Purchase orders with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for this kind of orders are described in section *Purchase Order, Receipt correction, Purchased item*.

4.4.4 Project

4.4.4.1 Intercompany trade relationship not present between purchase office and project management office

Example: Receipt of order line for purchase order PUR000003 of two pieces of item PI1 for project TP1 of 110 USD each.

In case intercompany trade relationship is not present between purchase office and project management office

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
89.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000003		
D	Interim Transit	Interim Transit / 1	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
90.	10024029: Project Costs & Commitments / Direct Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		220 USD
C	Interim Transit	Interim Transit / 1	PO1		220 USD

The journal entries 89 through 90 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse the journal entries as described in section 4.4.1 “*Purchased item in warehouse*” and section 4.4.2 “*List/manufactured item in warehouse*” are created except when a cost item or a service item is received in a project warehouse, journal entries 89 through 90 are created.

For a receipt in a project WIP warehouse also the journal entries 89 through 90 are created, where the enterprise unit for Interim Transit / 1 is the enterprise unit of the WIP warehouse (PWWH2).

Note

- For purchase orders related to project, both payment and internal payment always have value Pay on Receipt.
- Item subcontracting is also possible for receipt in project. This is described in section *Purchase Order, Receipts, Purchase item subcontracting*.

4.4.4.2 Intercompany trade relationship present between purchase office and project management office

If an intercompany trade relationship is defined between a purchase office and a project management office, the costs are not taken over one to one from the purchase office to the project management office. The project pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Receipt of order line for purchase order PUR000003 of two pieces of item PI1 for project TP1 of 110 USD each. The intercompany trade price is a commercial price of 190 USD.

In case intercompany trade relationship is not present between purchase office and project management office

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
91.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000003		
D	Interim COGS	Interim Costs / 11	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
92.	10024182: Project Costs & Commitments / Direct Receipt Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		380 USD
C	Invoice Accrual	Invoice Accrual / 32	TP1		380 USD

The journal entries 91 through 92 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse the journal entries as described in section 4.4.1 “Purchased item in warehouse” and section 4.4.2 “List/manufactured item in warehouse” are created except when a cost item or a service item is received in a project warehouse, journal entries 91 through 92 are created.

For a receipt in a project WIP warehouse also the journal entries 91 through 92 are created, where the enterprise unit for Interim Transit / 1 is the enterprise unit of the WIP warehouse (PWWH2).

Note

- For purchase orders related to project, both payment and internal payment always have value Pay on Receipt.
- Item subcontracting is also possible for receipt in project. This is described in section *Purchase Order, Receipts, Purchase item subcontracting*.

4.4.5 Direct delivery for Sales or Service

4.4.5.1 No intercompany trade relationship between purchase office and sales office or service department

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1, linked to sales order SLS000001. The order price is 110 USD.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The handling of the sales/service side of the direct delivery is described in sections 7.2.6 “Direct delivery”, and 18.1.10 “Supplier Direct Delivery”.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
93.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
94.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		8 USD
C	Landed Cost Cover	End Account / 115	PO1		8 USD
95.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		12 USD
C	Landed Costs Cover	End Account / 115	PO1		12 USD
96.	10001026 Purchase Order / Direct Delivery		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		240 USD

C	Interim Transit	Interim Transit / 1	PO1		240 USD
97.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		24 USD
C	Surcharge Cover	End Account / 112	PO1	IRS	24 USD

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

If the valuation method of the item valuation group of item PI1 is equal to Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
98.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-40 USD
C	Standard Cost Result	End Account / 111	PO1	MAT	-40 USD
99.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-4 USD
C	Standard Cost Result	End Account / 111	PO1	SUR	-4 USD

4.4.5.2 Intercompany trade relationship between purchase office and sales office or service department

For an intercompany trade relationship between purchase office and sales office or service department, journal entries 93, 94, 95 and 97 are also created. If the valuation method is Standard Cost, journal entries 98 and 99 are also created. The only difference is for journal entry 96. This journal entry is replaced with journal entry 100, as indicated in the other integration document type.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
100.	10001025: Purchase Order / Direct Delivery Intercompany		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		240 USD
C	Interim Transit	Interim Transit / 1	PO1		240 USD

Note

- For direct delivery purchase orders, both payment and internal payment always have value Pay on Receipt.
- Item subcontracting is also possible for direct delivery. This is described in section *Purchase Order, Receipts, Purchase item subcontracting*.

4.4.6 Production operation subcontracting (without material flow)

4.4.6.1 Intercompany trade relationship not present between purchase office and workcenter

Example: Production order SFC000001 uses subcontracting without material flow. To enable this, purchase order PUR000008 was created for two pieces of item SI1. For production subcontracting, a subcontracting item is always used, which can never be a customized item. The order price is 50 USD each. The receipt is immediately posted on SFC calculation office SCO1, or on actual work center WC1, depending on the **Financial Transactions by Work Center** parameter value.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
101.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000008		
D	Interim Transit	Interim Transit / 1	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
102.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUB	100 USD
C	Interim Transit	Interim Transit / 1	PO1		100 USD

Note

For purchase orders related to production subcontracting without material flow, both the payment and the internal payment always have value Pay on Receipt.

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 102 will be increased with the total landed cost value.

4.4.6.2 Intercompany trade relationship present between purchase office and workcenter

If an intercompany trade relationship is defined between a purchase office and an sfc calculation office/actual work center, the costs are not taken over one to one from the purchase office to the workcenter. The workcenter pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Production order SFC000001 uses subcontracting without material flow. To enable this, purchase order PUR000008 was created for two pieces of item SI1. For production subcontracting, a subcontracting item is always used, which can never be a customized item. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD.

The receipt is immediately posted on SFC calculation office SCO1, or on actual work center WC1, depending on the **Financial Transactions by Work Center** parameter value.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
103.	<i>10001086: Purchase Order / Receipt Intercompany</i>		<i>BO: Purchase Order / PUR000008</i>		
D	Interim COGS	Interim Costs / 11	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
104.	<i>10014097: Production Order / Subcontracting Intercompany</i>		<i>BO: Production Order / SFC000001</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	SUB	380 USD
C	Invoice Accrual	Invoice Accrual / 33	SCO1		380 USD

Note

For purchase orders related to production subcontracting without material flow, both the payment and the internal payment always have value Pay on Receipt.

Landed costs can be applicable in this scenario. Journal entries 60 and 61 are created for this.

4.4.7 Production operation subcontracting (with material flow)

4.4.7.1 Intercompany trade relationship not present between purchase office and warehouse

The production order can indicate with the parameter “Use Actual Valuation for Subassembly Receipt Posting” whether the actual costs must be used for the subcontracting WIP posting. If this value is Yes, the actual costs logged so far are taken (regardless of peg if project pegging is implemented). If this value is No, estimates are taken for the subcontracting WIP posting.

Example: Production order SFC000005 uses subcontracting with material flow. To enable this, purchase order PUR000023 was created for two pieces of item MWIPS1. The order price is 60 USD each (which is the value of the added work of the subcontractor). The cost component as defined in the “Subcontracting Rates” (ticpr1160m000) is used for the purchase receipt posting which in this example is SUB (which is of type operation costs). Estimates are used for the subcontracting WIP posting. The estimated value of the manufacturer components is 100 USD on cost component MAT. Inventory transaction ID IT0000081 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

105.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000023		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
106.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
107.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
108.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
109.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
110.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	SUR	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. The warehouse receipt transactions will include the total landed cost value as described in section 4.4.1 “Purchased item in warehouse”.

If the valuation method of item MWIPS1 in warehouse NWH1 is lot price, the lot is already present, and lot price is, for example, 100 (MAT) and 13 (SUR), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
111.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Lot Result	End Account / 733	NWH1	MAT	100 USD
112.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	OPR	-120 USD
C	Lot Result	End Account / 733	NWH1	OPR	-120 USD

If the valuation method of item MWIPS1 in warehouse NWH1 is Standard Cost (which is not recommended, see section *General Information, Data used for the examples*) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
113.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	-100 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-100 USD
114.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	OPR	-120 USD
C	Standard Cost Result	End Account / 731	NWH1	OPR	-120 USD
115.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note: For purchase orders related to production subcontracting with material flow, both the payment and the internal payment have value Pay on Receipt always.

If the operation is the last operation of the production order, the item must be sent to the work-center and received back in the warehouse (both fictive), to get correct postings on each operation.

The following integration transactions are created for the fictive issue from the warehouse (assume that valuation method is FIFO and the receipt above is consumed). Inventory Transaction IT0000082 is created for this. Issue surcharges are not posted in this scenario as they will be posted when the goods are actually issued.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

116.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Inventory	Inventory / 1	NWH1	MAT	100 USD
117.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory	Inventory / 1	NWH1	OPR	120 USD
118.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 1	NWH1		26 USD
C	Inventory	Inventory / 1	NWH1	SUR	26 USD
119.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
120.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
121.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	26 USD
C	Interim Transit	Interim Transit / 1	NWH1		26 USD
122.	10014014: Production Order / Additional Completion (*)		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 106). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the end item is part of the WIP.

If the operation is the last operation of the production order, the following integration transactions are created for the fictive receipt in the warehouse. Inventory Transaction IT0000084 is created for this. Receipt surcharges are not posted in this scenario because they are already posted when the goods are received from purchase.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

123.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
124.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	220 USD
125.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		26 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	26 USD
126.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000084		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
127.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000084		
D	Inventory	Inventory / 1	NWH1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
128.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000084		
D	Inventory	Inventory / 1	NWH1	SUR	26 USD
C	Interim Transit	Interim Transit / 1	NWH1		26 USD

The example above is for the normal situation. The manufacturer can also be a subcontractor who subcontracts with material flow to another subcontractor, in which case the item he receives should get mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example

Same data as for example above, but item MWHIPS1 has mixed ownership now. The following journal entries are created during receipt if the company-owned WIP value is 20 USD and the customer-owned value is 90 USD. Journal entries 131, 132 and 135 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
129.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000023		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1	SUB	120 USD

130.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
131.	15014091: Production Order / Subcontracting WIP / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		90 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD
132.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000081		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	90 USD
C	Interim Transit	Interim Transit / 13	NWH1		90 USD
133.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
134.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000081		
D	Inventory WIP	Inventory WIP / 1	NWH1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
135.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		90 USD

If the operation is the last operation of the production order, the following integration transactions are created for the fictive issue from the warehouse (journal entries 136, 141, 143 and 144 only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

136.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 13	NWH1		90 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	90 USD
137.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
138.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000082		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	OPR	120 USD
139.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
140.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
141.	15014089: Production Order / Subcontracting / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD
C	Interim Transit	Interim Transit / 13	NWH1		90 USD
142.	10014014: Production Order / Additional Completion (*)		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
143.	15014014: Production Order / Additional Completion / Customer Owned (*)		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP postings (journal entries 130 and 131). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, as now the end item is part of the WIP.

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
144.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		90 USD

If the operation is the last operation of the production order, the following integration transactions are created for the fictive receipt in the warehouse (journal entries 147, 148 and 151 only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
145.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
146.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	120 USD
147.	15014074: Production Order / Receipt / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		90 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD
148.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000083		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	90 USD
C	Interim Transit	Interim Transit / 13	NWH1		90 USD
149.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000083		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
150.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000083		
D	Inventory WIP	Inventory WIP / 1	NWH1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
151.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		90 USD

4.4.7.2 Intercompany trade relationship present between purchase office and warehouse

If an intercompany trade relationship is defined between a purchase office and a warehouse, the costs are not taken over one to one from the purchase office to the warehouse. The warehouse pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

The intercompany trade part is only for the cost added by the subcontractor. The subcontracting wip costs coming from the workcenter are not taken into account, because they have no relation with the purchase office.

In case the intercompany trade is based on a commercial price of 190 USD, this means that the same postings as described in 4.4.7.1 are created, except journal entries 105 and 108 are replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
152.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000023		
D	Interim COGS	Interim Costs / 11	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
153.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD

4.4.8 Purchase item subcontracting

With the purchase order parameter “Valuation for Subcontracting WIP” there is indicated whether the actual costs must be used for the subcontracting wip posting or the standard costs. If the parameter is set to ‘actual costs’ the actual costs logged so far are taken (regardless of peg if project pegging is implemented). If the parameter is set to ‘Standard Costs’, the Standard Cost is taken for the subcontracting wip posting.

4.4.8.1 In Warehouse

4.4.8.1.1 Intercompany trade relationship not present between purchase office and warehouse

Example

See data of section *Purchase Order, Material supply for item subcontracting, Issue* and assume the end items (two pieces) are received in warehouse NWH1. The purchase order parameter “Valuation for Subcontracting WIP” is set to ‘standard costs’. The order price is 60 USD each (which is the value of the added work of the subcontractor). The estimated value of the manufacturer components is 300 USD on cost component MAT, 112.8 USD on cost component SUR and 9 USD on cost component WRS (3 items PI1). Inventory transaction ID IT0000087 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
154.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
155.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	300 USD
156.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		112.8 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	112.8 USD
157.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	9 USD
158.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	420 USD
C	Interim Transit	Interim Transit / 1	NWH1		420 USD

159.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	112.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		112.8 USD
160.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	WRS	9 USD
C	Interim Transit	Interim Transit / 1	NWH1		9 USD
161.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	54.18 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	54.18 USD
162.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. The warehouse receipt transactions will include the total landed cost value as described in section 4.4.1 "Purchased item in warehouse".

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

If the valuation method of item MWIPS1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 200 (MAT), 133.49 (SUR) and 7.5 (WRS) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
163.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Lot Result	End Account / 733	NWH1	MAT	-20 USD

If the valuation method of item MWIPS1 in warehouse NWH1 is Standard Cost the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
164.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	-420 USD

C	Standard Cost Result	End Account / 731	NWH1	MAT	-420 USD
165.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	-246.98 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-246.98 USD
166.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	WRS	-9 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-9 USD

4.4.8.1.2 Intercompany trade relationship present between purchase office and warehouse

If an intercompany trade relationship is defined between a purchase office and a warehouse, the costs are not taken over one to one from the purchase office to the warehouse. The warehouse pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

The intercompany trade part is only for the cost added by the subcontractor. The subcontracting wip costs coming from the workcenter are not taken into account, because this is not considered as external material delivery purchase, because the Purchase Order WIP is internal.

In case the intercompany trade is based on a commercial price of 190 USD, this means that the same postings as described in 4.4.8.1.1 are created, except journal entry 154 is replaced by journal entry 167 and journal entry 158 is split into journal entries 168 and 169

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
167.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000024		
D	Interim COGS	Interim Costs / 11	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
168.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD
169.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	300 USD

C	Interim Transit	Interim Transit / 1	NWH1		300 USD

4.4.8.2 Direct Delivery for Sales or Service

Example: See data of section 4.2 “Material supply for item subcontracting” and assume the end items (two pieces) are received for direct delivery (sales or service). The purchase order parameter “Valuation for Subcontracting WIP” is set to ‘standard costs’. The order price is 60 USD each (which is the value of the added work of the subcontractor). The estimated value of the manufacturer components is 300 USD on cost component MAT, 112.8 USD on cost component SUR and 9 USD on cost component WRS (3 items PI1).

4.4.8.2.1 No intercompany trade relation between purchase office and sales office/service department

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
170.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
171.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	300 USD
172.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		112.8 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	112.8 USD
173.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	9 USD
174.	10001026 Purchase Order / Direct Delivery		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		541.8 USD
C	Interim Transit	Interim Transit / 1	PO1		541.8 USD
175.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		54.18 USD
C	Surcharge Cover	End Account / 112	PO1	IRS	54.18 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 174 will be increased with the total landed cost value as described in section 4.4.5 “Direct delivery for Sales or Service”.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

If the valuation method of the item valuation group of item PI1 is equal to Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
176.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-341.8 USD
C	Standard Cost Result	End Account / 111	PO1	MAT	-341.8 USD
177.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-34.18 USD
C	Standard Cost Result	End Account / 111	PO1	SUR	-34.18 USD

4.4.8.2.2 Intercompany trade relation between purchase office and sales office/service department

In case of an intercompany trade relation between purchase office and sales office/service department, journal entries 170 up to 175 (except 174) are also created. If the valuation method is Standard Cost, journal entries 176 and 177 are also created. The only difference is for journal entry 174. This journal entry is replaced with journal entry 178, as indicated in the other integration document type.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
178.	10001025: Purchase Order / Direct Delivery Intercompany		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		541.8 USD
C	Interim Transit	Interim Transit / 1	PO1		541.8 USD

4.4.8.3 In Project

4.4.8.3.1 Intercompany trade relationship not present between purchase office and project management office

Example

See data of section *Purchase Order, Material supply for item subcontracting, Issue* and assume the end items (two pieces) are received immediately on a TP Project. The order price is 60 USD each (which is the value of the added work of the subcontractor). The estimated value of the manufacturer components is 300 USD on cost component MAT, 112.8 USD on cost component SUR and 9 USD on cost component WRS (3 items PI1).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
179.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
180.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	300 USD
181.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		112.8 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	112.8 USD
182.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	9 USD
183.	10024029: Project Costs & Commitments / Direct Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		541.8 USD
C	Interim Transit	Interim Transit / 1	PO1		541.8 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 183 will be increased with the total landed cost value as described in section 4.4.4 "Project".

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

4.4.8.3.2 Intercompany trade relationship present between purchase office and project management office

If an intercompany trade relationship is defined between a purchase office and a project management office, the costs are not taken over one to one from the purchase office to the project management office. The project management office pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

The intercompany trade part is only for the cost added by the subcontractor. The subcontracting wip costs coming from the workcenter are not taken into account, because this is not considered as external material delivery purchase, because the Purchase OrderWIP is internal.

In case the intercompany trade is based on a commercial price of 190 USD, this means that the same postings as described in 4.4.8.3.1 are created, except journal entry 179 is replaced by journal entry 184 and journal entry 183 is split into journal entries 185 and 186

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
184.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000024		
D	Interim COGS	Interim Costs / 11	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
185.	10024182: Project Costs & Commitments / Direct Receipt Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		380 USD
C	Invoice Accrual	Invoice Accrual / 32	TP1		380 USD
186.	10024029: Project Costs & Commitments / Direct Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		421.8 USD
C	Interim Transit	Interim Transit / 1	PO1		421.8 USD

4.4.8.4 Tool Items

Example

See data of section *Purchase Order, Material supply for item subcontracting, Issue* and assume the end items (two pieces) are tool items. The order price is 60 USD each (which is the value of the added work of the subcontractor). The estimated value of the

manufacturer components is 300 USD on cost component MAT, 112.8 USD on cost component SUR and 9 USD on cost component WRS (3 items PI1).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
187.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		120 USD
188.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	300 USD
189.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		112.8 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	112.8 USD
190.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	PO1		9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	9 USD
191.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000024		
D	General Costs	End Account / 102	PO1	GEN	541.8 USD
C	Interim Transit	Interim Transit / 1	PO1		541.8 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 191 will be increased with the total landed cost value as described in section 4.4.13 “Cost/service/subcontracting/equipment/tool item”.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

Note

For purchase orders related to item subcontracting, both the payment and the internal payment have value Pay on Receipt always.

4.4.9 Service subcontracting

4.4.9.1 Intercompany trade relationship not present between purchase office and service department

Example: Service order SOC000001 uses subcontracting. To enable this, purchase order PUR000009 was created for two pieces of item CI1, although a cost item, a service item or a subcontracting item is always used for service subcontracting. The

order price is 50 USD each. The receipt is immediately posted on service department SD1.

Following journal entries are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
192.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000009		
D	Interim Transit	Interim Transit / 1	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
193.	10015089: Service Order / Subcontracting		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		100 USD
C	Interim Transit	Interim Transit / 1	PO1		100 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 193 will be increased with the total landed cost value.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

4.4.9.2 Intercompany trade relationship present between purchase office and service department

If an intercompany trade relationship is defined between a purchase office and a service department, the costs are not taken over one to one from the purchase office to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Service order SOC000001 uses subcontracting. To enable this, purchase order PUR000009 was created for two pieces of item CI1, although a cost item, a service item or a subcontracting item is always used for service subcontracting. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD. The receipt is immediately posted on service department SD1.

Following journal entries are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
194.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000009		
D	Interim COGS	Interim Costs / 11	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD

195.	10015097: Service Order / Subcontracting Intercompany		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 35	SD1		380 USD

Landed costs can be applicable in this scenario. Journal entries 60 and 61 are created for this.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt Intercompany (Stage Payment) transaction.

4.4.10 Maintenance work subcontracting (without maintained item flow)

4.4.10.1 Intercompany trade relationship not present between purchase office and service department

Example: Maintenance work order WCS000001 uses subcontracting. For this, purchase order PUR000010 was created for two pieces of item CI2. For maintenance work subcontracting, a cost item, a service item or a subcontracting item is always used. The order price is 50 USD each.

The receipt is immediately posted on service department SD1.

Following journal entries are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
196.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000010		
D	Interim Transit	Interim Transit / 1	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
197.	10032089: Maintenance Work Order / Subcontracting		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		100 USD
C	Interim Transit	Interim Transit / 1	PO1		100 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 197 will be increased with the total landed cost value.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

4.4.10.2 Intercompany trade relationship present between purchase office and service department

If an intercompany trade relationship is defined between a purchase office and a service department, the costs are not taken over one to one from the purchase office to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Maintenance work order WCS000001 uses subcontracting. For this, purchase order PUR000010 was created for two pieces of item CI2. For maintenance work subcontracting, a cost item, a service item or a subcontracting item is always used. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD. The receipt is immediately posted on service department SD1.

Following journal entries are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
198.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000010		
D	Interim COGS	Interim Costs / 11	PO1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
199.	10032097: Maintenance Work Order / Subcontracting Intercompany		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 36	SD1		380 USD

Landed costs can be applicable in this scenario. Journal entries 60 and 61 are created for this.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt Intercompany (Stage Payment) transaction.

4.4.11 Maintenance work subcontracting (with maintained item flow)

4.4.11.1 Intercompany trade relationship not present between purchase office and service department

4.4.11.1.1 Internal work order (not linked to Maintenance Sales)

Example: Maintenance work order WCS000002 uses subcontracting with material flow. To enable this, purchase order PUR000033 was created for one piece of item PI1. The order price is 60 USD (which is the value of the added work of the subcontractor). The

value of the Maintenance Work Order WIP must be retrieved from the value of the issue of the To be Maintained Item or Subassembly from the administrative warehouse AWH1. This is described in 14.5.3. Say this value is 201.4 USD. Inventory transaction ID IT0000281 is created during receipt. The added work value of the subcontractor is immediately posted on WIP. The item itself is posted on Inventory.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
200.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000033		
D	Interim Transit	Interim Transit / 1	PO1		60 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		60 USD
201.	10032089: Maintenance Work Order / Subcontracting		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		60 USD
C	Interim Transit	Interim Transit / 1	PO1		60 USD
202.	10032091: Maintenance Work Order / Subcontracting WIP		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		201.4 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		201.4 USD
203.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	MAT	201.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		201.4 USD
204.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	SUR	20.14 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20.14 USD
205.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	SUR	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. The maintenance work order subcontracting transaction will include the total landed cost value as described in section 4.4.10.

If a tool item is used the journal entries 202 up to 205 are not made because no inventory value is present for tool items.

If the valuation method of item PI1 in warehouse NWH1 is lot price, the lot is already present, and lot price is, for example, 200 (MAT) and 20.14 (SUR) and 3 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
206.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	MAT	-1.4 USD
C	Lot Result	End Account / 733	NWH1	MAT	-1.4 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost (which is not recommended, see section *General Information, Data used for the examples*) the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
207.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	MAT	-101.4 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-101.4 USD
208.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000281		
D	Inventory	Inventory / 1	NWH1	SUR	-10.14 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-10.14 USD

Note: For purchase orders related to maintenance work order subcontracting with maintained item flow, both the payment and the internal payment have value Pay on Receipt always.

4.4.11.1.2 External work order (linked to Maintenance Sales)

Example: Same data as for example above, but item P1 is customer owned now. Instead of journal entries 200 up to 208 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
209.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000033		
D	Interim Transit	Interim Transit / 1	PO1		60 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		60 USD
210.	10032089: Maintenance Work Order / Subcontracting		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		60 USD
C	Interim Transit	Interim Transit / 1	PO1		60 USD

211.	15032091: Maintenance Work Order / Subcontracting WIP / Customer Owned			BO: Maintenance Work Order / WCS000002	
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		150 USD
212.	15061074: Warehouse Receipt / Receipt / Customer Owned			BO: Inventory Transaction / IT0000281	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. The maintenance work order subcontracting transaction will include the total landed cost value as described in section 4.4.10.

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
213.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		150 USD

4.4.11.2 Intercompany trade relationship present between purchase office and service department

If an intercompany trade relationship is defined between a purchase office and a service department, the costs are not taken over one to one from the purchase office to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: The postings are the same as described in 4.4.11.1. The only difference is that journal entries 200/201 or 209/210 are replaced by postings below (if intercompany trade is based on commercial price of 190 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
214.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000010		
D	Interim COGS	Interim Costs / 11	PO1		100 USD

C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
215.	10032097: Maintenance Work Order / Subcontracting Intercompany		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 36	SD1		380 USD

Landed costs can be applicable in this scenario. Journal entries 60 and 61 are created for this.

If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt Intercompany (Stage Payment) transaction.

4.4.12 Assembly

4.4.12.1 Intercompany trade relationship not present between purchase office and line station

Example: In Company 1, the first part of an assembly order is finished. The generic item GI1 that is created is sold by means of a sales order to Company 2.

In Company 2, a purchase order PUR000011 is created for generic item GI1 with an order line price of 50 USD. The receipt on assembly line AL1 is logged in line station LS1. The transactions for the sales order are described in section *Sales Order, Issues, Generic items*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
216.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000011		
D	Interim Transit	Interim Transit / 1	PO1		50 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		50 USD
217.	10037029: Assembly Line / Direct Receipt		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	50 USD
C	Interim Transit	Interim Transit / 1	PO1		50 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 217 will be increased with the total landed cost value.

Note

For purchase orders related to assembly, both the payment and the internal payment have value Pay on Receipt always.

4.4.12.2 Intercompany trade relationship present between purchase office and line station

If an intercompany trade relationship is defined between a purchase office and a line station, the costs are not taken over one to one from the purchase office to the line station. The line station pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: In Company 1, the first part of an assembly order is finished. The generic item GI1 that is created is sold by means of a sales order to Company 2.

In Company 2, a purchase order PUR000011 is created for generic item GI1 with an order line price of 50 USD. The intercompany trade price is a commercial price of 190 USD. The receipt on assembly line AL1 is logged in line station LS1. The transactions for the sales order are described in section *Sales Order, Issues, Generic items*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
218.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000011		
D	Interim COGS	Interim Costs / 11	PO1		50 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		50 USD
219.	10037182: Assembly Line / Direct Receipt Intercompany		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	190 USD
C	Invoice Accrual	Invoice Accrual / 34	LS1		190 USD

Landed costs can be applicable in this scenario. Journal entries 60 and 61 are created for this.

Note

For purchase orders related to assembly, both the payment and the internal payment have value Pay on Receipt always.

4.4.13 Cost/service/subcontracting/equipment/tool item

Notes

- If the subcontracting item is from production subcontracting, the journal entries described in section *Purchase Order, Receipts, Production operation subcontracting* are created.
- If the cost item, service item or the subcontracting item is from service subcontracting, the journal entries described in section *Purchase Order, Receipts, Service subcontracting* are created.

- If the cost item, service item or the subcontracting item is from maintenance work subcontracting, the journal entries described in *Purchase Order, Receipts, Maintenance work subcontracting* are created.
- For a direct delivery for a cost item or service item, the journal entries described in *Purchase Order, Receipts, Direct delivery for Sales or Service* are created.
- For a receipt of a cost item or service item in a project warehouse or in a project WIP warehouse, or for a receipt of a cost item, service item, subcontracting item or an equipment item on a project (with or without project pegging), the journal entries described in *Purchase Order, Receipts, Project* are created.

In all these cases, the journal entries described below are *not* created.

Receipt of cost/service item and Costs to Be Specified has value No, or, receipt of subcontracting / equipment item.

Example: Receipt of order line for purchase order PUR000014 of two pieces of item CI2. The order price is 110 USD each.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
220.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000014		
D	Interim Transit	Interim Transit / 1	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
221.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000014		
D	Interim Transit	Interim Transit / 1	PO1		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	8 USD
222.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000014		
D	Interim Transit	Interim Transit / 1	PO1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
223.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000014		
D	General Costs	End Account / 102	PO1	GEN	220 USD
C	Interim Transit	Interim Transit / 1	PO1		220 USD

224.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR0000014		
D	General Costs	End Account / 102	PO1	LC1	8 USD
C	Interim Transit	Interim Transit / 1	PO1		8 USD
225.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR0000014		
D	General Costs	End Account / 102	PO1	LC2	12 USD
C	Interim Transit	Interim Transit / 1	PO1		12 USD

Receipt of cost/service item and Costs to Be Specified has value Yes.

Example: Receipt of order line for purchase order PUR000015 of two pieces of item C11. The order price is 110 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Note that the 'costs to be specified' concept is not supported for landed costs and for orders related to a project.

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
226.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000015		
D	Interim Transit	Interim Transit / 1	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
227.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000015		
D	Interim Transit	Interim Transit / 1	PO1		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	8 USD
228.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000015		
D	Interim Transit	Interim Transit / 1	PO1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
229.	10001010: Purchase Order / Costs to be Specified		BO: Purchase Order / PUR000015		
D	Interim Costs	Interim Costs / 8	PO1	GEN	220 USD
C	Interim Transit	Interim Transit / 1	PO1		220 USD

230.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000015		
D	General Costs	End Account / 102	PO1	LC1	8 USD
C	Interim Transit	Interim Transit / 1	PO1		8 USD
231.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR0000013		
D	General Costs	End Account / 102	PO1	LC2	12 USD
C	Interim Transit	Interim Transit / 1	PO1		12 USD

Note

- For purchase orders for cost items, service items, subcontracting items, equipment items or tool items, both the payment and the internal payment always have value Pay on Receipt.
- Item subcontracting is also possible for tool items. This is described in section 4.4.8.4. If the order line has one or more SSP lines the Receipt transaction is replaced by a Receipt (Stage Payment) transaction.

4.5 Return orders

4.5.1 Purchased item from warehouse

Three different situations can be distinguished:

- Payment = Pay on Receipt, Return Ownership = Company Owned
- Payment = No Payment, Return Ownership = Consigned
- Payment = No Payment, Return Ownership = Customer Owned

Note: Landed cost functionality is not supported for return orders.

Note: Supplier stage payment functionality is not supported for return orders.

4.5.1.1 Payment = Pay on Receipt, Return Ownership = Company Owned

4.5.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000001, described in *Purchase Order, Receipts, Purchased item in warehouse* is returned from warehouse NWH1. To do so, purchase order PUR000016 is created. The order price is 110 USD each. Inventory transaction ID IT0000005 is created upon issue.

In this example, the valuation method is MAUC and the MAUC at return date is 120 USD (MAT), 12 USD (SUR), 3 USD (WRS), for a total of 135 USD. For the warehouse postings, the inventory value is always taken. Issue surcharges are added to the

inventory value. For the purchase posting, the purchase order price is taken. The difference on interim transit 1 between purchase price and warehouse issue price is logged as an issue result. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
232.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
233.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000005		
D	Inventory	Inventory / 1	NWH1	SUR	27 USD (*)
C	Surcharge Cover	End Account / 713	NWH1	IIS	27 USD
234.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000005		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
235.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory	Inventory / 1	NWH1	MAT	120 USD
236.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD (**)
C	Inventory	Inventory / 1	NWH1	SUR	44 USD
237.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
238.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		-10 USD
C	Issue Result	End Account / 712	NWH1	MAT	-10 USD
239.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		-44 USD
C	Issue Result	End Account / 712	NWH1	SUR	-44 USD
240.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000005		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD

C	Issue Result	End Account / 712	NWH1	WRS	-3 USD

(*) 20 percent of 135

(**) 12 already present on SUR + 27 of journal entry 233 + 5 of journal entry 234

If project pegging is applicable journal entry 238 through 240 are replaced by journal entries 241 through 246.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
241.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD
242.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
243.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
244.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD
245.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
246.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

4.5.1.1.2 Intercompany trade relationship present between purchase office and warehouse

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000001, described in *Purchase Order, Receipts, Purchased item in warehouse* is returned from warehouse NWH1. To do so, purchase order PUR000016 is

created. The order price is 110 USD each. Inventory transaction ID IT0000005 is created upon issue. The intercompany trade price is a commercial price of 190 USD.

In this example, the valuation method is MAUC and the MAUC at return date is 120 USD (MAT), 12 USD (SUR), 3 USD (WRS), for a total of 135 USD. For the warehouse issue postings, the inventory value is always taken. Issue surcharges are added to the inventory value. For the purchase posting, the purchase order price is taken. The invoice accrual is posted with the intercompany trade price. The difference on interim transit 1 between intercompany price and warehouse issue price is logged as an issue result. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
247.	10001086: Purchase Order / Receipt Intercomapny		BO: Purchase Order / PUR000016		
D	Interim COGS	Interim Costs / 11	PO1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
248.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000005		
D	Inventory	Inventory / 1	NWH1	SUR	27 USD (*)
C	Surcharge Cover	End Account / 713	NWH1	IIS	27 USD
249.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000005		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
250.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory	Inventory / 1	NWH1	MAT	120 USD
251.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD (**)
C	Inventory	Inventory / 1	NWH1	SUR	44 USD
252.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
253.	10060086: Warehouse Issue / Receipt Intercompany		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		-190 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-190 USD

254.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		70 USD
C	Issue Result	End Account / 712	NWH1	MAT	70 USD
255.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-44 USD
C	Issue Result	End Account / 712	NWH1	SUR	-44 USD
256.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Issue Result	End Account / 712	NWH1	WRS	-3 USD

(*) 20 percent of 135

(**) 12 already present on SUR + 27 of journal entry 233 + 5 of journal entry 234

If project pegging is applicable journal entry 254 through 256 are replaced by journal entries 257 through 262.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
257.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-70 USD
C	Interim Transit	Interim Transit / 1	NWH1		-70 USD
258.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
259.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT0000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
260.	<i>10024031: Project Costs & Commitments / Issue Result</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-70 USD
C	Interim Transit	Interim Transit / 1	NWH1		-70 USD
261.	<i>10024031: Project Costs & Commitments / Issue Result</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD

262.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

4.5.1.2 Payment = No Payment, Return Ownership = Consigned

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000006, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is returned from warehouse NWH1. For this, purchase order PUR000018 is created. The order price is 0 USD, as the payment is No Payment, The customs value is 100 USD, which is used for the purchase side of the posting. Inventory transaction ID IT0000007 is created upon issue. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
263.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000018		
D	Interim Transit	Interim Transit / 3	NWH1		-100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		-100 USD
264.	10060083: Warehouse Issue / Consignment Return		BO: Inventory Transaction / IT0000007		
D	Interim Transit	Interim Transit / 3	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD
265.	10060085: Warehouse Issue / Consignment Result		BO: Inventory Transaction / IT0000007		
D	Interim Transit	Interim Transit / 3	NWH1		-10 USD
C	Consigned Result	End Account / 711	NWH1	MAT	-10 USD

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000020, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is returned from warehouse NWH1. For this, purchase order PUR000025 is created. The order price is 0 USD, as the payment is No Payment, The customs value is 100 USD, which is used for the purchase side of the posting. Inventory transaction ID IT0000088 is created upon issue. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost	Amount

			Unit	Comp	
266.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000025		
D	Interim Transit	Interim Transit / 3	FWH2		-100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		-100 USD
267.	10060083: Warehouse Issue / Consignment Return		BO: Inventory Transaction / IT0000088		
D	Interim Transit	Interim Transit / 3	FWH2		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	110 USD
268.	10060085: Warehouse Issue / Consignment Result		BO: Inventory Transaction / IT0000088		
D	Interim Transit	Interim Transit / 3	FWH2		10 USD
C	Consigned Result	End Account / 711	FWH2	MAT	10 USD
269.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000025		
D	Interim Transit	Interim Transit / 3	NWH1		-100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-100 USD
270.	10060083: Warehouse Issue / Consignment Return		BO: Inventory Transaction / IT0000088		
D	Interim Transit	Interim Transit / 3	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD
271.	10060085: Warehouse Issue / Consignment Result		BO: Inventory Transaction / IT0000088		
D	Interim Transit	Interim Transit / 3	NWH1		10 USD
C	Consigned Result	End Account / 711	NWH1	MAT	10 USD

Note

If you want to return some pieces of the receipt of item PI1 of order line for purchase order PUR000021 as described in section *Purchase Order, Receipts, Purchased item in warehouse*, first an inventory ownership change order has to be generated to move the ownership from the inventory of the internal business partner of the purchase office to company-owned inventory. Next, a purchase return order can be created with payment Pay on Receipt and return ownership Company Owned.

4.5.1.3 Payment = No Payment, Return Ownership = Customer Owned

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000022 as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is returned from warehouse NWH1. For this, purchase order PUR000026 is created. The order price is 0 USD, as the payment is No Payment, The customs value is 100 USD, which is used for the purchase side of the posting. Inventory transaction ID IT0000090 is created upon issue. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for**

Customer Owned Transactions has value **Yes**. For customer-owned related postings, no surcharges are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
272.	15001074: Purchase Order / Receipt / Customer Owned		BO: Purchase Order / PUR000026		
D	Interim Transit	Interim Transit / 13	NWH1		-100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-100 USD
273.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000090		
D	Interim Transit	Interim Transit / 13	NWH1		110 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	110 USD
274.	15060031: Warehouse Issue / Issue Result / Customer Owned		BO: Inventory Transaction / IT0000090		
D	Interim Transit	Interim Transit / 13	NWH1		10 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		10 USD

4.5.2 List/Manufactured item from warehouse

The following two scenarios are possible:

- Issue by main item
For manufactured items only. In this case, journal entries 232 through 240 are created.
- Issue by components:
For list items and manufactured items. For this scenario, the following example is valid:

Example: One of the two pieces of the receipt of item LI1 of order line for purchase order PUR000002, described in section *Purchase Order, Receipts, List/Manufactured item in warehouse*, return from warehouse NWH1. This means three pieces of PI1 and two pieces of PI2. For this, purchase order PUR000017 is created. The order price is 450 USD each.

Inventory transaction ID IT0000006 is created upon issue. Assume, for example, that valuation method is MAUC for both item PI1 and PI2 and the MAUC at return date for item PI1 is 120 USD (MAT), 12 USD (SUR), 3 USD (WRS), for a total of 135 USD. For item PI2, the MAUC is 56.25 USD (MAT). The following postings are created (payment has value Pay on Receipt, return ownership has value Company Owned):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

275.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000017		
D	Interim Transit	Interim Transit / 1	NWH1		-450 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-450 USD
276.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000006		
D	Inventory	Inventory / 1	NWH1	SUR	81 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	81 USD
277.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000006		
D	Inventory	Inventory / 1	NWH1	SUR	15 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	15 USD
278.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		360 USD
C	Inventory	Inventory / 1	NWH1	MAT	360 USD
279.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		132 USD
C	Inventory	Inventory / 1	NWH1	SUR	132 USD
280.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Inventory	Inventory / 1	NWH1	WRS	9 USD
281.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		-22.5 USD
C	Issue Result	End Account / 712	NWH1	MAT	-22.5 USD
282.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		-132 USD
C	Issue Result	End Account / 712	NWH1	SUR	-132 USD
283.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		-9 USD
C	Issue Result	End Account / 712	NWH1	WRS	-9 USD
284.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000006		
D	Interim Transit	Interim Transit / 1	NWH1		112.5 USD
C	Inventory	Inventory / 1	NWH1	MAT	112.5 USD

Journal entries 276 through 283 are for the three pieces of PI1. Journal entry 284 is for the two pieces of PI2.

The amounts are calculated in the same way as in *Purchase Order, Receipts, List/Manufactured item in warehouse* and *Purchase Order, Return Orders, Purchased item from warehouse*. Because the MAUC of item PI2 is equal to the part of the order amount that is reserved for this item, no issue results for item PI2.

Also, payment can have value No Payment, and return ownership can have value Consigned or Customer Owned. The postings in this case can be compared with the postings as described in section *Return orders, Purchased item from warehouse*. The postings related to the purchase order are on the main item, the postings related to the warehouse receipt are on the components.

If project pegging is applicable journal entry 281 through 283 are replaced by journal entry 285 through 290.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
285.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000006		
D	Interim Transit	Interim Transit / 1	NWH1		22.5USD
C	Interim Transit	Interim Transit / 1	NWH1		22.5 USD
286.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000006		
D	Interim Transit	Interim Transit / 1	NWH1		132 USD
C	Interim Transit	Interim Transit / 1	NWH1		132 USD
287.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000006		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Interim Transit	Interim Transit / 1	NWH1		9 USD
288.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		22.5USD
C	Interim Transit	Interim Transit / 1	NWH1		22.5 USD
289.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		132 USD
C	Interim Transit	Interim Transit / 1	NWH1		132 USD
290.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		9 USD
C	Interim Transit	Interim Transit / 1	NWH1		9 USD

It is possible intercompany trade relation is present between the purchase office and the warehouse. The postings in this case are similar to the postings as described in 4.5.1.1.2/ In case of a commercial price, the commercial price can be retrieved from the main item or the components, based on the parameter in Intecompany Trade

4.5.3 Consignment replenishment

Purchase return orders with an order type of type Consignment Replenishment have the value for the payment field always equal to No Payment and the value for the return ownership field always equal to Consigned. The postings for this kind of orders are described in section *Return orders, Purchased item from warehouse*.

4.5.4 From Quarantine

Example: Purchase order PUR000002 is created to return the rejected piece of the receipt of order line for purchase order PUR000001 of item PI1 for warehouse NWH1. The inventory transaction ID IT0000323 is created during shipment. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
291.	15001074: Purchase Order / Receipt / Customer Owned		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 13	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD
292.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000323		
D	Interim Transit	Interim Transit / 13	NWH1		110 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	110 USD

In case the quarantine inventory results from for instance outbound rejection or non-purchase inbound rejection, the inventory is financially not in quarantine. The regular integration transactions as described in 4.5.1. are created.

4.5.5 Other scenarios

For a return in the scenarios listed below, if return is applicable, the journal entries described in these sections are also created for return orders, for which the amount is multiplied by -1:

- Purchase Order/Receipts/Project
- Purchase Order/Receipts/Direct Delivery
- Purchase Order/Receipts/Production Subcontracting

- Purchase Order/Receipts/Service Subcontracting
- Purchase Order/Receipts/Maintenance Work Subcontracting
- Purchase Order/Receipts/Assembly
- Purchase Order/Receipts/Cost or Service or Subcontracting or Equipment or Tool Item

For the scenarios described in sections *Purchase Order, Receipts, Production operation subcontracting (with material flow)*, *Purchase Order, Receipts, Maintenance work subcontracting (with maintained item flow)* and *Purchase Order, Receipts, Purchase item subcontracting*, the returns are for the received item only (postings are described in section *Purchase Order, Return orders, Purchased item from warehouse*), so the subcontracting WIP postings will not be returned.

4.6 Rejections in warehouse

4.6.1 Purchased Item

If goods are rejected and Quarantine Inventory Payable to Supplier has the value no five situations can be distinguished:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

4.6.1.1 Payment = Pay on Receipt, Internal Payment = Pay on Receipt

4.6.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000001, described in section 4.4.1 *"Purchased item in warehouse"*, is rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase order line. The rejection posting is not created for the landed cost amount as it is expected that the total landed cost amount is still invoiced. However, the inventory is decreased with the current inventory value. The difference is posted with the following details:

- An Standard Cost result: Valuation method Standard Cost
- A lot result: Valuation method LOT
- A value correction: Valuation method FIFO, LIFO, or MAUC

The following postings are created:

D/C	Journal Entry	Reconciliation	Enterprise	Cost Comp.	Amount

		Group	Unit		
293.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
294.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	NWH1		-110 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
295.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	10 USD
296.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-10 USD
297.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-3 USD

If the valuation method is LOT and the lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
298.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Lot Result	End Account / 733	NWH1	SUR	-11 USD
299.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD

C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), the following journal entries are created. The same journal entries are created when the valuation method is FIFO or LIFO, and a record with the specified amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
300.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Value Correction	End Account / 736	NWH1	MAT	-10 USD
301.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-12 USD
C	Value Correction	End Account / 736	NWH1	SUR	-12 USD
302.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD

If project pegging is applicable journal entries 300 through 302 are replaced by journal entries 303 through 308.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
303.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Interim Transit	Interim Transit / 1	NWH1		-10 USD
304.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-12 USD
C	Interim Transit	Interim Transit / 1	NWH1		-12 USD
305.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
306.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD
307.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		12 USD
C	Interim Transit	Interim Transit / 1	NWH1		12 USD
308.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Note: For a project warehouse the rejected inventory functionality is similar to a normal warehouse. For a project WIP warehouse rejected inventory is not booked in the Project WIP, but is handled as rejected (customer owned) inventory without value similar to a normal warehouse.

In case of rejection for a purchase order and financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**, the quarantine inventory is added with the purchase order value as customer owned

inventory. For customer owned-related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario. The following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
309.	15001074: Purchase Order / Receipt / Customer Owned		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 13	NWH1		110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		110 USD
310.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned		BO: Inventory Transaction / IT00000001		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH1		110 USD

4.6.1.1.2 Intercompany trade relationship present between purchase office and warehouse

The warehouse rejection intercompany posting is always made against the intercompany trade price. Compared to the example described in 4.6.1.1.1, journal entries 293 and 294 are replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
311.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
312.	10061092: Warehouse Receipt / Rejection Intercompany		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-190 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-190 USD

For the standard cost result, the lot result and the value correction the same is applicable as is described in 4.6.1.1.1, but it must be calculated based on the 190 instead of the 110.

4.6.1.2 Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000006, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase order line. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for**

Consigned Transactions has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
313.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000006		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		-110 USD
314.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT00000004		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

Also in this scenario journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

4.6.1.3 Payment = Pay on Use, Internal Payment = Pay on Use

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000020, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase order line. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
315.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	FWH2		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		-110 USD
316.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT00000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	FWH2		-110 USD
317.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD

318.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

Also in this scenario journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

4.6.1.4 Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000021, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase order line. However, the inventory in warehouse FWH2 is decreased with the current inventory value. The difference is posted with the following (valuation method LOT is not allowed in a financial warehouse):

- An Standard Cost result: Valuation method Standard Cost
- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

Integration transactions 321 and 322 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
319.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 1	FWH2		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		-110 USD
320.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
321.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
322.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000078		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

If the valuation method of item PI1 in warehouse FWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
323.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	10 USD
C	Standard Cost Result	End Account / 731	FWH2	MAT	10 USD
324.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	SUR	-10 USD
C	Standard Cost Result	End Account / 731	FWH2	SUR	-10 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 0 USD (SUR), and 0 USD (WRS), the following journal entries are created. The same journal entries are created when the valuation method is Serial, FIFO or LIFO, and a record with the specified amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
325.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-10 USD
C	Value Correction	End Account / 736	FWH2	MAT	-10 USD

Also in this scenario journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

4.6.1.5 Payment = No Payment, Internal Payment = Not Applicable

Example: One of the two pieces of the receipt of item PI1 of order line for purchase order PUR000022, as described in section *Purchase Order, Receipts, Purchased item in warehouse*, is rejected in warehouse NWH1. The rejection posting is always made against the customs value of the purchase order line. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

326.	15001074: Purchase Order / Receipt / Customer Owned			BO: Purchase Order / PUR000022		
D	Interim Transit	Interim Transit / 13	NWH1			-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1			-110 USD
327.	15061075: Warehouse Receipt / Rejection / Customer Owned			BO: Inventory Transaction / IT0000080		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT		-110 USD
C	Interim Transit	Interim Transit / 13	NWH1			-110 USD

Also in this scenario journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

4.6.2 List/manufactured item

The following scenarios are possible:

- Issue by main Item
For manufactured items only. In this case, journal entries 293 through 310 are created.
- Issue by components
For list items and manufactured items. For this scenario, rejection is not permitted.

4.6.3 Consignment replenishment

Purchase orders with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for rejection for this kind of orders are described in section *Purchase Order, Rejections in warehouse, Purchased item*.

4.6.4 Production operation subcontracting (with material flow)

4.6.4.1 Intercompany trade relationship not present between purchase office and warehouse

Example: One of the two pieces of the receipt of item MWIPS1 of order line for purchase order PUR000023, as described in section 4.4.7 “*Production operation subcontracting (with material flow)*”, is rejected in warehouse NWH1. The warehouse receipt / rejection posting is always made against the price of the purchase order line + the estimated value of the components. The rejection posting is not created for the landed cost amount as it is expected that the total landed cost amount is still invoiced. However, the inventory is decreased with the current inventory value. The difference is posted with the following:

- An Standard Cost result: Valuation method Standard Cost
- A lot result: Valuation method LOT

- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
328.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000023		
D	Interim Transit	Interim Transit / 1	NWH1		-120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-120 USD
329.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		-100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-100 USD
330.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	-220 USD
C	Interim Transit	Interim Transit / 1	NWH1		-220 USD

The postings for Standard Cost Result, Lot Result and Value Correction can be compared with the postings described in section 4.6.1" *Purchased Item*".

Also in this scenario, journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. In this case for the purchase amount only (120), the production subcontracting wip amount is not taken into account.

4.6.4.2 Intercompany trade relationship present between purchase office and warehouse

The warehouse rejection intercompany posting is always made against the intercompany trade price. Compared to the example described in 4.6.4.1, journal entries 328 through 330 are replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
331.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000023		
D	Interim COGS	Interim Costs / 11	PO1		-120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-120 USD
332.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		-100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-100 USD

333.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	-100 USD
C	Interim Transit	Interim Transit / 1	NWH1		-100 USD
334.	10061092: Warehouse Receipt / Rejection Intercompany		BO: Inventory Transaction / IT0000081		
D	Inventory	Inventory / 1	NWH1	MAT	-190 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-190 USD

The postings for Standard Cost Result, Lot Result and Value Correction can be compared with the postings described in section 4.6.1" *Purchased Item*".

4.6.5 Purchase item subcontracting

4.6.5.1 Intercompany trade relationship not present between purchase office and warehouse

Example: One of the two pieces of the receipt of item MWIPS1 of order line for purchase order PUR000024 is rejected in warehouse NWH1. The warehouse receipt / rejection posting is always made against the price of the purchase order line + the estimated value of the components. The rejection posting is not created for the landed cost amount as it is expected that the total landed cost amount is still invoiced. However, the inventory is decreased with the current inventory value. The difference is posted with the following:

- An Standard Cost result: Valuation method Standard Cost
- A lot result: Valuation method LOT
- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
335.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-120 USD
336.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	-300 USD
337.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-112.8 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	-112.8 USD

338.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	-9 USD
339.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	-420 USD
C	Interim Transit	Interim Transit / 1	NWH1		-420 USD
340.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	-112.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-112.8 USD
341.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	WRS	-9 USD
C	Interim Transit	Interim Transit / 1	NWH1		-9 USD

The postings for Standard Cost Result, Lot Result and Value Correction can be compared with the postings described in section *Purchase Order, Rejections in warehouse, Purchased item*.

Also in this scenario, journal entries 309 and 310 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. In this case for the purchase receipt amount only (120), the purchase subcontracting wip amount is not taken into account.

4.6.5.2 Intercompany trade relationship present between purchase office and warehouse

The warehouse rejection intercompany posting is always made against the intercompany trade price. Compared to the example described in 4.6.5.1, journal entries 335 through 341 are replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
342.	10001086: Purchase Order / Receipt Intercompany		BO: Purchase Order / PUR000024		
D	Interim COGS	Interim Costs / 11	PO1		-120 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-120 USD
343.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-300 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	-300 USD
344.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-112.8 USD

C	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	-112.8 USD
345.	10001091: Purchase Order / Subcontracting WIP		BO: Purchase Order / PUR000024		
D	Interim Transit	Interim Transit / 1	NWH1		-9 USD
C	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	-9 USD
346.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	-300 USD
C	Interim Transit	Interim Transit / 1	NWH1		-300 USD
347.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	SUR	-112.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-112.8 USD
348.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	WRS	-9 USD
C	Interim Transit	Interim Transit / 1	NWH1		-9 USD
349.	10061092: Warehouse Receipt / Rejection Intercompany		BO: Inventory Transaction / IT0000087		
D	Inventory	Inventory / 1	NWH1	MAT	-190 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-190 USD

4.6.6 Quarantine Inventory

4.6.6.1 Quarantine Inventory Payable to Supplier = No

For quarantine (unpegged) inventory, which is always customer owned, three options are available:

- Use the quarantine inventory as is
If you use the goods as is, although the goods are rejected, an unpegged adjustment order is first created to remove goods from customer owned quarantine inventory. The integration transactions for this are described in 21.2.10. Next, the integration transactions described previously in this chapter are created again.
- Scrap the quarantine inventory
In this case, an unpegged adjustment order is created to remove goods from customer owned inventory. The integration transactions for this are described in 21.2.10.
- Return the quarantine inventory
In this case, an unpegged purchase order of type return rejected goods is created, and the goods are shipped. The integration transactions for this are described in 4.5.4.

4.6.6.2 Quarantine Inventory Payable to Supplier = Yes

If goods are rejected than during rejection no financial integration transactions are created and ownership does not change. Pegged receipts are also stored as pegged quarantine inventory. Three options are available for rejected goods in disposition:

- Use the quarantine inventory as is
No integration transactions are created as the quarantine inventory in disposition are already part of the normal inventory value.
- Scrap the quarantine inventory
In this case, an unpegged or pegged adjustment order is created to remove the goods from inventory. If company-owned or consigned stock is received, the integration transactions as described in section *Warehousing, Adjustment, Negative quantity (company owned/consigned inventory)* are created. In case customer-owned inventory is received than the integration transactions as described in section *Warehousing, Adjustment, Negative quantity (customer-owned inventory)* are created.
- Return the quarantine inventory
In this case, an unpegged or pegged purchase order of type return rejected goods is created, and the goods are shipped. The integration transactions for this are described in 4.5.1.

4.7 Receipt correction

4.7.1 Purchased item

If more is received than was originally received, for the difference in quantity, the journal entries described in section 4.4.1 '*Purchased item in warehouse*' are created. Note that landed cost lines with calculation method 'fixed amount' are not posted as the total fixed amount is already part of the initial receipt.

If less is received than originally was received, five different situations can be distinguished:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

4.7.1.1 Payment = Pay on Receipt, Internal Payment = Pay on Receipt

4.7.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000001, described in section 4.4.1 '*Purchased item in warehouse*' is actually received in warehouse NWH1. In this case, the postings of section 4.4.1 are reversed.

However, the inventory decreases by the current inventory value. The difference is posted with a Standard Cost result (valuation method Standard Cost), a lot result (valuation method LOT), or a value correction (valuation method FIFO, LIFO, or MAUC). The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
350.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
351.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		-4 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-4 USD
352.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000001		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	-6 USD
353.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-116 USD
C	Interim Transit	Interim Transit / 1	NWH1		-116 USD
354.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	-4 USD
C	Interim Transit	Interim Transit / 1	NWH1		-4 USD
355.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-11.6USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-11.6 USD
356.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

Regardless of the fact that the receipt quantity is decreased still an invoice is expected for the total fixed landed cost amount of 8 USD. Therefore journal entry 357 is created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

357.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000001		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entry 357 is replaced by journal entry 358.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
358.	10001131: Purchase Order / Landed Cost Variance		BO: Purchase Order / PUR000001		
D	Landed Cost Variance	End Account / 116	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

Also a record for the variance of \$4 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
359.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	16USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	16 USD
360.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	4 USD
C	Standard Cost Result	End Account / 731	NWH1	LC1	4 USD
361.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	1.6 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	1.6 USD

If the valuation method is LOT and lot price is, for example, 110 (MAT), 11 (SUR) and 4 (WRS):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

362.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	6 USD
C	Lot Result	End Account / 733	NWH1	MAT	6 USD
363.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	0.6 USD
C	Lot Result	End Account / 733	NWH1	SUR	0.6 USD
364.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	WRS	-1 USD
C	Lot Result	End Account / 733	NWH1	WRS	-1 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), the following journal entries are created. The same journal entries are created when the valuation method is Serial, FIFO or LIFO, and a record with the given amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
365.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-4 USD
C	Value Correction	End Account / 736	NWH1	MAT	-4 USD
366.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	LC1	4 USD
C	Value Correction	End Account / 736	NWH1	LC1	4 USD
367.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	-0.4 USD
C	Value Correction	End Account / 736	NWH1	SUR	-0.4 USD

If project pegging is applicable journal entry 365 through 367 are replaced by journal entry 368 through 371.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
368.	10061137: Warehouse Receipt /Inventory Value Correction		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-4 USD
C	Interim Transit	Interim Transit / 1	NWH1	MAT	-4 USD

369.	<i>10061137: Warehouse Receipt /Inventory Value Correction</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	LC1	4 USD
C	Interim Transit	Interim Transit / 1	NWH1	LC1	4 USD
370.	<i>10061137: Warehouse Receipt /Inventory Value Correction</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	SUR	-0.4 USD
C	Interim Transit	Interim Transit / 1	NWH1	SUR	-0.4 USD
371.	<i>10024109: Project Costs & Commitments / Value Correction</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	0.4 USD
C	Interim Transit	Interim Transit / 1	NWH1	SUR	0.4 USD

4.7.1.1.2 Intercompany trade relationship present between purchase office and warehouse

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000001, described in section 4.4.1 'Purchased item in warehouse' is actually received in warehouse NWH1. In this case, the postings of section 4.4.1 are reversed. However, the inventory decreases by the current inventory value. The difference is posted with a Standard Cost result (valuation method Standard Cost), a lot result (valuation method LOT), or a value correction (valuation method FIFO, LIFO, or MAUC). The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
372.	<i>10001086: Purchase Order / Receipt Intercompany</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Interim COGS	Interim Costs / 11	PO1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
373.	<i>10001180: Purchase Order / Landed Costs Invoiced Intercompany</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Interim COGS	Interim Costs / 11	PO1		-4 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-4 USD
374.	<i>10001179: Purchase Order / Landed Costs Intercompany</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Interim COGS	Interim Costs / 11	PO1		-6 USD
C	Landed Costs Cover	End Account / 119	PO1	LC2	-6 USD
375.	<i>10061086: Warehouse Receipt / Receipt Intercompany</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	MAT	-190 USD

C	Invoice Accrual	Invoice Accrual / 12	NWH1		-190 USD
376.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-19 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-19 USD
377.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

Regardless of the fact that the receipt quantity is decreased still an invoice is expected for the total fixed landed cost amount of 8 USD. Therefore journal entries 378 and 379 created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
378.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000001		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD
379.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1	LC1	4 USD
C	Interim Variance	Interim Variance / 1	PO1		4 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entry 378 is replaced by journal entry 380.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
380.	10001131: Purchase Order / Landed Cost Variance		BO: Purchase Order / PUR000001		
D	Landed Cost Variance	End Account / 116	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
381.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	4 USD
C	Interim COGS	Interim Costs / 11	PO1		4 USD

In this example the intercompany trade price was a commercial price, so only the intercompany trade cogs change. If the intercompany trade order was based on cost plus including a percentage, for instance 50%, the intercompany trade revenues are 6 (4 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
382.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000001		
D	Interim Variance	Interim Variance / 1	NWH1		6 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		6 USD

Also a record for the variance of \$6 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12.

The standard cost result, lot result and value correction works exactly the same as described in 4.7.1.1.1.

4.7.1.2 Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000006 described in section 4.4.1 'Purchased item in warehouse', is actually received in warehouse NWH1. In this case, the postings described in the same section are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
383.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000006		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		-110 USD

384.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT00000004		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

4.7.1.3 Payment = Pay on Use, Internal Payment = Pay on Use

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000020, as described in section 4.4.1 'Purchased item in warehouse', is actually received in warehouse NWH1. In this case, the postings of section 4.4.1 are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
385.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	FWH2		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		-110 USD
386.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT00000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	FWH2		-110 USD
387.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
388.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT00000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

4.7.1.4 Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000021, as described in section 4.4.1 'Purchased item in warehouse', is actually received in warehouse NWH1. In this case, the postings of section 4.4.1 are reversed. However, the inventory in FWH2 decreases by the current inventory value. The difference is posted with a Standard Cost result (valuation method Standard Cost) or a value correction (valuation method Serial, FIFO, LIFO, or MAUC). Valuation method LOT is not allowed in a financial warehouse. Integration transactions 391 and 392 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
389.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 1	FWH2		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		-110 USD
390.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
391.	10001063: Purchase Order / Consignment Receipt		BO: Purchase Order / PUR000021		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
392.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000078		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

If the valuation method of item PI1 in warehouse FWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
393.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	10 USD
C	Standard Cost Result	End Account / 731	FWH2	MAT	10 USD
394.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	SUR	-10 USD
C	Standard Cost Result	End Account / 731	FWH2	SUR	-10 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 0 USD (SUR), and 0 USD (WRS), the following journal entry is created. The same journal entry is created when the valuation method is Serial, FIFO or LIFO, and a record with the given amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
395.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-10 USD

C	Value Correction	End Account / 736	FWH2	MAT	-10 USD

4.7.1.5 Payment = No Payment, Internal Payment = Not Applicable

Example: Only one of the two pieces of the receipt of item PI1 of order line for purchase order PUR000022, as described in section 4.4.1 'Purchased item in warehouse', is actually received in warehouse NWH1. In this case, the postings of section 4.4.1 are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
396.	15001074: Purchase Order / Receipt / Customer Owned		BO: Purchase Order / PUR000022		
D	Interim Transit	Interim Transit / 13	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD
397.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000080		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 13	NWH1		-110 USD

4.7.2 List/Manufactured item

Two scenarios are possible:

- Issue by main item
For manufactured items only. In this case, journal entries of section 4.4.1 'Purchased item in warehouse' are created for a positive correction and journal entries of section 4.7.1 'Receipt correction, Purchased item' for a negative correction.
- Issue by components
For list items and manufactured items. For this scenario, receipt correction of quantities is not permitted.

4.7.3 Consignment replenishment

Purchase orders with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for receipt correction for this kind of orders are described in section *Purchase Order, Rejections in warehouse, Purchased item*.

4.7.4 Other scenarios

For a positive receipt correction, as described in the scenarios in sections *Purchase Order, Receipts, Project through Purchase Order, Receipts, Cost/service/subcontracting/equipment/tool item*, the same journal entries as described

in those sections are created. For negative correction, the journal entries that are created in those scenarios are also created, but the amount must be multiplied by –1. In case of production operation subcontracting with material flow (section *Purchase Order, Receipts, Production operation subcontracting (with material flow)*) or purchase item subcontracting (section *Purchase Order, Receipts, Purchase item subcontracting*), Standard Cost Results, Lot Results or Value Correction can occur if inventory value is differs from original value (as described in section *Purchase Order, Receipt correction, Purchased item*).

4.8 Usage and payment of consigned inventory

4.8.1 Payable receipts (positive)

4.8.1.1 Inventory received with Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Order PUR000006 (see section 4.4.1 *'Receipts, Purchased item in warehouse'*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section *Warehousing, Cycle counting, Positive quantity (company-owned)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
398.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000006		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		110 USD
C	Interim Transit	Interim Transit / 2	NWH1		110 USD
399.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000004		
D	Interim Transit	Interim Transit / 2	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Internal currency rate change

In case, the purchase office is in another financial company than the warehouse a change of the internal currency rate can cause a difference at the interim account. If the internal currency rate between the order currency and the local currency of the warehouse changes after the receipt transaction and before the usage transaction an extra transaction is required. This consignment result transaction cleans the Interim transit account. If, for example, the order amount is 100 USD and the currency rate changes from 1 USD = 0.7 EUR into 1 USD = 0.8 EUR, the following postings are created. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
400.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000006		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		100 USD
C	Interim Transit	Interim Transit / 2	NWH1		80 EUR
401.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000004		
D	Interim Transit	Interim Transit / 2	NWH1		70 EUR
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	70 EUR
402.	10061085: Warehouse Receipt / Consignment Result		BO: Inventory Transaction / IT0000004		
D	Interim Transit	Interim Transit / 2	NWH1		10 EUR
C	Consignment Result	End Account / 740	NWH1	MAT	10 EUR

Increase company-owned inventory

To increase the company-owned inventory, a payable receipt is created on the purchase order, on which the receipt postings are done. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
403.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000006		
D	Interim Transit	Interim Transit / 1	NWH1		110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		110 USD
404.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD

405.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
406.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 4.4.1.1.2 are created (except for the landed costs)

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

4.8.1.2 Inventory received with Payment = Pay on Use, Internal Payment = Pay on Use

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Order PUR000020 (see section 4.4.1 'Receipts, Purchased item in warehouse') is picked. In this case, the consigned inventory must be moved to inventory before the production issue *Production Order, Materials, Issue (company-owned/consigned)* can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section 4.4.1 'Receipts, Purchased item in warehouse'. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
407.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000020		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		110 USD
C	Interim Transit	Interim Transit / 2	FWH2		110 USD
408.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000076		
D	Interim Transit	Interim Transit / 2	FWH2		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	110 USD

409.	10001064: Purchase Order / Consignment Use			BO: Purchase Order / PUR000020	
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		110 USD
C	Interim Transit	Interim Transit / 2	NWH1		110 USD
410.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT0000076	
D	Interim Transit	Interim Transit / 2	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

To increase the company-owned inventory, a payable receipt is created on the purchase order, on which the receipt postings are done. Landed costs are not applicable in this scenario

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
411.	10001074: Purchase Order / Receipt			BO: Purchase Order / PUR000020	
D	Interim Transit	Interim Transit / 1	NWH1		110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		110 USD
412.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000076	
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
413.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000076	
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
414.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000076	
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section 4.4.1 'Receipts, Purchased item in warehouse'

4.8.1.3 Inventory received with payment = Pay on Receipt, Internal payment = Pay on Use

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the internal business partner of the purchase office of Purchase Order PUR000021 (see section 4.4.1 'Receipts, Purchased item in warehouse') is picked. In this case, the consigned inventory must be moved to inventory before the

production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory. Note that in this case the receipt posting is already created.

Decrease consigned inventory

To decrease consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section *Purchase Order, Receipts, Purchased item in warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
415.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000021		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		110 USD
C	Interim Transit	Interim Transit / 2	NWH1		110 USD
416.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000078		
D	Interim Transit	Interim Transit / 2	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

To increase the company-owned inventory, no purchase posting is required. However, the company-owned inventory must be moved from warehouse FWH2 (with a negative receipt posting) to warehouse NWH1 (with a positive receipt posting). Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
417.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
418.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	FWH2		110 USD
419.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD

420.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000078		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Warehousing, Receipt in warehouse, Sales order (manual)*.

4.8.2 Payable receipts (negative)

4.8.2.1 Inventory received with payment = Pay on Use, Internal payment = Pay on Receipt

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section 4.4.1 'Receipts, Purchased item in warehouse'. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
421.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000006		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
422.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000004		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

To decrease the company-owned inventory, a payable receipt is created on the purchase order, on which the receipt postings are done. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
423.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000006		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
424.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	NWH1		-110 USD
425.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-11 USD
426.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000004		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 4.4.1.1.2 are created with negative amounts (except for the landed costs)

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section 4.4.1 'Receipts, Purchased item in warehouse', because the original value can be different from the inventory value.

4.8.2.2 Inventory received with Payment = Pay on Use, Internal Payment = Pay on Use

Example: The piece that was issued to the production order is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Return (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section 4.4.1 'Receipts, Purchased item in warehouse'. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
427.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000020		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	PO2		-110 USD
C	Interim Transit	Interim Transit / 2	FWH2		-110 USD
428.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000076		
D	Interim Transit	Interim Transit / 2	FWH2		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
429.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000020		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
430.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000076		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

To decrease the company-owned inventory, a payable receipt is created on the purchase order, on which the receipt postings are done. Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
431.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000020		
D	Interim Transit	Interim Transit / 1	NWH1		110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		110 USD
432.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000076		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
433.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000076		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
434.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000076		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD

C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 4.4.1.1.2 are created (except for the landed costs)

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section 4.4.1 'Receipts, Purchased item in warehouse' because the original value can be different from the inventory value.

4.8.2.3 Inventory received with payment = Pay on Receipt, internal payment = Pay on Use

Example: The piece that was issued to the production order (see section *Purchase Order, Usage and payment of consigned inventory, Payable receipts (positive)*) is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Return (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased. Note that in case the receipt posting is already created.

Increase consigned inventory

To increase consigned inventory, you use the purchase order and the inventory transaction ID of the receipt, as described in section 4.4.1 'Receipts, Purchased item in warehouse'. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
435.	10001064: Purchase Order / Consignment Use		BO: Purchase Order / PUR000021		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
436.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000078		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

To decrease the company-owned inventory, no purchase posting is required. However, the company-owned inventory must be moved from warehouse NWH2 (with a negative receipt posting) to warehouse FWH1 (with a positive receipt posting). Landed costs are not applicable in this scenario.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

437.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000078	
D	Inventory	Inventory / 1	FWH2	MAT	110 USD
C	Interim Transit	Interim Transit / 1	FWH2		110 USD
438.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000078	
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
439.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000078	
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-11 USD
440.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000078	
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section 4.4.1 'Receipts, Purchased item in warehouse', because the original value can be different from the inventory value.

4.8.3 Payable orders

In some cases, you cannot create a payable receipt on the purchase order on which the receipt is done. In that case, a new purchase orders is created on which the payment (and the postings are done).

Examples

- A manufactured/list item was received with Issue by Component. If a separate component is issued, this should be paid, but it cannot be paid on the main item. As a result, a specific payment order is required for the component.
- The consigned inventory was received with a purchase manual order, an adjustment order, or a cycle counting order (Chapter 17, *Warehousing*). On these orders, payment is not possible. As a result, a purchase payment order must be created.

The integration transactions for these situations are the same as the transactions described in sections *Purchase Order, Usage and payment of consigned inventory, Payable receipts (positive)* and *Purchase Order, Usage and payment of consigned inventory, Payable receipts (negative)*. The only difference is that the increase of company-owned inventory (or decrease in case of negative payment) is done with the newly generated purchase order and a newly generated inventory transaction ID. Furthermore, intercompany trade is not applicable for consignment payment orders, as approval is not possible in the usage and payment process.

4.9 Update delivery sales/service order

4.9.1 Sales Order (no return)

No intercompany trade relationship between purchase office and sales office

Example: The purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1 linked to sales order SLS000001. The purchase order price is 110 USD.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The handling of the receipt of the direct delivery is described in section 4.4.5.

The amounts that are used for the update sales order proces can differ based on the following:

- If the valuation method of the item valuation group of item PI1 is equal to Standard Cost and project pegging is not applicable, the Standard Cost is used.
- If the valuation method of the item valuation group of item PI1 is not equal to Standard Cost or project pegging is applicable, the actual price is used, which is the purchase order amount, including the already processed variances that are caused by a price change after receipt.

Assume, for example, that the valuation method is unequal to Standard Cost, and no price changes after receipt have occurred. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
441.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		53.6 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	53.6 USD
442.	10001022: Purchase Order / Direct Delivery Issue		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		240 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		240 USD
443.	10001022: Purchase Order / Direct Delivery Issue		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		77.6 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		77.6 USD

444.	<i>10002052: Sales Order / Issue</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim COGS	Interim Costs / 1	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	PO1		240 USD
445.	<i>10002052: Sales Order / Issue</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim COGS	Interim Costs / 1	SO1	SUR	77.6 USD
C	Interim Transit	Interim Transit / 1	PO1		77.6 USD

If customer approval is not implemented, journal entries 444 and 445 are created at the same time as journal entries 441 through 443. If customer approval is implemented, journal entries 444 and 445 are created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entries 444 and 445 are not created. This depends on the situation in which postings are created in this case.

If the goods are returned to the supplier or to a warehouse, the following postings are created. Note that the enterprise unit of the purchase office of the original purchase order is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
446.	<i>10002050: Sales Order / Interim Result</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim Costs	Interim Costs / 12	PO1		220 USD
C	Interim Transit	Interim Transit / 1	SO1		220 USD
447.	<i>10002050: Sales Order / Interim Result</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim Costs	Interim Costs / 12	PO1		70.4 USD
C	Interim Transit	Interim Transit / 1	SO1		70.4 USD

If the goods are not returned at all, the following postings are created. Note that the enterprise unit of the purchase office of the original purchase order is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
448.	<i>10002075: Sales Order / Rejection</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim Transit	Interim Transit / 1	PO1		-220 USD
C	Rejection	End Account / 175	PO1	MAT	-220 USD
449.	<i>10002075: Sales Order / Rejection</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim Transit	Interim Transit / 1	PO1		-70.4 USD
C	Rejection	End Account / 175	PO1	SUR	-70.4 USD

Note: Combinations of approval, rejection with return, and rejection without return are also possible.

If project pegging is applicable journal entries 444 and 445 are replaced by journal entries 450 and 451.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
450.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000001		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	PO1		240 USD
451.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000001		
D	Interim COGS Project	Interim Costs / 21	SO1	SUR	77.60 USD
C	Interim Transit	Interim Transit / 1	PO1		77.60 USD

Note: Customer approval in combination with project pegging is not possible

Intercompany trade relationship between purchase office and sales office

If an intercompany trade relationship is defined between a purchase office and a sales office, the costs are not taken over one to one from the purchase office to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a mark up percentage added to it) on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: The purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1 linked to sales order SLS000001. The purchase order price is 110 USD. The commercial price is 190 USD.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

The handling of the receipt of the direct delivery is described in section 4.4.5.

The amount that are used for the update sales order proces can differ based on the following:

- If the valuation method of the item valuation group of item PI1 is equal to Standard Cost and project pegging is not applicable, the Standard Cost is used.
- If the valuation method of the item valuation group of item PI1 is not equal to Standard Cost or project pegging is applicable, the actual price is used, which is the purchase order amount, including the already processed variances that are caused by a price change after receipt.

Assume, for example, that the valuation method is unequal to Standard Cost, and no price changes after receipt have occurred. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
452.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		53.6 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	53.6 USD
453.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000004		
D	Interim COGS	Interim Costs / 11	PO1		240 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		240 USD
454.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000004		
D	Interim COGS	Interim Costs / 11	PO1		77.6 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		77.6 USD
455.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 1	SO1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		380 USD

If customer approval is not implemented, journal entry 455 is created at the same time as journal entries 452 through 454. If customer approval is implemented, journal entry 455 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 455 is not created. This depends on the situation in which postings are created in this case.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 455 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If the goods are returned to the supplier or to a warehouse, the following postings are created. Note that the enterprise unit of the purchase office of the original purchase order is always used.

D/C	Journal Entry	Reconciliation	Enterprise	Cost Comp.	Amount

		Group	Unit		
456.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		220 USD
C	Interim COGS	Interim Costs / 11	PO1		220 USD
457.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		70.4 USD
C	Interim COGS	Interim Costs / 11	PO1		70.4 USD

If the goods are not returned at all, the following postings are created. Note that the enterprise unit of the purchase office of the original purchase order is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
458.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 11	PO1		-220 USD
C	Rejection	End Account / 171	PO1	MAT	-220 USD
459.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 11	PO1		-70.4 USD
C	Rejection	End Account / 171	PO1	SUR	-70.4 USD

Note: Combinations of approval, rejection with return, and rejection without return are also possible.

If project pegging is applicable journal entry 455 is replaced by journal entry 460

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
460.	10002129: Sales Order / Issue Intercompany (Project)		BO: Sales Order / SLS000001		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	240 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		240 USD

Note: Customer approval in combination with project pegging is not possible

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 460 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

4.9.2 Sales Order (return)

In case of a return order, the same postings are created as in the situation where the sales order is not a return order, only the amounts are multiplied with -1.

4.9.3 Service Order (no return)

No intercompany trade relationship between purchase office and service department

Example: The purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1 linked to service order SOC000002. The purchase order price is 110 USD.

In this scenario, the same journal entries 441 through 443 as for sales order (no return) are created. Journal entries 444 and 445 are replaced by journal entry 461.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
461.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		317.6 USD
C	Interim Transit	Interim Transit / 1	SD1		317.6 USD

Intercompany trade relationship between purchase office and service department

Example: The purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1 linked to service order SOC000002. The purchase order price is 110 USD.

In this scenario, the same journal entries 452 through 454 as for sales order (no return) are created. Journal entry 455 is replaced by journal entry 462.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
462.	10015054: Service Order / Issue Intercompany		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		380 USD

4.9.4 Service Order (return)

For material lines of type **Supplier Direct Delivery**, in some cases, the actual quantity used in Service can be different from the estimated and delivered quantity. In that case, a new material line of type Supplier Direct Return is created.

Example: One of the two pieces from the previous section is returned to supplier. Purchase order PUR000019 is created, with purchase office PO2 and a price of 105 USD. So compared with the original purchase order PUR000004, the purchase office and the price are changed.

No intercompany trade relationship between purchase office and service department

During the receipt in Purchase, the following journal entries are created.
(See also sections 4.4.5 and 4.5.5)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
463.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000019		
D	Interim Transit	Interim Transit / 1	PO2		-105 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		-105 USD
464.	10001026 Purchase Order / Direct Delivery		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-105 USD
C	Interim Transit	Interim Transit / 1	PO2		-105 USD
465.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-10.5 USD
C	Surcharge Cover	End Account / 112	PO2	IRS	-10.5 USD

If the valuation method of the item valuation group of item PI1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
466.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-5 USD
C	Standard Cost Result	End Account / 111	PO2	MAT	-5 USD
467.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-0.5 USD

C	Standard Cost Result	End Account / 111	PO2	SUR	-0.5 USD

The amounts that are used for the update service order proces can differ based on the following:

Assume, for example, that the valuation method is other than Standard Cost, and no price changes after receipt have occurred. The following journal entries are created. The return result is created to post the difference on Interim Transit / 1 between journal entries 2431/471 and 469.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
468.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-23.1 USD
C	Surcharge Cover	End Account / 113	PO2	IIS	-23.1 USD
469.	10001022: Purchase Order / Direct Delivery Issue		BO: Purchase Order / PUR000019		
D	Interim Transit	Interim Transit / 1	PO2		-138.6 USD
C	Interim Direct Delivery	Interim Transit / 4	PO2		-138.6 USD
470.	10015090: Service Order / Return Result		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	PO2		-20.2 USD
C	Return Result	End Account / 320	SD1		-20.2 USD

If the service order line is not costed yet, also the following journal entry is created. This is not done if the service order line is already costed, in that case the postings is already created from service. See 18.1.11.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
471.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-158.8 USD
C	Interim Transit	Interim Transit / 1	SD1		-158.8 USD

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service order amount to balance reconciliation group Interim Transit / 1. The following posting is created instead of postings 463 through 470 when the purchase order is released to Service:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

472.	10015088: Service Order / Shipment Variance		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		-158.8 USD
C	Shipment Variance	End Account / 317	SD1		-158.8 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

Intercompany trade relationship between purchase office and service department

During the receipt in Purchase, the following journal entries are created.
(See also sections 4.4.5 and 4.5.5)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
473.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000019		
D	Interim Transit	Interim Transit / 1	PO2		-105 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		-105 USD
474.	10001026 Purchase Order / Direct Delivery Intercompany		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-105 USD
C	Interim Transit	Interim Transit / 1	PO2		-105 USD
475.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-10.5 USD
C	Surcharge Cover	End Account / 112	PO2	IRS	-10.5 USD

If the valuation method of the item valuation group of item PI1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
476.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-5 USD
C	Standard Cost Result	End Account / 111	PO2	MAT	-5 USD
477.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-0.5 USD
C	Standard Cost Result	End Account / 111	PO2	SUR	-0.5 USD

The amounts that are used for the update service order process can differ based on the following:

Assume, for example, that the valuation method is other than Standard Cost, and no price changes after receipt have occurred. The following journal entries are created. The return result is created to post the difference on Interim Transit / 1 between journal entries 2432/482 and 480. Assume the internal commercial invoice price is 200 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
478.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000019		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-23.1 USD
C	Surcharge Cover	End Account / 113	PO2	IIS	-23.1 USD
479.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000019		
D	Interim COGS	Interim Costs / 11	PO2		-138.6 USD
C	Interim Direct Delivery	Interim Transit / 4	PO2		-138.6 USD
480.	10015086: Service Order / Receipt Intercompany		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		-200 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		-200 USD
481.	10015090: Service Order / Return Result		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		10 USD
C	Return Result	End Account / 320	SD1		10 USD

If the service order line is not costed yet, also the following journal entry is created. This is not done if the service order line is already costed, in that case the postings is already created from service. See 18.1.11.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
482.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-190 USD
C	Interim Transit	Interim Transit / 1	SD1		-190 USD

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service order amount to balance reconciliation group Interim Transit / 1. The following posting is created instead of postings 473 through 481 when the purchase order is released to Service:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
483.	10015088: Service Order / Shipment Variance		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		-190 USD
C	Shipment Variance	End Account / 317	SD1		-190 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

4.10 Invoice approval / Change price after receipt

Note

- For orders with payment Pay on Use, you can change the price on the payable receipt, or on the order line. If you change the price on the order line, it is only applicable for the payable receipts that are not invoiced yet, and for the payable receipts that follow.
- The examples are for invoice approval. Unless otherwise indicated, the same transactions are created in case of change price after receipt.
- For orders with payment No Payment no prices can be changed and invoice approval cannot occur.
- In case of un-approval of an invoice, the integration transactions described in the following section are also created, but with the amount multiplied by -1.
- Invoice approval can be done on order line level, on receipt line level or on payable receipt sequence level.
- A landed cost invoice can be matched and approved on receipt line landed cost level only (lowest level). Change price after receipt is also possible for landed cost lines.

4.10.1 Approval / unapproval

ACP Invoice

Example: An invoice is approved for a particular purchase order (for example, PUR000001). In that case, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount, for example, 240 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
484.	Only Reconciliation: Approval		BO: Purchase Order / PUR000001		
D	Invoice Accrual	Invoice Accrual / 3	PO1		240 USD

If the invoice is unapproved again, the following entry is created in the reconciliation data:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
485.	<i>Only Reconciliation: Unapproval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-240 USD

Note: These transactions are always created in the scenarios described in the following sections when an invoice is approved. These transactions are not created if you change a price after receipt in purchase.

SSP Invoice

Example: An SSP invoice of 30 USD is approved for the first SSP line (for example for purchase order PUR000001)

The following postings and reconciliation records are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
486.	<i>10001143: Purchase Order / Released Stage Payment</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Accrued Released Stage Payments	Interim Costs / 25	PO1	MAT	-30 USD
C	Stage Payment – Not Paid	Interim Costs / 26	PO1	MAT	-30 USD
487.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	PO1		30 USD

Notes:

- An unapproval action is done with reversed sign.
- For a pegged order the same postings are made.

4.10.2 Expense tax

Expensed tax must be processed to inventory, project, and so on. If expense tax is applicable, a record is created in the reconciliation data that is no integration transaction. If, for example, expensed tax of 10 USD is applicable for a certain purchase order PUR000001, the following entry is created when an invoice is approved.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

488.	Only Reconciliation: Expense Tax		BO: Purchase Order / PUR000001		
D	Interim Variance	Interim Variance / 1	PO1		10 USD

If the invoice is unapproved, the same entry is created with an amount of –10 USD.

Note

- This transaction is created always in the scenarios that are described in the following sections when an invoice is approved and expensed tax is applicable
- This transaction is not created for changing a price after receipt in purchase.

4.10.3 Currency Gain and Loss

Currency gain and loss must be processed to inventory, project, and so on. A currency gain and loss is logged if a difference between home amounts of an integration transaction occurs. A record is created in the reconciliation data that is no integration transaction. Also an inventory variance record is created in warehousing with the inventory variance origin is 'Currency Gain and Loss'.

Example: a Purchase Order / Receipt transaction is booked with currency rates for the order defined as 1 GBP = 3 USD = 4 EUR and the internal rates that are defined as 1 GBP = 3 USD = 3.5 EUR. The credit home amounts are 600 USD and 800 EUR, the debit home amounts are 600 USD and 700 EUR.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
489.	Only Reconciliation: Gain & Loss		BO: Purchase Order / PUR000001		
D	Invoice Accrual	Invoice Accrual / 3	£0 GBP	0 USD	100 EUR

As a result, the value of invoice accrual will be booked into inventory.

Note

- This entry is logged at the moment of posting the originating integration transaction in the tfgl module.
- For dependent currency system only the local home amount is filled. For standard currency system with multiple functional currencies, all home amounts can be filled and stored in the inventory value.
- For a project pegged order line also a PCL transaction is logged for the currency gain and loss.

4.10.4 Purchased/list/manufactured item and warehouse

4.10.4.1 Approve Purchase Invoice

Example: A purchase invoice is approved for purchase order PUR000001 (two pieces of item PI1 in warehouse NWH1) for an amount of 240 USD. Order amount was 220 USD. Journal entry 490 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
490.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000001		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD

4.10.4.1.1 Intercompany trade relationship not present between purchase office and warehouse

Also a record for the variance of \$20 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12. For an Expensed Tax of 10 USD, also a record is created in the inventory variances in warehousing.

4.10.4.1.2 Intercompany trade relationship present between purchase office and warehouse

Except for journal entry 490, also journal entry below is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
491.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
492.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	20 USD
C	Interim COGS	Interim Costs / 11	PO1		20 USD

If the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 30 (20 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
493.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000001		
D	Interim Variance	Interim Variance / 1	NWH1		30 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		30 USD

Also a record for the variance of \$30 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12. For an Expensed Tax of 10 USD, also a record is created in the inventory variances in warehousing for 15 USD, in case the intercompany trade order was based on cost plus.

4.10.4.2 Approve Landed Cost Invoice

A landed cost invoice for purchase order PUR000001 (two pieces of item PI1 in warehouse NWH1, see section 4.4.1 'Receipts, Purchased item in warehouse') is approved for an amount of 10 USD. Invoiced landed cost amount was 8 USD. Journal entry 494 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
494.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000001		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD

4.10.4.2.1 Intercompany trade relationship not present between purchase office and warehouse

Also a record for the variance of \$2 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

4.10.4.2.2 Intercompany trade relationship present between purchase office and warehouse

Except for journal entry 494, also journal entry below is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
495.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
496.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	2 USD
C	Interim COGS	Interim Costs / 11	PO1		2 USD

If the intercompany trade order was based on cost plus with a mark-up percentage, for instance 50%, the intercompany trade revenues are 3 (2 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
497.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000001		
D	Interim Variance	Interim Variance / 1	NWH1		3 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		3 USD

Also a record for the variance of \$3 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12.

4.10.4.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000001 (two pieces of item PI1 in warehouse NWH1, see section 4.4.1 'Receipts, Purchased item in warehouse') is changed from 6 into 7 USD. Next journal entry is created for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
498.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000001		
D	Landed Costs Cover	End Account / 115	PO1	LC2	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD

4.10.4.3.1 Intercompany trade relationship not present between purchase office and warehouse

Also an inventory variance of 2 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

4.10.4.3.2 Intercompany trade relationship present between purchase office and warehouse

Except for journal entry 498, also journal entry below is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
499.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000001		
D	Interim COGS	Interim Costs / 11	PO1		2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
500.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	2 USD
C	Interim COGS	Interim Costs / 11	PO1		2 USD

If the intercompany trade order was based on cost plus with a mark-up percentage, for instance 50%, the intercompany trade revenues are 3 (2 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
501.	<i>10061183: Warehouse Receipt / Variance Intercompany</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Interim Variance	Interim Variance / 1	NWH1		3 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		3 USD

Also a record for the variance of \$3 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12.

4.10.5 Project

4.10.5.1 Approve Purchase Invoice

4.10.5.1.1 Intercompany trade relationship not present between purchase office and project management office

Example: An invoice is approved for purchase order PUR000003, which consists of two pieces of item PI1 for project TP1, for an amount of 240 USD. The order amount was 220 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
502.	<i>10001065: Purchase Order / Price Variance</i>		<i>BO: Purchase Order / PUR000003</i>		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
503.	<i>10024071: Project Costs & Commitments / Purchase Price Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

The journal entries 502 through 503 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse, the journal entries as described in section 4.10.4 are created, unless a cost item or a service item is received in a project warehouse. In this case, journal entries 502 and 503 are created.

For a receipt in a project WIP warehouse, the journal entries 502 and 503 are created similar to a direct receipt in project.

For an expensed tax of 10 USD, only journal entry 503 is created for 10 USD. Journal entry 502 is not created.

4.10.5.1.2 Intercompany trade relationship present between purchase office and project management office

Example: An invoice is approved for purchase order PUR000003, which consists of two pieces of item PI1 for project TP1, for an amount of 240 USD. The order amount was 220 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
504.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000003		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
505.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000003		
D	Interim COGS	Interim Costs / 11	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
506.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000003		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	20 USD
C	Interim COGS	Interim Costs / 11	PO1		20 USD

If the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 30 (20 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
507.	10024182: Project Costs & Commitments / Direct Receipt Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		30 USD
C	Invoice Accrual	Invoice Accrual / 32	TP1		30 USD

The journal entries 504 through 507 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse, the journal entries as described in section 4.10.4 are created, unless a cost item or a service item is received in a project warehouse. In this case, journal entries 504 through 507 are created.

For a receipt in a project WIP warehouse, the journal entries 504 through 507 are created similar to a direct receipt in project.

For an expensed tax of 10 USD, only journal entry 505 is created for 10 USD and journal entry 507 for 15 USD. Journal entry 504 is not created.

4.10.5.2 Approve Landed Cost Invoice

A landed cost invoice for purchase order PUR000003 (two pieces of item PI1 for project TP1, see section 4.4.4 'Receipts, Project') is approved for an amount of 10 USD. Invoiced landed cost amount was 8 USD. In case no intercompany trade relation between purchase office and project management office is present, following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
508.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000001		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD
509.	10024071: Project Costs & Commitments / Purchase Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

In case an intercompany trade relation is present between purchase office and project management office, journal entry 509 is replaced by journal entries 505 and 507.

The journal entries 508 through 509 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse, the journal entries as described in section 4.10.4 are created, unless a cost item or a service item is received in a project warehouse. In this case, journal entries 508 and 509 are created.

4.10.5.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000003 (two pieces of item PI1 for project TP1, see section 4.4.4 'Receipts, Project') is changed from 6 into 7 USD. Next journal entry is created for the difference, in case no intercompany trade relation between purchase office and project management office is present

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
510.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000001		
D	Landed Costs Cover	End Account / 115	PO1	LC2	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD
511.	10024071: Project Costs & Commitments / Purchase Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

In case an intercompany trade relation is present between purchase office and project management office, journal entry 511 is replaced by journal entries 505 and 507.

The journal entries 510 through 511 are created for a direct receipt in project from a cost item, a service item, a subcontracting item, or an equipment item.

For a receipt in a project warehouse, the journal entries as described in section 4.10.4 are created, unless a cost item or a service item is received in a project warehouse. In this case, journal entries 510 and 511 are created.

4.10.6 Direct delivery for Sales

4.10.6.1 Purchase order linked to sales order, no sales return rejection order

4.10.6.1.1 Approve Purchase Invoice

Example: A purchase invoice is approved for purchase order PUR000004, for direct delivery of two pieces of item PI1, linked to sales order SLS000001, for an amount of 240 USD. The order amount is 220 USD. When the invoice is approved, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
512.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000004		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
513.	10001024: Purchase Order / Direct Delivery Variance		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD
514.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		2 USD
C	Surcharge Cover	End Account / 112	PO1	IRS	2 USD

If the valuation method of the item is Standard Cost, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
515.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-20 USD
C	Standard Cost Result	End Account / 111	PO1	MAT	-20 USD
516.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		-2 USD
C	Standard Cost Result	End Account / 111	PO1	SUR	-2 USD

If the valuation method of the item is unequal to Standard Cost, and the purchase order is already released to sales, the following additional postings are created:

4.10.6.1.1.1 Intercompany trade relationship not present between purchase office and sales office

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
517.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		4.4 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	4.4 USD

518.	10001022: Purchase Order / Direct Delivery Issue		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		20 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
519.	10001022: Purchase Order / Direct Delivery Issue		BO: Purchase Order / PUR000004		
D	Interim Transit	Interim Transit / 1	PO1		6.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		6.4 USD

If customer approval is not implemented, or if customer approval is implemented and some pieces are already accepted or rejected in sales, several additional postings are also created. As a result, these postings are not created if customer approval is implemented and nothing is yet approved or rejected.

Quantity approved

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
520.	10002052: Sales Order / Issue		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 1	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	PO1		20 USD
521.	10002052: Sales Order / Issue		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 1	SO1	SUR	6.4 USD
C	Interim Transit	Interim Transit / 1	PO1		6.4 USD

If project pegging is applicable journal entry 520 through 521 are replaced by journal entry 522 through 523.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
522.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 21	SO1		20 USD
C	Interim Transit	Interim Transit / 1	PO1		20 USD
523.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 21	SO1		6.4 USD
C	Interim Transit	Interim Transit / 1	PO1		6.4 USD

Furthermore, if the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS, if the order line is already released to invoicing.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
524.	<i>10002185: Sales Order / COGS Variance</i>		<i>BO: Sales Order / SLS000001</i>		
D	Cost of Goods Sold	End Account / 164	SO1	MAT	20 USD
C	Interim COGS	Interim Costs / 1	SO1	MAT	20 USD
525.	<i>10002185: Sales Order / COGS Variance</i>		<i>BO: Sales Order / SLS000001</i>		
D	Cost of Goods Sold	End Account / 164	SO1	SUR	6.4 USD
C	Interim COGS	Interim Costs / 1	SO1	SUR	6.4 USD

If project pegging is applicable journal entry 524 through 525 are replaced by journal entry 526 through 527.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
526.	<i>10024134: Project Costs & Commitments / Invoiced WIP</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim COGS	Interim Costs / 21	SO1	MAT	20 USD
527.	<i>10024134: Project Costs & Commitments / Invoiced WIP</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6.4 USD
C	Interim COGS	Interim Costs / 21	SO1	SUR	6.4 USD

Note: Customer approval in combination with project pegging is not possible.

Quantity rejected

The following situations can occur:

- Quantity rejected without return order
- Quantity rejected with return order to Warehousing, quantity already received in Warehousing
- Quantity rejected with purchase return order to supplier, purchase return order already released to Sales

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

528.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000001		
D	Interim Transit	Interim Transit / 1	PO1	MAT	-20 USD
C	Rejection	End Account / 175	PO1		-20 USD
529.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000001		
D	Interim Transit	Interim Transit / 1	PO1	SUR	-6.4 USD
C	Rejection	End Account / 175	PO1		-6.4 USD

Quantity rejected with return order

The following situations can occur:

- Quantity rejected with return order to Warehousing, quantity not received in Warehousing
- Quantity rejected with purchase return order to supplier, purchase return order not released to Sales

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
530.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		20 USD
C	Interim Transit	Interim Transit / 1	PO1		20 USD
531.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		6.4 USD
C	Interim Transit	Interim Transit / 1	PO1		6.4 USD

4.10.6.1.1.2 Intercompany trade relationship present between purchase office and sales office

The following entries are created if the order is already released to sales. If the order is not yet released to sales, no postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
532.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		4.4 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	4.4 USD

533.	<i>10001023: Purchase Order / Direct Delivery Issue Intercompany</i>		<i>BO: Purchase Order / PUR000004</i>		
D	Interim COGS	Interim Costs / 11	PO1		20 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
534.	<i>10001023: Purchase Order / Direct Delivery Issue Intercompany</i>		<i>BO: Purchase Order / PUR000004</i>		
D	Interim COGS	Interim Costs / 11	PO1		6.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		6.4 USD

Furthermore, a new transaction line is created for the intercompany trade order, which will be processed in the normal way as described with the postings in 4.11.1.1

If customer approval is not implemented, or if customer approval is implemented and some pieces are already accepted or rejected in sales, several additional postings are required if the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 39.6 (26.4 + 50%). As a result, these postings are not created if customer approval is implemented and nothing is yet approved or rejected.

Quantity approved

The following entries are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
535.	<i>10002054: Sales Order / Issue Intercompany</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim COGS	Interim Costs / 1	SO1	MAT	39.6 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		39.6 USD

If project pegging is applicable journal entry 535 is replaced by journal entry below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
536.	<i>10002129: Sales Order / Issue Intercompany (Project)</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	39.6 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		39.6 USD

Furthermore, if the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS, if the order line is already released to invoicing.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
537.	10002185: Sales Order / COGS Variance		BO: Sales Order / SLS000001		
D	Cost of Goods Sold	End Account / 164	SO1	MAT	39.6 USD
C	Interim COGS	Interim Costs / 1	SO1	MAT	39.6 USD

If project pegging is applicable journal entry 537 is replaced by journal entry below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
538.	10024134: Project Costs & Commitments / Invoiced WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		39.6 USD
C	Interim COGS	Interim Costs / 21	SO1	MAT	39.6 USD

Note: Customer approval in combination with project pegging is not possible.

Quantity rejected

The following situations can occur:

- Quantity rejected without return order
- Quantity rejected with return order to Warehousing, quantity already received in Warehousing
- Quantity rejected with purchase return order to supplier, purchase return order already released to Sales

The following entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
539.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 11	PO1		-39.6 USD
C	Rejection	End Account / 171	PO1	MAT	-39.6 USD

Quantity rejected with return order

The following situations can occur:

- Quantity rejected with return order to Warehousing, quantity not received in Warehousing

- Quantity rejected with purchase return order to supplier, purchase return order not released to Sales

The following entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
540.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		39.6 USD
C	Interim COGS	Interim Costs / 11	PO1		39.6 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entries above is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

4.10.6.1.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000004, for direct delivery of two pieces of item PI1, linked to sales order SLS000001 (see section 4.4.5), for an amount of 28 USD. Invoiced landed cost amount was 8 USD. When the invoice is approved the same journal entries are created as described in section 4.10.6.1.1 where only journal entry 512 is replaced by journal entry 541.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
541.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000004		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD

4.10.6.1.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000004, for direct delivery of two pieces of item PI1, linked to sales order SLS000001 (see section 4.4.5), is changed from 6 into 16 USD. The same journal entries are created as described in section 4.10.6.1.1 where only journal entry 512 is replaced by journal entry 542.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

542.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000001		
D	Landed Costs Cover	End Account / 115	PO1	LC2	-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD

4.10.6.2 Purchase order linked to sales return rejection order

Example: An invoice is approved for purchase order PUR000016, which is a direct delivery for two pieces of item PI1, linked to sales order SLS000012, described in section *Sales Order, Return orders, Rejected goods* for an amount of -230 USD. The order price is -105 USD.

Upon approval, the following transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
543.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000016		
D	Invoice Accrual	Invoice Accrual / 3	PO2		20 USD
C	Interim Variance	Interim Variance / 1	PO2		20 USD
544.	10001024: Purchase Order / Direct Delivery Variance		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-20 USD
C	Interim Variance	Interim Variance / 1	PO2		-20 USD
545.	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-2 USD
C	Surcharge Cover	End Account / 112	PO2	IRS	-2 USD

In addition, if the valuation method of the item is Standard Cost, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
546.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
C	Standard Cost Result	End Account / 111	PO1	MAT	20 USD
547.	10001067: Purchase Order / Standard Cost Result		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO1		2 USD
C	Standard Cost Result	End Account / 111	PO1	SUR	2 USD

If the valuation method of the item is unequal to Standard Cost, and the purchase order is already released to sales, and the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
548.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-4.4 USD
C	Surcharge Cover	End Account / 174	PO2	IIS	-4.4 USD
549.	10001026: Purchase Order / Direct Delivery		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	PO2		-20 USD
C	Interim Direct Delivery	Interim Transit / 4	PO2		-20 USD
550.	10001026: Purchase Order / Direct Delivery		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	PO2		-6.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO2		-6.4 USD
551.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000012		
D	Interim Transit	Interim Transit / 1	PO2		20 USD
C	Interim Costs	Interim Costs / 12	PO1		20 USD
552.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000012		
D	Interim Transit	Interim Transit / 1	PO2		6.4 USD
C	Interim Costs	Interim Costs / 12	PO1		6.4 USD
553.	10002090: Sales Order / Return Result		BO: Sales Order / SLS000012		
D	Interim Costs	Interim Costs / 12	PO1		-20 USD
C	Return Result	End Account / 180	PO2		-20 USD
554.	10002090: Sales Order / Return Result		BO: Sales Order / SLS000012		
D	Interim Costs	Interim Costs / 12	PO1		-6.4 USD
C	Return Result	End Account / 180	PO2		-6.4 USD

4.10.7 Direct delivery for Service

4.10.7.1 Approve Purchase Invoice

Example: A purchase invoice is approved for purchase order PUR000004, for direct delivery of two pieces of item P11, linked to service order SOC000002, for an amount of 240 USD. The order price is 110 USD. Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

555.	10001065: Purchase Order / Price Variance			BO: Purchase Order / PUR000004	
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
556.	10001024: Purchase Order / Direct Delivery Variance			BO: Purchase Order / PUR000004	
D	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD
557.	10001056: Purchase Order / Item Surcharge Receipt			BO: Purchase Order / PUR000004	
D	Interim Direct Delivery	Interim Transit / 4	PO1		2 USD
C	Surcharge Cover	End Account / 112	PO1	IRS	2 USD

If the valuation method of the item is Standard Cost, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
558.	10001067: Purchase Order / Standard Cost Result			BO: Purchase Order / PUR000004	
D	Interim Direct Delivery	Interim Transit / 4	PO1		-20 USD
C	Standard Cost Result	End Account / 111	PO1	MAT	-20 USD
559.	10001067: Purchase Order / Standard Cost Result			BO: Purchase Order / PUR000004	
D	Interim Direct Delivery	Interim Transit / 4	PO1		-2 USD
C	Standard Cost Result	End Account / 111	PO1	SUR	-2 USD

If the valuation method of the item is other than Standard Cost, and the purchase order is already released to service, the following entries are also created:

4.10.7.1.1 Intercompany trade relationship not present between purchase office and service department

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
560.	10001057: Purchase Order / Item Surcharge Issue			BO: Purchase Order / PUR000004	
D	Interim Direct Delivery	Interim Transit / 4	PO1		4.4 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	4.4 USD
561.	10001022: Purchase Order / Direct Delivery Issue			BO: Purchase Order / PUR000004	
D	Interim Transit	Interim Transit / 1	PO1		26.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		26.4 USD

The following postings are also created in this situation:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
562.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		26.4 USD
C	Interim Transit	Interim Transit / 1	PO1		26.4 USD

In case the service order line is already costed, the postings as described in 18.4 are created, in total for the amount of 26.4. This amount is divided dependent on the settings of the service order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings is created (for this example it is assumed it is an external service order where the total amount is approved for invoicing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
563.	10015185: Service Order / COGS Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		26.4 USD
C	Interim COGS	Interim Costs / 4	SD1		26.4 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
564.	10015186: Service Order / COGS Quotation Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 298	SD1		26.4 USD
C	Interim COGS	Interim Costs / 4	SD1		26.4 USD

4.10.7.1.2 Intercompany trade relationship present between purchase office and service department

The following entries are created if the order is already released to service. If the order is not yet released to service, no postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
565.	10001057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000004		
D	Interim Direct Delivery	Interim Transit / 4	PO1		4.4 USD
C	Surcharge Cover	End Account / 113	PO1	IIS	4.4 USD
566.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000004		
D	Interim COGS	Interim Costs / 11	PO1		26.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		26.4 USD

Furthermore, a new transaction line is created for the intercompany trade order, which will be processed in the normal way as described with the postings in 4.11.1.2

Several additional postings are required if the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 39.6 (26.4 + 50%).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
567.	10015054: Service Order / Issue Intercompany		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		39.6 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		39.6 USD

In case the service order line is already costed, the postings as described in 18.4 are created, in total for the amount of 26.4. This amount is divided dependent on the settings of the service order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings is created (for this example it is assumed it is an external service order where the total amount is approved for invoicing)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
568.	10015185: Service Order / COGS Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		39.6 USD
C	Interim COGS	Interim Costs / 4	SD1		39.6 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
569.	10015186: Service Order / COGS Quotation Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 298	SD1		39.6 USD
C	Interim COGS	Interim Costs / 4	SD1		39.6 USD

4.10.7.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000004, for direct delivery of two pieces of item PI1, linked to service order SOC000002 (see section 4.4.5) for an amount of 28 USD. Invoiced landed cost amount was 8 USD. When the invoice is approved the same journal entries are created as described in section 4.10.7.1 where only journal entry 555 is replaced by journal entry 570.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
570.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000004		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD

4.10.7.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000004, for direct delivery of two pieces of item PI1, linked to service order SOC000002 (see section 4.4.5), is changed from 6 into 16 USD. The same journal entries are created as described in section 4.10.7.1 where only journal entry 555 is replaced by journal entry 571.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
571.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000001		
D	Landed Costs Cover	End Account / 115	PO1	LC2	-20 USD

C	Interim Variance	Interim Variance / 1	PO1		-20 USD

4.10.8 Production operation subcontracting (without material flow)

4.10.8.1 Approve Purchase Invoice

4.10.8.1.1 Intercompany trade relationship not present between purchase office and workcenter

Example: A purchase invoice is approved for purchase order PUR000008, which is linked to production order SFC000001 that uses subcontracting, that uses two pieces of item SI1. The order price was 100 USD and the invoice amount is 90 USD.

Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
572.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000008		
D	Invoice Accrual	Invoice Accrual / 3	PO1		10 USD
C	Interim Variance	Interim Variance / 1	PO1		10 USD
573.	10014071: Production Order / Purchase Price Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUB	-10 USD
C	Interim Variance	Interim Variance / 1	PO1		-10 USD

For an expensed tax of 10 USD, only journal entry 573 is created for 10 USD. Journal entry 572 is not created.

4.10.8.1.2 Intercompany trade relationship present between purchase office and workcenter

Example: A purchase invoice is approved for purchase order PUR000008, which is linked to production order SFC000001 that uses subcontracting, that uses two pieces of item SI1. The order price was 100 USD and the invoice amount is 90 USD.

Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
574.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000008		
D	Invoice Accrual	Invoice Accrual / 3	PO1		10 USD
C	Interim Variance	Interim Variance / 1	PO1		10 USD

575.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000008		
D	Interim COGS	Interim Costs / 11	PO1		-10 USD
C	Interim Variance	Interim Variance / 1	PO1		-10 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
576.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000008		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	-10 USD
C	Interim COGS	Interim Costs / 11	PO1		-10 USD

If the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 15 (10 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
577.	10014097: Production Order / Subcontracting Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUB	-15 USD
C	Invoice Accrual	Invoice Accrual / 33	SCO1		-15 USD

4.10.8.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000008 which is linked to production order SFC000001 that uses subcontracting, that uses two pieces of item SI1. Invoiced landed cost amount was 8 USD and the invoice amount is 10 USD. Journal entry 494 is created.

Upon approval, in case no intercompany trade relation between purchase office and workcenter is present, following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

578.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000008		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD
579.	10014071: Production Order / Purchase Price Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUB	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD

In case an intercompany trade relation is present between purchase office and project management office, journal entry 579 is replaced by journal entries 575 and 577

4.10.8.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000008, which is linked to production order SFC000001 that uses subcontracting, that uses two pieces of item SI1 (see section 4.4.6), is changed from 6 into 1 USD. The same journal entries are created as described in section 4.10.8.1 where journal entry 572 or 574 is replaced by journal entry 580.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
580.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000008		
D	Landed Costs Cover	End Account / 115	PO1	LC2	10 USD
C	Interim Variance	Interim Variance / 1	PO1		10 USD

4.10.9 Production operation subcontracting (with material flow)

As the item is received in the warehouse, the postings as described in section 4.10.4 are created.

4.10.10 Purchase item subcontracting

As the item is received in the warehouse, the postings as described in section 4.10.4 are created.

4.10.11 Service subcontracting

4.10.11.1 Approve Purchase Invoice

Example: A purchase invoice is approved for purchase order PUR000009, which is linked to service order SOC000001 that uses subcontracting, that uses two pieces of item CI1. The order price was 100 USD and the invoice amount is 95 USD. When the purchase invoice is approved, the following entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
581.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000009		
D	Invoice Accrual	Invoice Accrual / 3	PO1		5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

For an expensed tax of 5 USD, journal entry 581 is not created.

4.10.11.1.1 Intercompany trade relationship not present between purchase office and service department

The following postings are also created in this situation:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
582.	10015071: Service Order / Purchase Price Variance		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

In case the service order line is already costed, the postings as described in 18.4 are created, in total for the amount of -5. This amount is divided dependent on the settings of the service order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings is created (for this example it is assumed it is an external service order where the total amount is approved for invoicing)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
583.	10015185: Service Order / COGS Variance		BO: Service Order / SOC000001		
D	Cost of Goods Sold	End Account / 302	SD1		-5 USD

C	Interim COGS	Interim Costs / 4	SD1		-5 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
584.	10015186: Service Order / COGS Quotation Variance		BO: Service Order / SOC000001		
D	Cost of Goods Sold	End Account / 298	SD1		-5 USD
C	Interim COGS	Interim Costs / 4	SD1		-5 USD

4.10.11.1.2 Intercompany trade relationship present between purchase office and service department

The following postings are also created in this situation in intercompany trade price is based for instance on cost plus with mark up percentage of 50%.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
585.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000009		
D	Interim COGS	Interim Costs / 11	PO1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD
586.	10015097: Service Order / Subcontracting Intercompany		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		-7.5 USD
C	Invoice Accrual	Invoice Accrual / 35	SD1		-7.5 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
587.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000009		
D	Cost of Goods Sold	End Account / 104	PO1		-5 USD
C	Interim COGS	Interim Costs / 11	PO1		-5 USD

In case the service order line is already costed, the postings as described in 18.4 are created, in total for the amount of -7.5. This amount is divided dependent on the settings of the service order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings is created (for this example it is assumed it is an external service order where the total amount is approved for invoicing)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
588.	10015185: Service Order / COGS Variance		BO: Service Order / SOC000001		
D	Cost of Goods Sold	End Account / 302	SD1		-7.5 USD
C	Interim COGS	Interim Costs / 4	SD1		-7.5 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
589.	10015186: Service Order / COGS Quotation Variance		BO: Service Order / SOC000001		
D	Cost of Goods Sold	End Account / 298	SD1		-7.5 USD
C	Interim COGS	Interim Costs / 4	SD1		-7.5 USD

4.10.11.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000009 which is linked to service order SOC000001 that uses subcontracting, that uses two pieces of item C11. Invoiced landed cost amount was 8 USD and the invoice amount is 3 USD. Upon approval the same journal entries as described in section 4.10.11.1 are created where journal entry 581 is replaced by journal entry 590.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
590.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000009		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

4.10.11.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000009, which is linked to service order SOC000001 that uses subcontracting, that uses two pieces of item CI1 (see section 4.4.9), is changed from 6 into 3.5 USD. The same journal entries are created as described in section 4.10.8.1 where journal entry 581 is replaced by journal entry 591.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
591.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000009		
D	Landed Costs Cover	End Account / 115	PO1	LC2	5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

4.10.12 Maintenance work subcontracting (without maintained item flow)

4.10.12.1 Approve Purchase Invoice

Example: A purchase invoice is approved for purchase order PUR000010, which is linked to maintenance work order WCS000001 that uses subcontracting, that uses two pieces of item CI2. The order price was 100 USD and the invoice amount is 95 USD. When the invoice is approved, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
592.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000010		
D	Invoice Accrual	Invoice Accrual / 3	PO1		5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

For an expensed tax of 5 USD, journal entry 592 is not created.

The other postings depend on the following

- Status of the maintenance work order
- Intercompany trade relationship present or not present between purchase office and work order department
- Internal or External Work Order (maintenance sales order not linked or linked)
- For External Work Order: Intercompany trade relationship present or not present between work order department and sales order department
- For External Work Order: status of the maintenance sales order

4.10.12.1.1 Intercompany trade relationship not present between purchase office and workcenter

Following journal entry is created always

Note that you cannot close a maintenance work order before the invoice is approved.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
593.	10032071: Maintenance Work Order / Purchase Price Variance		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

If the maintenance work order is not linked to a maintenance sales order, and the maintenance work order is already closed, you must create the following entry to empty the WIP again.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
594.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000001		
D	Costs	End Account / 361	SD1		-5 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-5 USD

If the maintenance work order is linked to maintenance sales order MSC000001, and the maintenance work order is already closed, the status of the maintenance sales order and the presence of an intercompany trade relation determines what postings you must create. The department of the maintenance sales order is SD2.

4.10.12.1.1.1 Intercompany trade relationship not present between work order department and sales order department

Following journal enties must be created always

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
595.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000001		
D	Interim Transit	Interim Transit / 9	SD1		-5 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-5 USD

596.	10031089: Maintenance Sales Order / Subcontracting		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-5 USD
C	Interim Transit	Interim Transit / 9	SD1		-5 USD

In case the maintenance sales order line is already costed, the postings as described in 15.9 are created, in total for the amount of -5. This amount is divided dependent on the settings of the maintenance sales order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings is created (for this example it is assumed it is a maintenance sales order where the total amount is approved for invoicing)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
597.	10031185: Maintenance Sales Order / COGS Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		-5 USD
C	Interim COGS	Interim Costs / 3	SD2		-5 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
598.	10031186: Maintenance Sales Order / COGS Quotation Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 349	SD2		-5 USD
C	Interim COGS	Interim Costs / 3	SD2		-5 USD

If project pegging is applicable journal entry 597 is replaced by journal entry below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
599.	10024134: Project Costs & Commitments / Invoiced WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-5 USD
C	Interim COGS	Interim Costs / 21	SD2		-5 USD

4.10.12.1.1.2 Intercompany trade relationship present between work order department and sales order department

Following journal entry must be created always

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
600.	<i>10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany</i>		<i>BO: Maintenance Work Order / WCS000001</i>		
D	Interim COGS	Interim Costs / 22	SD1		-5 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-5 USD

If the intercompany trade order is based commercial price and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
601.	<i>10032185: Maintenance Work Order / COGS Variance</i>		<i>BO: Maintenance Work Order / WCS000001</i>		
D	Cost of Goods Sold	End Account / 377	SD1		-5 USD
C	Interim COGS	Interim Costs / 22	SD1		-5 USD

If the intercompany trade order was based on cost plus with a mark-up percentage, for instance 50%, the intercompany trade revenues are 7.5 (5 + 50%). In this case also following journal entry must be created

602.	<i>10031097: Maintenance Sales Order / Subcontracting Intercompany</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-7.5 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		-7.5 USD

In case the intercompany trade order was based on cost plus and the maintenance sales order line is already costed, the postings as described in 15.9 are created, in total for the amount of -7.5. This amount is divided dependent on the settings of the maintenance sales order.

Furthermore, if the order line is released to invoicing and the invoice lines are not posted, the billable lines and/or invoice lines in central invoicing are updated with the difference in COGS.

If the order line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following postings

is created (for this example it is assumed it is a maintenance sales order where the total amount is approved for invoicing)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
603.	10031185: Maintenance Sales Order / COGS Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		-7.5 USD
C	Interim COGS	Interim Costs / 3	SD2		-7.5 USD

If the order was linked to a quotation the following posting is created instead of the posting above

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
604.	10031186: Maintenance Sales Order / COGS Quotation Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 349	SD2		-7.5 USD
C	Interim COGS	Interim Costs / 3	SD2		-7.5 USD

If project pegging is applicable journal entry 603 is replaced by journal entry below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
605.	10024134: Project Costs & Commitments / Invoiced WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-7.5 USD
C	Interim COGS	Interim Costs / 21	SD2		-7.5 USD

4.10.12.1.2 Intercompany trade relationship present between purchase office and workcenter

Following journal entry is created always

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
606.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000010		
D	Interim COGS	Interim Costs / 11	PO1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
607.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000010		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	-5 USD
C	Interim COGS	Interim Costs / 11	PO1		-5 USD

If the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 7.5 (5 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
608.	10032097: Maintenance Work Order / Subcontracting Intercompany		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-7.5 USD
C	Invoice Accrual	Invoice Accrual / 33	SD1		-7.5 USD

If the maintenance work order is not linked to a maintenance sales order, and the maintenance work order is already closed, you must create the following entry to empty the WIP again.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
609.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000001		
D	Costs	End Account / 361	SD1		-7.5 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-7.5 USD

If the maintenance work order is linked to maintenance sales order MSC000001, and the maintenance work order is already closed, the status of the maintenance sales order and the presence of an intercompany trade relation determines what postings you must create. The department of the maintenance sales order is SD2.

4.10.12.1.2.1 Intercompany trade relationship not present between work order department and sales order department

The same journal entries as described in 4.10.12.1.1.1 must be created, but the amount is -7.5 instead of -5 now

4.10.12.1.2.2 Intercompany trade relationship present between work order department and sales order department

The same journal entries as described in 4.10.12.1.2 must be created, but the amount is -7.5 where it was -5, and the amount is -11.25 where it was -7.5

4.10.12.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000010 which is linked to maintenance work order WCS000001 that uses subcontracting, that uses two pieces of item CI2. Invoiced landed cost amount was 8 USD and the invoice amount is 3 USD. Upon approval the same journal entries as described in section 4.10.12.1 are created where journal entry 592 is replaced by journal entry 610.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
610.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000010		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

4.10.12.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000010, which is linked to maintenance work order WCS000001 that uses subcontracting, that uses two pieces of item CI2. is changed from 6 into 3.5 USD. The same journal entries are created as described in section 4.10.12.1 where journal entry 592 is replaced by journal entry 611.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
611.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000010		
D	Landed Costs Cover	End Account / 115	PO1	LC2	5 USD

C	Interim Variance	Interim Variance / 1	PO1		5 USD

4.10.13 Maintenance work subcontracting (with maintained item flow)

As the subcontracting costs and the landed costs are immediately moved to WIP, the postings as described in section 4.10.12 are created.

4.10.14 Assembly

4.10.14.1 Intercompany trade relationship not present between purchase office and line station

Example: An invoice is approved for purchase order PUR000011 that received generic item GI1 on assembly line AL1 in line station LS1. The order price was 50 USD and the invoice amount is 55 USD. Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
612.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000011		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD
613.	10037071: Assembly Line / Purchase Price Variance		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

For an expensed tax of 5 USD, only journal entry 613 is created for 5 USD. Journal entry 612 is not created.

4.10.14.2 Intercompany trade relationship present between purchase office and line station

Example: An invoice is approved for purchase order PUR000011 that received generic item GI1 on assembly line AL1 in line station LS1. The order price was 50 USD and the invoice amount is 55 USD. Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
614.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000011		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

615.	10001183: Purchase Order / Variance Intercompany		BO: Purchase Order / PUR000011		
D	Interim COGS	Interim Costs / 11	PO1		5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

If the intercompany trade order is not based on cost plus or purchase price (gross or net) (in case of change price after receipt) and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
616.	10001185: Purchase Order / COGS Variance		BO: Purchase Order / PUR000011		
D	Cost of Goods Sold	End Account / 104	PO1	MAT	5 USD
C	Interim COGS	Interim Costs / 11	PO1		5 USD

If the intercompany trade order was based on cost plus or purchase price (gross or net) (purchase price only in case of receipt price change, not in case of invoice approval) with a mark-up percentage, for instance 50%, the intercompany trade revenues are 7.5 (5 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
617.	10037182: Assembly Line / Direct Receipt Intercompany		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	7.5 USD
C	Invoice Accrual	Invoice Accrual / 34	LS1		7.5 USD

For an expensed tax of 5 USD, journal entry 614 is not created.

4.10.15 Cost/service/subcontracting/equipment/tool item

Note: In the following situations, the journal entries described in the following subsections of section 4.10:

- The subcontracting item is from production subcontracting: the journal entries from subsection 4.10.8.
- The cost item, service item or the subcontracting item is from service subcontracting: the journal entries from subsection 4.10.11.

- The cost item, service item or the subcontracting item is from maintenance work subcontracting: the journal entries from subsection 4.10.12.
- A direct delivery for a cost item or a service item: the journal entries from subsection 4.10.6
- A receipt of a cost item or a service item in a project warehouse, or a receipt of a cost item, a service item, a subcontracting item or an equipment item on a project: the journal entries from subsection 4.10.5.

In all these cases, the journal entries described in the following sections are *not* created.

4.10.15.1 Approve Purchase Invoice

Invoice approval of cost/service item and **Costs to Be Specified** has value **No** or invoice approval of subcontracting/equipment/tool item

Example: A purchase invoice is approved for purchase order PUR000014: two pieces of item CI2 for an amount of 240 USD. The order price was 220 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
618.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000014		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
619.	10001043: Purchase Order / General Costs Variance		BO: Purchase Order / PUR000014		
D	General Costs	End Account / 103	PO1	GEN	20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

For expensed tax of 20 USD, entry 619 is also created. Entry 618 is not created.

If project pegging is applicable journal entry 619 is replaced by journal entry 620.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
620.	10024065: Project Costs & Commitments / Price Variance		BO: Purchase Order / PUR000014		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

Invoice approval of cost/service item and **Costs to Be Specified** has value **Yes**

Example: An invoice is approved for purchase order PUR000015: two pieces of item CI1 for an amount of 240 USD. The order price was 220 USD. The following

transactions are created. For invoice approval, but not for change price after receipt, you must divide the costs further and specify ledger accounts for this.

After you complete this procedure, the reconciliation group Interim Costs/8 is balanced. To balance the reconciliation group, entry 623 is created in the reconciliation transactions, not in the integration transactions.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
621.	<i>10001065: Purchase Order / Price Variance</i>		<i>BO: Purchase Order / PUR000015</i>		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
622.	<i>10001011: Purchase Order / Costs to be Specified Variance</i>		<i>BO: Purchase Order / PUR000015</i>		
D	Interim Costs	Interim Costs / 8	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD
623.	<i>Only Reconciliation: Cost Transaction</i>		<i>BO: Purchase Order / PUR000015</i>		
C	Interim Costs	Interim Costs / 8	PO1		240 USD

For expensed tax of 20 USD, entries 622 and 623 are also created. Entry 621 is not created.

4.10.15.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase order PUR000015. Invoiced landed cost amount was 8 USD and the invoice amount is 10 USD. Upon approval the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
624.	<i>10001133: Purchase Order / Landed Costs Variance Invoiced</i>		<i>BO: Purchase Order / PUR000015</i>		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD
625.	<i>10001043: Purchase Order / General Costs Variance</i>		<i>BO: Purchase Order / PUR000015</i>		
D	General Costs	End Account / 103	PO1	LC1	2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

Note that journal entry 625 is always created regardless of the value of **Costs to Be Specified**.

4.10.15.3 Change Price After Receipt of Landed Cost Line

Note that in case the landed cost line has the indication that no invoice will be received, the landed cost variance can be caused only by a price change after receipt of the landed cost line.

Example: The price of the not invoiced landed cost line linked to purchase order PUR000015 of two pieces of item CI1 is changed from 6 into 7 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
626.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000015		
D	Landed Cost Cover	End Account / 115	PO1	LC2	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD
627.	10001043: Purchase Order / General Costs Variance		BO: Purchase Order / PUR000015		
D	General Costs	End Account / 103	PO1	LC2	2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

Note that journal entry 627 is always created regardless of the value of **Costs to Be Specified**.

4.10.16 Currency Variances

4.10.16.1 Approve Purchase Invoice

The existing functionality of Currency Differences (See section 29) is replaced by an integration transaction that moves the currency differences to inventory.

The balance in home amounts of Invoice Accrual / 3 is posted to interim variance / 1.

With the same example of the automatic processing of currency differences, journal entry 3568 is replaced by next journal entry.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
628.	10001159: Purchase Order / Currency Variance		BO: Purchase Order / PUR000019		
D	Invoice Accrual	Invoice Accrual / 3	£0 GBP	0 USD	110 EUR
C	Interim Variance	Interim Variance / 1	£0 GBP	0 USD	110 EUR

Also a record for the variance of -110 EUR is created in the inventory variances in warehousing.

4.10.16.2 Approve Landed Cost Invoice

At approval of a landed cost invoice also a balance can be present at Invoice Accrual / 16 because of different rates used for the invoice and for the landed cost transactions.

Example: Suppose that the amounts related to landed costs invoice and transactions are 10 % of the purchase invoice.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
629.	10001167: Purchase Order / Currency Variance (Landed Costs)		BO: Purchase Order / PUR000019		
D	Invoice Accrual Landed Costs	Invoice Accrual / 16	£0 GBP	0 USD	11 EUR
C	Interim Variance	Interim Variance / 1	£0 GBP	0 USD	11 EUR

Also a record for the variance of -11 EUR is created in the inventory variances in warehousing.

Notes:

- The transaction amount is zero, only home amounts are used.
- For dependent currency system only the local home amount is filled. For standard currency system with multiple functional currencies, all home amounts can be filled and stored in the inventory value.
- For a project pegged order line also a PCL transaction is logged for the currency variance.

4.11 Intercompany Trade External Material Delivery

4.11.1 External Material Direct Delivery

4.11.1.1 Sales order

4.11.1.1.1 Intercompany trade relationship with internal invoice

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1, linked to sales order SLS000001. The order price is 110 USD each.

An intercompany trade relationship is defined between the purchase office and the sales office, based on commercial price with internal invoice. The commercial price is 135 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
630.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000004		
D	Interim Revenues	Interim Revenues / 5	PO1		270 USD
C	Turnover	End Account / 114	PO1		270 USD

631.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	PO1		240 USD
632.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	76.8 USD
C	Interim COGS	Interim Costs / 11	PO1		76.8 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
633.	Only Reconciliation: Approval		BO: Sales Order / SLS000001		
D	Invoice Accrual	Invoice Accrual / 5	SO1		270 USD

You cannot unapprove intercompany trade internal invoices.

4.11.1.1.2 Intercompany trade relationship without internal invoice

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1, linked to sales order SLS000001. The order price is 110 USD each.

An intercompany trade relationship is defined between the purchase office and the sales office, based on commercial price without internal invoice. The commercial price is 135 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
634.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000004		
D	Intercompany	End Account / 105	PO1		270 USD
C	Turnover	End Account / 118	PO1		270 USD
635.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	PO1		240 USD

636.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	76.8 USD
C	Interim COGS	Interim Costs / 11	PO1		76.8 USD
637.	10002012: Sales Order / Costs Intercompany		BO: Sales Order / SLS000001		
D	Invoice Accrual	Invoice Accrual / 5	SO1		270 USD
C	Intercompany	End Account / 159	SO1		270 USD

4.11.1.2 Service order

4.11.1.2.1 Intercompany trade relationship with internal invoice

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1, linked to service order SOC000002. The order price is 110 USD each.

An intercompany trade relationship is defined between the purchase office and the service department, based on commercial price with internal invoice. The commercial price is 135 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
638.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000004		
D	Interim Revenues	Interim Revenues / 5	PO1		270 USD
C	Turnover	End Account / 114	PO1		270 USD
639.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	PO1		240 USD
640.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	76.8 USD
C	Interim COGS	Interim Costs / 11	PO1		76.8 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

641.	<i>Only Reconciliation: Approval</i>		<i>BO: Service Order / SOC000002</i>		
D	Invoice Accrual	Invoice Accrual / 13	SD1		270 USD

You cannot unapprove intercompany trade internal invoices.

4.11.1.2.2 Intercompany trade relationship without internal invoice

Example: Purchase order line for purchase order PUR000004 is a direct delivery for two pieces of item PI1, linked to service order SOC000002. The order price is 110 USD each.

An intercompany trade relationship is defined between the purchase office and the service department, based on commercial price without internal invoice. The commercial price is 135 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
642.	<i>10001169: Purchase Order / Revenues Intercompany</i>		<i>BO: Purchase Order / PUR000004</i>		
D	Intercompany	End Account / 118	PO1		270 USD
C	Turnover	End Account / 114	PO1		270 USD
643.	<i>10001125: Purchase Order / Cost of Goods Sold</i>		<i>BO: Purchase Order / PUR000004</i>		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	PO1		240 USD
644.	<i>10001125: Purchase Order / Cost of Goods Sold</i>		<i>BO: Purchase Order / PUR000004</i>		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	76.8 USD
C	Interim COGS	Interim Costs / 11	PO1		76.8 USD
645.	<i>10015012: Service Order / Costs Intercompany</i>		<i>BO: Service Order / SOC000002</i>		
D	Invoice Accrual	Invoice Accrual / 13	SD1		270 USD
C	Intercompany	End Account / 300	SD1		270 USD

4.11.2 External Material Delivery Purchase

4.11.2.1 Warehouse

4.11.2.1.1 Intercompany trade relationship with internal invoice

Example: Purchase order line for purchase order PUR000001 is a receipt in warehouse NWH1 for two pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the warehouse based on commercial price with internal invoice. The commercial price is 190 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
646.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000001		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
647.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	PO1		220 USD
648.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	12 USD
C	Interim COGS	Interim Costs / 11	PO1		12 USD
649.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 101	PO1	LC1	8 USD
C	Interim COGS	Interim Costs / 11	PO1		8 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
650.	Only Reconciliation: Approval		BO: Inventory Transaction / IT00000001		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.1.2 Intercompany trade relationship without internal invoice

Example: Purchase order line for purchase order PUR000001 is a receipt in warehouse NWH1 for two pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the warehouse based on commercial price with internal invoice. The commercial price is

190 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
651.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000001		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
652.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000001		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	PO1		220 USD
653.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	SUR	12 USD
C	Interim COGS	Interim Costs / 11	PO1		12 USD
654.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 101	PO1	LC1	8 USD
C	Interim COGS	Interim Costs / 11	PO1		8 USD
655.	10061012: Warehouse Receipts / Costs Intercompany		BO: Inventory Transaction / IT0000001		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD
C	Intercompany	End Account / 742	NWH1		380 USD

4.11.2.2 Project

4.11.2.2.1 Intercompany trade relationship with internal invoice

Example: Purchase order line for purchase order PUR000003 is a receipt on project TP1 for two pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the project management office based on commercial price with internal invoice. The commercial price is 190 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

656.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000003		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
657.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000003		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	PO1		220 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
658.	Only Reconciliation: Approval		BO: Project Cost and Commitment / TP1		
D	Invoice Accrual	Invoice Accrual / 32	TP1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.2.2 Intercompany trade relationship without internal invoice

Example: Purchase order line for purchase order PUR000003 is a receipt on project TP1 for two pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the project management office based on commercial price with internal invoice. The commercial price is 190 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
659.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000003		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
660.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000003		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	PO1		220 USD

661.	10024184: Project Costs & Commitments / Costs Intercompany Purchase		BO: Project Cost and Commitment / TP1		
D	Invoice Accrual	Invoice Accrual / 32	TP1		380 USD
C	Intercompany	End Account / 517	TP1		380 USD

4.11.2.3 Production Operation Subcontracting (without material flow)

4.11.2.3.1 Intercompany trade relationship with internal invoice

Example: Production order SFC000001 uses subcontracting without material flow. To enable this, purchase order PUR000008 was created for two pieces of item SI1. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD.

If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
662.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000008		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
663.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000008		
D	Cost of Goods Sold	End Account / 101	PO1	SUB	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
664.	Only Reconciliation: Approval		BO: Production Order / SFC000001		
D	Invoice Accrual	Invoice Accrual / 33	SCO1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.3.2 Intercompany trade relationship without internal invoice

Example: Production order SFC000001 uses subcontracting without material flow. To enable this, purchase order PUR000008 was created for two pieces of item SI1. The

order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD.

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
665.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000008		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
666.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000008		
D	Cost of Goods Sold	End Account / 101	PO1	SUB	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD
667.	10014184: Production Order / Costs Intercompany Purchase		BO: Production Order / SFC000001		
D	Invoice Accrual	Invoice Accrual / 33	SCO1		380 USD
C	Intercompany	End Account / 17	SCO1		380 USD

4.11.2.4 Production Operation Subcontracting (with material flow)

As the item is received in the warehouse, the postings as described in section 4.11.2.1 are created.

4.11.2.5 Purchase Item Subcontracting

As the item is received in the warehouse, the postings as described in section 4.11.2.1 are created.

4.11.2.6 Service Subcontracting

4.11.2.6.1 Intercompany trade relationship with internal invoice

Example: Service order SOC000001 uses subcontracting. To enable this, purchase order PUR000009 was created for two pieces of item CI1. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD

If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

668.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000009		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
669.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000009		
D	Cost of Goods Sold	End Account / 101	PO1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
670.	Only Reconciliation: Approval		BO: Service Order / SOC000001		
D	Invoice Accrual	Invoice Accrual / 35	SD1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.6.2 Intercompany trade relationship without internal invoice

Example: Service order SOC000001 uses subcontracting. To enable this, purchase order PUR000009 was created for two pieces of item CI1. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
671.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000009		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
672.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000009		
D	Cost of Goods Sold	End Account / 101	PO1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

673.	10015184: Service Order / Costs Intercompany Purchase		BO: Service Order / SOC000001		
D	Invoice Accrual	Invoice Accrual / 35	SD1		380 USD
C	Intercompany	End Account / 297	SD1		380 USD

4.11.2.7 Maintenance Work Subcontracting (without maintained item flow)

4.11.2.7.1 Intercompany trade relationship with internal invoice

Example: Maintenance work order WCS000001 uses subcontracting. For this, purchase order PUR000010 was created for two pieces of item CI2. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD

If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
674.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000010		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
675.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000010		
D	Cost of Goods Sold	End Account / 101	PO1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
676.	Only Reconciliation: Approval		BO: Maintenance Work Order / WCS000001		
D	Invoice Accrual	Invoice Accrual / 36	SD1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.7.2 Intercompany trade relationship without internal invoice

Example: Maintenance work order WCS000001 uses subcontracting. For this, purchase order PUR000010 was created for two pieces of item CI2. The order price is 50 USD each. The intercompany trade price is a commercial price of 190 USD

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
677.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000010		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
678.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000010		
D	Cost of Goods Sold	End Account / 101	PO1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD
679.	10032184: Maintenance Work Order / Costs Intercompany Purchase		BO: Maintenance Work Order / WCS000001		
D	Invoice Accrual	Invoice Accrual / 36	SD1		380 USD
C	Intercompany	End Account / 380	SD1		380 USD

4.11.2.8 Maintenance Work Subcontracting (with maintained item flow)

As the subcontracting costs and the landed costs are immediately moved to WIP, the postings as described in section 4.11.2.7 are created.

4.11.2.9 Assembly

4.11.2.9.1 Intercompany trade relationship with internal invoice

Example: In Company 1, the first part of an assembly order is finished. The generic item GI1 that is created is sold by means of a sales order to Company 2.

In Company 2, a purchase order PUR000011 is created for generic item GI1 with an order line price of 50 USD. The intercompany trade price is a commercial price of 190 USD. The receipt on assembly line AL1 is logged in line station LS1.

If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

680.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000011		
D	Interim Revenues	Interim Revenues / 5	PO1		380 USD
C	Turnover	End Account / 114	PO1		380 USD
681.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000011		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
682.	Only Reconciliation: Approval		BO: Assembly Line / AL1		
D	Invoice Accrual	Invoice Accrual / 34	LS1		380 USD

You cannot unapprove intercompany trade internal invoices.

4.11.2.9.2 Intercompany trade relationship without internal invoice

Example: In Company 1, the first part of an assembly order is finished. The generic item GI1 that is created is sold by means of a sales order to Company 2.

In Company 2, a purchase order PUR000011 is created for generic item GI1 with an order line price of 50 USD. The intercompany trade price is a commercial price of 190 USD. The receipt on assembly line AL1 is logged in line station LS1.

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
683.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000011		
D	Intercompany	End Account / 105	PO1		380 USD
C	Turnover	End Account / 118	PO1		380 USD
684.	10001125: Purchase Order / Cost of Goods Sold		BO: Purchase Order / PUR000011		
D	Cost of Goods Sold	End Account / 101	PO1	MAT	100 USD
C	Interim COGS	Interim Costs / 11	PO1		100 USD

685.	10037184: Assembly Line / Costs Intercompany Purchase		BO: Assembly Line / AL1		
D	Invoice Accrual	Invoice Accrual / 34	LS1		380 USD
C	Intercompany	End Account / 78	LS1		380 USD

4.12 Item subcontracting variances

When you have a purchase order for item subcontracting, variances can occur. Two types of variances can be distinguished:

- **Efficiency variance**
The difference between the estimated quantity (of the materials) and the actual quantity (of the materials) multiplied with the estimated price. This variance can only arise if standard costs are used for the subcontracting wip posting and project pegging is not applicable.
- **Price variance**
The difference between the estimated price and the actual price multiplied with the actual quantity (of the materials). In fact, this is amount on the purchase order WIP, caused by all issue postings (see sections 4.2.1 and 4.2.2), all subcontracting WIP postings (see section 4.4.7) and all efficiency variances for the material.

For the data of the examples in sections 4.2.1, 4.2.2 and 4.4.7, the following applies: The purchase order parameter “Valuation for Subcontracting WIP” is set to ‘standard costs’. The estimated quantity is three pieces, the actual quantity is two pieces (as one piece is returned). So there is an efficiency variance of one piece, which is posted against the Standard Cost. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
686.	10001030: Purchase Order / Efficiency Variance		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	100 USD
C	Interim Variance	Interim Variance / 1	PO1		100 USD
687.	10001030: Purchase Order / Efficiency Variance		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	37.6 USD
C	Interim Variance	Interim Variance / 1	PO1		37.6 USD
688.	10001030: Purchase Order / Efficiency Variance		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	WRS	3 USD
C	Interim Variance	Interim Variance / 1	PO1		3 USD

The price variance is the difference between the issue postings (see sections 4.2.1 and 4.2.2), the subcontracting WIP postings (see section 4.4.8) and the efficiency variances described above. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
689.	10001071: Purchase Order / Purchase Price Variance		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	MAT	40 USD
C	Interim Variance	Interim Variance / 1	PO1		40 USD
690.	10001071: Purchase Order / Purchase Price Variance		BO: Purchase Order / PUR000024		
D	Purchase WIP	Purchase Order WIP / 1	PO1	SUR	12.8 USD
C	Interim Variance	Interim Variance / 1	PO1		12.8 USD

If the purchase order was a direct delivery linked to a sales order, also the postings as described in section *Purchase Order, Invoice approval / Change price after receipt, Direct delivery for Sales* (except for the purchase order / price variance) are created.

If the purchase order was a direct delivery linked to a service order, also the postings as described in section *Purchase Order, Invoice approval / Change price after receipt, Direct delivery for Service* (except for the purchase order / price variance) are created.

If the purchase order was for a direct receipt in project, also the postings as described in section *Purchase Order, Invoice approval / Change price after receipt, Project* (except for the purchase order / price variance) are created.

If the purchase order was for a tool item, also the postings as described in section *Purchase Order, Invoice approval / Change price after receipt, Cost/service/subcontracting/equipment/tool* (except for the purchase order / price variance) are created.

If the purchase order was for a receipt in warehouse, inventory variances are created in warehousing. The way to process the variances further to inventory is described in section *Warehousing, Inventory variances*.

4.13 Close supplier stage payments

The following postings will be created to balance the Interim Costs / 27 reconciliation group at processing of a purchase order.

4.13.1 Expense Tax

If the stage payment invoice has an expense tax code then also the cost for the expense tax must be booked to Inventory. At approval of the SSP invoice also a separate reconciliation entry is logged for Expense Tax.

Example: Three SSP invoice transactions are made for a non-pegged purchase order PUR000001 with two pieces of item PI1 for warehouse NWH1. The invoice for the first SSP line arrived for a goods amount of 30 USD and an expense tax amount of 3 USD (for 10 % expense tax). For the second and third SSP line the expense tax amounts are 5 USD and 14 USD.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
691.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	3 USD	3.30 EUR	3.60 GBP
692.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	5 USD	5.50 EUR	6 GBP
693.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	14 USD	15.40 EUR	16.80 GBP

The following journal entries are created for the expense tax:

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
694.	<i>10001156: Purchase Order / Expense Tax (Stage Payment)</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	-3 USD	-3.30 EUR	-3.60 GBP
C	Interim Variance	Interim Variance / 1	-3 USD	-3.30 EUR	-3.60 GBP
695.	<i>10001156: Purchase Order / Expense Tax (Stage Payment)</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	-5 USD	-5.50 EUR	-6 GBP
C	Interim Variance	Interim Variance / 1	-5 USD	-5.50 EUR	-6 GBP
696.	<i>10001156: Purchase Order / Expense Tax (Stage Payment)</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	-14 USD	-15.40 EUR	-16.80 GBP
C	Interim Variance	Interim Variance / 1	-14 USD	-15.40 EUR	-16.80 GBP

The further processing from interim variance / 1 is described in 4.10.

Note: For a pegged order line the same transactions are used with filled project fields in the additions.

4.13.2 Cost Peg Reallocation

If the peg distribution of the order line is different to the peg distribution of the receipts, a reallocation must be done of the cost per peg in the project cost.

Example: For a pegged purchase order PUR000001 with three pieces of item PI1 for warehouse NWH1, only one piece is received for peg B.

Project peg distribution:

Peg Line	Peg	Ordered Quantity	Received Quantity
1	A	1	0
2	B	2	1

The following journal entries are created for the reallocation per peg for the first SSP line with invoice amount 45 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Project peg	Amount
697.	10001150: Purchase Order / Cost Peg Reallocation (Stage Payment)		BO: Purchase Order / PUR000001			
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	A	-15 USD
C	Interim Transit	Interim Transit / 1	PO1	MAT	A	-15 USD
698.	10001150: Purchase Order / Cost Peg Reallocation (Stage Payment)		BO: Purchase Order / PUR000001			
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	B	15 USD
C	Interim Transit	Interim Transit / 1	PO1	MAT	B	15 USD

For the second SSP line with invoice amount 75 USD the reallocation amount is -25 USD for peg A and 25 USD for peg B. For the third SSP line with invoice amount 210 USD the reallocation amount is -70 USD for peg A and 70 USD for peg B.

Notes:

- For a non-pegged purchase order line, no cost peg reallocations are logged.
- For expense tax amounts also cost peg reallocation transactions are logged.

4.13.3 Receipt Variances

Receipt variance transactions are caused by a difference between the quantities of the SSP invoices and the stage payment receipt transactions. Also receipt corrections and rejections during inbound inspections can be the cause of receipt variances.

Example: For a non-pegged purchase order PUR000001 with two pieces of item PI1 for warehouse NWH1, only one piece is received at the moment that the order is closed.

The following journal entry is created if the parameter '**Costs to Be Specified**' has value **No**:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
699.	10001148: Purchase Order / Receipt Variance (Stage Payment)	BO: Purchase Order / PUR000001			
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	-100 USD
C	Stage Payment Purchase Variance	End Account	PO1	MAT	-100 USD

The following journal entry is created if the parameter '**Costs to Be Specified**' has value **Yes**:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
700.	10001155: Purchase Order / Receipt Variance Cost to be Specified	BO: Purchase Order / PUR000001			
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	-100 USD
C	Interim Costs	Interim Costs / 8	PO1	MAT	-100 USD

Pegged example: For a pegged purchase order PUR000001 with three pieces of item PI1 for warehouse NWH1, only one piece is received for peg B.

Project peg distribution:

Peg Line	Peg	Ordered Quantity	Received Quantity
1	A	1	0
2	B	2	1

The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Project peg	Amount
701.	<i>10001149: Purchase Order / Project Receipt Variance (Stage Payment)</i>			<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	B	-220 USD
C	Interim Transit	Interim Transit / 1	PO1	MAT	B	-220 USD
702.	<i>10024148: Project Costs & Commitments / Receipt Variance (Stage Payment)</i>			<i>BO: Project Cost and Commitment / TP-B</i>		
C	Project WIP	Project (TP) WIP / 1	TP-A	MAT	B	220 USD
D	Interim Transit	Interim Transit / 1	PO1	MAT	B	220 USD

Note: The 'costs to be specified concept is not supported for a pegged purchase order line.

4.13.4 Currency Variances

The currency variances are used to balance the home amounts of reconciliation group Interim Costs / 27.

Example: Three SSP invoice transactions are made for a non-pegged purchase order PUR000001 with two pieces of item PI1 for warehouse NWH1. Only one piece is received.

The following reconciliation entries are used:

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
703.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	30 USD	33 EUR	36 GBP
704.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	50 USD	55 EUR	60 GBP
705.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Order / PUR000001</i>		
D	Invoiced Stage Payments	Interim Costs / 27	140 USD	154 EUR	168 GBP
		Total Debit	220 USD	242 EUR	264 GBP

The following transactions are used:

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount

706.	10001144: Purchase Order / Receipt (Stage Payment)		BO: Purchase Order / PUR000001		
C	Invoiced Stage Payments	Interim Costs / 27	120 USD	130 EUR	140 GBP
707.	10001148: Purchase Order / Receipt Variance (Stage Payment)		BO: Purchase Order / PUR000001		
D	Invoiced Stage Payments	Interim Costs / 27	-120 USD	-130 EUR	-140 GBP
		Total Credit	220 USD	260 EUR	280 GBP
		Currency Difference	0 USD	16 EUR	16 GBP

Journal entries 703 till 705 are made with the currency rates of the invoice. Journal entries 706 till 707 are made with the internal rates of the final receipt date.

The following journal entries are created for the currency differences:

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
708.	10001151: Purchase Order / Currency Variance (Stage Payment)		BO: Purchase Order / PUR000001		
D	Invoiced Stage Payments	Interim Costs / 27	0 USD	16 EUR	16 GBP
C	Interim Variance	Interim Variance / 1	0 USD	16 EUR	16 GBP

The further processing from interim variance / 1 is described in 4.10.

Note: For a pegged order line the same transactions are used with filled project fields in the additions.

5 Purchase Schedules

The integration transactions for purchase schedules are very similar to the integration transactions for purchase orders, described in Chapter 3, *Purchase Order*. Compared to purchase orders, purchase schedules offer fewer options:

- Direct receipt on project is not permitted.
- List items are not permitted.
- Manufactured items always use issue by main item.
- Customized items (PCS) are not permitted.
- Direct delivery is not applicable.
- Subcontracting for production orders, service orders, and maintenance work order is not applicable.
- Receipt on line station for assembly is not applicable.
- Returns are not permitted.

For project pegged orders the transactions for customer owned goods are made per peg line with filled project related fields in the logged elements.

Three schedule types exist:

- Pull Forecast
For these schedules, no integration transactions at all are created.
- Pull Call-Off
Integration transactions are created that are almost the same as the integration transactions of purchase orders.
- Push
Integration transactions are created that are almost the same as the integration transactions of purchase orders. For these schedules, blanket warehouse orders are created for the total schedule quantity for purchased and manufactured items. As a result, multiple schedule lines have only one warehouse inbound line, which influences the integration transactions for receipts and for inventory variances.

5.1 Economic transactions

Economic transactions for a purchase schedule depend on the same parameter as the economic transactions for purchase orders, described in Chapter 3, *Purchase Order*. The same restrictions apply, such as no economic transactions for consignment replenishment. However, for purchase schedules, fewer options are available than for a purchase order.

5.1.1 Purchased/manufactured/cost/service items and warehouse

Example: Schedule line for purchase schedule PURS00001 of two pieces of item PI1 for warehouse NWH1. The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	14 USD		LC1	14 USD	2
By Quantity	No		6 USD	LC2	12 USD	2

Parameter has value **Order Price** (if price of order line is 110 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
709.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
D	Goods to be Received	Commitments / 3	NWH1	MAT	220 USD
C	Purchase On Order	Commitments / 4	PO1	MAT	220 USD

To account for the linked landed costs journal entry 710 and 711 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
710.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
D	Goods to be Received	Commitments / 1	NWH1	LC1	14 USD
C	Purchase On Order	Commitments / 2	PO1	LC1	14 USD
711.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
D	Goods to be Received	Commitments / 1	NWH1	LC2	12 USD
C	Purchase On Order	Commitments / 2	PO1	LC2	12 USD

Parameter has value **Valuation Price**

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
712.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
D	Goods to be Received	Commitments / 3	NWH1	MAT	200 USD
C	Purchase On Order	Commitments / 4	PO1	MAT	200 USD
713.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
D	Goods to be Received	Commitments / 3	NWH1	SUR	20 USD
C	Purchase On Order	Commitments / 4	PO1	SUR	20 USD

714.	<i>10035060: Purchase Schedule / On Order</i>		<i>BO: Purchase Schedule / PURS00001</i>		
D	Goods to be Received	Commitments / 3	NWH1	WRS	6 USD
C	Purchase On Order	Commitments / 4	PO1	WRS	6 USD

If a project warehouse is involved, journal entries 709 through 714 are not created. Instead, the journal entries 715 through 717 are created when the transaction is posted in TP, independent of the value of the parameter:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
715.	<i>10024060: Project Costs & Commitments / On Order</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project Soft Commitments	Commitments / 15	TP1		220 USD
C	Purchase On Order	Commitments / 16	TP1		220 USD
716.	<i>10024060: Project Costs & Commitments / On Order</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project Soft Commitments	Commitments / 15	TP1		14 USD
C	Purchase On Order	Commitments / 16	TP1		14 USD
717.	<i>10024060: Project Costs & Commitments / On Order</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project Soft Commitments	Commitments / 15	TP1		12 USD
C	Purchase On Order	Commitments / 16	TP1		12 USD

For cost items and service items, the same postings are created. Surcharges are not applicable for those items. As a result, if the parameter has value **Valuation Price**, only journal entry 715 is created with the effective cost component of the cost item or service item.

5.1.2 No warehouse

For cost items and service items, you can make a schedule without warehouse.

Example: Purchase schedule PURS00002 is created for two pieces of item C11. The value of the parameter is **Order Price**. The order price is 110 USD. . The following landed cost lines are linked to the purchase order line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	14 USD		LC1	14 USD	2
By Quantity	No		6 USD	LC2	12 USD	2

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
718.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00002		
D	Goods to be Received	Commitments / 3	PO1	GEN	220 USD
C	Purchase On Order	Commitments / 4	PO1	GEN	220 USD

To account for the linked landed costs journal entry 719 and 720 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
719.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00002		
D	Goods to be Received	Commitments / 1	PO1	LC1	14 USD
C	Purchase On Order	Commitments / 2	PO1	LC1	14 USD
720.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00002		
D	Goods to be Received	Commitments / 1	PO1	LC2	12 USD
C	Purchase On Order	Commitments / 2	PO1	LC2	12 USD

5.1.3 Receipts

When the receipt is made for the schedule line, journal entries 709 through 720 are reversed. As a result, the same journal entries are created, but with a negative amount. Therefore, after receipt, the balance on the ledger accounts for Commitments / 3, Commitments / 4, Commitments / 15, and Commitments / 16 is 0 (zero) USD again. For a partial receipt, a reversal is also made for the full quantity. For the non-received part, new economic transactions are created for the remaining quantity.

5.2 Receipts

5.2.1 Purchased/manufactured item

Five different situations can be distinguished for different combinations of payment and internal payment. Within these five different situations, you can have for each situation the possibility of Pull call off schedules and Push schedules:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

5.2.1.1 Payment = Pay on Receipt, Internal Payment = Pay on Receipt

Example: Receipt for purchase schedule PURS00003 of seven pieces of item PI1 for warehouse NWH1. The order price is 110 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	14 USD		LC1	14 USD	7
By Quantity	No		6 USD	LC2	42USD	7

Inventory transaction ID IT0000008 is created during receipt.

5.2.1.1.1 Pull call off schedule

5.2.1.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
721.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		770 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		770 USD
722.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		42 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	42 USD
723.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	14 USD
724.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	MAT	812 USD
C	Interim Transit	Interim Transit / 1	NWH1		812 USD
725.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	LC1	14 USD
C	Interim Transit	Interim Transit / 1	NWH1		14 USD
726.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	SUR	82.6 USD

C	Surcharge Cover	End Account / 732	NWH1	IRS	82.6 USD
727.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	WRS	21 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	21 USD

5.2.1.1.1.2 Intercompany trade relationship present between purchase office and warehouse

If an intercompany trade relationship is defined between a purchase office and a warehouse, the costs are not taken over one to one from the purchase office to the warehouse. The warehouse pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
728.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		770 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		770 USD
729.	10035179: Purchase Schedule / Landed Cost Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		42 USD
C	Landed Cost Cover	End Account / 125	PO1	LC2	42 USD
730.	10035180: Purchase Schedule / Landed Cost Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	14 USD
731.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	MAT	1330 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		1330 USD
732.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	SUR	133 USD

C	Surcharge Cover	End Account / 732	NWH1	IRS	133 USD
733.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	WRS	21 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	21 USD

Note

in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 731 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

5.2.1.1.2 Push schedule**5.2.1.1.2.1 Intercompany trade relationship not present between purchase office and warehouse**

Assume, for example, the schedule consists of multiple lines. Each line has a quantity of five pieces. During receipt, the quantities are updated on the schedule line. For the first receipt, five pieces are updated on the first line, and two pieces on the second line. A separate purchase posting is created for each line.

The following landed cost lines are linked to the receipt line:

Schedule line	Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
1	Fixed Amount	Yes	14 USD		LC1	10 USD	5
1	By Quantity	No		6 USD	LC2	30 USD	5
2	Fixed Amount	Yes	14 USD		LC1	4 USD	2
2	By Quantity	No		6 USD	LC2	12 USD	2

As a result, for push schedules, journal entries 721 through 723 are not created, but replaced with journal entries 734 through 739. Journal entries 724 through 727 are created in the same way.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
734.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		550 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		550 USD

735.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		30 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	30 USD
736.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		10 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	10 USD
737.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		220 USD
738.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	12 USD
739.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		4 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	4 USD

5.2.1.1.2.2 Intercompany trade relationship present between purchase office and warehouse

With the same data for landed cost as described in 5.2.1.1.2.1, for push schedules journal entries 728 through 730 are not created, but replaced with journal entries 740 through 745. Journal entries 731 through 733 are created in the same way.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
740.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		550 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		550 USD
741.	10035179: Purchase Schedule / Landed Cost Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		30 USD
C	Landed Cost Cover	End Account / 125	PO1	LC2	30 USD
742.	10035180: Purchase Schedule / Landed Cost Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		10 USD

C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	10 USD
743.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		220 USD
744.	10035179: Purchase Schedule / Landed Cost Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		12 USD
C	Landed Cost Cover	End Account / 125	PO1	LC2	12 USD
745.	10035180: Purchase Schedule / Landed Cost Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		4 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	4 USD

5.2.1.1.3 Standard Cost result/lot result

For both schedule types, Standard Cost results and lot result can be applicable. For Standard Cost results, journal entries 55 and 56 are created. For lot results, journal entry 58 is created, in which the amount depends on the quantity.

5.2.1.2 Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: Receipt for purchase schedule PURS00004 of seven pieces of item PI1 for warehouse NWH1. Order price is 110 USD each. Inventory transaction ID IT0000009 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

5.2.1.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
746.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00004		
D	Interim Transit	Interim Transit / 3	NWH1		770 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1	MAT	770 USD
747.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000009		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	770 USD

C	Interim Transit	Interim Transit / 3	NWH1		770 USD

5.2.1.2.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 746 is split into two integration transactions with the amounts of 550 USD and 220 USD.

5.2.1.3 Payment = Pay on Use, Internal Payment = Pay on Use

Example: Receipt for purchase schedule PURS00007 of seven pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000091 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

5.2.1.3.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
748.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 3	FWH2		770 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO2		770 USD
749.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000091		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	770 USD
C	Interim Transit	Interim Transit / 3	FWH2		770 USD
750.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 3	NWH1		770 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		770 USD
751.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000091		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	770 USD
C	Interim Transit	Interim Transit / 3	NWH1		770 USD

5.2.1.3.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 748 and 750 are split into two integration transactions with the amounts of 550 USD and 220 USD.

5.2.1.4 Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: Receipt for purchase schedule PURS00008 of seven pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000092 is created during receipt. Surcharges are not taken into account in a financial warehouse, they are taken into account when the goods are received in the normal warehouse. Integration transactions 754 and 755 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

5.2.1.4.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
752.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00008		
D	Interim Transit	Interim Transit / 1	FWH2		770 USD
C	Invoice Accrual	Invoice Accrual / 4	PO2		770 USD
753.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000092		
D	Inventory	Inventory / 1	FWH2	MAT	770 USD
C	Interim Transit	Interim Transit / 1	FWH2		770 USD
754.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00008		
D	Interim Transit	Interim Transit / 3	NWH1		770 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		770 USD
755.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000092		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	770 USD
C	Interim Transit	Interim Transit / 3	NWH1		770 USD

5.2.1.4.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 752 and 754 are split into two integration transactions with the amounts of 550 USD and 220 USD.

5.2.1.4.3 Standard Cost result

For both schedule types, Standard Cost results can be applicable. For Standard Cost results, journal entries 55 and 56 are created.

5.2.1.5 Payment = No Payment, Internal Payment = Not Applicable

Example: Receipt for purchase schedule PURS00009 of seven pieces of item PI1 for warehouse NWH1. The customs value is 110 USD each (in case of No Payment, the order price is 0 and the customs value must be taken). The inventory transaction ID IT0000093 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. For customer owned-related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario.

5.2.1.5.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
756.	15035074: Purchase Schedule / Receipt / Customer Owned		BO: Purchase Schedule / PURS00009		
D	Interim Transit	Interim Transit / 13	NWH1		770 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		770 USD
757.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000093		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	770 USD
C	Interim Transit	Interim Transit / 13	NWH1		70 USD

5.2.1.5.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 756 is split into two integration transactions with the amounts of 550 USD and 220 USD.

5.2.2 Consignment replenishment

Purchase schedules with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for this kind of schedule are described in section Purchase Schedules ,Receipts ,Purchased/manufactured item

5.2.3 Cost/service item

Costs to Be Specified has value **No**

Example: Receipt for purchase schedule PURS00005 of seven pieces of item CI2 for warehouse NWH1. The order price is 110 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	14 USD		LC1	14 USD	7

By Quantity	No		6 USD	LC2	42USD	7

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
758.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	PO1		770 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		770 USD
759.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	PO1		42 USD
C	Landed Cost Cover	End Account / 123	PO1		42 USD
760.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	PO1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1		14 USD
761.	10035045: Purchase Schedule / General Costs		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 121	PO1	GEN	770 USD
C	Interim Transit	Interim Transit / 1	PO1		770 USD
762.	10035045: Purchase Schedule / General Costs		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 121	PO1	LC1	14 USD
C	Interim Transit	Interim Transit / 1	PO1		14 USD
763.	10035045: Purchase Schedule / General Costs		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 121	PO1	LC2	42 USD
C	Interim Transit	Interim Transit / 1	PO1		42 USD

Costs to Be Specified has value **Yes**

Example: Receipt for purchase schedule PURS00006 of seven pieces of item CI1 for warehouse NWH1. The order price is 110 USD each. The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	14 USD		LC1	14 USD	7
By Quantity	No		6 USD	LC2	42USD	7

Note that the 'costs to be specified' concept is not supported for landed costs and for pegged purchase schedule lines.

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
764.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00006		
D	Interim Transit	Interim Transit / 1	PO1		770 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		770 USD
765.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	PO1		42 USD
C	Landed Cost Cover	End Account / 123	PO1		42 USD
766.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	PO1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1		14 USD
767.	10035010: Purchase Schedule / Costs to be Specified		BO: Purchase Schedule / PURS00006		
D	Interim Costs	Interim Costs / 9	PO1		770 USD
C	Interim Transit	Interim Transit / 1	PO1		770 USD
768.	10035045: Purchase Schedule / General Costs		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 121	PO1	LC1	14 USD
C	Interim Transit	Interim Transit / 1	PO1		14 USD
769.	10035045: Purchase Schedule / General Costs		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 121	PO1	LC2	42 USD
C	Interim Transit	Interim Transit / 1	PO1		42 USD

For purchase schedules for cost items or service items, both the payment and the internal payment have value Pay on Receipt always.

5.3 Rejections in warehouse

5.3.1 Purchased/manufactured item

Five different situations can be distinguished for different combinations of payment and internal payment. Within these five different situations, you can have for each situation the possibility of Pull call off schedules and Push schedules:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

5.3.1.1 Payment = Pay on Receipt, Internal Payment = Pay on Receipt

Example: Six of the seven pieces of the receipt of item PI1 of purchase schedule PURS00003, described in section *Purchase Schedule, Receipts, Purchased/manufactured item* are rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase schedule line. The rejection posting is not created for the landed cost amount as it is expected that the total landed cost amount is still invoiced. However, the inventory is decreased with the current inventory value. The difference is posted with the following details:

- An Standard Cost result: Valuation method Standard Cost
- A lot result: Valuation method LOT
- A value correction: Valuation method FIFO, LIFO, or MAUC

5.3.1.1.1 Pull call-off schedule

5.3.1.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
770.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	PO1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-660 USD
771.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	NWH1		-660 USD

In case of rejection and financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**, the quarantine inventory is added with the purchase schedule value as customer owned inventory. For customer owned-related postings, no surcharges and results are posted. Landed costs are not applicable in this scenario. The following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

772.	15035074: Purchase Schedule / Receipt / Customer Owned			BO: Purchase Schedule / PURS00003	
D	Interim Transit	Interim Transit / 13	NWH1		660 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		660 USD
773.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned			BO: Inventory Transaction / IT0000001	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	660 USD
C	Interim Transit	Interim Transit / 13	NWH1		660 USD

5.3.1.1.2 Intercompany trade relationship present between purchase office and warehouse

The warehouse rejection intercompany posting is always made against the intercompany trade price. Compared to the example described in 5.3.1.1.1.1, journal entries 770 and 771 and are replaced by journal entries below. Journal entries 772 and 773 do not change.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
774.	10035086: Purchase Schedule / Receipt Intercompany			BO: Purchase Schedule / PURS00003	
D	Interim COGS	Interim Costs / 33	PO1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-660 USD
775.	10061092: Warehouse Receipt / Rejection Intercompany			BO: Inventory Transaction / IT0000008	
D	Inventory	Inventory / 1	NWH1	MAT	-1140 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-1140 USD

For the standard cost result, the lot result and the value correction the same is applicable as is described in 5.3.1.1.1.1, but it must be calculated based on the 1140 instead of the 660.

5.3.1.1.2 Push schedule

5.3.1.1.2.1 Intercompany trade relationship not present between purchase office and warehouse

The rejections are updated on the various receipt lines. As a result, journal entry 770 is split into two journal entries; the latest schedule line is updated first.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

776.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-440 USD
777.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-220 USD

Also journal entry 772 is split into two journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
778.	15035074: Purchase Schedule / Receipt / Customer Owned		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 13	NWH1		440 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		440 USD
779.	15035074: Purchase Schedule / Receipt / Customer Owned		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD

5.3.1.1.2.2 Intercompany trade relationship present between purchase office and warehouse

The rejections are updated on the various receipt lines. As a result, journal entry 774 is split into two journal entries; the latest schedule line is updated first.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
780.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-440 USD
781.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-220 USD

5.3.1.1.3 Standard Cost result/lot result/value correction

For both schedule types, a difference can exist between the schedule line value and the inventory value. Depending on the valuation method, results are created. Amounts depend on the quantity.

- If the valuation method is Standard Cost, journal entries 295, 296, and 297 are created.
- If the valuation method is Lot Price, journal entries 298 and 299 are created.
- If the valuation method is MAUC, FIFO, or LIFO, journal entries 300, 301, and 302 are created.

5.3.1.2 Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: Six of the seven pieces of the receipt of item P11 of for purchase schedule PURS00004, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, are rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase schedule line. The following postings are created. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.3.1.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
782.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00004		
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1	MAT	-660 USD
783.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000009		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

Also in this scenario journal entries 772 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.2.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 782 is split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 778, 779 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.3 Payment = Pay on Use, Internal Payment = Pay on Use

Example: Six of the seven pieces of the receipt of item P11 of for purchase schedule PURS00007, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, are rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase schedule line. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.3.1.3.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
784.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 3	FWH2		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO2		-660 USD
785.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000091		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	FWH2		-660 USD
786.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD
787.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000091		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

Also in this scenario journal entries 772 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.3.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 784 and 786 are split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 778, 779 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.4 Payment = Pay on Receipt, Internal payment = Pay on Use

Example: Six of the seven pieces of the receipt of item P11 of for purchase schedule PURS00008, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, are rejected in warehouse NWH1. The rejection posting is always made against the price of the purchase schedule line. However, the inventory in warehouse FWH2 is decreased with the current inventory value. The difference is posted with the following (valuation method LOT is not allowed in a financial warehouse):

- An Standard Cost result: Valuation method Standard Cost
- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

Integration transactions 790 and 791 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.3.1.4.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
788.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00008		
D	Interim Transit	Interim Transit / 1	FWH2		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO2		-660 USD
789.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000092		
D	Inventory	Inventory / 1	FWH2	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	FWH2		-660 USD
790.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00008		
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD
791.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000092		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

Also in this scenario journal entries 772 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.4.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 788 and 790 are split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 778, 779 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.4.3 Standard Cost result/lot result/value correction

For both schedule types, a difference can exist between the schedule line value and the inventory value. Depending on the valuation method, results are created. Amounts depend on the quantity.

- If the valuation method is Standard Cost, journal entries 323 and 324 are created.
- If the valuation method is MAUC, FIFO, LIFO or Serial, journal entry 325 is created.
- Valuation method LOT is not allowed in a financial warehouse.

5.3.1.5 Payment = No Payment, Internal payment = Not Applicable

Example: Six of the seven pieces of the receipt of item PI1 of for purchase schedule PURS00009, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, are rejected in warehouse NWH1. The rejection posting is always made against the customs value of the purchase schedule line. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

5.3.1.5.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
792.	15035074: Purchase Schedule / Receipt / Customer Owned		BO: Purchase Schedule / PURS00009		
D	Interim Transit	Interim Transit / 13	NWH1		-660 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-660 USD
793.	15061075: Warehouse Receipt / Rejection / Customer Owned		BO: Inventory Transaction / IT0000080		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 13	NWH1		-660 USD

Also in this scenario journal entries 772 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

5.3.1.5.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 792 is split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 778, 779 and 773 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

TODO: rejection uitwerken.

5.3.2 Consignment replenishment

Purchase schedule with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for rejection for this kind of schedule are described in section *Purchase Schedule, Rejections in warehouse, Purchased/manufactured item*.

5.3.3 Quarantine Inventory

5.3.3.1 Quarantine Inventory Payable to Supplier = No

For quarantine (unpegged) inventory, which is always customer owned, three options are available:

- Accept the quarantine inventory
If you accept the goods although the goods are rejected, an unpegged adjustment order is first created to remove goods from customer owned quarantine inventory. The integration transactions for this are described in 21.2.10. Next, the integration transactions described previously in this chapter are created again.
- Destroy the quarantine inventory
In this case, an unpegged adjustment order is created to remove goods from customer owned inventory. The integration transactions for this are described in 21.2.10.
- Return the quarantine inventory
In this case, an unpegged purchase order (not a schedule) of type return rejected goods is created, and the goods are shipped. The integration transactions for this are described in 4.5.4.

5.3.3.2 Quarantine Inventory Payable to Supplier = Yes

If goods are rejected than during rejection no financial integration transactions are created and ownership does not change. Pegged receipts are also stored as pegged quarantine inventory. Three options are available for rejected goods in disposition:

- Accept the quarantine inventory
No integration transactions are created as the quarantine inventory in disposition are already part of the normal inventory value.
 - Destroy the quarantine inventory
In this case, an unpegged or pegged adjustment order is created to remove the goods from inventory. If company-owned or consigned stock is received, the integration transactions as described in section *Warehousing, Adjustment, Negative quantity (company owned/consigned inventory)* are created. In case customer-owned inventory is received than the integration transactions as described in section
-

Warehousing, Adjustment, Negative quantity (customer-owned inventory) are created.

- Return the quarantine inventory
In this case, an unpegged or pegged purchase order (not a schedule) of type return rejected goods is created, and the goods are shipped. The integration transactions for this are described in 4.5.1.

5.4 Receipt correction

5.4.1 Purchased/manufactured item

If actually more is received than originally was received, for the difference in quantity, the journal entries described previously in this chapter are created.

If actually less is received than originally was received, five different situations can be distinguished for different combinations of payment and internal payment. Within these five different situations, you can have for each situation the possibility of Pull call off schedules and Push schedules:

5.4.1.1 Payment = Pay on Receipt, Internal payment = Pay on Receipt

Example: Only one of the seven pieces of the receipt of item PI1 of purchase schedule PURS00003, described previously in this chapter, is actually received in the warehouse NWH1. In this case, the postings described previously in this chapter are reversed. However, the inventory decreases by the current inventory value.

The difference is posted with a Standard Cost result (valuation method Standard Cost), a lot result (valuation method LOT), or a value correction (valuation method FIFO, LIFO, or MAUC).

5.4.1.1.1 Pull call-off schedule

5.4.1.1.1.1 Intercompany trade relationship not present between purchase office and warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
794.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-660 USD
795.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-36 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	-36 USD

796.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-12 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	-12 USD
797.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	MAT	-696 USD
C	Interim Transit	Interim Transit / 1	NWH1		-696 USD
798.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	LC1	-12 USD
C	Interim Transit	Interim Transit / 1	NWH1		-12 USD
799.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	SUR	-70.8 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-70.8 USD
800.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	WRS	-18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-18 USD

Regardless of the fact that the receipt quantity is decreased still an invoice is expected for the total fixed landed cost amount of 14 USD. Therefore journal entry 801 is created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
801.	10035133: Purchase Schedule / Landed Cost Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-12 USD
C	Interim Variance	Interim Variance / 1	PO1		-12 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entry 801 is replaced by journal entry 802.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
802.	10035131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 124	PO1	LC1	-12 USD
C	Interim Variance	Interim Variance / 1	PO1		-12 USD

Also a record for the variance of \$12 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

For purchase orders, the entries for Standard Cost result, lot result, and value correction are described in Chapter 4, *Purchase Order*. For purchase schedules, these entries are the same.

5.4.1.1.1.2 Intercompany trade relationship present between purchase office and warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
803.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-660 USD
804.	10035180: Purchase Schedule / Landed Costs Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-36 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-36 USD
805.	10035179: Purchase Schedule / Landed Costs Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-12 USD
C	Landed Costs Cover	End Account / 125	PO1	LC2	-12USD
806.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	MAT	-1140 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		-1140 USD
807.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	SUR	-114 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-114 USD

808.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000008		
D	Inventory	Inventory / 1	NWH1	WRS	-18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-18 USD

Regardless of the fact that the receipt quantity is decreased still an invoice is expected for the total fixed landed cost amount of 14 USD. Therefore journal entries 809 and 810 are created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
809.	10035133: Purchase Schedule / Landed Costs Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-12 USD
C	Interim Variance	Interim Variance / 1	PO1		-12 USD
810.	10035183: Purchase Schedule / Variance Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1	LC1	12 USD
C	Interim Variance	Interim Variance / 1	PO1		12 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entry 809 is replaced by journal entry 811.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
811.	10035131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 116	PO1	LC1	-12 USD
C	Interim Variance	Interim Variance / 1	PO1		-12 USD

If the intercompany trade order is not based on cost plus and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
812.	10035185: Purchase Schedule / COGS Variance		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 130	PO1	LC1	12 USD

C	Interim COGS	Interim Costs / 33	PO1		12 USD

In this example the intercompany trade price was a commercial price, so only the intercompany trade cogs change. If the intercompany trade order was based on cost plus including a percentage, for instance 50%, the intercompany trade revenues are 18 (12 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
813.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000008		
D	Interim Variance	Interim Variance / 1	NWH1		18 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		18 USD

Also a record for the variance of \$18 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12.

For purchase orders, the entries for Standard Cost result, lot result, and value correction are described in Chapter 4, *Purchase Order*. For purchase schedules, these entries are the same.

5.4.1.1.2 Push schedule

5.4.1.1.2.1 Intercompany trade relationship not present between purchase office and warehouse

For a push schedule, journal entries 794 through 796 are replaced by journal entries 814 through 819:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
814.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-440 USD
815.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-24 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	-24 USD
816.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-8 USD

C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	-8 USD
817.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-220 USD
818.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-12 USD
C	Landed Cost Cover	End Account / 123	PO1	LC2	-12 USD
819.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	NWH1		-4 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1	LC1	-4 USD

Furthermore journal entry 801 is replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
820.	10035133: Purchase Schedule / Landed Cost Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-8 USD
C	Interim Variance	Interim Variance / 1	PO1		-8 USD
821.	10035133: Purchase Schedule / Landed Cost Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entry 802 is replaced by journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
822.	10035131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 124	PO1	LC1	-8 USD
C	Interim Variance	Interim Variance / 1	PO1		-8 USD
823.	10035131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 124	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

Also a record for the variance of \$12 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

For purchase orders, the entries for Standard Cost result, lot result, and value correction are described in Chapter 4, *Purchase Order*. For purchase schedules, these entries are the same.

5.4.1.1.2.2 Intercompany trade relationship not present between purchase office and warehouse

For a push schedule, journal entries 803 through 805 are replaced by journal entries below:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
824.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-440 USD
825.	10035180: Purchase Schedule / Landed Costs Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-24 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-24 USD
826.	10035179: Purchase Schedule / Landed Costs Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-8 USD
C	Landed Costs Cover	End Account / 125	PO1	LC2	-8 USD

827.	10035086: Purchase Schedule / Receipt Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-220 USD
828.	10035180: Purchase Schedule / Landed Costs Invoiced Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-12 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-12 USD
829.	10035179: Purchase Schedule / Landed Costs Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		-6 USD
C	Landed Costs Cover	End Account / 125	PO1	LC2	-6 USD

Furthermore journal entry 809 and 810 ARE replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
830.	10035133: Purchase Schedule / Landed Costs Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-8 USD
C	Interim Variance	Interim Variance / 1	PO1		-8 USD
831.	10035183: Purchase Schedule / Variance Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1	LC1	8 USD
C	Interim Variance	Interim Variance / 1	PO1		8 USD
832.	10035133: Purchase Schedule / Landed Costs Variance Invoiced		BO: Purchase Schedule / PURS00003		
D	Inv Accrual Landed Costs	Invoice Accrual / 18	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD
833.	10035183: Purchase Schedule / Variance Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1	LC1	4 USD
C	Interim Variance	Interim Variance / 1	PO1		4 USD

If invoicing is not applicable for the landed cost line with calculation method 'fixed amount' journal entries 830 and 832 are replaced by journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
834.	10036131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 116	PO1	LC1	-8 USD
C	Interim Variance	Interim Variance / 1	PO1		-8 USD
835.	10036131: Purchase Schedule / Landed Cost Variance		BO: Purchase Schedule / PURS00003		
D	Landed Cost Variance	End Account / 116	PO1	LC1	-4 USD
C	Interim Variance	Interim Variance / 1	PO1		-4 USD

If the intercompany trade order is not based on cost plus and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
836.	10035185: Purchase Schedule / COGS Variance		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 130	PO1	LC1	8 USD
C	Interim COGS	Interim Costs / 33	PO1		8 USD
837.	10035185: Purchase Schedule / COGS Variance		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 130	PO1	LC1	4 USD
C	Interim COGS	Interim Costs / 33	PO1		4 USD

5.4.1.2 Payment = Pay on Use, Internal payment = Pay on Receipt

Example: Only one of the seven pieces of the receipt of item PI1 of purchase schedule PURS00004, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, is actually received in the warehouse NWH1. In this case, the postings are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

5.4.1.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

838.	10035063: Purchase Schedule / Consignment Receipt			BO: Purchase Schedule / PURS00004	
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		-660 USD
839.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000009	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

5.4.1.2.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 838 is split into two integration transactions with the amounts of -440 USD and -220 USD.

5.4.1.3 Payment = Pay on Use, Internal payment = Pay on Use

Example: Only one of the seven pieces of the receipt of item PI1 of purchase schedule PURS00007, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, is actually received in the warehouse NWH1. In this case, the postings are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

5.4.1.3.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
840.	10035063: Purchase Schedule / Consignment Receipt			BO: Purchase Schedule / PURS00007	
D	Interim Transit	Interim Transit / 3	FWH2		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO2		-660 USD
841.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000091	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	FWH2		-660 USD
842.	10035063: Purchase Schedule / Consignment Receipt			BO: Purchase Schedule / PURS00007	
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD

843.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000091		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

5.4.1.3.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 840 and 842 are split into two integration transactions with amounts of -440 USD and -220 USD.

5.4.1.4 Payment = Pay on Receipt, Internal payment = Pay on Use

Example: Only one of the seven pieces of the receipt of item PI1 of purchase schedule PURS00008, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*, is actually received in the warehouse NWH1. In this case, the postings are reversed. However, the inventory in FWH2 decreases by the current inventory value. The difference is posted with a Standard Cost result (valuation method Standard Cost) or a value correction (valuation method Serial, FIFO, LIFO, or MAUC). Valuation method LOT is not allowed in a financial warehouse. Integration transactions 846 and 847 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

5.4.1.4.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
844.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00003		
D	Interim Transit	Interim Transit / 1	FWH2		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO2		-660 USD
845.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000092		
D	Inventory	Inventory / 1	FWH2	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	FWH2		-660 USD
846.	10035063: Purchase Schedule / Consignment Receipt		BO: Purchase Schedule / PURS00008		
D	Interim Transit	Interim Transit / 3	NWH1		-660 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD
847.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000092		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 3	NWH1		-660 USD

5.4.1.4.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 844 and 846 are split into two integration transactions with the amounts of -440 USD and -220 USD.

For purchase orders, the entries for Standard Cost result, lot result, and value correction are described in *Purchase Order*, *Receipt correction*, *Purchased item*. For purchase schedules, these entries are the same.

5.4.1.5 Payment = No Payment, Internal payment = Not Applicable

Example: Only one of the seven pieces of the receipt of item PI1 of purchase schedule PURS00009, as described in section *Purchase Schedule, Receipts*, *Purchased/manufactured/cost/service items and warehouse*, is actually received in the warehouse NWH1. In this case, the postings are reversed. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Landed costs are not applicable in this scenario.

5.4.1.5.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
848.	15035074: Purchase Schedule / Receipt / Customer Owned		BO: Purchase Schedule / PURS00009		
D	Interim Transit	Interim Transit / 13	NWH1		-660 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-660 USD
849.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000093		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 13	NWH1		-660 USD

5.4.1.5.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 848 is split into two integration transactions with the amounts of -440 USD and -220 USD.

5.4.2 Consignment replenishment

Purchase schedules with an order type of type Consignment Replenishment have the value for the payment field always equal to Pay on Use. The postings for receipt correction for this kind of schedules are described in section *Purchase Schedule*, *Receipt correction*, *Purchased/manufactured item*.

5.5 Usage and payment of consigned inventory

Note: If it is not possible to create payment schedule, such as payment orders for purchase orders as described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*. If no payable receipt can be created, a purchase payment order is created as described in the same section.

5.5.1 Payable receipts (positive)

5.5.1.1 Inventory received with payment = Pay on Use, Internal payment = Pay on Receipt

Example: A production order is created for six pieces of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Schedule PURS00004 (see section *Purchase Schedule, Receipts, Purchased/ manufactured/cost/service items and warehouse*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

5.5.1.1.1 Decrease consigned inventory

To decrease consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.1.1.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
850.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		660 USD
C	Interim Transit	Interim Transit / 2	NWH1		660 USD
851.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000009		
D	Interim Transit	Interim Transit / 2	NWH1		660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	660 USD

FP6.n: In case the internal currency rate of the order currency changes a Consignment Result might be created, as described in section *Purchase Order, Usage and payment of consigned inventory, Payable Receipts (positive), Internal currency rate change*.

5.5.1.1.1.2 Push schedule

For a push schedule, both the purchase schedule and the warehouse receipt postings are split, as for both the schedule line is taken into account. So new inventory transaction IDs are generated also.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
852.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		440 USD
C	Interim Transit	Interim Transit / 2	NWH1		440 USD
853.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000096		
D	Interim Transit	Interim Transit / 2	NWH1		440 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	440 USD
854.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		220 USD
C	Interim Transit	Interim Transit / 2	NWH1		220 USD
855.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000097		
D	Interim Transit	Interim Transit / 2	NWH1		660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	660 USD

5.5.1.1.2 Increase company-owned inventory

To increase the company-owned inventory, a payable receipt is created on the purchase schedule, on which the receipt postings are done. Landed costs are not applicable in this scenario.

5.5.1.1.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
856.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00004		
D	Interim Transit	Interim Transit / 1	NWH1		440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		440 USD
857.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000096		
D	Inventory	Inventory / 1	NWH1	MAT	440 USD
C	Interim Transit	Interim Transit / 1	NWH1		440 USD

858.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000096	
D	Inventory	Inventory / 1	NWH1	SUR	44 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	44 USD
859.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000096	
D	Inventory	Inventory / 1	NWH1	WRS	12 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	12 USD
860.	10035074: Purchase Schedule / Receipt			BO: Purchase Schedule / PURS00004	
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		220 USD
861.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
862.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
863.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 5.2.1.1.1.2 are created (except for the landed costs)

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Purchase Schedule, Receipts, Purchased/ manufactured/cost/service items and warehouse*.

5.5.1.1.2.2 Push schedule

For a push schedule, both the purchase schedule and the warehouse receipt postings are split, as for both the schedule line is taken into account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
864.	10035074: Purchase Schedule / Receipt			BO: Purchase Schedule / PURS00004	
D	Interim Transit	Interim Transit / 1	NWH1		660 USD

C	Invoice Accrual	Invoice Accrual / 4	PO1		660 USD
865.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000009		
D	Inventory	Inventory / 1	NWH1	MAT	660 USD
C	Interim Transit	Interim Transit / 1	NWH1		660 USD
866.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000009		
D	Inventory	Inventory / 1	NWH1	SUR	66 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	66 USD
867.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000009		
D	Inventory	Inventory / 1	NWH1	WRS	18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	18 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 5.2.1.1.2.2 are created (except for the landed costs)

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Purchase Schedule, Receipts, Purchased/ manufactured/cost/service items and warehouse*.

5.5.1.2 Inventory received with payment = Pay on Use, Internal payment = Pay on Use

Example: A production order is created for six pieces of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Schedule PURS00007 (see section *Purchase Schedule, Receipts, Purchased/ manufactured/cost/service items and warehouse*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

5.5.1.2.1 Decrease consigned inventory

To decrease consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.1.2.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

868.	10035064: Purchase Schedule / Consignment Use			BO: Purchase Schedule / PURS00007		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO2			660 USD
C	Interim Transit	Interim Transit / 2	FWH2			660 USD
869.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT0000091		
D	Interim Transit	Interim Transit / 2	FWH2			660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT		660 USD
870.	10035064: Purchase Schedule / Consignment Use			BO: Purchase Schedule / PURS00007		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1			660 USD
C	Interim Transit	Interim Transit / 2	NWH1			660 USD
871.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT0000091		
D	Interim Transit	Interim Transit / 2	NWH1			660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT		660 USD

5.5.1.2.1.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of 440 USD and 220 USD.

5.5.1.2.2 Increase company-owned inventory

To increase the company-owned inventory, a payable receipt is created on the purchase schedule, on which the receipt postings are done. Landed costs are not applicable in this scenario.

5.5.1.2.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
872.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 1	NWH1		660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO2		660 USD
873.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	MAT	660 USD
C	Interim Transit	Interim Transit / 1	NWH1		660 USD
874.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	SUR	66 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	66 USD

875.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000091	
D	Inventory	Inventory / 1	NWH1	WRS	18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	18 USD

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*.

5.5.1.2.2.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of 440 USD and 220 USD, or 44 USD and 22 USD, or 12 USD and 6 USD.

5.5.1.3 Inventory received with payment = Pay on Receipt, Internal payment = Pay on Use

Example: A production order is created for six pieces of item PI1 from warehouse NWH1. Inventory of the internal business partner of the purchase office of Purchase Schedule PURS00008 (see section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory. Note that in this case the receipt posting is already created.

5.5.1.3.1 Decrease consigned inventory

To decrease consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.1.3.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
876.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00008		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		660 USD
C	Interim Transit	Interim Transit / 2	NWH1		660 USD
877.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000091		
D	Interim Transit	Interim Transit / 2	NWH1		660 USD

C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	660 USD

5.5.1.3.1.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of 440 USD and 220 USD.

5.5.1.3.2 Increase company-owned inventory

To increase the company-owned inventory, no purchase posting required. However, the company-owned inventory must be moved from warehouse FWH2 (with a negative receipt posting) to warehouse NWH1 (with a positive receipt posting). Landed costs are not applicable in this scenario

5.5.1.3.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
878.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	FWH2	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	FWH2		-660 USD
879.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	MAT	660 USD
C	Interim Transit	Interim Transit / 1	FWH2		660 USD
880.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	SUR	66 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	66 USD
881.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	WRS	18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	18 USD

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in section *Purchase Schedule, Receipts, Purchased/ manufactured/cost/service items and warehousef*.

5.5.1.3.2.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions

with the amounts of 440 USD and 220 USD, or 44 USD and 22 USD, or 12 USD and 6 USD.

5.5.2 Payable receipts (negative)

5.5.2.1 Inventory received with payment = Pay on Use, Internal payment = Pay on Receipt

Example: The six pieces that were issued to the production order (see section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*) are returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Return (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

5.5.2.1.1 Increase consigned inventory

To increase consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.2.1.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
882.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		-660 USD
C	Interim Transit	Interim Transit / 2	NWH1		-660 USD
883.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000009		
D	Interim Transit	Interim Transit / 2	NWH1		-660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD

5.5.2.1.1.2 Push schedule

For a push schedule, both the purchase schedule and the warehouse receipt postings are split, as for both the schedule line is taken into account. So new inventory transaction IDs are generated also.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
884.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		-440 USD

C	Interim Transit	Interim Transit / 2	NWH1		-440 USD
885.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000096		
D	Interim Transit	Interim Transit / 2	NWH1		-440 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-440 USD
886.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00004		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO1		-220 USD
C	Interim Transit	Interim Transit / 2	NWH1		-220 USD
887.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000097		
D	Interim Transit	Interim Transit / 2	NWH1		-660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD

5.5.2.1.2 Decrease company-owned inventory

To decrease the company-owned inventory, a payable receipt is created on the purchase schedule, on which the receipt postings are done. Landed costs are not applicable in this scenario. Landed costs are not applicable in this scenario.

5.5.2.1.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
888.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00004		
D	Interim Transit	Interim Transit / 1	NWH1		-440 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-440 USD
889.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000096		
D	Inventory	Inventory / 1	NWH1	MAT	-440 USD
C	Interim Transit	Interim Transit / 1	NWH1		-440 USD
890.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000096		
D	Inventory	Inventory / 1	NWH1	SUR	-44 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-44 USD
891.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000096		
D	Inventory	Inventory / 1	NWH1	WRS	-12 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-12 USD

892.	10035074: Purchase Schedule / Receipt			BO: Purchase Schedule / PURS00004	
D	Interim Transit	Interim Transit / 1	NWH1		-220 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-220 USD
893.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	MAT	-220 USD
C	Interim Transit	Interim Transit / 1	NWH1		-220 USD
894.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	SUR	-22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-22 USD
895.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000097	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-6 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 5.2.1.1.2 are created with negative amounts (except for the landed costs)

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section *Purchase Order, Receipt correction, Purchased item*, because the original value can be different from the inventory value.

5.5.2.1.2.2 Push schedule

For a push schedule, both the purchase schedule and the warehouse receipt postings are split, as for both the schedule line is taken into account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
896.	10035074: Purchase Schedule / Receipt			BO: Purchase Schedule / PURS00004	
D	Interim Transit	Interim Transit / 1	NWH1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO1		-660 USD
897.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000009	
D	Inventory	Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	NWH1		-660 USD
898.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000009	
D	Inventory	Inventory / 1	NWH1	SUR	-66 USD

C	Surcharge Cover	End Account / 732	NWH1	IRS	-66 USD
899.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000009		
D	Inventory	Inventory / 1	NWH1	WRS	-18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-18 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 5.2.1.1.2.2 are created with negative amounts (except for the landed costs)

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section *Purchase Schedule, Receipt correction, Purchased/manufactured item*, because the original value can be different from the inventory value.

5.5.2.2 Inventory received with payment = Pay on Use, Internal payment = Pay on Use

Example: The six pieces that were issued to the production order (see section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*) are returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

5.5.2.2.1 Increase consigned inventory

To increase consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.2.2.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
900.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00007		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	PO2		-660 USD
C	Interim Transit	Interim Transit / 2	FWH2		-660 USD
901.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000091		
D	Interim Transit	Interim Transit / 2	FWH2		-660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-660 USD

902.	10035064: Purchase Schedule / Consignment Use			BO: Purchase Schedule / PURS00007	
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD
C	Interim Transit	Interim Transit / 2	NWH1		-660 USD
903.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT0000091	
D	Interim Transit	Interim Transit / 2	NWH1		-660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD

5.5.2.2.1.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of -440 USD and -220 USD.

5.5.2.2.2 Decrease company-owned inventory

To decrease the company-owned inventory, a payable receipt is created on the purchase schedule, on which the receipt postings are done. Landed costs are not applicable in this scenario

5.5.2.2.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
904.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00007		
D	Interim Transit	Interim Transit / 1	NWH1		-660 USD
C	Invoice Accrual	Invoice Accrual / 4	PO2		-660 USD
905.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	NWH1		-660 USD
906.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	SUR	-66 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-66 USD
907.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	WRS	-18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-18 USD

In case of an intercompany trade relation between purchase office and warehouse, the postings as described in 5.2.1.1.1.2 are created with negative amounts (except for the landed costs)

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section *Purchase Schedule, Receipt correction, Purchased/manufactured item*, because the original value can be different from the inventory value.

5.5.2.2.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of -440 USD and -220 USD, or -44 USD and -22 USD, or -12 USD and 6 USD.

5.5.2.3 Inventory received with payment = Pay on Receipt, Internal payment = Pay on Use

Example: The six pieces that were issued to the production order (see section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*) are returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Note

In this case (payment = Pay on receipt), the receipt posting is not required upon usage, because it is already created upon the initial receipt.

5.5.2.3.1 Increase consigned inventory

To increase consigned inventory, you use the purchase schedule and the inventory transaction ID of the receipt, as described in section *Purchase Schedule, Receipts, Purchased/manufactured/cost/service items and warehouse*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

5.5.2.3.1.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
908.	10035064: Purchase Schedule / Consignment Use		BO: Purchase Schedule / PURS00008		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 2	NWH1		-660 USD
C	Interim Transit	Interim Transit / 2	NWH1		-660 USD
909.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000091		
D	Interim Transit	Interim Transit / 2	NWH1		-660 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-660 USD

5.5.2.3.1.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of -440 USD and -220 USD.

5.5.2.3.2 Decrease company-owned inventory

To decrease the company-owned inventory, no purchase posting is required. However, the company-owned inventory must be moved from warehouse NWH2 (with a negative receipt posting) to warehouse FWH1 (with a positive receipt posting). Landed costs are not applicable in this scenario.

5.5.2.3.2.1 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
910.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	FWH2	MAT	660 USD
C	Interim Transit	Interim Transit / 1	FWH2		660 USD
911.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	MAT	-660 USD
C	Interim Transit	Interim Transit / 1	FWH2		-660 USD
912.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	SUR	-66 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-66 USD
913.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000091		
D	Inventory	Inventory / 1	NWH1	WRS	-18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-18 USD

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, as described in section *Purchase Schedule, Receipt correction, Purchased/manufactured item*, because the original value can be different from the inventory value.

5.5.2.3.2.2 Push schedule

With the same example as described above for payment Pay on Use and internal payment Pay on Receipt, all journal entries are split into two integration transactions with the amounts of 440 USD and 220 USD, or -440 USD and -220 USD, or -44 USD and -22 USD, or -12 USD and -6 USD.

5.6 Invoice approval

Notes

- For consignment replenishment orders, you cannot change the price after the receipt. For these orders, no invoices are approved either.
- For unapproval of an invoice, the integration transactions described in the next section are also created, but with the amount multiplied by –1.
- Change price after receipt does not exist for purchase schedules, but only for purchase orders.
- A landed cost invoice can be matched and approved on receipt line landed cost level only (lowest level). Change price after receipt is also possible for landed cost lines.

5.6.1 Approval / unapproval

Example: An invoice is approved for a particular purchase schedule (for example, PURS00001). In that case, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual.

The amount is the invoice amount is, for example, 240 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
914.	<i>Only Reconciliation: Approval</i>		<i>BO: Purchase Schedule / PURS00001</i>		
D	Invoice Accrual	Invoice Accrual / 4	PO1		240 USD

If the invoice is unapproved again, the following entry is created in the reconciliation data:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
915.	<i>Only Reconciliation: Unapproval</i>		<i>BO: Purchase Schedule / PURS00001</i>		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-240 USD

Note: These transactions are always created in the following scenarios in which an invoice is approved.

5.6.2 Expensed tax

Expensed tax must be processed, for example, to inventory, as well. If expensed tax is applicable, a record is created in the reconciliation data that is no integration transaction. If, for example, expensed tax of 10 USD is applicable for a particular purchase schedule PURS00001, the following entry is created when an invoice is approved:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
916.	<i>Only Reconciliation: Expensed Tax</i>		<i>BO: Purchase Schedule / PURS00001</i>		
D	Interim Variance	Interim Variance / 1	PO1		10 USD

If the invoice is unapproved, the same entry is created with an amount of –10 USD.

5.6.3 Currency Gain and Loss

Currency gain and loss must be processed to inventory, project, and so on. A currency gain and loss is logged if a difference between home amounts of an integration transaction occurs. A record is created in the reconciliation data that is no integration transaction. Also an inventory variance record is created in warehousing with the inventory variance origin is 'Currency Gain and Loss'.

Example: a Purchase Schedule / Receipt transaction is booked with currency rates for the order defined as 1 USD = 1.1 EUR and the internal rates that are defined as 1 USD = 1.0 EUR. The credit home amounts are 770 USD and 880 EUR, the debit home amounts are 770 USD and 770 EUR.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
917.	<i>Only Reconciliation: Gain & Loss</i>		<i>BO: Purchase Schedule / PURS00001</i>		
D	Invoice Accrual	Invoice Accrual / 3	£0 GBP	0 USD	110 EUR

As a result, the value of invoice accrual will be booked into inventory.

Note

- This entry is logged at the moment of posting the originating integration transaction in the tfgld module.
- For dependent currency system only the local home amount is filled. For standard currency system with multiple functional currencies, all home amounts can be filled and stored in the inventory value.
- For a project pegged order line also a PCL transaction is logged for the currency gain and loss.

5.6.4 Purchased/manufactured Item

5.6.4.1 Approve Purchase Schedule Invoice

Example: An invoice is approved for purchase schedule PURS00003: seven pieces of item PI1 in warehouse NWH1, for an amount of 840 USD. The order price was 770 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
918.	10035065: Purchase Schedule / Price Variance		BO: Purchase Schedule / PURS00003		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD

5.6.4.1.1 Intercompany trade relationship not present between purchase office and warehouse

A record for the variance of 70 USD is also created in the inventory variances in Warehousing. How to process the variances to inventory is described in section *Warehousing, Inventory variances*. For an expensed tax of 10 USD, a record is also created in the inventory variances in Warehousing.

5.6.4.1.2 Intercompany trade relationship present between purchase office and warehouse

Except for journal entry 918, also journal entry below is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
919.	10035183: Purchase Schedule / Variance Intercompany		BO: Purchase Schedule / PURS00003		
D	Interim COGS	Interim Costs / 33	PO1		70 USD
C	Interim Variance	Interim Variance / 1	PO1		70 USD

If the intercompany trade order is not based on cost plus and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
920.	10035185: Purchase Schedule / COGS Variance		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 130	PO1	MAT	70 USD
C	Interim COGS	Interim Costs / 33	PO1		70 USD

If the intercompany trade order was based on cost with a mark-up percentage, for instance 50%, the intercompany trade revenues are 105 (70 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
921.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000008		
D	Interim Variance	Interim Variance / 1	NWH1		105 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		105 USD

Also a record for the variance of \$105 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12. For an Expensed Tax of 10 USD, also a record is created in the inventory variances in warehousing for 15 USD, in case the intercompany trade order was based on cost plus.

5.6.4.2 Approve Landed Cost Invoice

A landed cost invoice is approved for purchase schedule PURS000003 for an amount of 15 USD. Invoiced landed cost amount was 14 USD. Journal entry below is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
922.	10035133: Purchase Schedule/ Landed Cost Variance Invoiced		BO: Purchase Schedule / PURS000003		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-1 USD
C	Interim Variance	Interim Variance / 1	PO1		-1 USD

5.6.4.2.1 Intercompany trade relationship not present between purchase office and warehouse

Also an inventory variance record is created in warehousing (whina1516m000) with an amount of 1 USD and a quantity of 7 pieces. The way to process the variances further to inventory is described in section 21.12 'Warehousing, Inventory variances'.

5.6.4.2.2 Intercompany trade relationship present between purchase office and warehouse

Except for journal entry 922, also journal entry below is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
923.	10035183: Purchase Schedule / Variance Intercompany		BO: Purchase Schedule / PURS000003		
D	Interim COGS	Interim Costs / 33	PO1		1 USD

C	Interim Variance	Interim Variance / 1	PO1		1 USD

If the intercompany trade order is not based on cost plus and the intercompany trade order transaction line is already released to invoicing and already posted, the amounts are stored in additional record below the invoice line, and immediately the following posting is created (Because in this case only the COGS for Intercompany trade change, not the revenues)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
924.	10035185: Purchase Schedule / COGS Variance		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 130	PO1	MAT	1 USD
C	Interim COGS	Interim Costs / 33	PO1		1 USD

If the intercompany trade order was based on cost plus with a mark-up percentage, for instance 50%, the intercompany trade revenues are 1.5 (1 + 50%). In this case also following journal entry must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
925.	10061183: Warehouse Receipt / Variance Intercompany		BO: Inventory Transaction / IT0000008		
D	Interim Variance	Interim Variance / 1	NWH1		1.5 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		1.5 USD

Also a record for the variance of \$1.5 USD is created in the inventory variances in warehousing. The way to process the variances further to inventory is described in section 21.12.

5.6.5 Cost/service item

5.6.5.1 Approve Purchase Schedule Invoice

Costs to Be Specified has value **No**

Example: An invoice is approved for purchase schedule PURS000005: two pieces of item C12 for an amount of 840 USD. The order price was 770 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

926.	10035065: Purchase Schedule / Price Variance		BO: Purchase Schedule / PURS00005		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD
927.	10035043: Purchase Schedule / General Costs Variance		BO: Purchase Schedule / PURS00005		
D	General Costs	End Account / 122	PO1	GEN	70 USD
C	Interim Variance	Interim Variance / 1	PO1		70 USD

For an expensed tax of 70 USD, entry 927 is also created. Entry 926 is not created.

Costs to Be Specified has value **Yes**

Example: An invoice is approved for purchase schedule PURS000006: two pieces of item C11 for an amount of 840 USD. The order price was 770 USD. The following transactions are created. You must distribute costs further and specify ledger accounts. Next, the reconciliation group Interim Costs/9 is balanced. For this entry, 930 is created in the reconciliation transactions (not in the integration transactions).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
928.	10035065: Purchase Schedule / Price Variance		BO: Purchase Schedule / PURS00006		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD
929.	10035011: Purchase Schedule / Costs to be Specified Variance		BO: Purchase Schedule / PURS00006		
D	Interim Costs	Interim Costs / 9	PO1		70 USD
C	Interim Variance	Interim Variance / 1	PO1		70 USD
930.	Only Reconciliation: Cost Transaction		BO: Purchase Schedule / PURS00006		
C	Interim Costs	Interim Costs / 9	PO1		770 USD

For expensed tax of 70 USD, entries 929 and 930 are also created. Entry 928 is not created.

5.6.5.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase schedule PURS000006. Invoiced landed cost amount was 14 USD and the invoice amount is 15 USD. Upon approval the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
931.	10035133: Purchase Schedule/ Landed Cost Variance Invoiced		BO: Purchase Schedule / PURS000006		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-1 USD
C	Interim Variance	Interim Variance / 1	PO1		-1 USD
932.	10035043: Purchase Schedule / General Costs Variance		BO: Purchase Schedule / PURS000006		
D	General Costs	End Account / 122	PO1	LC1	1 USD
C	Interim Variance	Interim Variance / 1	PO1		1 USD

Note that journal entry 932 is always created regardless of the value of **Costs to Be Specified**.

5.6.6 Currency Variances

5.6.6.1 Approve Purchase Invoice

The existing functionality of Currency Differences (See section 29) is replaced by an integration transaction that moves the currency differences to inventory.

The balance of Invoice Accrual / 4 is posted to interim variance / 1.

With the same example of the purchase order, next journal entries are posted.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
933.	10035159: Purchase Schedule / Currency Variance		BO: Purchase Schedue / PURS00001		
D	Invoice Accrual	Invoice Accrual / 4	£0 GBP	0 USD	110 EUR
C	Interim Variance	Interim Variance / 1	£0 GBP	0 USD	110 EUR

Also a record for the variance of -110 EUR is created in the inventory variances in warehousing.

5.6.6.2 Approve Landed Cost Invoice

At approval of a landed cost invoice also a balance can be present at Invoice Accrual / 19 because of different rates used for the invoice and for the landed cost transactions.

Example: Suppose that the amounts related to landed costs invoice and transactions are 10 % of the purchase invoice.

D/C	Journal Entry	Reconciliation Group	Transaction	Local Amount	Reporting

			Amount		Amount
934.	10035167: Purchase Schedule / Currency Variance (Landed Costs)		BO: Purchase Schedule / PURS00001		
D	Invoice Accrual Landed Costs	Invoice Accrual / 18	£0 GBP	0 USD	11 EUR
C	Interim Variance	Interim Variance / 1	£0 GBP	0 USD	11 EUR

Also a record for the variance of -11 EUR is created in the inventory variances in warehousing.

Notes:

- The transaction amount is zero, only home amounts are used.
- For dependent currency system only the local home amount is filled. For standard currency system with multiple functional currencies, all home amounts can be filled and stored in the inventory value.
- For a project pegged order line also a PCL transaction is logged for the currency variance.

5.7 Intercompany Trade External Material Delivery Purchase

5.7.1 Pull call off schedule

5.7.1.1 Intercompany trade relationship with internal invoice

Example: Purchase schedule line for purchase schedule PURS00003 is a receipt in warehouse NWH1 for 7 pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the warehouse based on commercial price with internal invoice. The commercial price is 190 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
935.	10035082: Purchase Schedule / Revenues Analysis		BO: Purchase Schedule / PURS00003		
D	Interim Revenues	Interim Revenues / 5	PO1		1330 USD
C	Turnover	End Account / 127	PO1		1330 USD
936.	10035125: Purchase Schedule / Cost of Goods Sold		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 126	PO1	MAT	770 USD
C	Interim COGS	Interim Costs / 33	PO1		770 USD

937.	10035125: Purchase Schedule / Cost of Goods Sold		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 126	PO1	SUR	42 USD
C	Interim COGS	Interim Costs / 33	PO1		42 USD
938.	10035125: Purchase Schedule / Cost of Goods Sold		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 126	PO1	LC1	14 USD
C	Interim COGS	Interim Costs / 33	PO1		14 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
939.	Only Reconciliation: Approval		BO: Inventory Transaction / IT00000008		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		1330 USD

You cannot unapprove intercompany trade internal invoices.

5.7.1.2 Intercompany trade relationship without internal invoice

Example: Purchase schedule line for purchase schedule PURS00003 is a receipt in warehouse NWH1 for 7 pieces of item PI1.

An intercompany trade relationship is defined between the purchase office and the warehouse based on commercial price with internal invoice. The commercial price is 190 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
940.	10035169: Purchase Schedule / Revenues Intercompany		BO: Purchase Schedule / PURS00003		
D	Intercompany	End Account / 128	PO1		1330 USD
C	Turnover	End Account / 129	PO1		1330 USD
941.	10035125: Purchase Schedule / Cost of Goods Sold		BO: Purchase Schedule / PURS00003		
D	Cost of Goods Sold	End Account / 126	PO1	MAT	770 USD
C	Interim COGS	Interim Costs / 33	PO1		770 USD

942.	<i>10035125: Purchase Schedule / Cost of Goods Sold</i>		<i>BO: Purchase Schedule / PURS00003</i>		
D	Cost of Goods Sold	End Account / 126	PO1	SUR	42 USD
C	Interim COGS	Interim Costs / 33	PO1		42 USD
943.	<i>10035125: Purchase Schedule / Cost of Goods Sold</i>		<i>BO: Purchase Schedule / PURS00003</i>		
D	Cost of Goods Sold	End Account / 126	PO1	LC1	14 USD
C	Interim COGS	Interim Costs / 33	PO1		14 USD
944.	<i>10061012: Warehouse Receipts / Costs Intercompany</i>		<i>BO: Inventory Transaction / IT0000008</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		1330 USD
C	Intercompany	End Account / 742	NWH1		1330 USD

5.7.2 Push schedule

For Push Schedules, the same postings as described in 5.7.1 are created, but all the amount are splitted over the order lines involved.

6 Purchase Contract

When a purchase contract is activated, integration transactions are created.

Example: Purchase contract PURC00001 of two pieces of item PI1 for warehouse NWH1. The contract price is 110 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
945.	10033007: Purchase Contract / Contract		BO: Purchase Contract / PURC00001		
D	Goods to be Ordered	Commitments / 5	PO1	MAT	220 USD
C	Purchase Contract	Commitments / 6	PO1	MAT	220 USD

Journal entry 945 is reversed, as in posting created with negative amount, in the following cases:

- The contract is deactivated
- Approval of a purchase order or purchase schedule which is created from the contract.

7 Sales Order

Project pegged sales order in combination with one of below mentioned concepts is not supported:

- Customer approval
- Sales order with payment = pay on use and/or order type is consignment invoicing.
- Inventory Handling by Component (Sales BOM)

For project pegged orders the transactions for customer owned goods are made per peg line with filled project related fields in the logged elements.

7.1 Economic transactions

If a sales order line is approved, integration transactions can be created. This depends on the value for the sales parameter **Create Financial Economic Stock Transactions**.

This parameter can have three values:

- **No**
No integration transactions are created.
- **Order Price**
The order price is used.
- **Valuation Price**
The valuation price is used.

In the following cases the value in this parameter is ignored:

- For an equipment item, a subcontracting item, or a generic item, the order price is also used if the parameter has value **Valuation Price**.
- For a subcontracting order, the order price is also used if the parameter has value **Valuation Price**.

7.1.1 Purchased/cost/service items and warehouse

Example: Order line for sales order SLS000002 of two pieces of item PI1 for warehouse NWH1

Parameter has value **Order Price** if the price of order line is 200 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
946.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000002		
D	Sales Allocation	Commitments / 7	SO1	MAT	400 USD
C	Goods to be Delivered	Commitments / 8	SO1	MAT	400 USD

Parameter has value **Valuation Price**

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
947.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000002		
D	Sales Allocation	Commitments / 7	SO1	MAT	200 USD
C	Goods to be Delivered	Commitments / 8	SO1	MAT	200 USD
948.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000002		
D	Sales Allocation	Commitments / 7	SO1	SUR	75.2 USD
C	Goods to be Delivered	Commitments / 8	SO1	SUR	75.2 USD
949.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000002		
D	Sales Allocation	Commitments / 7	SO1	WRS	6 USD
C	Goods to be Delivered	Commitments / 8	SO1	WRS	6 USD

For cost items and service items, the same postings are created. Surcharges are not applicable for those items. As a result, if the parameter has value **Valuation Price**, only journal entry 947 is created, with the effective cost component of the cost item or service item.

7.1.2 List/manufactured items and warehouse

Example: Order line for sales order SLS000003 of two pieces of item LI1 from warehouse NWH1.

Parameter has value **Order Price** (if price of order line is 500 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
950.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000003		
D	Sales Allocation	Commitments / 7	SO1	100	1,000 USD
C	Goods to be Delivered	Commitments / 8	SO1	100	1,000 USD

Parameter has value **Valuation Price**

In this case, economic transactions are created for the components. List item LI1 consists of three items PI1 and two items PI2. Therefore, if two pieces of item LI1 are bought, this implies six items PI1 and four items PI2.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

951.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000003		
D	Sales Allocation	Commitments / 7	SO1	MAT	600 USD
C	Goods to be Delivered	Commitments / 8	SO1	MAT	600 USD
952.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000003		
D	Sales Allocation	Commitments / 7	SO1	SUR	225.6 USD
C	Goods to be Delivered	Commitments / 8	SO1	SUR	225.6 USD
953.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000003		
D	Sales Allocation	Commitments / 7	SO1	WRS	18 USD
C	Goods to be Delivered	Commitments / 8	SO1	WRS	18 USD
954.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000003		
D	Sales Allocation	Commitments / 7	SO1	MAT	200 USD
C	Goods to be Delivered	Commitments / 8	SO1	MAT	200 USD

Journal entries 951, 952, and 953 are for item PI1. Journal entry 954 is for item PI2.

7.1.3 No warehouse

For cost, service, generic, subcontracting, and equipment items, in some cases, no warehouse might be filled on the sales order line. In this case, journal entries are equal to the journal entries 946 through 949, with the difference that for the credit side of the transaction the enterprise unit of the sales office is used.

Example: Sales order line for sales order SLS000004 is for two pieces of item CI1. The value of the parameter is **Order Price**. The order price is 200 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
955.	10002002: Sales Order / Allocation		BO: Sales Order / SLS000004		
D	Sales Allocation	Commitments / 7	SO1	GEN	400 USD
C	Goods to be Delivered	Commitments / 8	SO1	GEN	400 USD

7.1.4 Return orders

For return orders, journal entries 946 through 955 are also created, with the difference that the amounts are negative.

7.1.5 Issues

When the issue is made for the order line, or for a return order, when the receipt is made, journal entries 946 through 955 are also reversed. As a result, the same journal

entries are created, but with a negative amount, or for return orders, with a positive amount.

The balance on the ledger accounts for Commitments / 7 and Commitments / 8 is now 0 (zero) USD again after issue. For a partial issue, a reversal is also made for the full quantity. For the non-received part, new economic transactions are created for the remaining quantity.

7.2 Issues

7.2.1 Purchased item (company owned) from warehouse

No intercompany trade relationship between warehouse and sales office

Example: An issue of order line for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000010 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

- If the valuation method is Standard Cost, the Standard Cost on transaction date is taken.
- If the valuation method is Lot Price, the lot price is taken.
- If the valuation method is Serial Price, the serial price is taken.
- If the valuation method is MAUC (by Warehouse or by Warehouse Valuation Group), the current MAUC (by Warehouse or by Warehouse Valuation Group) is taken.
- If the valuation method is FIFO or LIFO, one or more specific receipt transactions are taken with their amounts.

In all cases, issue surcharges are added to the retrieved amount.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

DIC	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

956.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000010		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
957.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000010		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
958.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000010		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
959.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000010		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
960.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000010		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
961.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000002		
D	Interim COGS	Interim Costs / 1	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
962.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000002		
D	Interim COGS	Interim Costs / 1	SO1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
963.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000002		
D	Interim COGS	Interim Costs / 1	SO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

If customer approval is not implemented, journal entries 961, 962, and 963 are created at the same time as journal entries 956 through 960. If customer approval is implemented, journal entries 961, 962, and 963 are created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal entries 961, 962, and 963 are not created. This depends on the situation in which postings are created in this case.

If the goods are returned to a warehouse, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
964.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
965.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
966.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

If the goods are not returned at all, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
967.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000002		
D	Interim Transit	Interim Transit / 1	NWH1		-240 USD
C	Rejection	End Account / 175	NWH1	MAT	-240 USD
968.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000002		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Rejection	End Account / 175	NWH1	SUR	-88 USD
969.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000002		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Rejection	End Account / 175	NWH1	WRS	-6 USD

Note: Combinations of approval, rejection with return, and rejection without return are also possible.

If project pegging is applicable journal entries 961 through 963 are replaced by journal entries 970 through 972.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
970.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
971.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
972.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Note: Customer approval in combination with project pegging is not possible.

Intercompany trade relationship between warehouse and sales office

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: An issue of order line for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000010 is created upon issue.

The same remarks about inventory value as described in the example without intercompany relation are applicable here.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
973.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000010		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
974.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000010		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
975.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000010		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
976.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000010		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
977.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000010		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
978.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS0000002		
D	Interim COGS	Interim Costs / 1	SO1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		380 USD

If customer approval is not implemented, journal entry 978 is created at the same time as journal entries 973 through 977. If customer approval is implemented, journal entry 978 is created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal entry 978 is not created. This depends on the situation in which postings are created in this case.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 978 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If the goods are returned to a warehouse, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

979.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		240 USD
C	Interim COGS	Interim Costs / 11	NWH1		240 USD
980.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		88 USD
C	Interim COGS	Interim Costs / 11	NWH1		88 USD
981.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000002		
D	Interim Costs	Interim Costs / 12	NWH1		6 USD
C	Interim COGS	Interim Costs / 11	NWH1		6 USD

If the goods are not returned at all, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
982.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000002		
D	Interim COGS	Interim Costs / 11	NWH1		-240 USD
C	Rejection	End Account / 171	NWH1	MAT	-240 USD
983.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000002		
D	Interim COGS	Interim Costs / 11	NWH1		-88 USD
C	Rejection	End Account / 171	NWH1	SUR	-88 USD
984.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000002		
D	Interim COGS	Interim Costs / 11	NWH1		-6 USD
C	Rejection	End Account / 171	NWH1	WRS	-6 USD

Note: Combinations of approval, rejection with return, and rejection without return are also possible.

If project pegging is applicable journal entry 978 is replaced by journal entry 985.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
985.	10002129: Sales Order / Issue Intercompany (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		380 USD

Note: Customer approval in combination with project pegging is not possible.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 985 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

7.2.2 List/manufactured item (company owned) from warehouse

Three scenarios are possible:

- **Issue by Main Item**
For manufactured items only. In this case, journal entries 956 through 985 are created.
- **Issue by Components – Component Handling (Kitting)**
For list items and manufactured items. In this case, for every component line journal entries 956 through 985 are created. For every individual line you can have an intercompany trade relation or no intercompany trade relation. Also mix with direct delivery is possible.
- **Issue by Components – Sales BOM**
For list items and manufactured items. For this scenario, the following example is valid. Note that the customer approval (and rejection) is not possible for Issue by Components.

Example: The issue of order lines for sales order SLS000003 of two pieces of item LI1 from warehouse NWH1. Inventory transaction ID IT0000011 is created upon issue. Assume, for example, that valuation method is MAUC for both item PI1 and PI2 and the MAUC at issue date for item PI1 is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. For item PI2, the MAUC is 56.25 USD (MAT).

No intercompany trade relationship between warehouse and sales office

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
986.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000011		
D	Inventory	Inventory / 1	NWH1	SUR	162 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	162 USD
987.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000011		
D	Inventory	Inventory / 1	NWH1	SUR	30 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	30 USD
988.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000011		
D	Interim Transit	Interim Transit / 1	NWH1		720 USD

C	Inventory	Inventory / 1	NWH1	MAT	720 USD
989.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000011		
D	Interim Transit	Interim Transit / 1	NWH1		264 USD
C	Inventory	Inventory / 1	NWH1	SUR	264 USD
990.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000011		
D	Interim Transit	Interim Transit / 1	NWH1		18 USD
C	Inventory	Inventory / 1	NWH1	WRS	18 USD
991.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000011		
D	Interim Transit	Interim Transit / 1	NWH1		225 USD
C	Inventory	Inventory / 1	NWH1	MAT	225 USD
992.	10002052: Sales Order / Issue		BO: Sales Order / SLS000003		
D	Interim COGS	Interim Costs / 1	SO1	MAT	945 USD
C	Interim Transit	Interim Transit / 1	NWH1		945 USD
993.	10002052: Sales Order / Issue		BO: Sales Order / SLS000003		
D	Interim COGS	Interim Costs / 1	SO1	SUR	264 USD
C	Interim Transit	Interim Transit / 1	NWH1		264 USD
994.	10002052: Sales Order / Issue		BO: Sales Order / SLS000003		
D	Interim COGS	Interim Costs / 1	SO1	WRS	18 USD
C	Interim Transit	Interim Transit / 1	NWH1		18 USD

Journal entries 986 through 990 are for the six pieces of PI1. Journal entry 991 is for the four pieces of PI2.

Intercompany trade relationship between warehouse and sales office

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences. Say the commercial price 500 USD per piece.

The following postings are created:

D/C	Journal Entry	Reconciliation	Enterprise	Cost Comp.	Amount

		Group	Unit		
995.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000011		
D	Inventory	Inventory / 1	NWH1	SUR	162 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	162 USD
996.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000011		
D	Inventory	Inventory / 1	NWH1	SUR	30 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	30 USD
997.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000011		
D	Interim COGS	Interim Costs / 11	NWH1		720 USD
C	Inventory	Inventory / 1	NWH1	MAT	720 USD
998.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000011		
D	Interim COGS	Interim Costs / 11	NWH1		264 USD
C	Inventory	Inventory / 1	NWH1	SUR	264 USD
999.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000011		
D	Interim COGS	Interim Costs / 11	NWH1		18 USD
C	Inventory	Inventory / 1	NWH1	WRS	18 USD
1000.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000011		
D	Interim COGS	Interim Costs / 11	NWH1		225 USD
C	Inventory	Inventory / 1	NWH1	MAT	225 USD
1001.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000003		
D	Interim COGS	Interim Costs / 1	SO1	MAT	1000 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		1000 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1001 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

7.2.3 Contains Customer Furnished Materials

If the sales order is tagged as 'Contains Customer Furnished Materials', normally the item has mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)* for an explanation of mixed ownership).

Example: Sales order SLS000017 is created for two pieces of Item PI1 which has mixed ownership. The customer-owned value is 60 USD and the company-owned value is 20 USD on cost component MAT. Inventory Transaction ID IT0000113 is created

upon issue. The following integration transactions are created. Journal entries 1002 and 1003 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1002.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000113		
D	Interim Transit	Interim Transit / 13	NWH1		60 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	60 USD
1003.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000017		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Interim Transit	Interim Transit / 13	NWH1		60 USD
1004.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000113		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
1005.	10002052: Sales Order / Issue		BO: Sales Order / SLS000017		
D	Interim COGS	Interim Costs / 1	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

If customer approval is not implemented, journal entries 1003 and 1005 are created at the same time as journal entries 1002 through 1004. If customer approval is implemented, journal 1003 and 1005 are created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal 1003 and 1005 are not created. This depends on the situation in which postings are created in this case.

If the goods are returned to a warehouse, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1006.	15002050: Sales Order / Interim Result / Customer Owned		BO: Sales Order / SLS000017		
D	Interim Costs	Interim Costs / 19	NWH1		60 USD
C	Interim Transit	Interim Transit / 13	NWH1		60 USD
1007.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000017		
D	Interim Costs	Interim Costs / 12	NWH1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

If the goods are not returned at all, the following postings are created. Note that the enterprise unit of the warehouse from which the issue was originally carried out is always used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1008.	15002075: Sales Order / Rejection / Customer Owned		BO: Sales Order / SLS000017		
D	Interim Transit	Interim Transit / 13	NWH1		-60 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-60 USD
1009.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000017		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Rejection	End Account / 175	NWH1	MAT	-20 USD

Note: Combinations of approval, rejection with return, and rejection without return are also possible.

If project pegging is applicable journal entries 1005 is replaced by journal entry 1010

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1010.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

Note: Customer approval in combination with project pegging is not possible

7.2.4 Transfers

Note: A project WIP warehouse cannot be used on a Sales order.

Payment = Pay on Use

If the payment on the sales order line is Pay on Use, and the ship-to warehouse is filled, a transfer is created in warehousing, moving the goods from a normal warehouse to (normally) a customer warehouse (in fact the goods are sold already, but financially you are still the owner, so the goods have to be stored in a kind of 'administrative' warehouse. The integration transactions that are created for this transfer are described in section *Warehousing, Transfers*. No transactions are created with the business object sales order.

Note: Sales orders of type consignment replenishment are always transfers with payment Pay on Use.

Payment = No Payment

If the payment on the sales order line is No Payment, and the ship-to warehouse is filled, a transfer is created in warehousing, moving customer-owned goods from one warehouse to another warehouse. The integration transactions that are created for this transfer are described in section *Warehousing, Transfers*. No transactions are created with the business object sales order.

Payment = Pay on Receipt

If the payment on the sales order line is Pay on Receipt, and the ship-to warehouse is filled, a transfer is created in warehousing also. In this specific situation, you already sell the items, but you do the planning for the customer in the warehouse of the customer.

The goods are sold with a normal sales issue process. The integration transactions for this are described in section *Sales Schedule, Issues, Purchased/manufactured item*.

When the goods are received in the other warehouse, the following journal entries are created if one piece is received (with the same example as described in section *Sales Schedule, Issues, Purchased/manufactured item*, and a price of 100 USD is defined on the outbound line in warehousing) if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Inventory Transaction ID IT0000114 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1011.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / SLS000002		
D	Interim Transit	Interim Transit / 13	NWH1		100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		100 USD
1012.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000114		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 13	NWH1		100 USD

7.2.5 Consignment Invoicing

When the customer uses the goods that are received with a transfer with payment Pay on Use a sales order is created of type consignment invoicing. For this sales order, the integration transactions, as described in section *Sales Order, Issues, Purchased item (company owned) from warehouse*, are created, using the enterprise unit of the receiving warehouse.

7.2.6 Direct delivery

Ship to warehouse not filled

In this situation, the postings for direct delivery are created. This is described in sections 4.9.1 and 4.9.2

If a price variance arises for the purchase order, the postings described in section 4.10.6 are created.

Ship to warehouse filled, payment is No Payment

In this situation, no sales postings are created. A purchase order is created with the ship to warehouse filled. Postings as described in section *Purchase Order, Receipts, Purchased item in warehouse*, are created (if the payment on the purchase order line is No Payment).

Ship to warehouse filled, payment is Pay on Use

In this situation, no sales postings are created. A purchase order is created with the ship to warehouse filled. Postings as described in section *Purchase Order, Receipts, Purchased item in warehouse* are created (if the payment on the purchase order line is Pay on Receipt).

Ship to warehouse filled, payment is Pay on Receipt

In this situation, the postings that are created for direct delivery when the ship to warehouse is not filled are created (see 4.9.1). You already sell the items, but you do the planning for the customer in the warehouse of the customer. This is similar to what is described in section *Sales Order, Issues, Transfers, Payment Pay on Receipt* except that the goods are issued with direct delivery instead of from warehouse.

When the goods are received in the ship-to warehouse (receipt is done on the purchase order), the following journal entries are created if one piece is received (customs value is 100 USD on the purchase order line) if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Inventory Transaction ID IT0000141 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1013.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / PUR000004		
D	Interim Transit	Interim Transit / 13	NWH1		100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		100 USD
1014.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000141		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	100 USD

C	Interim Transit	Interim Transit / 13	NWH1		100 USD

7.2.7 Generic items

Order system other than FAS

In this case, you cannot issue the generic item immediately. Instead, you must generate a project structure for the generic item, which changes the item from a generic item to a customized purchased item. The integration transactions described in section *Sales Order, Issues, Purchased item from warehouse* are applicable for these items.

Order system FAS – No intercompany trade relationship between workcenter and sales office

Example: Assembly order ASC000001 for generic item GI1 is finished, therefore, item GI1 can be sold. Sales order SLS000007 is linked to assembly order ASC000001. The following integration transactions are created: calculation office ASC1 is the calculation office of the assembly order, and 100 is the option-based item price.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1015.	10038057: Assembly Order / Item Surcharge Issue		BO: Assembly Order / ASC000001		
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	SUR	20 USD
C	Surcharge Cover	End Account / 713	ASC1	IIS	20 USD
1016.	10038052: Assembly Order / Issue		BO: Assembly Order / ASC000001		
D	Interim Transit	Interim Transit / 1	ASC1		100 USD
C	Assembly Order WIP	Assembly Order WIP / 1	ASC1	MAT	100 USD
1017.	10038052: Assembly Order / Issue		BO: Assembly Order / ASC000001		
D	Interim Transit	Interim Transit / 1	ASC1		20 USD
C	Assembly Order WIP	Assembly Order WIP / 1	ASC1	SUR	20 USD
1018.	10002052: Sales Order / Issue		BO: Sales Order / SLS000007		
D	Interim COGS	Interim Costs / 1	SO1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	ASC1		100 USD
1019.	10002052: Sales Order / Issue		BO: Sales Order / SLS000007		
D	Interim COGS	Interim Costs / 1	SO1	SUR	20 USD
C	Interim Transit	Interim Transit / 1	ASC1		20 USD

Note: The same transactions are created if the first part of the assembly is finished in company 1 and sold to company 2 to finish assembly. In this case, a purchase order is

created in company 2. For more information, refer to section *Purchase Order, Receipts, Assembly*.

If customer approval is not implemented, journal entries 1018 and 1019 are created at the same time as journal entries 1015 through 1017. If customer approval is implemented, journal entries 1018 and 1019 are created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entries 1018 and 1019 are not created. This depends on the situation in which postings are created in this case.

If the goods are returned, always to the same work center with the same calculation office, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1020.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000007		
D	Interim Costs	Interim Costs / 12	ASC1		100 USD
C	Interim Transit	Interim Transit / 1	ASC1		100 USD
1021.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000007		
D	Interim Costs	Interim Costs / 12	ASC1		20 USD
C	Interim Transit	Interim Transit / 1	ASC1		20 USD

If the goods are not returned at all, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1022.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000007		
D	Interim Transit	Interim Transit / 1	ASC1		-100 USD
C	Rejection	End Account / 175	ASC1	MAT	-100 USD
1023.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000007		
D	Interim Transit	Interim Transit / 1	ASC1		-20 USD
C	Rejection	End Account / 175	ASC1	SUR	-20 USD

Order system FAS – Intercompany trade relationship between workcenter and sales office

If an intercompany trade relationship is defined between a workcenter and a sales office, the costs are not taken over one to one from the workcenter to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it),

on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Assembly order ASC000001 for generic item GI1 is finished, therefore, item GI1 can be sold. Sales order SLS000007 is linked to assembly order ASC000001. The following integration transactions are created: calculation office ASC1 is the calculation office of the assembly order, and 100 is the option-based item price. The intercompany trade commercial price is 150 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1024.	10038057: Assembly Order / Item Surcharge Issue		BO: Assembly Order / ASC000001		
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	SUR	20 USD
C	Surcharge Cover	End Account / 713	ASC1	IIS	20 USD
1025.	10038054: Assembly Order / Issue Intercompany		BO: Assembly Order / ASC000001		
D	Interim COGS	Interim Costs / 11	ASC1		100 USD
C	Assembly Order WIP	Assembly Order WIP / 1	ASC1	MAT	100 USD
1026.	10038054: Assembly Order / Issue Intercompany		BO: Assembly Order / ASC000001		
D	Interim COGS	Interim Costs / 11	ASC1		20 USD
C	Assembly Order WIP	Assembly Order WIP / 1	ASC1	SUR	20 USD
1027.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000007		
D	Interim COGS	Interim Costs / 1	SO1	MAT	150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		150 USD

If customer approval is not implemented, journal entry 1027 is created at the same time as journal entries 1024 through 1026. If customer approval is implemented, journal entry 1027 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 1027 is not created. This depends on the situation in which postings are created in this case.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1027 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If the goods are returned, always to the same work center with the same calculation office, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1028.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000007		
D	Interim Costs	Interim Costs / 12	ASC1		100 USD
C	Interim COGS	Interim Costs / 11	ASC1		100 USD
1029.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000007		
D	Interim Costs	Interim Costs / 12	ASC1		20 USD
C	Interim COGS	Interim Costs / 11	ASC1		20 USD

If the goods are not returned at all, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1030.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000007		
D	Interim COGS	Interim Costs / 11	ASC1		-100 USD
C	Rejection	End Account / 171	ASC1	MAT	-100 USD
1031.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000007		
D	Interim COGS	Interim Costs / 11	ASC1		-20 USD
C	Rejection	End Account / 171	ASC1	SUR	-20 USD

7.2.8 Cost/service/subcontracting/equipment item

Note: For a direct delivery for a cost item or a service item, the journal entries described in section *Sales Order, Issues, Direct delivery* are created. In this case, the journal entries described in the next section are not created.

Issue without warehouse

Example: Issue of order line for sales order SLS000004 is for two pieces of item CI1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1032.	10002045: Sales Order / General Costs		BO: Sales Order / SLS000004		
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	General Costs	End Account / 173	SO1	GEN	100 USD
1033.	10002052: Sales Order / Issue		BO: Sales Order / SLS000004		
D	Interim COGS	Interim Costs / 1	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

If customer approval is not implemented, journal entry 1033 is created at the same time as journal entry 1032. If customer approval is implemented, journal entry 1033 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 1033 is not created. This depends on the situation in which postings are created.

If the goods are returned, the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1034.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000004		
D	Interim Costs	Interim Costs / 12	SO1		100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

If the goods are not returned, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1035.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000004		
D	Interim Transit	Interim Transit / 1	SO1		-100 USD
C	Rejection	End Account / 175	SO1	GEN	-100 USD

If project pegging is applicable journal entry 1033 is replaced by journal entry 1036

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1036.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

Note: Customer approval in combination with project pegging is not possible.

Issue from warehouse – No intercompany trade relationship between warehouse and sales office

This situation is only possible for cost items and service items.

For an issue from warehouse, journal entries 1032 through 1036 are also created. The only difference is in the enterprise unit for the entries for reconciliation groups End Account 173, Interim Transit / 1, Interim Costs / 12, and End Account / 175. This enterprise unit is the unit of the warehouse instead of the enterprise unit of the sales office.

Issue from warehouse – Intercompany relationship between warehouse and sales office

This situation is only possible for cost items and service items.

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Issue of order line for sales order SLS000004 is for two pieces of item CI1. The commercial internal invoice price is 75 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1037.	10002101: Sales Order / General Costs Intercompany		BO: Sales Order / SLS000004		
D	Interim COGS	Interim Costs / 11	NWH1		100 USD
C	General Costs	End Account / 170	NWH1	GEN	100 USD
1038.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000004		
D	Interim COGS	Interim Costs / 1	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		150 USD

If customer approval is not implemented, journal entry 1038 is created at the same time as journal entry 1037. If customer approval is implemented, entry 1038 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 1038 is not created. This depends on the situation in which postings are created.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1038 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If the goods are returned, the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1039.	10002037: Sales Order / Interim Result Intercompany		BO: Sales Order / SLS000004		
D	Interim Costs	Interim Costs / 12	NWH1		100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD

If the goods are not returned, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1040.	10002092: Sales Order / Rejection Intercompany		BO: Sales Order / SLS000004		
D	Interim COGS	Interim Costs / 11	NWH1		-100 USD
C	Rejection	End Account / 171	NWH1	GEN	-100 USD

If project pegging is applicable journal journal entry 1038 is replaced by journal entry 1041

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1041.	10002129: Sales Order / Issue Intercompany (Project)		BO: Sales Order / SLS000002		
D	Interim COGS Project	Interim Costs / 21	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		150 USD

Note: Customer approval in combination with project pegging is not possible.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1041 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

7.3 Return orders

7.3.1 Purchased item (company owned) in warehouse – No intercompany relationship between warehouse and sales office

Six different situations can be distinguished for standard items:

Sales order not linked to original order – No price defined on inbound order line – Default Inventory Receipt Value is 'Standard Cost'

In this case, the issue Standard Cost is always used for the sales integration transactions and the receipt Standard Cost is used for the inventory.

The sales integration transactions are booked against issue Standard Cost. Inventory is booked against same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards receipt Standard Cost or in case valuation method is lot pricing and the lot price already exists the lot price.

Example: Receipt for order line for sales order SLS000008 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000012 is created during receipt. If the valuation method is MAUC, the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1042.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1043.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		75.2 USD
1044.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1045.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	28.12 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	28.12 USD
1046.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1047.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-83.22 USD
1048.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1049.	10002052: Sales Order / Issue		BO: Sales Order / SLS000008		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1050.	10002052: Sales Order / Issue		BO: Sales Order / SLS000008		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD

1051.	10002052: Sales Order / Issue			BO: Sales Order / SLS000008	
D	Interim COGS	Interim Costs / 1	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 200 + 75.2 + 6

(**) 75.2 + 28.12 – 20 (receipt Standard Cost value on SUR)

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 10 (SUR) and 4 (WRS) the following integration transactions are created instead of integration transactions 1047 and 1048:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1052.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000012	
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD
C	Lot Result	End Account / 733	NWH1	SUR	-83.22 USD
1053.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000012	
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD
C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost the following integration transactions are created instead of integration transactions 1047 and 1048:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1054.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000012	
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-83.22 USD
1055.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000012	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-6 USD

If project pegging is applicable journal entries 1047 through 1051 are replaced by journal entries 1056 through 1062.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1056.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD
C	Interim Transit	Interim Transit / 1	NWH1		-83.22 USD
1057.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
1058.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		83.22 USD
C	Interim Transit	Interim Transit / 1	NWH1		83.22 USD
1059.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1060.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000008		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1061.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000008		
D	Interim COGS Project	Interim Costs / 21	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
1062.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000008		
D	Interim COGS Project	Interim Costs / 21	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Sales order not linked to original order – No price defined on inbound order line – Default Inventory Receipt Value is ‘Inventory Value’

The sales integration transactions are booked against *inventory value* increased with issue surcharge. Inventory is booked with same amount increased with receipt

surcharges. Subsequently the inventory value is corrected towards *inventory value* before return.

Example: Receipt for order line for sales order SLS000008 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000012 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1063.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1064.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	SUR	111.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		111.6 USD
1065.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	WRS	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
1066.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	SUR	31.96 USD (**)
C	Surcharge Cover	End Account / 732	NWH1	IRS	31.96 USD
1067.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1068.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD (***)
C	Value Correction	End Account / 736	NWH1	SUR	-93.56 USD
1069.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000012		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1070.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000008		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1071.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000008		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-111.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
1072.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000008		

D	Interim COGS	Interim Costs / 1	SO1	WRS	-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

(**) 10% of (200 + 111.6 + 8)

(***) 50 - 111.6 – 31.96

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) journal entry 1068 and 1069 are replaced by journal entry 1073 and 1074.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1073.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD
C	Lot Result	End Account / 733	NWH1	SUR	-93.56 USD
1074.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Lot Result	End Account / 733	NWH1	WRS	-6 USD

Sales order not linked to original order – Price defined on inbound order line – Default Inventory Receipt Value is 'Standard Cost'

The sales integration transactions are booked against issue Standard Cost. Inventory is booked against inbound price increased with receipt surcharges. (Differences on interim transit account are cleared by return result)

Example: Receipt for order line for sales order SLS000009 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000013 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1075.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD

1076.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000013	
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1077.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000013	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1078.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000013	
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Return Result	End Account / 738	NWH1	MAT	20 USD
1079.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000013	
D	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
C	Return Result	End Account / 738	NWH1	SUR	-75.2 USD
1080.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000013	
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	WRS	-6 USD
1081.	10002052: Sales Order / Issue			BO: Sales Order / SLS000009	
D	Interim COGS	Interim Costs / 1	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1082.	10002052: Sales Order / Issue			BO: Sales Order / SLS000009	
D	Interim COGS	Interim Costs / 1	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
1083.	10002052: Sales Order / Issue			BO: Sales Order / SLS000009	
D	Interim COGS	Interim Costs / 1	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR) and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1084.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD

C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1085.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1086.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note: Project pegging in combination with defining inbound price on return order is not possible.

Sales order not linked to original order – Price defined on inbound order line – Default Inventory Receipt Value is 'Inventory Value'

The sales integration transactions are booked against *inventory value* increased with issue surcharge. Inventory is booked with same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards *inventory value* before return.

Example: Receipt for order line for sales order SLS000008 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000013 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1087.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1088.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD

1089.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1090.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000013		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Return Result	End Account / 738	NWH1	MAT	20 USD
1091.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000013		
D	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
C	Return Result	End Account / 738	NWH1	SUR	-111.6 USD
1092.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000013		
D	Interim Transit	Interim Transit / 1	NWH1		-8 USD
C	Return Result	End Account / 738	NWH1	WRS	-8 USD
1093.	10002052: Sales Order / Issue		BO: Sales Order / SLS000008		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1094.	10002052: Sales Order / Issue		BO: Sales Order / SLS000008		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-111.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
1095.	10002052: Sales Order / Issue		BO: Sales Order / SLS000008		
D	Interim COGS	Interim Costs / 1	SO1	WRS	-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 25 (SUR) and 4 (WRS), the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1096.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Lot Result	End Account / 733	NWH1	MAT	-20 USD

1097.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	28 USD
C	Lot Result	End Account / 733	NWH1	SUR	28 USD
1098.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Sales order linked to original order – No price defined on inbound order line

In this case, the sales issue is done with the amount of the original sales issue. The warehouse receipt is also carried out with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Sales order SLS000010 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000014 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged, described in entries 1104 and 1105.

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1099.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1100.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1101.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

1102.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	33.4 USD
1103.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1104.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD
1105.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1106.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000010		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1107.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000010		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1108.	10002052: Sales Order / Issue		BO: Sales Order / SLS0000010		
D	Interim COGS	Interim Costs / 1	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 240 + 88 + 6

(**) 88 + 33.4 – 24 (original value on SUR)

If project pegging is applicable journal entries 1104 through 1108 are replaced by journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1109.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		-97.4 USD
1110.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
1111.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		97.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		97.4 USD
1112.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1113.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000008		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1114.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000010		
D	Interim COGS Project	Interim Costs / 21	SO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1115.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000010		
D	Interim COGS Project	Interim Costs / 21	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Sales order linked to original order – Price defined on inbound order line

In this case, the sales issue is performed with the amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Sales order SLS000011 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000015 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1116.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1117.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1118.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1119.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD
1120.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Return Result	End Account / 738	NWH1	SUR	-88 USD
1121.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	WRS	-6 USD
1122.	10002052: Sales Order / Issue		BO: Sales Order / SLS000011		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD

1123.	10002052: Sales Order / Issue		BO: Sales Order / SLS000011		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1124.	10002052: Sales Order / Issue		BO: Sales Order / SLS000011		
D	Interim COGS	Interim Costs / 1	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1125.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1126.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1127.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note: If an item was issued that has mixed ownership, the inventory WIP (see section *Sales Order, Issues, Purchased item (company owned) from warehouse*) is no longer returned, except in some cases of a return of a subcontracting sales order (see section *Sales Order, Return orders, List/ Manufactured item (company owned) in warehouse*).

Note: Project pegging in combination with defining inbound price on return order is not possible.

7.3.2 Purchased item (company owned) in warehouse – Intercompany relationship between warehouse and sales office

The same six different situations can be distinguished as described in 7.3.1. In this chapter only the situations that the sales order is linked to an original order are described. All other situation are the combinations of the specific intercompany trade related postings of this section and the specific situation postings as described in 7.3.1

Sales order linked to original order – No price defined on inbound order line

Example: Sales order SLS000010 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000014 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged, described in entries 1133 and 1134.

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1128.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	NWH1		240 USD
1129.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	88 USD
C	Interim COGS	Interim Costs / 11	NWH1		88 USD
1130.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1		6 USD
1131.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	33.4 USD
1132.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

<i>1133.</i>	<i>10061109: Warehouse Receipt / Value Correction</i>		<i>BO: Inventory Transaction / IT0000014</i>		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD
<i>1134.</i>	<i>10061109: Warehouse Receipt / Value Correction</i>		<i>BO: Inventory Transaction / IT0000014</i>		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
<i>1135.</i>	<i>10002054: Sales Order / Issue Intercompany</i>		<i>BO: Sales Order / SLS000010</i>		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-380 USD

(*) 10 percent of 240 + 88 + 6

(**) 88 + 33.4 – 24 (original value on SUR)

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1135 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If project pegging is applicable journal entries 1133 through 1135 are replaced by following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1136.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		-97.4 USD
1137.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
1138.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		97.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		97.4 USD
1139.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1140.	10002129: Sales Order / Issue Intercompany (Project)		BO: Sales Order / SLS000008		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-380 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1140 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

Sales order linked to original order – Price defined on inbound order line

In this case, the sales issue is performed with the amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim cogs is balanced with a return result (as the cogs for the intercompany trade relation will be created against the original amount)

Example: Sales order SLS000011 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000015 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1141.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	NWH1		220 USD
1142.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1143.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1144.	10061103: Warehouse Receipt / Return Result Intercompany		BO: Inventory Transaction / IT0000015		
D	Interim COGS	Interim Costs / 11	NWH1		-20 USD
C	Return Result	End Account / 741	NWH1	MAT	-20 USD
1145.	10061103: Warehouse Receipt / Return Result Intercompany		BO: Inventory Transaction / IT0000015		
D	Interim COGS	Interim Costs / 11	NWH1		-88 USD
C	Return Result	End Account / 741	NWH1	SUR	-88 USD
1146.	10061103: Warehouse Receipt / Return Result Intercompany		BO: Inventory Transaction / IT0000015		
D	Interim COGS	Interim Costs / 11	NWH1		-6 USD
C	Return Result	End Account / 741	NWH1	WRS	-6 USD
1147.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000011		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-380 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-380 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1147 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1148.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000015		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1149.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000015		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1150.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000015		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note: If an item was issued that has mixed ownership, the inventory WIP (see section *Sales Order, Issues, Purchased item (company owned) from warehouse*) is no longer returned, except in some cases of a return of a subcontracting sales order (see section *Sales Order, Return orders, List/ Manufactured item (company owned) in warehouse*).

Note: Project pegging in combination with defining inbound price on return order is not possible.

7.3.3 List/Manufactured item (company owned) in warehouse

Three scenarios are possible:

- **Issue by Main Item**
For manufactured items only. In this case, the journal entries described in the previous sections 7.3.1 and 7.3.2 .
- **Issue by Components – Component Handling (Kitting)**
For list items and manufactured items. For this scenario, the journal entries described in sections 7.3.1 and 7.3.2 are created for each component, as described in section 7.2.2.
- **Issue by Components – Sales BOM**
For list items and manufactured items. For this scenario, the journal entries described in sections 7.3.1 and 7.3.2 are created for each component, as described in section 7.2.2, for the entries with business object Inventory Transaction. The entries with

business object Sales Order are for the list/manufactured item. In this case, amounts are totaled. If a price is defined on the warehouse inbound line, this price is distributed across the components.

7.3.4 Contains Customer Furnished Materials

If the sales order is tagged as 'Contains Customer Furnished Materials', normally the item has mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)* for an explanation of mixed ownership). For return orders, various options exist:

7.3.4.1 Return as Company Owned

Sales order not linked to original order – No price defined on inbound order line

The same postings as described in sections 7.3.1 and 7.3.2 are created.

Sales Order not linked to original order – Price defined on inbound order line

The same postings as described in sections 7.3.1 and 7.3.2 are created.

Sales order linked to original order – No price defined on inbound order line – No intercompany trade relationship between warehouse and sales office

In this case, the sales issue and warehouse receipt is done with the sum of the customer-owned and company-owned amount of the original sales issue.

Example: Sales order SLS000021 is created, which is a return for sales order SLS000017 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000118 is created during receipt. The following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1151.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000118		
D	Inventory	Inventory / 1	NWH1	MAT	80 USD
C	Interim Transit	Interim Transit / 1	NWH1		80 USD
1152.	10002052: Sales Order / Issue		BO: Sales Order / SLS000021		
D	Interim COGS	Interim Costs / 1	NWH1		-80 USD
C	Interim Transit	Interim Transit / 1	NWH1		-80 USD

If project pegging is applicable journal entry 1152 is replaced by journal entry 1153

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1153.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000021		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-80 USD
C	Interim Transit	Interim Transit / 1	NWH1		-80 USD

Sales order linked to original order – No price defined on inbound order line – Intercompany trade relationship between warehouse and sales office

In this case, the sales issue and warehouse receipt is done with the sum of the customer-owned and company-owned amount of the original sales issue. Say the commercial intercompany trade amount is 150 USD.

Note: for the original order which has mixed ownership, there was no intercompany trade relation.

Example: Sales order SLS000021 is created, which is a return for sales order SLS000017 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000118 is created during receipt. The following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1154.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000118		
D	Inventory	Inventory / 1	NWH1	MAT	80 USD
C	Interim COGS	Interim Costs / 11	NWH1		80 USD
1155.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000021		
D	Interim COGS	Interim Costs / 1	SO1		-150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-150 USD

If project pegging is applicable journal entry 1155 is replaced by journal entry 1156

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1156.	10002129: Sales Order / Issue Intercompany (Project)		BO: Sales Order / SLS000021		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-150 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entries 1155 and 1156 are split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

Sales order linked to original order – Price defined on inbound order line – No intercompany trade relationship between warehouse and sales office

In this case, the sales issue is performed with the sum of the customer-owned and company-owned amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result.

Example: Sales order SLS000022 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000119 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1157.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000119		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1158.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000119		
D	Interim Transit	Interim Transit / 1	NWH1		140 USD
C	End Account	End Account / 738	NWH1		140 USD
1159.	10002052: Sales Order / Issue		BO: Sales Order / SLS000022		
D	Interim COGS	Interim Costs / 1	NWH1		-80 USD
C	Interim Transit	Interim Transit / 1	NWH1		-80 USD

Note: Project pegging in combination with defining inbound price on return order is not possible.

Sales order linked to original order – Price defined on inbound order line – Intercompany trade relationship between warehouse and sales office

In this case, the sales issue is performed with the sum of the customer-owned and company-owned amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result. Say the commercial intercompany trade amount is 150 USD.

Note: for the original order which has mixed ownership, there was no intercompany trade relation.

Example: Sales order SLS000022 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000119 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1160.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000119		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD

C	Interim COGS	Interim Costs / 11	NWH1		220 USD
1161.	10061103: Warehouse Receipt / Return Result Intercompany		BO: Inventory Transaction / IT0000119		
D	Interim COGS	Interim Costs / 11	NWH1		140 USD
C	End Account	End Account / 741	NWH1		140 USD
1162.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000022		
D	Interim COGS	Interim Costs / 1	SO1		-150 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		-150 USD

Note: Project pegging in combination with defining inbound price on return order is not possible.

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1162 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

7.3.4.2 Return as Customer Owned

Example: Item PI1 has mixed ownership. If this applies to the example as described in section 7.2.3, the following postings are created. Sales return order SLS000019 is created to return the items.

Sales order not linked to original order – No price defined on inbound order line

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the sales and inventory integration transactions.

Example: Receipt for order line for sales order SLS000019 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000116 is created during receipt. If the valuation method is MAUC, the following integration transactions are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1163.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000116		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD
1164.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000019		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-200 USD
C	Interim Transit	Interim Transit / 13	NWH1		-200 USD

Sales order not linked to original order – Price defined on inbound order line

In this case, the price of the inbound order line is always used for both the sales and inventory integration transactions.

Example: Receipt for order line for sales order SLS000020 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000117 is created during receipt. The following journal entries are created, if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1165.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000117		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
1166.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000020		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD

Sales order linked to original order – No price defined on inbound order line

In this case, the sales issue and warehouse receipt is done with the sum of the customer-owned and company-owned amount of the original sales issue.

Example: Sales order SLS000021 is created, which is a return for sales order SLS000017 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000118 is created during receipt. The following journal entries are created. (Journal entries 1167 and 1168 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1167.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000118		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	80 USD
C	Interim Transit	Interim Transit / 13	NWH1		80 USD
1168.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000021		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-80 USD
C	Interim Transit	Interim Transit / 13	NWH1		-80 USD

Sales order linked to original order – Price defined on inbound order line

In this case, the sales issue is performed with the sum of the customer-owned and company-owned amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result.

Example: Sales order SLS000022 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000119 is created during receipt. (Journal entries 1169, 1170 and 1171 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1169.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000119		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
1170.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000119		
D	Interim Transit	Interim Transit / 13	NWH1		140 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		140 USD
1171.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000022		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-80 USD
C	Interim Transit	Interim Transit / 13	NWH1		-80 USD

7.3.4.3 Return as Issued

Return as issued is only possible If the return order is linked to an original order.

It is not allowed to enter an inbound price when the goods are returned as issued.

Example: Item PI1 has mixed ownership. Sales return order SLS000018 is created to return the items as described in section 7.2.3. The following integration transactions are created (journal entries 1172 and 1173 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1172.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000115		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	60 USD
C	Interim Transit	Interim Transit / 13	NWH1		60 USD

1173.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000018		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-60 USD
C	Interim Transit	Interim Transit / 13	NWH1		-60 USD
1174.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000115		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1175.	10002052: Sales Order / Issue		BO: Sales Order / SLS000018		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

If project pegging is applicable journal entry 1175 is replaced by journal entry.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1176.	10002135: Sales Order / Issue (Project)		BO: Sales Order / SLS000018		
D	Interim COGS Project	Interim Costs / 21	SO1	MAT	-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

7.3.5 Transfers

Payment = Pay on Use or Payment = No Payment

For a return of these orders, the same journal entries are created as for normal sales orders with this value for payment.

Payment = Pay on Receipt

For transfer returns with payment pay on receipt, the journal entries as described in section 7.3.1 are created.

Furthermore, the customer-owned inventory must be issued from the 'administrative' warehouse. The following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1177.	15062052: Warehouse Order / Issue / Customer Owned		BO: Warehouse Order / SLS000008		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		100 USD
C	Interim Transit	Interim Transit / 13	NWH1		100 USD

1178.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000012		
D	Interim Transit	Interim Transit / 13	NWH1		100 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	100 USD

7.3.6 Consignment invoicing

Returns are not permitted for consignment invoicing.

7.3.7 Rejected goods (company owned)

Sales orders of type return rejected goods are only possible if customer approval is implemented, and the rejected goods are returned (to warehouse or to supplier). These types of orders are always linked to an original order.

Notes:

- For a return rejection order, you cannot have an intercompany trade order. This is because the intercompany trade transaction is done for the approved quantity, not for the delivered quantity. As a result, the rejected quantity has no intercompany trade, and no return intercompany trade is required.
- Project pegging in combination with customer approval is not possible.

Return to warehouse – no price defined on inbound order line

In this case, the sales reverse interim result is done with the amount of the original sales issue. The warehouse receipt is also made with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, for valuation methods FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Sales order SLS000010 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. However, the goods are returned to warehouse NWH2. In addition, only one of the two pieces is received (final). Inventory transaction ID IT0000014 is created during receipt.

In this example, the valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. Refer to entry 1183 for more information.

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

The sales reverse interim result is logged both for the receipt and the shipment variance.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1179.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH2	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH2		120 USD
1180.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH2	SUR	44 USD
C	Interim Transit	Interim Transit / 1	NWH2		44 USD
1181.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH2	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH2		3 USD
1182.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH2	SUR	16.7 USD (*)
C	Surcharge Cover	End Account / 732	NWH2	IRS	16.7 USD
1183.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH2	SUR	-48.7 USD (**)
C	Value Correction	End Account / 736	NWH2	SUR	-48.7 USD
1184.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS0000010		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1185.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS0000010		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1186.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS0000010		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1187.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000014		
D	Interim Transit	Interim Transit / 1	NWH2		-120 USD
C	Shipment Variance	End Account / 734	NWH2	MAT	-120 USD
1188.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000014		
D	Interim Transit	Interim Transit / 1	NWH2		-44 USD
C	Shipment Variance	End Account / 734	NWH2	SUR	-44 USD

1189.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000014		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 734	NWH2	WRS	-3 USD
1190.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000010		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1191.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000010		
D	Interim Transit	Interim Transit / 1	NWH2		44 USD
C	Interim Costs	Interim Costs / 12	NWH1		44 USD
1192.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000010		
D	Interim Transit	Interim Transit / 1	NWH2		3 USD
C	Interim Costs	Interim Costs / 12	NWH1		3 USD

(*) 10 percent of 120 + 44 + 3

(**) 44 + 16.7 – 12 (original value on SUR)

Note: If the original issue was a direct delivery from purchase office PO1, the same postings are created. The only difference is the enterprise unit that is used for reconciliation group Interim Costs / 12. Here, PO1 is used instead of NWH1.

Return to warehouse – Price defined on inbound order line

In this case, the sales reverse interim result is also made with the amount of the original sales issue. The warehouse receipt is made with the amount of the inbound order line.

Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Sales order SLS000011 is created, which is a return for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. However the goods are returned to warehouse NWH2. In addition, only one of the two pieces is received (final). Inbound order line price is 110 USD each. Inventory transaction ID IT0000015 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1193.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH2	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH2		110 USD

1194.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000015		
D	Inventory	Inventory / 1	NWH2	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH2	IRS	11 USD
1195.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-10 USD
C	Return Result	End Account / 738	NWH2	MAT	-10 USD
1196.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-44 USD
C	Return Result	End Account / 738	NWH2	SUR	-44 USD
1197.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Return Result	End Account / 738	NWH2	WRS	-3 USD
1198.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1199.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		44 USD
C	Interim Costs	Interim Costs / 12	NWH1		44 USD
1200.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		3 USD
C	Interim Costs	Interim Costs / 12	NWH1		3 USD
1201.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-120 USD
C	Shipment Variance	End Account / 734	NWH2	MAT	-120 USD
1202.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-44 USD
C	Shipment Variance	End Account / 734	NWH2	SUR	-44 USD
1203.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 734	NWH2	WRS	-3 USD

1204.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
1205.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		44 USD
C	Interim Costs	Interim Costs / 12	NWH1		44 USD
1206.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		3 USD
C	Interim Costs	Interim Costs / 12	NWH1		3 USD

If the valuation method of item PI1 in warehouse NWH2 is lot price and the lot is already present and lot price is, for example, 110 (MAT) and 12 (SUR) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1207.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH2	SUR	1 USD
C	Lot Result	End Account / 733	NWH2	SUR	1 USD

If the valuation method of item PI1 in warehouse NWH2 is Standard Cost, the following additional postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1208.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH2	MAT	-10 USD
C	Standard Cost Result	End Account / 731	NWH2	MAT	-10 USD
1209.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000015		
D	Inventory	Inventory / 1	NWH2	SUR	-1 USD
C	Standard Cost Result	End Account / 731	NWH2	SUR	-1 USD

Note: If the original issue was a direct delivery from purchase office PO1, the same postings are created. The only difference is the enterprise unit that is used for reconciliation group Interim Costs / 12. Here PO1 is used instead of NWH1.

Return to supplier

In this case, the purchase postings are made with the price on the purchase return order, and the sales reverse interim result posting is also made with the purchase amount. The difference on Interim Costs / 12 is posted with a return result.

Example: Sales order SLS000012 is linked to Sales Order SLS000001, described in section 7.2.6, of which two pieces P1 were rejected. The goods are returned to supplier.

Purchase order PUR000016 is created for this, with purchase office PO2. The price on PUR000015 is 105 USD. Note that on purchase order PUR000004 linked to sales order SLS000001, the price was 110 USD. In this example, the valuation method is unequal to Standard Cost.

When the purchase order is received, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1210	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	PO2		-210 USD
C	Invoice Accrual	Invoice Accrual / 3	PO2		-210 USD
1211	10001026: Purchase Order / Direct Delivery		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-210 USD
C	Interim Transit	Interim Transit / 1	PO2		-210 USD
1212	10001056: Purchase Order / Item Surcharge Receipt		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-21 USD
C	Surcharge Cover	End Account / 112	PO2	IRS	-21 USD

When you release the purchase order to sales, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1213.	10002057: Purchase Order / Item Surcharge Issue		BO: Purchase Order / PUR000016		
D	Interim Direct Delivery	Interim Transit / 4	PO2		-46.2 USD
C	Surcharge Cover	End Account / 174	PO2	IIS	-46.2 USD
1214.	10001026: Purchase Order / Direct Delivery		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	PO2		-210 USD
C	Interim Direct Delivery	Interim Transit / 4	PO2		-210 USD
1215.	10001026: Purchase Order / Direct Delivery		BO: Purchase Order / PUR000016		
D	Interim Transit	Interim Transit / 1	PO2		-67.2 USD

C	Interim Direct Delivery	Interim Transit / 4	PO2		-67.2 USD
1216.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000012		
D	Interim Transit	Interim Transit / 1	PO2		210 USD
C	Interim Costs	Interim Costs / 12	PO1		210 USD
1217.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000012		
D	Interim Transit	Interim Transit / 1	PO2		67.2 USD
C	Interim Costs	Interim Costs / 12	PO1		67.2 USD
1218.	10002090: Sales Order / Return Result		BO: Sales Order / SLS000012		
D	Interim Costs	Interim Costs / 12	PO1		-10 USD
C	Return Result	End Account / 180	PO2		-10 USD
1219.	10002090: Sales Order / Return Result		BO: Sales Order / SLS000012		
D	Interim Costs	Interim Costs / 12	PO1		-3.2 USD
C	Return Result	End Account / 180	PO2		-3.2 USD

7.3.8 Rejected goods (Contains Customer Furnished Materials)

If the sales order is an subcontracting order, normally the item has mixed ownership (see *Production Order, Materials, Issue (mixed ownership)*).

For the return of rejected goods, two scenarios exist:

- If the subcontracted item is company-owned: return as company owned and return as issued.
- If the subcontracted item is customer owned: return as customer owned and return as issued.

Return as company owned

Example: Item PI1 has mixed ownership. The customer-owned value was 20 USD on cost component MAT. If this is the case with the same example as described in section *Production Order, Materials, Return (company owned/consigned)* (first example), the same postings as described in this section are created (only the examples with an original order linked are possible). Additionally, the following integration transactions are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1220.	15002084: Sales Order / Reverse Interim Result / Customer Owned		BO: Sales Order / SLS000008		
D	Interim Transit	Interim Transit / 13	NWH2		20 USD

C	Interim Costs	Interim Costs / 19	NWH1		20 USD
1221.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000012		
D	Interim Transit	Interim Transit / 13	NWH2		-20 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		-20 USD

If the financial companies of NWH1 and NWH2 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1222.	15002105: Sales Order / Transfer Accrual / Customer Owned		BO: Sales Order / SLS000008		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		20 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		20 USD

Return as customer owned

Example: Item PI1 has mixed ownership. If this is the case with the same example as described in section *Sales Order, Issues, Subcontracting* (second example), the following postings are created. Sales return order SLS000018 is created to return the items to warehouse NWH2.

No price defined on inbound order line

In this case, the sales posting is done with the amount of the original sales posting. The warehouse receipt is also carried out with this amount. The company-owned part is logged as a return result.

Example: Sales order SLS000021 is created, which is a return for sales order SLS000017 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000118 is created during receipt. The following journal entries are created. (Journal entries 1223, 1224 and 1227 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1223.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000118		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	60 USD
C	Interim Transit	Interim Transit / 13	NWH2		60 USD
1224.	15002084: Sales Order / Reverse Interim Result / Customer Owned		BO: Sales Order / SLS000021		
D	Interim Transit	Interim Transit / 13	NWH2		60 USD

C	Interim Costs	Interim Costs / 19	NWH1		60 USD
1225.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000118		
D	Interim Transit	Interim Transit / 1	NWH2		-20 USD
C	Return Result	End Account / 738	NWH2	MAT	-20 USD
1226.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000021		
D	Interim Transit	Interim Transit / 1	NWH2		20 USD
C	Interim Costs	Interim Costs / 1	NWH1		20 USD

If the financial companies of NWH1 and NWH2 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1227.	15002105: Sales Order / Transfer Accrual / Customer Owned		BO: Sales Order / SLS000021		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		60 USD

Price defined on inbound order line

In this case, the sales posting is performed with the amount of the original sales posting. The warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result.

Example: Sales order SLS000022 is created, which is a return rejection for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000119 is created during receipt. (Journal entries 1228, 1229, 1230 and 1233 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1228.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000119		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH2		220 USD
1229.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000119		
D	Interim Transit	Interim Transit / 13	NWH2		160 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		160 USD

1230.	15002084: Sales Order / Reverse Interim Result / Customer Owned		BO: Sales Order / SLS000022			
D	Interim Transit	Interim Transit / 13		NWH2		60 USD
C	Interim Costs	Interim Costs / 19		NWH1		60 USD
1231.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000119		
D	Interim Transit	Interim Transit / 1		NWH2		-20 USD
C	Return Result	End Account / 738		NWH2	MAT	-20 USD
1232.	10002084: Sales Order / Reverse Interim Result			BO: Sales Order / SLS000022		
D	Interim Transit	Interim Transit / 1		NWH2		20 USD
C	Interim Costs	Interim Costs / 1		NWH1		20 USD

If the financial companies of NWH1 and NWH2 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1233.	15002105: Sales Order / Transfer Accrual / Customer Owned		BO: Sales Order / SLS000022		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		60 USD

Return as Issued

Example: Item PI1 has mixed ownership. Sales return order SLS000018 is created to return the rejected items as described in section *Sales Order, Issues, Subcontracting* (second example) to warehouse NWH2. The following integration transactions are created (journal entries 1234, 1235, 1238, 1239, 1240, 1241 and 1244 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

No price defined on inbound order line

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1234.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000115		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	60 USD

C	Interim Transit	Interim Transit / 13	NWH2		60 USD
1235.	15002084: Sales Order / Reverse Interim Result / Customer Owned		BO: Sales Order / SLS000018		
D	Interim Transit	Interim Transit / 13	NWH2		60 USD
C	Interim Costs	Interim Costs / 19	NWH1		60 USD
1236.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000115		
D	Inventory WIP	Inventory WIP / 1	NWH2	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH2		20 USD
1237.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000018		
D	Interim Transit	Interim Transit / 1	NWH2		20 USD
C	Interim Costs	Interim Costs / 1	NWH1		20 USD

If the financial companies of NWH1 and NWH2 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1238.	15002105: Sales Order / Transfer Accrual / Customer Owned		BO: Sales Order / SLS000018		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		60 USD

Price defined on inbound order line (110USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1239.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000015		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH2		110 USD
1240.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 13	NWH2		50 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		50 USD

1241.	15002084: Sales Order / Reverse Interim Result / Customer Owned		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 13	NWH2		60 USD
C	Interim Costs	Interim Costs / 19	NWH1		60 USD
1242.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 1	NWH2		-20 USD
C	Return Result	End Account / 738	NWH2	MAT	-20 USD
1243.	10002084: Sales Order / Reverse Interim Result		BO: Sales Order / SLS000011		
D	Interim Transit	Interim Transit / 1	NWH2		20 USD
C	Interim Costs	Interim Costs / 1	NWH1		20 USD

If the financial companies of NWH1 and NWH2 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1244.	15002105: Sales Order / Transfer Accrual / Customer Owned		BO: Sales Order / SLS000011		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH2		60 USD

7.3.9 Other scenarios

For return in the scenarios described in *Consignment*, *Direct delivery* and *Generic items* sections under *Sales Order/Issues*, if return is applicable, the journal entries that are created in those scenarios are also created for return orders, where the amount must be multiplied with -1.

7.4 Customer invoices

7.4.1 Orders related to issues

Example: The invoice is posted for sales order SLS000002 of two pieces of item PI1 from warehouse NWH1, described in section 7.2.1 for the example without invoice relation. The sales price is 200 USD each. The customer receives a discount of five percent. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1245.	<i>10002125: Sales Order / Cost of Goods Sold</i>		<i>BO: Sales Order / SLS000002</i>		
D	Cost of Goods Sold	End Account / 163	SO1	MAT	240 USD
C	Interim COGS	Interim Costs / 1	SO1	MAT	240 USD
1246.	<i>10002125: Sales Order / Cost of Goods Sold</i>		<i>BO: Sales Order / SLS000002</i>		
D	Cost of Goods Sold	End Account / 163	SO1	SUR	88 USD
C	Interim COGS	Interim Costs / 1	SO1	SUR	88 USD
1247.	<i>10002125: Sales Order / Cost of Goods Sold</i>		<i>BO: Sales Order / SLS000002</i>		
D	Cost of Goods Sold	End Account / 163	SO1	WRS	6 USD
C	Interim COGS	Interim Costs / 1	SO1	WRS	6 USD
1248.	<i>10002082: Sales Order / Revenues Analysis</i>		<i>BO: Sales Order / SLS000002</i>		
D	Interim Revenues	Interim Revenues / 5	SO1		400 USD
C	Turnover	End Account / 178	SO1		400 USD
1249.	<i>10002062: Sales Order / Order Discount</i>		<i>BO: Sales Order / SLS000002</i>		
D	Discount	End Account / 165	SO1		20 USD
C	Interim Revenues	Interim Revenues / 5	SO1		20 USD

In case of the example with an intercompany trade relation, journal entries 1245 through 1247 are replaced by one entry for the cost of goods sold, with an amount of 380 USD on cost component MAT.

If project pegging is applicable journal entry 1245 through 1249 are replaced by

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1250.	<i>10024134: Project Costs & Commitments / Invoiced WIP</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		240 USD
C	Interim COGS	Interim Costs / 21	SO1	MAT	240 USD
1251.	<i>10024134: Project Costs & Commitments / Invoiced WIP</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		88 USD
C	Interim COGS	Interim Costs / 21	SO1	SUR	88 USD
1252.	<i>10024134: Project Costs & Commitments / Invoiced WIP</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD

C	Interim COGS	Interim Costs / 21	SO1	WRS	6 USD
1253.	10025082: Project Revenues / Revenues Analysis		BO: Project Revenue / TP1		
D	Interim Revenues	Interim Revenues / 5	SO1		400 USD
C	Provisional Project Revenue	Project Provisional Revenues / 1	SO1		400 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

Installments

If the sales order is an installment order, when the invoice of the sales order line is invoiced, the installment is settled. Journal entries for this are described in section *Sales Order, Installment orders, Goods Invoice*

7.4.2 Retro billing

In some cases, the price on a sales contract is changed. Often, the new price is already applicable for sales orders that are already invoiced. In that case, a new retro billing sales order is created. No issues exist for these orders. Only invoices are posted, which can be for a positive amount or a negative amount, depending on the sign of the price change.

Example: Retro-billing sales order SLS000012 is created, because the customer must pay an extra amount of 100 USD. When the invoice is posted, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1254.	10002003: Sales Order / Retro Billing		BO: Sales Order / SLS000012		
D	Interim Revenues	Interim Revenues / 5	SO1		100 USD
C	Turnover	End Account / 177	SO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

7.5 Intercompany Trade External Material Delivery Sales

Notes:

- If customer approval is not implemented, the intercompany trade transaction is always for the shipped quantity. If customer approval is implemented, the intercompany trade transaction is only for the approved quantity. For the rejected quantity no intercompany trade transaction is done

7.5.1 Purchased/manufactured/list item in warehouse

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and sales office for a purchased/manufactured/list item are described in Section 21.11.2.

7.5.2 Cost/service item in warehouse

Intercompany trade relationship with internal invoice

Example: Sales order line for sales order SLS000004, described in section 7.2.8, in which the order was released to warehouse NWH1. An in relationship is defined between the warehouse and the sales office, based on commercial price with internal invoice. The commercial price is 60 USD each. When the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1255.	10002081: Sales Order / Revenues		BO: Sales Order / SLS000004		
D	Interim Revenues	Interim Revenues / 5	NWH1		120 USD
C	Turnover	End Account / 179	NWH1		120 USD
1256.	10002140: Sales Order / COGS Intercompany		BO: Sales Order / SLS000004		
D	Cost of Goods Sold	End Account / 168	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1257.	Only Reconciliation: Approval		BO: Sales Order / SLS000004		
D	Invoice Accrual	Invoice Accrual / 5	SO1		120 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Example: Sales order line for sales order SLS000004, described in section 7.2.8, in which the order was released to warehouse NWH1. An in relationship is defined

between the warehouse and the sales office, based on commercial price without internal invoice. The commercial price is 60 USD each. When the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1258.	10002169: Sales Order / Revenues Intercompany		BO: Sales Order / SLS000004		
D	Intercompany	End Account / 161	NWH1		120 USD
C	Turnover	End Account / 160	NWH1		120 USD
1259.	10002140: Sales Order / COGS Intercompany		BO: Sales Order / SLS000004		
D	Cost of Goods Sold	End Account / 168	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD
1260.	10002012: Sales Order / Costs Intercompany		BO: Sales Order / SLS000004		
D	Invoice Accrual	Invoice Accrual / 5	SO1		120 USD
C	Intercompany	End Account / 159	SO1		120 USD

7.5.3 Assembly

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between workcenter and sales office are described in Section 13.6.

7.6 Intercompany Trade External Material Direct Delivery

7.6.1 Direct delivery

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between purchase office and sales office are described in Section 4.11.1.1

7.7 Purchase invoice approval/change price after receipt

For a direct delivery, in some cases, an invoice approval or unapproval or a price change after receipt for the purchase order also influences the sales order. This situation is described in section 4.10.6.

7.8 Change price after delivery

In case an intercompany trade relation is defined between warehouse / workcenter / purchase office and sales office, that is defined on sales price (gross or net), changing of the sales price after delivery influences also the amount of intercompany trade.

Example: Sales gross price is 100 USD, and intercompany trade is based on sales gross price minus 10%. This means intercompany trade price is 90 USD. If the sales gross price changes after delivery from 100 USD to 120 USD, this means the intercompany trade price changes from 90 USD to 108 USD, so a difference of 18 USD.

Intercompany trade relationship with internal invoice

Following posting is always created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1261.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000002		
D	Interim COGS	Interim Costs / 1	SO1	MAT	18 USD
C	Invoice Accrual	Invoice Accrual / 5	SO1		18 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1261 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

One of the following postings is created, dependent on the intercompany trade situation

In case of a purchase/manufactured/list item in warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1262.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000010		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD
C	Turnover	End Account / 714	NWH1		18 USD

In case of cost/service item in warehouse

1263.	10002081: Sales Order / Revenues		BO: Sales Order / SLS000002		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD

C	Turnover	End Account / 179	NWH1		18 USD

In case of assembly

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1264.	10038082: Assembly Order / Revenues Analysis		BO: Assembly Order / ASC000001		
D	Interim Revenues	Interim Revenues / 5	ASC1		18 USD
C	Turnover	End Account / 54	ASC1		18 USD

In case of direct delivery

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1265.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000004		
D	Interim Revenues	Interim Revenues / 5	PO1		18 USD
C	Turnover	End Account / 114	PO1		18 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1266.	Only Reconciliation: Approval		BO: Sales Order / SLS000002		
D	Invoice Accrual	Invoice Accrual / 5	SO1		18 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Following postings are always created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1267.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000002		
D	Interim COGS	Interim Costs / 1	SO1	MAT	18 USD

C	Invoice Accrual	Invoice Accrual / 5	SO1		18 USD
1268.	10002012: Sales Order / Costs Intercompany		BO: Sales Order / SLS000002		
D	Invoice Accrual	Invoice Accrual / 5	SO1		18 USD
C	Intercompany	End Account / 159	SO1		18 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1267 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

One of the following postings is created, dependent on the intercompany trade situation
In case of a purchase/manufactured/list item in warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1269.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000010		
D	Intercompany	End Account / 703	NWH1		18 USD
C	Turnover	End Account / 718	NWH1		18 USD

In case of cost/service item in warehouse

1270.	10002169: Sales Order / Revenues Intercompany		BO: Sales Order / SLS000002		
D	Intercompany	End Account / 161	NWH1		18 USD
C	Turnover	End Account / 160	NWH1		18 USD

In case of assembly

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1271.	10038169: Assembly Order / Revenues Intercompany		BO: Assembly Order / ASC000001		
D	Intercompany	End Account / 42	ASC1		18 USD
C	Turnover	End Account / 55	ASC1		18 USD

In case of direct delivery

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1272.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000004		
D	Intercompany	End Account / 105	PO1		18 USD
C	Turnover	End Account / 118	PO1		18 USD

7.9 Installment orders

7.9.1 Advance installment

Before delivering any goods, the advance installment must be invoiced and paid. When the invoice is posted for the advance installment, the following entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1273.	10002094: Sales Order / Advance Installment		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		100 USD
C	Advance Installment	Interim Revenues / 11	SO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

The payment of the invoice is handled in Accounts Receivable.

If the **Separate Account for Paid Advance Installment** parameter in the Company Parameters (tfgld0103s000) session has value **No**, no integration transactions are created, and also no reconciliation data is created.

If the **Separate Account for Paid Advance Installment** parameter has value **Yes**, the following integration transactions are created at the time of payment

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1274.	10002094: Sales Order / Advance Installment		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		-100 USD
C	Advance Installment	Interim Revenues / 11	SO1		-100 USD
1275.	10002093: Sales Order / Advance Installment Paid		BO: Sales Order / SLS000013		
D	Paid Advance Installment	Interim Revenues / 12	SO1		-100 USD
C	Interim Revenues	Interim Revenues / 5	SO1		-100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

7.9.2 Normal installment

Normal installments are invoiced, for example, each month. In this example, there is only one installment. When the invoice is posted for the normal installment, the following entry is created if the **Revenue Recognition at Installments (Sales)** parameter has value **No**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1276.	10002095: Sales Order / Normal Installment		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		150 USD
C	Normal Installment	Interim Revenues / 10	SO1		150 USD

The following entry is created if the **Revenue Recognition at Installments (Sales)** parameter has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1277.	10002082: Sales Order / Revenues Analysis		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		150 USD
C	Turnover	End Account / 178	SO1		150 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

7.9.3 Goods invoice

When the sales order lines are delivered, and the advance installment and the normal installment are closed, the sales order lines can be released to central invoicing.

When the goods invoice is posted, the following entries are created if the **Revenue Recognition at Installments (Sales)** parameter has value **No**.

Note: In addition, the Cost of Goods Sold postings described in section *Sales Order, Customer invoices, Orders related to issues*, are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1278.	10002082: Sales Order / Revenues Analysis		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		125 USD
C	Turnover	End Account / 178	SO1		125 USD
1279.	10002082: Sales Order / Revenues Analysis		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		175 USD
C	Turnover	End Account / 178	SO1		175 USD
1280.	10002095: Sales Order / Normal Installment		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		-150 USD
C	Normal Installment	Interim Revenues / 10	SO1		-150 USD

1281.	10002096: Sales Order / Settled Guarantee Installment			BO: Sales Order / SLS000013	
D	Guarantee Installment	Interim Revenues / 9	SO1		50 USD
C	Interim Revenues	Interim Revenues / 5	SO1		50 USD

As a result, the Interim Revenues / 10 account is balanced. Note that currency differences may occur. This is described in section *Currency Differences, Automatically*.

If the **Revenue Recognition at Installments (Sales)** parameter has value **Yes**, journal entries 1280 and 1281 are not created. Instead of these journal entries, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1282.	10002082: Sales Order / Revenues Analysis			BO: Sales Order / SLS000013	
D	Interim Revenues	Interim Revenues / 5	SO1		-150 USD
C	Turnover	End Account / 178	SO1		-150 USD
1283.	10002082: Sales Order / Revenues Analysis			BO: Sales Order / SLS000013	
D	Interim Revenues	Interim Revenues / 5	SO1		50 USD
C	Turnover	End Account / 178	SO1		50 USD

If the **Separate Account for Paid Advance Installment** parameter has value **No**, also the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1284.	10002094: Sales Order / Advance Installment			BO: Sales Order / SLS000013	
D	Interim Revenues	Interim Revenues / 5	SO1		-100 USD
C	Advance Installment	Interim Revenues / 11	SO1		-100 USD

As a result, Interim Revenues / 11 is balanced. Note that currency differences may occur. This is described in section *Currency Differences, Automatically*.

If the **Separate Account for Paid Advance Installment** parameter has the value **Yes**, also the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1285.	10002093: Sales Order / Advance Installment Paid			BO: Sales Order / SLS000013	
D	Paid Advance Installment	Interim Revenues / 12	SO1		100 USD
C	Interim Revenues	Interim Revenues / 5	SO1		100 USD

As a result, the Interim Revenues / 10 account is balanced, and Interim Revenues / 11 was already balanced.

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

Note: In this situation, the Sales Invoice has an amount of 0, because Interim Revenues / 5 is already balanced for the invoice.

7.9.4 Settled guarantee installment

A settled guarantee installment is normally invoiced at the end, when all goods are delivered and invoiced and the customer agrees that everything is correct.

When the invoice is posted for the settled guarantee installment, the following entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1286.	10002096: Sales Order / Settled Guarantee Installment		BO: Sales Order / SLS000013		
D	Guarantee Installment	Interim Revenues / 9	SO1		-50 USD
C	Interim Revenues	Interim Revenues / 5	SO1		-50 USD

As a result, the Interim Revenues / 9 account is balanced. Currency differences may occur. See section *Currency Differences, Automatically*.

The following entry is created if the **Revenue Recognition at Installments (Sales)** parameter has the value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1287.	10002082: Sales Order / Revenues Analysis		BO: Sales Order / SLS000013		
D	Interim Revenues	Interim Revenues / 5	SO1		-50 USD
C	Turnover	End Account / 178	SO1		-50 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

7.10 Commissions

You can link commissions to a sales order.

Example: A commission of 100 USD is linked to sales order SLS000015. When the commission is reversed, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
1288.	10002008: Sales Order / Commission		BO: Sales Order / SLS000015		
D	Commission	End Account / 162	SO1		100 USD
C	Invoice Accrual	Invoice Accrual / 6	SO1		100 USD

Note: The reversal of the invoice accrual, when the invoice is paid, is not logged in the reconciliation transactions. As a result, reconciliation cannot be carried out from the reconciliation transactions.

7.11 Rebates

You can link rebates to a sales order.

Example: A rebate of 100 USD is linked to sales order SLS000016. At the moment that a reservation for a rebate is made the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1289.	10002072: Sales Order / Rebate Reservation		BO: Sales Order / SLS000016		
D	Rebate Commitments	Interim Revenues / 16	SO1		100 USD
C	Rebates to be Invoiced	Interim Revenues / 17	SO1		100 USD

When the invoice is posted in central invoicing the rebate reservation is reversed and the journal entry for the rebate of the invoice is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1290.	10002072: Sales Order / Rebate Reservation		BO: Sales Order / SLS000016		
D	Rebate Commitments	Interim Revenues / 16	SO1		-100 USD
C	Rebates to be Invoiced	Interim Revenues / 17	SO1		-100 USD
1291.	10002073: Sales Order / Rebate		BO: Sales Order / SLS000016		
D	Interim Revenues	Interim Revenues / 5	SO1		-100 USD
C	Rebate	End Account / 176	SO1		-100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

8 Sales Schedule

The integration transactions for sales schedules are very similar to the integration transactions for sales orders. For more information, refer to Chapter 6, *Sales Order*. Compared to sales orders, sales schedules provide fewer options, for example:

- List items are not permitted
- Manufactured items always use Issue by Main Item
- Generic items are not permitted
- Subcontracting and equipment items are not permitted
- Consignment is not permitted
- Customized items (PCS) are not permitted
- Direct delivery is not applicable
- Returns are not permitted
- Installments are not permitted
- Retro-billing is not permitted

However, for sales schedules, you can log shipment variances, something which you cannot do for sales orders.

8.1 Economic transactions

Economic transactions for a sales schedule depend on the same parameter as the economic transactions for sales orders, described in section *Sales Order, Economic transactions*.

8.1.1 Purchased/manufactured/cost/service items and warehouse

Example: Sales schedule SLSS00001 of two pieces of item PI1 for warehouse NWH1

Parameter has value Order Price, and the price of schedule line is 200 USD

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1292.	10036002: Sales Schedule / Allocation		BO: Sales Schedule / SLSS00001		
D	Sales Allocation	Commitments / 9	SO1	MAT	400 USD
C	Goods to be Delivered	Commitments / 10	NWH1	MAT	400 USD

Parameter has value Valuation Price

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1293.	10036002: Sales Schedule / Allocation		BO: Sales Schedule / SLSS00001		
D	Sales Allocation	Commitments / 9	SO1	MAT	200 USD
C	Goods to be Delivered	Commitments / 10	NWH1	MAT	200 USD
1294.	10036002: Sales Schedule / Allocation		BO: Sales Schedule / SLSS00001		
D	Sales Allocation	Commitments / 9	SO1	SUR	75.2 USD
C	Goods to be Delivered	Commitments / 10	NWH1	SUR	75.2 USD
1295.	10036002: Sales Schedule / Allocation		BO: Sales Schedule / SLSS00001		
D	Sales Allocation	Commitments / 9	SO1	WRS	6 USD
C	Goods to be Delivered	Commitments / 10	NWH1	WRS	6 USD

For cost items and service items, the same postings are created. Surcharges do not apply. As a result, if the parameter has value **Valuation Price**, only journal entry 1293 is created, with the effective cost component of the cost item or service item.

8.1.2 No warehouse

For cost and service items, in some cases, no warehouse might be filled on the sales schedule line. In this case, journal entries match the journal entries 1292 through 1295, with the difference that for the credit side of the transaction, the enterprise unit of the sales office is used.

Example: Sales schedule SLSS00002 is for two pieces of item CI1. The value of the parameter is **Order Price**. The order price is 200 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1296.	10036002: Sales Schedule / Allocation		BO: Sales Schedule / SLSS00002		
D	Sales Allocation	Commitments / 9	SO1	GEN	400 USD
C	Goods to be Delivered	Commitments / 10	SO1	GEN	400 USD

8.1.3 Issues

When the issue is made for the schedule, journal entries 1292 through 1296 are also reversed. As a result, the same journal entries are created, but with a negative amount. Therefore, the balance on the ledger accounts for Commitments / 9 and Commitments / 10 is 0 USD again after issue. For a partial issue, a reversal is also made for the full quantity. For the non-received part, new economic transactions are created for the remaining quantity.

8.2 Issues

8.2.1 Purchased/manufactured item

No intercompany trade relationship between warehouse and sales office

Example: Issue for sales schedule SLSS00001 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000016 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased Item from Warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1297.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000016		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1298.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000016		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1299.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000016		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1300.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000016		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD

1301.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000016		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1302.	10036052: Sales Schedule / Issue		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1303.	10036052: Sales Schedule / Issue		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1304.	10036052: Sales Schedule / Issue		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Intercompany trade relationship between warehouse and sales office

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Issue for sales schedule SLSS00001 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000016 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased Item from Warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*

- Warehousing, Adjustment, Usage and payment of consigned inventory
- Warehousing, Consignment use, Purchase order (manual)
- Warehousing, Transfers, Usage and payment of consigned inventory.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1305.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000016		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1306.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000016		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1307.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000016		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1308.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000016		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1309.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000016		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1310.	10036054: Sales Schedule / Issue Intercompany		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 7	SO1		380 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1310 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

8.2.2 Cost/service item

Issue without warehouse

Example: Issue of sales schedule SLSS00002 is for two pieces of item CI1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1311.	10036045: Sales Schedule / General Costs		BO: Sales Schedule / SLSS00002		
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	General Costs	End Account / 193	SO1	GEN	100 USD
1312.	10036052: Sales Schedule / Issue		BO: Sales Schedule / SLSS00002		
D	Interim COGS	Interim Costs / 2	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

Issue from warehouse – No intercompany trade relationship between warehouse and sales office

For an issue from warehouse, journal entries 1311 and 1312 are also created. The only difference is in the enterprise unit for the entries for reconciliation group Interim Transit / 1, which is the enterprise unit of the warehouse instead of the enterprise unit of the sales office.

Issue from warehouse – Intercompany trade relationship between warehouse and sales office

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences

Example: Issue of sales schedule SLSS00002 is for two pieces of item CI1. The commercial internal invoice price is 75 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1313.	10036101: Sales Schedule / General Costs Intercompany		BO: Sales Schedule / SLSS00002		
D	Interim COGS	Interim Costs / 11	NWH1		100 USD
C	General Costs	End Account / 194	NWH1	GEN	100 USD
1314.	10036054: Sales Schedule / Issue Intercompany		BO: Sales Schedule / SLSS00002		
D	Interim COGS	Interim Costs / 2	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 7	SO1		150 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1314 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

8.2.3 Transfers

Payment = Pay on Use

If the payment on the sales schedule line is pay on use, and the ship to warehouse is filled, a transfer is created in warehousing, moving the goods from a normal warehouse to (normally) a customer warehouse (in fact the goods are sold already, but financially you are still the owner, so the goods have to be stored in a kind of 'administrative' warehouse. The integration transactions that are created for this transfer are described in section *Warehousing, Transfers*. No transactions are created with the business object sales schedule.

Payment = No Payment

If the payment on the sales schedule line is no payment, and the ship to warehouse is filled, a transfer is created in warehousing, moving customer-owned goods from one warehouse to another warehouse. The integration transactions that are created for this transfer are described section *Warehousing, Transfers*. No transactions are created with the business object sales schedule.

Payment = Pay on Receipt

If the payment on the sales order line is pay on receipt, and the ship to warehouse is filled, a transfer is created in warehousing also. In this specific situation, you already sell the items, but you do the planning for the customer in the warehouse of the customer.

The goods are sold with a normal sales issue process. The integration transactions for this are described in section *Sales Schedule, Issues, Purchased/manufactured item*.

When the goods are received in the other warehouse, the following journal entries are created if one piece is received (with the same example as described in section *Sales Schedule, Issues, Purchased/manufactured item*, and a price of 100 USD is defined on the outbound line in warehousing) if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Inventory Transaction ID IT0000126 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1315.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / SLSS00001		
D	Interim Transit	Interim Transit / 13	NWH1		100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		100 USD

1316.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000126		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 13	NWH1		100 USD

8.3 Shipment variances

Example: Only one of the two pieces that are shipped for sales schedule SLSS00001, described in section *Sales Order, Issues, Purchased item from warehouse*, arrives at the customer's site.

The other piece is lost on the way. If indicated on the sales schedule delivery line, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1317.	10036088: Sales Schedule / Shipment Variance		BO: Sales Schedule / SLSS00002		
D	Interim COGS	Interim Costs / 2	SO1	GEN	50 USD
C	Shipment Variance	End Account / 197	SO1	GEN	50 USD

8.4 Customer invoices

8.4.1 Normal Invoice

When the Billable Line of Sales Schedule SLSS00001 is invoiced and posted the following integration transactions are created.

Example: An invoice is posted for sales schedule SLSS00001 of two pieces of item P11 from warehouse NWH1, described in section 8.2.1 for the example without invoice relation. The sales price is 200 USD each. The customer receives a discount of five percent to the customer. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1318.	10036125: Sales Schedule / Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Cost of Goods Sold	End Account / 183	SO1	MAT	240 USD
C	Interim COGS	Interim Costs / 2	SO1	MAT	240 USD
1319.	10036125: Sales Schedule / Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Cost of Goods Sold	End Account / 183	SO1	SUR	88 USD
C	Interim COGS	Interim Costs / 2	SO1	SUR	88 USD

1320.	10036125: Sales Schedule / Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Cost of Goods Sold	End Account / 183	SO1	WRS	6 USD
C	Interim COGS	Interim Costs / 2	SO1	WRS	6 USD
1321.	10036082: Sales Schedule / Revenues Analysis		BO: Sales Schedule / SLSS00001		
D	Interim Revenues	Interim Revenues / 5	SO1		400 USD
C	Turnover	End Account / 196	SO1		400 USD
1322.	10036062: Sales Schedule / Order Discount		BO: Sales Schedule / SLSS00001		
D	Discount	End Account / 184	SO1		20 USD
C	Interim Revenues	Interim Revenues / 5	SO1		20 USD

In case of the example with an invoice relation, journal entries 1318 through 1320 are replaced by one entry for the cost of goods sold, with an amount of 380 USD on cost component MAT.

8.4.2 Automotive Self-Billed Invoices

When Sales Schedule with Self-Billing and receive invoice flag is set to “Yes” is handled in Invoicing a number of Integration transactions are created.

When Billable Line of Sales Schedule SLSS00001 is confirmed in Invoicing then Interim COGS and Interim Revenue transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1323.	10036035: Sales Schedule / Interim Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 23	SO1	MAT	240 USD
C	Interim Cost	Interim Costs / 24	SO1	MAT	240 USD
1324.	10036035: Sales Schedule / Interim Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 23	SO1	SUR	88 USD
C	Interim Cost	Interim Costs / 24	SO1	SUR	88 USD
1325.	10036035: Sales Schedule / Interim Cost of Goods Sold		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 23	SO1	WRS	6 USD
C	Interim Cost	Interim Costs / 24	SO1	WRS	6 USD

1326.	10036036: Sales Schedule / Interim Revenue		BO: Sales Schedule / SLSS00001		
D	Interim Revenues	Interim Revenues / 18	SO1		400 USD
C	Interim Revenues	Interim Revenues / 19	SO1		400 USD

When the Billable Line is Unconfirmed then the above transactions are reversed.

When the self-Billed Invoice is matched and approved with a received invoice, without any price difference, then postings similar to normal customer invoice described in section 8.4.1 are created. Also, the above Interim COGS and Interim Revenue transactions are reversed.

When the Billable Line is matched and approved with a received invoice, with price difference then these price differences are posted as well.

Example: A Billable Line with an amount of 370 USD is matched with sales schedule SLSS00001. The sales amount is 400 USD. The customer receives a discount of five percent. The price difference amount is 10 USD. When the invoice is posted, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1327.	10036065: Sales Schedule / Price Variance		BO: Sales Schedule / SLSS00001		
D	Price Variance	End Account / 199	SO1		10 USD
C	Interim Revenues	Interim Revenues / 5	SO1		10 USD

8.5 Intercompany Trade External Material Delivery Sales

8.5.1 Purchased/manufactured item

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and sales office for a purchased/manufactured item are described in Section 21.11.2.

8.5.2 Cost/service item

Intercompany trade relationship with internal invoice

Example: Sales schedule line for sales schedule SLSS00002, described in section 8.2.2, in which the order was released to warehouse NWH1. An invoice relationship is defined between the warehouse and the sales office, based on commercial price with internal invoice. The commercial price is 60 USD each. When the invoice is posted in central invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1328.	10036081: Sales Schedule / Revenues		BO: Sales Schedule / SLSS00002		
D	Interim Revenues	Interim Revenues / 5	NWH1		120 USD
C	Turnover	End Account / 198	NWH1		120 USD
1329.	10036140: Sales Schedule / COGS Intercompany		BO: Sales Schedule / SLSS00002		
D	Cost of Goods Sold	End Account / 186	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1330.	Only Reconciliation: Approval		BO: Sales Schedule / SLSS00002		
D	Invoice Accrual	Invoice Accrual / 7	SO1		120 USD

You cannot 8-11napproved internal invoices.

Intercompany trade relationship without internal invoice

Example: Sales schedule line for sales schedule SLSS00002, described in section 8.2.2, in which the order was released to warehouse NWH1. An invoice relationship is defined between the warehouse and the sales office, based on commercial price without internal invoice. The commercial price is 60 USD each. When the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1331.	10036169: Sales Schedule / Revenues Intercompany		BO: Sales Schedule / SLSS00002		
D	Intercompany	End Account / 188	NWH1		120 USD
C	Turnover	End Account / 200	NWH1		120 USD
1332.	10036140: Sales Schedule / COGS Intercompany		BO: Sales Schedule / SLSS00002		
D	Cost of Goods Sold	End Account / 186	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD

1333.	10036012: Sales Schedule / Costs Intercompany		BO: Sales Schedule / SLSS00002		
D	Invoice Accrual	Invoice Accrual / 7	SO1		120 USD
C	Intercompany	End Account / 201	SO1		120 USD

8.6 Change price after delivery

In case an intercompany trade relation is defined between warehouse and sales office, that is defined on sales price (gross or net), changing of the sales price after delivery influences also the amount of intercompany trade.

Example: Sales gross price is 100 USD, and intercompany trade is based on sales gross price minus 10%. This means intercompany trade price is 90 USD. If the sales gross price changes after delivery from 100 USD to 120 USD, this means the intercompany trade price changes from 90 USD to 108 USD, so a difference of 18 USD.

Intercompany trade relationship with internal invoice

Following posting is always created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1334.	10036054: Sales Schedule / Issue Intercompany		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	MAT	18 USD
C	Invoice Accrual	Invoice Accrual / 7	SO1		18 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1334 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

One of the following postings is created, dependent on the intercompany trade situation

In case of a purchase/manufactured/list item

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1335.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000016		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD
C	Turnover	End Account / 714	NWH1		18 USD

In case of cost/service item

1336.	10036081: Sales Schedule / Revenues		BO: Sales Schedule / SLSS00002		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD
C	Turnover	End Account / 198	NWH1		18 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1337.	Only Reconciliation: Approval		BO: Sales Order / SLS000002		
D	Invoice Accrual	Invoice Accrual / 7	SO1		18 USD

You cannot 8-13napproved internal invoices.

Intercompany trade relationship without internal invoice

Following postings are always created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1338.	10036054: Sales Schedule / Issue Intercompany		BO: Sales Schedule / SLSS00001		
D	Interim COGS	Interim Costs / 2	SO1	MAT	18 USD
C	Invoice Accrual	Invoice Accrual / 7	SO1		18 USD
1339.	10036012: Sales Schedule / Costs Intercompany		BO: Sales Schedule / SLSS00002		
D	Invoice Accrual	Invoice Accrual / 7	SO1		18 USD
C	Intercompany	End Account / 201	SO1		18 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 1338 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

One of the following postings is created, dependent on the intercompany trade situation
In case of a purchase/manufactured/list item

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1340.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000016		
D	Intercompany	End Account / 703	NWH1		18 USD
C	Turnover	End Account / 718	NWH1		18 USD

In case of cost/service item

1341.	10036169: Sales Schedule / Revenues Intercompany		BO: Sales Schedule / SLSS00002		
D	Intercompany	End Account / 188	NWH1		18 USD
C	Turnover	End Account / 200	NWH1		18 USD

8.7 Commissions

You can link commissions to a sales schedule.

Example: A commission of 100 USD is linked to sales schedule SLSS00003. When the commission is reversed, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1342.	10036008: Sales Schedule / Commission		BO: Sales Schedule / SLSS00003		
D	Commission	End Account / 182	SO1		100 USD
C	Invoice Accrual	Invoice Accrual / 8	SO1		100 USD

Note: The reversal of the invoice accrual, when the invoice is paid, is not logged in the reconciliation transactions. Therefore, reconciliation cannot be carried out from the reconciliation transactions.

8.8 Rebates

You can link rebates to a sales schedule.

Example: A rebate of 100 USD is linked to sales schedule SLSS00004. At the moment that a reservation for a rebate is made the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1343.	10036072: Sales Schedule / Rebate Reservation		BO: Sales Schedule / SLSS00004		
D	Rebate Commitments	Interim Revenues / 16	SO1		100 USD
C	Rebates to be Invoiced	Interim Revenues / 17	SO1		100 USD

When the invoice is posted in central invoicing the rebate reservation is reversed and the journal entry for the rebate of the invoice is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1344.	10036072: Sales Schedule / Rebate Reservation		BO: Sales Schedule / SLSS00004		
D	Rebate Commitments	Interim Revenues / 16	SO1		-100 USD
C	Rebates to be Invoiced	Interim Revenues / 17	SO1		-100 USD
1345.	10036073: Sales Schedule / Rebate		BO: Sales Schedule / SLSS00004		
D	Interim Revenues	Interim Revenues / 5	SO1		100 USD
C	Rebate	End Account / 195	SO1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

9 Sales Contract

When a sales contract is activated, integration transactions are created.

Example: Sales contract SLSC00001 of two pieces of item PI1 for warehouse NWH1. Contract price is 200 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1346.	10034007: Sales Contract / Contract		BO: Sales Contract / SLSC00001		
D	Sales Contract	Commitments / 11	SO1	MAT	400 USD
C	Goods to be allocated	Commitments / 12	SO1	MAT	400 USD

Journal entry 1346 is reversed, which is also the case for a posting created with a negative amount, when one of the following applies:

- The contract is deactivated.
 - A sales order or sales schedule is created from the contract.
-

10 People

10.1 Hours

10.1.1 General

For general hours, the labor rates are retrieved from the employee labor rate type. If this is not filled, they are retrieved from the employee department labor rate type. If this is not filled, and the department on the hour line is a workcenter, the labor rates are retrieved from the workcenter in Manufacturing. If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

No intercompany trade relationship between employee department and hour line department

Example: In a particular period, employee EMP1 works two days for eight hours. If the employee's rate is 20 USD per hour, the following journal entries are created, in which the department on hour line is PO1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1347.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PO1		160 USD
C	Hours Cover	End Account / 572	ED1	LAB	160 USD
1348.	10030046: People / General Hours		BO: People / EMP1		
D	General Hours	End Account / 562	PO1	LAB	160 USD
C	Interim People	Interim Transit / 11	PO1		160 USD
1349.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PO1		160 USD
C	Hours Cover	End Account / 572	ED1	LAB	160 USD
1350.	10030046: People / General Hours		BO: People / EMP1		
D	General Hours	End Account / 562	PO1	LAB	160 USD
C	Interim People	Interim Transit / 11	PO1		160 USD

The first two journal entries are for the first day, and the last two journal entries are for the second day.

Intercompany trade relationship between employee department and hour line department

If an intercompany trade relationship is defined between an employee department and the hour line department, the costs are not taken over one to one from the employee department to the hour line department. The hour line department pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: In a particular period, employee EMP1 works two days for eight hours. If the employee's rate is 20 USD per hour, the following journal entries are created, in which the department on hour line is PO1. Assume the intercompany trade price is based on a commercial price of 25 USD per hour.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1351.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	160 USD
C	Hours Cover	End Account / 574	ED1	LAB	160 USD
1352.	10030174: People / General Hours Intercompany		BO: People / EMP1		
D	General Hours	End Account / 564	PO1	LAB	200 USD
C	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD
1353.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	160 USD
C	Hours Cover	End Account / 574	ED1	LAB	160 USD
1354.	10030174: People / General Hours Intercompany		BO: People / EMP1		
D	General Hours	End Account / 564	PO1	LAB	200 USD
C	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD

The first two journal entries are for the first day, and the last two journal entries are for the second day.

Note: Journal entries 1352 and 1354 are created if no specific Margin Cost Component is defined on the intercompany trade order. If for instance margin cost component MRG was entered on the intercompany trade order, journal entries 1352 and 1354 are split in the same was as is explained for journal entries 1390 and 1392.

10.1.2 TP Project

For project hours, the labor rates are retrieved from the employee or from the trade group or from the task or from the project. The search path for this is indicated on the project. If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

No intercompany trade relationship between employee department and project management office

Example: In a particular period, employee EMP1 works two days for eight hours. If the employee's rate is 20 USD per hour, the following journal entries are created. The hour line is for TP project TP1, which should have the same enterprise unit as the project management office (if a project management office is defined on the project)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1355.	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	TP1		160 USD
C	Hours Cover	End Account / 572	ED1	LAB	160 USD
1356.	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	TP1		160 USD
C	Hours Cover	End Account / 572	ED1	LAB	160 USD
1357.	<i>10024061: Project Costs & Commitments / Operation Costs</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		320 USD
C	Interim People	Interim Transit / 11	TP1		320 USD

Note: Journal entry 1357 is created in case the parameter **Post Project Hours Transactions** has value **Aggregated**. However, if the value of the parameter is **Detailed by Calendar day**, the journal entry is split in two entries, for each day.

Intercompany trade relationship between employee department and project management office

If an intercompany trade relationship is defined between an employee department and the project management office, the costs are not taken over one to one from the employee department to the project management office. The project management office pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: In a particular period, employee EMP1 works two days for eight hours. If the employee's rate is 20 USD per hour, the following journal entries are created. The hour line is for TP project TP1, which should have the same enterprise unit as the project management office (which should be present in case of intercompany trade). Assume the intercompany trade price is based on a commercial price of 25 USD per hour.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1358.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	160 USD
C	Hours Cover	End Account / 574	ED1	LAB	160 USD
1359.	10024098: Project Costs & Commitments / Operation Costs Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		200 USD
C	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD
1360.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	160 USD
C	Hours Cover	End Account / 574	ED1	LAB	160 USD
1361.	10024098: Project Costs & Commitments / Operation Costs Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		200 USD
C	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD

Note: The value of the parameter **Post Project Hours Transactions** is not important in an intercompany trade scenario. This parameter is only applicable for hours without Intercompany Trade

10.1.3 PCS Project

For pcs hours, the labor rates depends on the parameter for **Process Hours Using** in Manufacturing.

If the value is **Estimated Operation Rates**, all rates (labor, machine, overhead labor and overhead machine) are taken from the operation rates of CPR.

If the value is **Actual Man and Machine Rates**, the labor rates are taken from the labor rate of the employee and the machine rates are taken from the machine for which the hours are posted. The overhead labor and overhead machine rates are taken from the operation rates of CPR.

In both cases, If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

Note: in the operation rates, it can be indicated if rates are fixed or variable. Variable rates are always booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes** (in case of **Actual Man and Machine Rates**, the employee rates and machine rates are always booked).

No intercompany trade relationship between employee department and project calculation office

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time. The hour line is for PCS Project PCS1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1362.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
1363.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		4 USD
C	Hours Cover	End Account / 572	PCO1	MAC	4 USD
1364.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
1365.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		1 USD
C	Hours Cover	End Account / 572	PCO1	OHM	1 USD
1366.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	LAB	40 USD
C	Interim People	Interim Transit / 11	PCO1		40 USD
1367.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	MAC	4 USD
C	Interim People	Interim Transit / 11	PCO1		4 USD

1368.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OHL	2 USD
C	Interim People	Interim Transit / 11	PCO1		2 USD
1369.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OHM	1 USD
C	Interim People	Interim Transit / 11	PCO1		1 USD

(*) The department for the credit side of journal entry 1364 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the calculation office PCO1 is taken. For labor always the employee department is taken. For machine and overhead machine always the calculation office is taken.

Note: in the operation rates in CPR it is possible to have multiple records for all types of rates (labor, machine, overhead labor, overhead machine). This will lead to multiple posting in case of different cost component. In case for instance the cost component for machine costs and overhead machine costs is the same, the postings are combined in one posting.

Note: It is possible to enter only machine hours and no labor hours. In that case, it is allowed to leave the employee empty. If that is the case, the integration transaction for business object people are logged with business object 0 (instead of EMP1 as in the examples above)

Intercompany trade relationship between employee department and project calculation office

If an intercompany trade relationship is defined between an employee department and the project calculation office, the costs are not taken over one to one from the employee department to the project calculation office. The project calculation office pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: Intercompany Trade is only applicable for the labor costs, and for the overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Intercompany Trade is not applicable for machine costs and overhead on machine. Also not for overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **No**.

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time. The hour line is for PCS Project PCS1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead

labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

Assume that the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Assume the intercompany trade price is based on a commercial price of 25 USD per hour. The amount in that case is divided proportionally over the cost components, so cost component LAB gets $40/42 * 50 = 47.62$ and cost component OHL gets $2/42 * 50 = 2.38$

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1370.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
C	Hours Cover	End Account / 574	ED1	LAB	40 USD
1371.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		4 USD
C	Hours Cover	End Account / 572	PCO1	MAC	4 USD
1372.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
C	Hours Cover	End Account / 574	ED1	OHL	2 USD
1373.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		1 USD
C	Hours Cover	End Account / 572	PCO1	OHM	1 USD
1374.	10013174: PCS Project / General Hours Intercompany		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	LAB	47.62 USD
C	Invoice Accrual	Invoice Accrual / 24	PCO1		47.62 USD
1375.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	MAC	4 USD
C	Interim People	Interim Transit / 11	PCO1		4 USD
1376.	10013174: PCS Project / General Hours Intercompany		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OHL	2.38 USD
C	Invoice Accrual	Invoice Accrual / 24	PCO1		2.38 USD

1377.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OHM	1 USD
C	Interim People	Interim Transit / 11	PCO1		1 USD

Note: Journal entries 1374 and 1376 are created if no specific Margin Cost Component is defined on the intercompany trade order. If for instance margin cost component MRG was entered on the intercompany trade order, journal entries 1374 and 1376 are split in the same was as is explained for journal entries 1390 and 1392.

10.1.4 Production

For production hours, the labor rates depends on the parameter for **Process Hours Using** in Manufacturing.

If the value is **Estimated Operation Rates**, all rates (labor, machine, overhead labor and overhead machine) are taken from the operation rates of.

If the value is **Actual Man and Machine Rates**, the labor rates are taken from the labor rate of the employee and the machine rates are taken from the machine for which the hours are posted. The overhead labor and overhead machine rates are taken from the operation rates of CPR.

In both cases, If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

Note: in the examples below the production financial department is used. What the production department is depends on the parameter **Log Financial Transactions by Work Center**. If this parameter has the value **No**, this is the calculation office of the production order. If this parameter has the vaule **Yes**, this is the work center of the specific operation that is entered on the hours line. In examples below the calculation office is used.

Note: in the operation rates, it can be indicated if rates are fixed or variable. Variable rates are always booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes** (in case of **Actual Man and Machine Rates**, the employee rates and machine rates are always booked).

No intercompany trade relationship between employee department and production financial department

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time on production order SFC000001, with calculation office SCO1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1378.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
1379.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		4 USD
C	Hours Cover	End Account / 572	SCO1	MAC	4 USD
1380.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
1381.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		1 USD
C	Hours Cover	End Account / 572	SCO1	OHM	1 USD
1382.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	LAB	40 USD
C	Interim People	Interim Transit / 11	SCO1		40 USD
1383.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAC	4 USD
C	Interim People	Interim Transit / 11	SCO1		4 USD
1384.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	OHL	2 USD
C	Interim People	Interim Transit / 11	SCO1		2 USD
1385.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	OHM	1 USD
C	Interim People	Interim Transit / 11	SCO1		1 USD

(*) The department for the credit side of journal entry 1380 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the production financial department SCO1 is taken. For labor always the employee department is taken. For machine and overhead machine always the production financial department is taken.

Note: in the operation rates in CPR it is possible to have multiple records for all types of rates (labor, machine, overhead labor, overhead machine). This will lead to multiple

posting in case of different cost component. In case for instance the cost component for machine costs and overhead machine costs is the same, the postings are combined in one posting.

Note: It is possible to enter only machine hours and no labor hours. In this case, it is allowed to leave the employee empty. If that is the case, the integration transaction for business object people are logged with business object 0 (instead of EMP1 as in the examples above)

Intercompany trade relationship between employee department and production financial department

If an intercompany trade relationship is defined between an employee department and the production financial department the costs are not taken over one to one from the employee department to the production financial department. The production financial department pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: Intercompany Trade is only applicable for the labor costs, and for the overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Intercompany Trade is not applicable for machine costs and overhead on machine. Also not for overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **No**.

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time on production order SFC000001, with calculation office SCO1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

Assume that the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Assume the intercompany trade price is based on a commercial price of 25 USD per hour. The amount in that case is divided proportionally over the cost components, so cost component LAB gets $40/42 * 50 = 47.62$ and cost component OHL gets $2/42 * 50 = 2.38$

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1386.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
C	Hours Cover	End Account / 574	ED1	LAB	40 USD
1387.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		4 USD

C	Hours Cover	End Account / 572	SCO1	MAC	4 USD
1388.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
C	Hours Cover	End Account / 574	ED1	OHL	2 USD
1389.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SCO1		1 USD
C	Hours Cover	End Account / 572	SCO1	OHM	1 USD
1390.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	LAB	47.62 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		47.62 USD
1391.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAC	4 USD
C	Interim People	Interim Transit / 11	SCO1		4 USD
1392.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	OHL	2.38 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		2.38 USD
1393.	10014061: Production Order / Operation Costs		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	OHM	1 USD
C	Interim People	Interim Transit / 11	SCO1		1 USD

Journal entries 1390 and 1392 are created if no specific Margin Cost Component is defined on the intercompany trade order. If for instance margin cost component MRG was entered on the intercompany trade order, journal entries 1390 and 1392 are replaced by the journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1394.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	LAB	40 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		40 USD

1395.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MRG	7.62 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		7.62 USD
1396.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	OHL	2 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		2 USD
1397.	10014098: Production Order / Operation Costs Intercompany		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MRG	0.38 USD
C	Invoice Accrual	Invoice Accrual / 25	SCO1		0.38 USD

10.1.5 Production Schedule

For production schedule (work cell cost document) hours, all rates (labor, machine, overhead labor and overhead machine) are taken from the operation rates of CPR.

If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

In the operation rates, it can be indicated if rates are fixed or variable. It depends on the hour type of the hours line and on the value of the parameter **Include Fixed Costs in Valuation Price** which costs must be booked

Per shift 4 hour types can be reported

- Run (applicable for labor, overhead labor, machine, overhead machine). Variable rates are always booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes**.
- Wait (applicable for labor, overhead labor, machine, overhead machine). Variable rates are never booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes**.
- Setup (applicable for machine, overhead machine). Variable rates are never booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes**.
- Downtime (applicable for machine, overhead machine). Variable rates are never booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes**.

The people side for hours for Setup and Downtime are always logged without employee, so with Business Object '0'. The people side for hours for Run and Wait can be logged

with or without employee (if machine costs are booked together with labor costs, the employee is filled)

Hours for Setup, Downtime and Wait are treated as unexpected (and not part of standard cost) and all directly posted to P&L. Hours for Run are posted to WIP.

Note: Intercompany Trade is not applicable for hours related to Production Schedules.

Example: The parameter **Include Fixed Costs in Valuation Price** has value **Yes**. In shift 1 (which belongs to work cell cost document WCD000001 with work center WC1) 4 hours of runtime, 2 hours of downtime, 1 hour of waittime and 1 hour of setup time is booked. Labor hours are booked on backflush employee EMP1 (as defined on the work cell). The employee rate is 20 USD per hour (variable) with cost component LAB. The machine rate is 5 USD per hour (3 USD variable and 2 USD fixed) with cost component MAC. The overhead labor rate is 1 USD per hour (variable) with cost component OHL. The overhead machine rate is 0.50 USD per hour (fixed) with cost component OHM. This means the following journal entries are created.

Note: in the operation rates in CPR it is possible to have multiple records for all types of rates (labor, machine, overhead labor, overhead machine). This will lead to multiple posting in case of different cost components

For Run:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1398.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		80 USD
C	Hours Cover	End Account / 572	ED1	LAB	80 USD
1399.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		20 USD
C	Hours Cover	End Account / 572	WC1	MAC	20 USD
1400.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		4 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	4 USD
1401.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		2 USD
C	Hours Cover	End Account / 572	WC1	OHM	2 USD
1402.	10021061: Work Cell Cost Document / Operation Costs		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	LAB	80 USD
C	Interim People	Interim Transit / 11	WC1		80 USD

1403.	10021061: Work Cell Cost Document / Operation Costs		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAC	40 USD
C	Interim People	Interim Transit / 11	WC1		40 USD
1404.	10021061: Work Cell Cost Document / Operation Costs		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OHL	4 USD
C	Interim People	Interim Transit / 11	WC1		4 USD
1405.	10021061: Work Cell Cost Document / Operation Costs		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OHM	2 USD
C	Interim People	Interim Transit / 11	WC1		2 USD

(*) The department for the credit side of journal entry 1400 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the work center WC1 is taken. For labor always the employee department is taken. For machine and overhead machine always the work center is taken.

Note: in case of hours of type run, it is possible work cell surcharges are defined. If this is the case, also the postings as described in 12.3 are created.

For Wait:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1406.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		20 USD
C	Hours Cover	End Account / 572	ED1	LAB	20 USD
1407.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		5 USD
C	Hours Cover	End Account / 572	WC1	MAC	5 USD
1408.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		1 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	1 USD
1409.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	WC1		0.5 USD

C	Hours Cover	End Account / 572	WC1	OHM	0.5 USD
1410.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	LAB	20 USD
C	Interim People	Interim Transit / 11	WC1		20 USD
1411.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	MAC	5 USD
C	Interim People	Interim Transit / 11	WC1		5 USD
1412.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	OHL	1 USD
C	Interim People	Interim Transit / 11	WC1		1 USD
1413.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	OHM	0.5 USD
C	Interim People	Interim Transit / 11	WC1		0.5 USD

(*) The department for the credit side of journal entry 1408 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the work center WC1 is taken. For labor always the employee department is taken. For machine and overhead machine always the work center is taken.

For Setup:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1414.	10030111: People / WIP Hours		BO: People / 0		
D	Interim People	Interim Transit / 11	WC1		2 USD
C	Hours Cover	End Account / 572	WC1	MAC	2 USD
1415.	10030111: People / WIP Hours		BO: People / 0		
D	Interim People	Interim Transit / 11	WC1		0.5 USD
C	Hours Cover	End Account / 572	WC1	OHM	0.5 USD
1416.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	MAC	2 USD
C	Interim People	Interim Transit / 11	WC1		2 USD

1417.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	OHM	0.5 USD
C	Interim People	Interim Transit / 11	WC1		0.5 USD

For Downtime:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1418.	10030111: People / WIP Hours		BO: People / 0		
D	Interim People	Interim Transit / 11	WC1		4 USD
C	Hours Cover	End Account / 572	WC1	MAC	4 USD
1419.	10030111: People / WIP Hours		BO: People / 0		
D	Interim People	Interim Transit / 11	WC1		1 USD
C	Hours Cover	End Account / 572	WC1	OHM	1 USD
1420.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	MAC	4 USD
C	Interim People	Interim Transit / 11	WC1		4 USD
1421.	10021046: Work Cell Cost Document / General Hours		BO: Work Cell Cost Document / WCD000001		
D	General Hours	End Account / 90	WC1	OHM	1 USD
C	Interim People	Interim Transit / 11	WC1		1 USD

10.1.6 Assembly

For assembly hours, all rates (labor, machine, overhead labor and overhead machine) are taken from the operation rates of CPR.

If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

Note: in the operation rates, it can be indicated if rates are fixed or variable. Variable rates are always booked. Fixed rates are booked only if parameter **Include Fixed Costs in Valuation Price** has value **Yes**.

No intercompany trade relationship between employee department and line station

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time on assembly line AL1, with line station LS1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component

for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1422.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
1423.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		4 USD
C	Hours Cover	End Account / 572	LS1	MAC	4 USD
1424.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
1425.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		1 USD
C	Hours Cover	End Account / 572	LS1	OHM	1 USD
1426.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	LAB	40 USD
C	Interim People	Interim Transit / 11	LS1		40 USD
1427.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAC	4 USD
C	Interim People	Interim Transit / 11	LS1		4 USD
1428.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	OHL	2 USD
C	Interim People	Interim Transit / 11	LS1		2 USD
1429.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	OHM	1 USD
C	Interim People	Interim Transit / 11	LS1		1 USD

(*) The department for the credit side of journal entry 1424 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the line station LS1 is taken. For

labor always the employee department is taken. For machine and overhead machine always the line station is taken.

Note: in the operation rates in CPR it is possible to have multiple records for all types of rates (labor, machine, overhead labor, overhead machine). This will lead to multiple posting in case of different cost component. In case for instance the cost component for machine costs and overhead machine costs is the same, the postings are combined in one posting.

Note: It is possible to enter only machine hours and no labor hours. In that case, it is allowed to leave the employee empty. If that is the case, the integration transaction for business object people are logged with business object 0 (instead of EMP1 as in the examples above)

Intercompany trade relationship between employee department and line station

If an intercompany trade relationship is defined between an employee department and the line station the costs are not taken over one to one from the employee department to the line station. The line station pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: Intercompany Trade is only applicable for the labor costs, and for the overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Intercompany Trade is not applicable for machine costs and overhead on machine. Also not for overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **No**.

Example: In a particular period, employee EMP1 works two hours labor time and two hours machine time on assembly line AL1, with line station LS1. The cost component for labor time is LAB. The cost component for machine time is MAC. The cost component for overhead labor is OHL. The cost component of overhead machine is OHM. If the employee's rate is 20 USD per hour, The machine rate is 2 USD per hour, the overhead labor rate is 1 USD per hour and the overhead machine rate is 0.50 USD per hour, the following journal entries are created.

Assume that the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Assume the intercompany trade price is based on a commercial price of 25 USD per hour. The amount in that case is divided proportionally over the cost components, so cost component LAB gets $40/42 * 50 = 47.62$ and cost component OHL gets $2/42 * 50 = 2.38$

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1430.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD

C	Hours Cover	End Account / 574	ED1	LAB	40 USD
1431.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		4 USD
C	Hours Cover	End Account / 572	LS1	MAC	4 USD
1432.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
C	Hours Cover	End Account / 574	ED1	OHL	2 USD
1433.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	LS1		1 USD
C	Hours Cover	End Account / 572	LS1	OHM	1 USD
1434.	10037098: Assembly Line / Operation Costs Intercompany		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	LAB	47.62 USD
C	Invoice Accrual	Invoice Accrual / 26	LS1		47.62 USD
1435.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAC	4 USD
C	Interim People	Interim Transit / 11	LS1		4 USD
1436.	10037098: Assembly Line / Operation Costs Intercompany		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	OHL	2.38 USD
C	Invoice Accrual	Invoice Accrual / 26	LS1		2.38 USD
1437.	10037061: Assembly Line / Operation Costs		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	OHM	1 USD
C	Interim People	Interim Transit / 11	LS1		1 USD

Note: Journal entries 1434 and 1436 are created if no specific Margin Cost Component is defined on the intercompany trade order. If for instance margin cost component MRG was entered on the intercompany trade order, journal entries 1434 and 1436 are split in the same was as is explained for journal entries 1390 and 1392.

10.1.7 Service

For service hours, the labor rate code is retrieved from employee, department, area, reference activity, serialized item group, installation group, quotation, task, skill or labor line. The search path for this is indicated in the service order parameters. With this labor

rate code, both the labor rate and the overhead on labor rate are retrieved. If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

No intercompany trade relationship between employee department and service financial department

Example: In a particular period, employee EMP1 works two hours on service order SOC000001, with service department SD1. The cost component for labor time (entered on the hour line) is LAB. The cost component for overhead labor from the people parameters is OHL. If the employee's rate is 20 USD per hour and the overhead labor rate is 1 USD per hour, the following journal entries are created.

Note: if the cost component for overhead labor is not filled in the parameters, journal entries 1438 and 1439 are merged to one journal entry of 42 USD on cost component LAB (if the people parameter **Cover Overhead Costs in Employee Department** has the value is **Yes**)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1438.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SD1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
1439.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SD1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
1440.	10015061: Service Order / Operation Costs		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		42 USD
C	Interim People	Interim Transit / 11	SD1		42 USD

(*) The department for the credit side of journal entry 1439 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the service financial department SD1 is taken. For labor always the employee department is taken.

Intercompany trade relationship between employee department and service financial department

If an intercompany trade relationship is defined between an employee department and the service financial department the costs are not taken over one to one from the employee department to the service financial department. The service financial department pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is send, but

intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: Intercompany Trade is only applicable for the labor costs, and for the overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**.

Example: In a particular period, employee EMP1 works two hours on service order SOC000001, with service department SD1. The cost component for labor time (entered on the hour line) is LAB. The cost component for overhead labor from the people parameters is OHL. If the employee's rate is 20 USD per hour and the overhead labor rate is 1 USD per hour, the following journal entries are created.

Assume that the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Assume the intercompany trade price is based on a commercial price of 25 USD per hour.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1441.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
C	Hours Cover	End Account / 574	ED1	LAB	40 USD
1442.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
C	Hours Cover	End Account / 574	ED1	OHL	2 USD
1443.	10015098: Service Order / Operation Costs Intercompany		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		50 USD
C	Invoice Accrual	Invoice Accrual / 27	SD1		50 USD

10.1.8 Maintenance Work

For maintenance work hours, the labor rate code is retrieved from employee, department, reference activity, serialized item group, installation group or task..The search path for this is indicated in the work order parameters. With this labor rate code, both the labor rate and the overhead on labor rate are retrieved. If present on the labor type, labor rate surcharges are added to the amount, but they are not posted separate.

No intercompany trade relationship between employee department and service financial department

Example: In a particular period, employee EMP1 works two hours on maintenance work order WCS000001, with service department SD1. The cost component for labor time

(entered on the hour line) is LAB. The cost component for overhead labor from the people parameters is OHL. If the employee's rate is 20 USD per hour and the overhead labor rate is 1 USD per hour, the following journal entries are created.

Note: if the cost component for overhead labor is not filled in the parameters, journal entries 1438 and 1439 are merged to one journal entry of 42 USD on cost component LAB (if the people parameter **Cover Overhead Costs in Employee Department** has the value is **Yes**)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1444.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SD1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
1445.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	SD1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
1446.	10032061: Maintenance Work Order / Operation Costs		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		42 USD
C	Interim People	Interim Transit / 11	SD1		42 USD

(*) The department for the credit side of journal entry 1445 depends on the people parameter **Cover Overhead Costs in Employee Department**. If this value is **Yes**, the employee department ED1 is taken. If this value is **No**, the service financial department SD1 is taken. For labor always the employee department is taken.

Intercompany trade relationship between employee department and service financial department

If an intercompany trade relationship is defined between an employee department and the service financial department the costs are not taken over one to one from the employee department to the service financial department. The service financial department pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: Intercompany Trade is only applicable for the labor costs, and for the overhead on labor in case the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**.

Example: In a particular period, employee EMP1 works two hours on work order WCS000001, with service department SD1. The cost component for labor time (entered on the hour line) is LAB. The cost component for overhead labor from the people

parameters is OHL. If the employee's rate is 20 USD per hour and the overhead labor rate is 1 USD per hour, the following journal entries are created.

Assume that the people parameter **Cover Overhead Costs in Employee Department** has the value **Yes**. Assume the intercompany trade price is based on a commercial price of 25 USD per hour.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1447.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
C	Hours Cover	End Account / 574	ED1	LAB	40 USD
1448.	10030173: People / WIP Hours Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
C	Hours Cover	End Account / 574	ED1	OHL	2 USD
1449.	10032098: Maintenance Work Order / Operation Costs Intercompany		BO: Maintenance Work Order / WCS000001		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		50 USD
C	Invoice Accrual	Invoice Accrual / 28	SD1		50 USD

10.2 Expenses

10.2.1 General

No intercompany trade relationship between employee department and hour line department

Example: For a particular period, employee EMP1 has 100 USD of expenses. The following journal entries are created, in which the department on expense line is PO1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1450.	10030113: People / WIP Costs		BO: People / EMP1		
D	Interim People	Interim Transit / 12	PO1		100 USD
C	Costs Cover	End Account / 571	ED1		100 USD

1451.	10030045: People / General Costs		BO: People / EMP1		
D	General Costs	End Account / 561	PO1		100 USD
C	Interim People	Interim Transit / 12	PO1		100 USD

Intercompany trade relationship between employee department and hour line department

If an intercompany trade relationship is defined between an employee department and the hour line department, the costs are not taken over one to one from the employee department to the hour line department. The hour line department pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is also possible to define the relationship based on zero price, in that case the hour line department does not have to pay anything. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: For a particular period, employee EMP1 has 100 USD of expenses. Assume the intercompany trade price is based on a commercial price of 110 USD. The following journal entries are created, in which the department on expense line is PO1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1452.	10030172: People / WIP Costs Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1		100 USD
C	Hours Cover	End Account / 573	ED1		100 USD
1453.	10030101: People / General Costs Intercompany		BO: People / EMP1		
D	General Costs	End Account / 563	PO1		110 USD
C	Invoice Accrual	Invoice Accrual / 29	PO1		110 USD

Note: Journal entry 1453 is created if no specific Margin Cost Component is defined on the intercompany trade order. If for instance margin cost component MRG was entered on the intercompany trade order, journal entry 1453 I is split in the same was as is explained for journal entries 1390 and 1392.

10.2.2 TP Project

No intercompany trade relationship between employee department and project management office

Example: For a particular period, employee EMP1 has 100 USD of expenses. The following journal entries are created. The expense line is for TP Project TP1.

Note: Depending on the cost type on the expense line, the expenses are treated as labor or sundry in TP.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1454.	10030113: People / WIP Costs		BO: People / EMP1		
D	Interim People	Interim Transit / 12	TP1		100 USD
C	Costs Cover	End Account / 571	ED1		100 USD
1455.	10024034: Project Costs & Commitments / Expenses		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD
C	Interim People	Interim Transit / 12	TP1		100 USD

Intercompany trade relationship between employee department and project management office

If an intercompany trade relationship is defined between an employee department and the project management office, the costs are not taken over one to one from the employee department to the project management office. The project management office pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is also possible to define the relationship based on zero price, in that case the hour line department does not have to pay anything. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: For a particular period, employee EMP1 has 100 USD of expenses. The following journal entries are created. The expense line is for TP Project TP1, which should have the same enterprise unit as the project management office (which should be present in case of intercompany trade). Assume the intercompany trade price is based on a commercial price of 110 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1456.	10030172: People / WIP Costs Intercompany		BO: People / EMP1		
D	Interim COGS	Interim Costs / 32	ED1		100 USD
C	Hours Cover	End Account / 573	ED1		100 USD
1457.	10024175: Project Costs & Commitments / Expenses Intercompany		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		110 USD
C	Invoice Accrual	Invoice Accrual / 30	TP1		110 USD

10.3 Intercompany Trade

Intercompany trade relationship with internal invoice

Example: The hours of Service order SOC000001 as, described in the example in section 10.1.7 are posted in central invoicing. The following journal entries are created:

Note: for the hours for General, TP Project, PCS Project, Production, Assembly and Maintenance Work as described in 10.1 and for the expenses for General and TP Project as described in 10.2 the same postings are created, where the COGS amounts are equal to the amount logged on Interim Costs / 31 and the Revenues Analysis amount is equal to the amount logged on Invoice Accrual.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1458.	10030125: People / Cost of Goods Sold		BO: People / EMP1		
D	Cost of Goods Sold	End Account / 565	ED1	LAB	40 USD
C	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
1459.	10030125: People / Cost of Goods Sold		BO: People / EMP1		
D	Cost of Goods Sold	End Account / 565	ED1	OHL	2 USD
C	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
1460.	10030081: People / Revenues		BO: People / EMP1		
D	Interim Revenues	Interim Revenues / 5	ED1		50 USD
C	Turnover	End Account / 575	ED1		50 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

If the internal invoice is generated in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

In case of general hours with the data of the example in 10.1.1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1461.	Only Reconciliation: Approval		BO: People / EMP1		
D	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD

D	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD

In case of TP project hours with the data of the example in 10.1.2:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1462.	<i>Only Reconciliation: Approval</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD
D	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD

In case of PCS project hours with the data of the example in 10.1.3:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1463.	<i>Only Reconciliation: Approval</i>		<i>BO: PCS Project / PCS1</i>		
D	Invoice Accrual	Invoice Accrual / 24	PCO1		50 USD

In case of production hours with the data of the example in 10.1.4:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1464.	<i>Only Reconciliation: Approval</i>		<i>BO: Production Order / SFC000001</i>		
D	Invoice Accrual	Invoice Accrual / 25	SCO1		50 USD

In case of assembly hours with the data of the example in 10.1.6:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1465.	<i>Only Reconciliation: Approval</i>		<i>BO: Assembly Line / AL1</i>		
D	Invoice Accrual	Invoice Accrual / 26	LS1		50 USD

In case of service hours with the data of the example in 10.1.7:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1466.	<i>Only Reconciliation: Approval</i>		<i>BO: Service Order / SOC000001</i>		
D	Invoice Accrual	Invoice Accrual / 27	SD1		50 USD

In case of maintenance work hours with the data of the example in 10.1.7:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1467.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Work Order / WCS000001</i>		
D	Invoice Accrual	Invoice Accrual / 28	SD1		50 USD

In case of general expenses with the data of the example in 10.2.1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1468.	<i>Only Reconciliation: Approval</i>		<i>BO: People / EMP1</i>		
D	Invoice Accrual	Invoice Accrual / 29	PO1		110 USD

In case of TP project expenses with the data of the example in 10.2.2:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1469.	<i>Only Reconciliation: Approval</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Invoice Accrual	Invoice Accrual / 30	TP1		110 USD

You cannot 10-28napproved internal invoices.

Intercompany trade relationship without internal invoice

Example: The hours of Service order SOC000001 as, described in the example in section 10.1.7 are posted in the Intercompany Trade module. The following journal entries are created:

Note: for the hours for General, TP Project, PCS Project, Production, Assembly and Maintenance Work as described in 10.1 and for the expenses for General and TP Project as described in 10.2 the same postings are created, where the COGS amounts are equal to the amount logged on Interim Costs / 31 and the Revenues Analysis amount is equal to the amount logged on Invoice Accrual.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1470.	<i>10030125: People / Cost of Goods Sold</i>		<i>BO: People / EMP1</i>		
D	Cost of Goods Sold	End Account / 565	ED1	LAB	40 USD
C	Interim COGS	Interim Costs / 32	ED1	LAB	40 USD
1471.	<i>10030125: People / Cost of Goods Sold</i>		<i>BO: People / EMP1</i>		
D	Cost of Goods Sold	End Account / 565	ED1	OHL	2 USD
C	Interim COGS	Interim Costs / 32	ED1	OHL	2 USD
1472.	<i>10030169: People / Revenues Intercompany</i>		<i>BO: People / EMP1</i>		
D	Intercompany	End Account / 566	ED1		50 USD

C	Turnover	End Account / 576	ED1		50 USD

When the intercompany trade transaction line is posted in the intercompany trade module, also a posting is created to balance the invoice accrual. The amount is the invoice amount.

In case of general hours with the data of the example in 10.1.1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1473.	10030176: People / Costs Intercompany Hours		BO: People / EMP1		
D	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD
C	Intercompany	End Account / 577	PO1		200 USD
1474.	10030176: People / Costs Intercompany Hours		BO: People / EMP1		
D	Invoice Accrual	Invoice Accrual / 22	PO1		200 USD
C	Intercompany	End Account / 577	PO1		200 USD

In case of TP project hours with the data of the example in 10.1.2:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1475.	10024176: Project Costs & Commitments / Costs Intercompany Hours		BO: Project Cost and Commitment / TP1		
D	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD
C	Intercompany	End Account / 515	TP1		200 USD
1476.	10024176: Project Costs & Commitments / Costs Intercompany Hours		BO: Project Cost and Commitment / TP1		
D	Invoice Accrual	Invoice Accrual / 23	TP1		200 USD
C	Intercompany	End Account / 515	TP1		200 USD

In case of PCS project hours with the data of the example in 10.1.3:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1477.	10013176: PCS Project / Costs Intercompany Hours		BO: PCS Project / PCS1		
D	Invoice Accrual	Invoice Accrual / 24	PCO1		50 USD
C	Intercompany	End Account / 30	PCO1		50 USD

In case of production hours with the data of the example in 10.1.4:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1478.	10014176: Production Order / Costs Intercompany Hours		BO: Production Order / SFC000001		
D	Invoice Accrual	Invoice Accrual / 25	SCO1		50 USD
C	Intercompany	End Account / 16	SCO1		50 USD

In case of assembly hours with the data of the example in 10.1.6:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1479.	10037176: Assembly Line / Costs Intercompany Hours		BO: Assembly Line / ASL1		
D	Invoice Accrual	Invoice Accrual / 26	LS1		50 USD
C	Intercompany	End Account / 77	LS1		50 USD

In case of service hours with the data of the example in 10.1.7:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1480.	10015176: Service Order / Costs Intercompany Hours		BO: Service Order / SOC000001		
D	Invoice Accrual	Invoice Accrual / 27	SD1		50 USD
C	Intercompany	End Account / 299	SD1		50 USD

In case of maintenance work hours with the data of the example in 10.1.7:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1481.	10032176: Maintenance Work Order / Costs Intercompany Hours		BO: Maintenance Work Order / WCS000001		
D	Invoice Accrual	Invoice Accrual / 28	SD1		50 USD
C	Intercompany	End Account / 379	SD1		50 USD

In case of general expenses with the data of the example in 10.2.1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1482.	10030177: People / Costs Intercompany Expenses		BO: People / EMP1		
D	Invoice Accrual	Invoice Accrual / 29	PO1		110 USD
C	Intercompany	End Account / 578	PO1		110 USD

In case of TP project expenses with the data of the example in 10.2.2:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1483.	10024177: Project Costs & Commitments / Costs Intercompany Expenses		BO: Project Cost and Commitment / TP1		
D	Invoice Accrual	Invoice Accrual / 30	TP1		110 USD
C	Intercompany	End Account / 516	TP1		110 USD

11 Production Order

In Production, the **Financial Transactions by Work Center** parameter is available. If this parameter has value **Yes**, the WIP is logged on the actual costing Work Center. If this parameter has value **No**, the WIP is logged on the calculation office of the production order. This setting is applicable for the postings described in this chapter that log on reconciliation group Production Order WIP / 1. As a result, when SCO1 is used in the examples, this is used if the parameter has value **No**.

Note: You can only perform WIP transfers if the parameter has value **Yes**. In that case, the last WIP transfer is always to the calculation office.

11.1 Materials

11.1.1 Issue (company owned/consigned)

Example: Issue for production order SFC000001 (end item MI1) of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000017 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

For a Tool item no financial transactions are made for the material issue or return, because no inventory value is stored. Also receipt in quarantine inventory or an issue from quarantine inventory will not cause financial transactions.

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1484.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000017		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD

1485.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000017		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1486.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1487.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1488.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1489.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1490.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1491.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

11.1.2 Issue (customer owned)

Example: Production order SFC000006 for end item MI1 is a production order of a subcontractor. Two manufacturer-owned pieces of item PI1 from warehouse NWH1 are issued. Inventory Transaction ID IT0000101 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which is always the value of the record that will be consumed. Assume for example that the inventory value is 110 USD on cost component MAT.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost	Amount

				Comp	
1492.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000101		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
1493.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1494.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		220 USD

11.1.3 Issue (mixed ownership)

If Customer Furnished Material Concept is implemented, an item can have mixed ownership. From financially part of view it is partly owned by the manufacturer (so customer owned from subcontractor perspective) and partly owned by the subcontractor (so company owned from subcontractor perspective). From logistical point of view an item with mixed ownership is stored as customer owned. The customer-owned value is stored in inventory and the company-owned value is stored in inventory WIP.

Example: Item PI1 has mixed ownership. The company-owned value is 60 USD on cost component MAT. If this is the case with the same example as described in section 11.1.2, in addition to the postings described in that section, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1495.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000101		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	120 USD

1496.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

11.1.1.4 Issue Quarantine Rework (company owned)

Example: The piece of MI1 that is received in Quarantine for production order SFC000001 in 11.10.5 will be reworked with production order SFC000002. Inventory Transaction ID IT0000124 is created during the issue of the material line. The following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1497.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000124		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory	Inventory / 2	NWH1	MAT	400 USD
1498.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000124		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 2	NWH1	OPR	20 USD
1499.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
1500.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

Note: Surcharges are not taken into account in case of an issue of quarantine inventory.

11.1.1.5 Issue Quarantine Rework (mixed ownership)

Example: The piece of MI1 that is received in Quarantine for production order SFC000005 in 11.10.6 will be reworked with production order SFC000006. Inventory Transaction ID IT0000224 is created during the issue of the material line. The following journal entries are created. Journal entries 1501, 1502 and 1505 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

1501.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000224		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	300 USD
1502.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
1503.	10060161: Warehouse Issue / WIP Quarantine Issue		BO: Inventory Transaction / IT0000224		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory WIP	Inventory WIP / 3	NWH1	MAT	400 USD
1504.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1505.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		300 USD

11.1.6 Return (company owned/consigned)

Two different situations can be distinguished:

- No price defined on inbound order line.
- Price defined on inbound order line.

No price defined on inbound order line

In this case, the production issue is made with the amount of the original issue. The warehouse receipt is also made with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value

before issue, if the valuation method is FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: The two pieces of item PI1 from warehouse NWH1 of order SFC000001, as described in section 11.1.1, are returned. Inventory transaction ID IT0000018 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1506.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1507.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1508.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1509.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	33.4 USD
1510.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1511.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD
1512.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD

1513.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1514.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1515.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10% of 240 + 88 + 6

(**) 88 + 33.4 – 24 (original value on SUR)

If project pegging is applicable journal entry 1511 and 1512 are replaced by journal entry 1516 through 1519.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1516.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Interim Transit	Interim Transit / 1	NWH1		-97.4 USD
1517.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000018		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
1518.	10024109: Project Costs& Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		97.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		97.4 USD
1519.	10024109: Project Costs& Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Price defined on inbound order line

In this case, the production issue is also made with the amount of the original production issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: The two pieces of item PI1 from warehouse NWH1 of order SFC000001, as described in section 11.1.1, are returned. Inventory transaction ID IT0000019 is created during receipt. The inbound order line price is 110 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1520.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1521.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1522.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1523.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD
1524.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Return Result	End Account / 738	NWH1	SUR	-88 USD
1525.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	SUR	-6 USD
1526.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD

1527.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1528.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1529.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1530.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1531.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note: Project pegging in combination with defining inbound price on return order is not possible

Note:

If item PI1 must be returned as issued, and the item was consigned in inventory, it should be reconsigned in inventory. After the postings described above, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*

- Purchase Schedule, Usage and payment of consigned inventory
- Warehousing, Cycle counting, Usage and payment of consigned inventory
- Warehousing, Adjustment, Usage and payment of consigned inventory
- Warehousing, Consignment use, Purchase order (manual)
- Warehousing, Transfers, Usage and payment of consigned inventory.

11.1.7 Return (customer owned)

Two different situations can be distinguished:

- No price defined on inbound order line.
- Price defined on inbound order line.

No price defined on inbound order line

In this case, the production issue is made with the amount of the original issue. The warehouse receipt is also made with this amount..

Example: The two pieces of item PI1 from warehouse NWH1 of order SFC000006, as described in section 11.1.2, are returned. Inventory transaction ID IT0000102 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1532.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000102		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
1533.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD

Price defined on inbound order line

In this case, the production issue is also made with the amount of the original production issue. The warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result.

Example: The two pieces of item PI1 from warehouse NWH1 of order SFC000006, as described in section 11.1.2, are returned. Inventory transaction ID IT0000102 is created during receipt. The inbound order line price is 120 USD each.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1534.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000102		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 13	NWH1		240 USD
1535.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000102		
D	Interim Transit	Interim Transit / 13	NWH1		20 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		20 USD
1536.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD

For both situations, If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1537.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-220 USD

11.1.1.8 Return (mixed ownership)

See section *Production Order, Materials, Issue (mixed ownership)* for an explanation of mixed ownership.

Two different situations can be distinguished:

- No price defined on inbound order line.
- Price defined on inbound order line.

No price defined on inbound order line

In this case, the production issue is made with the amount of the original issue. The warehouse receipt is also made with this amount. This is applicable for both the inventory and the inventory WIP.

Example: The items as described in the first example in section 11.1.3 are returned. In addition to the postings that are described in section 11.1.7, the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1538.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000102		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
1539.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD

Price defined on inbound order line

In this case, the production issue is also made with the amount of the original production issue. The warehouse receipt in inventory is made with the amount of the inbound order line. There will be no receipt in inventory WIP anymore, the interim transit is balanced with a return result.

Example: The items as described in the first example in section *Production Order, Materials, Issue (mixed ownership)* are returned. Except for the postings that are described in section *Production Order, Materials, Return (customer owned)* also the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1540.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000102		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Return Result	End Account / 738	NWH1	MAT	120 USD
1541.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD

11.1.9 Return to Quarantine (company owned)

Two different situations can be distinguished:

- No price defined on inbound order line
- Price defined on inbound order line

No price defined on inbound order line

In this case, the production issue is made with the amount of the original issue. The warehouse receipt is also made with this amount. Surcharges are not added, and results are also not added.

Example: Two original issued pieces of item PI1 from warehouse NWH1 of order SFC000001 are returned. Inventory transaction ID IT0000118 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1542.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000118		
D	Inventory	Inventory / 2	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1543.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000118		
D	Inventory	Inventory / 2	NWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1544.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000118		
D	Inventory	Inventory / 2	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1545.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1546.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1547.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

Price defined on inbound order line

In this case, the production issue is also made with the amount of the original production issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are not added to the normal receipt. The interim transit is balanced with a return result.

Example: Two original issued pieces of item PI1 of order SFC000001 are returned. Inventory transaction ID IT0000119 is created during receipt. The inbound order line price is 110 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
1548.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1549.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD
1550.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Return Result	End Account / 738	NWH1	SUR	-88 USD
1551.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000019		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	SUR	-6 USD
1552.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1553.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1554.	10014052: Production Order / Issue		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

11.1.10 Return to Quarantine (mixed ownership)

Two different situations can be distinguished:

- No price defined on inbound order line
- Price defined on inbound order line

No price defined on inbound order line

In this case, the production issue is made with the amount of the original issue. The warehouse receipt is also made with this amount.

Example: The two original pieces of item PI1 from warehouse NWH1 of order SFC000006 are returned. Inventory transaction ID IT0000202 is created during receipt.

The journal entries 1555 and 1556 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1555.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned		BO: Inventory Transaction / IT0000202		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
1556.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD
1557.	10061162: Warehouse Receipt / WIP Quarantine Receipt		BO: Inventory Transaction / IT0000202		
D	Inventory WIP	Inventory WIP / 3	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
1558.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD

Price defined on inbound order line

In this case, the production issue is also made with the amount of the original production issue. The warehouse receipt in inventory is made with the amount of the inbound order line. There will be no receipt in inventory WIP anymore, the interim transit is balanced with a return result.

Example: The two original pieces of item PI1 from warehouse NWH1 of order SFC000006 are returned. Inventory transaction ID IT0000203 is created during receipt. The inbound order line price is 120 USD each.

The journal entries 1559 up to 1561 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1559.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned		BO: Inventory Transaction / IT0000203		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	240 USD

C	Interim Transit	Interim Transit / 13	NWH1		240 USD
1560.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000203		
D	Interim Transit	Interim Transit / 13	NWH1		20 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		20 USD
1561.	15014052: Production Order / Issue / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD
1562.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000203		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Return Result	End Account / 738	NWH1	MAT	120 USD
1563.	10014052: Production Order / Issue		BO: Production Order / SFC000006		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD

For both situations, If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company) if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1564.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000006		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-220 USD

11.1.11 Quarantine Inventory (company owned)

For quarantine inventory some options are available:

- Scrap the quarantine inventory
In this case, an adjustment order is created to remove goods from inventory. The integration transactions for this are described in 21.2.8.
- Rework the quarantine inventory (to new or existing specification)
In this case, a rework production order is created, and the goods are moved as material on this rework order. The integration transactions for this are described in 11.1.4.
- Return the quarantine inventory. In this case a return purchase order is created. The integration transactions for this are described in 4.5.4

- Reclassify the quarantine inventory. In this case an item transfer is created. The integration transaction for this are described in 21.8.7.
- Use the quarantine inventory as is (or no fault found). The integration transactions for this are described below

Two different situations can be distinguished:

- No price defined on inbound order line
- Price defined on inbound order line

No price defined on inbound order line

Example: The piece of PI1 that is received in Quarantine for production order SFC000001 will be used as is. Inventory Transaction ID IT0000325 is created during the decrease of quarantine inventory. The following journal entries are created.

Note: No issue surcharges are taken into account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1565.	<i>10060160: Warehouse Issue / Quarantine Issue</i>		<i>BO: Inventory Transaction / IT0000325</i>		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 2	NWH1	MAT	240 USD
1566.	<i>10060160: Warehouse Issue / Quarantine Issue</i>		<i>BO: Inventory Transaction / IT0000325</i>		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 2	NWH1	SUR	88 USD
1567.	<i>10060160: Warehouse Issue / Quarantine Issue</i>		<i>BO: Inventory Transaction / IT0000325</i>		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 2	NWH1	WRS	6 USD

During the increase of non-quarantine inventory, the normal Warehouse Receipt integration transactions as described in 11.1.6 are created. The Production Order postings described in this section are not created anymore.

Price defined on inbound order line

Example: The piece of PI1 that is received in Quarantine for production order SFC000001 will be used as is. Inventory Transaction ID IT0000325 is created during the decrease of quarantine inventory. The following journal entries are created.

Note: No issue surcharges are taken into account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1568.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Inventory	Inventory / 2	NWH1	MAT	220 USD

During the increase of non-quarantine inventory, the normal Warehouse Receipt integration transactions as described in 11.1.6 are created. The Production Order postings described in this section are not created anymore.

11.1.12 Quarantine Inventory (mixed ownership)

For quarantine inventory, some options are available:

- Scrap the quarantine inventory
In this case, an adjustment order is created to remove goods from inventory. The integration transactions for this are described in 21.2.9.
- Rework the quarantine inventory
In this case, a rework production order is created, and the goods are moved as material on this rework order. The integration transactions for this are described in 11.1.5.
- Return the quarantine inventory. In this case a return purchase order is created. The integration transactions for this are described in 4.5.4
- Reclassify the quarantine inventory. In this case an item transfer is created. The integration transaction for this are described in 21.8.7.
- Use the quarantine inventory as is (or no fault found). The integration transactions for this are described below

Two different situations can be distinguished:

- No price defined on inbound order line
- Price defined on inbound order line

No price defined on inbound order line

Example: The piece of PI1 that is received in Quarantine for production order SFC000005 will be used as is. Inventory Transaction ID IT0000325 is created during the decrease of quarantine inventory. The following journal entries are created. Journal entry 1569 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1569.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	220 USD

1570.	10060161: Warehouse Issue / WIP Quarantine Issue		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory WIP	Inventory WIP / 3	NWH1	MAT	120 USD

During the increase of non-quarantine inventory, the normal Warehouse Receipt integration transactions as described in 11.1.8 are created. The Production Order postings described in this section are not created anymore.

Price defined on inbound order line

Example: The two piece of PI1 that is received in Quarantine for production order SFC000005 will be used as is. Inventory Transaction ID IT0000325 is created during the decrease of quarantine inventory. The following journal entry is created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

Note: There is no WIP posting anymore as there was no posting on WIP

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1571.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 13	NWH1		240 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	240 USD

During the increase of non-quarantine inventory, the normal Warehouse Receipt integration transactions as described in 11.1.8 are created. The Production Order postings described in this section are not created anymore.

11.2 Co-products/By-products

11.2.1 Receipt

The receipt of co-products and by-products, which is a component with a negative quantity in the BOM, can be received against standard cost or against inventory value.

Default Inventory Receipt Value is 'Standard Cost'

The production integration transactions are booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added (booked detailed in finance).

Example: Production order SFC000002 is for manufactured item MI2. A receipt is made of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000020 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1572.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1573.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1574.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
1575.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1576.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Default Inventory Receipt Value is 'Inventory Value'

The production integration transactions are booked against *inventory value* excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added (booked detailed in finance).

Example: For production order SFC000002 a receipt is made of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000020 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1577.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1578.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-27.09 USD(*)
C	Interim Transit	Interim Transit / 1	NWH1		-27.09 USD
1579.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	-2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-2 USD
1580.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1581.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
1582.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD
1583.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22.91 USD
1584.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

$$(*) (200+50+8-6/1.1)-(200+8-6) = 27.09$$

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal entry 1577 through 1584 are created. No lot results required.

11.2.2 Return

Example: One of the two pieces of the receipt of item PI1 of production order SFC000002, described in section *Production Order, Co-products/By-products, Receipt*, is returned from warehouse NWH1. Inventory transaction ID IT0000021 is created upon issue. Assume, for example, that valuation method is MAUC and the MAUC at return date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

For the warehouse postings, the inventory value is always taken. Issue surcharges are added to this amount. For the production posting, the original receipt price is taken. The difference on interim transit 1 between production price and warehouse issue price is logged as an issue result. The following postings are created.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1585.	10014052: Production Order / Issue		BO: Production Order / SFC000002		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
1586.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000021		
D	Inventory	Inventory / 1	NWH1	SUR	27 USD (*)
C	Surcharge Cover	End Account / 713	NWH1	IIS	27 USD
1587.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000021		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD

C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1588.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory	Inventory / 1	NWH1	MAT	120 USD
1589.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD (**)
C	Inventory	Inventory / 1	NWH1	SUR	44 USD
1590.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
1591.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Issue Result	End Account / 712	NWH1	MAT	-20 USD
1592.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		-44 USD
C	Issue Result	End Account / 712	NWH1	SUR	-44 USD
1593.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Issue Result	End Account / 712	NWH1	WRS	-3 USD

(*) 20 percent of 135 (current MAUC)

(**) 12 already present on SUR + 27 of journal entry 233 + 5 of journal entry 234

If project pegging is applicable journal entry 1591 through 1593 are replaced by journal entry 1594 through 1599.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1594.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1595.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD

1596.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
1597.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1598.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
1599.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

11.3 Subcontracting (without material flow)

Journal entries for subcontracting (without material flow) are described in section *Purchase Order, Receipts, Production operation subcontracting (without material flow)*.

Journal entries for a price variance on the purchase order for subcontracting are described in section *Purchase Order, Invoice approval / Change price after receipt, Production item subcontracting*.

11.4 Subcontracting (with material flow)

11.4.1 Receiving WIP item (semi-manufactured) in warehouse

The manufacturer has created four items MWIPH1 on production order SFC000005. The subcontractor needs these four items to create two MWIPS1 items for the manufacturer, so the items must be returned to the manufacturer.

The production order can indicate with the parameter "Use Actual Valuation for Subassembly Receipt Posting" whether the actual costs must be used for the subcontracting WIP posting. If this value is Yes, the actual costs logged so far are taken (regardless of peg if project pegging is implemented). If this value is No, estimates are taken for the subcontracting WIP posting.

Example: The manufacturer used 80 USD on cost component MAT to make four MWIPH1 items. First the items has to be received from the shop floor in the warehouse of the manufacturer. Actuals are used for the subcontracting WIP posting. Inventory transaction ID IT0000103 is created during receipt. The following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1600.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		80 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	80 USD
1601.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	MAT	80 USD
C	Interim Transit	Interim Transit / 1	NWH1		80 USD
1602.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	SUR	40 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	40 USD
1603.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	SUR	12 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	12 USD

If the valuation method of item MWIPH1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 25 (MAT) and 13 (SUR) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1604.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	MAT	20 USD
C	Lot Result	End Account / 733	NWH1	MAT	20 USD

If the valuation method of item MWIPH1 in warehouse NWH1 is Standard Cost (which is not recommended, see section *General Information, Data used for the examples*) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1605.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000103	
D	Inventory	Inventory / 1	NWH1	MAT	-80 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-80 USD

The example above is for the normal situation. The subcontractor can also subcontract with material flow to another subcontractor, and subcontract a customer-owned item (from his manufacturer) or an item with mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example: Same data as for example above, but item MWHIPH1 is customer owned now. Instead of journal entries 1600 up to 1605 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1606.	15014091: Production Order / Subcontracting WIP / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		80 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	80 USD
1607.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000103		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	80 USD
C	Interim Transit	Interim Transit / 13	NWH1		80 USD

If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1608.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		80 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		80 USD

Example: Same data as for example above, but item MWHIPH1 has mixed ownership now. The company-owned part is 5 USD for each item. Journal entries 1606 up to 1608 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

1609.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
1610.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

11.4.2 Returning WIP item (semi-manufactured) from warehouse

Example: One of the four pieces of the receipt of item MWIPH1 of production order SFC000005, as described in section 11.4.1, is returned from warehouse NWH1. Inventory transaction ID IT0000104 is created upon issue. Assume that valuation method is MAUC and the MAUC at return date is 25 USD (MAT) and 13 USD (SUR), so a total of 38 USD. For the warehouse postings, the inventory value is always taken. Issue surcharges are added to this amount. For the production posting, the original receipt price is taken. The difference on interim transit 1 between production price and warehouse issue price is logged as an issue result. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1611.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD
1612.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000104		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	20 USD
1613.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000104		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1614.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		25 USD
C	Inventory	Inventory / 1	NWH1	MAT	25 USD
1615.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		38 USD
C	Inventory	Inventory / 1	NWH1	SUR	38 USD

1616.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		-5 USD
C	Issue Result	End Account / 712	NWH1	MAT	-5 USD
1617.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		-38 USD
C	Issue Result	End Account / 712	NWH1	SUR	-38 USD

If project pegging is applicable journal entry are 1616 and 1617 replaced by journal entries 1618 up to 1621

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1618.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		5 USD
C	Interim Transit	Interim Transit / 1	NWH1		5 USD
1619.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		38 USD
C	Interim Transit	Interim Transit / 1	NWH1		38 USD
1620.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		5 USD
C	Interim Transit	Interim Transit / 1	NWH1		5 USD
1621.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		38 USD
C	Interim Transit	Interim Transit / 1	NWH1		38 USD

The example above is for the normal situation. The subcontractor can also subcontract with material flow to another subcontractor, and subcontract a customer-owned item (from his manufacturer) or an item with mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example: Same data as for example above, but item MWHIPH1 is customer owned now. Instead of journal entries 1611 up to 1617 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**). In this example, the inventory value is 25 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1622.	15014091: Production Order / Subcontracting WIP / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		-20 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-20 USD
1623.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 13	NWH1		25 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	25 USD
1624.	15060031: Warehouse Issue / Issue Result / Customer Owned		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 13	NWH1		-5 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-5 USD

If the financial companies of NWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1625.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-20 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-20 USD

Example: Same data as for example above, but item MWHIPH1 has mixed ownership now. The company-owned part is 5 USD for each item. Journal entries 1622 up to 1624 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1626.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD

C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD
1627.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD

11.4.3 Sending WIP item (semi-manufactured) to subcontractor

After the receipt in NWH1, the items must be transferred to the subcontractor. Because they are still owned by the manufacturer, a transfer is created on the manufacturer side from warehouse NWH1 to a kind of administrative warehouse, say for example SFCWH1. Journal entries created for this transfer are described in section *Warehousing, Transfers*. Also the subcontractor must receive the goods. For this a purchase order with payment No Payment is created. Journal entries for this order are described in section *Purchase Order, Receipts, Purchased item in warehouse*.

11.4.4 Returning WIP item (semi-manufactured) from subcontractor

If the subcontractor returns a WIP item, he created a purchase return order with payment No Payment. Journal entries for this order are described in section *Purchase Order, Return orders, Purchased item from warehouse*. The manufacturer creates a transfer from the administrative warehouse SFCWH1 to his own warehouse NWH1. Journal entries created for this transfer are described in section *Warehousing, Transfers*.

11.4.5 Material issue of WIP item (semi-manufactured) by subcontractor

For the subcontractor, this is a normal material issue of a customer-owned item. Journal entries created for this are described in section *Production Order, Materials, Issue (customer owned)* or section *Production Order, Materials, Issue (mixed ownership)* for an item with mixed ownership.

For the manufacturer, this means the goods are no longer in the administrative warehouse anymore, but they should be issued (not physical, only financial) to the shop floor. The following journal entries are created for this (if for example the inventory value of one item MWIPH1 in warehouse SFCWH1 is equal to 25 USD (MAT) and 18 UDS (SUR) and 4 items are issued). Inventory Transaction ID IT0000105 is created for this.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1628.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000105		
D	Inventory	Inventory / 1	SFCWH1	SUR	80 USD
C	Surcharge Cover	End Account / 713	SFCWH1	IIS	80 USD

1629.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000105	
D	Interim Transit	Interim Transit / 1	SFCWH1		100 USD
C	Inventory	Inventory / 1	SFCWH1	MAT	100 USD
1630.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000105	
D	Interim Transit	Interim Transit / 1	SFCWH1		152 USD
C	Inventory	Inventory / 1	SFCWH1	SUR	152 USD
1631.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		100 USD
1632.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	152 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		152 USD
1633.	10014014: Production Order / Additional Completion (*)			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	80 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	80 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 1600). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

The example above is for the normal situation. The manufacturer can also be a subcontractor who subcontracts with material flow to another subcontractor, and subcontract a customer-owned item (from his manufacturer) or an item with mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example: Same data as for example above, but item MWHIPH1 is customer owned now. Instead of journal entries 1628 up to 1633, the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**). In this example, the inventory value is 90 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1634.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 13	SFCWH1		90 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	SFCWH1	MAT	90 USD

1635.	15014089: Production Order / Subcontracting / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD
C	Interim Transit	Interim Transit / 13	SFCWH1		90 USD
1636.	15014014: Production Order / Additional Completion / Customer Owned (*)		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	80 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	80 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 1606). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

If the financial companies of SFCWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1637.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SFCWH1		90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		90 USD

Example: Same data as for example above, but item MWHIPH1 has mixed ownership now. The company-owned part is 5 USD for each item. Journal entries 1634 up to 1636 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1638.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 1	SFCWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	SFCWH1	MAT	20 USD
1639.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		20 USD
1640.	10014014: Production Order / Additional Completion		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 1609). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

11.4.6 Material return of WIP item (semi-manufactured) by subcontractor

For the subcontractor, this is a normal material return of a customer-owned item. Journal entries created for this are described in section *Production Order, Materials, Return (customer owned)* or section *Production Order, Materials, Return (mixed ownership)* for an item with mixed ownership).

For the manufacturer, this means the goods should be returned from the shop floor to the administrative warehouse (not physical, only financial). The following journal entries are created for this if 1 item is returned. Inventory Transaction ID IT0000106 is created for this. Say for example the valuation method is MAUC. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead of the value correction. If the valuation method was LOT, warehouse receipt / lot result was logged instead of the value correction.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1641.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000106		
D	Inventory	Inventory / 1	SFCWH1	MAT	25 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		25 USD
1642.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000106		
D	Inventory	Inventory / 1	SFCWH1	SUR	38 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		38 USD
1643.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000106		
D	Inventory	Inventory / 1	SFCWH1	SUR	10 USD
C	Surcharge Cover	End Account / 732	SFCWH1	IRS	10 USD
1644.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000106		
D	Inventory	Inventory / 1	SFCWH1	SUR	-10 USD
C	Value Correction	End Account / 736	SFCWH1	SUR	-10 USD
1645.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-25 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		-25 USD

1646.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-38 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		-38 USD
1647.	10014014: Production Order / Additional Completion (*)			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD

(*) The additional completion is a technical posting, with a proportional part of the estimated amount of the subcontracting WIP posting (journal entry 1600). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP. For returns, this is the other way around.

The example above is for the normal situation. The manufacturer can also be a subcontractor who subcontracts with material flow to another subcontractor, and subcontracts a customer-owned item (from his manufacturer) or an item with mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example: Same data as for example above, but item MWHIPH1 is customer owned now. Instead of journal entries 1641 up to 1647 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1648.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000106		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	SFCWH1	MAT	22.5 USD
C	Interim Transit	Interim Transit / 13	SFCWH1		22.5 USD
1649.	15014089: Production Order / Subcontracting / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-22.5 USD
C	Interim Transit	Interim Transit / 13	SFCWH1		-22.5 USD
1650.	15014014: Production Order / Additional Completion / Customer Owned (*)		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-20 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-20 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 1606). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the

work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

If the financial companies of SFCWH1 and SCO1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1651.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SFCWH1		-22.5 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-22.5 USD

Example: Same data as for example above, but item MWHIPH1 has mixed ownership now. Journal entries 1648 up to 1651 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1652.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000106		
D	Inventory WIP	Inventory WIP / 1	SFCWH1	MAT	5 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		5 USD
1653.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-5 USD
C	Interim Transit	Interim Transit / 1	SFCWH1		-5 USD
1654.	10014014: Production Order / Additional Completion		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-5 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-5 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 1609). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

11.4.7 Returning subcontracted WIP item to manufacturer

When the subcontractor finished his two items MWIPS1, he can return them to the manufacturer.

For the subcontractor this is a sales order. Journal entries created for this sales order are described in section *Sales Order, Issues, Subcontracting*.

For the manufacturer this is a purchase order. Journal entries created for this purchase order are described in section *Purchase Order, Receipts, Production operation subcontracting (with material flow)*.

11.4.8 Returning subcontracted WIP item to subcontractor

When the manufacturer does not accept the items, he can return them to the subcontractor.

For the subcontractor this is a sales return order. Journal entries created for this sales order are described in section *Sales Order, Return orders, List/Manufactured item (company owned) in warehouse*.

For the manufacturer this is a purchase return order. Journal entries created for this purchase order are described in sections *Purchase Order, Return orders, Other scenarios* and *Purchase Order, Return orders, Purchased item from warehouse*.

11.4.9 Issue of subcontracted WIP item to work center

When the goods are received back from the subcontractor, one of the following may apply.

- The next operation of the production order is also subcontracted. Journal entries created for this are described in section *Purchase Order, Receipts, Production operation subcontracting (with material flow)*.
- The subcontracting operation was the last operation of the production order. Journal entries created for this are described in section *Purchase Order, Receipts, Production operation subcontracting (with material flow)*.
- The next operation of the production order is a normal operation. In this case, the two items MWIPS1 must be issued to the work center. See the examples below.

Example: Item is company owned. Journal entries below are created for this (if valuation method is MAUC and the MAUC is equal to 100 (MAT), 10 (SUR) and 3 (WRS). Inventory Transaction ID IT0000107 is created for this.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1655.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000107		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	20 USD
1656.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000107		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD

1657.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000107	
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Inventory	Inventory / 1	NWH1	MAT	200 USD
1658.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000107	
D	Interim Transit	Interim Transit / 1	NWH1		50 USD
C	Inventory	Inventory / 1	NWH1	SUR	50 USD
1659.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000107	
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1660.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1661.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	50 USD
C	Interim Transit	Interim Transit / 1	NWH1		50 USD
1662.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1663.	10014014: Production Order / Additional Completion (*)			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP posting (journal entry 106). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP.

Example: Same data as for example above, but item MWHIPS1 has mixed ownership now. The following journal entries are created upon issue if the company-owned WIP value is 20 USD and the customer-owned WIP value is 90 USD. Journal entries 1664, 1667, 1669 and 1670 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

1664.	15060052: Warehouse Issue / Issue / Customer Owned			BO: Inventory Transaction / IT0000107		
D	Interim Transit	Interim Transit / 13	NWH1		90 USD	
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	90 USD	
1665.	10060116: Warehouse Issue / WIP Transfer Issue			BO: Inventory Transaction / IT0000107		
D	Interim Transit	Interim Transit / 1	NWH1		140 USD	
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	140 USD	
1666.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	140 USD	
C	Interim Transit	Interim Transit / 1	NWH1		140 USD	
1667.	15014089: Production Order / Subcontracting / Customer Owned			BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD	
C	Interim Transit	Interim Transit / 13	NWH1		90 USD	
1668.	10014014: Production Order / Additional Completion (*)			BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD	
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	20 USD	
1669.	15014014: Production Order / Additional Completion / Customer Owned (*)			BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD	
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	90 USD	

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP postings (journal entries 130 and 131). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the end item is part of the WIP.

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1670.	15014105: Production Order / Transfer Accrual / Customer Owned			BO: Production Order / SFC000005	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		90 USD

11.4.10 Return of subcontracted WIP item from work center

Example: The two (company-owned) pieces of item MWIPS1 from warehouse NWH1 of order SFC000005, as described in section 11.4.9, are returned. Inventory transaction ID IT0000108 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 100 USD (MAT), 10 USD (SUR), and 3 USD (WRS), so a total of 113 USD. In this case, warehouse receipt / value correction is logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1671.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1672.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	SUR	50 USD
C	Interim Transit	Interim Transit / 1	NWH1		50 USD
1673.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1674.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
1675.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1676.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	SUR	-50 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-50 USD
1677.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000108		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD

1678.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1679.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-50 USD
C	Interim Transit	Interim Transit / 1	NWH1		-50 USD
1680.	10014089: Production Order / Subcontracting			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
1681.	10014014: Production Order / Additional Completion (*)			BO: Production Order / SFC000005	
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-100 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-100 USD

(*) The additional completion is a technical posting, with a proportional part of the estimated amount of the subcontracting WIP posting (journal entry 106). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the subcontracting value is part of the WIP. For returns, this is the other way around.

Example: Same data as for example above, but item MWHIPS1 has mixed ownership now. The following journal entries are created during receipt if the company-owned WIP value is 20 USD and the customer-owned WIP value is 90 USD. Journal entries 1664, 1667, 1669 and 1670 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1682.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000108		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	90 USD
C	Interim Transit	Interim Transit / 13	NWH1		90 USD
1683.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000108		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	140 USD
C	Interim Transit	Interim Transit / 1	NWH1		140 USD
1684.	10014089: Production Order / Subcontracting		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-140 USD

C	Interim Transit	Interim Transit / 1	NWH1		-140 USD
1685.	15014089: Production Order / Subcontracting / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-90 USD
C	Interim Transit	Interim Transit / 13	NWH1		-90 USD
1686.	10014014: Production Order / Additional Completion (*)		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-20 USD
1687.	15014014: Production Order / Additional Completion / Customer Owned (*)		BO: Production Order / SFC000005		
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-90 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-90 USD

(*) The additional completion is a technical posting, with the estimated amount of the subcontracting WIP postings (journal entries 130 and 131). Although the subcontracting WIP posting empties the WIP, the value still belongs to the WIP. When the item arrives in the work center, the subcontracting WIP amount is no longer part of the WIP, because now the end item is part of the WIP.

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1688.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-90 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-90 USD

11.5 Operation costs

Journal entries for operation costs are described in section 0.

11.6 WIP transfers

Different operations can be carried out in different work centers. If the shop floor control parameter **Financial Transactions by Work Center** is flagged a WIP transfer is created between the two costing work centers. The amount that is used can be the

estimated amount that is calculated when the costs are frozen or the actual amount. In examples below the estimated amount is used.

11.6.1 Issue

Example: For production order SFC000003, a WIP transfer is carried out from work center WC1 to work center WC2. The estimated amount is 100 USD for cost component MAT and 10 USD for cost component SUR.

If no intercompany relationship is defined between WC1 and WC2, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1689.	10014116: Production Order / WIP Transfer Issue		BO: Production Order / SFC000003		
D	Interim WIP	Interim Transit / 5	WC1	MAT	100 USD
C	SFC WIP	Production Order WIP / 1	WC1	MAT	100 USD
1690.	10014116: Production Order / WIP Transfer Issue		BO: Production Order / SFC000003		
D	Interim WIP	Interim Transit / 5	WC1	SUR	10 USD
C	SFC WIP	Production Order WIP / 1	WC1	SUR	10 USD

If an intercompany trade relationship is defined between WC1 and WC2, the following journal entries are created for company-owned WIP:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1691.	10014118: Production Order / WIP Transfer Issue Intercompany		BO: Production Order / SFC000003		
D	Interim WIP	Interim Transit / 6	WC1	MAT	100 USD
C	SFC WIP	Production Order WIP / 1	WC1	MAT	100 USD
1692.	10014118: Production Order / WIP Transfer Issue Intercompany		BO: Production Order / SFC000003		
D	Interim WIP	Interim Transit / 6	WC1	SUR	10 USD
C	SFC WIP	Production Order WIP / 1	WC1	SUR	10 USD

For customer-owned WIP the following journal entries are created, if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1693.	15014116: Production Order / WIP Transfer Issue / Customer Owned			BO: Production Order / SFC000003	
D	Interim WIP	Interim Transit / 14	WC1	MAT	100 USD

C	Customer Owned SFC WIP	Production Order WIP / 2	WC1	MAT	100 USD
1694.	15014116: Production Order / WIP Transfer Issue / Customer Owned			BO: Production Order / SFC000003	
D	Interim WIP	Interim Transit / 14	WC1	SUR	10 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	WC1	SUR	10 USD

Combinations of company-owned WIP and customer-owned WIP are also possible.

11.6.2 Receipt

The receipt is carried out for the issue of the example described in section *Production Order, WIP transfers, Issue*.

If no intercompany trade relationship is defined between WC1 and WC2, the following journal entries are created for company-owned WIP:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1695.	10014117: Production Order / WIP Transfer Receipt		BO: Production Order / SFC000003		
D	SFC WIP	Production Order WIP / 1	WC2	MAT	100 USD
C	Interim WIP	Interim Transit / 5	WC1	MAT	100 USD
1696.	10014117: Production Order / WIP Transfer Receipt		BO: Production Order / SFC000003		
D	SFC WIP	Production Order WIP / 1	WC2	SUR	10 USD
C	Interim WIP	Interim Transit / 5	WC1	SUR	10 USD

If an intercompany trade relationship is defined between WC1 and WC2, the following journal entries are created for company-owned WIP:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1697.	10014119: Production Order / WIP Transfer Receipt Intercompany		BO: Production Order / SFC000003		
D	SFC WIP	Production Order WIP / 1	WC2	MAT	100 USD
C	Invoice Accrual	Invoice Accrual / 1	WC2		100 USD
1698.	10014119: Production Order / WIP Transfer Receipt Intercompany		BO: Production Order / SFC000003		
D	SFC WIP	Production Order WIP / 1	WC2	SUR	10 USD
C	Invoice Accrual	Invoice Accrual / 1	WC2		10 USD

For customer-owned WIP the following journal entry is created, if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1699.	15014117: Production Order / WIP Transfer Receipt / Customer Owned			BO: Production Order / SFC000003	
D	Customer Owned SFC WIP	Production Order WIP / 2	WC2	MAT	100 USD
C	Interim WIP	Interim Transit / 14	WC1	MAT	100 USD
1700.	15014117: Production Order / WIP Transfer Receipt / Customer Owned			BO: Production Order / SFC000003	
D	Customer Owned SFC WIP	Production Order WIP / 2	WC2	SUR	10 USD
C	Interim WIP	Interim Transit / 14	WC1	SUR	10 USD

If the financial companies of WC1 and WC2 are different, the following additional postings are created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1701.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000003		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	WC1		100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	WC2		100 USD
1702.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000003		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	WC1		10 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	WC2		10 USD

Combinations of company-owned WIP and customer-owned WIP are also possible.

11.6.3 Intercompany Trade WIP Transfer

Intercompany trade relationship with internal invoice

If an intercompany trade relationship with internal invoice is defined between two work centers, one work center sends an invoice to the other. The amount is always equal to the wip transfer amount. The only possible price origin is Cost Plus, other price origins are not possible. A markup percentage is also not possible.

The following journal entries are created for production order SFC000003. For more information, refer to sections *Production Order*, *WIP transfers*, *Issue* and *Production Order*, *WIP transfers*, *Receipt*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1703.	10014082: Production Order / Revenues Analysis		BO: Production Order / SFC000003		
D	Interim Revenues	Interim Revenues / 5	WC1		110 USD

C	Turnover	End Account / 13	WC1		110 USD
1704.	10014125: Production Order / Cost of Goods Sold		BO: Production Order / SFC000003		
D	Cost of Goods Sold	End Account / 1	WC1	MAT	100 USD
C	Interim WIP	Interim Transit / 6	WC1	MAT	100 USD
1705.	10014125: Production Order / Cost of Goods Sold		BO: Production Order / SFC000003		
D	Cost of Goods Sold	End Account / 1	WC1	SUR	10 USD
C	Interim WIP	Interim Transit / 6	WC1	SUR	10 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is not an integration transaction. This record is created to balance the invoice accrual. The amount is the estimated amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1706.	Only Reconciliation: Approval		BO: Production Order / SFC000003		
D	Invoice Accrual	Invoice Accrual / 1	WC2		110 USD

You cannot 11-45napproved internal invoices.

Intercompany trade relationship without internal invoice

If an intercompany trade relationship without internal invoice is defined between two work centers, the amount is always equal to the wip transfer amount. The only possible price origin is Cost Plus, other price origins are not possible. A markup percentage is also not possible.

The following journal entries are created for production order SFC000003. For more information, refer to sections *Production Order, WIP transfers, Issue and Production Order, WIP transfers, Receipt*. The last transaction is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1707.	10014169: Production Order / Revenues Intercompany		BO: Production Order / SFC000003		
D	Intercompany	End Account / 2	WC1		110 USD
C	Turnover	End Account / 15	WC1		110 USD

<i>1708.</i>	<i>10014125: Production Order / Cost of Goods Sold</i>		<i>BO: Production Order / SFC000003</i>		
D	Cost of Goods Sold	End Account / 1	WC1	MAT	100 USD
C	Interim WIP	Interim Transit / 6	WC1	MAT	100 USD
<i>1709.</i>	<i>10014125: Production Order / Cost of Goods Sold</i>		<i>BO: Production Order / SFC000003</i>		
D	Cost of Goods Sold	End Account / 1	WC1	SUR	10 USD
C	Interim WIP	Interim Transit / 6	WC1	SUR	10 USD
<i>1710.</i>	<i>10014012: Production Order / Costs Intercompany</i>		<i>BO: Production Order / SFC000003</i>		
D	Invoice Accrual	Invoice Accrual / 1	WC2		110 USD
C	Intercompany	End Account / 14	WC2		110 USD

11.7 WIP transfers (Split Order)

A production order which is in progress can be split. The associated costs are transferred from the original order to the new order.

The amount taken for the integration transactions depend on the already booked costs and the ratio which is split off.

Assume for production order SFC000004 of in total 10 pieces the balance on SFC WIP is 100 USD (MAT) and 10 USD (SUR). 4 pcs are split off to production order SFC000005.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
<i>1711.</i>	<i>10014153: Production Order / WIP Transfer Issue (Split Order)</i>		<i>BO: Production Order / SFC000004</i>		
D	Interim WIP	Interim Transit / 15	SCO1	MAT	40 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	40 USD
<i>1712.</i>	<i>10014153: Production Order / WIP Transfer Issue (Split Order)</i>		<i>BO: Production Order / SFC000004</i>		
D	Interim WIP	Interim Transit / 15	SCO1	SUR	4 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	4 USD
<i>1713.</i>	<i>10014154: Production Order / WIP Transfer Receipt (Split Order)</i>		<i>BO: Production Order / SFC000005</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	40 USD
C	Interim WIP	Interim Transit / 15	SCO1	MAT	40 USD

1714.	10014154: Production Order / WIP Transfer Receipt (Split Order)		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	4 USD
C	Interim WIP	Interim Transit / 15	SCO1	SUR	4 USD

In case of customer owned WIP the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1715.	15014153: Production Order / WIP Transfer Issue (Split Order) / Customer Owned		BO: Production Order / SFC000004		
D	Interim WIP	Interim Transit / 16	SCO1	MAT	40 USD
C	SFC WIP	Production Order WIP / 2	SCO1	MAT	40 USD
1716.	15014153: Production Order / WIP Transfer Issue (Split Order) / Customer Owned		BO: Production Order / SFC000004		
D	Interim WIP	Interim Transit / 16	SCO1	SUR	4 USD
C	SFC WIP	Production Order WIP / 2	SCO1	SUR	4 USD
1717.	15014154: Production Order / WIP Transfer Receipt (Split Order) / Customer Owned		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 16	SCO1	MAT	40 USD
C	Interim WIP	Interim Transit / 2	SCO1	MAT	40 USD
1718.	15014154: Production Order / WIP Transfer Receipt (Split Order) / Customer Owned		BO: Production Order / SFC000005		
D	SFC WIP	Production Order WIP / 16	SCO1	SUR	4 USD
C	Interim WIP	Interim Transit / 2	SCO1	SUR	4 USD

Notes:

- internal invoicing is not applicable
- If the SFC order costing parameter **Financial Transactions by Work Center** is flagged the enterprise units of journal entry 1711 through 1718 are replaced by the enterprise unit of the workcentre.

11.8 Item surcharge receipt

For production orders, handling of item receipt surcharges differs from the handling of warehouse receipt surcharges. Warehouse receipt surcharges, for example, are also

for purchase, logged with the business object Inventory Transaction with the debit side on inventory.

However, item receipt surcharges are logged with the business object Production Order with the debit side on Production Order WIP. By means of the completion, and the receipt, posting the item receipt surcharge also moves to inventory. The item surcharge receipt posting is created upon completion.

On the production order, you can indicate if the receipt must be made against Standard Cost or against the actual costs of the moment. If the receipt is made against Standard Cost, and production order SFC000001 is for one piece of MI1, the following journal entry is created. (Issue price of P1 is 140.60 USD. Issue Price of P2 is 50 USD. Labor is 20 USD. Total for three pieces P1 and two pieces P2 and labor is 541.80 USD: 10 percent = 54.18 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1719.	10014056: Production Order / Item Surcharge Receipt		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	IRS	54.18 USD
C	Surcharge Cover	End Account / 11	SCO1	IRS	54.18 USD

11.9 Completion

When you complete an order or an operation, the costs move from the cost component on which the costs are logged on the WIP to an effective cost component that belongs to the end item. As a result, after completion, the value of the WIP is only in the cost components of the end item.

Example: The item surcharge receipt of 11.7 if on cost component IRS. This cost component does not exist in the effective structure of the end item. The following journal entry is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1720.	10014009: Production Order / Completion		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	54.18 USD
C	SFC WIP	Production Order WIP / 1	SCO1	IRS	54.18 USD

Example: The customer-owned WIP Transfer of 11.6.2 on cost component WIP. This cost component does not exist in the effective structure of the end item. The following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1721.	15014009: Production Order / Completion / Customer Owned			BO: Production Order / SFC000003	
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	110 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	WIP	110 USD

11.10 End items

11.10.1 Receipt (company owned)

The production order can indicate whether the actual cost price must be used for the receipt posting. If this value is **Yes**, the actual costs logged so far are taken (regardless of peg if project pegging is implemented). If this value is **No**, the Standard Cost is taken for the receipt posting.

Example: One piece of item MI1 is received for production order SFC000001. The Standard Cost is taken for receipt posting. Inventory Transaction ID IT0000022 is created during receipt. The following journal entries are created:

Note: As described in section *Production Order, Item surcharge receipt*, no further item surcharge receipt postings are created. The item surcharges are already part of the receipt amount of cost component SUR.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1722.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
1723.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	20 USD
1724.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	175.98 USD
1725.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

1726.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1727.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	175.98 USD
C	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
1728.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

If the valuation method of item MI1 in warehouse NWH1 is lot price and the lot price is, for example, 400 (MAT), 20 (OPR) and 200 (SUR), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1729.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	21.02 USD
C	Lot Result	End Account / 733	NWH1	SUR	21.02 USD

A Standard Cost result can also occur, described, for example, for purchase orders in section *Purchase Order, Receipts, Purchased item in warehouse*, if the receipt is against actual cost price and the valuation method is Standard Cost. However, this situation is not very likely.

If the item is a Tool item, instead of the journal entries 1725 through 1728, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1730.	10014045: Production Order / General Costs		BO: Production Order / SFC000001		
D	General Costs	End Account / 4	SCO1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	SCO1		400 USD
1731.	10014045: Production Order / General Costs		BO: Production Order / SFC000001		
D	General Costs	End Account / 4	SCO1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	SCO1		20 USD

1732.	10014045: Production Order / General Costs		BO: Production Order / SFC000001		
D	General Costs	End Account / 4	SCO1	SUR	175.98 USD
C	Interim Transit	Interim Transit / 1	SCO1		175.98 USD

11.10.2 Receipt (mixed ownership)

When Customer Furnished Material concept is implemented, the end item can have mixed ownership (explained in *Production Order, Materials, Issue (mixed ownership)*).

Example: One piece of item MI1 is received for production order SFC000005. The customer-owned value is stored in inventory. Inventory Transaction ID IT0000110 is created during receipt. The following journal entries are created (If the amount on company-owned WIP is 400 and the amount on customer-owned WIP is 300, both on cost component MAT). Journal entries 1733, 1734 and 1737 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

Note that mixed ownership is not applicable for a Tool item.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1733.	15014074: Production Order / Receipt / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	300 USD
1734.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000110		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
1735.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
1736.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000110		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1737.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD

11.10.3 Return (company owned)

Example: Item MI1 of the receipt of production order SFC000001, described in section *Production Order, End items, Receipt*, is returned from warehouse NWH1. Inventory transaction ID IT0000023 is created upon issue. Assume, for example, valuation method is Standard Cost.

For the warehouse postings, the inventory value is always taken. Issue surcharges are added to this amount. For the production posting, the original receipt price is taken. The difference on interim transit 1 between production price and warehouse issue price is logged as an issue result. The following postings are created.

Note

For a Tool item no financial transactions are made for the return flow.

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1738.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		-400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-400 USD
1739.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	-20 USD
1740.	10014074: Production Order / Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		-175.98 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	-175.98 USD

1741.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000021		
D	Inventory	Inventory / 1	NWH1	SUR	119.8 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	119.8 USD
1742.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000021		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1743.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory	Inventory / 1	NWH1	MAT	400 USD
1744.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 1	NWH1	OPR	20 USD
1745.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		303.78 USD
C	Inventory	Inventory / 1	NWH1	SUR	303.78 USD
1746.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		-124.8 USD
C	Issue Result	End Account / 712	NWH1	SUR	-124.8 USD

If project pegging is applicable journal entry 1746 is replaced by journal entries 1747 and 1748.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1747.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000021		
D	Interim Transit	Interim Transit / 1	NWH1		124.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		124.8USD
1748.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		124.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		124.8USD

11.10.4 Return (mixed ownership)

When Customer Furnished Material concept is implemented, the end item can have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*).

Example: Item MWIPS1 of the receipt of production order SFC000005, as described in section 11.10.2 (inventory customer owned), is returned from warehouse NWH1. Inventory transaction ID IT0000112 is created upon issue. The following journal entries are created (If the amount on company-owned WIP is 400 and the amount on customer-owned WIP is 300, both on cost component MAT). Journal entries 1749, 1750 and 1753 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

For a Tool item no financial transactions are made for the return flow.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1749.	15014074: Production Order / Receipt / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		-300 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-300 USD
1750.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000112		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Customer Owned Inventory / 1	NWH1	MAT	300 USD
1751.	10014074: Production Order / Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		-400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	-400 USD
1752.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000112		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	400 USD

If the financial companies of SCO1 and NWH1 differ, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1753.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-300 USD

C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-300 USD

11.10.5 Receipt in Quarantine (company owned)

It can be the case that a certain end item is not good and should be moved to quarantine.

Example: One piece of item MI1 is received in Quarantine for production order SFC000001. Inventory Transaction ID IT0000122 is created during receipt. The following journal entries are created (SFC gives for example an amount of 400 on cost component MAT and 20 on cost component OPR). Move to quarantine can be done any time during the production order, production will give a correct estimate of the costs.

Note

Surcharges are not posted in case of a receipt in Quarantine

For a Tool item no financial transactions are made for a receipt in quarantine inventory.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1754.	10014070: Production Order / Quarantine Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
1755.	10014070: Production Order / Quarantine Receipt		BO: Production Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	20 USD
1756.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000122		
D	Inventory	Inventory / 2	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
1757.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000122		
D	Inventory	Inventory / 2	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

11.10.6 Receipt in Quarantine (mixed ownership)

When Customer Furnished Material concept is implemented, the end item can have mixed ownership (explained in *Production Order, Materials, Issue (mixed ownership)*).

Example: One piece of item MI1 is received in quarantine for production order SFC000005. The customer-owned value is stored in inventory. Inventory Transaction ID

IT0000222 is created during receipt. The following journal entries are created (If the amount on company-owned WIP is 400 and the amount on customer-owned WIP is 300, both on cost component MAT). Journal entries 1758, 1759 and 1762 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

Note

It is possible that at the moment the item is received in quarantine no Customer Furnished Material is used yet. The Customer Owned Inventory value will be 0 in that case, but the item is still customer owned.

For a Tool item no financial transactions are made for the receipt in quarantine.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1758.	15014070: Production Order / Quarantine Receipt / Customer Owned		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	300 USD
1759.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned		BO: Inventory Transaction / IT0000222		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
1760.	10014070: Production Order / Quarantine Receipt		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
1761.	10061162: Warehouse Receipt / WIP Quarantine Receipt		BO: Inventory Transaction / IT0000222		
D	Inventory WIP	Inventory WIP / 3	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1762.	15014105: Production Order / Transfer Accrual / Customer Owned		BO: Production Order / SFC000005		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD

11.10.7 Quarantine Inventory (company owned)

For quarantine inventory, which is always customer owned, three options are available:

- Destroy the quarantine inventory
In this case, an adjustment order is created to remove goods from inventory. The integration transactions for this are described in 21.2.8.
- Rework the quarantine inventory
In this case, a rework production order is created, and the goods are moved as material on this rework order. The integration transactions for this are described in 11.1.4.
- Use the quarantine inventory as is. The integration transactions for this are described below

Example: The piece of MI1 that is received in Quarantine for production order SFC000001 will be used as is. Inventory Transaction ID IT0000125 is created during the decrease of quarantine inventory. The following journal entries are created.

Note

No issue surcharges are taken into account.

For a Tool item no financial transactions are made for quarantine inventory.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1763.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory	Inventory / 2	NWH1	MAT	400 USD
1764.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 2	NWH1	OPR	20 USD

During the increase of non-quarantine inventory, Inventory Transaction ID IT0000126 is created.

Note: Normally item receipt surcharges are not taken into account for production receipts, as production logs item receipt surcharges itself. However, in case of Quarantine Inventory, the item surcharge receipt is not calculated yet. Now the goods are used as is, they still have to be logged. Because the production order is not involved anymore in the transaction (it can be closed already), the item receipt surcharge is logged from warehousing.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1765.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
1766.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1767.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	SUR	42 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	42 USD
1768.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

In case the valuation method in the warehouse is Standard Cost it is possible an Standard Cost Result is created. In case the valuation method in the warehouse is Lot Pricing it is possible a Lot Result is created.

11.10.8 Quarantine Inventory (mixed ownership)

For quarantine inventory, which is always customer owned, three options are available:

- Destroy the quarantine inventory
In this case, an adjustment order is created to remove goods from inventory. The integration transactions for this are described in 21.2.9.
- Rework the quarantine inventory
In this case, a rework production order is created, and the goods are moved as material on this rework order. The integration transactions for this are described in 11.1.5.
- Use the quarantine inventory as is. The integration transactions for this are described below

Example: The piece of MI1 that is received in Quarantine for production order SFC000005 will be used as is. Inventory Transaction ID IT0000225 is created during the decrease of quarantine inventory. The following journal entries are created. Journal entry 1769 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

Note

There is no new order in this case. In whinr110 and whina114 the original production order SFC000005 will be used for filling the order fields.

For a Tool item no financial transactions are made for quarantine inventory.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1769.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000225		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	300 USD
1770.	10060161: Warehouse Issue / WIP Quarantine Issue		BO: Inventory Transaction / IT0000225		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory WIP	Inventory WIP / 3	NWH1	MAT	400 USD

During the increase of non-quarantine inventory, Inventory Transaction ID IT0000226 is created. Journal entry 2937 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1771.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000226		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
1772.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000226		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

11.11 Variances

11.11.1 Company owned

When you close an operation or a production order, variances can occur. Three types of variances can be distinguished:

- Price variance
The difference between the estimated price and the actual price multiplied with the actual quantity. This variance can only arise if Standard Cost is used for the receipt posting and project pegging is not applicable.
- Efficiency variance
The difference between the estimated quantity and the actual quantity multiplied with

the estimated price. This variance can only arise if Standard Cost is used for the receipt posting and project pegging is not applicable.

■ Additional Calculation Office variance

Only when closing the order. These variances are all the variances that are not price variances or efficiency variances. In case project pegging is applicable the variances are created per peg line.

Production variances are always calculated by work center and by cost component.

With the data of the example in section *Production Order, Materials, Issue*, the following is applicable:

Estimated quantity is three pieces, actual quantity is two pieces, estimated price is 140.60 USD, and actual price is 167 USD. As a result, the price variance is –52.8 USD and the efficiency variance is 140.60 USD. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1773.	10014065: Production Order / Price Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	-40 USD
C	Interim Variance	Interim Variance / 1	SCO1		-40 USD
1774.	10014065: Production Order / Price Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	-12.8 USD
C	Interim Variance	Interim Variance / 1	SCO1		-12.8 USD
1775.	10014030: Production Order / Efficiency Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	MAT	100 USD
C	Interim Variance	Interim Variance / 1	SCO1		100 USD
1776.	10014030: Production Order / Efficiency Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	37.6 USD
C	Interim Variance	Interim Variance / 1	SCO1		37.6 USD
1777.	10014030: Production Order / Efficiency Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	WRS	3 USD
C	Interim Variance	Interim Variance / 1	SCO1		3 USD

If the item is a Tool item next journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1778.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	MAT	40 USD

C	Interim Variance	Interim Variance / 1	SCO1		40 USD
1779.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	SUR	12.8 USD
C	Interim Variance	Interim Variance / 1	SCO1		12.8 USD
1780.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	MAT	-100 USD
C	Interim Variance	Interim Variance / 1	SCO1		-100 USD
1781.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	SUR	-37.6 USD
C	Interim Variance	Interim Variance / 1	SCO1		-37.6 USD
1782.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	WRS	-3 USD
C	Interim Variance	Interim Variance / 1	SCO1		-3 USD

In this example, there were no other results. If a result is still left in the end, for example, for an amount of 50 USD on cost component SUR, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1783.	10014001: Production Order / Additional Calculation Office Variance		BO: Production Order / SFC000001		
D	SFC WIP	Production Order WIP / 1	SCO1	SUR	50 USD
C	Interim Variance	Interim Variance / 1	SCO1		50 USD

If the item is a Tool item next journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1784.	10014043: Production Order / General Costs Variance		BO: Production Order / SFC000001		
D	General Costs	End Account / 3	SCO1	SUR	-50 USD
C	Interim Variance	Interim Variance / 1	SCO1		-50 USD

Inventory variances

A record for all the variance described previously is also created in the inventory variances in warehousing. How to process the variances further to inventory is described in section 21.12.

If the item is a Tool item no inventory variances are created.

11.11.2 Customer owned

Customer-owned variances work in the same way as company-owned transactions. With the same data as described in section *Production Order, Variances, Company owned*, the following postings are created (described here only for the material cost component, because surcharges do not apply to customer owned).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1785.	15014065: Production Order / Price Variance / Customer Owned			BO: Production Order / SFC000001	
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	-40 USD
C	Interim Variance	Interim Variance / 3	SCO1		-40 USD
1786.	15014030: Production Order / Efficiency Variance / Customer Owned			BO: Production Order / SFC000001	
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	100 USD
C	Interim Variance	Interim Variance / 3	SCO1		100 USD
1787.	15014001: Production Order / Additional Calculation Office Variance / Customer Owned			BO: Production Order / SFC000001	
D	Customer Owned SFC WIP	Production Order WIP / 2	SCO1	MAT	50 USD
C	Interim Variance	Interim Variance / 3	SCO1		50 USD

12 Production Schedule

12.1 Materials

12.1.1 Issue (company owned/consigned)

Example: Issue for production schedule line RPT000001/10 (end item MI1) of three pieces of item PI1 and three pieces of item PI2 (one piece more than estimated) both from warehouse NWH1. Inventory Transaction ID IT0000017 and IT0000018 are created upon issue. The material usage is reported in shift 1 which belongs to work cell cost document WCD000001.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is for item PI1 is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD and for item PI2 50 USD (MAT).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1788.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000017		
D	Inventory	Inventory / 1	NWH1	SUR	81 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	81 USD
1789.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000017		
D	Inventory	Inventory / 1	NWH1	SUR	15 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	15 USD
1790.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		360 USD
C	Inventory	Inventory / 1	NWH1	MAT	360 USD
1791.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		132 USD
C	Inventory	Inventory / 1	NWH1	SUR	132 USD
1792.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000017		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Inventory	Inventory / 1	NWH1	WRS	9 USD

1793.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	360 USD
C	Interim Transit	Interim Transit / 1	NWH1		360 USD
1794.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	132 USD
C	Interim Transit	Interim Transit / 1	NWH1		132 USD
1795.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	WRS	9 USD
C	Interim Transit	Interim Transit / 1	NWH1		9 USD
1796.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000018		
D	Interim Transit	Interim Transit / 1	NWH1		150 USD
C	Inventory	Inventory / 1	NWH1	MAT	150 USD
1797.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	150 USD
C	Interim Transit	Interim Transit / 1	NWH1		150 USD

Note

If item PI1/PI2 is consigned in inventory it is first converted to company owned.

12.1.2 Return (company owned/consigned)

Two different situations can be distinguished:

- No price defined on inbound order line.
- Price defined on inbound order line.

No price defined on inbound order line

In this case, the work cell cost document issue is made with the amount of the original issue. The warehouse receipt is also made with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, if the valuation method is FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Two pieces of item PI1 from warehouse NWH1 of repetitive production schedule RPT000001, as described in section 12.1.1 are returned. Inventory transaction

ID IT0000019 is created during receipt. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1798.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1799.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1800.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1801.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	33.4 USD
1802.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1803.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD
1804.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1805.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD

1806.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1807.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10% of 240 + 88 + 6

(**) 88 + 33.4 – 24 (original value on SUR)

Price defined on inbound order line

In this case, the work cell cost order issue is also made with the amount of the original issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Two pieces of item PI1 from warehouse NWH1 of production schedule RPT000001, as described in section 12.1.1, are returned. Inventory transaction ID IT0000020 is created during receipt. The inbound order line price is 110 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1808.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1809.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1810.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000020		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1811.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000020		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD

1812.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT00000019		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Return Result	End Account / 738	NWH1	SUR	-88 USD
1813.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT00000019		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	SUR	-6 USD
1814.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD0000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1815.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD0000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1816.	10021052: Work Cell Cost Document / Issue		BO: Work Cell Cost Document / WCD0000001		
D	RPT WIP	Work Cell Cost Document WIP / 1	WC1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1817.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000019		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1818.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000019		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD

C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1819.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000019		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

12.2 Operation Costs

Journal entries for operation costs are described in section 10.1.5.

12.3 Work Cell Surcharges

Work cell surcharges are defined per hour. Variable work cell surcharges are booked when posting hours (of type run) while fixed work cell surcharges are booked when closing the shift.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1820.	10021170: Work Cell Cost Document / Work Cell Surcharge		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	WCS	30 USD
C	Work Cell Surcharge Cover	End Account / 92	WC1	WCS	30 USD

12.4 End items

12.4.1 Report Quantity Complete

When reporting a quantity completed first the item receipt surcharges are booked followed by the completion transaction. In the end the Work Cell Cost Document WIP is transferred to Production Schedule WIP.

Example: One piece of item MI1 is reported complete on production schedule line RPT000001/10 during shift 1.

12.4.1.1 Item Surcharge Receipt

The item receipt surcharge is treated as general production related surcharges and therefore booked on Work Cell Cost Document WIP (similar as for production orders) and not during receipt in the warehouse.

The Item Surcharge Receipt posting is based on the Standard Cost (Total Issue Standard Cost of P1 is 140.60 USD and 50 USD for P2. Labor is 20 USD. Total for three pieces P1 and two pieces P2 and labor is 541.80 USD: 10 percent = 54.18 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
<i>1821.</i>	<i>10021056: Work Cell Cost Document / Item Surcharge Receipt</i>		<i>BO: Work Cell Cost Document / WCD000001</i>		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	54.18 USD
C	Surcharge Cover	End Account / 91	WC1	IRS	54.18 USD

12.4.1.2 Completion

At moment of reporting the quantity completed costs are moved from the cost component on which the costs are logged on the WIP to the effective cost component of the end item(s).

The completion postings are created based on the detailed standard cost price.

The detailed standard cost price of item MI1 is 400 USD (MAT), 15 USD (LAB), 5 USD (MAC), 112.8 USD (SUR), 9 USD (WRS), 54.18 (IRS)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1822.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	15 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	LAB	15 USD
1823.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	5 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAC	5 USD
1824.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	9 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	WRS	9 USD
1825.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	54.18 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	IRS	54.18 USD

12.4.1.3 WIP Transfers

Via a WIP transfer the work cell cost document WIP is transferred to the production schedule WIP. WIP Transfers are posted against Standard Cost of the end item.

Example: One piece of item MI1 is reported complete on production schedule RPT000001 during shift 1. The Standard Cost is taken for the WIP Transfer postings. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1826.	10021116: Work Cell Cost Document / WIP Transfer Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		400 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	400 USD

1827.	10021116: Work Cell Cost Document / WIP Transfer Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		20 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	20 USD
1828.	10021116: Work Cell Cost Document / WIP Transfer Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		175.98.USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	175.98 USD
1829.	10020117: Production Schedule / WIP Transfer Receipt		BO: Production Schedule /		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	400 USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		400 USD
1830.	10020117: Production Schedule / WIP Transfer Receipt		BO: Production Schedule /		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	20 USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		20 USD
1831.	10020117: Production Schedule / WIP Transfer Receipt		BO: Production Schedule /		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	175.98.USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		175.98 USD

Note: As described in section 12.4.1.1 no further item surcharge receipt postings are created. The item surcharges are already part of the receipt amount of cost component SUR.

12.4.2 Receipt (company owned)

Example: Two pieces of item MI1 are received for production schedule RPT000001/0. This receipt will administrated against production schedule line RPT000001/10 and 20 for each 1 piece. A separate production schedule posting is created for each line.

The costs booked so far on production schedule WIP are taken for the receipt posting. Inventory Transaction ID IT0000022 is created during receipt. The following journal entries are created:

Note: As described in section 12.4.1, no further item surcharge receipt postings are created. The item surcharges are already part of the receipt amount of cost component SUR.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1832.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	MAT	400 USD
1833.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	OPR	20 USD
1834.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	SUR	175.98 USD
1835.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	MAT	400 USD
1836.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	OPR	20 USD
1837.	10020074: Production Schedule / Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
C	Production Schedule WIP	Production Schedule WIP / 1	WC1	SUR	175.98 USD
1838.	10020074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	MAT	800 USD
C	Interim Transit	Interim Transit / 1	NWH1		800 USD
1839.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	OPR	40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD

1840.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	351.96 USD
C	Interim Transit	Interim Transit / 1	NWH1		351.96 USD
1841.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item MI1 in warehouse NWH1 is lot price and the lot price is, for example, 400 (MAT), 20 (OPR) and 200 (SUR), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1842.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000022		
D	Inventory	Inventory / 1	NWH1	SUR	42.04 USD
C	Lot Result	End Account / 733	NWH1	SUR	42.04 USD

12.4.3 Move Rejected Quantity to Quarantine

The rejected quantity on the production schedule line can be moved to quarantine.

Note: Surcharges are not posted in case of quarantine

Example: One piece of item MI1 is moved to quarantine on production schedule line RPT000001/10 during shift 1.

12.4.3.1 Completion

At moment of moving the rejected quantity to quarantine costs are moved from the cost component on which the costs are logged on the WIP to the effective cost component of the end item(s).

The completion postings are created based on the detailed standard cost price excluding the end item receipt surcharge.

The detailed standard cost price of item MI1 excluding the end item receipt surcharge is 400 USD (MAT), 15 USD (LAB), 5 USD (MAC), 112.8 USD (SUR), 9 USD (WRS).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1843.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	15 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	LAB	15 USD
1844.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	5 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAC	5 USD
1845.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	9 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	WRS	9 USD

12.4.3.2 WIP Transfers

Via a WIP transfer the work cell cost document WIP is transferred to quarantine production schedule WIP. WIP Transfers are posted against Standard Cost of the end item (excluding end item receipt surcharge)

Example: One piece of item MI1 was rejected on production schedule RPT000001/10 during shift 1 in work cell WC1 and moved to quarantine. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1846.	10021161: Work Cell Cost Document / WIP Quarantine Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		400 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	400 USD
1847.	10021161: Work Cell Cost Document / WIP Quarantine Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		20 USD

C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	20 USD
1848.	10021161: Work Cell Cost Document / WIP Quarantine Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		121.80 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	121.80 USD
1849.	10020162: Production Schedule / WIP Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Production Schedule WIP Quarantine	Production Schedule WIP / 2	WC1	MAT	400 USD
C	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		400 USD
1850.	10020162: Production Schedule / WIP Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Production Schedule WIP Quarantine	Production Schedule WIP / 2	WC1	OPR	20 USD
C	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		20 USD
1851.	10020162: Production Schedule / WIP Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Production Schedule WIP Quarantine	Production Schedule WIP / 2	WC1	SUR	121.80 USD
C	Work Cell WIP Transfer Quarantine	Interim Transit / 19	WC1		121.80 USD

12.4.4 Receipt in Quarantine (company owned)

When a rejected quantity is moved to quarantine a new inbound line is created with the respective quantity.

Note: Surcharges are not posted in case of quarantine

Example: One piece of item MI1 are received in quarantine inventory for production schedule RPT000001/10.

The costs booked so far on production schedule WIP are taken for the receipt posting (determined by TI). Inventory Transaction ID IT0000022 is created during receipt. The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1852.	10020070: Production Schedule / Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Production Schedule WIP	Production Schedule WIP / 2	WC1	MAT	400 USD
1853.	10020070: Production Schedule / Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Production Schedule WIP	Production Schedule WIP / 2	WC1	OPR	20 USD
1854.	10020070: Production Schedule / Quarantine Receipt		BO: Production Schedule / RPT000001		
D	Interim Transit	Interim Transit / 1	NWH1		121.80 USD
C	Production Schedule WIP	Production Schedule WIP / 2	WC1	SUR	121.80 USD
1855.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000022		
D	Quarantine Inventory	Inventory / 2	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
1856.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000022		
D	Quarantine Inventory	Inventory / 2	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1857.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000022		
D	Quarantine Inventory	Inventory / 2	NWH1	SUR	121.80 USD
C	Interim Transit	Interim Transit / 1	NWH1		121.80 USD

12.4.5 Move Rejected Quantity to Repair Work Cell

The rejected quantity on the production schedule line can be directly moved to the repair work cell which is linked to the normal work cell.

Notes:

- Surcharges are not posted in case of move to repair work cell.
- Enterprise Unit of normal work cell and repair work cell are always equal.

Example: One piece of item MI1 is rejected on production schedule line RPT000001/10 during shift 1.

12.4.5.1 Completion

At moment of moving the rejected quantity to the repair work cell costs are moved from the cost component on which the costs are logged on the WIP to the effective cost component of the end item(s).

The completion postings are created based on the detailed standard cost price excluding the end item receipt surcharge.

The detailed standard cost price of item MI1 excluding the end item receipt surcharge is 400 USD (MAT), 15 USD (LAB), 5 USD (MAC), 112.8 USD (SUR), 9 USD (WRS).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1858.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	15 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	LAB	15 USD
1859.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	5 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAC	5 USD
1860.	10021009: Work Cell Cost Document / Completion		BO: Work Cell Cost Document / WCD000001		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	9 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	WRS	9 USD

12.4.5.2 WIP Transfers

Via a WIP transfer the work cell cost document WIP is transferred to work cell cost document WIP of another work cell. The WIP Transfers is posted against the Standard Cost of the end item (excluding end item receipt surcharge)

Example: One piece of item MI1 was rejected on production schedule RPT000001/10 during shift 1 in work cell WC1 and moved to work cell WC2 (work cell cost document WCD000002). The following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
1861.	10021171: Work Cell Cost Document / WIP Repair Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		400 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	MAT	400 USD
1862.	10021171: Work Cell Cost Document / WIP Repair Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		20 USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	OPR	20 USD
1863.	10021171: Work Cell Cost Document / WIP Repair Issue		BO: Work Cell Cost Document / WCD000001		
D	Work Cell WIP Transfer	Interim Transit / 18	WC1		121.80USD
C	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC1	SUR	121.80 USD
1864.	10021117: Work Cell Cost Document / WIP Transfer Receipt		BO: Work Cell Cost Document / WCD000002		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC2	MAT	400 USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		400 USD
1865.	10021117: Work Cell Cost Document / WIP Transfer Receipt		BO: Work Cell Cost Document / WCD000002		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC2	OPR	20 USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		20 USD
1866.	10021117: Work Cell Cost Document / WIP Transfer Receipt		BO: Work Cell Cost Document / WCD000002		
D	Work Cell Cost Document WIP	Work Cell Cost Document WIP / 1	WC2	SUR	121.80 USD
C	Work Cell WIP Transfer	Interim Transit / 18	WC1		121.80 USD

12.4.6 Return

Return of end items from the warehouse back to the work cell is not a requirement within repetitive concept and therefore not supported.

12.5 Closing

12.5.1 Close Work Cell Cost Document

When a work cell cost document is closed variances on work cell cost document WIP can occur. Three types of variances can be distinguished:

- Efficiency variances = (estimated quantity – actual quantity) * estimated price
- Price variance = actual quantity * (estimated price – actual price)
- Calculation office variance = remaining difference

TI will keep track of the estimated and actual quantities/amounts per schedule line/material position. Based on this information above mentioned variances are calculated:

As not all costs (like operation costs and work cell surcharges) can be allocated to specific schedule lines the variances are directly booked to an end account.

Example: close work cell cost document WCD000001.

Production Schedule Line Estimated vs. Actual Material Costs:

Item	Estimated Quantity	Estimated Amount (USD)	Actual Quantity	Actual Amount
PI1	3	300 (MAT), 112.8 (SUR), 9 (WRS)	3	360 (MAT), 132 (SUR), 9 (WRS)
PI2	2	100 (MAT)	3	150 (MAT)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1867.	10021065: Work Cell Cost Document / Price Variance		BO: Production Schedule / RPT000001		
D	Work Cell Cost Document WIP	Production Schedule WIP / 1	WC1		-60 USD
C	Work Cell Cost Document Price Variance	EA / 95	WC1	MAT	-60 USD
1868.	10021065: Work Cell Cost Document / Price Variance		BO: Production Schedule / RPT000001		
D	Work Cell Cost Document WIP	Production Schedule WIP / 1	WC1		-19.2 USD
C	Work Cell Cost Document Price Variance	EA / 95	WC1	SUR	-19.2 USD
1869.	10021030: Work Cell Cost Document / Efficiency Variance		BO: Production Schedule / RPT000001		
D	Work Cell Cost Document	Production Schedule WIP / 1	WC1		-50 USD

	WIP				
C	Work Cell Cost Document Efficiency Variance	EA / 94	WC1	MAT	-50 USD
1870.	10021001: Work Cell Cost Document / Additional Calculation Office Variance		BO: Production Schedule / RPT000001		
D	Work Cell Cost Document WIP	Production Schedule WIP / 1	WC1		-30 USD
C	Work Cell Cost Document Efficiency Variance	EA / 93	WC1	SUR	-30 USD

Note: journal entry 1870 is created due to the work cell surcharge entry 1820 as the work cell surcharge is not part of the Standard Cost.

13 Assembly

Note: You cannot use customized items in assembly.

13.1 Materials

13.1.1 Issue

Example: Issue for assembly line AL1 (line station LS1) of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000024 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, for sales orders described in section *Sales Order, Issues, Purchased item from warehouse*.

Assume that the valuation method is MAUC and that the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1871.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000024		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1872.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000024		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1873.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000024		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1874.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000024		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1875.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000024		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1876.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1877.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1878.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

13.1.2 Return

For standard items, two situations can be distinguished:

- No price defined on inbound order line
- Price defined on inbound order line

No price defined on inbound order line

In this case, the assembly line issue is carried out with the amount of the original issue. The warehouse receipt is also made with this amount. Surcharges are added to the normal receipt. In the end the inventory value is corrected to be equal to the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: The two pieces of item PI1 from warehouse NWH1 of assembly line AL1, described in section *Assembly, Materials, Issue* are returned. Inventory transaction ID IT0000025 is created during receipt.

In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1879.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
1880.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
1881.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1882.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	33.4 USD
1883.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1884.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000025		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD

1885.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000025	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1886.	10037052: Assembly Line / Issue			BO: Assembly Line / AL1	
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1887.	10037052: Assembly Line / Issue			BO: Assembly Line / AL1	
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1888.	10037052: Assembly Line / Issue			BO: Assembly Line / AL1	
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 240 + 88 + 6

(**) 88 + 33.4 – 24 (original value on SUR)

Price defined on inbound order line

In this case, the assembly line issue is also made with the amount of the original assembly line issue. The warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: The two pieces of item PI1 from warehouse NWH1 of assembly line AL1, described in section *Assembly, Materials, Issue*, are returned. Inventory transaction ID IT0000026 is created during receipt. Inbound order line price is 110 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1889.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000026	
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1890.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000026	
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1891.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000026	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD

C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1892.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000026		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD
1893.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000026		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Return Result	End Account / 738	NWH1	SUR	-88 USD
1894.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000026		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	SUR	-6 USD
1895.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
1896.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
1897.	10037052: Assembly Line / Issue		BO: Assembly Line / AL1		
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1898.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000026		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1899.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000026	
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1900.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000026	
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Note

- If an item was issued that has mixed ownership WIP (see section *Production Order, Materials, Issue (mixed ownership)*), the inventory is not returned anymore.
- If item PI1 must be returned as issued, and the item was consigned in inventory, it should be reconsigned in inventory. After the postings described above, and depending on the situation, the postings are created that are described in the following sections:
 - *Purchase Order, Usage and payment of consigned inventory*
 - *Purchase Schedule, Usage and payment of consigned inventory*
 - *Warehousing, Cycle counting, Usage and payment of consigned inventory*
 - *Warehousing, Adjustment, Usage and payment of consigned inventory*
 - *Warehousing, Consignment use, Purchase order (manual)*
 - *Warehousing, Transfers, Usage and payment of consigned inventory.*

13.2 Purchase

Journal entries for purchase receipt on the assembly line are described in section *Purchase Order, Receipts, Assembly*.

Journal entries for a price variance on the purchase order for assembly are described in section *Purchase Order, Invoice approval / Change price after receipt, Assembly*.

13.3 Operation costs

Journal entries for operation costs are described in section *People, Hours, Assembly*.

13.4 WIP transfers

Different operations can often be carried out in different line stations. In that case, a WIP transfer is created between the two line stations. The amount that is used is always the estimated amount that is calculated when the costs are frozen. In the end, a WIP Transfer is done from the last line station to the calculation office of the assembly order.

Note: WIP Transfers are created within one logistic company only. When two logistic companies are involved, the transfer is carried out by means of a sales order, described in section *Sales Order, Issues, Direct delivery*, and a purchase order, described in

sections *Purchase Order, Receipts, Assembly* and *Purchase Order, Invoice approval / Change price after receipt, Assembly*.

13.4.1 Issue

Example: A WIP transfer is made from line station LS1 to line station LS2. The estimated amount is 100 USD for cost component MAT and 10 USD for cost component SUR.

If no intercompany trade relationship is defined between LS1 and LS2, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1901.	10037116: Assembly Line / WIP Transfer Issue		BO: Assembly Line / AL1		
D	Interim WIP	Interim Transit / 7	LS1	MAT	100 USD
C	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	100 USD
1902.	10037116: Assembly Line / WIP Transfer Issue		BO: Assembly Line / AL1		
D	Interim WIP	Interim Transit / 7	LS1	SUR	10 USD
C	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	10 USD

Note: The same transactions are created if you perform a WIP transfer from the last line station to the calculation office of the assembly order, during completion of the last line station order. For this WIP transfer, you cannot have an intercompany trade relation.

If an intercompany trade relationship is defined between LS1 and LS2, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1903.	10037118: Assembly Line / WIP Transfer Issue Intercompany		BO: Assembly Line / AL1		
D	Interim WIP	Interim Transit / 8	LS1	MAT	100 USD
C	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	100 USD
1904.	10037118: Assembly Line / WIP Transfer Issue Intercompany		BO: Assembly Line / AL1		
D	Interim WIP	Interim Transit / 8	LS1	SUR	10 USD
C	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	10 USD

13.4.2 Receipt

Example 1: The WIP transfer receipt is carried out for the WIP transfer issue of the example described in section *Assembly, WIP transfers, Issue*.

If no intercompany trade relationship is defined between LS1 and LS2, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1905.	10037117: Assembly Line / WIP Transfer Receipt		BO: Assembly Line / AL2		
D	Assembly Line WIP	Assembly Line WIP / 1	LS2	MAT	100 USD
C	Interim WIP	Interim Transit / 7	LS1	MAT	100 USD
1906.	10037117: Assembly Line / WIP Transfer Receipt		BO: Assembly Line / AL2		
D	Assembly Line WIP	Assembly Line WIP / 1	LS2	SUR	10 USD
C	Interim WIP	Interim Transit / 7	LS1	SUR	10 USD

If an intercompany trade relationship is defined between LS1 and LS2, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1907.	10037119: Assembly Line / WIP Transfer Receipt Intercompany		BO: Assembly Line / AL2		
D	Assembly Line WIP	Assembly Line WIP / 1	LS2	MAT	100 USD
C	Invoice Accrual	Invoice Accrual / 2	LS2		100 USD
1908.	10037119: Assembly Line / WIP Transfer Receipt Intercompany		BO: Assembly Line / AL2		
D	Assembly Line WIP	Assembly Line WIP / 1	LS2	SUR	10 USD
C	Invoice Accrual	Invoice Accrual / 2	LS2		10 USD

Example 2: The WIP transfer receipt is made for a WIP transfer from the last line station LS2 to the calculation office ASC1 of assembly order ASC000002, during completion of the last line station order. In this case, the following journal entries are created, in which an item receipt surcharge of 10 percent was defined for the generic item.

Note: You cannot have an intercompany trade relationship between the last line station and the calculation office of the assembly order.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1909.	10038117: Assembly Order / WIP Transfer Receipt		BO: Assembly Order / ASC000002		
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	WIP	110 USD
C	Interim WIP	Interim Transit / 7	LS2	WIP	110 USD

1910.	10038056: Assembly Order / Item Surcharge Receipt			BO: Assembly Order / ASC000002	
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	IRS	11 USD
C	Surcharge Cover	End Account / 53	ASC1	IRS	11 USD

13.4.3 Intercompany Trade WIP Transfer

Intercompany trade relationship without internal invoice

If an intercompany trade relationship with internal invoice is defined between two work centers, one work center sends an invoice to the other. The amount is always equal to the wip transfer amount. The only possible price origin is Cost Plus, other price origins are not possible. A markup percentage is also not possible.

The following journal entries are created for assembly line AL1. For more information, refer to sections *Assembly, WIP transfers, Issue* and *Assembly, WIP transfers, Receipt*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1911.	10037082: Assembly Line / Revenues Analysis			BO: Assembly Line / AL1	
D	Interim Revenues	Interim Revenues / 5	LS1		110 USD
C	Turnover	End Account / 74	LS1		110 USD
1912.	10037125: Assembly Line / Cost of Goods Sold			BO: Assembly Line / AL1	
D	Cost of Goods Sold	End Account / 61	LS1	MAT	100 USD
C	Interim WIP	Interim Transit / 8	LS1	MAT	100 USD
1913.	10037125: Assembly Line / Cost of Goods Sold			BO: Assembly Line / AL1	
D	Cost of Goods Sold	End Account / 61	LS1	SUR	10 USD
C	Interim WIP	Interim Transit / 8	LS1	SUR	10 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is not an integration transaction. This record is created to balance the invoice accrual. The amount is the estimated amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1914.	Only Reconciliation: Approval			BO: Assembly Line / AL2	
D	Invoice Accrual	Invoice Accrual / 2	LS2		110 USD

You cannot 13-26approved internal invoices.

Intercompany trade relationship without internal invoice

If an intercompany trade relationship without internal invoice is defined between two work centers, the amount is always equal to the wip transfer amount. The only possible price origin is Cost Plus, other price origins are not possible. A markup percentage is also not possible.

The following journal entries are created for assembly lines AL1 and AL2. For more information, refer to sections *Assembly, WIP transfers, Issue* and *Assembly, WIP transfers, Receipt*. The last transaction is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1915.	10037169: Assembly Line / Revenues Intercompany		BO: Assembly Line / AL1		
D	Intercompany	End Account / 62	LS1		110 USD
C	Turnover	End Account / 76	LS1		110 USD
1916.	10037125: Assembly Line / Cost of Goods Sold		BO: Assembly Line / AL1		
D	Cost of Goods Sold	End Account / 61	LS1	MAT	100 USD
C	Interim WIP	Interim Transit / 8	LS1	MAT	100 USD
1917.	10037125: Assembly Line / Cost of Goods Sold		BO: Assembly Line / AL1		
D	Cost of Goods Sold	End Account / 61	LS1	SUR	10 USD
C	Interim WIP	Interim Transit / 8	LS1	SUR	10 USD
1918.	10037012: Assembly Line / Costs Intercompany		BO: Assembly Line / AL2		
D	Invoice Accrual	Invoice Accrual / 2	LS2		110 USD
C	Intercompany	End Account / 75	LS2		110 USD

13.5 Closing

13.5.1 Assembly line

When you close an assembly line, the surcharges defined in CPR for the assembly line are logged. If the parameter for transaction processing has value **Line Station Based**, the item is not filled in CPR. If the parameter has value **Order Based**, the generic item is filled in CPR. If the surcharge percentage is 10 percent, and the cost component is SUR, and the costs for assembly line AL1 is 500 USD, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1919.	10037027: Assembly Line / Line Surcharge			BO: Assembly Line / AL1	
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	SUR	50 USD
C	Surcharge Cover	End Account / 71	LS1	SUR	50 USD

In addition, the production result is also calculated. This result gives the difference between estimated and actual costs for a cost component. If, for example, for assembly line A1L, estimated costs on cost component MAT are 200 USD (two * Standard Cost of 100 USD), but actual costs on cost component MAT are 240 USD (two * MAUC of 120 USD), the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1920.	10037028: Assembly Line / Production Result			BO: Assembly Line / AL1	
D	Assembly Line WIP	Assembly Line WIP / 1	LS1	MAT	-40 USD
C	Production Result	End Account / 73	LS1	MAT	-40 USD

13.5.2 Assembly order

When an assembly order is closed, the calculation office variance is calculated, which is the difference between the option-based price of the generic item and the costs that are made. If for assembly order ASC00002 costs are 500 USD on cost component MAT, and the option-based price for the generic item is 550 USD on cost component MAT, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1921.	10038001: Assembly Order / Additional Calculation Office Variance			BO: Assembly Order / ASC000002	
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	MAT	50 USD
C	Calculation Office Variance	End Account / 51	ASC1	MAT	50 USD

If the generic item is stored in a warehouse (through a manufactured FAS item), the efficiency variance is calculated similar to the calculation office variance. The following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1922.	10038001: Assembly Order / Efficiency Variance			BO: Assembly Order / ASC000002	
D	Assembly Order WIP	Assembly Order WIP / 1	ASC1	MAT	50 USD
C	Interim Variance	Interim Variance / 1	ASC1	MAT	50 USD

Inventory variances

A record for all the variance described previously is also created in the inventory variances in warehousing. The method to process the variances further to inventory is described in in section 21.12.

13.6 Issue generic item / Intercompany Trade External Material Delivery Sales

Journal entries for the issue of a generic item are described in 7.2.7.

You can define an intercompany trade relationship between the work center and the sales office.

Intercompany trade relationship with internal invoice

When the invoice is posted in central invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1923.	10038082: Assembly Order / Revenues Analysis		BO: Assembly Order / ASC000001		
D	Interim Revenues	Interim Revenues / 5	ASC1		190 USD
C	Turnover	End Account / 54	ASC1		190 USD
1924.	10038125: Assembly Order / Cost of Goods Sold		BO: Assembly Order / ASC000001		
D	Cost of Goods Sold	End Account / 41	ASC1	MAT	100 USD
C	Interim COGS	Interim Costs / 11	ASC1		100 USD
1925.	10038125: Assembly Order / Cost of Goods Sold		BO: Assembly Order / ASC000001		
D	Cost of Goods Sold	End Account / 41	ASC1	SUR	20 USD
C	Interim COGS	Interim Costs / 11	ASC1		20 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

If the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is not an integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1926.	<i>Only Reconciliation: Approval</i>		<i>BO: Sales Order / SLS000007</i>		
D	Invoice Accrual	Invoice Accrual / 5	SO1		190 USD

You cannot 13-30napproved internal invoices.

Intercompany trade relationship without internal invoice

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1927.	<i>10038169: Assembly Order / Revenues Intercompany</i>		<i>BO: Assembly Order / ASC000001</i>		
D	Intercompany	End Account / 42	ASC1		190 USD
C	Turnover	End Account / 55	ASC1		190 USD
1928.	<i>10038125: Assembly Order / Cost of Goods Sold</i>		<i>BO: Assembly Order / ASC000001</i>		
D	Cost of Goods Sold	End Account / 41	ASC1	MAT	100 USD
C	Interim COGS	Interim Costs / 11	ASC1		100 USD
1929.	<i>10038125: Assembly Order / Cost of Goods Sold</i>		<i>BO: Assembly Order / ASC000001</i>		
D	Cost of Goods Sold	End Account / 41	ASC1	SUR	20 USD
C	Interim COGS	Interim Costs / 11	ASC1		20 USD
1930.	<i>10002012: Sales Order / Costs Intercompany</i>		<i>BO: Sales Order / SLS000007</i>		
D	Invoice Accrual	Invoice Accrual / 5	SO1		190 USD
C	Intercompany	End Account / 159	SO1		190 USD

13.7 Issue manufactured FAS item

The generic item of the Assembly Order can be received through a standard item (that is linked to the generic item). The receipt is always a company-owned receipt, similar to the receipt for a production order.

Example: One piece of item MI1 is received for assembly order ASC000001. The Standard Cost is taken for receipt posting. Inventory Transaction ID IT0000142 is created during receipt. The following journal entries are created:

Note

- Similar to what is described in section *Production Order, Item surcharge receipt*, no further item surcharge receipt postings are created. The item surcharges are already part of the receipt amount of cost component SUR.
- For the standard (FAS) item no return flow is allowed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1931.	10038074: Assembly Order / Issue		BO: Assembly Order / ASC000001		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	SFC WIP	Production Order WIP / 1	SCO1	MAT	400 USD
1932.	10038074: Assembly Order / Issue		BO: Assembly Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	20 USD
1933.	10038074: Assembly Order / Issue		BO: Assembly Order / SFC000001		
D	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	175.98 USD
1934.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000142		
D	Inventory	Inventory / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
1935.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000142		
D	Inventory	Inventory / 1	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
1936.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000142		
D	Inventory	Inventory / 1	NWH1	SUR	175.98 USD
C	Interim Transit	Interim Transit / 1	NWH1		175.98 USD
1937.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000142		
D	Inventory	Inventory / 1	NWH1	SUR	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

If the valuation method of item MI1 in warehouse NWH1 is lot price and the lot price is, for example, 400 (MAT), 20 (OPR) and 200 (SUR), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1938.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000142		
D	Inventory	Inventory / 1	NWH1	SUR	21.02 USD
C	Lot Result	End Account / 733	NWH1	SUR	21.02 USD

An Standard Cost result can also occur, as described, for example, for purchase orders in section *Purchase Order, Receipts, Purchased item in warehouse*, if the receipt is against actual cost price and the valuation method is Standard Cost. However, this situation is not very likely.

14 Maintenance Work Order

Note: You cannot use customized items in maintenance work orders.

Note: Project pegging is not supported for internal work orders.

For project pegged orders the transactions for customer owned goods are made per peg line with filled project related fields in the logged elements.

14.1 Receipt of to be maintained item

14.1.1 No batch repair

If batch repair is not applicable, the item that must be maintained is present on the work order header.

The item that must be maintained can be received in three ways:

- From location
In this case, no integration transactions are created.
- From a service customer-owned warehouse
In this case, the item that must be maintained belongs to the customer. No integration transactions are created.
- From a warehouse that is not a service customer-owned warehouse
You cannot receive the item in this way if the maintenance work order is linked to a maintenance sales order, but only for an internal work order.

External work order (linked to Maintenance Sales)

Example: Two pieces of item PI1 are delivered from warehouse NWH1 for maintenance work order WCS000002, linked to Maintenance Sales Order MSC000002. Inventory Transaction ID IT0000120 is created upon issue from warehousing. The amount taken is the amount for which the goods are present in the warehouse, which is the residual value entered on the part maintenance line of the maintenance sales order. Say for example this is 150 USD per piece.

The following journal entries are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1939.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000120		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD

1940.	15032052: Maintenance Work Order / Issue / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1941.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		300 USD

Internal work order (not linked to Maintenance Sales)

Example: Two pieces of item PI1 are delivered from warehouse NWH1 for maintenance work order WCS000002. Transaction ID IT0000027 is created upon issue from warehousing. The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1942.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000027		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1943.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000027		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1944.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000027		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD

1945.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000027		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1946.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000027		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1947.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

14.1.2 Batch repair

If batch repair applies, the item that must be maintained is present on the work order lines.

Batch repair is only possible for internal maintenance work orders that are not linked to maintenance sales orders. The items that must be maintained must be serialized. For each serialized item, a material resource line of type batch repair is created.

The serialized items are always received from a warehouse that is not a customer-owned warehouse. This warehouse is entered on the maintenance work order header. If the serialized item is present in another warehouse, a transfer order is generated to transfer the item from this warehouse to the warehouse of the maintenance work order header.

Example: Two serial items of item PI1 are delivered from warehouse NWH1 for maintenance work order WCS000003 with department SD1. Serial item S1 is already present in NWH1, serial item S2 is present in NWH2. A transfer order is generated from warehouse NWH2 to warehouse NWH1 for serial item S2. The integration transactions for the transfers are described in section *Warehousing, Transfers*.

After the transfer, both serial items are present in warehouse NWH1. Transaction ID IT0000073 is created upon issue from warehouse for serial item S1. Transaction ID IT0000074 is created for serial item S2.

The amount for the integration transactions depends on the inventory value, which in turn depends on the valuation method, as described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is Serial Price and, for serial item S1, the Serial Price at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. For serial item S2, the Serial Price at issue date is 100 USD (MAT), 10 USD (SUR), and 3 USD (WRS), for a total of 113 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

For serial item S1, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1948.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000073		
D	Inventory	Inventory / 1	NWH1	SUR	27 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	27 USD
1949.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000073		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1950.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000073		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory	Inventory / 1	NWH1	MAT	120 USD
1951.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000073		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD
C	Inventory	Inventory / 1	NWH1	SUR	44 USD
1952.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000073		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
1953.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000003		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD
C	Interim Transit	Interim Transit / 1	NWH1		167 USD

For serial item S2, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1954.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000074		
D	Inventory	Inventory / 1	NWH1	SUR	22.6 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	22.6 USD
1955.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000074		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1956.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000074		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Inventory	Inventory / 1	NWH1	MAT	100 USD
1957.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000074		
D	Interim Transit	Interim Transit / 1	NWH1		37.6 USD
C	Inventory	Inventory / 1	NWH1	SUR	37.6 USD
1958.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000074		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
1959.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000003		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		140.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		140.6 USD

14.2 Material resource lines

14.2.1 From Warehouse (company owned or consigned)

Example: An issue with delivery type From Warehouse for maintenance work order WCS000002 of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000028 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

DIC	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1960.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000028		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1961.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000028		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1962.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1963.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1964.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1965.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

14.2.2 From Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled).

Example: Customer owned issue for Maintenance Work Order WCS000002 with service department SD1, of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000028 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which is always the value of the record that will be consumed (FIFO principle). Assume for example that the inventory value is 110 USD on cost component MAT.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1966.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
1967.	15032052: Maintenance Work Order / Issue / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1968.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		220 USD

The item issued can have mixed ownership. In this case the company owned inventory WIP must be decreased also.

If, for example, the value of the company owned WIP is 20 USD per piece on cost component MAT in addition to journal entry 1966 till 1968 also journal entry 1969 and 1970 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1969.	10060116: Warehouse Issue / WIP Transfer		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		40 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	40 USD
1970.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	MWO WIP	Maintenance Work Order WIP / 1	NWH1		40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD

14.2.3 From Kit

If the delivery type is **From Kit**, the same postings as described in section 14.2.1 created. The issue, in this case, is made from the material resource line in maintenance, not from Warehousing.

14.2.4 Via Purchase

If the delivery type is **Via Purchase**, a purchase order is created for the given warehouse/item first. When the purchase order is received, the postings described in section *Purchase Order, Receipts, Purchased item in warehouse* are created. Next, the goods are delivered from warehouse to maintenance. To do so, the postings, described in section *Maintenance Work Order, Material resource lines, From Warehouse* are created.

14.2.5 To Warehouse (company owned)

Example: Receipt with delivery type To Warehouse for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. Two options are available: the order price is entered on the warehouse inbound order line, or the order price is not entered on the inbound order line. In the last situation, the parameter 'Default Inventory Receipt Value' determines which amount is used for the receipt posting.

Normal Receipt (Part Receipt Line) – Inbound Price defined

In this example, order price is entered for 110 USD each. Inventory transaction ID IT0000029 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1971.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		220 USD
1972.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1973.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
1974.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1975.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
1976.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present, and the lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1977.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Material Resource Line) – No Inbound Price defined – Default Inventory Receipt Value is 'Standard Cost'

The maintenance work integration transactions are booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance).

Example: Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1 Inventory Transaction ID IT0000029 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1978.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD
1979.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1980.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
1981.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1982.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Material Resource Line) – No Inbound Price defined – Default Inventory Receipt Value is 'Inventory Value'

The maintenance work integration transactions are booked against *inventory value* excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance).

Example: Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000029 is created during receipt. If the valuation method is MAUC and the current MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1983.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD
1984.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		27.09 USD
1985.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		2 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		2 USD

1986.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1987.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
1988.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD
1989.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22.91 USD
1990.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal entry 1983 through 1990 are created. No lot results required.

Return Receipt (Material Resource Line) – Unlinked – No Inbound Price defined – Default Inventory Receipt Value is 'Standard Cost'

The maintenance work order integration transactions are booked against issue Standard Cost. Inventory is booked against same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards receipt Standard Cost or in case valuation method is lot pricing and the lot price already exists the lot price.

Example: Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1 Inventory Transaction ID IT0000029 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

1991.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
1992.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		75.2 USD
1993.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
1994.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	28.12 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	28.12 USD
1995.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
1996.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-83.32 USD
1997.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
1998.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
1999.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
2000.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order	SD1		-6 USD

		WIP / 1			
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 200 + 75.2 + 6

(**) 75.2 + 28.12 – 20 (receipt Standard Cost value on SUR)

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 10 (SUR) and 4 (WRS) the following integration transactions are created instead of integration transactions 1995 and 1996:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2001.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD
C	Lot Result	End Account / 733	NWH1	SUR	-83.32 USD
2002.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD
C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost the following integration transactions are created instead of integration transactions 1996 and 1997:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2003.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-83.32 USD
2004.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-6 USD

Return Receipt (Material Resource Line) – Unlinked – No Inbound Price defined – Default Inventory Receipt Value is 'Valuation Price'

The maintenance work order integration transactions are booked against *inventory value* increased with issue surcharge. Inventory is booked with same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards *inventory value* before return..

Example Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000029 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2005.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2006.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	111.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		111.6 USD
2007.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
2008.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	31.96 USD (**)
C	Surcharge Cover	End Account / 732	NWH1	IRS	31.96 USD
2009.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2010.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD (***)
C	Value Correction	End Account / 736	NWH1	SUR	-93.56 USD
2011.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
2012.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2013.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-111.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD

2014.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

(**) 10% of (200 + 111.6 + 8)

(***) 50 – 111.6 – 31.96

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) journal entry 2010 and 2011 are replaced by journal entry 2015 and 2016.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2015.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-98.56 USD
C	Lot Result	End Account / 733	NWH1	SUR	-98.56 USD
2016.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Lot Result	End Account / 733	NWH1	WRS	-6 USD

Return Receipt (Material Resource Line) – Unlinked – Inbound Price defined – Default Inventory Receipt Value is 'Standard Cost'

The maintenance work order integration transactions are booked against issue Standard Cost. Inventory is booked against inbound price increased with receipt surcharges. (Differences on interim transit account are cleared by return result)

Example: Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000029 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2017.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD

2018.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2019.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2020.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Return Result	End Account / 738	NWH1	MAT	20 USD
2021.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
C	Return Result	End Account / 738	NWH1	SUR	-75.2 USD
2022.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	WRS	-6 USD
2023.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2024.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
2025.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR) and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2026.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2027.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2028.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Return Receipt (Material Resource Line) – Unlinked – Inbound Price defined – Default Inventory Receipt Value is 'Inventory Value'

The service order integration transactions are booked against *inventory value* increased with issue surcharges. Inventory is booked against inbound price increased with receipt surcharges. (Differences on interim transit account are cleared by return result).

Example: Receipt with delivery type 'To Warehouse' for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000029 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2029.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD

2030.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2031.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2032.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Return Result	End Account / 738	NWH1	MAT	20 USD
2033.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
C	Return Result	End Account / 738	NWH1	SUR	-111.6 USD
2034.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000029		
D	Interim Transit	Interim Transit / 1	NWH1		-8 USD
C	Return Result	End Account / 738	NWH1	WRS	-8 USD
2035.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2036.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-111.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
2037.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 20 (SUR) and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2038.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Lot Result	End Account / 733	NWH1	MAT	-20 USD
2039.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	28 USD
C	Lot Result	End Account / 733	NWH1	SUR	28 USD
2040.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

14.2.6 To Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled)

14.2.6.1 Normal Receipt – No price defined on inbound order line

Inbound order line ownership:

- Payment = not applicable
- Internal Payment = not applicable
- Ownership = customer owned
- Owner = sold to business partner

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the maintenance work and inventory integration transactions.

Example: Customer owned receipt with delivery type *To Warehouse* for maintenance work order WCS000002 of to pieces of item PI1 for warehouse NWH1. Inventory transaction ID IT0000029 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2041.	15032074: Maintenance Work Order / Receipt / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 13	NWH1		200 USD
C	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		200 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2042.	<i>15061074: Warehouse Receipt / Receipt / Customer Owned</i>		<i>BO: Inventory Transaction / IT0000029</i>		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2043.	<i>15032105: Maintenance Work Order / Transfer Accrual / Customer Owned</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		200 USD

14.2.6.2 Normal Receipt – Price defined on inbound order line

Example: Customer owned receipt with delivery type *To Warehouse* for maintenance work order WCS000002 of two pieces of item PI1 for warehouse NWH1. An order price is entered of 130 USD each. Inventory transaction ID IT0000029 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2044.	<i>15032074: Maintenance Work Order / Receipt / Customer Owned</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim Transit	Interim Transit / 13	NWH1		260 USD
C	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		260 USD
2045.	<i>15061074: Warehouse Receipt / Receipt / Customer Owned</i>		<i>BO: Inventory Transaction / IT0000029</i>		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	260 USD
C	Interim Transit	Interim Transit / 13	NWH1		260 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2046.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		260 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		260 USD

14.2.6.3 Return Receipt – Linked to Original Order

For material resource lines of type *From Warehouse*, the actual quantity used on the Maintenance Work Order can be different from the delivered, quantity. The not used quantity is returned to the warehouse where Maintenance Work Order WIP is already cleared upon closing the Maintenance Work Order. In this case the maintenance work order issue is created with the amount of the original maintenance work order issue.

Example: The data from section 14.2.2 is used, where delivered quantity is 2 and actual quantity used is 1. If the line is of type *From Warehouse*, upon closing the maintenance work order material resource line the following journal entries are created.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2047.	15032052: Maintenance Work Order / Issue / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		-110 USD
C	Interim Transit	Interim Transit / 13	NWH1		-110 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2048.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-110 USD

If the item original issued has mixed ownership next to journal entry 2047 and 2048 also journal entry 2049 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2049.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	MWO WIP	Maintenance Work Order WIP / 1	SD1		-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

In addition, a new material resource line of type *To Warehouse* is created with a 'not consumed line number' referring to the original line number. The related inbound line of one piece of PI1 can be handled in three ways:

- Receipt of one piece: No price defined on inbound order line
- Receipt of one piece: Price defined on inbound order line
- Receipt of zero pieces (final)

Receipt of one piece: No price defined on inbound order line

The warehouse receipt is made with the maintenance work order issue amount which is equal to the amount of the original maintenance work order issue.

Example: One piece of item PI1 from warehouse NWH1 of order WCS0000002, as described in section 14.2.2 is returned. Inventory transaction ID IT0000030 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2050.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000030		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH1		110 USD

If the item original issued has mixed ownership next to journal entry 2050 also journal entry 2051 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2051.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000030		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

Receipt of one piece: Price defined on inbound order line

The warehouse receipt is made with amount of inbound order line. The interim transit is balanced with a return result.

Example: One piece of item PI1 from warehouse NWH1 of order SOC0000002, as described in section 14.2.2, is returned. The inbound order line price is 120 USD each. Inventory transaction ID IT0000031 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2052.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000031		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 13	NWH1		120 USD
2053.	15061090: Warehouse Receipt / Return Result / Customer Owned		BO: Inventory Transaction / IT0000031		
D	Interim Transit	Interim Transit / 13	NWH1		10 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		10 USD

If the item original issued has mixed ownership there still will be no receipt in company owned inventory WIP anymore. The interim transit is balanced with a return result.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2054.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000031		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD

Receipt of zero pieces (final)

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service issue amount. Inventory transaction ID IT0000042 is created during receipt. The following posting is created:

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2055.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000042		
D	Interim Transit	Interim Transit / 13	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-110 USD

If the item original issued has mixed ownership next to journal entry 2055 also journal entry 2056 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2056.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000042		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-20 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

14.2.6.4 Return receipt – Not linked to original order

No price defined on inbound order line

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the maintenance work and inventory integration transactions.

Example: Customer owned receipt with delivery type *To Warehouse* for maintenance work order MSC000002 of to pieces of item PI1 for warehouse NWH1. Inventory transaction ID IT0000038 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2057.	15032052: Maintenance Work Order / Issue/ Customer Owned		BO: Maintenance Work Order / MSC000002		
D	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		-200 USD
C	Interim Transit	Interim Transit / 13	NWH1		-200 USD
2058.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2059.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / MSC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-200 USD

Price defined on inbound order line

Example: Customer owned receipt with delivery type *To Warehouse* for maintenance work order MSC000002 of to pieces of item P11 for warehouse NWH1. An order price is entered of 130 USD each. Inventory transaction ID IT0000038 is created during receipt. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2060.	15032052: Maintenance Work Order / Issue/ Customer Owned		BO: Maintenance Work Order / MSC000002		
D	Customer Owned MWO WIP	Maintenance Work Order WIP / 2	SD1		-260 USD
C	Interim Transit	Interim Transit / 13	NWH1		-260 USD
2061.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	260 USD
C	Interim Transit	Interim Transit / 13	NWH1		260 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2062.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / MSC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-260 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-260 USD

14.2.7 Location

If the delivery type is **Location**, no integration transactions are created.

14.2.8 Follow-Up Work Order

If the delivery type is **Follow-Up Work Order**, no integration transactions are created.

14.2.9 To Scrap

If the delivery type is **To Scrap**, no integration transactions are created.

14.2.10 From Service Stock

If the delivery type is **From Service Stock**, the goods are not delivered from a warehouse, but already available on the service floor.

Example: Actual quantity of **2** is entered for item PI1. The cost price from CPR is used for the posting, therefore, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2063.	10032045: Maintenance Work Order / General Costs		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD
C	General Costs	End Account / 371	SD1		200 USD

14.2.11 Subcontracting Requirement

The delivery type **Subcontracting Requirement** is only permitted for a subcontracted work order. Subcontracting Requirement is also the only delivery type that is permitted in that case. No integration transactions are created for this delivery type.

14.2.12 Batch Repair

Integration transactions for delivery type **Batch Repair** are described in section *Maintenance Work Order, Receipt of to be maintained item, Batch repair*.

14.3 Outgoing Subassemblies

14.3.1 To Location

If the action is **Location**, no integration transactions are created.

14.3.2 To Location for Work

If the action is **To Location for Work**, no integration transactions are created.

14.3.3 To Warehouse (company owned)

The ownership of the outgoing subassembly can be company owned on both internal- as external workorder.

Example: Two components (PI1) are disassembled from the to be maintained item and send to the warehouse for maintenance work order WCS000002. Two options are available: the order price is entered on the warehouse inbound order line, or the order price is not entered on the inbound order line. In this example, order price is entered for 20 USD each. Inventory transaction ID IT0000029 is created during receipt

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2064.	10032074: Maintenance Work Order / Receipt		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		40 USD
2065.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	MAT	40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD
2066.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	SUR	4 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	4 USD
2067.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000029		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

Notes:

- If no inbound price is defined the inventory handling parameter “Default Inventory Receipt Value” defines whether the receipt posting is based on **standard costs** or **inventory value**.

14.3.4 To Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled)

Example: Two components (PI1) are disassembled from the to be maintained item and send to the warehouse for maintenance work order WCS000002. An order price is entered of 20 USD each. Inventory transaction ID IT0000029 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2068.	15032074: Maintenance Work Order / Receipt / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 13	NWH1		40 USD
C	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		40 USD
2069.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000029		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	40 USD
C	Interim Transit	Interim Transit / 13	NWH1		40 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2070.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		40 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		40 USD

14.3.5 To Department

When the action is **To Department** the subassembly is first received in the warehouse and subsequently transferred to another warehouse (belonging to 'to department').

When receiving the subassembly in the warehouse the same financial transactions are created as with action **To Warehouse** as described in section 14.3.3 and 14.3.4

The financial transactions related to company owned warehouse transfers (internal work orders) and customer owned warehouse transfers (external work orders) are described in section 21.8.

Note:

In case of a customer owned transfer the transfer issue is valued against the related receipt value

14.3.6 To Subcontractor

The integration transactions that are created depend on the scenario. In case of subcontracting with maintained item flow, the postings as described in section 14.5 are created. In case of subcontracting without maintained item flow, the postings as described in section 4.4.10 are created. In all scenario's a purchase order is created related to the maintenance work order.

14.3.7 To Scrap

If the delivery type is **To Scrap**, no integration transactions are created.

14.3.8 To be Decided

If the delivery type is **To be Decided**, no integration transactions are created.

14.4 Incoming Subassemblies

14.4.1 From Location

If the action is **To Location**, no integration transactions are created.

14.4.2 From Location for Work

If the action is **To Location for Work**, no integration transactions are created.

14.4.3 From Warehouse

14.4.3.1 External work order (linked to Maintenance Sales)

Example: Two subassemblies are delivered from warehouse NWH1 for maintenance work order WCS000002, linked to Maintenance Sales Order MSC000002. Inventory Transaction ID IT0000120 is created upon issue from warehousing. The issue is valued based on the value of the related receipt which is basically the residual value entered on the outgoing subassembly (20 USD each) as described in section 14.3.4.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2071.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000120		
D	Interim Transit	Interim Transit / 13	NWH1		40 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	40 USD

2072.	15032052: Maintenance Work Order / Issue / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		40 USD
C	Interim Transit	Interim Transit / 13	NWH1		40 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2073.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		40 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		40 USD

14.4.3.2 Internal work order (not linked to Maintenance Sales)

Example: Two subassemblies (PI1) are delivered from warehouse NWH1 for maintenance work order WCS000002. Inventory Transaction ID IT0000028 is created upon issue from warehousing. The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 20 USD (MAT), 2 USD (SUR), and 3 USD (WRS), for a total of 25 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2074.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000028		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	5 USD
2075.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000028		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD

2076.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		40 USD
C	Inventory	Inventory / 1	NWH1	MAT	40 USD
2077.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		17 USD
C	Inventory	Inventory / 1	NWH1	SUR	17 USD
2078.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000028		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2079.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		63 USD
C	Interim Transit	Interim Transit / 1	NWH1		63 USD

14.4.4 From Department

When the action is **From Department** the subassembly is first transferred from the warehouse belonging to the 'from department' back to the warehouse belonging to your own department.

The financial transactions related to company owned warehouse transfers (internal work orders) and customer owned warehouse transfers (external work orders) are described in in section 21.8.. In case of a customer owned transfer the issue is valued against the related receipt value.

When the subassembly is delivered from the warehouse the same financial transactions are created as with action **From Warehouse** as described in section 14.4.3.

14.4.5 From Subcontractor

The integration transactions that are created depend on the scenario. In case of subcontracting with maintained item flow, the postings as described in section 14.5 are created. In case of subcontracting without maintained item flow, no postings are created.

14.4.6 No Action

If the delivery type is **No Action**, no integration transactions are created.

14.4.7 To be Decided

If the delivery type is **To be Decided**, no integration transactions are created.

14.5 Subcontracting (with maintained item flow)

Note: For a tool item no journal entries are made for the movement of goods from or to a warehouse.

14.5.1 Receiving To be Maintained Item or Subassembly in warehouse

Internal work order (not linked to Maintenance Sales)

Example: One of the items PI1 received on the maintenance work order WSC000002 is broken and will be repaired by a subcontractor. First the item has to be received from the maintenance work floor in the warehouse. In service it is possible to give the residual value which is used as inbound order price. If this value is not given the valuation price is used. Inventory transaction ID IT0000103 is created during receipt. The following journal entries are created in case of a price of 150 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2080.	10032091: Maintenance Work Order / Subcontracting WIP		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 1	NWH1		150 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		150 USD
2081.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 1	NWH1		150 USD
2082.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000103		
D	Inventory	Inventory / 1	NWH1	SUR	15 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	15 USD
2083.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

If the valuation method of item P1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 170 (MAT), 15 (SUR) and 3 (WRS) the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2084.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	MAT	20 USD
C	Lot Result	End Account / 733	NWH1	MAT	20 USD

If the valuation method of item P1 in warehouse NWH1 is Standard Cost the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2085.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	MAT	-50 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-50 USD
2086.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000103		
D	Inventory	Inventory / 1	NWH1	SUR	-5 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-5 USD

External work order (linked to Maintenance Sales)

Example: Same data as for example above, but item P1 is customer owned now. Instead of journal entries 2080 up to 2086 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2087.	15032091: Maintenance Work Order / Subcontracting WIP / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		150 USD
2088.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000103		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD

If the financial companies of NWH1 and SD1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2089.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		150 USD

14.5.2 Sending To be Maintained Item or Subassembly to subcontractor

After the receipt in NWH1, the items must be transferred to the subcontractor. Because they are still owned by the company (internal work order) or the business partner of the maintenance sales order (external work order), a transfer is created from warehouse NWH1 to a kind of administrative warehouse, say for example AWH1. Journal entries created for this transfer are described in section 21.8.

14.5.3 Issue of To be Maintained Item or Subassembly by subcontractor

Internal work order (not linked to Maintenance Sales)

Service should trigger the issue of the To be maintained item or the subassembly from the administrative warehouse. This is required to clear the inventory in that warehouse. The following journal entries are created for this (if for example the inventory value of the item P1 in warehouse AWH1 is equal to 150 USD (MAT), 15 USD (SUR) and 3 USD (WRS). Inventory Transaction ID IT0000105 is created for this. The following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2090.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000105		
D	Inventory	Inventory / 1	AWH1	SUR	33.4 USD
C	Surcharge Cover	End Account / 713	AWH1	IIS	33.4 USD
2091.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 1	AWH1		150 USD
C	Inventory	Inventory / 1	AWH1	MAT	150 USD
2092.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 1	AWH1		48.4 USD
C	Inventory	Inventory / 1	AWH1	SUR	48.4 USD

2093.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 1	AWH1		3 USD
C	Inventory	Inventory / 1	AWH1	WRS	3 USD
2094.	10032089: Maintenance Work Order / Subcontracting		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		201.4 USD
C	Interim Transit	Interim Transit / 1	AWH1		201.4 USD

External work order (linked to Maintenance Sales)

Example: Same data as for example above, but item PI1 is customer owned now. Instead of journal entries 2090 up to 2094, the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value Yes).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2095.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000105		
D	Interim Transit	Interim Transit / 13	AWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	AWH1	MAT	150 USD
2096.	15032089: Maintenance Work Order / Subcontracting / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		150 USD
C	Interim Transit	Interim Transit / 13	AWH1		150 USD

If the financial companies of AWH1 and SD1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2097.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	AWH1		150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD

14.5.4 Returning To be Maintained Item or Subassembly from subcontractor

When the subcontractor finished his work, the item can be returned. This is handled with the purchase order

Journal entries created for the receipt of the item on the purchase order are described in section 4.4.11.

14.5.5 Issue of To be Maintained Item or Subassembly to work center

Internal work order (not linked to Maintenance Sales)

Example: Inventory transaction ID IT0000107 is created upon issue. Assume that valuation method is MAUC and the MAUC at return date is 160 USD (MAT) and 16 USD (SUR), so a total of 176 USD. For the warehouse postings, the inventory value is always taken. Issue surcharges are added to this amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2098.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000107		
D	Inventory	Inventory / 1	NWH1	SUR	33.4 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	33.4USD
2099.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000107		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
2100.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000107		
D	Interim Transit	Interim Transit / 1	NWH1		160 USD
C	Inventory	Inventory / 1	NWH1	MAT	160 USD
2101.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000107		
D	Interim Transit	Interim Transit / 1	NWH1		54.4 USD
C	Inventory	Inventory / 1	NWH1	SUR	54.4 USD
2102.	10032089: Maintenance Work Order / Subcontracting		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		214.4 USD
C	Interim Transit	Interim Transit / 1	NWH1		214.4 USD

External work order (linked to Maintenance Sales)

Example: Same data as for example above, but item PI1 is customer owned now. Instead of journal entries 2098 up to 2102 the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2103.	15032089: Maintenance Work Order / Subcontracting / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD
2104.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000104		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD

If the financial companies of NWH1 and SD1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2105.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		150 USD

14.6 Hour lines

Journal entries for hours are described in section *People, Hours, Maintenance Work*.

14.7 Other resource lines

14.7.1 Subcontracting

If the maintenance work order is subcontracted, you can enter a cost or service item on the other resource line. A purchase order is created for these lines. When the purchase

order is received, the postings, described in section *Purchase Order, Receipts, Maintenance work subcontracting*, are created. If a price variance arises for the purchase order, the postings, described in section *Purchase Order, Invoice approval / Change price after receipt, Maintenance work subcontracting* are created.

14.7.2 Tool costs

If the maintenance work order is not subcontracted, you can enter a tool item on the other resource line and also a quantity and a price.

If the actual quantity is filled, for example, with two pieces for a price of 60 USD, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2106.	10032127: Maintenance Work Order / Tool Costs		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD
C	General Costs	End Account / 374	SD1		120 USD

14.7.3 General costs

The item on the other resource line might also be empty. In this case, you can also fill a quantity and a price. If you fill the actual quantity, for example, with two pieces for a price of 70 USD, the following posting is created, as in section *Maintenance Work Order, Material resource lines, From Service Stock*:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2107.	10032045: Maintenance Work Order / General Costs		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		140 USD
C	General Costs	End Account / 371	SD1		140 USD

14.7.4 General costs (through Financials)

In addition, you can enter a cost invoice in Financial (ACP). Assume an invoice arrives for 50 USD. You can assign these costs to a maintenance work order line. In this case, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2108.	10032044: Maintenance Work Order / General Costs (through Financials)		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		50 USD
C	General Costs	End Account / 372	SD1		50 USD

14.8 Closing

14.8.1 Header (to be maintained item)

In this case, only integration transactions are created if the item was received from a warehouse, as described in section *Maintenance Work Order, Receipt of to be maintained item, No batch repair*. The transactions that must be created depend on the situation.

External work order: the item that is maintained is sent to a location

The item that is maintained is sent to the location or service customer-owned warehouse.

Example: In the example in section *Maintenance Work Order, Receipt of to be maintained item*, two pieces must be maintained. Assume one piece is maintained successfully and the other can no longer be repaired.

In this case, the following postings created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2109.	10032009: Maintenance Work Order / Completion		BO: Maintenance Work Order / WCS000002		
D	Completion	End Account / 362	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD
2110.	10032075: Maintenance Work Order / Rejection		BO: Maintenance Work Order / WCS000002		
D	Rejection	End Account / 363	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD

Internal work order: the item that is maintained is sent to a location

Example: In the example in section *Maintenance Work Order, Receipt of to be maintained item* two pieces must be maintained. Assume one piece is maintained successfully and the other can no longer be repaired. In this case, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2111.	10032009: Maintenance Work Order / Completion		BO: Maintenance Work Order / WCS000002		
D	Completion	End Account / 362	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD
2112.	10032075: Maintenance Work Order / Rejection		BO: Maintenance Work Order / WCS000002		
D	Rejection	End Account / 363	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD

External work order: the item that is maintained is sent to a warehouse

Example: In the example in section *Maintenance Work Order, Receipt of to be maintained item, No batch repair*, two pieces must be maintained. Assume one piece is maintained successfully, and the other can no longer be repaired. In this case, the following postings are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. In addition, an inbound line of one piece is created in Warehousing. The postings related to this inbound line are described in section *Maintenance Work Order, Returns, Header (to be maintained item)*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2113.	15032052: Maintenance Work Order / Issue / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		-150 USD
C	Interim Transit	Interim Transit / 13	NWH1		-150 USD
2114.	15032075: Maintenance Work Order / Rejection / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD
C	Customer Owned Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		150 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2115.	15032105: Maintenance Work Order / Transfer Accrual / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-150 USD

Internal work order: the item that is maintained is sent to a warehouse

The item that is maintained is sent to a warehouse that is not service-customer owned

Example: In the example in section *Maintenance Work Order, Receipt of to be maintained item, No batch repair*, two pieces must be maintained. Assume one piece is maintained successfully, and the other can no longer be repaired. In this case, the following postings are created. In addition, an inbound line of one piece is created in Warehousing. The postings related to this inbound line are described in section *Maintenance Work Order, Returns, Header (to be maintained item)*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2116.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-167 USD
C	Interim Transit	Interim Transit / 1	NWH1		-167 USD
2117.	10032075: Maintenance Work Order / Rejection		BO: Maintenance Work Order / WCS000002		
D	Rejection	End Account / 363	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD

Note: If an item was issued that has mixed ownership, the inventory WIP (see section *Maintenance Work Order, Receipt of to be maintained item, No batch repair*) is no longer returned.

14.8.2 Material resource lines

Delivery type Batch Repair

The postings for lines with delivery type **Batch Repair** depend on the status of the serialized item.

If the Serial Status is Working Condition, To Be Recycled or Defective, the serialized item is returned to the warehouse. If the Serial Status is Removed, the serialized item is not returned to the warehouse, but discarded.

Example: In the example in section *Maintenance Work Order, Receipt of to be Maintained Item, Batch repair*, two serial items must be maintained.

Assume that serial item S1 cannot be repaired and is discarded. Serial item S1 gets the Serial Status Removed. Assume that serial item S2 is repaired successfully. Serial item S2 gets the Serial Status Working Condition and is returned to the warehouse; first to warehouse NWH1 and next, with a transfer, to warehouse NWH2.

The following posting is created for serial item S1:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2118.	10032075: Maintenance Work Order / Rejection		BO: Maintenance Work Order / WCS000003		
D	Rejection	End Account / 363	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD

The following posting is created for Serial item S2. In addition, an inbound line of one piece is created in Warehousing, for warehouse NWH1. The postings related to this inbound line are described in section *Maintenance Work Order, Returns, Material resource lines*.

In addition, a transfer is generated from warehouse NWH1 to warehouse NWH2. The integration transactions for transfers are described in section *Warehousing, Transfers*.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2119.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000003		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-140.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-140.6 USD

Delivery type From Warehouse, From Kit, or Via Purchase (company owned)

For lines with the specified delivery types, not all the materials that were originally issued from the warehouse might actually be used. If unused, the materials are returned to the warehouse.

If, for the example described in section *Maintenance Work Order, Material resource lines, From Warehouse*, only one of the pieces is used, and the other piece is returned to the warehouse, the following postings are created:

For the piece that is returned to the warehouse, an inbound line is created in Warehousing:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2120.	10032052: Maintenance Work Order / Issue		BO: Maintenance Work Order / WCS000002		
D	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-167 USD
C	Interim Transit	Interim Transit / 1	NWH1		-167 USD

For the piece that is actually used, the postings differ for an internal maintenance work order. In other words, a work order not linked to a maintenance sales order, and an external maintenance work order, which is a work order linked to a maintenance sales order, for example, MSC000002 with department SD2.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2121.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
D	Costs	End Account / 361	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2122.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD
2123.	10031107: Maintenance Sales Order / Material		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		167 USD
C	Interim Transit	Interim Transit / 9	SD1		167 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 190 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2124.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		167 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		167 USD
2125.	10031108: Maintenance Sales Order / Material Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		190 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		190 USD

Delivery type From Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled).

For material resource lines with delivery type *From Warehouse*, unused items are returned to the warehouse. These postings are described in section 14.2.6.3 .

Example: The line of the example in section 14.2.2 is closed. Both pieces are actually used. Upon closing the following postings are created.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2126.	15032009: Maintenance Work Order / Completion / Customer Owned		BO: Maintenance Work Order / MSC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		220 USD
C	Customer Owned Maintenance Work Order WIP	Maintenance Work Order WIP / 2	SD1		220 USD

If the item has mixed ownership next to journal entry 2126 also journal entries 2127 and 2128 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2127.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		20 USD

C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		20 USD
2128.	10031107: Maintenance Sales Order / Material		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		20 USD
C	Interim Transit	Interim Transit / 9	SD1		20 USD

Delivery type To Warehouse (company owned)

For lines with this delivery type, returns are not possible. If the line of the example of section *Maintenance Work Order, Material resource lines, To Warehouse* is closed, the postings depend again on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2129.	10032151: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
D	Costs	End Account / 361	SD1		-334 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-334 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2130.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		-334 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-334 USD
2131.	10031107: Maintenance Sales Order / Material		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-334 USD
C	Interim Transit	Interim Transit / 9	SD1		-334 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 190 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2132.	<i>10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim COGS	Interim Costs / 22	SD1		-334 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-334 USD
2133.	<i>10031108: Maintenance Sales Order / Material Intercompany</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		380 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		380 USD

Delivery type To Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled)

Example: The line of the example in section 14.2.6.3 is closed. Upon closing the following postings are created.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2134.	<i>15032009: Maintenance Work Order / Completion / Customer Owned</i>		<i>BO: Maintenance Work Order / MSC000002</i>		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-110 USD
C	Customer Owned Maintenance Work Order WIP	Maintenance Work Order WIP / 2	SD1		-110 USD

If the item has mixed ownership next to journal entry 2134 also journal entries 2135 and 2136 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2135.	<i>10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim Transit	Interim Transit / 9	SD1		-20 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-20 USD
2136.	<i>10031107: Maintenance Sales Order / Material</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-20 USD
C	Interim Transit	Interim Transit / 9	SD1		-20 USD

Delivery type From Service Stock

For lines with this delivery type, returns are not possible. If the line of the example in section *Maintenance Work Order, Material resource lines, From Service Stock* is closed, postings again depend on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2137.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
D	Costs	End Account / 361	SD1		200 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2138.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		200 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD
2139.	10031048: Maintenance Sales Order / General Costs Work Order		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		200 USD
C	Interim Transit	Interim Transit / 9	SD1		200 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 250 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2140.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		200 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		200 USD
2141.	10031099: Maintenance Sales Order / General Costs Work Order Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		250 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		250 USD

14.8.3 Outgoing subassembly

To Warehouse (company owned)

The line of the example in section 14.3.3 is closed.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2142.	<i>10032151: Maintenance Work Order / Internal Service Costs</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Costs	End Account / 361	SD1		-40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-40 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2143.	<i>10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim Transit	Interim Transit / 9	SD1		-40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-40 USD
2144.	<i>10031107: Maintenance Sales Order / Material</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-40 USD
C	Interim Transit	Interim Transit / 9	SD1		-40 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 190 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2145.	<i>10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim COGS	Interim Costs / 22	SD1		-40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-40 USD

2146.	10031108: Maintenance Sales Order / Material Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		380 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		380 USD

To Warehouse (customer owned)

Ownership can be customer owned in case of an external work order (Sold-To BP filled)

If the line of the example in section 14.3.4 is closed the following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2147.	15032009: Maintenance Work Order / Completion / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		-40 USD

To Department

When closing an outgoing subassembly line with action **To Department** the same financial transactions are created as with action **To Warehouse**.

14.8.4 Incoming subassembly

14.8.4.1 From Warehouse

For lines with this delivery type, returns are not possible.

External Work Order (linked to Maintenance Sales Order)

If the line of the example in section 14.4.3.1 is closed the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2148.	15032009: Maintenance Work Order / Completion / Customer Owned		BO: Maintenance Work Order / WCS000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		40 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 2	SD1		40 USD

Internal Work Order (not linked to Maintenance Sales Order)

If the line of the example in section 14.4.3.2 is closed the following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2149.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
D	Costs	End Account / 361	SD1		63 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		63 USD

14.8.4.2 From Department

When closing an incoming subassembly line with action **From Department** the same financial transactions are created as with action **From Warehouse** as described in section 14.8.4.1

14.8.5 Hour lines

If the line of the example in section *People, Hours, Maintenance work*, is closed, postings again depend on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2150.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000001		
D	Costs	End Account / 361	SD1		160 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		160 USD

For an external order, in other words, if the order is linked to maintenance sales order MSC000001 with department SD2, the following postings are created if no intercompany relationship is defined between work order department and sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2151.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000001		
D	Interim Transit	Interim Transit / 9	SD1		160 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		160 USD
2152.	10031061: Maintenance Sales Order / Operation Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		160 USD
C	Interim Transit	Interim Transit / 9	SD1		160 USD

For an external order, in other words, if the order is linked to maintenance sales order MSC000001 with department SD2, the following postings are created if an intercompany trade relationship is defined between work order department and sales order department and the intercompany trade amount is 200 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2153.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		160 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		160 USD
2154.	10031098: Maintenance Sales Order / Operation Costs Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		200 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		200 USD

14.8.6 Other resource lines

14.8.6.1 Subcontracting

If the line of the example in section *Purchase Order, Receipts, Maintenance work subcontracting* is closed, postings depend on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2155.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000001		
D	Costs	End Account / 361	SD1		100 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		100 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2156.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000001		
D	Interim Transit	Interim Transit / 9	SD1		100 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		100 USD

2157.	10031089: Maintenance Sales Order / Subcontracting		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		100 USD
C	Interim Transit	Interim Transit / 9	SD1		100 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 150 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2158.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		100 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		100 USD
2159.	10031097: Maintenance Sales Order / Subcontracting Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		150 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		150 USD

Price variances occurring when the maintenance work order is already closed, are described in section 4.10.13 and 4.10.12.

14.8.6.2 Tool Costs

If the line of the example in section *Maintenance Work Order, Other resource lines, Tool costs* is closed, postings depend on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2160.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
D	Costs	End Account / 361	SD1		120 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2161.	<i>10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim Transit	Interim Transit / 9	SD1		120 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD
2162.	<i>10031127: Maintenance Sales Order / Tool Costs</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		120 USD
C	Interim Transit	Interim Transit / 9	SD1		120 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 160 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2163.	<i>10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim COGS	Interim Costs / 22	SD1		120 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD
2164.	<i>10031128: Maintenance Sales Order / Tool Costs Intercompany</i>		<i>BO: Maintenance Sales Order / MSC000002</i>		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		160 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		160 USD

14.8.6.3 General costs

If the line of the example in section *Maintenance Work Order/Other resource lines, General costs*, is closed, postings depend on whether the order is internal or external.

For an internal order, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2165.	<i>10032051: Maintenance Work Order / Internal Service Costs</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Costs	End Account / 361	SD1		140 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		140 USD

For an external order, the following postings are created if no intercompany trade relationship is defined between the work order department and the sales order department:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2166.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		140 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		140 USD
2167.	10031045: Maintenance Sales Order / General Costs		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		140 USD
C	Interim Transit	Interim Transit / 9	SD1		140 USD

For an external order, the following postings are created if an intercompany trade relationship is defined between the work order department and the sales order department and the intercompany trade amount is 180 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2168.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		140 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		140 USD
2169.	10031099: Maintenance Sales Order / General Costs Work Order Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		180 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		180 USD

If the line of the example in section 14.7.4 is closed, the same postings are created.

14.9 Intercompany Trade Subcontracting Depot Repair

It is possible an intercompany trade relation is defined between Maintenance Work Order (MWO) service department and Maintenance Sales Order (MSO) service

department. This intercompany trade relation can be based on price origin Time and Material or on price origin Commercial Price.

In case of Time and Material, every individual work order line get his own cogs and revenues. The revenues can be based on cost plus (with a markup percentage), commercial price (only for material or labor lines) or zero price (in fact no revenues).

In case of Commercial Price, every individual work order line get his own cogs, but the revenues are posted based on a commercial price on work order header level.

The intercompany trade order can be with or without internal invoice.

Note: For both price origins the postings as described in 14.8 are created, also on Maintenance Sales side. The total commercial amount will be divided over the different maintenance sales coverage lines.

14.9.1 With Internal Invoice – Price Origin Time and Material

Example: The work order exists of 2 order lines: the from warehouse material line as described in 14.8.2 and the order line for hours described in 14.8.5.

When the invoice is posted in Central Invoicing for the internal invoice, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2170.	10032082: Maintenance Work Order / Revenues Analysis		BO: Maintenance Work Order / WCS000002		
D	Interim Revenues	Interim Revenues / 5	SD1		190 USD
C	Turnover	End Account / 376	SD1		190 USD
2171.	10032125: Maintenance Work Order / Cost of Goods Sold		BO: Maintenance Work Order / WCS000002		
D	Cost of Goods Sold	End Account / 376	SD1		167 USD
C	Interim COGS	Interim Costs / 22	SD1		167 USD
2172.	10032082: Maintenance Work Order / Revenues Analysis		BO: Maintenance Work Order / WCS000002		
D	Interim Revenues	Interim Revenues / 5	SD1		200 USD
C	Turnover	End Account / 376	SD1		200 USD
2173.	10032125: Maintenance Work Order / Cost of Goods Sold		BO: Maintenance Work Order / WCS000002		
D	Cost of Goods Sold	End Account / 376	SD1		160 USD
C	Interim COGS	Interim Costs / 22	SD1		160 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section 25.4 *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2174.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Invoice Accrual	Invoice Accrual / 19	SD2		190 USD
2175.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Invoice Accrual	Invoice Accrual / 19	SD2		200 USD

You cannot perform unapproval for internal invoices.

14.9.2 With Internal Invoice – Price Origin Commercial Price

Example: The work order exists of 2 order lines: the from warehouse material line as described in 14.8.2 and the order line for hours described in 14.8.5. The agreed commercial price is 500 USD

When the invoice is posted in Central Invoicing for the internal invoice, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2176.	<i>10032082: Maintenance Work Order / Revenues Analysis</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Interim Revenues	Interim Revenues / 5	SD1		500 USD
C	Turnover	End Account / 376	SD1		500 USD
2177.	<i>10032125: Maintenance Work Order / Cost of Goods Sold</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Cost of Goods Sold	End Account / 376	SD1		167 USD
C	Interim COGS	Interim Costs / 22	SD1		167 USD
2178.	<i>10032125: Maintenance Work Order / Cost of Goods Sold</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Cost of Goods Sold	End Account / 376	SD1		160 USD
C	Interim COGS	Interim Costs / 22	SD1		160 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section 25.4 *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2179.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Invoice Accrual	Invoice Accrual / 19	SD2		500 USD

You cannot perform unapproval for internal invoices.

14.9.3 Without Internal Invoice – Price Origin Time and Material

Example: The work order exists of 2 order lines: the from warehouse material line as described in 14.8.2 and the order line for hours described in 14.8.5.

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last ones are meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2180.	<i>10032169: Maintenance Work Order / Revenues Intercompany</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Intercompany	End Account / 364	SD1		190 USD
C	Turnover	End Account / 378	SD1		190 USD
2181.	<i>10032125: Maintenance Work Order / Cost of Goods Sold</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Cost of Goods Sold	End Account / 376	SD1		167 USD
C	Interim COGS	Interim Costs / 22	SD1		167 USD
2182.	<i>10032169: Maintenance Work Order / Revenues Intercompany</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Intercompany	End Account / 364	SD1		200 USD
C	Turnover	End Account / 378	SD1		200 USD
2183.	<i>10032125: Maintenance Work Order / Cost of Goods Sold</i>		<i>BO: Maintenance Work Order / WCS000002</i>		
D	Cost of Goods Sold	End Account / 376	SD1		160 USD

C	Interim COGS	Interim Costs / 22	SD1		160 USD
2184.	10031021: Maintenance Sales Order / Costs Intercompany Work Order		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 19	SD1		190 USD
C	Intercompany	End Account / 359	SD1		190 USD
2185.	10031021: Maintenance Sales Order / Costs Intercompany Work Order		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 19	SD1		200 USD
C	Intercompany	End Account / 359	SD1		200 USD

14.9.4 Without Internal Invoice – Price Origin Commercial Price

Example: The work order exists of 2 order lines: the from warehouse material line as described in 14.8.2 and the order line for hours described in 14.8.5. The agreed commercial price is 500 USD

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2186.	10032169: Maintenance Work Order / Revenues Intercompany		BO: Maintenance Work Order / WCS000002		
D	Intercompany	End Account / 364	SD1		500 USD
C	Turnover	End Account / 378	SD1		500 USD
2187.	10032125: Maintenance Work Order / Cost of Goods Sold		BO: Maintenance Work Order / WCS000002		
D	Cost of Goods Sold	End Account / 376	SD1		167 USD
C	Interim COGS	Interim Costs / 22	SD1		167 USD
2188.	10032125: Maintenance Work Order / Cost of Goods Sold		BO: Maintenance Work Order / WCS000002		
D	Cost of Goods Sold	End Account / 376	SD1		160 USD
C	Interim COGS	Interim Costs / 22	SD1		160 USD
2189.	10031021: Maintenance Sales Order / Costs Intercompany Work Order		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 19	SD1		500 USD

C	Intercompany	End Account / 359	SD1		500 USD

14.10 Returns

14.10.1 Header (to be maintained item)

In the example described in section *Maintenance Work Order, Closing, Header (to be maintained item)*, an inbound line is created in warehousing. For external and internal work orders, the inbound line of one piece of PI1 can be handled in three ways:

- Receipt of one piece – No price defined on inbound order line
- Receipt of one piece – Price defined on inbound order line
- Receipt of zero pieces (final)

External work order, receipt of one piece – no price defined on inbound order line

In this case, the warehouse receipt is made with the maintenance work amount. Inventory transaction ID IT0000121 is created during receipt. The following journal entries are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2190.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000121		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD

Internal work order, receipt of one piece – no price defined on inbound order line

In this case, the warehouse receipt is made with the maintenance work amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, For valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Inventory transaction ID IT0000030 is created during receipt.

In this example, the valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged, described in entries 2194 and 2195. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2191.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000030		
D	Inventory	Inventory / 1	NWH1	MAT	167 USD
C	Interim Transit	Interim Transit / 1	NWH1		167 USD
2192.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000030		
D	Inventory	Inventory / 1	NWH1	SUR	16.7 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.7 USD
2193.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000030		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2194.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000030		
D	Inventory	Inventory / 1	NWH1	MAT	-47 USD
C	Value Correction	End Account / 736	NWH1	MAT	-47 USD
2195.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000030		
D	Inventory	Inventory / 1	NWH1	SUR	-4.7 USD
C	Value Correction	End Account / 736	NWH1	SUR	-4.7 USD

(*) 10 percent of 167

External work order, receipt of one piece – price defined on inbound order line

In this case, the warehouse receipt is made with the amount of the inbound order line. The interim transit is balanced with a return result.

Example: Inbound order line price is 110 USD each. Inventory Transaction ID IT0000122 is created during receipt. The following journal entries are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2196.	15061090: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000122		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH1		110 USD

2197.	15061090: Warehouse Receipt / Return Result / Customer Owned			BO: Inventory Transaction / IT0000122	
D	Interim Transit	Interim Transit / 13	NWH1		-40 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-40 USD

Note: Project pegging in combination with defining inbound price on return order is not possible

Internal work order, receipt of one piece – price defined on inbound order line

In this case, the warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Inbound order line price is 110 USD each. Inventory Transaction ID IT0000031 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2198.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
2199.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
2200.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2201.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000031	
D	Interim Transit	Interim Transit / 1	NWH1		-57 USD
C	Return Result	End Account / 738	NWH1	MAT	-57 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2202.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	WRS	1 USD
C	Lot Result	End Account / 733	NWH1	WRS	1 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following additional postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2203.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-10 USD
2204.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000031	
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-1 USD

External work order, receipt of zero pieces (final)

In some rare cases, the returned item might never be received. In this case, a shipment variance posting is created against the maintenance work order price. Inventory transaction ID IT00000123 is created during receipt and the following posting is created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2205.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned			BO: Inventory Transaction / IT0000123	
D	Interim Transit	Interim Transit / 13	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one item received.

Internal work order, receipt of zero pieces (final)

In some rare cases, the returned item might never be received. In this case, a shipment variance posting is created against the maintenance work order price. Inventory transaction ID IT0000032 is created during receipt and the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2206.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000032		
D	Interim Transit	Interim Transit / 1	NWH1		-167 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-167 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one item received.

14.10.2 Material resource lines

In the example described in section *Maintenance Work Order, Closing, Material resource lines*, (for delivery types Batch Repair, From Warehouse, From Kit and Via Purchase), an inbound line is created in warehousing. The inbound line of one piece of PI1 can be handled in the same three ways described for the to-be-maintained item in section *Maintenance Work Order, Returns, Header (to be maintained item)*. The same postings are created for these returns.

15 Maintenance Sales Order

For project pegged orders the transactions for customer owned goods are made per peg line with filled project related fields in the logged elements.

15.1 Part maintenance lines

If items of a customer must be repaired, a part maintenance line is created.

Example: Two pieces of item PI1 must be repaired for maintenance sales order MSC000002. If the items are received on a location, no integration transactions are created. If the items are received in a warehouse, integration transactions are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**, and the residual value is filled. Say, for example, the residual value is 150 USD per piece. Inventory Transaction ID IT0000124 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2207.	15031074: Maintenance Sales Order / Receipt / Customer Owned		BO: Maintenance Sales Order / MSC000002		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
2208.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000124		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD

For the maintenance sales order line, a maintenance work order is created. First the item is issued from the warehouse (or from the location) to the work center of the maintenance work order. This is described in section *Maintenance Work Order, Receipt of to be maintained item, No batch repair*.

When the item is repaired it can be returned to a warehouse or to a location. This is described in sections *Maintenance Work Order, Closing, Header (to be maintained item)* and *Maintenance Work Order, Returns, Header (to be maintained item)*. The financial transactions for the maintenance sales order for the costs made are described in sections *Maintenance Work Order, Closing, Material resource lines / Hour lines / Other resource lines*. Price variances for subcontracting occurring when the maintenance work order is already closed, are described in section *Purchase Order, Invoice approval / Change price after receipt, Maintenance work subcontracting*. If an item cannot be maintained, and you decide to buy the item from your business partner, you can convert

the part maintenance line to a part receipt line. The transactions created for the part receipt line are described in section *Maintenance Sales Order, Part receipt lines*.

From the location or the warehouse, the item can be resent to the customer. For a location, no integration transactions are created. For a warehouse, the following integration transactions are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. Inventory Transaction ID IT0000125 is created upon issue. Assume one piece is repaired.

No price defined on related maintenance work order inbound line

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2209.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
2210.	15031074: Maintenance Sales Order / Receipt / Customer Owned		BO: Maintenance Sales Order / MSC000002		
D	Interim Transit	Interim Transit / 13	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD

Price defined (110 USD) on related maintenance work order inbound line

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2211.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 13	NWH1		110 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	110 USD
2212.	15060031: Warehouse Issue / Issue Result / Customer Owned		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 13	NWH1		40 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		40 USD
2213.	15031074: Maintenance Sales Order / Receipt / Customer Owned		BO: Maintenance Sales Order / MSC000002		
D	Interim Transit	Interim Transit / 13	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD

For a part maintenance line, a maintenance work order is created. The item on the part maintenance line is the item to be maintained on the maintenance work order. If a warehouse is filled on the part maintenance line, this warehouse is always a service customer-owned warehouse.

The financial transactions for maintenance sales are made when the maintenance work order is closed. These transactions are described in sections *Maintenance Work Order, Closing, Material resource lines, Maintenance Work Order, Closing, Hour lines, and Maintenance Work Order, Closing, Other resource lines*.

Price variances for subcontracting occurring when the maintenance work order is already closed, are described in section *Purchase Order, Invoice approval / Change price after receipt, Maintenance work subcontracting*.

If an item cannot be maintained and you decide to buy the item from your business partner, you can convert the part maintenance line to a part receipt line. The transactions created for the part receipt line are described in section *Maintenance Sales Order / Part receipt lines*.

15.2 Part delivery lines (company owned)

Note: A part delivery line might be converted from a part loan line. In that case, *instead of* the postings described below, the postings described in section *Maintenance Sales Order, Part loan lines* are created.

No intercompany trade relationship between warehouse and service department

Example: Issue with delivery type From Warehouse for maintenance sales order MSC000001, with department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000033 is created upon issue from warehousing.

The amount taken for the integration transactions depend on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2214.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000033		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2215.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000033		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2216.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000033		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2217.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000033		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2218.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000033		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2219.	10031052: Maintenance Sales Order / Issue		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

Intercompany trade relationship between warehouse and service department

If an intercompany trade relationship is defined between a warehouse and a service department, the costs are not taken over one to one from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Issue with delivery type From Warehouse for maintenance sales order MSC000001, with department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000033 is created upon issue from warehousing.

The amount taken for the integration transactions depend on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2220.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000033		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2221.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000033		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2222.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000033		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2223.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000033		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2224.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000033		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD

2225.	10031054: Maintenance Sales Order / Issue Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		380 USD
C	Invoice Accrual	Invoice Accrual / 14	SD2		380 USD

15.3 Part delivery lines (customer owned)

Example: Customer Owned Issue with delivery type *From Warehouse* for maintenance sales order MSC000001, with department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000033 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which is always the value of the record that will be consumed (FIFO principle). Assume for example that the inventory value is 110 USD on cost component MAT.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2226.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000033		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Inventory	Consigned / Customer Owned Inventory / 2	NWH1	MAT	220 USD
2227.	15031052: Maintenance Sales Order / Issue / Customer Owned		BO: Maintenance Sales Order / MSC000001		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

The item issued can have mixed ownership. In this case the company owned inventory WIP must be decreased also.

If, for example, the value of the company owned WIP is 20 USD on cost component MAT in addition to journal entry 2226 and 2227 also journal entry 2228 and 2229 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2228.	10060116: Warehouse Issue / WIP Transfer		BO: Inventory Transaction / IT0000033		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
2229.	10031052: Maintenance Sales Order / Issue		BO: Maintenance Work Order / WCS000002		
D	MSO WIP	Maintenance Sales Order WIP / 1	NWH1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

15.4 Part receipt lines (company owned)

No intercompany trade relationship between warehouse and service department

Example: Receipt maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. Two situations are possible: the order price is entered on the warehouse inbound order line, or the order price is not entered on the inbound order line. In the latter case the parameter 'Default Inventory Receipt Value' is relevant for the receipt amount.

Normal Receipt (Part Receipt Line) - Inbound Price defined

In this example, the order price is entered for 110 USD each. Inventory transaction ID IT0000034 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2230.	10031074: Maintenance Sales Order / Receipt		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		220 USD
2231.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2232.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD

2233.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000034	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2234.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000034	
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2235.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000034	
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2236.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000034	
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Part Receipt Line) - No Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost'

The maintenance sales integration transactions are booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance)

Example: Receipt maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000034 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2237.	10031074: Maintenance Sales Order / Receipt		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		200 USD
2238.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2239.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
2240.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2241.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Part Receipt Line) - No Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

The maintenance sales integration transactions are booked against *inventory value* excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance).

Example: Receipt maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000034 is created during receipt. If the valuation method is MAUC and the current MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2242.	10031074: Maintenance Sales Order / Receipt		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		229.09 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		229.09 USD
2243.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2244.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
2245.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD
2246.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22.91 USD
2247.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal 2242 through 2247 are created. No lot results required.

Intercompany trade relationship between warehouse and service department

Example: Receipt maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. Only the situation that the inbound price is defined is described here.

The other situations can be compared to this situation and the situations described in the situation without intercompany trade relationship.

In this example, the order price is entered for 110 USD each. Inventory transaction ID IT0000034 is created during receipt. The intercompany trade price is 190 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2248.	10031054: Maintenance Sales Order / Issue Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-380 USD
C	Invoice Accrual	Invoice Accrual / 14	SD2		-380 USD
2249.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	NWH1		220 USD
2250.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2251.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2252.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2253.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2254.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000034		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

15.5 Part receipt lines (customer owned)

No price defined on inbound order line

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the maintenance sales and inventory integration transactions.

Example: Customer owned receipt for maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. Inventory transaction ID IT0000034 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2255.	15031074: Maintenance Sales Order / Receipt / Customer Owned		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 13	NWH1		200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		200 USD
2256.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000034		
D	Customer Owned Inventory	Consigned / Customer Owned Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

Price defined on inbound order line

Example: Customer owned receipt for maintenance sales order MSC000001 of two pieces of item PI1 for warehouse NWH1. An order price is entered of 130 USD each. Inventory transaction ID IT0000034 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2257.	15031074: Maintenance Sales Order / Receipt / Customer Owned		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 13	NWH1		260 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		260 USD
2258.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000034		
D	Customer Owned Inventory	Consigned / Customer Owned Inventory / 2	NWH1	MAT	260 USD
C	Interim Transit	Interim Transit / 13	NWH1		260 USD

15.6 Part loan lines

Example: A customer wants two items PI1 repaired. In the meantime, you can also loan the customer two other items PI1, to enable the employee to continue with their work. Loaning items does not influence the maintenance sales WIP, because the items usually return to the warehouse after the original items have been repaired.

If you loan two items PI1, the following integration transactions are created. Inventory transaction ID IT0000035 is created during the issue from warehousing.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2259.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000035		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2260.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000035		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD

C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2261.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000035		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2262.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000035		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2263.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000035		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2264.	10031050: Maintenance Sales Order / Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Costs	Interim Costs / 10	SD2		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

After the issue, two scenarios exist:

- The customer returns all or part of the goods (partly) and the loan line is not converted to a part delivery line.
- The customer wants to keep the items and the part loan line is converted to a part delivery line.

Returning the goods – Inbound Price defined

Example: Only one of the two loaned items is returned to the warehouse. Order price is entered for 110 USD each. Inventory transaction ID IT0000036 is created during the final receipt of one piece.

Note

- The total amount for posting 2265, for the piece that is not returned, and posting 2266, for the piece that is returned, is equal to the amount of posting 2264.
- The amount for posting 2270 indicates the difference between posting 2267 and posting 2266.
- If no price is entered on the inbound line, the amount of posting 2267 is 167 USD, the amount of posting 2268 is 16.70 USD, and posting 2270 is not created at all.
- If an item was issued that has mixed ownership, the inventory WIP (see above) is not returned anymore.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2265.	10031031: Maintenance Sales Order / Issue Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Costs	Interim Costs / 10	SD2		-167 USD
C	Issue Result	End Account / 354	SD2		-167 USD
2266.	10031084: Maintenance Sales Order / Reverse Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		167 USD
C	Interim Costs	Interim Costs / 10	SD2		167 USD
2267.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
2268.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
2269.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2270.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000036		
D	Interim Transit	Interim Transit / 1	NWH1		-57 USD
C	Return Result	End Account / 738	NWH1	MAT	-57 USD

Returning the goods – Inbound Price is not defined

In this case, the maintenance sales transaction is done with the amount of the original maintenance sales interim result. The warehouse receipt is also carried out with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Only one of the two loaned items is returned to the warehouse. No inbound price is entered. Inventory transaction ID IT0000036 is created during the final receipt of one piece. In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

- If an item was issued that has mixed ownership, the inventory WIP (see above) is not returned anymore.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2271.	10031031: Maintenance Sales Order / Issue Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Costs	Interim Costs / 10	SD2		-167 USD
C	Issue Result	End Account / 354	SD2		-167 USD
2272.	10031084: Maintenance Sales Order / Reverse Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		167 USD
C	Interim Costs	Interim Costs / 10	SD2		167 USD
2273.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
2274.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	SUR	44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
2275.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
2276.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	SUR	16.70 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.70 USD
2277.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2278.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	SUR	-48.70 USD
C	Value Correction	End Account / 736	NWH1	SUR	-48.70 USD
2279.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead of warehouse receipt/value correction. If the valuation method was LOT, warehouse receipt / lot result was logged instead of warehouse receipt/value correction.

If project pegging is applicable journal entry 2271 is replaced by journal entries 2280 and 2281 and journal entries 2278 and 2279 are replaced by journal entries 2282 through 2285.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2280.	10031084: Maintenance Sales Order / Reverse Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		167 USD
C	Interim Costs	Interim Costs / 10	SD2		167 USD
2281.	10024138: Project Costs& Commitments / Loan Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		167 USD
C	Interim Transit	Interim Transit / 1	NWH1		167 USD
2282.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	SUR	-48.70 USD
C	Interim Transit	Interim Transit / 1	NWH1		-48.70 USD
2283.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000036		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
2284.	10024109: Project Costs& Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		48.70 USD
C	Interim Transit	Interim Transit / 1	NWH1		48.70 USD
2285.	10024109: Project Costs& Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

Convert part loan line to part delivery line

If the part loan line is converted to a part delivery line, the items must become part of the Maintenance Sales Order WIP and the Interim Costs / 10 must be decreased. To achieve this, the following postings are created in case no intercompany trade relation is defined between warehouse and service department:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost	Amount

			Unit	Comp	
2286.	10031084: Maintenance Sales Order / Reverse Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		334 USD
C	Interim Costs	Interim Costs / 10	SD2		334 USD
2287.	10031084: Maintenance Sales Order / Issue		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

In case an intercompany trade relation is defined between the warehouse and the service department, the following postings are created (in case the intercompany trade price is 190 USD per piece). It is required to update the interim costs / 11 in this case as this was not done during issue.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2288.	10031084: Maintenance Sales Order / Reverse Interim Result		BO: Maintenance Sales Order / MSC000001		
D	Interim Transit	Interim Transit / 1	NWH1		334 USD
C	Interim Costs	Interim Costs / 10	SD2		334 USD
2289.	10060037: Warehouse Issue / Interim Result Intercompany		BO: Inventory Transaction / IT0000035		
D	Interim Costs	Interim Costs / 11	NWH1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD
2290.	10031054: Maintenance Sales Order / Issue Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		380 USD
C	Invoice Accrual	Invoice Accrual / 14	SD2		380 USD

15.7 General costs

You cannot manually create a coverage line that is not linked to a part maintenance line, part delivery line, part receipt line, or part lone line. In this case, you can also fill a quantity and a price. If the actual quantity is filled, for example, with two pieces for a price of 70 USD, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2291.	10031045: Maintenance Sales Order / General Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		140 USD
C	General Costs	End Account / 353	SD2		140 USD

15.8 Freight costs

If the maintenance sales order line is handled through Freight Management, coverage lines of type **Freight** are created. For part loan lines and part maintenance lines, it is even possible that both the issue and the receipt are handled through Freight Management.

Postings that are created for coverage lines of type **Freight** are described in sections *Freight*, *Load planning* and *Freight, Freight order clusters*.

15.9 Costing coverage lines

For costing the coverage lines, which are lines related to a part maintenance line, a part delivery line, or a part receipt line or a manually inserted line, the Maintenance Sales WIP is emptied. You can do this with difference postings.

Example: The coverage line related to the part delivery line of section *Maintenance Work Order, Part delivery lines* is set to **Costed**. The amount of this line was 334 USD. In this example, this amount is distinguished in the following way:

- Service Contract SC0000001, with service department SD3, covers 50 percent of the amount of 117 USD.
- Warranty is given for 50 USD.
- To get some goodwill, 25 USD is posted as goodwill.
- The remaining part of 42 USD is invoiced.

With this example, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2292.	10031007: Maintenance Sales Order / Contract		BO: Maintenance Sales Order / MSC000001		
D	Interim Contract	Interim Contract / 1	SD3		117 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		117 USD
2293.	10041032: Service Contract / Actual Costs		BO: Service Contract / SC0000001		
D	Actual Costs	End Account / 381	SD3		117 USD
C	Interim Contract	Interim Contract / 1	SD3		117 USD
2294.	10031112: Maintenance Sales Order / Warranty Costs		BO: Maintenance Sales Order / MSC000001		
D	Warranty Costs	End Account / 345	SD2		50 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		50 USD
2295.	10031126: Maintenance Sales Order / Goodwill		BO: Maintenance Sales Order / MSC000001		
D	Goodwill	End Account / 343	SD2		25 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		25 USD
2296.	10031004: Maintenance Sales Order / Approved for Invoicing		BO: Maintenance Sales Order / MSC000001		
D	Interim COGS	Interim Costs / 3	SD2		42 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		42 USD

If project pegging is applicable journal entries 2296 is replaced by journal entry 2297.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2297.	10031136: Maintenance Sales Order / Approved for Invoicing (Proj.)		BO: Maintenance Sales Order / MSC000001		
D	Interim COGS Project	Interim Costs / 21	SD2		42 USD
C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		42 USD

An order line can also fall within the repair warranty. The amount is usually for the full amount and, in that case, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2298.	10031110: Maintenance Sales Order / Repair Warranty Costs		BO: Maintenance Sales Order / MSC000001		
D	Warranty Costs	End Account / 346	SD2		334 USD

C	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		334 USD

15.10 Customer invoices

Example: An invoice is posted for the part delivery line from sections *Maintenance Work Order, Part delivery lines* and *Maintenance Work Order, Costing coverage lines* of maintenance sales order MSC000001. Sales price, after subtracting contract, warranty, and goodwill, is 60 USD. The customer receives a five percent discount. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2299.	10031125: Maintenance Sales Order / Cost of Goods Sold		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 341	SD2		42 USD
C	Interim COGS	Interim Costs / 3	SD2		42 USD
2300.	10031082: Maintenance Sales Order / Revenues Analysis		BO: Maintenance Sales Order / MSC000001		
D	Interim Revenues	Interim Revenues / 5	SD2		60 USD
C	Turnover	End Account / 352	SD2		60 USD
2301.	10031062: Maintenance Sales Order / Order Discount		BO: Maintenance Sales Order / MSC000001		
D	Discount	End Account / 344	SD2		3 USD
C	Interim Revenues	Interim Revenues / 5	SD2		3 USD

If project pegging is applicable journal entry 2299 is replaced by journal entry 2302

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2302.	10024134: Project Costs & Commitments / Invoiced WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		42 USD
C	Interim COGS	Interim Costs / 21	SD2		42 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

The maintenance sales order can also be linked to a quotation. In this case, the following posting is created instead of journal entry 2569:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2303.	10031015: Maintenance Sales Order / Cost of Goods Sold Quotation		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 348	SD1		42 USD
C	Interim COGS	Interim Costs / 3	SD1		42 USD

15.11 Intercompany Trade

15.11.1 External Material Delivery Sales

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and service department (part delivery and part receipt) are described in Section 21.11.2.

15.11.2 Subcontracting Depot Repair

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between work order department and sales order department (part maintenance) are described in Section 14.9.

15.12 Change sales price after delivery/receipt

In case an intercompany trade relation is defined on a part delivery line or a part receipt line between warehouse and service department, that is defined on sales price (gross or net), changing of the sales price after delivery influences also the amount of intercompany trade.

Example: Sales gross price is 100 USD, and intercompany trade is based on sales gross price minus 10%. This means intercompany trade price is 90 USD. If the sales gross price changes after delivery from 100 USD to 120 USD, this means the intercompany trade price changes from 90 USD to 108 USD, so a difference of 18 USD.

Intercompany trade relationship with internal invoice

Following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2304.	10031054: Maintenance Sales Order / Issue Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		18 USD
C	Invoice Accrual	Invoice Accrual / 14	SD2		18 USD
2305.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000033		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD
C	Turnover	End Account / 714	NWH1		18 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2306.	Only Reconciliation: Approval		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 14	SD2		18 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Following postings are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2307.	10031054: Maintenance Sales Order / Issue Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2	MAT	18 USD
C	Invoice Accrual	Invoice Accrual / 14	SD2		18 USD
2308.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000033		
D	Intercompany	End Account / 703	NWH1		18 USD
C	Turnover	End Account / 718	NWH1		18 USD

2309.	10031012: Maintenance Sales Order / Costs Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 14	SD2		18 USD
C	Intercompany	End Account / 358	SD2		18 USD

16 Customer Claim

16.1 Receipts

Example: Two pieces of defective item PI1 are received for customer claim CCM000001. The residual value is defined as 150 USD per piece. Inventory Transaction ID IT0000124 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2310.	15100074: Customer Claim / Receipt / Customer Owned		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
2311.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000124		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD

After the receipt is confirmed and the customer claim option 'Wait on supplier claim approval' is not set approval should take place on the customer claim. To initiate this process the option 'Release Materials for Approval' should be executed which will create a customer owned warehouse outbound line to move the defective item from the warehouse to the customer claim department.

Example: The two pieces of defective item PI1 as received on customer claim CCM000001 are moved to the customer claim department. Inventory Transaction ID IT0000125 is created during shipment.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2312.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000125		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD

2313.	15100052: Customer Claim / Issue/ Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Interim Customer Claim	Interim Customer Claim / 2	SD1		300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2314.	15100105: Customer Claim / Transfer Accrual / Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		300 USD

Notes:

- During outbound advice the original customer owned receipt created during receipt is allocated. This customer owned receipt cannot be consumed by any other order (origin) as long as the customer claim is not yet finished.

16.2 Approval

The customer claim line can be approved and/or rejected. The possible scenarios depend on 'cost type' and 'claim method'.

16.2.1 Claim Method - Reimburse Costs

When approving a customer claim line with claim type 'reimburse costs' economic financial transactions are created against the claimed amount.

Example: A customer claim line with a claimed amount of 1500 USD for order CCM000001 is approved.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2315.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		1500 USD

C	Approved Customer Claims	Commitments/23	SD1		1500 USD

The claim invoice procedure (claim header) defines how the costs are actually reimbursed:

- Credit Note Based
The customer expects a sales credit note from the service organization
- Invoice Based
The service organization expects a cost invoice from the customer

16.2.1.1 Credit Note Based (SLI)

At the moment of approval service will create a billable line in SLI.

Example: Credit note created for customer claim CCM000001 is posted in central invoicing. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2316.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		-1500 USD
C	Approved Customer Claims	Commitments/23	SD1		-1500 USD
2317.	10100082: Customer Claim / Revenue Analysis		BO: Customer Claim / CCM000001		
D	Interim Revenues	Interim Revenues / 5	SD1		-1500 USD
C	Turnover Customer Claim	End Account / 410	SD1		-1500 USD

16.2.1.2 Invoice Based (ACP)

When the customer claim is approved the user must select the form command "Approve for invoice linking". The customer claim line status will be changed to "Approved for invoice linking". The cost invoice received in ACP can now be linked to the customer claim line.

Example: Cost invoice is entered in financials (ACP) of 1800 USD and assigned to customer claim MCC000001. At the moment the user sets the customer claim line status to 'settled' the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2318.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		-1500 USD
C	Approved Customer Claims	Commitments/23	SD1		-1500 USD
2319.	10100044: Customer Claim / General Costs (through financials)		BO: Customer Claim / CCM000001		
D	Interim Customer Claim	Interim Customer Claim / 1	SD1		1800 USD
C	General Costs	End Account / 411	SD1		1800 USD

16.2.2 Claim Method - Reimburse Materials

When approving a claim line with claim type 'reimburse for materials' a delivery line with material type 'reimburse material' is created for the approved quantity. See section 16.3.1 for the created financial transactions.

16.2.3 Cost Type – Material

If cost type is 'material' and the claim line is flagged as 'return material required' than for both the approved as well as the rejected quantity the user can decide what to do physically with the defective item. This is defined by the *action* indicator:

- Keep and take Ownership
- Return to Customer
- Scrap

16.2.3.1 Keep and take Ownership

The defective item is returned from the service department to the warehouse as company owned.

In this scenario the defective item can be optionally issued to the supplier on optionally linked supplier claim. See section 17.1.

16.2.3.1.1 No intercompany trade relationship between warehouse and service department

Receipt is always valuated against (updated) residual value

Example: Of the two pieces received for customer claim CCM000001 as described in section 16.1 two pieces are approved/rejected and tagged as 'make company owned'. On the approval line a more accurate residual value is defined of 180 USD. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2320.	15100013: Customer Claim / Adjustment/ Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		300 USD
C	Interim Customer Claim	Interim Customer Claim / 2	SD1		300 USD
2321.	10100074: Customer Claim / Receipt		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 1	NWH1		360 USD
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		360 USD

At the same moment a company owned inbound line of 2 pieces is created to receive the defective item in the warehouse.

Example: 1 of the 2 approved/rejected pieces are received as final. A shipment variance is created for the not received quantity. Inventory transaction ID IT0000126 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2322.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	MAT	180 USD
C	Interim Transit	Interim Transit / 1	NWH1		180 USD
2323.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	SUR	180 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	180 USD
2324.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2325.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000126		
D	Interim Transit	Interim Transit / 1	NWH1		-180 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-180 USD

Standard Cost Result and Lot Result are also possible

16.2.3.1.2 Intercompany trade relationship between warehouse and service department

Example: Same example as described in 16.2.3.1.1, but now with an intercompany trade price of 190 USD. The same postings as described in 16.2.3.1.1, except that journal entry 2322 is replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2326.	10100086: Customer Claim / Receipt Intercompany		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 1	SD1		-380 USD
C	Invoice Accrual	Invoice Accrual / 21	SD1		-380 USD
2327.	10100090: Customer Claim / Return Result		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 1	SD1		20 USD
C	Return Result	End Account / 414	SD1		20 USD
2328.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	MAT	180 USD
C	Interim COGS	Interim Costs / 11	NWH1		180 USD

16.2.3.2 Return to Customer

The defective item should be returned to the customer. First the item is returned to the warehouse. This process is described in this section. Subsequently the item is returned to the customer. This is described in section 16.3.3 *Return material*

Example: Of the two pieces received for customer claim CCM000001 as described in section 16.1 two pieces are approved/rejected and tagged as 'return to customer'.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2329.	15100052: Customer Claim / Issue / Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Interim Customer Claim	Interim Customer Claim / 2	SD1		-300 USD
C	Interim Transit	Interim Transit / 13	NWH1		-300 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2330.	15100105: Customer Claim / Transfer Accrual / Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-300 USD

At the same moment a customer owned inbound line is created to receive the defective item in the warehouse.

- Receipt is valued based on original customer owned issue amounts. (residual value is not applicable)

Example: 1 of the 2 approved/rejected pieces are received as final. A shipment variance is created for the not received quantity. Inventory transaction ID IT0000127 is created during when receipt is confirmed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2331.	10061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000127		
D	Customer Owned Inventory	Inventory / 1	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD
2332.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000127		
7D	Interim Transit	Interim Transit / 13	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-150 USD

16.2.3.3 Scrap

The defective item is scrapped and not returned to the warehouse.

Example: Of the two pieces received for customer claim CCM000001 as described in section 16.1 one piece is rejected/approved and tagged as 'scrap'. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2333.	15100075: Customer Claim / Rejection/ Customer Owned		BO: Customer Claim / CCM000001		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		150 USD
C	Interim Customer Claim	Interim Customer Claim / 2	SD1		150 USD

16.2.4 Cost Type – Other than Material

The following cost types besides material are possible:

- Labor
- Tooling
- Travelling
- Subcontracting
- Helpdesk
- Other
- Tool
- Freight

With these cost types the claim method can only be *reimburse costs*. No financial transactions are created other than already described in section 16.2.1 *Claim Method - Reimburse Costs*.

16.3 Deliveries

Vehicle to issue reimbursed, additional and or rejected -materials to the customer.

Three material types can be distinguished:

- Reimburse Material
- Additional Material
- Return Material

16.3.1 Reimburse Material

When approving a customer claim line with claim method 'reimburse for materials' a delivery line with material type 'reimburse material' is created. See section 16.2.2 for explanation of the approval process.

At the same moment that the delivery is created economic financial transactions are created against standard cost (issue value).

Example: 2 pcs are approved on customer claim line CCM000001 with claim method 'reimburse for materials'. The following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2334.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		281.20 USD
C	Approved Customer Claims	Commitments/23	SD1		281.20 USD

Two delivery types can be distinguished:

- From Warehouse
- By Purchase Order

16.3.1.1 From Warehouse

16.3.1.1.1 No intercompany trade relationship between warehouse and service department

Example: Issue with delivery type *From Warehouse* for customer claim order CCM000001, with service department SD1, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000037 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2335.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		-281.20 USD
C	Approved Customer Claims	Commitments/23	SD1		-281.20 USD
2336.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2337.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD

C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2338.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2339.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2340.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2341.	10100052: Customer Claim / Issue		BO: Customer Claim / CCM000001		
D	Interim Customer Claim	Interim Customer Claim / 1	SD1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

Notes:

- If item PI1 is stored as consigned in inventory it is used and converted to company owned first.

16.3.1.1.2 Intercompany trade relationship between warehouse and service department

If an intercompany trade relationship is defined between a warehouse and a service department, the costs are not taken over one to one from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on sales customs value (with a markdown percentage subtracted to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: because customer claims have no sales price, intercompany trade relation based on sales price (gross or net) are not allowed.

Example: Issue with delivery type *From Warehouse* for customer claim order CCM000001, with service department SD1, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000037 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2342.	10100152: Customer Claim / Approval		BO: Customer Claim / CCM000001		
D	Customer Claim to be claimed	Commitments/24	SD1		-281,20 USD
C	Approved Customer Claims	Commitments/23	SD1		-281.20 USD
2343.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2344.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2345.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2346.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2347.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2348.	10100054: Customer Claim / Issue Intercompany		BO: Customer Claim / CCM000001		
D	Interim Customer Claim	Interim Customer Claim / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 21	SD1		380 USD

16.3.1.2 By Purchase Order

If the delivery type is *By Purchase Order* a purchase order is created first. After the purchase order is received the goods are delivered from warehouse to the customer.

For this delivery the postings as described in section 16.3.1.1 *From Warehouse* are created.

16.3.2 Additional Material

Delivery lines with material type *additional material* can only be entered manually until the claim line is approved.

Same financial transactions are created as described in section 16.3.1 *Reimburse Material*.

16.3.3 Return material

Only delivery type 'from warehouse' is applicable.

Example The defective items PI1 as received in section 0 is returned to the customer. Inventory transaction ID IT0000125 is created during shipment.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2349.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000124		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
2350.	15100074: Customer Claim / Receipt / Customer Owned		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 13	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD

Notes:

- During outbound the original customer owned receipt created during receipt of the rejected item as described in section 0 *Standard Cost Result* and *Lot Result* are also possible

16.3.3.1.1 Intercompany trade relationship between warehouse and service department

Example: Same example as described in 16.2.3.1.1, but now with an intercompany trade price of 190 USD. The same postings as described in 16.2.3.1.1, except that journal entry 2322 is replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2351.	10100086: Customer Claim / Receipt Intercompany		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 1	SD1		-380 USD

C	Invoice Accrual	Invoice Accrual / 21	SD1		-380 USD
2352.	10100090: Customer Claim / Return Result		BO: Customer Claim / CCM000001		
D	Interim Transit	Interim Transit / 1	SD1		20 USD
C	Return Result	End Account / 414	SD1		20 USD
2353.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000126		
D	Inventory	Inventory / 1	NWH1	MAT	180 USD
C	Interim COGS	Interim Costs / 11	NWH1		180 USD

- Return to Customer is consumed. This customer owned receipt cannot be consumed by any other order (origin).

16.4 Clearing Interim Customer Claim / 1

Reconciliation group interim customer claim / 1 is directly cleared by service. Which posting is created is defined by the 'tagged to' indicator. This indicator defines if the claim costs booked on interim customer claim are covered by:

- General Warranty / Serial Item Warranty
- Repair Warranty
- Contract
- Goodwill
- Field Change Order

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2354.	10100112: Customer Claim / Warranty Costs		BO: Customer Claim / MSC000001		
D	Warranty Costs	End Account / 400	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		
2355.	10100112: Customer Claim / Repair Warranty Costs		BO: Customer Claim / MSC000001		
D	Repair Warranty Costs	End Account / 401	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		
2356.	10100007: Customer Claim / Contract		BO: Customer Claim / MSC000001		
D	Contract	End Account / 402	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		

2357.	<i>10100126: Customer Claim / Goodwill</i>		<i>BO: Customer Claim / MSC000001</i>		
D	Goodwill	End Account / 403	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		
2358.	<i>10100040: Customer Claim / Field Change Order Costs</i>		<i>BO: Customer Claim / MSC000001</i>		
D	Field Change Order Costs	End Account / 404	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		

16.5 Intercompany Trade External Material Delivery Sales

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and service department are described in Section 21.11.2.

17 Supplier Claim

17.1 Deliveries

Vehicle to issue defective part to the supplier (optional step).

Only applicable when on the supplier claim line option 'return material required' is set.

17.1.1 Company Owned

The ownership of the delivery line is *company owned* in case of:

- standalone supplier claim (not linked to customer claim)
- supplier claim linked to customer claim where on the customer claim line the option 'wait on supplier claim approval' is not set. See 16.2.3.1 *Keep and take Ownership*

17.1.1.1 No intercompany trade relationship between warehouse and service department

Example: Issue for supplier claim SCM000001, with service department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000037 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2359.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2360.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2361.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2362.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2363.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2364.	10102052: Supplier Claim / Issue		BO: Supplier Claim / SCM000001		
D	Interim Supplier Claim	Interim Supplier Claim /1	SD2		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

Notes:

- If item PI1 is stored as consigned in inventory it is used and converted to company owned first.

17.1.1.2 Intercompany trade relationship between warehouse and service department

If an intercompany trade relationship is defined between a warehouse and a service department, the costs are not taken over one to one from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on sales customs value (with a markdown percentage subtracted to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Note: because supplier claims have no sales price, intercompany trade relation based on sales price (gross or net) are not allowed.

Example: Issue for supplier claim SCM000001, with service department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000037 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2365.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2366.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2367.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2368.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2369.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD

2370.	10102054: Supplier Claim / Issue Intercompany		BO: Supplier Claim / SCM000001		
D	Interim Supplier Claim	Interim Supplier Claim / 1	SD2		380 USD
C	Invoice Accrual	Invoice Accrual / 31	SD2		380 USD

17.1.2 Customer Owned

The ownership of the delivery line is *customer owned* in case of:

- supplier claim linked to customer claim where on the customer claim line the option 'wait on supplier claim approval' is set.

Example: One of the two defective items received on customer claim CCM000001 as described in section 16.1 is shipped to the supplier with supplier claim SCM000002 and service department SD2. Inventory transaction ID IT0000038 is created upon issue from warehousing.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2371.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
2372.	15102052: Supplier Claim / Issue / Customer Owned		BO: Supplier Claim / SCM000002		
D	Customer Owned Interim Supplier Claim	Interim Supplier Claim / 2	SD2		150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD

If the financial companies of SD2 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2373.	15102105: Supplier Claim / Transfer Accrual / Customer Owned		BO: Supplier Claim / SCM000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD2		-150 USD

Notes:

- During shipment the original customer owned receipt created during receipt as described in section 16.1 is consumed. This customer owned receipt cannot be consumed by any other order (origin) as long as the customer claim is not yet finished.

17.2 Approval

The supplier claim line can be approved and/or rejected. The possible scenarios depend on 'cost type' and 'claim method'.

17.2.1 Claim Method - Reimburse Costs

The claim invoice procedure (supplier claim header) defines how the costs are actually reimbursed:

- **Credit Note Based**
The service organization expects a negative cost invoice from the supplier. The cost invoice is received in ACP and can be linked to the supplier claim line.
- **Invoice Based**
The supplier expects a sales invoice from the service organization. The sales invoice is created in SLI and sent to supplier.

17.2.1.1 Credit Note Based

The invoice received in ACP can be linked to the supplier claim line.

Example: Negative cost invoice is entered in financials (ACP) of -1800 USD and assigned to supplier claim SCM000001. At the moment the user sets the supplier claim status to 'settled' the following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2374.	<i>10102044: Supplier Claim / General Costs (through financials)</i>		<i>BO: Supplier Claim / SCM000001</i>		
D	Supplier Claim Costs	End Account / 421	SD2		-1800 USD
C	General Costs	End Account / 431	SD2		-1800 USD

17.2.1.2 Invoice Based

At the moment of approval service will create a billable line in SLI.

Example: Sales invoice created for supplier claim SCM000001 is processed in central invoicing. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2375.	10102082: Supplier Claim / Revenue Analysis		BO: Supplier Claim / SCM000001		
D	Interim Revenues	Interim Revenues / 5	SD2		1500 USD
C	Turnover Supplier Claim	End Account / 430	SD2		1500 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

17.2.2 Claim Method - Reimburse Materials

When approving a supplier claim line with claim method 'reimburse for materials' a receipt line with material type 'reimburse material' is created. See section 17.3.1 for the created financial transactions.

17.2.3 Cost Type - Material

For both the approved as well as the rejected quantity the user can decide what to do physically with the defective item. This is defined by the *action* indicator:

- Keep and take Ownership
- Return to Customer
- Scrap

17.2.3.1 Keep and take Ownership

The defective item is kept by the supplier and not returned.

Company Owned

Example: Of the two pieces of the defective item delivered with supplier claim SCM000001 as described in section 17.1.1 one piece is rejected/approved and tagged as 'keep and take ownership'. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2376.	10102013: Supplier Claim / Adjustment		BO: Supplier Claim / SCM000001		
D	Supplier Claim not returned Material	End Account / 420	SD2		167 USD
C	Interim Supplier Claim	Interim Supplier Claim / 1	SD2		167 USD

Customer Owned

Example: Of the two pieces of the defective item delivered with supplier claim SCM000002 as described in section 17.1.2 one piece is rejected/approved and tagged as 'keep and take ownership'. The following integration transactions are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2377.	15102013: Supplier Claim / Adjustment / Customer Owned		BO: Supplier Claim / SCM000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD2		150 USD
C	Customer Owned Interim Supplier Claim	Interim Supplier Claim / 2	SD2		150 USD

17.2.3.2 Return to Customer

The item is returned. To support this a receipt line with material type 'return material' is created. The financial transactions are described in section 17.3.3 *Return material*

17.2.3.3 Scrap

The defective item is scrapped by the supplier and not returned

Same financial transactions are created as described in section 17.2.3.1 *Keep and take Ownership*.

17.2.4 Cost Type – Other than Material

The following cost types besides material are possible:

- Labor
- Tooling
- Travelling
- Subcontracting
- Helpdesk
- Other
- Tool

With these cost types the claim method can only be *reimburse costs*. No financial transactions are created other than already described in section 17.2.1 *Claim Method - Reimburse Costs*

17.3 Receipts

Vehicle to receive reimbursed, additional and or rejected -materials from the supplier.

Three material types can be distinguished:

- Reimburse Material
- Additional Material
- Return material

17.3.1 Reimburse Material

17.3.1.1 No intercompany trade relationship service department and warehouse

Example: Receipt of order line for supplier claim SCM000003 of two pieces of item PI1 in warehouse NWH1. The order price as defined on the supplier claim line is 100 USD each. Inventory transaction IT0000003 is created during receipt.

Notes:

- Order price is defaulted from PCG

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2378.	10102074: Supplier Claim / Receipt		BO: Supplier Claim / SCM000003		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Supplier Claim Materials	End Account / 432	SD2		100 USD
2379.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
2380.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	10 USD
2381.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

Also Standard Cost Result or Lot Result are possible.

17.3.1.2 Intercompany trade relationship between service department and warehouse

If an intercompany trade relationship is defined between a service department and a warehouse, the costs are not taken over one to one from the service department to the warehouse. The warehouse pays an amount that can be based on cost price (with a mark up percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), or can be a commercial price. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences. Note: cost plus, purchase price (gross) and purchase price (net) are all the same in the supplier claim scenario: the defined order price on the supplier claim line

Example: Receipt of order line for supplier claim SCM000003 of two pieces of item PI1 in warehouse NWH1. The order price as defined on the supplier claim line is 100 USD each. Inventory transaction IT0000003 is created during receipt. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2382.	10102182: Supplier Claim / Direct Receipt Intercompany		BO: Supplier Claim / SCM000003		
D	Interim COGS	Interim Costs / 34	SD2		100 USD
C	Supplier Claim Materials	End Account / 435	SD2		100 USD
2383.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD
2384.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	SUR	38 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	38 USD
2385.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

Also Standard Cost Result or Lot Result are possible.

17.3.2 Additional Material

Same financial transactions are created as described in section 17.3.1 *Reimburse Material*

17.3.3 Return material

This line is created when a supplier claim is approved/rejected with *action for item* is set to *return to customer*.

17.3.3.1 Company Owned – No price defined on inbound order line

17.3.3.1.1 No intercompany trade relationship between warehouse and service department

The supplier claim issue is done with the amount of the original supplier claim issue. The warehouse receipt is also carried out with this amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Two pieces of the defective items which were sent company owned to the supplier as described in section 17.1.1 are returned.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2386.	10102052: Supplier Claim / Issue		BO: Supplier Claim / SCM000001		
D	Interim Supplier Claim	Interim Supplier Claim /1	SD1		-334 USD
C	Interim Transit	Interim Transit / 1	NWH1		-334 USD

At the same moment a company owned inbound line is created to receive the defective item in the warehouse.

Example: One of the two pieces are received as final. A shipment variance is created for the not received quantity. Inventory Transaction ID IT0000014 is created during receipt.

In this example, valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

In this case, warehouse receipt / value correction is logged, described in entries 2392 and 2393. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result is logged instead. If the valuation method was LOT, warehouse receipt / lot result is logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2387.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
2388.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	SUR	44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
2389.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
2390.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	SUR	16.7 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.7 USD
2391.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2392.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	SUR	-48.7 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-48.7 USD
2393.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT00000014		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD
2394.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000014		
D	Interim Transit	Interim Transit / 1	NWH1		-120 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-120 USD
2395.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000014		
D	Interim Transit	Interim Transit / 1	NWH1		-44 USD
C	Shipment Variance	End Account / 734	NWH1	SUR	-44 USD

2396.	<i>10061088: Warehouse Receipt / Shipment Variance</i>		<i>BO: Inventory Transaction / IT00000014</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Shipment Variance	End Account / 734	NWH1	WRS	-3 USD

(*) 10 percent of 120 + 44 + 3

(**) 44 + 16.7 – 12 (original value on SUR)

17.3.3.1.2 Intercompany trade relationship between warehouse and service department

Example: Same example as described in 17.3.3.1.1, but now with an intercompany trade price of 190 USD. The same postings as described in 17.3.3.1.1, except that journal entries 2387, 2388 and 2389 are replaced by journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2397.	<i>10102086: Supplier Claim / Receipt Intercompany</i>		<i>BO: Supplier Claim / SCM0000001</i>		
D	Interim Transit	Interim Transit / 1	SD2		-380 USD
C	Invoice Accrual	Invoice Accrual / 31	SD2		-380 USD
2398.	<i>10102090: Supplier Claim / Return Result</i>		<i>BO: Supplier Claim / SCM0000001</i>		
D	Interim Transit	Interim Transit / 1	SD2		46 USD
C	Return Result	End Account / 434	SD2		46 USD
2399.	<i>10061054: Warehouse Receipt / Issue Intercompany</i>		<i>BO: Inventory Transaction / IT00000014</i>		
D	Inventory	Inventory / 1	NWH1	MAT	120 USD
C	Interim COGS	Interim Costs / 11	NWH1		120 USD
2400.	<i>10061054: Warehouse Receipt / Issue Intercompany</i>		<i>BO: Inventory Transaction / IT00000014</i>		
D	Inventory	Inventory / 1	NWH1	SUR	44 USD
C	Interim COGS	Interim Costs / 11	NWH1		44 USD
2401.	<i>10061054: Warehouse Receipt / Issue Intercompany</i>		<i>BO: Inventory Transaction / IT00000014</i>		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD

17.3.3.2 Customer Owned – No priced defined on inbound order line

The supplier claim issue is done with the amount of the original supplier claim issue. The warehouse receipt is also carried out with this amount.

Example: Two pieces of the defective items which were sent customer owned to the supplier as described in section 17.1.2 are returned.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2402.	15102052: Supplier Claim / Issue / Customer Owned		BO: Supplier Claim / SCM000002		
D	Customer Owned Interim Supplier Claim	Interim Supplier Claim / 2	SD2		-300 USD
C	Interim Transit	Interim Transit / 13	NWH1		-300 USD

If the financial companies of SD2 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2403.	Supplier Claim / Transfer Accrual / Customer Owned		BO: Supplier Claim / SCM000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD2		-150 USD

At the same moment a customer owned inbound line is created to receive the defective item in the warehouse.

Example: One of the two pieces are received as final. A shipment variance is created for the not received quantity. Inventory Transaction ID IT0000015 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2404.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000015		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
C	Interim Transit	Interim Transit / 13	NWH1		150 USD

2405.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT00000015		
D	Interim Transit	Interim Transit / 1	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-150 USD

17.4 Intercompany Trade External Material Delivery

17.4.1 External Material Delivery Sales

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and service department are described in Section 21.11.2.

17.4.2 External Material Delivery Purchase

17.4.2.1 Intercompany trade relationship with internal invoice

Example: Supplier claim line for supplier claim SCM000003 is a receipt in warehouse NWH1 for 2 pieces of item PI1.

An intercompany trade relationship is defined between the service department and the warehouse based on commercial price with internal invoice. The commercial price is 190 USD each. If the invoice is posted in Central Invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2406.	10102081: Supplier Claim / Revenues		BO: Supplier Claim / SCM000003		
D	Interim Revenues	Interim Revenues / 5	SD2		380 USD
C	Turnover	End Account / 436	SD2		380 USD
2407.	10102125: Supplier Claim / Cost of Goods Sold		BO: Supplier Claim / SCM000003		
D	Cost of Goods Sold	End Account / 422	SD2	MAT	100 USD
C	Interim COGS	Interim Costs / 34	SD2		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the intercompany trade internal invoice is created in Accounts Payable, to balance the invoice accrual account, in the reconciliation data a record is created that is not an integration transaction. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2408.	<i>Only Reconciliation: Approval</i>		<i>BO: Inventory Transaction / IT0000003</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD

You cannot unapprove intercompany trade internal invoices.

17.4.2.2 Intercompany trade relationship without internal invoice

Example: Supplier claim line for supplier claim SCM000003 is a receipt in warehouse NWH1 for 2 pieces of item PI1.

An intercompany trade relationship is defined between the service department and the warehouse based on commercial price with internal invoice. The commercial price is 190 USD each. If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2409.	<i>10102169: Supplier Claim / Revenues Intercompany</i>		<i>BO: Supplier Claim / SCM000003</i>		
D	Intercompany	End Account / 423	SD2		380 USD
C	Turnover	End Account / 437	SD2		380 USD
2410.	<i>10102125: Supplier Claim / Cost of Goods Sold</i>		<i>BO: Supplier Claim / SCM000003</i>		
D	Cost of Goods Sold	End Account / 422	SD2	MAT	100 USD
C	Interim COGS	Interim Costs / 34	SD2		100 USD
2411.	<i>10061012: Warehouse Receipt / Costs Intercompany</i>		<i>BO: Inventory Transaction / IT0000003</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH1		380 USD
C	Intercompany	End Account / 742	NWH1		380 USD

18 Service Order

18.1 Material lines

On external service order (Sold-To BP filled) the ownership can be customer owned.

18.1.1 From Warehouse (company owned)

No intercompany trade relationship between warehouse and service department

Example: Issue with delivery type From Warehouse for maintenance sales order MSC000001, with department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000033 is created upon issue from warehousing.

The amount taken for the integration transactions depend on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2412.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2413.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2414.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2415.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2416.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD

C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2417.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

Intercompany relationship between warehouse and service department

If an intercompany trade relationship is defined between a warehouse and a service department, the costs are not taken over one to one from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: Issue with delivery type From Warehouse for maintenance sales order MSC000001, with department SD2, of two pieces of item PI1 from warehouse NWH1. Inventory transaction ID IT0000033 is created upon issue from warehousing.

The amount taken for the integration transactions depend on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2418.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2419.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000037		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2420.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000037		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD

2421.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000037	
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2422.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000037	
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2423.	10015054: Service Order / Issue Intercompany			BO: Service Order / SOC000002	
D	Service WIP	Service Order WIP / 1	SD1		380 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		380 USD

18.1.2 From Warehouse (customer owned)

Example: Customer owned issue for service order SOC000002 with service department SD1, of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000037 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which is always the value of the record that will be consumed (FIFO principle). Assume for example that the inventory value is 110 USD on cost component MAT.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2424.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
2425.	15015052: Service Order / Issue / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Service WIP	Service Order WIP / 2	SD1		220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2426.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		220 USD

The item issued can have mixed ownership. In this case the company owned inventory WIP must be decreased also.

If, for example, the value of the company owned WIP is 20 USD on cost component MAT in addition to journal entry 2424 till 2426 also journal entry 2427 and 2428 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2427.	10060116: Warehouse Issue / WIP Transfer		BO: Inventory Transaction / IT0000037		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
2428.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	NWH1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

18.1.3 From Warehouse in Car

If the delivery type is **From Warehouse in Car**, a transfer order is carried out first, from the warehouse of the estimated material line to the warehouse linked to the service car. The postings for this transfer are described in section 21.8. Next, the goods are delivered from the warehouse linked to the service car to service. To perform this issue, the postings listed in section 18.1.1 (company owned) or 18.1.2 (customer owned), are created. The issue is made in this case from the estimated material line in service, not from Warehousing.

18.1.4 From Warehouse by Transport

If the delivery type is **From Warehouse by Transport**, a transfer order is made first, from the warehouse of the estimated material line to the warehouse linked to business partner of the service order. The postings for this transfer are described in section 21.8.

Next, the goods are delivered from the warehouse linked to the business partner to service. To perform this issue, the postings described in section 18.1.1 (company owned) or 18.1.2 (customer owned), are created. In this case, the issue is made from the estimated material line in service, not from Warehousing.

18.1.5 From Service Kit

If the delivery type is **From Service Kit**, the same postings described in section *Service Order, Material lines, From Warehouse*, are created. The issue is made in this case from the estimated material line in service, not from Warehousing.

18.1.6 From Service Stock

If the delivery type is **From Service Stock**, the goods are not delivered from a warehouse, but are already available on the service floor.

Example: Actual quantity of two is entered for item PI1. The cost price from CPR is used for the posting and, as a result, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2429.	10015045: Service Order / General Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		200 USD
C	General Costs	End Account / 311	SD1		200 USD

18.1.7 From Dealer's Inventory

If the delivery type is **From Dealer's Inventory** (only possible for a service order for a warranty claim), the same journal entries as described in section *Service Order, Material lines, From Service Stock* are created.

18.1.8 By Purchase Order

If the delivery type is **By Purchase Order**, a purchase order is created for the given warehouse/item first. When the purchase order is received, the postings described in section *Purchase Order, Receipts, Purchased item in warehouse*, are created. Next, the goods are delivered from warehouse to service. To deliver the goods, the postings described in section *Service Order, Material Lines, From Warehouse*, are created.

18.1.9 By Field Purchase

If the delivery type is **By Field Purchase**, the goods are not delivered from a warehouse, but are already available on the service floor.

Example: An actual quantity of two is entered for item PI1. Actual costs are entered for 75 USD each.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2430.	10015045: Service Order / General Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		150 USD
C	General Costs	End Account / 311	SD1		150 USD

18.1.10 Supplier Direct Delivery

The handling of direct delivery is described in section 4.4.5 (purchase receipt) and section 4.9.3 (update delivery service order)

If a price variance arises for the purchase order, the postings described in section 4.10.7 are created.

18.1.11 Supplier Direct Return

For material lines of type **Supplier Direct Delivery**, in some cases, the actual quantity used in Service can be different from the estimated and delivered quantity. In that case, if the line is of type Supplier Direct Delivery, upon costing the service material line, the following journal entry is created in case of no intercompany relation between purchase office and service department.

The data from the previous section Supplier Direct Delivery is used, where the estimated quantity is 2 and the actual quantity is 1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2431.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-158.8 USD
C	Interim Transit	Interim Transit / 1	SD1		-158.8 USD

In case of an intercompany trade relation between purchase office and service department, the following journal entry is created (same entry, but different amount, based on the amount where the original issue posting is created with)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2432.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-190 USD
C	Interim Transit	Interim Transit / 1	SD1		-190 USD

In addition, a new material line of type Supplier Direct Return is created. The journal entries created for this line and the related purchase order are described in 4.9.4.

Note: in case the related purchase order is processed before the service order line is costed, journal entry 2431 or journal entry 2432 is created during the update delivery service order line. See also 4.9.4.

If a price variance arises for the purchase order, the postings described in section 4.10.7 are created.

18.1.12 To Scrap

If the delivery type is To Scrap, no integration transactions are created.

18.1.13 To Warehouse

No intercompany trade relationship between warehouse and service department

Example: Receipt with delivery type To Warehouse for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. In this situation, two possibilities exist:

- The order price is entered on the warehouse inbound order line.
- The order price is not entered on the inbound order line. In this case, the amount which is used for the receipt posting depends on the 'Default Inventory Receipt Value' parameter.

Normal Receipt (Material Line) - Unlinked - Inbound Price defined

In this example, order price is entered for 110 USD each. Inventory transaction ID IT0000038 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2433.	10015074: Service Order / Receipt		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Service WIP	Service Order WIP / 1	SD1		220 USD
2434.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2435.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD

2436.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2437.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2438.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If valuation method of item PI1 in warehouse NWH1 is Lot Price, and the lot is already present, and Lot Price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2439.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Material Line) - Unlinked - No Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost'

The service order integration transactions are booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance)

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000038 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
2440.	10015074: Service Order / Receipt		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Service WIP	Service Order WIP / 1	SD1		200 USD
2441.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2442.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	20 USD
2443.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2444.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt (Material Line) - Unlinked - No Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

The service order integration transactions are booked against *inventory value* excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance).

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000038 is

created during receipt. If the valuation method is MAUC and the current MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2445.	10015074: Service Order / Receipt		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Service WIP	Service Order WIP / 1	SD1		200 USD
2446.	10015074: Service Order / Receipt		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
C	Service WIP	Service Order WIP / 1	SD1		27.09 USD
2447.	10015074: Service Order / Receipt		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	NWH1		2 USD
C	Service WIP	Service Order WIP / 1	SD1		2 USD
2448.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2449.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Interim Transit	Interim Transit / 1	NWH1		27.09 USD
2450.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD
2451.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22.91 USD
2452.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal entry 2445 through 2452 are created. No lot results required.

Return Receipt (Material Line) - Unlinked

It is possible to create an unlinked return receipt for a service order. In that case the 'Return unconsumed Items to Warehouse' option should be selected on the service order material line. It is possible to add an inbound price to the inbound line.

Return Receipt (Material Line) - Unlinked - No Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost'

The service order integration transactions are booked against issue Standard Cost. Inventory is booked against same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards receipt Standard Cost or in case valuation method is lot pricing and the lot price already exists the lot price.

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000038 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2453.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2454.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		75.2 USD
2455.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
2456.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	28.12 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	28.12 USD
2457.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD

C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2458.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-83.32 USD
2459.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
2460.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2461.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
2462.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 200 + 75.2 + 6

(**) 75.2 + 28.12 – 20 (receipt Standard Cost value on SUR)

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 10 (SUR) and 4 (WRS) the following integration transactions are created instead of integration transactions 2458 and 2459:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2463.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD
C	Lot Result	End Account / 733	NWH1	SUR	-83.32 USD
2464.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD
C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost the following integration transactions are created instead of integration transactions 2458 and 2459:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2465.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-83.32 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-83.32 USD
2466.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-6 USD

Return Receipt (Material Line) - Unlinked - No Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

The service order integration transactions are booked against *inventory value* increased with issue surcharge. Inventory is booked with same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards *inventory value* before return.

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000038 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2467.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2468.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	111.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		111.6 USD
2469.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
2470.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	31.96 USD (**)
C	Surcharge Cover	End Account / 732	NWH1	IRS	31.96 USD
2471.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2472.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD (***)
C	Value Correction	End Account / 736	NWH1	SUR	-93.56 USD
2473.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
2474.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-319.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-319.6 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

(**) 10% of (200 + 111.6 + 8)

(***) 50 - 111.6 – 31.96

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) journal entry 2472 and 2473 are replaced by journal entry 2475 and 2476.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2475.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD
C	Lot Result	End Account / 733	NWH1	SUR	-93.56 USD
2476.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Lot Result	End Account / 733	NWH1	WRS	-6 USD

Return Receipt (Material Line) - Unlinked - Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost'

The service order integration transactions are booked against issue Standard Cost. Inventory is booked against inbound price increased with receipt surcharges. (Differences on interim transit account are cleared by return result)

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000038 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2477.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2478.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2479.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2480.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD

C	Return Result	End Account / 738	NWH1	MAT	20 USD
2481.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
C	Return Result	End Account / 738	NWH1	SUR	-75.2 USD
2482.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	WRS	-6 USD
2483.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-281.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-281.2 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR) and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2484.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2485.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2486.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Return Receipt (Material Line) - Unlinked - Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

The service order integration transactions are booked against *inventory value* increased with issue surcharges. Inventory is booked against inbound price increased with receipt surcharges. (Differences on interim transit account are cleared by return result).

Example: Receipt with delivery type 'To Warehouse' for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000038 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2487.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2488.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2489.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2490.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Return Result	End Account / 738	NWH1	MAT	20 USD
2491.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
C	Return Result	End Account / 738	NWH1	SUR	-111.6 USD
2492.	10061090: Warehouse Receipt / Return Result		BO: Inventory Transaction / IT0000038		
D	Interim Transit	Interim Transit / 1	NWH1		-8 USD
C	Return Result	End Account / 738	NWH1	WRS	-8 USD

2493.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-391.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-391.6 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 25 (SUR) and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2494.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Lot Result	End Account / 733	NWH1	MAT	-20 USD
2495.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	28 USD
C	Lot Result	End Account / 733	NWH1	SUR	28 USD
2496.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Return Receipt (Material Line) - Linked

For material lines of type From Warehouse, in some cases, the actual quantity used in service can be different from the estimated, and delivered, quantity. If the line is of type From Warehouse, upon costing the service material line the following journal entry is created.

The data from section *Service order, Material lines, From Warehouse* is used, where estimated quantity is 1 and actual quantity is 2.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2497.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-167 USD
C	Interim Transit	Interim Transit / 1	NWH1		-167 USD

In addition, a new material line of type To Warehouse is created.

Example: One of the two pieces from section *Service Order, Material lines, From Warehouse* is returned to warehouse NWH2. So, in this example, the original line is of type From Warehouse. The original warehouse of the original issue was NWH1. The original warehouse is used for the postings on reconciliation group Interim Transit / 1, because journal entry 2497 also uses the original warehouse for Interim Transit / 1.

If the original line is of type Supplier Direct Delivery, the same postings are created, with the difference that the original purchase office PO1 is used for the postings on reconciliation group Interim Transit / 1, because journal entry 2431 also uses the original purchase office for Interim Transit / 1.

The inbound line of one piece of PI1 can be handled in three ways:

- Receipt of one piece: No price defined on inbound order line
- Receipt of one piece: Price defined on inbound order line
- Receipt of zero pieces (final)

Return Receipt one piece (Material Line) - Linked – No inbound Price

In this case, the warehouse receipt is made with the service amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to equal the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Inventory transaction ID IT0000039 is created during receipt.

In this example, the valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. For more information, refer to entries 2501 and 2502.

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2498.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	MAT	167 USD
C	Interim Transit	Interim Transit / 1	NWH1		167 USD
2499.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	SUR	16.70 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.7 USD

2500.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000039	
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2501.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000039	
D	Inventory	Inventory / 1	NWH1	MAT	-47 USD
C	Value Correction	End Account / 736	NWH1	MAT	-47 USD
2502.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000039	
D	Inventory	Inventory / 1	NWH1	SUR	-4.70 USD
C	Value Correction	End Account / 736	NWH1	SUR	-4.70 USD

(*) 10 percent of 167

Return Receipt one piece (Material Line) - Linked - Inbound Price

In this case, the warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Inbound order line price is 110 USD each. Inventory transaction ID IT0000040 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2503.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
2504.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
2505.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2506.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000040	
D	Interim Transit	Interim Transit / 1	NWH1		-57 USD
C	Return Result	End Account / 738	NWH1	MAT	-57 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2507.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000040		
D	Inventory	Inventory / 1	NWH1	WRS	1 USD
C	Lot Result	End Account / 733	NWH1	WRS	1 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2508.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000040		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-10 USD
2509.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000040		
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-1 USD

Return receipt of zero pieces (final)

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service order price. Inventory transaction ID IT0000041 is created during receipt. The following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2510.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000041		
D	Interim Transit	Interim Transit / 1	NWH1		-167 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-167 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

Note

- You can also perform the receipt before costing the service order line. In that case, journal entry 2497 is made at the same time as journal entries 2498 through 2510, and therefore also upon confirmation of the receipt. Upon costing, no further journal

entries are created. In some cases, some items can also be received before costing, and some items can be received after costing. In that case, journal entry 2497 is made is made partly upon receiving and partly upon costing.

- If an item was issued that has mixed ownership, the inventory WIP (see section *Service Order, Material lines, From Warehouse*) is no longer returned.
- If item PI1 must be returned as issued, and the item was consigned in inventory, it should be reconsigned in inventory. After the postings described above, and depending on the situation, first the postings are created that are described in the following sections:
 - *Purchase Order, Usage and payment of consigned inventory*
 - *Purchase Schedule, Usage and payment of consigned inventory*
 - *Warehousing, Cycle counting, Usage and payment of consigned inventory*
 - *Warehousing, Adjustment, Usage and payment of consigned inventory*
 - *Warehousing, Consignment use, Purchase order (manual)*
 - *Warehousing, Transfers, Usage and payment of consigned inventory.*

Intercompany relationship between warehouse and service department

All the scenario's described for the situation without intercompany trade relationship are also applicable here.

Normal Receipt (Material Line) - Unlinked

Example: Receipt with delivery type To Warehouse for service order SOC000002 of two pieces of item PI1 for warehouse NWH1. In this situation, two possibilities exist:

In this example, order price is entered for 110 USD each. Inventory transaction ID IT0000038 is created during receipt. The examples where the order price is not entered can be compared with this example and the examples described above for the situation without intercompany trade relationship. The intercompany trade commercial price is 190 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2511.	10015054: Service Order / Issue Intercompany		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-380 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		-380 USD
2512.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	NWH1		220 USD
2513.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000038		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD

2514.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

If valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2515.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2516.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If valuation method of item PI1 in warehouse NWH1 is Lot Price, and the lot is already present, and Lot Price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2517.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000038	
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Return Receipt (Material Line) - Linked

For material lines of type From Warehouse, in some cases, the actual quantity used in service can be different from the estimated, and delivered, quantity. If the line is of type From Warehouse, upon costing the service material line the following journal entry is created.

The data from section *Service order, Material lines, From Warehouse* is used, where estimated quantity is 1 and actual quantity is 2.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2518.	10015052: Service Order / Issue			BO: Service Order / SOC000002	
D	Service WIP	Service Order WIP / 1	SD1		-190 USD

C	Interim Transit	Interim Transit / 1	NWH1		-190 USD

In addition, a new material line of type To Warehouse is created.

Example: One of the two pieces from section *Service Order, Material lines, From Warehouse* is returned to warehouse NWH2. So, in this example, the original line is of type From Warehouse. The original warehouse of the original issue was NWH1. The original warehouse is used for the postings on reconciliation group Interim Transit / 1, because journal entry 2497 also uses the original warehouse for Interim Transit / 1.

If the original line is of type Supplier Direct Delivery, the same postings are created, with the difference that the original purchase office PO1 is used for the postings on reconciliation group Interim Transit / 1, because journal entry 2431 also uses the original purchase office for Interim Transit / 1.

The inbound line of one piece of PI1 can be handled in three ways:

- Receipt of one piece: No price defined on inbound order line
- Receipt of one piece: Price defined on inbound order line
- Receipt of zero pieces (final)

Return Receipt one piece (Material Line) - Linked – No inbound Price

In this case, the warehouse receipt is made with the service amount. Surcharges are added to the normal receipt. In the end, the inventory value is corrected to equal the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Inventory transaction ID IT0000039 is created during receipt.

In this example, the valuation method was MAUC and the MAUC at issue date was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. In this case, warehouse receipt / value correction is logged. For more information, refer to entries 2523 and 2524.

If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2519.	10015086: Service Order / Receipt Intercompany		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		190 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		190 USD
2520.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	MAT	167 USD

C	Interim COGS	Interim Costs / 11	NWH1		167 USD
2521.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	SUR	16.70 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	16.7 USD
2522.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
2523.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	MAT	-47 USD
C	Value Correction	End Account / 736	NWH1	MAT	-47 USD
2524.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000039		
D	Inventory	Inventory / 1	NWH1	SUR	-4.70 USD
C	Value Correction	End Account / 736	NWH1	SUR	-4.70 USD

(*) 10 percent of 167

Return Receipt one piece (Material Line) - Linked - Inbound Price

In this case, the warehouse receipt is made with the amount of the inbound order line. Surcharges are added to the normal receipt. The interim transit is balanced with a return result.

Example: Inbound order line price is 110 USD each. Inventory transaction ID IT0000040 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2525.	10015086: Service Order / Receipt Intercompany		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 1	SD1		190 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		190 USD
2526.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000040		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim COGS	Interim Costs / 11	NWH1		110 USD
2527.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000040		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD

2528.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2529.	10061103: Warehouse Receipt / Return Result Intercompany			BO: Inventory Transaction / IT0000040	
D	Interim COGS	Interim Costs / 11	NWH1		-10 USD
C	Return Result	End Account / 741	NWH1	MAT	-10 USD
2530.	10061103: Warehouse Receipt / Return Result Intercompany			BO: Inventory Transaction / IT0000040	
D	Interim COGS	Interim Costs / 11	NWH1		-44 USD
C	Return Result	End Account / 741	NWH1	SUR	-44 USD
2531.	10061103: Warehouse Receipt / Return Result Intercompany			BO: Inventory Transaction / IT0000040	
D	Interim COGS	Interim Costs / 11	NWH1		-3 USD
C	Return Result	End Account / 741	NWH1	WRS	-3 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2532.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	WRS	1 USD
C	Lot Result	End Account / 733	NWH1	WRS	1 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2533.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-10 USD
2534.	10061067: Warehouse Receipt / Standard Cost Result			BO: Inventory Transaction / IT0000040	
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD

C	Standard Cost Result	End Account / 731	NWH1	SUR	-1 USD

Return receipt of zero pieces (final)

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service order price. Inventory transaction ID IT0000041 is created during receipt. The following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2535.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000041		
D	Interim Transit	Interim Transit / 1	NWH1		-190 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-190 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

The same notes as for the situation without intercompany trade relation are applicable here.

18.1.14 To Warehouse (customer owned)

18.1.14.1 Normal receipt – No price defined on inbound order line

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the service and inventory integration transactions.

Example: Customer owned receipt with delivery type *To Warehouse* for service order SOC000002 of to pieces of item PI1 for warehouse NWH1. Inventory transaction ID IT0000038 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2536.	15015074: Service Order / Receipt / Customer Owned		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 13	NWH1		200 USD
C	Customer Owned Service WIP	Service Order WIP / 2	SD1		200 USD
2537.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2538.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		200 USD

18.1.14.2 Normal Receipt – Price defined on inbound order line

Example: Customer owned receipt with delivery type *To Warehouse* for service order SOC000002 of to pieces of item PI1 for warehouse NWH1. An order price is entered of 130 USD each. Inventory transaction ID IT0000038 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2539.	15015074: Service Order / Receipt / Customer Owned		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 13	NWH1		260 USD
C	Customer Owned Service WIP	Service Order WIP / 2	SD1		260 USD
2540.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	260 USD
C	Interim Transit	Interim Transit / 13	NWH1		260 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2541.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		260 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		260 USD

18.1.14.3 Return Receipt – Linked to Original Order

For material lines of type *From Warehouse* the actual quantity used in service can be different from the delivered, quantity. The not used quantity is returned to the warehouse

where Service Order WIP is already cleared upon costing the Service Order Line. In this case the service issue is created with the amount of the original service issue.

Example: The data from section 18.1.2 is used, where delivered quantity is 2 and actual quantity used is 1. Upon costing the service material line the following journal entry is created.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2542.	15015052: Service Order / Issue / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Service WIP	Service Order WIP / 2	SD1		-110 USD
C	Interim Transit	Interim Transit / 1	NWH1		-110 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2543.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-110 USD

If the item original issued has mixed ownership next to journal entry 2542 and 2543 also journal entry 2544 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2544.	10015052: Service Order / Issue		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	NWH1		-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

In addition, a new material line of type **To Warehouse** is created with a related warehousing inbound order. The inbound line ownership is always 'return as issued'. The inbound line of one piece of PI1 can be handled in three ways:

- Receipt of one piece: No price defined on inbound order line
- Receipt of one piece: Price defined on inbound order line
- Receipt of zero pieces (final)

Receipt of one piece: No price defined on inbound order line

The warehouse receipt is made with the service issue amount which is equal to the amount of the original service issue.

Example: One piece of item PI1 from warehouse NWH1 of order SOC0000002, as described in section 18.1.2, is returned. Inventory transaction ID IT0000039 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2545.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000039		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH1		110 USD

If the item original issued has mixed ownership next to journal entry 2545 also journal entry 2546 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2546.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000030		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

Receipt of zero pieces (final)

Sometimes, the returned item is never received. In that case, a shipment variance posting is created against the service issue amount. Inventory transaction ID IT0000041 is created during receipt. The following posting is created:

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2547.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000041		
D	Interim Transit	Interim Transit / 13	NWH1		-167 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-167 USD

If the item original issued has mixed ownership next to journal entry 2547 also journal entry 2548 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2548.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000042		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-20 USD

Combinations between receipts and shipment variances are also possible, for example, if two items are returned, but only one is received.

18.1.14.4 Return receipt – Not linked to original order – No price defined on inbound order line.

In this case, the material costs of the receipt Standard Cost (so excluding receipt surcharges) is always used for both the service and inventory integration transactions.

Example: Customer owned receipt with delivery type *To Warehouse* for service order SOC000002 of to pieces of item PI1 for warehouse NWH1. Inventory transaction ID IT0000038 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2549.	15015052: Service Order / Issue/ Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Service WIP	Service Order WIP / 2	SD1		-200 USD
C	Interim Transit	Interim Transit / 13	NWH1		-200 USD
2550.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000038		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2551.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NW1		-200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-200 USD

18.1.14.5 Return receipt – Not linked to original order – Price defined on inbound order line

Example: Customer owned receipt with delivery type *To Warehouse* for service order SOC000002 of to pieces of item PI1 for warehouse NWH1. An order price is entered of 130 USD each. Inventory transaction ID IT0000038 is created during receipt.

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2552.	<i>15015052: Service Order / Issue/ Customer Owned</i>		<i>BO: Service Order / SOC000002</i>		
D	Customer Owned Service WIP	Service Order WIP / 2	SD1		-260 USD
C	Interim Transit	Interim Transit / 13	NWH1		-260 USD
2553.	<i>15061074: Warehouse Receipt / Receipt / Customer Owned</i>		<i>BO: Inventory Transaction / IT0000038</i>		
D	Customer Owned Inventory	Inventory / 2	NWH1	MAT	260 USD
C	Interim Transit	Interim Transit / 13	NWH1		260 USD

If the financial companies of SD1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2554.	<i>15015105: Service Order / Transfer Accrual / Customer Owned</i>		<i>BO: Service Order / SOC000002</i>		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-260 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		-260 USD

18.1.15 To Warehouse by Transport

If the delivery type is **To Warehouse by Transport**, a receipt is first made in the warehouse linked to the business partner of the service order. To make this receipt, the postings described in section 18.1.13 (company owned) or section 18.1.14 (customer owned) are created. The receipt, in this case, is made from the estimated material line in service, not from Warehousing. Next, a transfer order is made from the warehouse of the business partner to the warehouse of the estimated material line. The postings for this transfer are described in section 21.8.

18.2 Labor lines

Journal entries for labor are described in section *People, Hours, Service*.

18.3 Other lines

18.3.1 Subcontracting

If an activity of the service order is subcontracted, a cost or service item is entered on this activity. If a line is entered for this activity of type Subcontracting, a purchase order is created for this line. When the purchase order is received, the postings, described in section *Purchase Order, Receipts, Service subcontracting*, are created. If a price variance arises for the purchase order, the postings, described in section *Purchase Order, Invoice approval / Change price after receipt, Service subcontracting*, are created.

18.3.2 Tooling

If a line of type tooling is entered, you can enter a tool item on the line and also a quantity and a price. If the actual quantity is filled, for example, with two pieces for a price of 60 USD, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2555.	10015127: Service Order / Tool Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		120 USD
C	Tool Costs	End Account / 316	SD1		120 USD

18.3.3 Help Desk / Other

If a line of type Help Desk or Other is entered, you can also fill a quantity and a price. If you fill the actual quantity, for example, with two pieces for a price of 70 USD, the following posting is created. The same posting is created for lines of type Travel, which, in some cases, are automatically generated.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2556.	10015045: Service Order / General Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		140 USD
C	General Costs	End Account / 311	SD1		140 USD

18.3.4 Travel

Two types of lines of type Travel occur. If the travel line is linked to People, the transactions described in section *People, Hours, Service* are created. If the travel line is not linked to People, the transactions as described in section *Service Order, Other lines, Help Desk / Other* are created

18.3.5 General costs (through Financials)

You can also enter a cost invoice in Financial (ACP). Assume an invoice arrives for 50 USD. You can assign these costs to a service order line. If you do so, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2557.	10015044: Service Order / General Costs (through Financials)		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		50 USD
C	General Costs	End Account / 312	SD1		50 USD

18.3.6 Freight

Some service order material lines can be handled via freight. In this case, other lines of type freight are created. The postings that are created for other lines of type freight are described in sections *Freight*, *Load planning* and *Freight*, *Freight order clusters*.

18.4 Costing service order lines

For costing the service order lines, such as material or labor, the Service WIP is emptied. This can be done with difference postings. For material lines, in some cases, unused items are returned to the warehouse. These postings are described in section 18.1.13.

18.4.1 External service order (linked to business partner)

Example: The material line from the example in section 18.1.1 (company owned) and 18.1.2 (customer owned) is set to Costed. The company owned amount was 334 USD and the customer owned amount was 220 USD. In this example, the company owned amount is distinguished in the following way:

- Service contract SC0000001, with service department SD3, covers 50 percent of the amount (117 USD).
- Warranty is given for 50 USD.
- To get some goodwill, 25 USD is posted as goodwill.
- The remaining part of 42 USD will be invoiced.

With this example, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2558.	10015007: Service Order / Contract		BO: Service Order / SOC000002		
D	Interim Contract	Interim Contract / 1	SD3		117 USD
C	Service WIP	Service Order WIP / 1	SD1		117 USD
2559.	10041032: Service Contract / Actual Costs		BO: Service Contract / SC0000001		
D	Actual Costs	End Account / 381	SD3		117 USD
C	Interim Contract	Interim Contract / 1	SD3		117 USD
2560.	10015112: Service Order / Warranty Costs		BO: Service Order / SOC000002		
D	Warranty Costs	End Account / 308	SD1		50 USD
C	Service WIP	Service Order WIP / 1	SD1		50 USD
2561.	10015126: Service Order / Goodwill		BO: Service Order / SOC000002		
D	Goodwill	End Account / 305	SD1		25 USD
C	Service WIP	Service Order WIP / 1	SD1		25 USD
2562.	10015004: Service Order / Approved for Invoicing		BO: Service Order / SOC000002		
D	Interim COGS	Interim Costs / 4	SD1		42 USD
C	Service WIP	Service Order WIP / 1	SD1		42 USD

Note: For service orders with warranty claim as Yes, only journal entry 2560 is possible.

An order line can also fall within the repair warranty. The repair warranty is usually for the full amount, and as a result, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2563.	10015110: Service Order / Repair Warranty Costs		BO: Service Order / SOC000002		
D	Warranty Costs	End Account / 309	SD1		334 USD
C	Service WIP	Service Order WIP / 1	SD1		334 USD

If the service order is generated from a field change order, the following posting is created instead of the previous postings.

Note: For service orders generated from field change orders, you can enter a goodwill amount as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2564.	10015040: Service Order / Field Change Order Costs		BO: Service Order / SOC000002		
D	Field Change Costs	End Account / 304	SD1		334 USD

C	Service WIP	Service Order WIP / 1	SD1		334 USD

When costing the material line of section 18.1.2 and if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes** the following posting is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2565.	15015009: Service Order / Completion / Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SD1		220 USD
C	Customer Owned Service WIP	Service Order WIP / 2	SD1		220 USD

18.4.2 Internal service order (not linked to Project [TP])

Example: The material line from the example at the beginning of this chapter is set to **Costed**. The amount of this line was 334 USD. In this case, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2566.	10015051: Service Order / Internal Service Costs		BO: Service Order / SOC000002		
D	Internal Service Costs	End Account / 306	SD1		334 USD
C	Service WIP	Service Order WIP / 1	SD1		334 USD

18.4.3 Internal service order (linked to Project [TP])

Example: The material line the example at the beginning of this chapter is set to **Costed**. The amount of this line was 334 USD. In this case, if the service order is linked to project TP1, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2567.	10015115: Service Order / Transfer to Project WIP		BO: Service Order / SOC000002		
D	Interim Transit	Interim Transit / 10	SD1		334 USD
C	Service WIP	Service Order WIP / 1	SD1		334 USD
2568.	10024066: Project Costs & Commitments / Transfer from Service WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		334 USD
C	Interim Transit	Interim Transit / 10	SD1		334 USD

Journal entry 2567 is created when the service order line is costed. Journal entry 2568 is created later on in TP when the transaction is posted. For this reason, the journal entries are not made at the same time.

18.5 Customer invoices

Example: Invoice is posted for the material line of sections *Service Order, Material lines, From Warehouse* and *Service Order, Costing service order lines, External service order (linked to business partner)* of service order SOC000002. Sales price, after subtracting contract, warranty, and goodwill, is 60 USD. The customer receives a discount of five percent. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2569.	10015125: Service Order / Cost of Goods Sold		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 301	SD1		42 USD
C	Interim COGS	Interim Costs / 4	SD1		42 USD
2570.	10015082: Service Order / Revenues Analysis		BO: Service Order / SOC000002		
D	Interim Revenues	Interim Revenues / 5	SD1		60 USD
C	Turnover	End Account / 315	SD1		60 USD
2571.	10015062: Service Order / Order Discount		BO: Service Order / SOC000002		
D	Discount	End Account / 307	SD1		3 USD
C	Interim Revenues	Interim Revenues / 5	SD1		3 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

The service order can also be linked to a quotation. In this case, the following posting is created instead of journal entry 2569:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2572.	10015015: Service Order / Cost of Goods Sold Quotation		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 303	SD1		42 USD
C	Interim COGS	Interim Costs / 4	SD1		42 USD

Note: For service orders with warranty claim as yes, no cost of goods sold postings are created.

18.6 Intercompany Trade

18.6.1 External Material Delivery Sales

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and service department are described in Section 21.11.2.

18.6.2 External Material Direct Delivery

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation in case of direct delivery are described in Section 4.11.1.2

18.7 Change price after delivery

In case an intercompany trade relation is defined between warehouse / purchase office and service office, that is defined on sales price (gross or net), changing of the sales price after delivery influences also the amount of intercompany trade.

Example: Sales gross price is 100 USD, and intercompany trade is based on sales gross price minus 10%. This means intercompany trade price is 90 USD. If the sales gross price changes after delivery from 100 USD to 120 USD, this means the intercompany trade price changes from 90 USD to 108 USD, so a difference of 18 USD.

Intercompany trade relationship with internal invoice

Following posting is always created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2573.	10015054: Service Order / Issue Intercompany		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		18 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		18 USD

One of the following postings is created, dependent on the intercompany trade situation

In case of a warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2574.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000037		
D	Interim Revenues	Interim Revenues / 5	NWH1		18 USD

C	Turnover	End Account / 714	NWH1		18 USD

In case of direct delivery

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2575.	10001082: Purchase Order / Revenues Analysis		BO: Purchase Order / PUR000004		
D	Interim Revenues	Interim Revenues / 5	PO1		18 USD
C	Turnover	End Account / 114	PO1		18 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2576.	Only Reconciliation: Approval		BO: Service Order / SOC000002		
D	Invoice Accrual	Invoice Accrual / 13	SO1		18 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Following postings are always created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2577.	10015054: Service Order / Issue Intercompany		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		18 USD
C	Invoice Accrual	Invoice Accrual / 13	SD1		18 USD
2578.	10015012: Service Order / Costs Intercompany		BO: Service Order / SOC000002		
D	Invoice Accrual	Invoice Accrual / 13	SD1		18 USD
C	Intercompany	End Account / 300	SD1		18 USD

One of the following postings is created, dependent on the intercompany trade situation

In case of a warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2579.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000037		
D	Intercompany	End Account / 703	NWH1		18 USD
C	Turnover	End Account / 718	NWH1		18 USD

In case of direct delivery

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2580.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000004		
D	Intercompany	End Account / 105	PO1		18 USD
C	Turnover	End Account / 118	PO1		18 USD

19 Service Call

19.1 General costs

Example: For Service Call CLM000001 (service department SD1) the invoice data is saved. The costs are 500 USD. In this case, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2581.	10016045: Service Call / General Costs		BO: Service Call / CLM000001		
D	Service WIP	Service Call WIP / 1	SD1		500 USD
C	General Costs	End Account / 331	SD1		500 USD

19.2 Create invoice (costing)

If the invoice is created (costed), the Service Call WIP is emptied with the difference postings.

Example: The amount of 500 USD described in the previous section is divided as follows:

- Service contract SC0000001, with service department SD3, covers 50 percent of the amount of 250 USD.
- Warranty is given for 30 USD.
- To get some goodwill, 20 USD is posted as goodwill.
- The remaining amount of 200 USD is invoiced.

With this example, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2582.	10016007: Service Call / Contract		BO: Service Call / CLM000001		
D	Interim Contract	Interim Contract / 1	SD3		250 USD
C	Service WIP	Service Call WIP / 1	SD1		250 USD
2583.	10041032: Service Contract / Actual Costs		BO: Service Contract / SC0000001		
D	Actual Costs	End Account / 381	SD3		250 USD
C	Interim Contract	Interim Contract / 1	SD3		250 USD

2584.	10016112: Service Call / Warranty Costs		BO: Service Call / CLM000001		
D	Warranty Costs	End Account / 324	SD1		30 USD
C	Service WIP	Service Call WIP / 1	SD1		30 USD
2585.	10016126: Service Call / Goodwill		BO: Service Call / CLM000001		
D	Goodwill	End Account / 322	SD1		20 USD
C	Service WIP	Service Call WIP / 1	SD1		20 USD
2586.	10016004: Service Call / Approved for Invoicing		BO: Service Call / CLM000001		
D	Interim COGS	Interim Costs / 5	SD1		200 USD
C	Service WIP	Service Call WIP / 1	SD1		200 USD

If project pegging is applicable journal entries 2586 is replaced by journal entry 2587.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2587.	10016136: Service Call / Approved for Invoicing (Proj.)		BO: Service Call / CLM000001		
D	Interim COGS Project	Interim Costs / 21	SD1		200 USD
C	Service WIP	Service Call WIP / 1	SD1		200 USD

19.3 Customer invoices

Example: The invoice from the previous section is posted. The sales price, after subtracting the contract, warranty, and goodwill, is 260 USD. The customer receives a discount of five percent. The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2588.	10016125: Service Call / Cost of Goods Sold		BO: Service Call / CLM000001		
D	Cost of Goods Sold	End Account / 321	SD1		200 USD
C	Interim COGS	Interim Costs / 5	SD1		200 USD
2589.	10016082: Service Call / Revenues Analysis		BO: Service Call / CLM000001		
D	Interim Revenues	Interim Revenues / 5	SD1		260 USD
C	Turnover	End Account / 333	SD1		260 USD
2590.	10016062: Service Call / Order Discount		BO: Service Call / CLM000001		
D	Discount	End Account / 323	SD1		13 USD
C	Interim Revenues	Interim Revenues / 5	SD1		13 USD

If project pegging is applicable journal entry 2588 is replaced by journal entry 2591

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2591.	10024134: Project Costs & Commitments / Invoiced WIP		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		200 USD
C	Interim COGS	Interim Costs / 21	SD1		200 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

20 Service Contract

20.1 Actual costs

The actual costs for a service contract are posted upon costing a coverage line of a maintenance sales order, described for journal entries 2292 and 2293; costing a service order line, described in journal entries 2558 and 2559; or costing a service call, described for journal entries 2582 and 2583

20.2 Customer invoices

Example: Service contract SC0000001 is a contract for six weeks, starting on the first of February. The contract cost amount is 600 USD, the contract sales amount is 1,200 USD, on which a percentage of 10 percent is given. Installments are made on a weekly basis, and therefore, for this contract, six installments are posted in six subsequent weeks. When the installment is posted, the following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2592.	10041033: Service Contract / Estimated Costs		BO: Service Contract / SC0000001		
D	Interim COGS	Interim Costs / 15	SD3		100 USD
C	Interim Costs	Interim Costs / 16	SD3		100 USD
2593.	10041076: Service Contract / Deferred Revenues		BO: Service Contract / SC0000001		
D	Interim Revenues	Interim Revenues / 5	SD3		200 USD
C	Interim Revenues	Interim Revenues / 1	SD3		200 USD
2594.	10041062: Service Contract / Order Discount		BO: Service Contract / SC0000001		
D	Discount	End Account / 384	SD3		20 USD
C	Interim Revenues	Interim Revenues / 5	SD3		20 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

If revenue recognition is not active, in other words, if the **Recognize Revenues** field has the value **Direct by installment**, the following posting is also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2595.	10041082: Service Contract / Revenues Analysis		BO: Service Contract / SC0000001		
D	Interim Revenues	Interim Revenues / 1	SD3		200 USD

C	Turnover	End Account / 392	SD3		200 USD

20.3 Revenues recognition

For revenues recognition, in other words, if the **Recognize Revenues** parameter has the value **Interactive**, the revenues must be recognized interactively. To enable this, for example, based on the number of days per period. In the example of section *Service Contracts, Customer invoices*, two periods are involved: February (four weeks) and March (two weeks). Therefore, the revenues amount for February is 800 USD, and for March 400 USD.

If the revenues are recognized in February, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2596.	10041082: Service Contract / Revenues Analysis		BO: Service Contract / SC0000001		
D	Interim Revenues	Interim Revenues / 1	SD3		800 USD
C	Turnover	End Account / 392	SD3		800 USD

20.4 Close contract

When the contract is closed, the estimated costs are reversed. Note that the real costs are the actual costs. In the future, users might have the option to reverse the estimated costs when the actual costs are logged, which will enable better oversight of the costs. With the data of section *Service Contracts, Customer invoices*, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2597.	10041033: Service Contract / Estimated Costs		BO: Service Contract / SC0000001		
D	Interim COGS	Interim Costs / 15	SD3		-600 USD
C	Interim Costs	Interim Costs / 16	SD3		-600 USD

As a result, the accounts for Interim Costs / 15 and Interim Costs / 16 are balanced again.

21 Warehousing

For project pegged orders the transactions for customer owned goods are made per peg line, with filled project related fields in the logged elements.

21.1 Cycle counting

21.1.1 Positive quantity (company owned)

Example: During cycle counting of item PI1 in warehouse NWH1, 12 pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000001 is created for the difference of two pieces. In this situation, the following two options exist: the adjustment price is entered on the cycle count line, or adjustment price is not entered on the cycle count line. In the latter case, the parameter 'Default Inventory Receipt Value' is used for the adjustment posting.

Normal Receipt - Inbound Price defined

Note that if the valuation method of the item in the warehouse is Standard Cost, you cannot enter an adjustment price. In this example, the order price is entered for 110 USD each. Inventory Transaction ID IT0000042 is created during processing of the cycle count order.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2598.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Cycle Counting	End Account / 791	NWH1	MAT	220 USD
2599.	10055056: Cycle Counting Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 793	NWH1	IRS	22 USD
2600.	10055121: Cycle Counting Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 796	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2601.	10055068: Cycle Counting Order / Lot Result			BO: Inventory Transaction / IT0000042	
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 794	NWH1	WRS	2 USD

Note: For a project WIP warehouse no financial transaction is created because project WIP will not increase for a found item.

If project pegging is applicable journal entry 2598 is replaced by journal entry 2602 and 2603.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2602.	10055074: Cycle Counting Order / Receipt			BO: Inventory Transaction / IT0000042	
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2603.	10024074: Project Costs & Commitments / Receipt			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-220 USD
C	Interim Transit	Interim Transit / 1	NWH1		-220 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Normal Receipt - No Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost'

Inventory is booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance)

Example: Positive cycle counting order line of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000042 is created during processing.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2604.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Cycle Counting	End Account / 791	NWH1	MAT	200 USD
2605.	10055056: Cycle Counting Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 793	NWH1	IRS	20 USD
2606.	10055121: Cycle Counting Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 796	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2607.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt - No Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

Inventory is booked against *inventory value* excluding the receipt surcharge applicable for the received item. Subsequently the receipt surcharges of received item are added again (booked detailed in finance).

Example: Positive cycle counting order line of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000042 is created during processing. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2608.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Cycle Counting	End Account / 791	NWH1	MAT	200 USD
2609.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Cycle Counting	End Account / 791	NWH1	SUR	27.09 USD
2610.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Cycle Counting	End Account / 791	NWH1	WRS	2 USD
2611.	10055056: Cycle Counting Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 793	NWH1	IRS	22.91 USD
2612.	10055121: Cycle Counting Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 796	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal entry 2644 through 2648 are created. No lot results required.

21.1.2 Positive quantity (consigned inventory)

Note: For a project WIP warehouse a consigned receipt is not applicable.

Two situations can exist:

Owner is external owner

Owner is internal owner

Owner is external owner

Example: During cycle counting of item PI1 in warehouse NWH1, 12 pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000002 is created for the difference of two pieces. The two pieces are consigned and the owner is

an external owner. In this situation, the following two options exist: the adjustment price is entered on the cycle count line, or adjustment price is not entered on the cycle count line. In the latter case, the Standard Cost is used for the adjustment posting.

Note that if the valuation method of the item in the warehouse is Standard Cost, you cannot enter an adjustment price. Note also that even though there is no real Standard Cost valuation for consigned goods, still the Standard Cost (without surcharges) is used.

In this example, the order price is entered for 110 USD each. Inventory Transaction ID IT0000042 is created during processing of the cycle count order. The integration transaction 2613 is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2613.	10055063: Cycle Counting Order / Consignment Receipt		BO: Inventory Transaction / IT0000042		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 4	NWH1		220 USD

Owner is internal owner

Example: During cycle counting of item PI1 in warehouse NWH1, 12 pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000002 is created for the difference of two pieces. The two pieces are consigned and the owner is an internal owner which has the same enterprise unit as financial warehouse FWH2. In this situation, the following two options exist: the adjustment price is entered on the cycle count line, or adjustment price is not entered on the cycle count line. In the latter case, the Standard Cost is used for the adjustment posting.

Note that if the valuation method of the item in the warehouse is Standard Cost, you cannot enter an adjustment price. Note also that even though there is no real Standard Cost valuation for consigned goods, still the Standard Cost (without surcharges) is used.

In this example, the order price is entered for 110 USD each. Inventory Transaction ID IT0000042 is created during processing of the cycle count order. The integration transaction 2614 is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2614.	10055063: Cycle Counting Order / Consignment Receipt		BO: Inventory Transaction / IT0000042		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 4	NWH1		220 USD

2615.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000042		
D	Inventory	Inventory / 1	FWH2	MAT	220 USD
C	Cycle Counting	End Account / 791	FWH2	MAT	220 USD

21.1.3 Positive quantity (customer-owned inventory)

Example: During cycle counting of item PI1 in warehouse NWH1, 12 pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000003 is created for the difference of two pieces. The two pieces are customer owned (the owner can only be an external owner). In this situation, the following two options exist: the adjustment price is entered on the cycle count line, or adjustment price is not entered on the cycle count line. In the latter situation, the Standard Cost (without surcharges) is used for the adjustment posting.

In this example, the order price is entered for 110 USD each. Inventory Transaction ID IT0000095 is created during processing of the cycle count order. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2616.	15055013: Cycle Counting Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000095		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD

21.1.4 Negative quantity (company-owned/consigned inventory)

Example: During cycle counting of item PI1 in warehouse NWH1, eight pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000002 is created for the difference of -2 pieces which are company owned.

Note

If the two pieces are consigned, first the consigned inventory must be used and received in company-owned inventory (if the discrepancies must be paid by own company). This is described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

Also the discrepancies may have to be paid by supplier. Then, only the consignment usage postings are created and no receipt in company-owned inventory is done. Also

the integration transactions described below are not created (as there is no company-owned inventory).

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Inventory transaction ID IT0000043 is created during cycle count order processing:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2617.	10055057: Cycle Counting Order / Item Surcharge Issue		BO: Inventory Transaction / IT0000043		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 792	NWH1	IIS	54 USD
2618.	10055120: Cycle Counting Order / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000043		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 795	NWH1	WIS	10 USD
2619.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000043		
D	Inventory	Inventory / 1	NWH1	MAT	-240 USD
C	Cycle Counting	End Account / 791	NWH1	MAT	-240 USD
2620.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000043		
D	Inventory	Inventory / 1	NWH1	SUR	-88 USD
C	Cycle Counting	End Account / 791	NWH1	SUR	-88 USD
2621.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000043		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Cycle Counting	End Account / 791	NWH1	WRS	-6 USD

If project pegging is applicable journal entries 2619 through 2621 are replaced by journal entries 2622 through 2627.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2622.	10055052: Cycle Counting Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD

2623.	10055052: Cycle Counting Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2624.	10055052: Cycle Counting Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2625.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
2626.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
2627.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Note: For a project WIP warehouse no financial transaction is created because project WIP will not decrease for a lost item.

21.1.5 Negative quantity (customer-owned inventory)

Example: During cycle counting of item PI1 in warehouse NWH1, 8 pieces are counted. The system inventory is 10 pieces. Cycle counting order CYC000004 is created for the difference of -2 pieces, which are customer owned.

The amount taken for the integration transactions depends on the inventory value, which is always the value of the record that will be consumed. Assume for example that the inventory value is 110 USD on cost component MAT.

Inventory transaction ID IT0000098 is created during cycle count order processing. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2628.	15055013: Cycle Counting Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000098		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-220 USD

C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD

21.1.6 Negative quantity (mixed ownership)

See section *Production Order, Materials, Issue (mixed ownership)* for an explanation of mixed ownership.

Example: Item PI1 has mixed ownership. The company-owned value is 60 USD on cost component MAT. If this is the case with the same example as described in section *Warehousing, Cycle counting, Usage and payment of consigned inventory*, except for the postings described in that section also the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2629.	10055123: Cycle Counting Order / WIP Variance Adjustment		BO: Inventory Transaction / IT0000098		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-120 USD
C	Cycle Counting	End Account / 797	NWH1	MAT	-120 USD

If project pegging is applicable journal entry 2629 is replaced by journal entries 2630 through 2631.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2630.	10055116: Cycle Counting Order / WIP Transfer Issue		BO: Inventory Transaction / IT0000098		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	120 USD
2631.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP-1		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

21.1.7 Usage and payment of consigned inventory

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of the consigned inventory of Cycle Count Order CYC000001 (see section *Warehousing, Cycle counting, Positive quantity (company-owned)*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the cycle counting order and the inventory transaction ID of the receipt, as described in section *Warehousing, Cycle counting, Positive quantity (company-owned)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2632.	10055064: Cycle Counting Order / Consignment Use		BO: Inventory Transaction / IT0000042		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 4	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

For the increase of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/ consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the cycle counting order and the inventory transaction ID of the receipt, as described in section *Warehousing, Cycle counting, Positive quantity (company-owned)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2633.	10055064: Cycle Counting Order / Consignment Use		BO: Inventory Transaction / IT0000042		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 4	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

For the decrease of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

21.2 Adjustment

21.2.1 Positive quantity (company-owned)

This is similar to what is described for cycle counting in section 21.1.1 Positive quantity (company owned). Same example where cycle counting order CYC000001 is replaced with adjustment order ADJ000001.

Normal Receipt - Inbound Price defined

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2634.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Adjustment	End Account / 811	NWH1	MAT	220 USD
2635.	10054056: Adjustment Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 813	NWH1	IRS	22 USD
2636.	10054121: Adjustment Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 816	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created (only for the company-owned part):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2637.	10054068: Adjustment Order / Lot Result		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 814	NWH1	WRS	2 USD

If project pegging is applicable journal entry 2634 is replaced by journal entries 2637 and 2638.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2638.	10054074: Adjustment Order / Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD

C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2639.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-220 USD
C	Interim Transit	Interim Transit / 1	NWH1		-220 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

Normal Receipt - No Inbound Price defined - Default Inventory Receipt Value is 'Standard Cost

Inventory is booked against receipt Standard Cost excluding the receipt surcharge applicable for the received item. Inventory is booked against same amount where receipt surcharges of received item are added again (booked detailed in finance)

Example: Positive adjustment order line of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000044 is created during processing.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2640.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Adjustment	End Account / 811	NWH1	MAT	200 USD
2641.	10054056: Adjustment Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	20 USD
C	Surcharge Cover	End Account / 813	NWH1	IRS	20 USD
2642.	10054121: Adjustment Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 816	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is, for example, 100 (MAT), 10 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2643.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

Normal Receipt - No Inbound Price defined - Default Inventory Receipt Value is 'Inventory Value'

Inventory is booked against *inventory value* excluding the receipt surcharge applicable for the received item. Subsequently the receipt surcharges of received item are added again (booked detailed in finance).

Example: Positive adjustment order line of two pieces of item PI1 for warehouse NWH1. Inventory Transaction ID IT0000044 is created during processing. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2644.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Adjustment	End Account / 811	NWH1	MAT	200 USD
2645.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	27.09 USD
C	Adjustment	End Account / 811	NWH1	SUR	27.09 USD
2646.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Adjustment	End Account / 811	NWH1	WRS	2 USD
2647.	10054056: Adjustment Order / Item Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	SUR	22.91 USD
C	Surcharge Cover	End Account / 813	NWH1	IRS	22.91 USD
2648.	10054121: Adjustment Order / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000044		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 816	NWH1	WRS	6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and Lot Price is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS) (same as MAUC value) also journal entry 2644 through 2648 are created. No lot results required.

21.2.2 Positive quantity (consigned inventory)

This is similar to what is described for cycle counting in section 21.1.2. Same example where cycle counting order CYC000002 is replaced with adjustment order ADJ000002.

Note: For a project WIP warehouse a consigned receipt is not applicable.

Two situations can exist:

Owner is external owner

Owner is internal owner

Owner is external owner

Inventory Transaction ID IT0000098 is created during processing of the adjustment order. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2649.	10054063: Adjustment Order / Consignment Receipt		BO: Inventory Transaction / IT0000098		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 5	NWH1		220 USD

Owner is internal owner

Inventory Transaction ID IT0000098 is created during processing of the adjustment order. The integration transaction 2650 is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2650.	10054063: Adjustment Order / Consignment Receipt		BO: Inventory Transaction / IT0000098		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 5	NWH1		220 USD
2651.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000098		
D	Inventory	Inventory / 1	FWH2	MAT	220 USD
C	Adjustment	End Account / 811	FWH2	MAT	220 USD

21.2.3 Positive quantity (customer-owned inventory)

This is similar to what is described for cycle counting in section 21.1.3. Same example where cycle counting order CYC000003 is replaced with adjustment order ADJ000003.

Inventory Transaction ID IT0000099 is created during processing of the adjustment order. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2652.	15054013: Adjustment Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000099		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD

21.2.4 Negative quantity (company-owned/consigned inventory)

This is similar to what is described for cycle counting in section *Warehousing, Cycle counting, Negative quantity (company-owned/consigned inventory)*. Same example where cycle counting order CYC000003 is replaced with adjustment order ADJ000003.

To get a negative adjustment order, the following methods are available:

- Manually entered
- Incomplete shipment
The goods not shipped that are on the staging location are thrown away.
- Rejection of inventory (outbound inspection)
Not for purchase order and purchase schedule.
- Destroy of accepted inventory
- Destroy Quarantine Inventory (see 21.2.8, 21.2.9 and 21.2.10)
- Use Quarantine Inventory as is (for purchase order and purchase schedule). See 21.2.10
- Closing PCS project
Only for customized items. When a project is closed, you can discard all remaining customized items for that project.

Inventory transaction ID IT0000045 is created during adjustment order processing:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2653.	10054057: Adjustment Order / Item Surcharge Issue		BO: Inventory Transaction / IT0000045		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 812	NWH1	IIS	54 USD
2654.	10054120: Adjustment Order / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000045		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 815	NWH1	WIS	10 USD
2655.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000045		
D	Inventory	Inventory / 1	NWH1	MAT	-240 USD
C	Adjustment	End Account / 811	NWH1	MAT	-240 USD
2656.	10054013: Adjustment Order / Adjustment		BO: Inventory Transaction / IT0000045		
D	Inventory	Inventory / 1	NWH1	SUR	-88 USD
C	Adjustment	End Account / 811	NWH1	SUR	-88 USD

2657.	10054013: Adjustment Order / Adjustment			BO: Inventory Transaction / IT0000045	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Adjustment	End Account / 811	NWH1	WRS	-6 USD

If project pegging is applicable journal entries 2655 through 2657 are replaced by journal entries 2658 through 2663.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2658.	10054052: Adjustment Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2659.	10054052: Adjustment Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2660.	10054052: Adjustment Order / Issue		BO: Inventory Transaction / IT0000043		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2661.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
2662.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
2663.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Note: Project pegging is only possible in combination with valuation method LIFO/FIFO and MAUC by warehouse valuation group.

21.2.5 Negative quantity (customer-owned inventory)

This is similar to what is described for cycle counting in section *Warehousing, Cycle counting, Usage and payment of consigned inventory*. Same example where cycle counting order CYC000004 is replaced with adjustment order ADJ000004.

Inventory transaction ID IT0000100 is created during adjustment order processing. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2664.	15054013: Adjustment Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000100		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD

21.2.6 Negative quantity (mixed ownership)

This is similar to what is described for cycle counting in section *Warehousing, Cycle counting, Usage and payment of consigned inventory*.

Example: Item PI1 has mixed ownership. The company-owned value is 60 USD on cost component MAT. If this is the case with the same example as described in section *Warehousing, Adjustment, Negative quantity (customer-owned inventory)*. In addition to the postings described in that section, the following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2665.	10054123: Adjustment Order / WIP Variance Adjustment		BO: Inventory Transaction / IT0000100		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-120 USD
C	Adjustment	End Account / 817	NWH1	MAT	-120 USD

If project pegging is applicable journal entry 2665 is replaced by journal entries 2666 through 2667.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2666.	10054116: Adjustment Order / WIP Transfer Issue		BO: Inventory Transaction / IT0000100		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	120 USD
2667.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP-1		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

21.2.7 Usage and payment of consigned inventory

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of the consigned inventory of Adjustment Order ADJ000001 (see section *Warehousing, Adjustment, Positive quantity (company-owned/consigned inventory)*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the adjustment order and the inventory transaction ID of the receipt, as described in section *Warehousing, Adjustment, Positive quantity (company-owned/consigned inventory)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2668.	10054064: Adjustment Order / Consignment Use		BO: Inventory Transaction / IT0000044		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 5	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

For the increase of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/ consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the adjustment order and the inventory transaction ID of the receipt, as described in section *Warehousing, Adjustment, Positive quantity (company-owned/consigned inventory)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2669.	10054064: Adjustment Order / Consignment Use		BO: Inventory Transaction / IT0000044		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 5	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

For the decrease of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

21.2.8 Negative quantity (quarantine company owned)

Example: The piece of MI1 that is received in Quarantine for production order SFC000001 is scrapped. Inventory Transaction ID IT0000123 is created during processing the adjustment order. The following journal entries are created in case of no project pegging.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2670.	10054163: Adjustment Order / Quarantine Adjustment		BO: Inventory Transaction / IT0000123		
D	Inventory	Inventory / 2	NWH1	MAT	-400 USD
C	Adjustment	End Account / 811	NWH1	MAT	-400 USD
2671.	10054163: Adjustment Order / Quarantine Adjustment		BO: Inventory Transaction / IT0000123		
D	Inventory	Inventory / 2	NWH1	OPR	-20 USD
C	Adjustment	End Account / 811	NWH1	OPR	-20 USD

If project pegging is applicable journal entries 2670 and 2671 are replaced by journal entries 2672 through 2675.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2672.	10054160: Adjustment Order / Quarantine Issue		BO: Inventory Transaction / IT0000123		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory	Inventory / 2	NWH1	MAT	400 USD
2673.	10054160: Adjustment Order / Quarantine Issue		BO: Inventory Transaction / IT0000123		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 2	NWH1	OPR	20 USD

2674.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
2675.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

21.2.9 Negative quantity (quarantine mixed ownership)

Example: The piece of MI1 that is received in Quarantine for production order SFC000005 is scrapped. Inventory Transaction ID IT0000223 is created during processing the adjustment order. The following journal entries are created in case of no project pegging. Journal entry 2676 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2676.	15054163: Adjustment Order / Quarantine Adjustment / Customer Owned		BO: Inventory Transaction / IT0000223		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	-300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-300 USD
2677.	10054164: Adjustment Order / WIP Quarantine Adjustment		BO: Inventory Transaction / IT0000223		
D	Inventory WIP	Inventory WIP / 3	NWH1	MAT	-400 USD
C	Adjustment	End Account / 817	NWH1	MAT	-400 USD

If project pegging is applicable journal entry 2677 is replaced by journal entries 2678 and 2679

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2678.	10540161: Adjustment Order / WIP Quarantine Issue		BO: Inventory Transaction / IT0000223		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory WIP	Inventory WIP / 3	NWH1	MAT	400 USD
2679.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

21.2.10 Negative quantity (quarantine customer owned)

Example: The piece of PI1 that is received in Quarantine for purchase order PUR000001 is scrapped. Inventory Transaction ID IT0000223 is created during processing the adjustment order. The following journal entry is created, only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2680.	15054163: Adjustment Order / Quarantine Adjustment / Customer Owned		BO: Inventory Transaction / IT0000223		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD

21.3 Issue from warehouse

21.3.1 Sales order

The warehouse integration transactions that are created are described in section *Sales Order, Issues, Purchased item from warehouse*. For sales consignment replenishment orders, the warehouse integration transactions are described in section *Warehousing, Transfers*.

21.3.2 Sales schedule

The warehouse integration transactions that are created are described in section *Sales Schedule, Issues, Purchased/manufactured/cost/service items and warehouse*.

21.3.3 Sales order (manual)

Note: Sales manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Example: Issue for sales manual order SLSM00001 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000046 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Orders, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2681.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000046		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2682.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000046		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2683.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000046		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2684.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000046		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2685.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000046		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2686.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00001		
D	Issues	End Account / 761	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
2687.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00001		
D	Issues	End Account / 761	SO1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD
2688.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00001		
D	Issues	End Account / 761	SO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Example: Issue for sales manual order SLSM00004 of two pieces of item PI1 (customer owned) from warehouse NWH1. Inventory Transaction ID IT0000127 is created upon issue. The amount taken for the integration transactions depends on the customer-owned inventory value. In this example this is 120 USD on cost component MAT. The following journal entries are also created (only if financial integration transactions

parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2689.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000127		
D	Interim Transit	Interim Transit / 13	NWH1		240 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	240 USD
2690.	15062052: Warehouse Order / Issue / Customer Owned		BO: Warehouse Order / SLSM00004		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		240 USD
C	Interim Transit	Interim Transit / 13	NWH1		240 USD

The items issued might have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In that case, the inventory WIP must be decreased also. If for example the value of the company-owned WIP is 20 USD on cost component MAT, the following journal entries are also created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2691.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000127		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
2692.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00004		
D	Issues	End Account / 761	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

21.3.4 Service order

The warehouse integration transactions that are created are described in section *Service Order, Material lines, From Warehouse*. The process for service transfers is described in section *Warehousing, Transfers*.

21.3.5 Service order (manual)

Note: Service manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

For a normal issue (no return) the integration transactions for a service manual are equal to the integration transactions of a sales manual, described in section *Warehousing, Issue from warehouse, Sales order (manual)*, where the enterprise unit used for reconciliation group End Account / 761 is the enterprise unit of the service department.

For a service manual order you can have return orders.

Example: Issue for service manual order SRVM00001 (return) of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000047 is created upon issue.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

Note

If item PI1 must be returned as issued, and the item was consigned in inventory, it should be reconsigned in inventory, After the postings described above, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

DIC	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2693.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000047		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2694.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000047		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2695.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000047		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2696.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000047		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2697.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000047		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD

C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2698.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / SRVM00001		
D	Interim Transit	Interim Transit / 1	NWH1		-240 USD
C	Receipts	End Account / 771	SD1	MAT	-240 USD
2699.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / SRVM00001		
D	Interim Transit	Interim Transit / 1	NWH1		-88 USD
C	Receipts	End Account / 771	SD1	SUR	-88 USD
2700.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / SRVM00001		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Receipts	End Account / 771	SD1	WRS	-6 USD

Example: Issue for service manual order SRVM00003 (return) of two pieces of item PI1 (customer owned) from warehouse NWH1. Inventory Transaction ID IT0000128 is created upon issue. The amount taken for the integration transactions depends on the customer-owned inventory value. In this example this is 120 USD on cost component MAT. The following journal entries are also created (only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2701.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000128		
D	Interim Transit	Interim Transit / 13	NWH1		240 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	240 USD
2702.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / SRVM00003		
D	Interim Transit	Interim Transit / 13	NWH1		-240 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-240 USD

The items issued might have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In that case, the inventory WIP must be decreased also. If for example the value of the company-owned WIP is 20 USD on cost component MAT, the following journal entries are also created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2703.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000128		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD

2704.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / SRVM00003		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Receipts	End Account / 771	SD1	MAT	-20 USD

21.3.6 Maintenance sales order

The warehouse integration transactions that are created are described in sections *Maintenance Sales Order, Part delivery lines* and *Maintenance Sales Order, Part loan lines*.

21.3.7 Maintenance sales order (manual)

Note: Maintenance sales manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Issue from warehouse, Sales order (manual)* and *Warehousing, Issue from Warehouse, Service order (manual)*.

21.3.8 Maintenance work order

The warehouse integration transactions that are created are described in sections *Maintenance Work Order, Receipt of to be maintained item* and *Maintenance Work Order, Material resource lines, From Warehouse*.

The process for maintenance work transfers is described in section *Warehousing, Transfers*.

21.3.9 Maintenance work order (manual)

Note: Maintenance work manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Issue from warehouse, Sales order (manual)* and *Warehousing, Issue from warehouse, Service order (manual)*.

21.3.10 SFC production order

The warehouse integration transactions that are created are described in the following sections:

- *Production Order, Materials, Issue*
- *Production Order, Co-products/By-products, Receipt*
- *Production Order, End-items, Return*

Warehouse integration transactions for production transfers are described in section *Warehousing, Transfers*.

21.3.11 SFC production order (manual)

Note: SFC production manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Issue from warehouse, Sales order (manual)* and *Warehousing, Issue from warehouse, Service order (manual)*. The enterprise unit of the work center is used instead of the enterprise unit of the sales office/service department for reconciliation groups End Account / 761 and End Account / 771.

21.3.12 ASC production order

The warehouse integration transactions that are created are described in section *Assembly, Materials, Issue*. Warehouse integration transfers or assembly transfers are described in section *Warehousing, Transfers*.

21.3.13 ASC production order (manual)

Note: ASC production manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

No returns are possible. The integration transactions are described in section *Warehousing, Issue from warehouse, Sales order (manual)*. The enterprise unit of the work center is used instead of enterprise unit of sales office for reconciliation group End Account / 761.

21.3.14 Production Kanban order

Note: Production Kanban orders are only possible for purchased and manufactured items. Customized items are not permitted. Production Kanban orders can be generated only by means of an outside integration, and cannot be created manually.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Issue from warehouse, Sales order (manual)* and *Warehousing, Issue from warehouse, Service order (manual)*. The enterprise unit of the work center is used instead of the enterprise unit of the sales office/service department for reconciliation groups End Account / 761 and End Account / 771.

21.3.15 Transfer order / transfer order (manual) / EP distribution order

Integration transactions for transfers are described in section *Warehousing, Transfers*.

21.3.16 Project order / project order (manual)

The integration transaction for transfers between two warehouses are described in section *Warehousing, Transfers*.

Various situations can be distinguished for the issue from project warehouse to project.

Note: If an issue is done from a project WIP warehouse, the price on the outbound line is mandatory, because a project WIP warehouse does not have an inventory value. The project WIP warehouse is part of Project WIP.

No price defined on outbound order line

Example: Issue for project manual order PRJ000001 of two pieces of item PI1 from warehouse PWH1 to project TP1. Inventory Transaction ID IT0000048 is created upon issue from warehousing.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2705.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000048		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2706.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000048		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2707.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2708.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2709.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD

C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2710.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		334 USD
C	Interim Transit	Interim Transit / 1	NWH1		334 USD

Journal entries 2705 through 2709 are created when the shipment is confirmed. Journal entry 2710 is created later in TP when the transaction is posted. Therefore, the journal entries do not take place at the same time.

Price defined on outbound order line

If you use the same example as if no price is defined on the outbound line, with the only difference that a price of 200 USD per piece is entered on the outbound line, the impact on integration transactions is as follows:

- Journal entries 2705 through 2709 are created in the same way.
- Journal entry 2710 is also created, but now with an amount of 400 USD instead of 334 USD.

To balance the amount on Interim Transit / 1, the following journal entries are created at the same time as journal entries 2705 through 2709:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2711.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	PWH1		160 USD
C	Issue Result	End Account / 712	PWH1	MAT	160 USD
2712.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	PWH1		-88 USD
C	Issue Result	End Account / 712	PWH1	SUR	-88 USD
2713.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000048		
D	Interim Transit	Interim Transit / 1	PWH1		-6 USD
C	Issue Result	End Account / 712	PWH1	WRS	-6 USD

If the issuing warehouse is project WIP warehouse PWWH2 for project TP2, the journal entries 2705 through 2713 are replaced by next journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2714.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		-400 USD

C	Interim Transit	Interim Transit / 1	PWWH2		-400 USD
2715.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		400 USD
C	Interim Transit	Interim Transit / 1	PWWH2		400 USD

Journal entry 2714 and 2715 are created later on in TP when the transactions are posted.

Project WIP warehouse to business partner

An issue from project WIP warehouse to business partner can be done to deliver a part of the project to the project customer (subject Project Deliverable). Because the Project WIP does not change, no journal entries must be made. This flow is supported to be able to move the project deliverable to the customer through the shipment procedure.

21.3.17 Purchase order

The warehouse integration transactions that are created are described in the following sections:

- *Purchase Order, Return orders, Purchased item from warehouse*
- *Purchase Order, Return orders, List/Manufactured item from warehouse*
- *Purchase Order, Return orders, Consignment replenishment*

21.3.18 Purchase order (manual)

Note: Purchase manual orders are only possible for purchased and manufactured items. Customized items are not permitted. An issue always involves a return order.

Three situations can be distinguished:

- Payment = Pay on Receipt, Ownership = Company Owned
- Payment = No Payment, Ownership = Consigned
- Payment = No Payment, Ownership = Customer Owned

Payment = Pay on Receipt, Ownership = Company Owned

The integration transactions are described in section *Warehousing, Issue from warehouse, Service order (manual)*. Enterprise unit of the purchase office is used instead of enterprise unit of the service department for reconciliation group End Account / 771.

Payment = No Payment, Ownership = Consigned

Example: Return order PURM00001 is created for one piece of item PI1 from warehouse NWH1. If the inbound order line price is entered, this price is taken for the postings. If the inbound order line price is not entered, the material part of the Standard

Cost is taken for the postings. In this example no price is entered, therefore, postings are for 100 USD. Inventory Transaction ID IT0000049 is created upon issue. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2716.	10062063: Warehouse Order / Consignment Receipt		BO: Warehouse Order / PURM00001		
D	Interim Transit	Interim Transit / 3	NWH1		-100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO1		-100 USD
2717.	10060083: Warehouse Issue / Consignment Return		BO: Inventory Transaction / IT0000007		
D	Interim Transit	Interim Transit / 3	NWH1		100 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	100 USD

Payment = No Payment, Ownership = Customer Owned

Example: Return order PURM00004 is created for one piece of item PI1 from warehouse NWH1. If the inbound order line price is entered, this price is taken for the postings. If the inbound order line price is not entered, the material part of the Standard Cost is taken for the postings. In this example no price is entered, therefore, postings are for 100 USD. Inventory Transaction ID IT0000129 is created upon issue. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2718.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / PURM00004		
D	Interim Transit	Interim Transit / 13	NWH1		-100 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-100 USD
2719.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000129		
D	Interim Transit	Interim Transit / 13	NWH1		100 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	100 USD

21.3.19 Warehousing assembly order

Integration transactions for warehousing assembly are described in sections *Warehousing*, *Warehousing assembly order*.

21.4 Receipt in warehouse

21.4.1 Sales order

The warehouse integration transactions that are created are described in section *Sales Order, Return orders*.

For sales consignment replenishment orders, warehouse integration transactions are described in section *Warehousing, Transfers*.

21.4.2 Sales order (manual)

Note: Sales manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

A receipt of a sales order manual is always a return order. In this situation, you have two possibilities: enter a price on the inbound line or do not enter a price on the inbound line. If a price is entered on the inbound line, this price is taken and surcharges are calculated about this price. If no price is entered on the inbound line, the Standard Cost is used. Postings are the same in both scenarios.

No price defined on inbound order line: company owned

In this case, the issue Standard Cost is always used for the warehouse order integration transactions and the receipt Standard Cost is used for the inventory.

Example: Receipt for order line for sales manual order SLSM00002 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000050 is created during receipt. If the valuation method is MAUC, the following integration transactions are created.

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2720.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
2721.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	SUR	75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		75.2 USD
2722.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD

C	Interim Transit	Interim Transit / 1	NWH1		6 USD
2723.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	SUR	28.12 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	28.12 USD
2724.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2725.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-83.22 USD
2726.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
2727.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00002		
D	Issues	End Account / 761	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2728.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00002		
D	Issues	End Account / 761	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
2729.	10062052: Warehouse Order / Issue		BO: Warehouse Order / SLSM00002		
D	Issues	End Account / 761	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 200 + 75.2 + 6

(**) 75.2 + 28.12 – 20 (receipt Standard Cost value on SUR)

If the valuation method of item PI1 in warehouse NWH1 is lot price and the lot is already present and lot price is, for example, 100 (MAT), 10 (SUR) and 4 (WRS) the following integration transactions are created instead of integration transactions 1047 and 1048:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2730.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD

C	Lot Result	End Account / 733	NWH1	SUR	-83.22 USD
2731.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD
C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost the following integration transactions are created instead of integration transactions 1047 and 1048:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2732.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	SUR	-83.22 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-83.22 USD
2733.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000050		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-6 USD

Price defined on inbound order line: company owned

In this case, the price of the inbound order line is always used for the integration transactions for inventory. The issue Standard Cost is used for the warehouse order/issue postings.

Example: Receipt for order line for sales manual order SLSM00003 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000075 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2734.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000075		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2735.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000075		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD

2736.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000075	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2737.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000075	
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Return Result	End Account / 738	NWH1	MAT	-20 USD
2738.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000075	
D	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
C	Return Result	End Account / 738	NWH1	SUR	-75.2 USD
2739.	10061090: Warehouse Receipt / Return Result			BO: Inventory Transaction / IT0000075	
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Return Result	End Account / 738	NWH1	WRS	-6 USD
2740.	10062052: Warehouse Order / Issue			BO: Warehouse Order / SLSM00003	
D	Issues	End Account / 761	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
2741.	10062052: Warehouse Order / Issue			BO: Warehouse Order / SLSM00003	
D	Issues	End Account / 761	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
2742.	10062052: Warehouse Order / Issue			BO: Warehouse Order / SLSM00003	
D	Issues	End Account / 761	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

If the valuation method of item PI1 in warehouse NWH1 is Lot Price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2743.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000075	
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2744.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000075		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2745.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000075		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

No price defined on inbound order line: customer owned

In this case, the Standard Cost (without surcharges) is always used for the warehouse order integration transactions and for the inventory.

Example: Receipt for order line for sales manual order SLSM00005 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000130 is created during receipt. The following integration transactions are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2746.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000130		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD
2747.	15062052: Warehouse Order / Issue / Customer Owned		BO: Warehouse Order / SLSM00005		
D	Customer Owned Accrual	Consigned/Customer Owed Accrual / 6	NWH1		-200 USD
C	Interim Transit	Interim Transit / 13	NWH1		-200 USD

Price defined on inbound order line: customer owned

In this case, the order price is used for the integration transactions. Journal entries 2746 and 2747 are created, but with order price instead of Standard Cost.

21.4.3 Service order

The warehouse integration transactions that are created are described in section *Service Order, Material lines, To Warehouse*. For service transfers, the warehouse integration transactions are described in section *Warehousing, Transfers*.

21.4.4 Service order (manual)

Note: Service manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

For a receipt that is a return order, the integration transactions for a service manual is the same as the integration transactions of a sales manual, described in section *Warehousing, Receipt in warehouse, Sales order (manual)*, where the enterprise unit used for reconciliation group End Account / 761 is the enterprise unit of the service department.

For service manual, you can also have normal receipt (no returns). In this situation, you have two possibilities: enter a price on the inbound line or do not enter a price on the inbound line. If a price is entered on the inbound line, this price is taken and surcharges are calculated about this price. If no price is entered on the inbound line, the Standard Cost is used. In both scenarios, postings are the same.

Example: Receipt for order line for manual service order SRVM00002 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000051 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2748.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
2749.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	22 USD
2750.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
2751.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / SRVM00002		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Receipts	End Account / 771	SD1	SUR	220 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2752.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	WRS	2 USD
C	Lot Result	End Account / 733	NWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created. Note that if no price is entered on the inbound line, you cannot get an Standard Cost result.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2753.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-20 USD
2754.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

Example: Receipt for order line for manual service order SRVM00004 of two pieces of item PI1 in warehouse NWH1 (customer owned). Inbound order line price is 110 USD each. Inventory transaction ID IT0000131 is created during receipt.

The following integration transactions are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2755.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000131		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
2756.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / SRVM00004		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owed Accrual / 6	NWH1		220 USD

21.4.5 Maintenance sales order

The warehouse integration transactions that are created are described in sections *Maintenance Sales Order, Part receipt lines* and *Maintenance Sales Order, Part loan lines*.

21.4.6 Maintenance sales order (manual)

Note: Maintenance sales manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Receipt in warehouse, Sales order (manual)* and *Warehousing, Receipt in warehouse, Service order (manual)*.

21.4.7 Maintenance work order

The warehouse integration transactions that are created are described in sections *Maintenance Work Order, Material resource lines, To Warehouse* and *Maintenance Work Order, Returns*.

21.4.8 Maintenance work order (manual)

Note: Maintenance work manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Receipt in warehouse, Sales order (manual)* and *Warehousing, Receipt in warehouse, Service order (manual)*.

21.4.9 SFC production order

The warehouse integration transactions that are created are described in the following sections:

- *Production Order, Materials, Return*
- *Production Order, Co-products/By-products, Receipt*
- *Production Order, End-Items, Receipt*

For production transfers, the warehouse integration transactions are described in section *Warehousing, Transfers*.

21.4.10 SFC production order (manual)

Note: SFC production manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Receipt in warehouse, Sales order (manual)* and *Warehousing, Receipt in warehouse, Service order (manual)*. The enterprise unit of the

work center is used instead of enterprise unit of sales office/service department for reconciliation groups End Account / 761 and End Account / 771.

21.4.11 ASC production order

The warehouse integration transactions that are created are described in section *Assembly, Materials, Return*. For assembly transfers, the warehouse integration transactions are described in section *Warehousing, Transfers*.

21.4.12 ASC production order (manual)

Note: ASC production manual orders are only possible for purchased and manufactured items. Customized items are not permitted.

Only returns are possible. The integration transactions are described in section *Warehousing, Receipt in warehouse, Sales order (manual)*. The enterprise unit of the work center is used instead of enterprise unit of sales office for reconciliation group End Account / 761.

21.4.13 Production Kanban order

Note: Production Kanban orders are only possible for purchased and manufactured items. Customized items are not permitted. Production Kanban orders can be generated only by means of an outside integration, and cannot be created manually.

Both normal issues and returns are possible. The integration transactions are described in sections *Warehousing, Receipt in warehouse, Sales order (manual)* and *Warehousing, Receipt in warehouse, Service order (manual)*. The enterprise unit of the work center is used instead of enterprise unit of sales office/service department for reconciliation groups End Account / 761 and End Account / 771.

21.4.14 Transfer order / transfer order (manual) / EP distribution order

Integration transactions for transfers are described in section *Warehousing, Transfers*.

21.4.15 Project order / project order (manual)

The integration transaction for transfers between two warehouses is described in section *Warehousing, Transfers*.

A receipt of a project order or a project order manual is always a return order, from project to warehouse. In this situation, you have two options: enter a price on the inbound line or do not enter a price on the inbound line. If you enter a price on the inbound line, this price is taken and surcharges are calculated about this price. If no price is entered on the inbound line, the Standard Cost is used. Postings are the same in both scenarios.

Example: Receipt for order line for project manual order PRJM00002 of two pieces of item PI1 in warehouse PWH1, from project TP1. Inbound order line price is 110 USD each. Inventory Transaction ID IT0000052 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2757.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	PWH1		220 USD
2758.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	SUR	22 USD
C	Surcharge Cover	End Account / 732	PWH1	IRS	22 USD
2759.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	PWH1	WRS	6 USD
2760.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-220 USD
C	Interim Transit	Interim Transit / 1	PWH1		-220 USD

Journal entries 2757 through 2759, as well as journal entries 2761 through 2763 if applicable, are created when the receipt is confirmed. Journal entry 2760 is created later on in TP when the transaction is posted. As a result, the journal entries are not made at the same time.

If the valuation method of item PI1 in warehouse PWH1 is Lot Price and the lot is already present and lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2761.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	WRS	2 USD
C	Lot Result	End Account / 733	PWH1	WRS	2 USD

If the valuation method of item PI1 in warehouse PWH1 is Standard Cost, the following postings are also created. Note that if no price is entered on the inbound line, you cannot get a Standard Cost result.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2762.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	MAT	-20 USD

C	Standard Cost Result	End Account / 731	PWH1	MAT	-20 USD
2763.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000052		
D	Inventory	Inventory / 1	PWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	PWH1	SUR	-2 USD

If the receiving warehouse is project WIP warehouse PWWH2 for project TP2, the journal entries 2757 through 2763 are replaced by next journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2764.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-400 USD
C	Interim Transit	Interim Transit / 1	PWWH2		-400 USD
2765.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		400 USD
C	Interim Transit	Interim Transit / 1	PWWH2		400 USD

Journal entry 2764 and 2765 are created later on in TP when the transactions are posted.

21.4.16 Purchase order

The warehouse integration transactions that are created are described in the following sections:

- *Purchase Order, Receipts, Purchased item in warehouse*
- *Purchase Order, Receipts, List/manufactured item in warehouse*
- *Purchase Order, Receipts, Consignment replenishment*

21.4.17 Purchase schedule

The warehouse integration transactions that are created are described in sections *Purchase Schedule, Receipts, Purchased/manufactured item* and *Purchase Schedule, Receipts, Consignment replenishment*.

21.4.18 Purchase order (manual)

Note: Purchase manual orders are only possible for purchased and manufactured items. Customized items are not permitted. A receipt never involves a return order.

You have two options:

- Enter a price on the inbound line.
If you enter a price on the inbound line, this price is taken.

- Do not enter a price on the inbound line.
If no price is entered on the inbound line, the Standard Cost, excluding surcharges, is used.

Postings are the same in both scenarios.

Payment = Pay on Receipt, Internal Payment = Pay on Receipt

The integration transactions are described in section *Warehousing, Receipt in warehouse, Service order (manual)*. The enterprise unit of the purchase office is used instead of enterprise unit of the service department for reconciliation group End Account / 771.

Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: Receipt for consignment order line for purchase manual order PURM00002 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000053 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2766.	10062063: Warehouse Order / Consignment Receipt		BO: Warehouse Order / PURM00002		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO1		220 USD
2767.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000053		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 3	NWH1		220 USD

Payment = Pay on Use, Internal Payment = Pay on Use

Example: Receipt of order line for purchase manual order PURM00005 of two pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000132 is created during receipt. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2768.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00005		
D	Interim Transit	Interim Transit / 3	FWH2		220 USD	
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO2		220 USD	
2769.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000132		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	220 USD	
C	Interim Transit	Interim Transit / 3	FWH2		220 USD	
2770.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00005		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD	
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		220 USD	
2771.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000132		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD	
C	Interim Transit	Interim Transit / 3	NWH1		220 USD	

Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: Receipt of order line for purchase manual order PURM00006 of two pieces of item PI1 for warehouse NWH1. The purchase office is PO2, which has the same enterprise unit as financial warehouse FWH2. The order price is 110 USD each. The inventory transaction ID IT0000133 is created during receipt. Surcharges are not taken into account in a financial warehouse, they are taken into account when the goods are received in the normal warehouse. Integration transactions 2774 and 2775 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**. For consignment related postings, no surcharges and results are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount	
2772.	10062074: Warehouse Order / Receipt			BO: Warehouse Order / PURM00006		
D	Interim Transit	Interim Transit / 1	FWH2		220 USD	
C	Receipts	End Account / 771	PO2	MAT	220 USD	
2773.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	220 USD	
C	Interim Transit	Interim Transit / 1	FWH2		220 USD	
2774.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00006		
D	Interim Transit	Interim Transit / 3	NWH1		220 USD	
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		220 USD	

2775.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000133		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 3	NWH1		220 USD

Valuation method LOT is not possible in a financial warehouse (because surcharges are not calculated for a financial warehouse, and the lot price is fixed at the first receipt). If the valuation method of item PI1 in warehouse FWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2776.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	-20 USD
C	Standard Cost Result	End Account / 731	FWH2	MAT	-20 USD
2777.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	SUR	20 USD
C	Standard Cost Result	End Account / 731	FWH2	SUR	20 USD

Payment = No Payment, Internal Payment = Not Applicable

Example: Receipt of order line for purchase manual order PURM00007 of two pieces of item PI1 for warehouse NWH1. The order price is 110 USD each. The inventory transaction ID IT0000134 is created during receipt. Integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**. For customer owned-related postings, no surcharges and results are posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2778.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Warehouse Order / PURM00007		
D	Interim Transit	Interim Transit / 13	NWH1		220 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		220 USD
2779.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000134		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

21.4.19 Warehousing assembly order

Integration transactions for warehousing assembly are described in section *Warehousing, Warehousing assembly order*.

21.5 Receipt correction

Receipt correction of quantities is only possible for purchase orders and purchase schedules. The warehouse integration transactions for purchase orders are described in section *Purchase Order, Receipt correction*. The warehouse integration transactions for purchase schedules are described in section *Purchase Schedule, Receipt correction*.

21.6 Inspections

21.6.1 Rejection purchase order

The warehouse integration transactions for rejecting some part of a purchase order are described in section *Purchase Order, Rejections in warehouse*.

21.6.2 Rejection purchase schedule

The warehouse integration transactions for rejecting something of a purchase schedule are described in section *Purchase Schedule, Rejections in warehouse*.

21.6.3 Rejection purchase order (manual)

Five different situations can be distinguished:

- Payment = Pay on Receipt, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Receipt
- Payment = Pay on Use, Internal Payment = Pay on Use
- Payment = Pay on Receipt, Internal Payment = Pay on Use
- Payment = No Payment, Internal Payment = Not Applicable

Payment = Pay on Receipt, Internal Payment = Pay on Receipt

Example: One of the two pieces of the receipt of item PI1 of order line for purchase manual order PURM00003, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)* (so actually in section *Warehousing, Receipt in warehouse, Service order (manual)*), but for this example it is assumed the receipt was a purchase manual order instead of a service manual order), is rejected in warehouse NWH1. The rejection posting is made against the price of the order line if this price is available. If no price is defined on the inbound order line, the rejection posting is made against the Standard Cost on receipt date, without receipt surcharges.

However, the inventory is decreased with the current inventory value. The difference is posted with the following:

- An Standard Cost result: Valuation method Standard Cost
- A lot result: Valuation method LOT
- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

The rejection posting is with the same inventory transaction ID as the receipt posting.

The following postings are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2780.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / PURM00003		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Receipts	End Account / 771	PO1		-110 USD
2781.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	NWH1		-110 USD

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2782.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	MAT	10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	10 USD
2783.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	SUR	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-10 USD
2784.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000051		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Standard Cost Result	End Account / 731	NWH1	WRS	-3 USD

If the valuation method is LOT and the lot price is, for example, 110 (MAT), 11 (SUR), and 4 (WRS):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2785.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT00000051	
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Lot Result	End Account / 733	NWH1	SUR	-11 USD
2786.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT00000051	
D	Inventory	Inventory / 1	NWH1	WRS	-4 USD
C	Lot Result	End Account / 733	NWH1	WRS	-4 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), the following journal entries are created. The same journal entries are created when the valuation method is FIFO or LIFO, and a record with the specified amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2787.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT00000051	
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Value Correction	End Account / 736	NWH1	MAT	-10 USD
2788.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT00000051	
D	Inventory	Inventory / 1	NWH1	SUR	-12 USD
C	Value Correction	End Account / 736	NWH1	SUR	-12 USD
2789.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT00000051	
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD

Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: One of the two pieces of the receipt of item PI1 of order line for purchase manual order PURM00002, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*, is rejected in warehouse NWH1. The rejection posting is made against the price of the order line if this price is available. If no price is defined on the inbound order line, the rejection posting is made against the Standard Cost on receipt date, without receipt surcharges. The following postings are created if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2790.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00002	
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO1		-110 USD
2791.	10061058: Warehouse Receipt / Consignment Rejection			BO: Inventory Transaction / IT0000053	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

Payment = Pay on Use, Internal Payment = Pay on Use

Example: One of the two pieces of the receipt of item PI1 of order line for purchase manual order PURM00005, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*, is rejected in warehouse NWH1. The rejection posting is made against the price of the order line if this price is available. If no price is defined on the inbound order line, the rejection posting is made against the Standard Cost on receipt date, without receipt surcharges. The following postings are created if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2792.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00005	
D	Interim Transit	Interim Transit / 3	FWH2		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO2		-110 USD
2793.	10061058: Warehouse Receipt / Consignment Rejection			BO: Inventory Transaction / IT0000132	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	FWH2		-110 USD
2794.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / PURM00005	
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		-110 USD
2795.	10061058: Warehouse Receipt / Consignment Rejection			BO: Inventory Transaction / IT0000132	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: One of the two pieces of the receipt of item PI1 of order line for purchase manual order PURM00005, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*, is rejected in warehouse NWH1. The

rejection posting is made against the price of the order line if this price is available. If no price is defined on the inbound order line, the rejection posting is made against the Standard Cost on receipt date, without receipt surcharges. However, the inventory in warehouse FWH2 is decreased with the current inventory value. The difference is posted with the following (valuation method LOT is not allowed in a financial warehouse):

- An Standard Cost result: Valuation method Standard Cost
- A value correction: Valuation method Serial, FIFO, LIFO, or MAUC

Integration transactions 2798 and 2799 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2796.	10062074: Warehouse Order / Receipt		BO: Warehouse Order / PURM00006		
D	Interim Transit	Interim Transit / 1	FWH2		-110 USD
C	Receipts	End Account / 771	PO2	MAT	-110 USD
2797.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
2798.	10062063: Warehouse Order / Consignment Receipt		BO: Purchase Order / PURM00006		
D	Interim Transit	Interim Transit / 3	NWH1		-110 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 1	NWH1		-110 USD
2799.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000133		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	NWH1		-110 USD

If the valuation method of item PI1 in warehouse FWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2800.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	10 USD
C	Standard Cost Result	End Account / 731	FWH2	MAT	10 USD
2801.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	SUR	-10 USD

C	Standard Cost Result	End Account / 731	FWH2	SUR	-10 USD

If the valuation method is MAUC and the MAUC is, for example, 120 USD (MAT), 0 USD (SUR), and 0 USD (WRS), the following journal entries are created. The same journal entries are created when the valuation method is Serial, FIFO or LIFO, and a record with the specified amounts is consumed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2802.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	-10 USD
C	Value Correction	End Account / 736	FWH2	MAT	-10 USD

Payment = No Payment, Internal Payment = Not Applicable

Example: One of the two pieces of the receipt of item PI1 of order line for purchase manual order PURM00007, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*, is rejected in warehouse NWH1. The rejection posting is made against the price of the order line if this price is available. If no price is defined on the inbound order line, the rejection posting is made against the Standard Cost on receipt date, without receipt surcharges. The following postings are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2803.	15062074: Warehouse Order / Receipt / Customer Owned		BO: Purchase Order / PURM00007		
D	Interim Transit	Interim Transit / 13	NWH1		-110 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-110 USD
2804.	15061075: Warehouse Receipt / Rejection / Customer Owned		BO: Inventory Transaction / IT0000134		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 13	NWH1		-110 USD

21.6.4 Destroying or rejection for other order origins

The warehouse integration transactions for destroying part of a purchase order or a purchase schedule, or rejecting part of an order is described in section *Warehousing, Adjustment, Negative quantity*.

21.7 Consignment use

21.7.1 Purchase order

Warehouse integration transactions that are created are described in section *Purchase Order, Usage and Payment of Consigned Inventory*.

21.7.2 Purchase schedule

Warehouse integration transactions that are created are described in section *Purchase Schedule, Usage and Payment of Consigned Inventory Usage and Payment of Consigned Inventory*.

21.7.3 Purchase order (manual)

21.7.3.1 Inventory received with Payment = Pay on Use, Internal Payment = Pay on Receipt

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of Purchase manual order PURM00002 (see section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consignment inventory

To decrease consignment inventory, the purchase manual order and the inventory transaction ID of the consignment receipt are used, described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2805.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00002		
D	Consignment Accrual	Consignment Accrual / 3	PO1	MAT	220 USD
C	Interim Transit	Interim Transit / 2	NWH1		220 USD
2806.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000053		
D	Interim Transit	Interim Transit / 2	NWH1		220 USD
C	Consignment Inventory	Consignment Inventory / 1	NWH1	MAT	220 USD

FP6.n: In case the internal currency rate of the order currency changes a Consignment Result might be created, as described in section *Purchase Order, Usage and payment of consigned inventory, Payable Receipts (positive), Internal currency rate change*.

Increase company-owned inventory

To increase the company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/ consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, the purchase manual order and the inventory transaction ID of the consignment receipt are used, as described in section 21.4.18. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2807.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00002		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
2808.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000053		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

For the decrease of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

21.7.3.2 Inventory received with Payment = Pay on Use, Internal Payment = Pay on Use

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Order PURM00005 (see section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*) is picked. In this case, the consigned inventory must be moved to inventory before the production

issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the purchase manual order and the inventory transaction ID of the receipt, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*.

The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2809.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00005		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO2		110 USD
C	Interim Transit	Interim Transit / 2	FWH2		110 USD
2810.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000132		
D	Interim Transit	Interim Transit / 2	FWH2		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	110 USD
2811.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00005		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		110 USD
C	Interim Transit	Interim Transit / 2	NWH1		110 USD
2812.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000132		
D	Interim Transit	Interim Transit / 2	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

For the increase of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the purchase manual order and the inventory transaction ID of the receipt, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*.

The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2813.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00005		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	PO2		-110 USD
C	Interim Transit	Interim Transit / 2	FWH2		-110 USD
2814.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000132		
D	Interim Transit	Interim Transit / 2	FWH2		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
2815.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00005		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
2816.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000132		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

For the decrease of company-owned inventory, a purchase payment order is created. This is described in section *Purchase Order, Usage and payment of consigned inventory, Payment orders*.

21.7.3.3 Inventory received with Payment = Pay on Receipt, Internal Payment = Pay on Use

Example: A production order is created for one piece of item PI1 from warehouse NWH1. Inventory of the owner of Purchase Order PURM00006 (see section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. The process to move the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

Decrease consigned inventory

To decrease consigned inventory, you use the purchase manual order and the inventory transaction ID of the receipt, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2817.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00006		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		110 USD
C	Interim Transit	Interim Transit / 2	NWH1		110 USD
2818.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000133		
D	Interim Transit	Interim Transit / 2	NWH1		110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	110 USD

Increase company-owned inventory

To increase the company-owned inventory, no warehouse order posting is required. However, the company-owned inventory must be moved from warehouse FWH2 (with a negative receipt posting) to warehouse NWH1 (with a positive receipt posting)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2819.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD
2820.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 1	FWH2		110 USD
2821.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	NWH1	SUR	11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	11 USD
2822.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

Depending on the valuation method, an Standard Cost Result or a Lot Result might be created, as described in *Warehousing, Receipt in warehouse, Sales order (manual)*.

Example: The piece that was issued to the production order in the example above is returned to the warehouse. It must be put in inventory as originally issued, so as consigned inventory. In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/ consigned)*) must be carried out. Next, company-owned inventory must be decreased and consigned inventory must be increased.

Increase consigned inventory

To increase consigned inventory, you use the purchase manual order and the inventory transaction ID of the receipt, as described in section *Warehousing, Receipt in warehouse, Maintenance work order (manual)*.

The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2823.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / PURM00006		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH1		-110 USD
C	Interim Transit	Interim Transit / 2	NWH1		-110 USD
2824.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000133		
D	Interim Transit	Interim Transit / 2	NWH1		-110 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-110 USD

Decrease company-owned inventory

To decrease the company-owned inventory, no warehouse order posting is required. However, the company-owned inventory must be moved from warehouse NWH2 (with a negative receipt posting) to warehouse FWH1 (with a positive receipt posting).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2825.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	FWH2	MAT	110 USD
C	Interim Transit	Interim Transit / 1	FWH2		110 USD
2826.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000133		
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD

2827.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT0000133	
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-11 USD
2828.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT0000133	
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

Depending on the valuation method, an Standard Cost Result, Lot Result, or Value Correction might be created, because the original value can be different from the inventory value.

21.7.4 Cycle counting

The warehouse integration transactions that are created are described in section *Warehousing, Cycle counting, Usage and payment of consigned inventory*.

21.7.5 Adjustment

The warehouse integration transactions that are created are described in section *Warehousing, Adjustment, Usage and payment of consigned inventory*.

21.7.6 Transfers

The warehouse integration transactions that are created are described in section *Warehousing, Transfers, Usage and payment of consigned inventory*.

21.8 Transfers

Note: For a warehouse transfer, item surcharges are not taken into account.

Note: Landed costs are not applicable for a transfer of a Tool item.

21.8.1 Company-owned goods – no intercompany trade relation

No price defined on outbound line

Note: If the issuing warehouse is a project WIP warehouse, the price on the outbound line is mandatory.

Example: Transfer manual order TRFM00001 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2.

Upon issue, inventory transaction ID IT0000054 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 100 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 115 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2829.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000054		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2830.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Inventory	Inventory / 1	NWH1	MAT	200 USD
2831.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		34 USD
C	Inventory	Inventory / 1	NWH1	SUR	34 USD
2832.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD

Upon receipt, inventory transaction ID IT0000055 is created. Note that warehouse surcharges are not defined for warehouse NWH2, and therefore no warehouse surcharge receipt posting is created.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Assume, for example, only one piece is received: final receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2833.	10062132: Warehouse Order / Landed Costs Invoiced		BO: Warehouse Order / TRFM00001		
D	Interim Transit	Interim Transit / 1	NWH2		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 17	NWH2	LC1	8 USD

2834.	10062130: Warehouse Order / Landed Costs		BO: Warehouse Order / TRFM00001		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Landed Costs Cover	End Account / 772	NWH2	LC2	6 USD
2835.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
2836.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	MAT	6 USD
C	Interim Transit	Interim Transit / 1	NWH2		6 USD
2837.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH2		8 USD
2838.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	SUR	17 USD
C	Interim Transit	Interim Transit / 1	NWH1		17 USD
2839.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

If the valuation method of item PI1 in warehouse NWH2 is lot price, the lot is already present, and lot price is, for example, 106 (MAT), 8 (LC1), 17 (SUR), and 4 (WRS). The following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2840.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	WRS	1 USD
C	Lot Result	End Account / 733	NWH2	WRS	1 USD

If the valuation method of item PI1 in warehouse NWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2841.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	MAT	-6 USD
C	Standard Cost Result	End Account / 731	NWH2	MAT	-6 USD
2842.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	LC1	-8 USD
C	Standard Cost Result	End Account / 731	NWH2	LC1	-8 USD
2843.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	SUR	-7 USD
C	Standard Cost Result	End Account / 731	NWH2	SUR	-7 USD
2844.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000055		
D	Inventory	Inventory / 1	NWH2	WRS	-3 USD
C	Standard Cost Result	End Account / 731	NWH2	WRS	-3 USD

If the receipt is done in project WIP warehouse PWWH2 and project TP2, journal entries 2833 through 2844 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2845.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

Because the receipt is final, you must also create a shipment variance posting, because the last piece will not be received, and the reconciliation group Interim Transit / 1 must be balanced.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2846.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		-100 USD
C	Shipment Variance	End Account / 715	NWH1	MAT	-100 USD
2847.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		-17 USD
C	Shipment Variance	End Account / 715	NWH1	SUR	-17 USD

2848.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000054		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Shipment Variance	End Account / 715	NWH1	WRS	-3 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, the following postings are created, in which inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2849.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000055		
D	Interim Transit	Interim Transit / 1	NWH1		-100 USD
C	Shipment Variance	End Account / 734	NWH2	MAT	-100 USD
2850.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000055		
D	Interim Transit	Interim Transit / 1	NWH1		-17 USD
C	Shipment Variance	End Account / 734	NWH2	SUR	-17 USD
2851.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000055		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Shipment Variance	End Account / 734	NWH2	WRS	-3 USD

If the receipt was done in project WIP warehouse PWWH2 and project TP2, or project pegging is applicable journal entries 2849 through 2851 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2852.	10024088: Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

Price defined on outbound line

If you use the same example as when no price is defined on the outbound line, with the only difference that a price of 200 USD per piece is entered on the outbound line, the impact on integration transactions is as follows:

Upon issue, inventory transaction ID IT0000056 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2853.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000056		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2854.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	NWH1		200 USD
C	Inventory	Inventory / 1	NWH1	MAT	200 USD
2855.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	NWH1		34 USD
C	Inventory	Inventory / 1	NWH1	SUR	34 USD
2856.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2857.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	PWH1		160 USD
C	Issue Result	End Account / 712	PWH1	MAT	160 USD
2858.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	PWH1		-34 USD
C	Issue Result	End Account / 712	PWH1	SUR	-34 USD
2859.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	PWH1		-6 USD
C	Issue Result	End Account / 712	PWH1	WRS	-6 USD

If the issue was done from project WIP warehouse PWWH1 with project TP1, the price on the outbound line is mandatory. The journal entries 2853 through 2859 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2860.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-400 USD
C	Interim Transit	Interim Transit / 1	PWWH1		-400 USD

Upon receipt, inventory transaction ID IT0000057 is created. In this case, warehouse surcharges are not defined for warehouse NWH2, therefore, no warehouse surcharge receipt posting is created.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

Assume, for example, only one piece is received at final receipt:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2861.	10062132: Warehouse Order / Landed Costs Invoiced		BO: Warehouse Order / TRFM00001		
D	Interim Transit	Interim Transit / 1	NWH2		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 17	NWH2	LC1	8 USD
2862.	10062130: Warehouse Order / Landed Costs		BO: Warehouse Order / TRFM00001		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Landed Costs Cover	End Account / 772	NWH2	LC2	6 USD
2863.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	MAT	206 USD
C	Interim Transit	Interim Transit / 1	NWH1		206 USD
2864.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH2		8 USD

If the valuation method of item PI1 in warehouse NWH2 is lot price and the lot is already present, and lot price is, for example, 126 (MAT), 8 (LC1), 0 (SUR), and 0 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2865.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	MAT	-80 USD
C	Lot Result	End Account / 733	NWH2	MAT	-80 USD

If the valuation method of item PI1 in warehouse NWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2866.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	MAT	-106 USD
C	Standard Cost Result	End Account / 731	NWH2	MAT	-106 USD
2867.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	LC1	-8 USD
C	Standard Cost Result	End Account / 731	NWH2	LC1	-8 USD
2868.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000057		
D	Inventory	Inventory / 1	NWH2	SUR	10 USD
C	Standard Cost Result	End Account / 731	NWH2	SUR	10 USD

If the receipt was done in project WIP warehouse PWWH2 with project TP2, journal entries 2861 through 2868 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2869.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD

Because the receipt is final, a shipment variance posting must also be created, because the last piece will not be received, and the reconciliation group Interim Transit / 1 must be balanced.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2870.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000056		
D	Interim Transit	Interim Transit / 1	NWH1		-200 USD
C	Shipment Variance	End Account / 715	NWH1	MAT	-200 USD

If the issue was done from project WIP warehouse PWWH1 with project TP1, journal entry 2870 is replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2871.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		200 USD
C	Interim Transit	Interim Transit / 1	PWWH1		200 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, the following postings are created, in which the inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2872.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000057		
D	Interim Transit	Interim Transit / 1	NWH1		-200 USD
C	Shipment Variance	End Account / 734	NWH2	MAT	-200 USD

If the receipt was done in project WIP warehouse PWWH2 with project TP2, journal entry 2872 is replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2873.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD

21.8.2 Company-owned goods – intercompany trade relation

Notes:

- No intercompany trade relation can be defined for a project WIP warehouse.

If an intercompany trade relationship is defined between two warehouses, the costs are not taken over one to one from the shipping warehouse to the receiving warehouse. The receiving warehouse pays an amount that can be based on cost price (with a mark up percentage added to it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences

Payment: Pay on Receipt

Example: Transfer manual order TRFM00002 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. Intercompany trade is based on costplus, with a markup percentage of 10 percent added to this amount. Note that, For a warehouse transfer, item surcharges are not taken into account. Upon issue, inventory transaction ID IT0000058 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2874.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000058		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2875.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2876.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		34 USD
C	Inventory	Inventory / 1	NWH1	SUR	34 USD
2877.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD

Upon receipt, inventory transaction ID IT0000059 is created. In this case, warehouse surcharges are not defined for warehouse NWH2, therefore, no warehouse surcharge receipt posting is created.

The following landed cost lines are linked to the receipt line:

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component
Fixed Amount	Yes	8 USD		LC1
By Quantity	No		6 USD	LC2

For example only one piece is received (final receipt). The total issued value is $120 + 17 + 3 = 140$ USD. With the addition of the surcharge percentage of 10 percent, the receipt amount is 154 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2878.	10062132: Warehouse Order / Landed Costs Invoiced		BO: Warehouse Order / TRFM00002		
D	Interim Transit	Interim Transit / 1	NWH2		8 USD

C	Inv Accrual Landed Costs	Invoice Accrual / 17	NWH2	LC1	8 USD
2879.	10062130: Warehouse Order / Landed Costs		BO: Warehouse Order / TRFM00002		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Landed Costs Cover	End Account / 772	NWH2	LC2	6 USD
2880.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	MAT	154 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		154 USD
2881.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	MAT	6 USD
C	Interim Transit	Interim Transit / 1	NWH2		6 USD
2882.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH2		8 USD

Journal entry 2880 is created only if Adopt Selling Cost Structure on the intercompany trade order has the value No. If Adopt Selling Cost Structure on the intercompany trade order has the value Yes, the cost components of the issue side are taken over with the issue amount. The margin (in this example 14 USD) is in this case posted on a separate Margin Cost Component, as indicated on the intercompany trade order. If this cost component is part of the effective item cost component structure it can be taken over. Otherwise it is converted to the aggregated cost component of the correct type. Suppose margin cost component MRG is added, with has cost component type Surcharge on Material. MRG is not part of the effective cost component structure, this means the margin of 14 USD is added to the already available 17 USD on cost component SUR. Journal entry 2880 in this example will be replaced by the journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2883.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	MAT	120 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		120 USD
2884.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	SUR	31 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		31 USD

2885.	10061086: Warehouse Receipt / Receipt Intercompany		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	WRS	3 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		3 USD

The other related postings to this transaction (like the postings below) work with the assumption that Adopt Selling Cost Structure is No.

If the valuation method of item PI1 in warehouse NWH2 is Lot Price and the lot is already present and lot price is, for example, 126 (MAT), 8 (LC1), 0 (SUR), and 0 (WRS), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2886.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	MAT	-34 USD
C	Lot Result	End Account / 733	NWH2	MAT	-34 USD

If the valuation method of item PI1 in warehouse NWH2 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2887.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	MAT	-60 USD
C	Standard Cost Result	End Account / 731	NWH2	MAT	-60 USD
2888.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	LC1	-8 USD
C	Standard Cost Result	End Account / 731	NWH2	LC1	-8 USD
2889.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000059		
D	Inventory	Inventory / 1	NWH2	SUR	10 USD
C	Standard Cost Result	End Account / 731	NWH2	SUR	10 USD

Because the receipt is final, a shipment variance posting must also be created:

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

2890.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		-120 USD
C	Shipment Variance	End Account / 716	NWH1	MAT	-120 USD
2891.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		-17 USD
C	Shipment Variance	End Account / 716	NWH1	SUR	-17 USD
2892.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000058		
D	Interim COGS	Interim Costs / 11	NWH1		-3 USD
C	Shipment Variance	End Account / 716	NWH1	WRS	-3 USD

In case of project pegging, journal entries 2890 through 2892 are replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2893.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000058		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Interim COGS	Interim Costs / 11	NWH1		120 USD
2894.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000058		
D	Interim Transit	Interim Transit / 1	NWH1		17 USD
C	Interim COGS	Interim Costs / 11	NWH1		17 USD
2895.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000058		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD
2896.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

2897.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		17 USD
C	Interim Transit	Interim Transit / 1	NWH1		17 USD
2898.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, the following postings are created, in which the inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2899.	10061087: Warehouse Receipt / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000059		
D	Invoice Accrual	Invoice Accrual / 12	NWH2		-154 USD
C	Shipment Variance	End Account / 735	NWH2	MAT	-154 USD

In case of project pegging, journal entry 2899 is replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2900.	10061100: Warehouse Receipt / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000059		
D	Interim Transit	Interim Transit / 1	NWH2		154 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		154 USD
2901.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		154 USD
C	Interim Transit	Interim Transit / 1	NWH2		154 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entries 2899 up to 2901 are split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

Payment: Pay on Use

Example: Transfer manual order TRFM00007 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. Upon issue, inventory transaction ID IT0000139 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, as described for sales orders in section *Sales Order, Issues, Purchased item (company owned) from warehouse*. Surcharge postings are not created for transfers with Pay on Use, they are created when the goods are used.

Note that landed costs are not applicable for transfers with Pay on Use.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2902.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2903.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		24 USD
C	Inventory	Inventory / 1	NWH1	SUR	24 USD
2904.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD

Upon receipt, inventory transaction ID IT0000140 is created. Assume, for example, only one piece is received: final receipt.

The integration transactions below are created (journal entries 2908 and 2909 are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**). For the consignment receipt in NWH2 the Standard Cost (without surcharges) is used. Standard Cost results are also possible in financial warehouse FWH1, if valuation method is Standard Cost. Surcharges are not calculated in a financial warehouse.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2905.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000140		
D	Inventory	Inventory / 1	FWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

2906.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000140	
D	Inventory	Inventory / 1	FWH1	SUR	12 USD
C	Interim Transit	Interim Transit / 1	NWH1		12 USD
2907.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT0000140	
D	Inventory	Inventory / 1	FWH1	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
2908.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000140	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	100 USD
C	Interim Transit	Interim Transit / 3	NWH2		100 USD
2909.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / TRFM00007	
D	Interim Transit	Interim Transit / 3	NWH2		100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH2		100 USD

Because the receipt is final, you must also create a shipment variance posting. The following integration transaction must be created first to reverse the issue.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2910.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		-120 USD
C	Inventory	Inventory / 1	NWH1	MAT	-120 USD

Next, the normal flow for transfers with intercompany trade must be followed.

21.8.3 Consigned goods

If the consigned goods must be used during transfer, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

Next, the goods are present in company-owned inventory, and the integration transactions as described in 21.8.1 and 21.8.2 are created.

If the consigned goods must not be used during transfer, the following is applicable.

Note: For the consignment postings, the intercompany trade relation is ignored. On usage, the intercompany trade relation is taken into account.

Note: Landed costs are not applicable.

Note: A project WIP warehouse cannot contain consigned inventory.

21.8.3.1 No price defined on outbound line

Example: Transfer manual order TRFM00005 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. Upon issue, inventory transaction ID IT0000135 is created.

The amount taken for the integration transactions depends on the consigned inventory value, for example, 120 USD on cost component MAT. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2911.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		240 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	240 USD

The inventory might also be present in one or more financial warehouses as consigned inventory (for example, if it is received with a purchase order with payment Pay on Use and internal payment Pay on Use. If, for example, the inventory is present in financial warehouse FWH3 as consigned inventory, the following integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2912.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	FWH3		240 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	240 USD

The inventory might also be present in a financial warehouses as company-owned inventory (for example, if it is received with a purchase order with payment Pay on Receipt and internal payment Pay on Use. If the inventory is present in financial warehouse FWH3 as company owned, the following integration transaction can be created (the integration transactions created depend on the valuation method of the item, as described in section 21.8.1). Surcharge postings are not created for financial warehouses).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2913.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000135	
D	Interim Transit	Interim Transit / 1	FWH3		240 USD
C	Inventory	Inventory / 1	FWH3	MAT	240 USD

Upon receipt, inventory transaction ID IT0000136 is created. Assume, for example, only one piece is received: final receipt.

The integration transaction below is created if NWH1 and NWH2 belong to the same enterprise unit (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2914.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000136	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	120 USD
C	Interim Transit	Interim Transit / 3	NWH1		120 USD

The integration transactions below are created if NWH1 and NWH2 belong to different enterprise units (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**). For the consignment receipt in NWH2 the Standard Cost (without surcharges) is used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2915.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000136	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH1	MAT	120 USD
C	Interim Transit	Interim Transit / 3	NWH1		120 USD
2916.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000136	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	100 USD
C	Interim Transit	Interim Transit / 3	NWH2		100 USD
2917.	10062063: Warehouse Order / Consignment Receipt			BO: Warehouse Order / TRFM00005	
D	Interim Transit	Interim Transit / 3	NWH2		100 USD
C	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH2		100 USD

If journal entry 2912 was created upon issue, during receipt following integration transaction must be created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2918.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000136		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	120 USD
C	Interim Transit	Interim Transit / 3	FWH3		120 USD

If journal entry 2913 was created upon issue, during receipt following integration transaction must be created. Standard Cost-Results are also possible in this case. Surcharges are not possible in financial warehouse.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2919.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000136		
D	Inventory	Inventory / 1	FWH3	MAT	120 USD
C	Interim Transit	Interim Transit / 1	FWH3		120 USD

Because the receipt is final, you must also create a shipment variance posting. Furthermore, the piece that was not received must now be paid to the supplier.

First the interim transit / 3 must be balanced. The following integration transaction is created (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2920.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		-120 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-120 USD

If journal entry 2912 was created upon issue, during shipment the following integration transaction must be created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2921.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	FWH3		-120 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	-120 USD

If journal entry 2913 was created upon issue, during shipment the following integration transaction must be created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2922.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 1	FWH3		-120 USD
C	Inventory	Inventory / 1	FWH3	MAT	-120 USD

Next, the consignment usage (decrease consigned inventory) and the consignment payment (increase owned inventory) must be done. This is described in the following sections depending on the situation.

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

As a result, the goods are company owned in warehouse NWH1. From this warehouse, they must be issued..

Finally, the shipment variance postings must be created..

Journal entries created for the issue (one piece only) and the shipment variance are described in sections 21.8.1 and 21.8.2.

21.8.3.2 Price defined on outbound line

If you use the same example as when no price is defined on the outbound line, with the only difference that a price of 200 USD per piece is entered on the outbound line, the impact on integration transactions is as follows:

The amount taken for the integration transactions depends on the consigned inventory value, for example, 120 USD on cost component MAT. The interim transit will be corrected, for the price entered. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2923.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		240 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	240 USD
2924.	10060085: Warehouse Issue / Consignment Result		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		160 USD
C	Consigned Result	End Account / 711	NWH1	MAT	160 USD

The inventory can also be present in one or more financial warehouses as consigned inventory (for example, if it is received with a purchase order with payment Pay on Use

and internal payment Pay on Use. If, for example, the inventory is present in financial warehouse FWH3 as consigned inventory, the following integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2925.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	FWH3		240 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	240 USD
2926.	10060085: Warehouse Issue / Consignment Result		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	FWH3		160 USD
C	Consigned Result	End Account / 711	FWH3	MAT	160 USD

The inventory can also be present in a financial warehouse as company-owned inventory (for example, if it is received with a purchase order with payment Pay on Receipt and internal payment Pay on Use. If, for example, the inventory is present in financial warehouse FWH3 as company owned, the following integration transactions can be created (the integration transactions created depend on the valuation method of the item, as described in section 21.8.1. Surcharge postings are not created for financial warehouses).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2927.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 1	FWH3		240 USD
C	Inventory	Inventory / 1	FWH3	MAT	240 USD
2928.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 1	FWH3		160 USD
C	Issue Result	End Account / 712	FWH3	MAT	160 USD

Upon receipt, inventory transaction ID IT0000136 is created. Assume, for example, only one piece is received: final receipt. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2929.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000136		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	200 USD

C	Interim Transit	Interim Transit / 3	NWH1		200 USD

If journal entries 2925 and 2926 were created upon issue, during receipt the following integration transaction must be created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2930.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000136		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	200 USD
C	Interim Transit	Interim Transit / 3	FWH3		200 USD

If journal entries 2927 and 2928 were created upon issue, during receipt the following integration transaction must be created. In this case, also Standard Cost-Results are possible. Surcharges are not possible in financial warehouse.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2931.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000136		
D	Inventory	Inventory / 1	FWH3	MAT	200 USD
C	Interim Transit	Interim Transit / 1	FWH3		200 USD

Because the receipt is final, you must also create a shipment variance posting. Furthermore, the piece that was not received must be paid now to the supplier.

First the interim transit / 3 must be balanced. The following integration transaction is created (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2932.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		-200 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-200 USD

If journal entries 2925 and 2926 were created upon issue, during shipment following integration transaction must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2933.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	FWH3		-200 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	-200 USD

If journal entries 2927 and 2928 were created upon issue, during shipment following integration transaction must be created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2934.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 1	FWH3		-200 USD
C	Inventory	Inventory / 1	FWH3	MAT	-200 USD

Next, the consignment usage (decrease consigned inventory) and the consignment payment (increase owned inventory) must be done. This is described in the following sections depending on the situation.

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

As a result, the goods are company owned in warehouse NWH1. From this warehouse, they must be issued.

Finally, the shipment variance postings must be created. For this, the journal entries as described in sections 21.8.1 and 21.8.2 (for the shipment variance) are created.

Journal entries created for the issue (one piece only) and the shipment variance are described in sections 21.8.1 and 21.8.2.

21.8.4 Customer-owned goods

Note: Landed costs are not applicable

Note: A project WIP warehouse cannot contain customer-owned inventory unless it is in rejected inventory.

No price defined on outbound line

Example: Transfer manual order TRFM00006 of two pieces (customer owned) of item PI1 from warehouse NWH1 to warehouse NWH2. Upon issue, inventory transaction ID IT0000137 is created.

The amount taken for the integration transactions depends on the customer inventory value, for example, 120 USD on cost component MAT. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2935.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 13	NWH1		240 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	240 USD

The items issued might have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In that case, the inventory WIP must be decreased also.

If company-owned inventory WIP is present, and the value of the company-owned WIP is 20 USD on cost component MAT, the following journal entry is also created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2936.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD

Upon receipt, inventory transaction ID IT0000138 is created. Assume, for example, only one piece is received: final receipt. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has the value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2937.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000138		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	120 USD
C	Interim Transit	Interim Transit / 13	NWH1		120 USD

If company-owned inventory WIP was present, the following journal entry is also created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2938.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000138		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD

Because the receipt is final, a shipment variance posting is created, because the last piece will not be received, and the reconciliation group Interim Transit / 13 must be balanced.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2939.	15060088: Warehouse Issue / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 13	NWH1		-120 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-120 USD

If company inventory WIP was present, the following journal entry is also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2940.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 3	NWH1		-10 USD
C	Shipment Variance	End Account / 715	NWH1	MAT	-10 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, the following postings are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), in which inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2941.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000138		
D	Interim Transit	Interim Transit / 13	NWH1		-120 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-120 USD

If company-owned inventory WIP was present, the following journal entry is also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2942.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000138		
D	Interim Transit	Interim Transit / 3	NWH1		-10 USD
C	Shipment Variance	End Account / 734	NWH2	MAT	-10 USD

Price defined on outbound line

If you use the same example as when no price is defined on the outbound line, with the only difference that a price of 200 USD per piece is entered on the outbound line, the impact on integration transactions is as follows:

The amount taken for the integration transactions depends on the customer owned inventory value, for example, 120 USD on cost component MAT. The interim transit will be corrected for the price entered. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2943.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 13	NWH1		240 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	240 USD
2944.	15060031: Warehouse Issue / Issue Result / Customer Owned		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 13	NWH1		160 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		160 USD

The items issued might have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In that case, the inventory WIP must be decreased also.

If customer-owned inventory WIP exists, and the value of the customer-owned WIP is 20 USD on cost component MAT, the following additional journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2945.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
2946.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 1	NWH1		-20 USD
C	Issue Result	End Account / 712	NWH1	MAT	-20 USD

Upon receipt, inventory transaction ID IT0000138 is created. Assume, for example, only one piece is received: final receipt. The integration transaction is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2947.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000138		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

Because the receipt is final, a shipment variance posting is created, because the last piece will not be received, and the reconciliation group Interim Transit / 13 must be balanced.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2948.	15060088: Warehouse Issue / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000137		
D	Interim Transit	Interim Transit / 13	NWH1		-200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-200 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, the following postings are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), in which inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2949.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000138		
D	Interim Transit	Interim Transit / 13	NWH1		-200 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-200 USD

21.8.5 Usage and payment of consigned inventory

Note: Landed costs are not applicable during usage/payment of consigned goods.

21.8.5.1 Inventory issued from company-owned inventory – payment: Pay on Use

Example: A production order is created for one piece of item PI1 from warehouse NWH2. Inventory of the receipt of transfer manual TRFM00007 (see section 21.8.2) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. Moving the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

21.8.5.1.1 Decrease consigned inventory

To decrease consigned inventory, the transfer manual order and the inventory transaction ID of the consignment receipt are used, as described in section 21.8.2. The

integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2950.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / TRFM00002		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH2		100 USD
C	Interim Transit	Interim Transit / 2	NWH2		100 USD
2951.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT0000140		
D	Interim Transit	Interim Transit / 2	NWH2		100 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	100 USD

21.8.5.1.2 Increase company-owned inventory

Company-owned inventory is currently in warehouse FWH1, whereas it should be in NWH2. First the receipt and the issue from NWH1 to FWH1 are reversed. The following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2952.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000140		
D	Inventory	Inventory / 1	FWH1	MAT	-120 USD
C	Interim Transit	Interim Transit / 1	NWH1		-120 USD
2953.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000140		
D	Inventory	Inventory / 1	FWH1	SUR	-12 USD
C	Interim Transit	Interim Transit / 1	NWH1		-12 USD
2954.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000140		
D	Inventory	Inventory / 1	FWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
2955.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		-120 USD
C	Inventory	Inventory / 1	NWH1	MAT	-120 USD
2956.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		-12 USD
C	Inventory	Inventory / 1	NWH1	SUR	-12 USD

2957.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000139		
D	Interim Transit	Interim Transit / 1	NWH1		-3 USD
C	Inventory	Inventory / 1	NWH1	WRS	-3 USD

Then the normal flow for transfers with intercompany trade must be followed, so journal entries 2874 up to 2889 are created.

21.8.5.2 Inventory issued from consigned inventory

Example: A production order is created for one piece of item PI1 from warehouse NWH2. Inventory of the receipt of transfer manual TRFM00005 (see section *Warehousing, Transfers, Consigned goods*) is picked. In this case, the consigned inventory must be moved to inventory before the production issue (see section *Production Order, Materials, Issue (company owned/consigned)*) can be carried out. Moving the consigned inventory consists of two steps: decrease consigned inventory and increase company-owned inventory.

21.8.5.2.1 Decrease consigned inventory

To decrease consigned inventory, the transfer manual order and the inventory transaction ID of the consignment receipt are used, as described in section 21.8.2. The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2958.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000136		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	-120 USD
C	Interim Transit	Interim Transit / 3	NWH1		-120 USD
2959.	10060059: Warehouse Issue / Consignment Issue		BO: Inventory Transaction / IT0000135		
D	Interim Transit	Interim Transit / 3	NWH1		-120 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-120 USD

If warehouse NWH2 and warehouse NWH1 belong to different enterprise units, also the following journal entries are created (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2960.	10062064: Warehouse Order / Consignment Use		BO: Warehouse Order / TRFM00005		
D	Consigned Accrual	Consigned/Customer Owned Accrual / 3	NWH2		100 USD
C	Interim Transit	Interim Transit / 2	NWH2		100 USD

2961.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT0000136	
D	Interim Transit	Interim Transit / 2	NWH2		100 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH2	MAT	100 USD

Goods might be present as consigned inventory in one or more financial warehouses. If, for example, the inventory is present as consigned inventory in financial warehouse FWH3, the following integration transactions are created (only if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2962.	10061063: Warehouse Receipt / Consignment Receipt			BO: Inventory Transaction / IT0000136	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	-120 USD
C	Interim Transit	Interim Transit / 3	FWH3		-120 USD
2963.	10060059: Warehouse Issue / Consignment Issue			BO: Inventory Transaction / IT0000135	
D	Interim Transit	Interim Transit / 3	FWH3		-120 USD
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH3	MAT	-120 USD

21.8.5.2.2 Increase company-owned Inventory

Goods might be present as company-owned inventory in a financial warehouse already. In that case, journal entries 2952 up to 2957 are created first. Next, the normal issue and receipt postings (or issue intercompany and receipt intercompany) postings are created to move the goods from one warehouse to another. These postings are described in sections 21.8.1 and 21.8.2.

Note: Goods that were issued to production might be, for example, returned to inventory, and be put in inventory as originally issued (so in examples above they must become consigned inventory again). In this case, first the production material return (see section *Production Order, Materials, Issue (company owned/consigned)*) must be carried out.

Next, company-owned inventory must be decreased and consigned inventory must be increased. To achieve this, all postings as described in this section are created, but the amount has an opposite sign (positive amounts become negative and negative amounts become positive). Standard Cost Results, Lot Results and Value Corrections can occur if the original amount differs from the inventory value.

21.8.6 Floor stock item to shop floor warehouse

Note: Project pegging is not applicable for floor stock items.

Example: Transfer manual order TRFM00005 of two pieces of item PI1 from warehouse NWH1 to warehouse SFCWH1. Assume for this example that item PI1 is a floor stock item.

Note: For a transfer of a floor stock item to a shop floor warehouse, no inbound line is created. You cannot have a price on the outbound line and intercompany trade is not applicable. Item surcharges are taken into account.

Note: Landed costs are not applicable.

Upon issue, inventory transaction ID IT0000072 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, as described for sales orders in section *Sales Order, Issues, Purchased Item from warehouse*.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2964.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000072		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
2965.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000072		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
2966.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000072		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
2967.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000072		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
2968.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000072		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
2969.	10062052: Warehouse Order / Issue		BO: Warehouse Order / TRFM00005		
D	Issues	End Account / 761	SFCWH1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	NWH1		240 USD
2970.	10062052: Warehouse Order / Issue		BO: Warehouse Order / TRFM00005		
D	Issues	End Account / 761	SFCWH1	SUR	88 USD
C	Interim Transit	Interim Transit / 1	NWH1		88 USD

2971.	10062052: Warehouse Order / Issue			BO: Warehouse Order / TRFM00005	
D	Issues	End Account / 761	SFCWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

21.8.7 Item transfer

Journal entries for item transfers are similar to journal entries for warehouse transfers.

Notes

- If the item transfer is carried out within a warehouse, warehouse surcharge postings are not created.
- If the item transfer is carried out between two warehouses, you can also have an intercompany trade relation.
- On the warehouse order, you can indicate if item surcharge postings must be created: for issue and receipt, only for issue, only for receipt, or never.
- For the warehouse / issue postings, the cost components of the from item are used. For the warehouse / receipt postings, the cost components of the to item are used. For reconciliation group interim transit / 1, the cost components of the from item are always used, but are not available for ledger mapping.
- Landed costs can be applicable

It is also possible that item transfers are created from quarantine inventory, in case of reclassify. In that case the quarantine inventory must be reduced and normal inventory must be increased.

21.8.7.1 Company Owned Quarantine

Example: The piece of MI1 that is received in Quarantine for production order SFC000001 will be reclassified. Inventory Transaction ID IT0000127 is created during the decrease of quarantine inventory. The following journal entries are created.

Note: No issue surcharges are taken into account.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2972.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000127		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory	Inventory / 2	NWH1	MAT	400 USD
2973.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000127		
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 2	NWH1	OPR	20 USD

During the increase of non-quarantine inventory, Inventory Transaction ID IT0000128 is created..

Note: Normally warehouse receipt surcharges are not taken into account for item transfer. Item surcharges are normally taken only into account based on the parameter on the warehouse order header. However, in case of Quarantine Inventory, the receipt surcharges are not calculated yet. Now the goods are reclassified, they still have to be logged.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2974.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000128		
D	Inventory	Inventory / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD
2975.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000128		
D	Inventory	Inventory / 1	NWH1	OPR	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
2976.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000128		
D	Inventory	Inventory / 1	NWH1	SUR	42 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	42 USD
2977.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000128		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

In case the valuation method in the warehouse is Standard Cost it is possible an Standard Cost Result is created. In case the valuation method is in the warehouse is Lot Pricing it is possible a Lot Result is created..

21.8.7.2 Mixed Ownership Quarantine

Example: The piece of MI1 that is received in Quarantine for production order SFC000005 in will be reclassified. Inventory Transaction ID IT0000227 is created during the decrease of quarantine inventory. The following journal entries are created. Journal entry 2978 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

2978.	15060160: Warehouse Issue / Quarantine Issue / Customer Owned		BO: Inventory Transaction / IT0000227		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	300 USD
2979.	10060161: Warehouse Issue / WIP Quarantine Issue		BO: Inventory Transaction / IT0000227		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD
C	Inventory WIP	Inventory WIP / 3	NWH1	MAT	400 USD

During the increase of non-quarantine inventory, Inventory Transaction ID IT0000228 is created. Journal entry 2980 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2980.	15061074: Warehouse Receipt / Receipt / Customer Owned		BO: Inventory Transaction / IT0000228		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH2	MAT	300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
2981.	10061117: Warehouse Receipt / WIP Transfer Receipt		BO: Inventory Transaction / IT0000228		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

21.8.8 Permanent Cost Peg Transfers

The financial transaction of a cost peg transfers is booked with business object "Inventory Transaction"

Issue and receipt surcharges are not applicable (not booked)

21.8.8.1 Company Owned

The issue is valued against inventory value which in turn depends on the inventory valuation method. The receipt is valued against original issue price.

Example 1: Cost peg transfer CPT000001 in warehouse NWH1 of 1 pcs from peg A to peg B. Inventory valuation method is MAUC by warehouse valuation group and PMAUC of peg A is 100 USD (MAT) and 10 SUR.

Created journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2982.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	100 USD
C	Inventory	Inventory / 1	NWH1	MAT	A	100 USD
2983.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	10 USD
C	Inventory	Inventory / 1	NWH1	SUR	A	10 USD
2984.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	100 USD
2985.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	SUR	B	10 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	10 USD

Example 2: Cost peg transfer CPT000002 in warehouse NWH1 of 1 pcs from unpegged inventory to peg B. Inventory valuation method is MAUC by warehouse valuation group and the PMAUC is 100 USD (MAT) and 10 USD (SUR).

Created journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2986.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1			100 USD
C	Inventory	Inventory / 1	NWH1	MAT		100 USD
2987.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1			10 USD
C	Inventory	Inventory / 1	NWH1	SUR		10 USD
2988.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	100 USD
C	Interim Transit	Interim Transit / 1	NWH1			100 USD
2989.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	10 USD
C	Interim Transit	Interim Transit / 1	NWH1			10 USD

Example 3: Cost peg transfer CPT000003 in warehouse NWH1 of 1 pcs from peg A to unpegged inventory. Inventory valuation method is MAUC by warehouse valuation group and PMAUC of peg A is 100 USD (MAT) and 10 USD (SUR)

Created journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2990.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	100 USD
C	Inventory	Inventory / 1	NWH1	MAT	A	100 USD
2991.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	10 USD
C	Inventory	Inventory / 1	NWH1	SUR	A	10 USD
2992.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT		100 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	100 USD
2993.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	SUR		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	10 USD

21.8.8.2 Customer Owned

The issue is valued against the customer inventory value. For example 120 USD on cost component MAT. The receipt is valued against original issue price. Customer owned cost peg transfers are always created between two pegs (from and to peg filled) with the same owner.

Example 1: Cost peg transfer CPT000001 in warehouse NWH1 of 1 pcs from peg A to peg B. Inventory value of peg A is 120 USD (MAT). The integration transactions are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

Created journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2994.	15095052: Cost Peg Transfer / Issue / Customer Owned		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 13	NWH1		A	120 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	A	120 USD
2995.	15095074: Cost Peg Transfer / Receipt / Customer Owned		BO: Inventory Transaction			
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	B	120 USD
C	Interim Transit	Interim Transit / 13	NWH1		A	120 USD

If the projects are different, the following additional posting is created (to move the open customer-owned accrual from one project to the other project). Note that the project is used for ledger account mapping.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2996.	15095105: Cost Peg Transfer / Transfer Accrual / Customer Owned		BO: Inventory Transaction			
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		A	120 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		B	120 USD

The items issued might have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In that case, the inventory WIP must be decreased also.

If company-owned inventory WIP is present, and the value of the company-owned WIP is 20 USD on cost component MAT, the following additional journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2997.	10095116: Cost Peg Transfer / WIP Transfer Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	A	20 USD
2998.	10095117: Cost Peg Transfer / WIP Transfer Receipt		BO: Inventory Transaction			
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	B	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	20 USD

Note: A cost peg transfer is always within the same warehouse and therefore within the same financial company. As result a transfer of the customer owned accrual is never required.

21.8.9 Temporary Cost Peg Transfers – Company Owned

The financial transaction of a cost peg transfers is booked with business object “Inventory Transaction”

Issue and receipt surcharges are not applicable (not booked)

Temporary cost peg transfers are always created between two pegs (from and to peg filled)

21.8.9.1 Borrow/Loan

The issue is valuated against inventory value which in turn depends on the inventory valuation method. The receipt is valuated against original issue price.

Example: Cost peg transfer CPT000004 in warehouse NWH1 of 3 pcs from peg A to peg B. Inventory valuation method is MAUC by warehouse valuation group and PMAUC of peg A is 100 USD (MAT) and 10 SUR.

Created journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
2999.	10095145: Cost Peg Transfer / Loan		BO: Inventory Transaction			
D	Loan Accrual	Borrow/Loan Accrual / 1	NWH1		A	300 USD
C	Inventory	Inventory / 1	NWH1	MAT	A	300 USD
3000.	10095145: Cost Peg Transfer / Loan		BO: Inventory Transaction			
D	Loan Accrual	Borrow/Loan Accrual / 1	NWH1		A	30 USD
C	Inventory	Inventory / 1	NWH1	SUR	A	30 USD
3001.	10095146: Cost Peg Transfer / Borrow		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	300 USD
C	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1		B	300 USD
3002.	10095146: Cost Peg Transfer / Borrow		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	SUR	B	30 USD
C	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1		B	30 USD

21.8.9.2 Payback due goods supply

When goods are received on the borrowing project a new cost peg transfer of type 'payback' is created to transfer the goods back to the lending project. The costs associated with this transfer of type 'payback' are equal to the costs against which the project was originally transferred. Inventory is decreased against inventory value which in turn depends on the inventory valuation method. For a possible difference between the inventory value and the transferred costs a Payback Result is created.

Example: 1 piece is received on peg B. The inventory valuation method is MAUC by warehouse valuation group and the PMAUC of peg B after this receipt is 140 USD (MAT) and 14 USD (SUR). This receipt initiates the consumption of the borrow/loan cost peg transfer as described in section 21.8.9.1 by creating a payback line. Subsequently cost peg transfer CPT000005 of type 'payback' is created to transfer the received goods from peg B to peg A.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
3003.	10095158: Cost Peg Transfer / Borrow Reversal		BO: Inventory Transaction			
D	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1	MAT	B	100 USD
C	Inventory	Inventory / 1	NWH1		B	100 USD
3004.	10095158: Cost Peg Transfer / Borrow Reversal		BO: Inventory Transaction			
D	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1	SUR	B	10 USD
C	Inventory	Inventory / 1	NWH1		B	10 USD
3005.	10095147: Cost Peg Transfer / Payback Result		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	-40 USD
C	Interim Transit	Interim Transit / 1	NWH1		B	-40 USD
3006.	10095147: Cost Peg Transfer / Payback Result		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	SUR	B	-4 USD
C	Interim Transit	Interim Transit / 1	NWH1		B	-4 USD
3007.	10024147: Project Costs & Commitments / Payback Result		BO: Inventory Transaction			
D	Project (TP) / WIP	Project (TP) WIP / 1	TP-B	MAT	B	40 USD
C	Interim Transit	Interim Transit / 1	NWH1		B	40 USD
3008.	10024147: Project Costs & Commitments / Payback Result		BO: Inventory Transaction			
D	Project (TP) / WIP	Project (TP) WIP / 1	TP-B	SUR	B	4 USD
C	Interim Transit	Interim Transit / 1	NWH1		B	4 USD
3009.	10095157: Cost Peg Transfer / Loan Reversal		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1		A	100 USD
C	Loan Accrual	Borrow/Loan Accrual / 1	NWH1	MAT	A	100 USD
3010.	10095157: Cost Peg Transfer / Loan Reversal		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1		A	10 USD
C	Loan Accrual	Borrow/Loan Accrual / 1	NWH1	SUR	A	10 USD

21.8.9.3 Payback due aging or manual finalization

A cost peg transfer of type borrow/loan can be finalized due 'aging' concept or just manually. As result the outstanding borrow/loan quantity is converted to a permanent stage.

Example: The outstanding borrow/loan quantity of 2 pieces of cost peg transfer CPT000004 as described in section 21.8.9.1 is finalized. Based on the created payback line the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Project Peg	Amount
3011.	10095158: Cost Peg Transfer / Borrow Reversal		BO: Inventory Transaction			
D	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1	MAT	B	200 USD
C	Inventory	Inventory / 1	NWH1		B	200 USD
3012.	10095158: Cost Peg Transfer / Borrow Reversal		BO: Inventory Transaction			
D	Borrow Accrual	Borrow/Loan Accrual / 2	NWH1	SUR	B	20 USD
C	Inventory	Inventory / 1	NWH1		B	20 USD
3013.	10095157: Cost Peg Transfer / Loan Reversal		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1		A	200 USD
C	Loan Accrual	Borrow/Loan Accrual / 1	NWH1	MAT	A	200 USD
3014.	10095157: Cost Peg Transfer / Loan Reversal		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1		A	20 USD
C	Loan Accrual	Borrow/Loan Accrual / 1	NWH1	SUR	A	20 USD
3015.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	200 USD
C	Inventory	Inventory / 1	NWH1	MAT	A	200 USD
3016.	10095052: Cost Peg Transfer / Issue		BO: Inventory Transaction			
D	Interim Transit	Interim Transit / 1	NWH1		A	20 USD
C	Inventory	Inventory / 1	NWH1	SUR	A	20 USD
3017.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	MAT	B	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	200 USD
3018.	10095074: Cost Peg Transfer / Receipt		BO: Inventory Transaction			
D	Inventory	Inventory / 1	NWH1	SUR	B	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		A	20 USD

21.8.10 Landed cost variances

Invoice Approval

Landed Costs for which invoicing is applicable are always invoiced per Receipt Line Landed Cost Line level (lowest level).

Example: A landed cost invoice of 10 USD related to the receipt of transfer order TRFM00001 as described in section 21.8.1 “*Company-owned goods – no intercompany trade relation*” is matched against below cost line.

Calculation Method	Receive Invoice	Fixed Amount	Price	Cost Component	Amount	Quantity
Fixed Amount	Yes	8 USD		LC1	8 USD	3

During approval of the landed cost invoice journal entry 3019 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3019.	10062133: Warehouse Order / Landed Costs Variance Invoiced		BO: Warehouse Order / TRFM00001		
D	Inv Accrual Landed Costs	Invoice Accrual / 17	NWH2		-2 USD
C	Interim Variance	Interim Variance / 1	NWH2		-2 USD

Also an inventory variance record is created in warehousing (whina1516m000) with an amount of 2 USD and a quantity of 3 pieces. The ‘inventory variance origin’ of this record is ‘Landed Cost Invoice Variance’. This field is available for ledger mapping on end account 736 (value correction).

Expensed tax on a Landed Cost Invoice Line is assigned to inventory. Therefore an inventory variance record is created in warehousing (whina1516m000) for the value of the expensed tax. The inventory variance origin of this record is ‘Landed Cost Expensed Tax’. This field is available for ledger mapping on end account 736 (value correction). Further processing of these landed cost related variances via session “Process Inventory Variances” (whina1200m000) is supported by current existing functionality.

Currency Variances

The existing functionality of Currency Differences (See section 29) is replaced by an integration transaction that moves the currency differences to inventory.

The balance in home amounts of Invoice Accrual / 17 is posted to interim variance / 1, at approval of a landed cost invoice.

Example: The home amounts related to the landed costs invoiced transaction are 8 USD and 10 EUR. The home amounts related to the landed costs variance transaction

are -2 USD and -2.50 EUR. The home amounts related to the landed costs invoice are 10 USD and 10 EUR. The currency difference causes next journal entry.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3020.	10062167: Warehouse Order / Currency Variance (Landed Costs)		BO: Warehouse Order / TRFM00001		
D	Invoice Accrual Landed Costs	Invoice Accrual / 17	0 USD	0 USD	2.50 EUR
C	Interim Variance	Interim Variance / 1	0 USD	0 USD	2.50 EUR

Also a record for the variance of -2.50 EUR is created in the inventory variances in warehousing.

Notes:

- The transaction amount is zero, only home amounts are used.
- For dependent currency system only the local home amount is filled. For standard currency system with multiple functional currencies, all home amounts can be filled and stored in the inventory value.
- For a project pegged inbound line also a PCL transaction is logged for the currency variance.

Currency Gain and Loss

Currency gain and loss must be processed to inventory, project, and so on. If a difference between home amounts of an integration transaction occurs, a record is created in the reconciliation data that is no integration transaction. A currency gain and loss is logged at the moment of posting in the tfgld module of for example a Warehouse Order / Landed Costs Invoiced transaction. Also an inventory variance record is created in warehousing (whina1516m000) for the difference in the home amounts. The inventory variance origin of this record is 'Currency Gain and Loss'. Further processing is similar to the currency variances.

Change landed cost price after receipt

Example: The amount of the landed cost lines linked to the receipt for transfer order TRFM00001 is changed.

Overview of landed costs with business object type 'warehouse receipt line before price change:

Calculation Method	Receive Invoice	Fixed Amount	Price	Amount	Quantity
Fixed Amount	Yes	8 USD		8 USD	3

By Quantity	No		6 USD	18 USD	3

Overview of landed costs with business object type 'warehouse receipt line after price change:

Calculation Method	Receive Invoice	Fixed Amount	Price	Amount	Quantity
Fixed Amount	Yes	14 USD	N.A.	14 USD	3
By Quantity	No	N.A.	5 USD	15 USD	3

The change of the landed cost amount per piece results in a variance transaction. For this journal entry 3021 and 3022 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3021.	10062133: Warehouse Order / Landed Costs Variance Invoiced		BO: Warehouse Order / TRF000001		
D	Inv Accrual Landed Costs	Invoice Accrual / 17	NWH2	LC1	-6 USD
C	Interim Variance	Interim Variance / 1	NWH2		-6 USD
3022.	10062131: Warehouse Order / Landed Costs Variance		BO: Warehouse Order / TRF000001		
D	Landed Costs Cover	End Account / 773	NWH2	LC2	3 USD
C	Interim Variance	Interim Variance / 1	NWH2		3 USD

Furthermore two inventory variance transactions (whina1516m000) are created (amount 6 USD and -3 USD with both a quantity of 3 pcs) . The 'inventory variance origin' of these records is 'Landed Cost Receipt Price Change". This field is available for ledger mapping on end account 736 (value correction). Further processing of these landed cost related variances via session "Process Inventory Variances" (whina1200m000) is supported by current existing functionality.

21.9 Transfer Returns

Note: For a warehouse transfer, item surcharges are not taken into account.

Note: Landed costs are not applicable for transfer returns.

Note: Shop floor items cannot be returned with a linked order from shop floor warehouse to normal warehouse

21.9.1 Company-owned goods – no intercompany trade relation

Linked to original order - No price defined on outbound line

In this case, the warehouse issue is done with the inventory value (including added Warehouse Issue Surcharges). Subsequently the total issue amount is corrected towards the original receipt amount (excluding landed costs). The warehouse receipt is also carried out with this total issue amount. Warehouse Receipt Surcharges are added to the receipt. In the end, the inventory value is corrected to be equal to the inventory value before issue, for valuation method FIFO, LIFO, or MAUC, to the Standard Cost, for Standard Cost, or to the lot price, for LOT.

Example: Transfer manual order TRFM00101 of two pieces of item PI1 back from warehouse NWH2 to warehouse NWH1, related to transfer manual TRFM00001 as described in 21.8.1. (Assume both pieces were received and there was no shipment variance)

Upon issue, inventory transaction ID IT0000154 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 100 USD (MAT), 22 USD (SUR) and 3 USD (WRS), for a total of 125 USD. In this case, an issue result is booked for the difference between the inventory value and the original receipt amount which is 100 USD (MAT), 17 USD (SUR) and 3 USD (WRS).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3023.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000154		
D	Inventory	Inventory / 1	NWH2	SUR	12 USD
C	Surcharge Cover	End Account / 717	NWH2	WIS	12 USD
3024.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		200 USD
C	Inventory	Inventory / 1	NWH2	MAT	200 USD
3025.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		56 USD
C	Inventory	Inventory / 1	NWH2	SUR	56 USD
3026.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Inventory	Inventory / 1	NWH2	WRS	6 USD

3027.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000154		
D	In Transit	Interim Transit / 1	NWH2		-22 USD
C	Issue Result	End Account / 712	NWH2	SUR	-22 USD

If project pegging is applicable journal entry 3027 is replaced by journal entries 3028 and 3029.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3028.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH1		22 USD
C	Interim Transit	Interim Transit / 1	NWH1		22 USD
3029.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		22 USD
C	Interim Transit	Interim Transit / 1	NWH1		22 USD

Upon receipt, inventory transaction ID IT0000155 is created. Assume, for example, only one piece is received: final receipt. In this example, valuation method in NWH1 was MAUC and the MAUC at issue date was 100 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 115 USD.

A warehouse receipt / value correction to correct the inventory value to the original inventory value is also logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3030.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH2		100 USD
3031.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	SUR	17 USD
C	Interim Transit	Interim Transit / 1	NWH2		17 USD
3032.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD

C	Interim Transit	Interim Transit / 1	NWH2		3 USD
3033.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
3034.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	SUR	-5 USD
C	Value Correction	End Account / 736	NWH1	SUR	-5 USD
3035.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD

If the receipt is done in project WIP warehouse PWWH2 and project TP2, journal entries 3030 through 3035 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3036.	10024074: Project Costs & Commitments / Receipt		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		120 USD
C	Interim Transit	Interim Transit / 1	NWH2		120 USD

If project pegging is applicable journal entries 3034 and 3035 are replaced by journal entries 3037 through 3040.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3037.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	SUR	-5 USD
C	Interim Transit	Interim Transit / 1	NWH1		-5 USD
3038.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000155		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
3039.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		5 USD
C	Interim Transit	Interim Transit / 1	NWH1		5 USD
3040.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

Because the receipt is final, there is also created a shipment variance posting, because the last piece will not be received, and the reconciliation group Interim Transit / 1 must be balanced.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, this means in case of a return that the shipment variance must be booked on the original ship-from warehouse, which is NWH1. The following postings are created, in which the inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3041.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000155		
D	Interim Transit	Interim Transit / 1	NWH2		-100 USD
C	Shipment Variance	End Account / 734	NWH1	MAT	-100 USD
3042.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000155		
D	Interim Transit	Interim Transit / 1	NWH2		-17 USD
C	Shipment Variance	End Account / 734	NWH1	SUR	-17 USD

3043.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT0000155		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 734	NWH1	WRS	-3 USD

If NWH1 was project WIP warehouse PWWH2 and project TP2, or project pegging is applicable journal entries 3041 through 3043 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3044.	10024088: Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, this means in case of a return that the shipment variance must be booked on the original ship-to warehouse, which is NWH2. The following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3045.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		-100 USD
C	Shipment Variance	End Account / 715	NWH2	MAT	-100 USD
3046.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		-17 USD
C	Shipment Variance	End Account / 715	NWH2	SUR	-17 USD
3047.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 715	NWH2	WRS	-3 USD

If NWH2 was project WIP warehouse PWWH2 and project TP2, or project pegging is applicable journal entries 3045 through 3047 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3048.	10024088: Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP2		
D	Project (TP) WIP	Project (TP) WIP / 1	TP2		120 USD

C	Interim Transit	Interim Transit / 1	NWH2		120 USD

Linked to original order - Price defined on outbound line

In case a price is defined on the outbound line the same postings are created as in case of a normal transfer as described in section 21.8.1

Not Linked to original order

In case the transfer return is not linked to an original order, the same postings are created as in case of a normal transfer as described in section 21.8.1. The only difference is the handling of shipment variances;

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, this means in case of a return that the shipment variance must be booked on the original ship-from warehouse, which is NWH1.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, this means in case of a return that the shipment variance must be booked on the original ship-to warehouse, which is NWH2.

21.9.2 Company-owned goods – intercompany trade relation

Notes:

- No intercompany trade relation can be defined for a project WIP warehouse.

Linked to original order - Payment: Pay on Receipt

Intercompany trade relationships for transfers are described in 21.8.2. In case of transfer returns, cogs and revenues must be used with negative amounts. The cogs and revenues are for the original from warehouse. The amount for the original to warehouse (which is received back in case of an invoice) depends on the trade relation.

The warehouse issue is done with the inventory value (including added Warehouse Issue Surcharges). Subsequently the total issue amount is corrected towards the original receipt amount (excluding landed costs)

Example: Transfer manual order TRFM00102 of two pieces of item PI1 back from warehouse NWH2 to warehouse NWH1, related to transfer manual TRFM00002 as described in 21.8.2. (Assume both pieces were received and there was no shipment variance)

Upon issue, inventory transaction ID IT0000158 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 100 USD (MAT), 22 USD (SUR), and 3 USD (WRS), for a total of 125 USD. In this case, an issue result is booked for the difference between the inventory value and the original receipt amount which was 154 USD (MAT) per piece.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3049.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000158		
D	Inventory	Inventory / 1	NWH2	SUR	12 USD
C	Surcharge Cover	End Account / 717	NWH2	WIS	12 USD
3050.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		200 USD
C	Inventory	Inventory / 1	NWH2	MAT	200 USD
3051.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		56 USD
C	Inventory	Inventory / 1	NWH2	SUR	56 USD
3052.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Inventory	Inventory / 1	NWH2	WRS	6 USD
3053.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000154		
D	In Transit	Interim Transit / 1	NWH2		108 USD
C	Issue Result	End Account / 712	NWH2	MAT	108 USD
3054.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000154		
D	In Transit	Interim Transit / 1	NWH2		-56 USD
C	Issue Result	End Account / 712	NWH2	SUR	-56 USD
3055.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000154		
D	In Transit	Interim Transit / 1	NWH2		-6 USD
C	Issue Result	End Account / 712	NWH2	WRS	-6 USD

If project pegging is applicable journal entry 3053 through 3055 are replaced by journal entries 3056 through 3061.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3056.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH1		-108 USD
C	Interim Transit	Interim Transit / 1	NWH1		-108 USD

3057.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH1		56 USD
C	Interim Transit	Interim Transit / 1	NWH1		56 USD
3058.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000154		
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
3059.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-108 USD
C	Interim Transit	Interim Transit / 1	NWH1		-108 USD
3060.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		56 USD
C	Interim Transit	Interim Transit / 1	NWH1		56 USD
3061.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Upon receipt, inventory transaction ID IT0000159 is created against original issue amount of the original transfer order. Assume, for example, only one piece is received: final receipt. In this example, the original issue amount was 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS) per piece. Journal entries 3062 up to 3067 are created for the receipt.

A warehouse receipt / value correction to correct the inventory value to the original inventory value is also logged. If the valuation method was Standard Cost, warehouse receipt / Standard Cost result was logged instead. If the valuation method was LOT, warehouse receipt / lot result was logged instead.

For the original transfer manual order TRFM00102 an intercompany agreement based on costplus with 10% markup was applicable. However for the transfer return order a different intercompany trade agreement can be applicable. In this example an agreement based on commercial price of 160 USD. As result journal entry 3068 is created. Furthermore an issue result is created to clear the imbalance on interim transit / 1. (Note that if the intercompany trade agreement was not changed journal entry 3068 would be booked with an amount of 154 USD and no issue result will occur).

D/C	Journal Entry	Reconciliation	Enterprise	Cost Comp.	Amount

		Group	Unit		
3062.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	MAT	120 USD
C	Interim COGS	Interim Costs / 11	NWH1		120 USD
3063.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	SUR	17 USD
C	Interim COGS	Interim Costs / 11	NWH1		17 USD
3064.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD
3065.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
3066.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	SUR	-5 USD
C	Value Correction	End Account / 736	NWH1	SUR	-5 USD
3067.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Value Correction	End Account / 736	NWH1	WRS	-3 USD
3068.	10060086: Warehouse Issue / Receipt Intercompany		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-160 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		-160 USD
3069.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000158		
D	In Transit	Interim Transit / 1	NWH2		6 USD
C	Issue Result	End Account / 712	NWH2	MAT	6 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3068 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If project pegging is applicable journal entries 3066 and 3067 are replaced by journal entries 3070 through 3073.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3070.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	SUR	-5 USD
C	Interim Transit	Interim Transit / 1	NWH1		-5 USD
3071.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
3072.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		5 USD
C	Interim Transit	Interim Transit / 1	NWH1		5 USD
3073.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

Furthermore, if project pegging is applicable journal entry 3069 is replaced by journal entries 3074 and 3075

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3074.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH1		-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
3075.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

Because the receipt is final, a shipment variance posting is also created:

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, this means in case of a return that the shipment variance must be booked on the original

ship-from warehouse, which is NWH1. The following postings are created, in which the inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3076.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000159		
D	Interim COGS	Interim Costs / 11	NWH1		-120 USD
C	Shipment Variance	End Account / 716	NWH1	MAT	-120 USD
3077.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000159		
D	Interim COGS	Interim Costs / 11	NWH1		-17 USD
C	Shipment Variance	End Account / 716	NWH1	SUR	-17 USD
3078.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000159		
D	Interim COGS	Interim Costs / 11	NWH1		-3 USD
C	Shipment Variance	End Account / 716	NWH1	WRS	-3 USD

In case of project pegging, journal entries 3076 through 3078 are replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3079.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000159		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	Interim COGS	Interim Costs / 11	NWH1		120 USD
3080.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000159		
D	Interim Transit	Interim Transit / 1	NWH1		17 USD
C	Interim COGS	Interim Costs / 11	NWH1		17 USD
3081.	10060100: Warehouse Issue / Shipment Variance Intercompany (Project)		BO: Inventory Transaction / IT0000159		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD
3082.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		120 USD

C	Interim Transit	Interim Transit / 1	NWH1		120 USD
3083.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		17 USD
C	Interim Transit	Interim Transit / 1	NWH1		17 USD
3084.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, this means in case of a return that the shipment variance must be booked on the original ship-to warehouse, which is NWH2. The following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3085.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-154 USD
C	Shipment Variance	End Account / 715	NWH2	MAT	-154 USD

In case of project pegging, journal entry 3085 is replaced by journal entry 3086

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3086.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		154 USD
C	Interim Transit	Interim Transit / 1	NWH2		154 USD

Not Linked to original order – Payment Pay on Receipt

In case the transfer return is not linked to an original order, the same postings are created as for linked return transfer orders. However as there is no original amount to compare with the receipt is valued against the issue amount and no value corrections are created.

Example: Transfer manual order TRFM00103 of two pieces of item PI1 back from warehouse NWH2 to warehouse NWH1. Upon issue, inventory transaction ID IT0000158 is created.

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section 7.2.1.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 100 USD (MAT), 22 USD (SUR), and 3 USD (WRS), for a total of 125 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3087.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000158		
D	Inventory	Inventory / 1	NWH2	SUR	12 USD
C	Surcharge Cover	End Account / 717	NWH2	WIS	12 USD
3088.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		200 USD
C	Inventory	Inventory / 1	NWH2	MAT	200 USD
3089.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		56 USD
C	Inventory	Inventory / 1	NWH2	SUR	56 USD
3090.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		6 USD
C	Inventory	Inventory / 1	NWH2	WRS	6 USD

Upon receipt, inventory transaction ID IT0000159 is created against the amount booked during issue. Assume, for example, only one piece is received: final receipt. Journal entries 3091 up to 3094 are created for the receipt.

The intercompany trade relation is defined as costplus with 10% markup. The amount can be calculated now, so journal entry 3068 must be created also. The issue result is created to correct the imbalance on interim transit / 1.

For the original transfer manual order TRFM00102 an intercompany agreement based on costplus with 10% markup was applicable. However for the transfer return order a different intercompany trade agreement can be applicable. In this example an agreement based on commercial price of 160 USD. As result journal entry 3068 is created. Furthermore an issue result is created to clear the imbalance on interim transit / 1. (Note that if the intercompany trade agreement was not changed journal entry 3068 would be booked with an amount of 154 USD and no issue result will occur).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3091.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD

C	Interim COGS	Interim Costs / 11	NWH1		100 USD
3092.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	SUR	28 USD
C	Interim COGS	Interim Costs / 11	NWH1		28 USD
3093.	10061054: Warehouse Receipt / Issue Intercompany		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD
3094.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000159		
D	Inventory	Inventory / 1	NWH1	WRS	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD
3095.	10060086: Warehouse Issue / Receipt Intercompany		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-144.1 USD
C	Invoice Accrual	Invoice Accrual / 12	NWH2		-144.1 USD
3096.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000158		
D	In Transit	Interim Transit / 1	NWH2		44.1 USD
C	Issue Result	End Account / 712	NWH2	MAT	44.1 USD
3097.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000158		
D	In Transit	Interim Transit / 1	NWH2		-28 USD
C	Issue Result	End Account / 712	NWH2	SUR	-28 USD
3098.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000158		
D	In Transit	Interim Transit / 1	NWH2		-3 USD
C	Issue Result	End Account / 712	NWH2	WRS	-3 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3095 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

If project pegging is applicable journal entries 3096 through 3098 are replaced by journal entries 3099 through 3104.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3099.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH1		-44.1 USD
C	Interim Transit	Interim Transit / 1	NWH1		-44.1 USD
3100.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH1		28 USD
C	Interim Transit	Interim Transit / 1	NWH1		28 USD
3101.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
3102.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-44.1 USD
C	Interim Transit	Interim Transit / 1	NWH1		-44.1 USD
3103.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		28 USD
C	Interim Transit	Interim Transit / 1	NWH1		28 USD
3104.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

Because the receipt is final, a shipment variance posting is also created:

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, this means in case of a return that the shipment variance must be booked on the original ship-from warehouse, which is NWH1. The following postings are created, in which the inventory transaction ID of the receipt is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3105.	10060087: Warehouse Issue / Shipment Variance Intercompany		BO: Inventory Transaction / IT0000159		
D	Interim COGS	Interim Costs / 11	NWH1		-100 USD
C	Shipment Variance	End Account / 716	NWH1	MAT	-100 USD

3106.	<i>10060087: Warehouse Issue / Shipment Variance Intercompany</i>		<i>BO: Inventory Transaction / IT0000159</i>		
D	Interim COGS	Interim Costs / 11	NWH1		-28 USD
C	Shipment Variance	End Account / 716	NWH1	SUR	-28 USD
3107.	<i>10060087: Warehouse Issue / Shipment Variance Intercompany</i>		<i>BO: Inventory Transaction / IT0000159</i>		
D	Interim COGS	Interim Costs / 11	NWH1		-3 USD
C	Shipment Variance	End Account / 716	NWH1	WRS	-3 USD

In case of project pegging, journal entries 3105 through 3107 are replaced by the following journal entries.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3108.	<i>10060100: Warehouse Issue / Shipment Variance Intercompany (Project)</i>		<i>BO: Inventory Transaction / IT0000159</i>		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD
3109.	<i>10060100: Warehouse Issue / Shipment Variance Intercompany (Project)</i>		<i>BO: Inventory Transaction / IT0000159</i>		
D	Interim Transit	Interim Transit / 1	NWH1		28 USD
C	Interim COGS	Interim Costs / 11	NWH1		28 USD
3110.	<i>10060100: Warehouse Issue / Shipment Variance Intercompany (Project)</i>		<i>BO: Inventory Transaction / IT0000159</i>		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim COGS	Interim Costs / 11	NWH1		3 USD
3111.	<i>10024088 Project Costs & Commitments / Shipment Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
3112.	<i>10024088 Project Costs & Commitments / Shipment Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		28 USD
C	Interim Transit	Interim Transit / 1	NWH1		28 USD

3113.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **Yes**, this means in case of a return that the shipment variance must be booked on the original ship-to warehouse, which is NWH2. The following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3114.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-100 USD
C	Shipment Variance	End Account / 715	NWH2	MAT	-100 USD
3115.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-28 USD
C	Shipment Variance	End Account / 715	NWH2	SUR	-28 USD
3116.	10060088: Warehouse Issue / Shipment Variance		BO: Inventory Transaction / IT0000158		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 715	NWH2	OPR	-3 USD

In case of project pegging, journal entries 3114 through 3116 are replaced by the following journal entries.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3117.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD
C	Interim Transit	Interim Transit / 1	NWH2		100 USD
3118.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		28 USD
C	Interim Transit	Interim Transit / 1	NWH2		28 USD

3119.	10024088 Project Costs & Commitments / Shipment Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		3 USD
C	Interim Transit	Interim Transit / 1	NWH2		3 USD

Payment: Pay on Use

At this moment, a transfer return for pay on use will first use the inventory, and after that return the inventory as company owned. For this the entries as described above can be used.

21.9.3 Consigned/Customer-owned goods

For consigned- and customer owned goods inventory valuation according an inventory valuation method and intercompany trade are not applicable. Results should occur as less as possible and therefor the journal entries as described in 21.8.3 and 21.8.4 will be created for these return transfers.

21.9.4 Item transfer

Journal entries for item transfers are similar to journal entries for warehouse transfers.

Notes

Item transfers that are coming from quarantine inventory (reclassify) cannot be returned.

21.10 Warehousing assembly order

Warehousing assembly is light assembly. Some purchased/manufactured items are put together into a new purchased/manufactured item, by means of a kit structure. Customized items are not permitted for warehousing assembly orders.

Example: Three pieces of item PI1 and two pieces of item PI2 are put together in one piece of item MI1 for warehousing assembly order WA0000001 in warehouse NWH1.

21.10.1 Materials

The amount taken for the integration transactions depends on the inventory value, which in turn depends on the valuation method, described for sales orders in section *Sales Order, Issues, Purchased item from warehouse*.

Note

If item PI1 is consigned in inventory, and depending on the situation, first the postings are created that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*

- Purchase Schedule, Usage and payment of consigned inventory
- Warehousing, Cycle counting, Usage and payment of consigned inventory
- Warehousing, Adjustment, Usage and payment of consigned inventory
- Warehousing, Consignment use, Purchase order (manual)
- Warehousing, Transfers, Usage and payment of consigned inventory.

Assume, for example, that valuation method for item PI1 is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD. Inventory transaction IT0000060 is created during picking of PI1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3120.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000060		
D	Inventory	Inventory / 1	NWH1	SUR	81 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	81 USD
3121.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000060		
D	Inventory	Inventory / 1	NWH1	SUR	15 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	15 USD
3122.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000060		
D	Interim Transit	Interim Transit / 1	NWH1		360 USD
C	Inventory	Inventory / 1	NWH1	MAT	360 USD
3123.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000060		
D	Interim Transit	Interim Transit / 1	NWH1		132 USD
C	Inventory	Inventory / 1	NWH1	SUR	132 USD
3124.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000060		
D	Interim Transit	Interim Transit / 1	NWH1		9 USD
C	Inventory	Inventory / 1	NWH1	WRS	9 USD

Assume that the valuation method for item PI2 is Standard Cost: 50 USD on cost component MAT. Inventory transaction IT0000061 is created during picking of PI2.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3125.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000061		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Inventory	Inventory / 1	NWH1	MAT	100 USD

21.10.2 End items

When the materials are picked, you can receive the end item using the **Make Ready** option. Inventory transaction IT0000062 is created during this process. The receipt amount equals the sum of the issue amounts of the materials (journal entries 3122 through 3125) for each cost component.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3126.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	MAT	460 USD
C	Interim Transit	Interim Transit / 1	NWH1		460 USD
3127.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	SUR	141 USD
C	Interim Transit	Interim Transit / 1	NWH1		141 USD
3128.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	SUR	60.10 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	60.10 USD
3129.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	SUR	3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	3 USD

If the valuation method of item MI1 in warehouse NWH1 is Standard Cost, the following postings are also created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3130.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	MAT	-60 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-60 USD
3131.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	OPR	20 USD
C	Standard Cost Result	End Account / 731	NWH1	OPR	20 USD
3132.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	SUR	-25.12 USD

C	Standard Cost Result	End Account / 731	NWH1	SUR	-25.12 USD

If the valuation method of item MI1 in warehouse NWH1 is lot price, and the lot is already present, and lot price is, for example, 460 (MAT), zero (OPR), and 200 (SUR), the following integration transaction is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3133.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000062		
D	Inventory	Inventory / 1	NWH1	SUR	-4.10 USD
C	Lot Result	End Account / 733	NWH1	SUR	-4.10 USD

21.11 Intercompany Trade

21.11.1 Internal Material Delivery

Intercompany trade relationship with internal invoice

Example: Transfer manual order TRFM00002 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. Invoice is based on cost price, with a markup percentage of 10 percent added to this, described in the example in section 21.8.2.

When the invoice is posted in central invoicing for the issued inventory, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3134.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	240 USD
3135.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	34 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	34 USD
3136.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	6 USD
3137.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000058		
D	Interim Revenues	Interim Revenues / 5	NWH1		308 USD

C	Turnover	End Account / 714	NWH1		308 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

Only one piece of the item was received. If the internal invoice is generated in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3138.	<i>Only Reconciliation: Approval</i>		<i>BO: Inventory Transaction / IT0000059</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH2		308 USD

You cannot unapprove internal invoices.

Because the receipt is final, the shipment variance must also be handled.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3139.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	-120 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	-120 USD
3140.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	-17 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	-17 USD
3141.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	-3 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	-3 USD
3142.	<i>10060082: Warehouse Issue / Revenues Analysis</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Interim Revenues	Interim Revenues / 5	NWH1		-154 USD
C	Turnover	End Account / 714	NWH1		-154 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has the value **Yes**, and the internal invoice is generated in Accounts Payable, a record that is not an integration transaction is created in the reconciliation data. This record is created to balance the invoice accrual. The amount is the invoice amount, in which the Inventory Transaction ID of the receipt is used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3143.	<i>Only Reconciliation: Approval</i>		<i>BO: Inventory Transaction / IT0000059</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH2		-154 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Example: Transfer manual order TRFM00002 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. Intercompany trade is based on cost price, with a markup percentage of 10 percent added to this, described in the example in section 21.8.2.

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3144.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	240 USD
3145.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	34 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	34 USD
3146.	<i>10060125: Warehouse Issue / Cost of Goods Sold</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	6 USD
3147.	<i>10060169: Warehouse Issue / Revenues Intercompany</i>		<i>BO: Inventory Transaction / IT0000058</i>		
D	Intercompany	End Account / 703	NWH1		308 USD
C	Turnover	End Account / 718	NWH1		308 USD
3148.	<i>10061012: Warehouse Receipts / Costs Intercompany</i>		<i>BO: Inventory Transaction / IT0000059</i>		
D	Invoice Accrual	Invoice Accrual / 12	NWH2		308 USD

C	Intercompany	End Account / 742	NWH2		308 USD

Because the receipt is final, the shipment variance must also be handled.

If the **Post Transfer Losses to Ship-to Warehouse** parameter has value **No**, the following postings are created, in which the inventory transaction ID of the issue is used:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3149.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	-120 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	-120 USD
3150.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	-17 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	-17 USD
3151.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000058		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	-3 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	-3 USD
3152.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000058		
D	Intercompany	End Account / 703	NWH1		-154 USD
C	Turnover	End Account / 718	NWH1		-154 USD
3153.	10061012: Warehouse Receipts / Costs Intercompany		BO: Inventory Transaction / IT0000059		
D	Invoice Accrual	Invoice Accrual / 12	NWH2		-154 USD
C	Intercompany	End Account / 742	NWH2		-154 USD

21.11.2 External Material Delivery Sales

Intercompany trade relationship with internal invoice

The option of External Material Delivery Sales (triangular invoicing) is available for:

- Sales orders.
- Sales schedules
- Maintenance sales orders
- Service orders
- Service customer claims

- Service supplier claims
- Project contracts

In all these situations, the following postings are created (the example is coming from chapter 7.2.1 where the following was assumed: valuation method is MAUC and the MAUC (including issue surcharges) at issue date is 120 USD (MAT), 44 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3154.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	240 USD
3155.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	88 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	88 USD
3156.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	6 USD
3157.	10060082: Warehouse Issue / Revenues Analysis		BO: Inventory Transaction / IT0000010		
D	Interim Revenues	Interim Revenues / 5	NWH1		380 USD
C	Turnover	End Account / 714	NWH1		380 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

In case of a sales order:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3158.	Only Reconciliation: Approval		BO: Sales Order / SLS000002		
D	Invoice Accrual	Invoice Accrual / 5	SO1		380 USD

In case of a sales schedule:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
3159.	<i>Only Reconciliation: Approval</i>		<i>BO: Sales Schedule / SLSS00001</i>		
D	Invoice Accrual	Invoice Accrual / 7	SO1		380 USD

In case of a maintenance sales order:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3160.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Invoice Accrual	Invoice Accrual / 14	SD2		380 USD

In case of a service order:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3161.	<i>Only Reconciliation: Approval</i>		<i>BO: Service Order / SOC000002</i>		
D	Invoice Accrual	Invoice Accrual / 13	SD1		380 USD

In case of a service customer claim:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3162.	<i>Only Reconciliation: Approval</i>		<i>BO: Customer Claim / CCM000001</i>		
D	Invoice Accrual	Invoice Accrual / 21	SD1		380 USD

In case of a service supplier claim:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3163.	<i>Only Reconciliation: Approval</i>		<i>BO: Supplier Claim / SCM000001</i>		
D	Invoice Accrual	Invoice Accrual / 31	SD2		380 USD

In case of a project contract:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3164.	<i>Only Reconciliation: Approval</i>		<i>BO: Contract / CON000001</i>		
D	Invoice Accrual	Invoice Accrual / 20	SO1		380 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

The option of External Material Delivery Sales is available for:

- Sales orders.
- Sales schedules
- Maintenance sales orders
- Service orders
- Service customer claims
- Service supplier claims
- Project contracts

In all these situations, the following postings are created (the example is coming from chapter 7.2.1 where the following was assumed: valuation method is MAUC and the MAUC (including issue surcharges) at issue date is 120 USD (MAT), 44 USD (SUR), and 3 USD (WRS), for a total of 135 USD. The intercompany trade price is a commercial price of 190 USD)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3165.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	MAT	240 USD
C	Interim COGS	Interim Costs / 11	NWH1	MAT	240 USD
3166.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	SUR	88 USD
C	Interim COGS	Interim Costs / 11	NWH1	SUR	88 USD
3167.	10060125: Warehouse Issue / Cost of Goods Sold		BO: Inventory Transaction / IT0000010		
D	Cost of Goods Sold	End Account / 701	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1	WRS	6 USD
3168.	10060169: Warehouse Issue / Revenues Intercompany		BO: Inventory Transaction / IT0000010		
D	Intercompany	End Account / 703	NWH1		380 USD
C	Turnover	End Account / 718	NWH1		380 USD

When the intercompany trade transaction line is posted in the intercompany trade module, also a posting is created to balance the invoice accrual. The amount is the invoice amount.

In case of a sales order:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
3169.	10002012: Sales Order / Costs Intercompany		BO: Sales Order / SLS000002		
D	Invoice Accrual	Invoice Accrual / 5	SO1		380 USD
C	Intercompany	End Account / 159	SO1		380 USD

In case of a sales schedule:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3170.	10036012: Sales Schedule / Costs Intercompany		BO: Sales Schedule / SLSS000001		
D	Invoice Accrual	Invoice Accrual / 7	SO1		380 USD
C	Intercompany	End Account / 201	SO1		380 USD

In case of a maintenance sales order:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3171.	10031012: Maintenance Sales Order / Costs Intercompany		BO: Maintenance Sales Order / MSC000001		
D	Invoice Accrual	Invoice Accrual / 14	SD2		380 USD
C	Intercompany	End Account / 358	SD2		380 USD

In case of a service order:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3172.	10015012: Service Order / Costs Intercompany		BO: Service Order / SOC000002		
D	Invoice Accrual	Invoice Accrual / 13	SD1		380 USD
C	Intercompany	End Account / 300	SD1		380 USD

In case of a service customer claim:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3173.	10100012: Customer Claim / Costs Intercompany		BO: Customer Claim / CCM000001		
D	Invoice Accrual	Invoice Accrual / 21	SD1		380 USD
C	Intercompany	End Account / 413	SD1		380 USD

In case of a service supplier claim:

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
3174.	10102012: Supplier Claim / Costs Intercompany		BO: Supplier Claim / SCM000001		
D	Invoice Accrual	Invoice Accrual / 31	SD2		380 USD
C	Intercompany	End Account / 433	SD2		380 USD

In case of a project contract:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3175.	10026012: Contract / Costs Intercompany		BO: Contract / CON000001		
D	Invoice Accrual	Invoice Accrual / 20	SO1		380 USD
C	Intercompany	End Account / 545	SO1		380 USD

21.12 Inventory variances

21.12.1 Receipt – purchased item

Example: The inventory variances of 15 USD and 5 USD that were created for purchase order PUR000001, which consists of two pieces of item PI1 in warehouse NWH1 and is described in the following sections:

- *Purchase Order, Receipts, Purchased item in warehouse*
- *Purchase Order, Invoice approval or Change price after receipt, Purchased/List/Manufactured item and warehouse*

is processed to inventory. Journal entries 3177 and 3178 are created. Note that this example includes no warehouse surcharge receipt, because the warehouse receipt surcharges are fixed amounts and no percentages.

Note that variance transactions that are related to the Purchase Order / Currency Variance or the Purchase Schedule / Currency Variance transactions have a zero transaction amount but (some of the) the home amounts are filled.

With these journal entries, the inventory value changes.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3176.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	15 USD
C	Interim Variance	Interim Variance / 1	PO1		15 USD

3177.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	LC1	5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD
3178.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	2 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	2 USD

Note: in case the variance results from an order where intercompany trade is applicable between purchase office and warehouse, the interim variance is posted in NWH1 instead of PO1.

In some situations, the inventory value must be decreased again, depending on the scenario.

If the valuation method of item PI1 in warehouse NWH1 is Standard Cost, journal entries 3179 through 3181 are created to decrease inventory value, because inventory value must be against Standard Cost.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3179.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-15 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	-15 USD
3180.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	LC1	-5 USD
C	Standard Cost Result	End Account / 731	NWH1	LC1	-5 USD
3181.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-2 USD

If the valuation method of item PI1 in warehouse NWH1 is lot price, the lot price will be updated, but only if the concerned lot is only present in warehouse NWH1 and variances must be consumed by inventory. If the lot is also present in another warehouse, or if variances must not be consumed by inventory, journal entries 3182 through 3184 are created, because the inventory value must be against lot price.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3182.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-15 USD
C	Lot Result	End Account / 733	NWH1	MAT	-15 USD
3183.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	-5 USD
C	Lot Result	End Account / 733	NWH1	LC1	-5 USD
3184.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-2 USD
C	Lot Result	End Account / 733	NWH1	SUR	-2 USD

If the concerned lot is only present in warehouse NWH1, but some of the received items for the lot are already issued, journal entries 3182 through 3184 are also created. The amount depends on the received and consumed quantity.

For example, if 10 pieces of the lot in total are received over various orders, and four pieces are already issued, this signifies that the lot price is updated with 1.50 USD each on cost component MAT, 0.5 USD each on cost component LCO and 0.20 USD each on cost component SUR. Total inventory value is updated with 15 USD on MAT, 5 USD on LCO and 2 USD on SUR. Because four pieces are already consumed, journal entries 3182 and 3184 are created with an amount of -6 USD, -2 USD and -0.80 USD, because the inventory value must be against current lot price for the pieces that are present only.

If the valuation method of item PI1 in warehouse NWH1 is FIFO, LIFO, or MAUC, no postings are created if the received pieces are not yet consumed. If, for example, one of the two pieces of PI1 is consumed, journal entries 3185 through 3187 are created, because the inventory value must be changed for one piece only. If the inventory variance must not be consumed by inventory, the value corrections are created for the full amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3185.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-7.50 USD
C	Value Correction	End Account / 736	NWH1	MAT	-7.50 USD
3186.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LCO	-2.50 USD
C	Value Correction	End Account / 736	NWH1	LCO	-2.50 USD
3187.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD

C	Value Correction	End Account / 736	NWH1	SUR	-1 USD

If project pegging is applicable journal entries 3185 through 3187 are replaced by journal entries 3188 through 3193.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3188.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-7.50 USD
C	Interim Variance	Interim Variance / 1	PO1		-7.50 USD
3189.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LCO	-2.50 USD
C	Interim Variance	Interim Variance / 1	PO1		-2.50 USD
3190.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD
C	Interim Variance	Interim Variance / 1	PO1	SUR	-1 USD
3191.	10024065: Project Costs & Commitments / Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		7.50 USD
C	Interim Variance	Interim Variance / 1	PO1		7.50 USD
3192.	10024065: Project Costs & Commitments / Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		2.50 USD
C	Interim Variance	Interim Variance / 1	PO1		2.50 USD
3193.	10024065: Project Costs & Commitments / Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		1 USD
C	Interim Variance	Interim Variance / 1	PO1		1 USD

Note: in case the variance results from an order where intercompany trade is applicable between purchase office and warehouse, the interim variance is posted in NWH1 instead of PO1.

21.12.2 Receipt – List/Manufactured item – company owned

Two scenarios exist:

- **Issue by Main Item**
Only for manufactured items. In this case, journal entries 3177 through 3187 are created. Note that in case of an inventory variance for a production order, as described in section *Production Order, Variances*, these postings are also created as manufactured end items that come from production are always received by main item.
- **Issue by Components**
For list items and manufactured items. For this scenario, the following example applies.

Example: An inventory variance of 100 USD is created for order line for purchase order PUR000002 of two pieces of item LI1 for warehouse NWH1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3194.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	MAT	75 USD
C	Interim Variance	Interim Variance / 1	PO1		75 USD
3195.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	SUR	7.50 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	7.50 USD
3196.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000003		
D	Inventory	Inventory / 1	NWH1	MAT	25 USD
C	Interim Variance	Interim Variance / 1	PO1		25 USD

Journal entries 3194 and 3195 are for the six pieces of PI1. Journal entry 3196 is for the four pieces of PI2. The amounts of journal entries 3194 and 3196 are determined in the following way, which is similar to the process described in section *Purchase Order, Receipts, Purchased item in warehouse*.

- The purchase price of item PI1 is 100 USD. LI1 consists of three pieces, for a total of 300 USD.
- Purchase price of item PI2 is 50 USD. LI1 consists of two pieces, is 100 USD.
- Item PI1 receives 300/400 of the total price of 100 USD, for a total of 75 USD. Item PI2 receives 100/400 of the total price of 100 USD, for a total of 25 USD.

In addition, in this case, Standard Cost results, lot results, and value corrections can be applicable. This procedure is handled in the same way as described with journal entries 3179 through 3193 for each component.

21.12.3 Receipt – Manufactured item – mixed ownership

When Customer Furnished Material concept is implemented, the production end item may have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In this situation, both company-owned and customer-owned variances can occur (see section *Production Order, Variances*).

Example: For item MI1, received with production order SFC000005, has mixed ownership. Inventory Transaction ID IT0000110 was created during receipt. Say for example the variance for the customer-owned part is 30 USD on cost component MAT and the variance for the company-owned part is -5 USD on cost component MAT. The following journal entries are created. (Journal entries 3197 and 3199 only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3197.	15061038: Warehouse Receipt / Variance Adjustment / Customer Owned		BO: Inventory Transaction / IT0000110		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	30 USD
C	Interim Variance	Interim Variance / 3	SCO1		30 USD
3198.	10061123: Warehouse Receipt / WIP Variance Adjustment		BO: Inventory Transaction / IT0000110		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-5 USD
C	Interim Variance	Interim Variance / 1	SCO1		-5 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3199.	15061105: Warehouse Receipt / Transfer Accrual / Customer Owned		BO: Inventory Transaction IT0000110		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-5 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-5 USD

If item MI1 is already consumed, additionally the following journal entries are created (journal entry 3200 only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

3200.	15061109: Warehouse Receipt / Value Correction / Customer Owned		BO: Inventory Transaction IT0000110		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-30 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-30 USD
3201.	10061124: Warehouse Receipt / WIP Value Correction		BO: Inventory Transaction IT0000110		
D	Inventory WIP	Inventory WIP / 1	NWH1		5 USD
C	Value Correction	End Account / 739	NWH1	MAT	5 USD

If project pegging is applicable journal entry 3201 is replaced by journal entries 3202 and 3203.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3202.	10061123: Warehouse Receipt / WIP Variance Adjustment		BO: Inventory Transaction IT0000110		
D	Inventory WIP	Inventory WIP / 1	NWH1		-5 USD
C	Interim Variance	Interim Variance / 1	SCO1	MAT	-5 USD
3203.	10024065: Project Costs & Commitments / Price Variance		BO: Project Cost and Commitment / TP-B		
D	Project (TP) WIP	Project (TP) WIP / 1	TP-B		5 USD
C	Interim Variance	Interim Variance / 1	SCO1	MAT	5 USD

21.12.4 Receipt – project warehouse

Example: An inventory variance of 20 USD is created for purchase order PUR000019: two pieces of item PI1 in warehouse PWH1. Inventory transaction IT0000063 was created during receipt. When the variance is processed to inventory, journal entries 3204 and 3205 are created.

Note that no warehouse surcharge receipt posting takes place in this example, because the warehouse receipt surcharges are fixed amounts and no percentages. With these journal entries, the inventory value changes.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3204.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000063		
D	Inventory	Inventory / 1	PWH1	MAT	20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

3205.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000063		
D	Inventory	Inventory / 1	PWH1	SUR	2 USD
C	Surcharge Cover	End Account / 732	PWH1	IRS	2 USD

If the valuation method of the item is Standard Cost, journal entries 3179 through 3181 are also created. If the valuation method of the item is lot price, journal entries 3182 through 3184 are also created.

If the valuation method of item PI1 in warehouse PWH1 is FIFO, LIFO, or MAUC, no additional postings are created if the received pieces are not yet consumed. If though, for example, one of the two pieces of PI1 is consumed, journal entries 3206 and 3208 are created, because the inventory value must be changed for one piece only.

If the inventory variance must not be consumed by inventory, the variance adjustments are created for the full amount. Journal entry 3209 is created later on in TP when the transaction is posted. As a result, the journal entries are not created at the same time.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3206.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000063		
D	Inventory	Inventory / 1	PWH1	MAT	-7.50 USD
C	Interim Variance	Interim Variance / 1	PO1		-7.50 USD
3207.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000063		
D	Inventory	Inventory / 1	PWH1	LCO	-2.50 USD
C	Interim Variance	Interim Variance / 1	PO1		-2.50 USD
3208.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000063		
D	Inventory	Inventory / 1	PWH1	SUR	-1 USD
C	Interim Variance	Interim Variance / 1	PO1		-1 USD
3209.	10024071: Project Costs & Commitments / Purchase Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		11 USD
C	Interim Variance	Interim Variance / 1	PO1		11 USD

Note: in case the variance results from an order where intercompany trade is applicable between purchase office and warehouse, the interim variance is posted in NWH1 instead of PO1.

21.12.5 Return – purchased item

Example: A change price after receipt is performed for the one piece of item PI1 of order line for purchase order PUR000016, described in section *Purchase Order, Return orders, Purchased item from warehouse*. Instead of -110 USD, the price becomes -115 USD. As a result, a purchase price variance journal entry of 5 USD was created as described in section *Purchased Order, Invoice approval / Change price after receipt, Purchased/ list/manufactured item and warehouse*.

When the variance is processed, journal entries 3210 and 3211 are created: the variance adjustment to balance the Interim Variance / 1 and the Issue Result to balance the Interim Transit / 1. For a return order, variances cannot be processed to inventory because no inventory for that order exists anymore.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3210.	10060038: Warehouse Issue / Variance Adjustment		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD
3211.	10060031: Warehouse Issue / Issue Result		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		5 USD
C	Issue Result	End Account / 712	NWH1	MAT	5 USD

Note: in case the variance results from an order where intercompany trade is applicable between purchase office and warehouse, the interim variance is posted in NWH1 instead of PO1.

If project pegging is applicable journal entry 3211 is replaced by journal entries 3212 and 3213

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3212.	10060178: Warehouse Issue / Issue Result (Project)		BO: Inventory Transaction / IT0000005		
D	Interim Transit	Interim Transit / 1	NWH1		-5 USD
C	Interim Transit	Interim Transit / 1	NWH1		-5 USD
3213.	10024031: Project Costs & Commitments / Issue Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-5 USD
C	Interim Transit	Interim Transit / 1	NWH1		-5 USD

21.12.6 Return – list/manufactured item

In this situation, two scenarios exist:

- **Issue by Main Item**
Only for manufactured items. In this case, journal entries 3210 and 3211 are created.
- **Issue by Components**
For list items and manufactured items. For this scenario, journal entries 3210 and 3211 are also created, but are created by component, in which the variance is divided based on the purchase price of the components and the quantity, as described in section *Warehousing, Inventory variances, Receipt, List/Manufactured item*.

21.12.7 Return – project warehouse

When inventory variances are processed for a return from a Project warehouse, no warehouse-related postings are created. The variance is immediately written in TP. When the transaction is posted in TP, journal entry 3214 is created, if the variance was 5 USD, to balance the Interim Variance / 1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3214.	10024071: Project Costs & Commitments / Purchase Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD

Note: in case the variance results from an order where intercompany trade is applicable between purchase office and warehouse, the interim variance is posted in NWH1 instead of PO1.

21.12.8 Zero quantity – company owned

Example: SFC Production Order SFC000004 is created for one piece of item MI1. Some materials are issued and hours are posted, but no end item is received in the end. In this case, an Efficiency Variance of -100 USD, for example, is created, described in section *Production Order, Variances* on cost component MAT, and an inventory variance of 100 USD is also created. No inventory is available to process the inventory variance, but the Interim Variance / 1 must be balanced.

When the inventory variances are processed, a new inventory transaction ID is generated, for example, IT0000064, and journal entries 3215 and 3216 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3215.	10061038: Warehouse Receipt / Variance Adjustment			BO: Inventory Transaction / IT0000064	
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Variance	Interim Variance / 1	SCO1		100 USD
3216.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000064	
D	Inventory	Inventory / 1	NWH1	MAT	-100 USD
C	Value Correction	End Account / 736	NWH1	MAT	-100 USD

If project pegging is applicable journal entry 3216 is replaced by journal entries 3217 and 3218.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3217.	10061038: Warehouse Receipt / Variance Adjustment			BO: Inventory Transaction / IT0000001	
D	Inventory	Inventory / 1	NWH1	MAT	-100 USD
C	Interim Variance	Interim Variance / 1	NWH1		-100 USD
3218.	10024065: Project Costs & Commitments / Price Variance			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD
C	Interim Variance	Interim Variance / 1	NWH1		100 USD

21.12.9 Zero quantity – mixed ownership

When Customer Furnished Material concept is implemented, the production end item can have mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)*). In this case, both company-owned and customer-owned variances can occur (see section *Production Order, Variances*).

Example: Same data as described in the previous section. Item has mixed ownership. The variance for the customer-owned part is 30 USD on cost component MAT and the variance for the company-owned part is -5 USD on cost component MAT. The following journal entries are created. (Journal entries 3219, 3221 and 3225 only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3219.	15061038: Warehouse Receipt / Variance Adjustment / Customer Owned			BO: Inventory Transaction / IT0000064	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	30 USD
C	Interim Variance	Interim Variance / 3	SCO1		30 USD

3220.	10061123: Warehouse Receipt / WIP Variance Adjustment		BO: Inventory Transaction / IT0000064		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-5 USD
C	Interim Variance	Interim Variance / 1	SCO1		-5 USD
3221.	15061109: Warehouse Receipt / Value Correction / Customer Owned		BO: Inventory Transaction IT0000064		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-30 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-30 USD
3222.	10061124: Warehouse Receipt / WIP Value Correction		BO: Inventory Transaction IT0000064		
D	Inventory WIP	Inventory WIP / 1	NWH1		5 USD
C	Value Correction	End Account / 739	NWH1	MAT	5 USD

If project pegging is applicable journal entry 3222 is replaced by journal entries 3223 and 3224.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3223.	10061123: Warehouse Receipt / WIP Variance Adjustment		BO: Inventory Transaction IT0000110		
D	Inventory WIP	Inventory WIP / 1	NWH1		-5 USD
C	Interim Variance	Interim Variance / 1	SCO1	MAT	-5 USD
3224.	10024065: Project Costs & Commitments / Price Variance		BO: Project Cost and Commitment / TP-B		
D	Project (TP) WIP	Project (TP) WIP / 1	TP-B		5 USD
C	Interim Variance	Interim Variance / 1	SCO1	MAT	5 USD

If the financial companies of SCO1 and NWH1 are different, the following additional posting is created (to move the open customer-owned accrual from one financial company to the other financial company).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3225.	15061105: Warehouse Receipt / Transfer Accrual / Customer Owned		BO: Inventory Transaction IT0000110		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	SCO1		-5 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-5 USD

21.12.10 Antedating – company owned

Inventory variances can be processed in the past. Which date is actually used to process the inventory variance is defined by the the inventory analysis parameter “Variance Posting Date”.

Note: This functionality is not supported in combination with project pegging. A project pegged inventory variance is always processed on the ‘variance processing date’.

Example: The inventory analysis parameter “variance posting date” is set to “Variance Transaction Date”.

On January 1st a receipt for purchase order PUR000001 is made for two pieces of PI1 in warehouse NWH1 (valuation method FIFO). The journal entries 47 through 53 are created as described in section *Purchased item in warehouse* are created with transaction date January 1st.

On January 2nd an invoice is approved for purchase order PUR000001 (two pieces of item PI1 in warehouse NWH1) for an amount of 240 USD. Order Price was 220 USD. Journal entry 490 is created as described in section *Invoice approval / Change price after receipt* with transaction date January 2nd.

On January 4th the effective cost component structure is changed. Cost component MAT is replaced with cost component MAT1 for item PI1. Revaluation order REV000005 is created for this change. Journal entries 3255 and 3256 are created as described in section *Actualize cost price* but now with an amount of 220 USD and transaction date January 4th.

On January 5th an issue for sales order SLS000023 of one piece of item PI1 from warehouse NWH1 is processed. Inventory Transaction ID IT0000093 is created upon issue. Journal entries 3226 through 3233 are created with transaction date January 2nd.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3226.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	SUR	24.8 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	24.8 USD
3227.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
3228.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000093		
D	Interim Transit	Interim Transit / 1	NWH1		110 USD
C	Inventory	Inventory / 1	NWH1	MAT1	110 USD

3229.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000093		
D	Interim Transit	Interim Transit / 1	NWH1		40.8 USD
C	Inventory	Inventory / 1	NWH1	SUR	40.8 USD
3230.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000093		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
3231.	10002052: Sales Order / Issue		BO: Sales Order / SLS000023		
D	Interim COGS	Interim Costs / 1	SO1	MAT1	110 USD
C	Interim Transit	Interim Transit / 1	NWH1		110 USD
3232.	10002052: Sales Order / Issue		BO: Sales Order / SLS000023		
D	Interim COGS	Interim Costs / 1	SO1	SUR	40.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		40.8 USD
3233.	10002052: Sales Order / Issue		BO: Sales Order / SLS000023		
D	Interim COGS	Interim Costs / 1	SO1	WRS	3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD

On January 6th the inventory variance created on the 2nd of January is actually processed. As the inventory analysis parameter is set to “Variance Transaction Date” this variance is actually processed to inventory on the 2nd of January. Journal entries 3177 and 3178 as described in section *Receipt – purchased item* are created on January 2nd.

The added inventory value has to be revaluated to the new cost component template which is effective from January 4th onwards. Journal entries 3234 and 3235 are created with transaction date January 4th to correct the inventory value. To do so, the same revaluation order is used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3234.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000005		
D	Inventory	Inventory / 1	NWH1	MAT	-20 USD
C	Revaluation	End Account / 831	NWH1	MAT	-20 USD
3235.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000005		
D	Inventory	Inventory / 1	NWH1	MAT1	20 USD
C	Revaluation	End Account / 831	NWH1	MAT1	20 USD

The issue processed on January 5th needs to be corrected for the added inventory value. Journal entries 3236 through 3238 with transaction date January 5th are created for this. To do so, the inventory transaction ID of the corrected issue is used. Note that this example includes no warehouse surcharge issue, because the warehouse issue surcharges are fixed amounts and no percentages.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3236.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	SUR	2.2 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	2.2 USD
3237.	10060109: Warehouse Issue / Value Correction		BO: Inventory Transaction / IT0000093		
D	Value Correction	End Account / 719	NWH1	MAT1	10 USD
C	Inventory	Inventory / 1	NWH1	MAT1	10 USD
3238.	10060109: Warehouse Issue / Value Correction		BO: Inventory Transaction / IT0000093		
D	Value Correction	End Account / 719	NWH1	SUR	3.2 USD
C	Inventory	Inventory / 1	NWH1	SUR	3.2 USD

If the sales issue at January 5th would have been a negative adjustment order journal entries 3237 and 3238 are replaced by journal entries 3239 and 3240

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3239.	10054013: Warehouse Adjustment / Adjustment		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	MAT1	-10 USD
C	Adjustment	End Account / 811	NWH1	MAT1	-10 USD
3240.	10054013: Warehouse Adjustment / Adjustment		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	SUR	-3.2 USD
C	Adjustment	End Account / 811	NWH1	SUR	-3.2 USD

If the sales issue at January 5th would have been a negative cycle counting order journal entries 3237 and 3238 are replaced by journal entries 3241 and 3242

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3241.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	MAT1	-10 USD

C	Cycle Count	End Account / 791	NWH1	MAT1	-10 USD
3242.	10055013: Cycle Counting Order / Adjustment		BO: Inventory Transaction / IT0000093		
D	Inventory	Inventory / 1	NWH1	SUR	-3.2 USD
C	Cycle Count	End Account / 791	NWH1	SUR	-3.2 USD

21.12.11 Antedating – mixed ownership

Inventory variances can be processed in the past. Which date is actually used to process the inventory variance is defined by the the inventory analysis parameter “Variance Posting Date”.

Note: This functionality is not supported in combination with project pegging. A project pegged inventory variance is always processed on the ‘variance processing date’.

Example: The inventory analysis parameter “variance posting date” is set to “Goods Receipt Date”.

On January 1st a receipt for sfc production order SFC000005 is made for one pieces of MI1 in warehouse NWH1. The journal entries 1733 through 1737 are created as described in section 11.10.2 are created with transaction date January 1st.

On January 2nd an additional calculation office variance is created for -5 USD company owned and 30 USD customer owned. Journal entries as described in section 11.10.5 are created with transaction date January 2nd.

On January 5th an issue for sales order SLS000033 of one piece of item MI1 from warehouse NWH1 is processed. Inventory Transaction ID IT0000393 is created upon Journal entries 3243 and 3244 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3243.	15060052: Warehouse Issue / Issue / Customer Owned		BO: Inventory Transaction / IT0000393		
D	Interim Transit	Interim Transit / 13	NWH1		300 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	300 USD
3244.	15002052: Sales Order / Issue / Customer Owned		BO: Sales Order / SLS000033		
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD
C	Interim Transit	Interim Transit / 13	NWH1		300 USD
3245.	10060116: Warehouse Issue / WIP Transfer Issue		BO: Inventory Transaction / IT0000393		
D	Interim Transit	Interim Transit / 1	NWH1		400 USD

C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	400 USD
3246.	10002052: Sales Order / Issue		BO: Sales Order / SLS000033		
D	Interim COGS	Interim Costs / 1	SO1	MAT	400 USD
C	Interim Transit	Interim Transit / 1	NWH1		400 USD

On January 6th the inventory variance created on the 2nd of January is actually processed. As the inventory analysis parameter is set to “Goods Receipt Date” this variance is actually processed to inventory on the 1nd of January. Journal entries 3177 and 3178 as described in section 21.12.3 are created on January 2nd.

The issue processed on January 5th needs to be corrected for the added inventory value. Journal entries 3247 and 3248 with transaction date January 5th are created for this. To do so, the inventory transaction ID of the corrected issue is used. Journal entry 3247 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3247.	15060109: Warehouse Issue / Value Correction / Customer Owned		BO: Inventory Transaction / IT0000393		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	30 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		30 USD
3248.	10060124: Warehouse Issue / WIP Value Correction		BO: Inventory Transaction / IT0000393		
D	Value Correction	End Account / 720	NWH1	MAT	-5 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-5 USD

If the sales issue at January 5th would have been a negative adjustment order journal entries 3247 and 3248 are replaced by journal entries 3249 and 3250. Journal entry 3249 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3249.	15054013: Adjustment Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000393		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-30 USD
C	Customer Owned Accrual	Consigned/Customer	NWH1		-30 USD

		Owned Accrual / 6			
3250.	10054123: Adjustment Order / WIP Variance Adjustment		BO: Inventory Transaction / IT0000393		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	5 USD
C	Adjustment	End Account / 817	NWH1	MAT	5 USD

If the sales issue at January 5th would have been a negative cycle counting order journal entries 3247 and 3248 are replaced by journal entries 3251 and 3252. Journal entry 3251 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3251.	15055013: Cycle Counting Order / Adjustment / Customer Owned		BO: Inventory Transaction / IT0000093		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-30 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-30 USD
3252.	10055123: Cycle Counting Order / WIP Variance Adjustment		BO: Inventory Transaction / IT0000093		
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	5 USD
C	Cycle Counting	End Account / 797	NWH1	MAT	5 USD

21.13 Revaluation

21.13.1 Actualize cost price

Example: Item PI1 has valuation method Standard Cost, and the Standard Cost for the material cost changes from 100 USD to 110 USD. Revaluation order REV000001 is created. If five pieces of item PI1 are present in warehouse NWH1, journal entries 3253 and 3254 are created, because the item receipt surcharge is 10 percent, a revaluation on cost component SUR is also required. Note that a revaluation due to price changes when you actualize cost prices is only possible if the valuation method of the item is Standard Cost.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3253.	10065078: Revaluation Order / Revaluation			BO: Revaluation Order / REV000001	
D	Inventory	Inventory / 1	NWH1	MAT	50 USD
C	Revaluation	End Account / 831	NWH1	MAT	50 USD
3254.	10065078: Revaluation Order / Revaluation			BO: Revaluation Order / REV000001	
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Revaluation	End Account / 831	NWH1	SUR	5 USD

The effective cost component structure can also change. For example, a cost component MAT is replaced with cost component MAT1 for item PI1. Revaluation order REV000002 is created for this change. If the total inventory value on cost component MAT in warehouse NWH1 is 300 USD, journal entries are created.

Notes:

- A revaluation due to effective cost component structure change is possible for all valuation methods.
- Journal entry 3255 through 3268 are created regardless whether project pegging is applicable or not.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3255.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000002		
D	Inventory	Inventory / 1	NWH1	MAT	-300 USD
C	Revaluation	End Account / 831	NWH1	MAT	-300 USD
3256.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000002		
D	Inventory	Inventory / 1	NWH1	MAT1	300 USD
C	Revaluation	End Account / 831	NWH1	MAT1	300 USD

For effective cost component structure changes, also the consigned inventory, the customer-owned inventory and the inventory WIP are changed.

For a consigned item the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Consigned Transactions** has value **Yes**), for warehouse NWH1 if the consigned inventory value is 300 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3257.	10065080: Revaluation Order / Consignment Revaluation		BO: Revaluation Order / REV000002		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	-300 USD
C	Revaluation	End Account / 832	NWH1	MAT	-300 USD

3258.	10065080: Revaluation Order / Consignment Revaluation			BO: Revaluation Order / REV000002	
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT1	300 USD
C	Revaluation	End Account / 832	NWH1	MAT1	300 USD

For a customer-owned item the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), for warehouse NWH1 if the customer-owned inventory value is 300 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3259.	15065078: Revaluation Order / Revaluation / Customer Owned			BO: Revaluation Order / REV000002	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	-300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-300 USD
3260.	15065078: Revaluation Order / Revaluation / Customer Owned			BO: Revaluation Order / REV000002	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT1	300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD

If the item has mixed ownership, journal entries 3259 and 3260 are created for the inventory. If the company-owned WIP value is 100 on cost component MAT, also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3261.	10065077: Revaluation Order / WIP Revaluation			BO: Revaluation Order / REV000002	
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	-100 USD
C	Revaluation	End Account / 833	NWH1	MAT	-100 USD
3262.	10065077: Revaluation Order / WIP Revaluation			BO: Revaluation Order / REV000002	
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT1	100 USD
C	Revaluation	End Account / 833	NWH1	MAT1	100 USD

If the item is company owned in quarantine inventory, journal entries 3263 and 3264 are created if the quarantine value is 300 on cost component MAT.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3263.	10065165: Revaluation Order / Quarantine Revaluation			BO: Revaluation Order / REV000002	
D	Inventory	Inventory / 1	NWH1	MAT	-300 USD
C	Revaluation	End Account / 831	NWH1	MAT	-300 USD

3264.	10065165: Revaluation Order / Quarantine Revaluation			BO: Revaluation Order / REV000002	
D	Inventory	Inventory / 1	NWH1	MAT1	300 USD
C	Revaluation	End Account / 831	NWH1	MAT1	300 USD

If the item is customer owned in quarantine inventory the following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**), for warehouse NWH1 if the customer-owned inventory value is 300 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3265.	15065165: Revaluation Order / Quarantine Revaluation / Customer Owned			BO: Revaluation Order / REV000002	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	-300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-300 USD
3266.	15065165: Revaluation Order / Quarantine Revaluation / Customer Owned			BO: Revaluation Order / REV000002	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT1	300 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		300 USD

If the company-owned WIP value is 100 on cost component MAT, also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3267.	10065166: Revaluation Order / WIP Quarantine Revaluation			BO: Revaluation Order / REV000002	
D	Inventory WIP	Inventory WIP / 3	NWH1	MAT	-100 USD
C	Revaluation	End Account / 833	NWH1	MAT	-100 USD
3268.	10065166: Revaluation Order / WIP Quarantine Revaluation			BO: Revaluation Order / REV000002	
D	Inventory WIP	Inventory WIP / 3	NWH1	MAT1	100 USD
C	Revaluation	End Account / 833	NWH1	MAT1	100 USD

21.13.2 Change valuation method

You can also create revaluation postings (for company-owned items) when the valuation method of the item in a warehouse is changed. For example, two items PI1 are present in warehouse NWH1 with valuation method FIFO. Total inventory value is 210 on cost component MAT, 21 on cost component SUR, and six on cost component WRS.

The valuation method changes from FIFO to Standard Cost. The new inventory value becomes 200 on cost component MAT, 20 on cost component SUR, and six on cost component WRS. Revaluation order REV000003 is created. Journal 3269 and 3270 are also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3269.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000003		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Revaluation	End Account / 831	NWH1	MAT	-10 USD
3270.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000003		
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD
C	Revaluation	End Account / 831	NWH1	SUR	-1 USD

If project pegging is applicable journal entries 3269 through 3270 are replaced by journal entries 3271 through 3274.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3271.	10065074: Revaluation Order / Receipt		BO: Revaluation Order / REV000003		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Interim Transit	Interim Transit / 17	NWH1	MAT	-10 USD
3272.	10065074: Revaluation Order / Receipt		BO: Revaluation Order / REV000003		
D	Inventory	Inventory / 1	NWH1	SUR	-1 USD
C	Interim Transit	Interim Transit / 17	NWH1	SUR	-1 USD
3273.	10024078: Project Costs & Commitments / Revaluation		BO: Project Cost & Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	10 USD
C	Interim Transit	Interim Transit / 17	NWH1	MAT	10 USD
3274.	10024078: Project Costs & Commitments / Revaluation		BO:		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	1 USD
C	Interim Transit	Interim Transit / 17	NWH1	SUR	1 USD

21.13.3 MAUC correction / actual costs correction

Revaluation postings for company-owned items can also be created if one of the following applies:

- The MAUC is corrected for an item for which the valuation method in the warehouse is MAUC.
- The actual costs are corrected for an item for which the valuation method in the warehouse is any method other than Standard Cost.

Example: Three items PI1 are present in warehouse NWH1 with valuation method MAUC. Total inventory value is 220 on cost component MAT, 22 on cost component SUR, and six on cost component WRS. The MAUC changes to 230 on cost component MAT, 23 on cost component SUR, and six on cost component WRS. Revaluation order REV000004 is created. Journal entries 3275 and 3276 are also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3275.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000004		
D	Inventory	Inventory / 1	NWH1	MAT	10 USD
C	Revaluation	End Account / 831	NWH1	MAT	10 USD
3276.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000004		
D	Inventory	Inventory / 1	NWH1	SUR	1 USD
C	Revaluation	End Account / 831	NWH1	SUR	1 USD

If project pegging is applicable journal entries 3275 through 3276 are replaced by journal entries 3277 through 3280.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3277.	10065074: Revaluation Order / Receipt		BO: Revaluation Order / REV000004		
D	Inventory	Inventory / 1	NWH1	MAT	10 USD
C	Interim Transit	Interim Transit / 17	NWH1	MAT	10 USD
3278.	10065074: Revaluation Order / Receipt		BO: Revaluation Order / REV000003		
D	Inventory	Inventory / 1	NWH1	SUR	1 USD
C	Interim Transit	Interim Transit / 17	NWH1	SUR	1 USD
3279.	10024078: Project Costs & Commitments / Revaluation		BO: Project Cost & Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	-10 USD
C	Interim Transit	Interim Transit / 17	NWH1	MAT	-10 USD
3280.	10024078: Project Costs & Commitments / Revaluation		BO: Project Cost & Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	-1 USD
C	Interim Transit	Interim Transit / 17	NWH1	SUR	-1 USD

21.13.4 Antedating

Example: The first of January, the Standard Cost for item PI1 in warehouse NWH1 (valuation method Standard Cost) is 100 (MAT), 10 (SUR), 3 (WRS). On the third of January, the Standard Cost changes to 110 (MAT), 11 (SUR), and 3 (WRS), described in section *Warehousing, Revaluation, Actualize cost price*. On January 4th, a receipt from purchase is made for two pieces of PI1, backdated to January 2nd. As a result, the old Standard Cost is still valid, and the postings described in section *Purchase Order, Receipts, Purchased item in Warehouse* for Standard Cost items are created on January 2nd.

However, from January 3rd onwards, the new Standard Cost is valid. As a result, journal entries 3281 and 3282 are created on January 3rd to correct the inventory value. To do so, the same revaluation order is used.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3281.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000001		
D	Inventory	Inventory / 1	NWH1	MAT	20 USD
C	Revaluation	End Account / 831	NWH1	MAT	20 USD
3282.	10065078: Revaluation Order / Revaluation		BO: Revaluation Order / REV000001		
D	Inventory	Inventory / 1	NWH1	SUR	2 USD
C	Revaluation	End Account / 831	NWH1	SUR	2 USD

21.14 Ownership change orders

Note

Ownership change is not caused by logistic transactions, but occurs when consigned goods must be paid, for example, dependent on time constraints.

21.14.1 Consigned to company owned

If ownership of consigned inventory changes to company owned, payment to the business partner takes place and usage transactions of consigned inventory are created.

See the postings that are described in the following sections:

- *Purchase Order, Usage and payment of consigned inventory*
- *Purchase Schedule, Usage and payment of consigned inventory*
- *Warehousing, Cycle counting, Usage and payment of consigned inventory*
- *Warehousing, Adjustment, Usage and payment of consigned inventory*
- *Warehousing, Consignment use, Purchase order (manual)*
- *Warehousing, Transfers, Usage and payment of consigned inventory.*

After the receipt transactions in the company-owned inventory, no further issue transactions are required.

As a result of the ownership change, the original consignment scenario $\text{Payment} = \text{Pay on Use}$, $\text{Internal Payment} = \text{Pay on Use}$ changes to:

$\text{Payment} = \text{Pay on Receipt}$, $\text{Internal Payment} = \text{Pay on Receipt}$.

21.14.2 Consigned to consigned

Ownership change from consigned to consigned inventory occurs, for example, if an external business partner must be paid for the consigned goods, but no internal payment is required. Payment and usage transactions are similar to the postings that are described in the previous section *Consigned to company owned*. For the internal business partner, however, additional consigned receipt transactions are created.

As a result of an ownership change, the original consignment scenario $\text{Payment} = \text{Pay on Use}$, $\text{Internal Payment} = \text{Pay on Use}$ changes to: $\text{Payment} = \text{Pay on Receipt}$, $\text{Internal Payment} = \text{Pay on Use}$.

For an example of integration transactions of consigned receipt transactions, see section *Warehousing, Receipt in warehouse, Purchase order (manual) scenario* $\text{Payment} = \text{Pay on Receipt}$, $\text{Internal Payment} = \text{Pay on Use}$.

22 Freight

22.1 Load planning

On freight order lines, you can indicate that load planning must be performed. For load planning, loads, shipment and shipment lines are created.

Example: For freight order line 10 of freight order FOC000001, load planning is done. Load LOAD00001 is created with shipping office SH01. Load LOAD00001 contains one shipment, SHIP00001.

Shipment SHIP00001 contains two lines:

- Line 10 is the line linked to freight order line FOC000001/10,
- Line 950 is the additional cost line, also linked to this freight order line.

The estimated costs on shipment line 10 are 100 USD, the estimated costs on shipment line 950 are 10 USD.

22.1.1 Complete shipment

Shipment SHIP00001 is completed. The journal entries that are created depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice for the freight (typically the case if you are the carrier yourself), journal entry 3283 is created for shipment line 10 and journal entry 3284 is created for shipment line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3283.	10071041: Freight Shipment / Freight Costs		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SH01		100 USD
C	Freight Costs Cover	End Account / 631	SH01		100 USD
3284.	10071041: Freight Shipment / Freight Costs		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SH01		10 USD
C	Freight Costs Cover	End Account / 631	SH01		10 USD

Carrier invoice

If the carrier sends an invoice for the freight, journal entry 3285 is created for shipment line 10 and journal entry 3286 is created for shipment line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3285.	10071089: Freight Shipment / Subcontracting		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
C	Invoice Accrual	Invoice Accrual / 9	SHO1		100 USD
3286.	10071089: Freight Shipment / Subcontracting		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD
C	Invoice Accrual	Invoice Accrual / 9	SHO1		10 USD

Except for the journal entries 3285 and 3286 or 3283 and 3284, the following journal entries are created, depending on the scenario for the external customer invoice.

No external invoice

For freight order line FOC000001/10, no external invoice exists and no original department is available.

Example: Freight order line FOC000010/10 is linked to transfer manual TFRM00002. Journal entries 3287 and 3288 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3287.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
3288.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		10 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD

External invoice based on Freight

The external invoice for freight order line FOC000001/10 is based on Freight or on the original department.

Example: Freight order line FOC000010/10 is linked to sales order SLS000002 with sales office SO1. Journal entries 3289 and 3290 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3289.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		100 USD

C	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
3290.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		10 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD

External invoice based on Service

The external invoice for freight order line FOC000001/10 is based on Service. This functionality is available for service orders and maintenance sales orders.

Example: Freight order line FOC000010/10 is linked to service order SOC000002 with service department SD1. Journal entries 3291 and 3292 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3291.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
3292.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		10 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD

Example: Freight order line FOC000010/10 is linked to maintenance sales order MSC000001 with service department SD2. Journal entries 3293 and 3294 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3293.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
3294.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		10 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD

22.1.2 Change estimated costs

The estimated costs for shipment SHIP00001, shipment line 10, are changed from 100 USD to 90 USD. The journal entries that are created depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice for the freight, journal entries 3295 and 3296 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3295.	10071041: Freight Shipment / Freight Costs		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
C	Freight Costs Cover	End Account / 631	SHO1		-100 USD
3296.	10071041: Freight Shipment / Freight Costs		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
C	Freight Costs Cover	End Account / 631	SHO1		90 USD

Carrier invoice

If the carrier sends an invoice for the freight, journal entries 3297 and 3298 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3297.	10071089: Freight Shipment / Subcontracting		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
C	Invoice Accrual	Invoice Accrual / 9	SHO1		-100 USD
3298.	10071089: Freight Shipment / Subcontracting		BO: Freight Load Shipment / SHIP00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
C	Invoice Accrual	Invoice Accrual / 9	SHO1		90 USD

Except for the journal entries 3297 and 3298 or 3295 and 3296, the following journal entries are created, depending on the scenario for the external customer invoice.

No external invoice

For freight order line FOC000001/10, no external invoice exists and no original department is available.

Example: Freight order line FOC000010/10 is linked to transfer manual TFRM00002. Journal entries 3299 and 3300 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3299.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		-100 USD

C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3300.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD

External invoice based on Freight

The external invoice for freight order line FOC000001/10 is based on Freight or on the original department.

Example: Freight order line FOC000010/10 is linked to sales order SLS000002 with sales office SO1. Journal entries 3301 and 3302 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3301.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		-100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3302.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD

External invoice based on Service

The external invoice for freight order line FOC000001/10 is based on Service. This functionality is available for service orders and maintenance sales orders.

Example: Freight order line FOC000010/10 is linked to service order SOC000002 with service department SD1. It depends on the scenario which postings are created.

The service order freight line might already be costed and the invoice to the external customer already sent. In that case, the Service Order WIP is already made empty, so it is not allowed to update the service order freight line anymore. For Freight Costs (Update Allowed), this is also possible, however in this scenario a new service order freight line is created which must remain open until the freight order is closed.

22.1.2.1.1 Service order line is not costed yet or invoice is based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3303.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		-100 USD

C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3304.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD

22.1.2.1.2 Service order line is costed and invoice is not based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3305.	10015039: Service Order / Freight Price Variance		BO: Service Order / SOC000002		
D	Interim Variance	Interim Variance / 1	SD1		-100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3306.	10015017: Service Order / COGS Price Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		-100 USD
C	Interim Variance	Interim Variance / 1	SD1		-100 USD
3307.	10015039: Service Order / Freight Price Variance		BO: Service Order / SOC000002		
D	Interim Variance	Interim Variance / 1	SD1		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
3308.	10015017: Service Order / COGS Price Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		90 USD
C	Interim Variance	Interim Variance / 1	SD1		90 USD

Example: Freight order line FOC000010/10 is linked to maintenance sales order MSC000001 with service department SD2. It depends on the scenario which postings are created.

The maintenance sales order coverage line for freight might already be costed and the invoice to the external customer already sent. In that case, the Maintenance Sales Order WIP is already made empty, so it is not allowed to update the maintenance sales order freight line anymore. For Freight Costs (Update Allowed) this is also possible, however in this scenario a new maintenance sales order coverage line for freight is created which should remain open until freight order is finished.

22.1.2.1.3 Maintenance sales coverage line is not costed yet or Invoice is based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount

3309.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3310.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD

22.1.2.1.4 Maintenance sales coverage line is costed and Invoice is not based on freight costs (Update Allowed)

In case no Project Pegging is involved the following integration transactions are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3311.	10031039: Maintenance Sales Order / Freight Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Interim Variance	Interim Variance / 2	SD2		-100 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
3312.	10031017: Maintenance Sales Order / COGS Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		-100 USD
C	Interim Variance	Interim Variance / 2	SD2		-100 USD
3313.	10031039: Maintenance Sales Order / Freight Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Interim Variance	Interim Variance / 2	SD2		90 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
3314.	10031017: Maintenance Sales Order / COGS Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		90 USD
C	Interim Variance	Interim Variance / 2	SD2		90 USD

In case Project Pegging is involved the integration transactions 3312 and 3314 are not created. They are replaced by the following integration transactions created by TP, not by FM.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3315.	10024039: Project Costs & Commitments / Freight Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-100 USD
C	Interim Variance	Interim Variance / 2	SD2		-100 USD

3316.	10024039: Project Costs & Commitments / Freight Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		90 USD
C	Interim Variance	Interim Variance / 2	SD2		90 USD

22.1.3 Actual costs

The journal entries that are created for actual costs depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice, no integration transaction is created for actual costs. The user can manually set the actual costs to **Final**, and at that moment the actual costs are filled with the estimated costs. Therefore, in this case, the estimated costs are equal to the actual costs.

Carrier invoice

If the carrier sends an invoice for the freight for 120 USD for load LOAD00001, journal entry 3305 is created when the invoice is approved. The difference of 20 USD is logged on shipment line 10.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3317.	10071065: Freight Shipment / Price Variance		BO: Freight Load Shipment / SHIP00001		
D	Invoice Accrual	Invoice Accrual / 9	SHO1		-20 USD
C	Freight Interim Costs	Interim Costs / 18	SHO1		-20 USD

In addition, a record is created in the reconciliation data that is not an integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount of 120 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3318.	Only Reconciliation: Approval		BO: Freight Load Shipment / SHIP00001		
D	Invoice Accrual	Invoice Accrual / 9	SHO1		120 USD

If the invoice is unapproved again, journal entry 3317 is created with an amount of 20 USD. Journal entry 3319 is created in the reconciliation data.

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost Comp.	Amount

			Unit		
3319.	Only Reconciliation: Unapproval		BO: Freight Load Shipment / SHIP00001		
D	Invoice Accrual	Invoice Accrual / 9	SHO1		-120 USD

Except for the journal entries 3317, 3318 and 3319, the following journal entries are created for the invoice approval, dependent on the scenario for the external customer invoice. For unapproval, the same postings are created with a negative amount.

No external invoice

For freight order line FOC000001/10, no external invoice exists and no original department is available.

Example: Freight order line FOC000010/10 is linked to transfer manual TFRM00002. Journal entry 3320 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3320.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD

External invoice based on Freight

For freight order line FOC000001/10, the external invoice is based on Freight or on the original department.

Example: Freight order line FOC000010/10 is linked to sales order SLS000002 with sales office SO1. Journal entry 3321 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3321.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD

External invoice based on Service

For freight order line FOC000001/10, the external invoice is based on Service. This functionality is available for service orders and maintenance sales orders.

Example: Freight order line FOC000010/10 is linked to service order SOC000002 with service department SD1. It depends on the scenario which postings are created.

The service order freight line might already be costed and the invoice to the external customer already sent. In that case, the Service Order WIP is already made empty, so it is no longer allowed to update the service order freight line.

For Freight Costs (Update Allowed), this is also possible. However, in this scenario a new service order freight line is created which should remain open until the freight order is finished.

22.1.3.1.1 Service order line is not costed yet or Invoice is based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3322.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD

22.1.3.1.2 Service order line is costed and Invoice is not based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3323.	10015039: Service Order / Freight Price Variance		BO: Service Order / SOC000002		
D	Interim Variance	Interim Variance / 1	SD1		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD
3324.	10015017: Service Order / COGS Price Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		20 USD
C	Interim Variance	Interim Variance / 1	SD1		20 USD

Example: Freight order line FOC000010/10 is linked to maintenance sales order MSC000001 with service department SD2. It depends on the scenario which postings are created.

The maintenance sales order coverage line for freight might already be costed and the invoice to the external customer already sent. In that case, the Maintenance Sales Order WIP is already made empty, so it is no longer allowed to update the maintenance sales order coverage line for freight.

For Freight Costs (Update Allowed), this is also possible. However, in this scenario a new maintenance sales order coverage line for freight is created which should remain open until the freight order is finished.

22.1.3.1.3 Maintenance sales coverage line is not costed yet or invoice is based on freight costs (Update Allowed)

D/C	Journal Entry	Reconciliation Group	Enterprise	Cost	Amount

			Unit	Comp	
3325.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD

22.1.3.1.4 Maintenance sales coverage line is costed and invoice is not based on freight costs (Update Allowed)

In case no Project Pegging is involved the following integration transactions are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3326.	10031039: Maintenance Sales Order / Freight Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Interim Variance	Interim Variance / 2	SD2		20 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		20 USD
3327.	10031017: Maintenance Sales Order / COGS Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		20 USD
C	Interim Variance	Interim Variance / 2	SD2		20 USD

In case Project Pegging is involved the integration transactions 3327 is not created. It is replaced by the following integration transaction created by TP, not by FM.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3328.	10024039: Project Costs & Commitments / Freight Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Variance	Interim Variance / 2	SD2		20 USD

22.2 Freight order clusters

On freight order lines, you can indicate whether load planning must be performed. If load planning must not be performed, freight order clusters and freight order cluster lines are created.

Example: For freight order line 10 of freight order FOC000001, no load planning is done. Freight Order Cluster CLUS00001 is created with shipping office SH01.

Freight Order Cluster CLUS00001 contains two lines:

- Line 10 is the line linked to freight order line FOC000001/10
- Line 950 is the additional cost line, also linked to this freight order line

The estimated costs on shipment line 10 are 100 USD, the estimated costs on shipment line 950 are 10 USD.

22.2.1 Complete cluster line

The lines of Freight Order Cluster CLUS00001 are completed. The journal entries that are created depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice for the freight, journal entry 3329 is created for cluster line 10 and journal entry 3330 is created for cluster line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3329.	10072041: Freight Order Cluster / Freight Costs		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
C	Freight Costs Cover	End Account / 651	SHO1		100 USD
3330.	10072041: Freight Order Cluster / Freight Costs		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD
C	Freight Costs Cover	End Account / 651	SHO1		10 USD

Carrier invoice

If the carrier sends an invoice for the freight, journal entry 3331 is created for cluster line 10 and journal entry 3332 is created for cluster line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3331.	10072089: Freight Order Cluster / Subcontracting		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		100 USD
C	Invoice Accrual	Invoice Accrual / 10	SHO1		100 USD
3332.	10072089: Freight Order Cluster / Subcontracting		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		10 USD
C	Invoice Accrual	Invoice Accrual / 10	SHO1		10 USD

Except for journal entries 3329 and 3330 or 3331 and 3332, journal entries 3287 up to 3294 are created, depending on the scenario for the external customer invoice.

22.2.2 Change estimated costs

The estimated costs for freight order cluster CLUS00001, cluster line 10, are changed from 100 USD to 90 USD. The journal entries that are created depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice for the freight, journal entries 3333 and 3334 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3333.	10072041: Freight Order Cluster / Freight Costs		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
C	Freight Costs Cover	End Account / 651	SHO1		-100 USD
3334.	10072041: Freight Order Cluster / Freight Costs		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
C	Freight Costs Cover	End Account / 651	SHO1		90 USD

Carrier invoice

If the carrier sends an invoice for the freight, journal entries 3335 and 3336 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3335.	10072089: Freight Order Cluster / Subcontracting		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		-100 USD
C	Invoice Accrual	Invoice Accrual / 10	SHO1		-100 USD
3336.	10072089: Freight Order Cluster / Subcontracting		BO: Freight Order Cluster / CLUS00001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		90 USD
C	Invoice Accrual	Invoice Accrual / 10	SHO1		90 USD

Except for journal entries 3333 and 3334 or 3335 and 3336 journal entries 3299 up to 3314 are created, depending on the scenario for the external customer invoice

22.2.3 Actual Costs

The journal entries that are created for actual costs depend on the scenario for the carrier invoice and on the scenario for the external (customer) invoice of the freight order line.

No carrier invoice

If the carrier does not send an invoice, no integration transaction is created for actual costs. The user can manually set the actual costs to final, and at that moment the actual costs are filled with the estimated costs. Therefore, in this case, the estimated costs are equal to the actual costs.

Carrier invoice

If the carrier sends an invoice for the freight for 120 USD for freight order cluster CLUS00001, journal entry 3337 is created when the invoice is approved. The difference of 20 USD is logged on cluster line 10.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3337.	<i>10072065: Freight Order Cluster / Price Variance</i>		<i>BO: Freight Order Cluster / CLUS00001</i>		
D	Invoice Accrual	Invoice Accrual / 10	SHO1		-20 USD
C	Freight Interim Costs	Interim Costs / 18	SHO1		-20 USD

In addition, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual, because that is what happened. The amount is the invoice amount: 120 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3338.	<i>Only Reconciliation: Approval</i>		<i>BO: Freight Order Cluster / CLUS00001</i>		
D	Invoice Accrual	Invoice Accrual / 10	SHO1		120 USD

If the invoice is unapproved, journal entry 3337 is created with an amount of 20 USD. Journal entry 3339 is created in the reconciliation data.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3339.	<i>Only Reconciliation: Unapproval</i>		<i>BO: Freight Order Cluster / CLUS00001</i>		
D	Invoice Accrual	Invoice Accrual / 10	SHO1		-120 USD

Except for the journal entries 3337, 3338 and 3339, journal entries 3320 up to 3327 are created in case of invoice approval, dependent on the scenario for the external customer invoice. For unapproval, the same postings are created with a negative amount.

22.3 Freight order invoicing

22.3.1 External invoicing by Freight

You can send the customer an invoice for the freight that you or a carrier perform for the customer. For example, a sales order is created in the system, in sales office SO1. For the sales order, freight order FOC000001 is created. In addition to the goods, as described in section *Sales Order, Customer invoices*, the freight is also invoiced.

The freight invoice can be based on special freight client rates, or on the freight costs that are actually made. In this case, a mark-up percentage or a mark-up amount can be added. For the integration transactions, the two methods are the same.

For example, the invoice amount is based on freight costs, with a mark-up percentage of 10 percent, and that an update is permitted. In this case, when the invoice is released to Central Invoicing, the best guess for the freight costs so far is taken as the basis for the invoice amount. If the actual costs turn out to be different, the difference is invoiced separately.

Assume, for example, that freight order FOC000001 consists of one line, which is planned in shipment SHIP00001, as described in section *Freight, Load planning*. The freight order line is released to invoicing before the carrier invoice arrives, therefore, the best guess for the freight costs is 100 USD. Because the mark-up percentage is 10 percent, journal entry 3340 is created when the invoice is posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3340.	10070082: Freight Order / Revenues Analysis		BO: Freight Order / FOC000001		
D	Interim Revenues	Interim Revenues / 5	SO1		110 USD
C	Turnover	End Account / 611	SO1		110 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the invoice arrives for 120 USD, as described in section 0, this difference can also be invoiced. Because the mark-up percentage here is also 10 percent, journal entry 3341 is created when the invoice is posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3341.	10070082: Freight Order / Revenues Analysis		BO: Freight Order / FOC000001		
D	Interim Revenues	Interim Revenues / 5	SO1		22 USD
C	Turnover	End Account / 611	SO1		22 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

22.3.2 Costing and external invoicing by Service

This functionality is available for service orders and maintenance sales orders.

For Service, other lines of type freight are available. Costing and invoicing for these lines is the same as for other service order lines. This is described in sections *Service Order, Costing service order lines* and *Service Order, Customer invoices*.

All postings described here are also applicable for service other lines of type freight.

For Maintenance Sales, coverage lines of type freight are available. Costing and invoicing for these lines is the same as for other maintenance sales order coverage lines. This is described in sections *Maintenance Sales Order, Costing coverage lines* and *Maintenance Sales Order, Customer invoices*. All postings described here also apply to maintenance sales order coverage lines of type **Freight**.

22.4 Intercompany Trade Freight

You can define an intercompany trade relationship between shipping office on one hand and a sales office, purchase office, or service department on the other hand. The intercompany trade amount can be based on commercial price or costplus with a markup percentage or a markup amount. It is possible an internal invoice is sent, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Assume, for example, that the intercompany trade amount for freight order line FOC000001/10 is based on commercial price of 125 USD. When the actual costs becomes final, it depends on the scenario for the external (customer) invoice of the freight order line which postings are created.

22.4.1 Costs

External invoice based on Freight

For freight order line FOC000001/10, the external invoice is based on Freight.

Example: Freight order line FOC000010/10 is linked to sales order SLS000002 with sales office SO1. Journal entries 3342, 3343 and 3344 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3342.	10070042: Freight Order / Freight Costs Intercompany		BO: Freight Order / FOC000001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		125 USD
C	Invoice Accrual	Invoice Accrual / 11	SO1		125 USD
3343.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		120 USD

C	Interim Freight Costs	Interim Costs / 18	SHO1		120 USD
3344.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SO1		5 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		5 USD

External invoice based on Service

For freight order line FOC000001/10, the external invoice is based on Service.

Example: Freight order line FOC000010/10 is linked to service order SOC000002 with service department SD1. It depends on the scenario which postings are created.

The service order freight line might already be costed and the invoice to the external customer already sent. In that case, the Service Order WIP is already made empty, so it is no longer allowed to update the service order freight line. For Freight Costs (Update Allowed), this is also possible, however, in this scenario a new service order freight line is created which must remain open until freight order is finished.

Service order line is not costed

The service order line is not costed yet or the external Invoice is based on freight costs (Update Allowed).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3345.	10070042: Freight Order / Freight Costs Intercompany		BO: Freight Order / FOC000001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		125 USD
C	Invoice Accrual	Invoice Accrual / 11	SD1		125 USD
3346.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SHO1		120 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		120 USD
3347.	10015041: Service Order / Freight Costs		BO: Service Order / SOC000002		
D	Service WIP	Service Order WIP / 1	SD1		5 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		5 USD

Service order line is costed

The service order line is costed and the external Invoice is not based on freight costs (Update Allowed).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3348.	10070042: Freight Order / Freight Costs Intercompany			BO: Freight Order / FOC000001	
D	Interim Freight Costs	Interim Costs / 18	SH01		125 USD
C	Invoice Accrual	Invoice Accrual / 11	SD1		125 USD
3349.	10070041: Freight Order / Freight Costs			BO: Freight Order / FOC000001	
D	Freight Costs	End Account / 601	SH01		120 USD
C	Interim Freight Costs	Interim Costs / 18	SH01		120 USD
3350.	10015039: Service Order / Freight Price Variance			BO: Service Order / SOC000002	
D	Interim Variance	Interim Variance / 1	SD1		5 USD
C	Interim Freight Costs	Interim Costs / 18	SH01		5 USD
3351.	10015017: Service Order / COGS Price Variance			BO: Service Order / SOC000002	
D	Cost of Goods Sold	End Account / 302	SD1		5 USD
C	Interim Variance	Interim Variance / 1	SD1		5 USD

Example: Freight order line FOC000010/10 is linked to maintenance sales order MSC000001 with service department SD2. It depends on the scenario which postings are created.

The maintenance sales order coverage line for freight might already be costed and the invoice to the external customer already sent. In that case, the Maintenance Sales Order WIP is already made empty, so it is not allowed to update the maintenance sales order coverage line for freight anymore. In case of Freight Costs (Update Allowed), this is also possible, however in this scenario a new maintenance sales order coverage line for freight is created which should remain open until freight order is finished.

Maintenance sales coverage line is not costed

The maintenance sales coverage line is not costed yet or the invoice is based on Freight Costs (Update Allowed).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3352.	10070042: Freight Order / Freight Costs Intercompany			BO: Freight Order / FOC000001	
D	Interim Freight Costs	Interim Costs / 18	SH01		125 USD
C	Invoice Accrual	Invoice Accrual / 11	SD2		125 USD
3353.	10070041: Freight Order / Freight Costs			BO: Freight Order / FOC000001	
D	Freight Costs	End Account / 601	SH01		120 USD
C	Interim Freight Costs	Interim Costs / 18	SH01		120 USD

3354.	10031041: Maintenance Sales Order / Freight Costs		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		5 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		5 USD

Maintenance sales coverage line is costed

The maintenance sales coverage line is costed and the invoice is not based on Freight Costs (Update Allowed).

In case no Project Pegging is involved the following integration transactions are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3355.	10070042: Freight Order / Freight Costs Intercompany		BO: Freight Order / FOC000001		
D	Interim Freight Costs	Interim Costs / 18	SHO1		125 USD
C	Invoice Accrual	Invoice Accrual / 11	SD2		125 USD
3356.	10070041: Freight Order / Freight Costs		BO: Freight Order / FOC000001		
D	Freight Costs	End Account / 601	SH01		120 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		120 USD
3357.	10031039: Maintenance Sales Order / Freight Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Interim Variance	Interim Variance / 2	SD2		5 USD
C	Interim Freight Costs	Interim Costs / 18	SHO1		5 USD
3358.	10031017: Maintenance Sales Order / COGS Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Cost of Goods Sold	End Account / 342	SD2		5 USD
C	Interim Variance	Interim Variance / 2	SD2		5 USD

In case Project Pegging is involved the integration transactions 3358 is not created. It is replaced by the following integration transaction created by TP, not by FM.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3359.	10024039: Project Costs & Commitments / Freight Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		5 USD
C	Interim Variance	Interim Variance / 2	SD2		5 USD

22.4.2 Revenues

Intercompany trade relationship with internal invoice

When the internal invoice is posted in Central Invoicing, journal entry 3360 is created in all scenarios.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3360.	10070081: Freight Order / Revenues		BO: Freight Order / FOC000001		
D	Interim Revenues	Interim Revenues / 5	SHO1		125 USD
C	Turnover	End Account / 612	SHO1		125 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3361.	Only Reconciliation: Approval		BO: Freight Order / FOC000001		
D	Invoice Accrual	Invoice Accrual / 11	SO1		125 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

If the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3362.	10070169: Freight Order / Revenues Intercompany		BO: Freight Order / FOC000001		
D	Intercompany	End Account / 602	SHO1		125 USD
C	Turnover	End Account / 613	SHO1		125 USD
3363.	10070012: Freight Order / Costs Intercompany		BO: Freight Order / FOC000001		
D	Invoice Accrual	Invoice Accrual / 11	SO1		125 USD
C	Intercompany	End Account / 614	SO1		125 USD

23 Project (TP)

23.1 Commitments

23.1.1 Purchase order

Integration transactions for commitments for a purchase order are described in sections *Purchase Order, Economic transactions, Project / project warehouse* and *Purchase Order, Economic transactions, Receipts*.

23.1.2 Purchase schedule

Integration transactions for commitments for a purchase schedule are described in sections *Purchase Schedule, Economic transactions, Project / project warehouse* and *Purchase Schedule, Economic transactions, Receipts*.

23.1.3 Manual

You can also create manual commitments. For example, assume you expect costs of 100 USD on project TP1. If you enter a commitment for this, journal entry is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3364.	10024018: Project Costs & Commitments / Costs Commitment		BO: Project Cost and Commitment / TP1		
D	Project Hard Commitments	Commitments / 13	TP1		100 USD
C	Project Liabilities	Commitments / 14	TP1		100 USD

You must reverse these commitments before you can close the project. You can do this, for example, when you create costs for this specific commitment.

23.2 Costs

23.2.1 Direct receipt (purchase)

Integration transactions for a direct receipt on project for a purchase order are described in section *Purchase Order, Receipts, Project*.

23.2.2 Receipt (warehousing)

The integration transaction for a receipt on a project by means of a warehouse, which can be a project warehouse, are described in sections *Warehousing, Issue from*

warehouse, Project order / Project order (manual) and Warehousing, Receipt in warehouse, Project order or Project order (manual).

23.2.3 Purchase price variance

Integration transactions for a purchase price variance are described in the following sections:

- *Purchase Order, Invoice approval or change price after receipt, Project*
- *Warehousing, Inventory variances, Receipt - Project warehouse*
- *Warehousing, Inventory variances, Return - Project warehouse*

23.2.4 Transfer from service

Integration transactions for a transfer from service WIP are described in section *Service Order, Costing service order lines, Internal service order (linked to Project [TP])*.

23.2.5 People

Integration transactions for operation costs or expenses from people are described in sections *People, Hours, TP Project* and *People, Expenses, TP Project*.

23.2.6 Manual

You can also create manual WIP costs in TP, or generate them from manual commitments. If costs are generated from the commitment described in section *Project (TP), Commitments, Manual* are posted to finance, journal entry 3365 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3365.	10024113: Project Costs & Commitments / WIP Costs		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD
C	WIP Costs	End Account / 513	TP1		100 USD

23.2.7 Financials

You can enter a cost invoice in Financials (ACP). Assume an invoice arrives for 50 USD. You can assign these costs to the project. If you assign these costs, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3366.	10024114: Project Costs & Commitments / WIP Costs (through Financials)		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		50 USD
C	WIP Costs	End Account / 514	TP1		50 USD

23.3 Revenues

23.3.1 Central invoicing

An invoice can be sent to the customer to receive money for the project. Various types of invoices exist, for example, installment and cost-plus. In the example below an installment invoice is used, but the same integration transactions will be created when a cost-plus invoice is used.

Example: On project TP1, an installment for 800 USD is created. An advance receipt for 100 USD is agreed with the customer. Furthermore, a holdback percentage of 10 percent is defined.

The advance receipt is released to Central Invoicing, and posted. The following entry is created when the advance receipt is posted in Project (TP).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3367.	10025094: Project Revenues / Advance Installment		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		100 USD
C	Advance Receipt	Interim Revenues / 13	TP1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

The payment of the invoice is handled in Accounts Receivable.

If the **Separate Account for Paid Advance Installment** parameter in the Company Parameters (tfgld0103s000) session has value **No**, no integration transactions are created, and also no reconciliation data is created.

If the **Separate Account for Paid Advance Installment** parameter has value **Yes**, no integration transactions are created. However the following entry is created in the reconciliation data. So after the payment, Interim Revenues / 13 is balanced.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3368.	Only Reconciliation: Advance (Accounts Receivable)		BO: Project Revenues / TP1		
D	Paid Advance Installment	Interim Revenues / 15	TP1		-100 USD

C	Advance Receipt	Interim Revenues / 13	TP1		-100 USD

Furthermore, it is possible a progress payment is requested from the customer for already delivered work (but the project is not finished). If for example a progress payment for 200 USD is requested, the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3369.	10025094: Project Revenues / Advance Installment		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		-100 USD
C	Advance Receipt	Interim Revenues / 13	TP1		-100 USD
3370.	10025168: Project Revenues / Progress Payment		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		200 USD
C	Progress Payment	Interim Revenues / 20	TP1		200 USD

As a result, the Interim Revenues / 13 account is now balanced.

If the **Separate Account for Paid Advance Installment** parameter has the value **Yes**, the above mentioned journal entry Project Revenues / Advance Installment is not created. Instead of this journal entry, following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3371.	10025093: Project Revenues / Advance Installment Paid		BO: Project Revenues / TP1		
D	Paid Advance Receipt	Interim Revenues / 15	TP1		100 USD
C	Interim Revenues	Interim Revenues / 5	TP1		100 USD

As a result, the Interim Revenues / 15 account is balanced, and Interim Revenues / 13 was already balanced.

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

Next, you can release the installment invoice to Central Invoicing and post the invoice. The following entries are created when the transaction is posted in Project (TP).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3372.	10025168: Project Revenues / Progress Payment		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		-200 USD
C	Progress Payment	Interim Revenues / 20	TP1		-200 USD

3373.	10025082: Project Revenues / Revenues Analysis		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		720 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		720 USD
3374.	10025122: Project Revenues / Holdback		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 8	TP1		80 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		80 USD

As a result, the Interim Revenues / 20 account is now balanced.

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

Next, you can release the holdback invoice to Central Invoicing and post the invoice. Journal entries 3375 and 3376 are created when the transaction is posted in Project (TP).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3375.	10025082: Project Revenues / Revenues Analysis		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 5	TP1		80 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		80 USD
3376.	10025122: Project Revenues / Holdback		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 8	TP1		-80 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		-80 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

23.3.2 Manual

You can also create manual revenues in TP. If, for example, a manual revenue of 110 USD is posted to finance, journal entry 3377 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3377.	10025081: Project Revenues / Revenues		BO: Project Revenues / TP1		
D	Revenues	End Account / 521	TP1		110 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		110 USD

23.3.3 Financials

You can also enter a revenues invoice in Financials (ACR). Assume you enter an invoice for 50 USD. You can assign these revenues to the project. If you assign these revenues, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3378.	10025079: Project Revenues / Revenues (through Financials)		BO: Project Revenues / TP1		
D	Revenues	End Account / 522	TP1		50 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		50 USD

23.4 Interim results

23.4.1 Costs and revenues

During the project, you can already post an interim result. You can post the interim result for costs and revenues. You can calculate the interim results or enter the results manually.

Example: At some point in the project, interim results are manually entered. For the costs, this amount is equal to 800 USD, while for the revenues this amount is equal to 900 USD. Journal entries 3379 and 3380 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3379.	10024050: Project Costs & Commitments / Interim Result		BO: Project Cost and Commitment / TP1		
D	Interim Costs	Interim Costs / 7	TP1		800 USD
C	Project (TP) WIP	Project (TP) WIP / 1	TP1		800 USD
3380.	10025050: Project Revenues / Interim Result		BO: Project Revenues / TP1		
D	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		900 USD
C	Interim Revenues	Interim Revenues / 2	TP1		900 USD

When the project is closed, the interim results are reversed. Journal entries 3381 and 3382 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3381.	10024084: Project Costs & Commitments / Reverse Interim Result		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		800 USD
C	Interim Costs	Interim Costs / 7	TP1		800 USD
3382.	10025084: Project Revenues / Reverse Interim Result		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 2	TP1		900 USD
C	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		900 USD

23.4.2 WIP balance

During execution of the project, a WIP balance can be posted. This amount reflects the 'prefinanced' amount or the 'to be paid' amount in the project revenues. This WIP balance is calculated upon the generation of the interim results.

Example: At some point in the project, Revenue Recognition is 10000 USD, Project Revenues is 11000 USD, WIP Cost is 8600 USD and WIP CoGS is 8000 USD. The WIP balance is 400 USD $((11000-10000) - (8600-8000))$. Journal entry 3383 is created because a prefinanced amount is present in the revenues.

If Project Revenues is 10000 USD in the above example, the WIP balance is -600 USD $((10000-10000) - (8600-8000))$. Journal entry 3384 is created (with positive amount) because the customer has still to pay an amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3383.	10024053: Project Costs & Commitments / WIP Balance		BO: Project Cost and Commitment / TP1		
D	Interim Costs	Interim Costs / 20	TP1		400 USD
C	Project (TP) WIP	Project (TP) WIP / 2	TP1		400 USD
3384.	10025053: Project Revenues / WIP Balance		BO: Project Revenues / TP1		
D	Project Provisional Revenues	Project Provisional Revenues / 2	TP1		600 USD
C	Interim Revenues	Interim Revenues / 14	TP1		600 USD

When the following posting process is executed, first the previous WIP balance transactions are reversed. In addition, when the project is closed, also reversal of the WIP balance transactions is done. Journal entries 3385 and 3386 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3385.	10024055: Project Costs & Commitments / Reverse WIP Balance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 2	TP1		400 USD
C	Interim Costs	Interim Costs / 20	TP1		400 USD
3386.	10025055: Project Revenues / Reverse WIP Balance		BO: Project Revenues / TP1		
D	Interim Revenues	Interim Revenues / 14	TP1		600 USD
C	Project Provisional Revenues	Project Provisional Revenues / 2	TP1		600 USD

23.5 Completion

When the project is closed, the project (TP) WIP and the Project provisional revenues are emptied. Final costs and revenues are posted to finance. This procedure is carried out with a separate posting for each costs and revenues posting.

Example: For the manual WIP costs from section *Project (TP), Costs, Manual*, journal entry 3387 is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3387.	10024009: Project Costs & Commitments / Completion		BO: Project Cost and Commitment / TP1		
D	Final Costs	End Account / 501	TP1		100 USD
C	Project (TP) WIP	Project (TP) WIP / 1	TP1		100 USD

Example: For the manual WIP revenues from section *Project (TP), Revenues, Manual*, journal entry 3388 is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3388.	10025009: Project Revenues / Completion		BO: Project Revenues / TP1		
D	Project Provisional Revenues	Project Provisional Revenues / 1	TP1		110 USD
C	Final Revenues	End Account / 531	TP1		110 USD

24 Project (PCS)

24.1 Costs

24.1.1 General costs

You can create general costs in PCS manually. If, for example, general costs of 100 USD are posted to finance, journal entry 3389 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3389.	10013045: Project (PCS) / General Costs		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	100 USD
C	General Costs	End Account / 31	PCO1	GEN	100 USD

24.1.2 General costs (through Financials)

You can also enter a cost invoice in Financials (ACP). Assume, for example, an invoice arrives for 50 USD. You can assign these costs to the project. If you assign these costs, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3390.	10013044: Project (PCS) / General Costs (through Financials)		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	50 USD
C	General Costs	End Account / 32	PCO1	GEN	50 USD

24.1.3 General hours

Integration transactions for general hours from people are described in section *People, Hours, PCS Project*.

24.1.4 Project surcharge

Integration transactions for project surcharges are created when the actual project costs are calculated. To achieve this, you must enter surcharges in the Project Surcharges (tipcs3120m000) session with type **Actual Surcharge**. If, for example, you enter a surcharge of 80 USD for cost component SUR, journal entry 3391 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3391.	10013069: Project (PCS) / Project Surcharge		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	SUR	80 USD
C	Surcharge Cover	End Account / 35	PCO1	SUR	80 USD

Each time the actual project costs are recalculated, the surcharge amount is determined. If the surcharge is changed compared to the last calculation, the difference is posted with the same journal entry.

24.1.5 Other costs

In ERP LN, even journal entries that are not created with an integration document type from PCS or with business object PCS Project, may help you to gain a clear insight into the total costs of the PCS Project. One example of this, when a customized item is involved, is journal entry 2849.

The above also implies that the other costs do not post on reconciliation group Project (PCS) WIP / 1. As a result, the amount on this reconciliation group does not reflect all project costs. Therefore, a special reconciliation report based on reconciliation data is created for PCS-WIP, on which the costs on all reconciliation groups are taken into account.

24.2 Revenues

You cannot have journal entries with an integration document type from PCS and business object PCS Project that post revenues on the PCS Project. However, many journal entries created in ERP LN may help you to gain a clear insight into the total revenues of the PCS Project. One of the numerous examples is journal entry 1248 if a PCS project is filled on the sales order. In this case, the turnover is posted on the calculation office of the PCS-Project.

24.3 Revenues recognition

You can calculate interim COGS and interim revenues for a PCS project. These are the COGS and revenues related, for example, to sales orders, service orders, and warehouse orders that are not yet posted. For example, Sales Order/Cost of Goods Sold or Service Order/Revenues Analysis.

Example: The calculated interim COGS is 900 USD, the calculated interim revenues is 900 USD. When you post the calculated interim COGS and interim revenues, the following journal entries are created.

The used cost component can be detailed or aggregated, which is parameter dependent. In this example, the aggregated cost component GEN is used.

In PCS, it is possible to create a distribution for the division of the COGS and revenues across the various departments, for example, 50% on sales office SO1, 40% on service department SD1, and 10% on warehouse NWH1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3392.	10013035: Project (PCS) / Interim Cost of Goods Sold		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 13	SO1	GEN	400 USD
C	Interim WIP	Interim Costs / 14	SO1	GEN	400 USD
3393.	10013035: Project (PCS) / Interim Cost of Goods Sold		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 13	SD1	GEN	320 USD
C	Interim WIP	Interim Costs / 14	SD1	GEN	320 USD
3394.	10013035: Project (PCS) / Interim Cost of Goods Sold		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 13	NWH1	GEN	80 USD
C	Interim WIP	Interim Costs / 14	NWH1	GEN	80 USD
3395.	10013036: Project (PCS) / Interim Revenue		BO: PCS Project / PCS1		
D	Interim Provisional Revenues	Interim Revenues / 6	SO1	GEN	450 USD
C	Interim Revenues	Interim Revenues / 7	SO1	GEN	450 USD
3396.	10013036: Project (PCS) / Interim Revenue		BO: PCS Project / PCS1		
D	Interim Provisional Revenues	Interim Revenues / 6	SD1	GEN	360 USD
C	Interim Revenues	Interim Revenues / 7	SD1	GEN	360 USD
3397.	10013036: Project (PCS) / Interim Revenue		BO: PCS Project / PCS1		
D	Interim Provisional Revenues	Interim Revenues / 6	NWH1	GEN	90 USD
C	Interim Revenues	Interim Revenues / 7	NWH1	GEN	90 USD

24.4 Close project

If you close a PCS project, the project WIP, described in sections *Project (PCS)*, *Costs*, *General costs through Project (PCS)*, *Costs*, *Project surcharge*, must be emptied, as well as the so-called additional project WIP, described in section *Project (PCS)*, *Costs*, *Other costs*.

The way in which you empty these project WIPs depends on the PCS parameter **Project-Related Costs of Goods Sold**, which can be set to **Post against Estimated Costs** and to **Post against Actual Costs**. Whether the PCS project is an investment project also affects the manner in which you empty a project WIP.

24.4.1 Post against actual costs

If you post the **Costs of Goods Sold** against **Actual Costs**, no results occur.

Non-investment project: PCS-WIP

For a non-investment project, the PCS-WIP caused by the postings described in sections *Project (PCS)*, *Costs*, *General costs through Project (PCS)*, *Costs*, *Project surcharge* is emptied with journal entries 3398 through 3403.

For example, the total value on cost component GEN on PCS-WIP is 150 USD and on cost component OPR 100 USD. The cost item on the pcs project has item cost component GEN. The the distribution for the division of the COGS across the various departments is as follows:

- 50% on sales office SO1
- 40% on service department SD1
- 10% on warehouse NWH1

In this example there is also an intercompany trade relationship between calculation office PCO1 and sales office SO1. No intercompany trade relationship exists between calculation office PCO1 and service department SD1, nor one between calculation office PCO1 and warehouse NWH1.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3398.	10013020: Project (PCS) / Costs		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 17	PCO1		75 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	75 USD
3399.	10013020: Project (PCS) / Costs		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 17	PCO1		50 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OPR	50 USD
3400.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	SD1	GEN	60 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	60 USD
3401.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	SD1	OPR	40 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OPR	40 USD
3402.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	NWH1	GEN	15 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	15 USD

3403.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	NWH1	OPR	10 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OPR	10 USD

Furthermore, the following posting is created for the intercompany trade relationship between project calculation office PCO1 and sales office SO1 is based on costplus with a markup percentage of 20

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3404.	10013054: Project (PCS) / Issue Intercompany		BO: PCS Project / PCS1		
D	Costs	End Account / 25	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 15	SO1		150 USD

Journal entry 3404 is created only if Adopt Selling Cost Structure on the intercompany trade order has the value No. In that case the cost item cost component GEN is used. If Adopt Selling Cost Structure on the intercompany trade order has the value Yes, the cost components of the issue side are taken over with the issue amount. The margin (in this example 25 USD) is in this case posted on a separate Margin Cost Component, as indicated on the intercompany trade order. Suppose margin cost component MRG is filled on the intercompany trade order. Journal entry 3404 in this example will be replaced by the journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3405.	10013054: Project (PCS) / Issue Intercompany		BO: PCS Project / PCS1		
D	Costs	End Account / 25	SO1	GEN	75 USD
C	Invoice Accrual	Invoice Accrual / 15	SO1		75 USD
3406.	10013054: Project (PCS) / Issue Intercompany		BO: PCS Project / PCS1		
D	Costs	End Account / 25	SO1	OPR	50 USD
C	Invoice Accrual	Invoice Accrual / 15	SO1		50 USD
3407.	10013054: Project (PCS) / Issue Intercompany		BO: PCS Project / PCS1		
D	Costs	End Account / 25	SO1	MRG	15 USD
C	Invoice Accrual	Invoice Accrual / 15	SO1		15 USD

Non-investment project: additional PCS-WIP

The other costs, described in section *Project (PCS), Costs, Other costs*, post all on end accounts.

Example: The shipment variance described in journal entry 2849 logs credit with an amount of -100 USD on End Account / 734 on the enterprise unit of warehouse NWH2. Journal entry 3408 is created when you close the project. If you want all additional PCS-WIP mapped in the same way, ensure that in this example the mapping of End Account / 734 matches the mapping of End Account / 36.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3408.	10013005: Project (PCS) / Additional Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 22	PCO1	MAT	100 USD
C	Additional PCS WIP	End Account / 36	PCO1	MAT	100 USD

The total costs of goods sold for a non-investment project is the sum of what is logged on End Account / 21 and End Account / 22.

Investment project: PCS-WIP

For an investment project, no revenues or costs of goods sold exist. The PCS-WIP caused by the postings described in sections *Project (PCS), Costs, General costs* through *Project (PCS), Costs, Project surcharge*, are emptied with journal entry 3409. If, for example, the total value on cost component GEN on PCS-WIP is equal to 150 USD:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3409.	10013009: Project (PCS) / Completion		BO: PCS Project / PCS1		
D	Project Costs	End Account / 26	PCO1	GEN	150 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	150 USD

Investment project: Additional PCS-WIP

The other costs, described in section *Project (PCS), Costs, Other costs*, post all on end accounts.

Example: The shipment variance as described in journal entry 2849 logs credit with an amount of -100 USD on End Account / 734 on the enterprise unit of warehouse NWH2. Journal entry 3410 is are created when you close the project. If they want all additional PCS-WIP mapped in the same way, ensure that in this example the mapping of End Account / 734 matches the mapping of End Account / 39.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3410.	10013014: Project (PCS) / Additional Completion		BO: PCS Project / PCS1		
D	Project Costs	End Account / 27	PCO1	MAT	100 USD
C	Additional PCS WIP	End Account / 39	NWH2	MAT	100 USD

The total costs of goods sold for an investment project is the sum of what is logged on End Account / 26 and End Account / 27.

24.4.2 Post against estimated costs

When the costs of goods sold are post against estimated costs, the results can be as follows:

Non-investment project: PCS-WIP

For a non-investment project, the PCS-WIP caused by the postings described in sections *Project (PCS)*, *Costs*, *General costs through Project (PCS)*, *Costs*, *Project surcharge*, is emptied with the estimated COGS. Assume, for example, that the estimated COGS for a PCS-project are 125 USD on cost component GEN.

The distribution for the division of the COGS over the various departments is as follows:

- 50% on sales office SO1
- 40% on service department SD1
- 10% on warehouse NWH1

In this example there is also an intercompany trade relationship between calculation office PCO1 and sales office SO1. No intercompany trade relationship exists between calculation office PCO1 and service department SD1, nor one between calculation office PCO1 and warehouse NWH1.

The actual COGS caused by the postings described in sections *Project (PCS)*, *Costs*, *General costs through Project (PCS)*, *Costs*, *Project surcharge*, are 150 USD on cost component GEN. In that case, an additional result posting is required to make the WIP actually empty. Journal entries 3413 and 3414 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3411.	10013020: Project (PCS) / Costs		BO: PCS Project / PCS1		
D	Interim Costs	Interim Costs / 17	PCO1		62.5 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	62.5 USD
3412.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	SD1	GEN	50 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	50 USD

3413.	10013125: Project (PCS) / Cost of Goods Sold		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 21	NWH1	GEN	12.5 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	12.5 USD
3414.	10013047: Project (PCS) / General Results		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	-25 USD
C	General Results	End Account / 34	PCO1	GEN	-25 USD

Furthermore, the following posting is created for the intercompany trade relationship between project calculation office PCO1 and sales office SO1 is based on costplus with a markup percentage of 20

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3415.	10013054: Project (PCS) / Issue Intercompany		BO: PCS Project / PCS1		
D	Costs	End Account / 25	SO1	GEN	75.5 USD
C	Invoice Accrual	Invoice Accrual / 15	SO1		75.5 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3415 is split into multiple transactions with different cost components. How this works is explained for journal entry 3404 (if the estimated cost exists of multiple cost components).

Non-investment project: additional PCS-WIP

The other costs, described in section *Project (PCS), Costs, Other costs*, post all on end accounts.

Example: The shipment variance, described in journal entry 2846, logs credit with an amount of -100 USD on End Account / 734 when a customized item is involved on the enterprise unit of calculation office PCO1, instead of warehouse NWH2. All those costs are related as results for posting against estimated costs. Journal entry 3416 is created when you close the Project.

To have all additional PCS-WIP mapped in the same way, ensure that, in this example, the mapping of End Account / 734 matches the mapping of End Account / 23.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3416.	10013006: Project (PCS) / Additional General Results		BO: PCS Project / PCS1		
D	Additional PCS WIP	End Account / 23	PCO1	MAT	-100 USD
C	General Results	End Account / 37	PCO1	MAT	-100 USD

The total result amount for a non-investment project is the sum of what is logged on End Account / 34 and End Account / 37.

Investment project PCS-WIP

For an investment project, no revenues and no costs of goods sold apply. However, you have estimated costs. The PCS-WIP caused by the postings are described in sections *Project (PCS)*, *Costs*, *General costs* through *Project (PCS)*, *Costs*, *Project surcharge* is emptied with these estimated costs. Assume, for example, that the estimated costs for a PCS-project are 125 USD on cost component GEN.

However, the actual costs described by the postings in sections *Project (PCS)*, *Costs*, *General costs* through *Project (PCS)*, *Costs*, *Project surcharge* are 150 USD on cost component GEN. In that case, an extra result posting is required to make the WIP really empty. Journal entries 3417 and 3418 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3417.	10013009: Project (PCS) / Completion		BO: PCS Project / PCS1		
D	Project Costs	End Account / 26	PCO1	GEN	125 USD
C	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	125 USD
3418.	10013047: Project (PCS) / General Results		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	GEN	-25 USD
C	General Results	End Account / 34	PCO1	GEN	-25 USD

Investment project: additional PCS-WIP

The other costs, described in section *Project (PCS)*, *Costs*, *Other costs*, post all on end accounts.

Example: The shipment variance, as described in journal entry 2849, logs credit with an amount of -100 USD on End Account / 734 on the enterprise unit of warehouse NWH2. All those costs are related as results if you post against estimated costs.

Journal entry 3419 is created when you close the Project. If you want all additional PCS-WIP mapped in the same way, ensure that, in this example, the mapping of End Account / 734 matches the mapping of End Account / 23.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3419.	10013006: Project (PCS) / Additional General Results		BO: PCS Project / PCS1		
D	Additional PCS WIP	End Account / 23	NWH2	MAT	-100 USD
C	General Results	End Account / 37	PCO1	MAT	-100 USD

The total result amount for an investment project is the sum of what is logged on End Account / 34 and End Account / 37.

24.5 Intercompany Trade PCS Delivery

As described in section *Project (PCS), Close project*, you can define an intercompany trade relationship between a project calculation office on one side, and a sales office, service department, or warehouse on the other side. The invoice amount in these cases is always based on costplus, to which a markup percentage can be added. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences

Intercompany trade relationship with internal invoice

Example: The intercompany trade relationship between project calculation office PCO1 and sales office SO1 is based costplus with a markp percentage of 20. When the invoice is posted in Central Invoicing for the transaction described in journal entry 3398, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3420.	10013140: Project (PCS) / COGS Intercompany		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 24	PCO1	GEN	75 USD
C	Interim Costs	Interim Costs / 17	PCO1		75 USD
3421.	10013082: Project (PCS) / Revenues Analysis		BO: PCS Project / PCS1		
D	Interim Revenues	Interim Revenues / 5	PCO1		90 USD
C	Turnover	End Account / 38	PCO1		90 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3422.	Only Reconciliation: Approval		BO: PCS Project / PCS1		
D	Invoice Accrual	Invoice Accrual / 15	SO1		90 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Example: The intercompany trade relationship between project calculation office PCO1 and sales office SO1 is based costplus with a markp percentage of 20. When the intercompany trade transaction line is posted in the Intercompany Trade module for the transaction described in journal entry 3398, the following journal entries are created. The last one is meant to balance the invoice accrual account

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3423.	10013140: Project (PCS) / COGS Intercompany		BO: PCS Project / PCS1		
D	Costs of Goods Sold	End Account / 24	PCO1	GEN	75 USD
C	Interim Costs	Interim Costs / 17	PCO1		75 USD
3424.	10013169: Project (PCS) / Revenues Intercompany		BO: PCS Project / PCS1		
D	Intercompany	End Account / 28	PCO1		90 USD
C	Turnover	End Account / 40	PCO1		90 USD
3425.	10013012: Project (PCS) / Costs Intercompany		BO: PCS Project / PCS1		
D	Invoice Accrual	Invoice Accrual / 15	SO1		90 USD
C	Intercompany	End Account / 33	SO1		90 USD

25 Central Invoicing

25.1 Manual sales invoice

Example: Invoice is posted for manual sales invoice 1, on department SO1. The invoice amount is 200 USD. In this case, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3426.	10082082: Manual Sales Invoice / Revenues Analysis		BO: Manual Sales Invoice / 1		
D	Interim Revenues	Interim Revenues / 5	SO1		200 USD
C	Turnover	End Account / 931	SO1		200 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

25.2 Interest invoice

Example: The invoice is posted for interest invoice 1, on department SO1. The invoice amount is 200 USD. As a result, the following posting is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3427.	10081082: Interest Invoice / Revenues Analysis		BO: Interest Invoice / 1		
D	Interim Revenues	Interim Revenues / 5	SO1		200 USD
C	Turnover	End Account / 911	SO1		200 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

25.3 Invoice from operations management

25.3.1 External

The postings that are created for external invoices from operations management are described in the following sections:

- For sales orders, in 7.4
 - For installment orders linked to sales orders, in 7.9
-

- For sales order rebates, in 7.11
- For sales schedules, in 8.4
- For sales schedule rebates, in 8.8
- For maintenance sales orders, in 15.10
- For supplier claim, in 17.2.1.2
- For service orders, in 18.5
- For service calls, in 19.3
- For service contracts, in 20.2
- For freight, in 22.3
- For TP Projects, 23.3.1

25.3.2 Internal (Intercompany Trade)

The postings that are created for internal invoices from Operations Management are described in the following sections:

- For External Material Direct Delivery
 - o Purchase Order / Sales Order in 4.11 and 7.6.
 - o Purchase Order / Service Order in 4.11 and 18.6.2
- For External Material Delivery Sales
 - o Sales Order in 7.5, 13.6 and 21.11.2
 - o Sales Schedule in 8.5 and 21.11.2
 - o Maintenance Sales Order in 15.11.1 and 21.11.2
 - o Customer Claim in 16.5 and 21.11.2
 - o Service Order in 18.6.1 and 21.11.2
 - o Project Contract Deliverable in 26.3 and 21.11.2
- For Subcontracting Depot Repair in 14.9 and 15.11.2
- For Internal Material Delivery in 21.11.1
- For WIP Transfer
 - o Production in 11.6.3
 - o Assembly in 13.4.3
- For Freight in 22.4.2
- For PCS Delivery in 24.5

25.4 Reconciliation interim revenues

When an invoice is posted in Central Invoicing, reconciliation group Interim Revenues / 5 is updated. This reconciliation group must be balanced.

For example, if the total invoice amount is 900 USD--built up from multiple invoice lines, which can be related to various order lines, such as a sales order line of 300 USD, a

freight order line for 100 USD, and a manual sales invoice line of 500 USD, a record is created in the reconciliation data that is no integration transaction.

The business object ID is a combination of the transaction type, in this example, SLI, and the document that is created, in this example, 20050001.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3428.	Only Reconciliation: Sales Invoice		BO: Sales Invoice / SLI200500001		
C	Interim Revenues	Interim Revenues / 5	SO1		900 USD

26 Project Contract

26.1 Issues

Financially two scenarios can be distinguished:

- Invoice is send for the goods that are actually shipped (delivery based invoicing)
- Invoice can be send regardless whether shipment did already take place (none delivery based invoicing)

26.1.1 Company Owned from Warehouse

The demand is always project pegged. If there is insufficient pegged inventory a project peg transfer is initiated first to move unpegged inventory to the required peg. This is described in section 21.8.8

The amount taken for the integration transactions depends on the inventory value.

26.1.1.1 Delivery Based Invoicing

26.1.1.1.1 No intercompany trade relationship between warehouse and sales office

Example: An issue of order line for project contract CON000001 of two pieces of item P1 for peg B from warehouse NWH1. Inventory Transaction ID IT0000010 is created upon issue.

Assume, for example, that valuation method is MAUC and the PMAUC at issue date is 110 USD (MAT), 14 USD (SUR), 20 USD (LC1), 10 USD (LC2), 3 USD (WRS), for a total of 157 USD

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3429.	10060057: Warehouse Issue / Item Surcharge Issue			BO: Inventory Transaction / IT0000010	
D	Inventory	Inventory / 1	NWH1	SUR	62.8 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	62.8 USD
3430.	10060120: Warehouse Issue / Warehouse Surcharge Issue			BO: Inventory Transaction / IT0000010	
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
3431.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT0000010	
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Inventory	Inventory / 1	NWH1	MAT	220 USD

3432.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT00000010	
D	Interim Transit	Interim Transit / 1	NWH1		100.8 USD
C	Inventory	Inventory / 1	NWH1	SUR	100.8 USD
3433.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT00000010	
D	Interim Transit	Interim Transit / 1	NWH1		40 USD
C	Inventory	Inventory / 1	NWH1	LC1	40 USD
3434.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT00000010	
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory	Inventory / 1	NWH1	LC2	20 USD
3435.	10060052: Warehouse Issue / Issue			BO: Inventory Transaction / IT00000010	
D	Interim Transit	Interim Transit / 1	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
3436.	10026135: Contract / Issue (Project)			BO: Contract / CON0000001	
D	Interim COGS	Interim Costs / 21	SO1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
3437.	10026135: Contract / Issue (Project)			BO: Contract / CON0000001	
D	Interim COGS	Interim Costs / 21	SO1	SUR	100.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		100.8 USD
3438.	10026135: Contract / Issue (Project)			BO: Contract / CON0000001	
D	Interim COGS	Interim Costs / 21	SO1	LC1	40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD
3439.	10026135: Contract / Issue (Project)			BO: Contract / CON0000001	
D	Interim COGS	Interim Costs / 21	SO1	LC2	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
3440.	10026135: Contract / Issue (Project)			BO: Contract / CON0000001	
D	Interim COGS	Interim Costs / 21	SO1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

26.1.1.1.2 Intercompany trade relationship between warehouse and sales office

If an intercompany trade relationship is defined between a warehouse and a sales office, the costs are not taken over one to one from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a mark up percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted to it), on sales customs value (with a markdown percentage subtracted to it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. It is possible an internal invoice is send, but intercompany trade can also be without internal invoicing. For the integration transactions in this stage there are no differences.

Example: An issue of order line for project contract CON000001 of two pieces of item P1 for peg B from warehouse NWH1. Inventory Transaction ID IT0000010 is created upon issue.

Assume, for example, that valuation method is MAUC and the PMAUC at issue date is 110 USD (MAT), 14 USD (SUR), 20 USD (LC1), 10 USD (LC2), 3 USD (WRS), for a total of 157 USD. The intercompany trade price is a commercial price of 190 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3441.	10060057: Warehouse Issue / Item Surcharge Issue			BO: Inventory Transaction / IT0000010	
D	Inventory	Inventory / 1	NWH1	SUR	62.8 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	62.8 USD
3442.	10060120: Warehouse Issue / Warehouse Surcharge Issue			BO: Inventory Transaction / IT0000010	
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
3443.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000010	
D	Interim COGS	Interim Costs / 11	NWH1		220 USD
C	Inventory	Inventory / 1	NWH1	MAT	220 USD
3444.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000010	
D	Interim COGS	Interim Costs / 11	NWH1		100.8 USD
C	Inventory	Inventory / 1	NWH1	SUR	100.8 USD
3445.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000010	
D	Interim COGS	Interim Costs / 11	NWH1		40 USD
C	Inventory	Inventory / 1	NWH1	LC1	40 USD
3446.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000010	
D	Interim COGS	Interim Costs / 11	NWH1		20 USD

C	Inventory	Inventory / 1	NWH1	LC2	20 USD
3447.	10060054: Warehouse Issue / Issue Intercompany			BO: Inventory Transaction / IT0000010	
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
3448.	10026129: Contract / Issue Intercompany (Project)			BO: Contract / CON000001	
D	Interim COGS	Interim Costs / 21	SO1	MAT	380 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		380 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3448 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.1.1.2 None Delivery Based Invoicing

26.1.1.2.1 No intercompany trade relationship between warehouse and sales office

In case of none delivery based invoicing, the same transactions are created as for delivery based invoicing for the inventory transaction side. For the contract side, journal entries 3436 through 3440 are replaced by journal entry 3449 through 3453.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3449.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
3450.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		100.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		100.8 USD
3451.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD
3452.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

3453.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD

Additional the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3454.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	SO1		220 USD
3455.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	100.8 USD
C	Interim Transit	Interim Transit / 1	SO1		100.8 USD
3456.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	LC1	40 USD
C	Interim Transit	Interim Transit / 1	SO1		40 USD
3457.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	LC2	20 USD
C	Interim Transit	Interim Transit / 1	SO1		20 USD
3458.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	SO1		6 USD

26.1.1.2.2 Intercompany trade relationship between warehouse and sales office

In case of none delivery based invoicing, the same transactions are created as for delivery based invoicing for the inventory transaction side. For the contract side, journal entry 3448 is replaced by journal entry 3459.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3459.	10026054: Contract / Issue Intercompany			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		380 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		380 USD

Additional the following postings is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3460.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	380 USD
C	Interim Transit	Interim Transit / 1	SO1		380 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entries 3459 and 3460 are split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.1.2 Customer Owned From Warehouse (mixed ownership)

If customer furnished materials concept is implemented a project contract can be flagged as 'contains Customer Furnished Materials'. Normally the item has mixed ownership (see section *Production Order, Materials, Issue (mixed ownership)* for an explanation of mixed ownership)

26.1.2.1 Delivery Based Invoicing

Example: An issue of order line for project contract CON000002 for two pieces of Item PI1 which has mixed ownership. The customer-owned value is 60 USD and the company-owned value is 20 USD on cost component MAT. Inventory Transaction ID IT0000011 is created upon issue. The following integration transactions are created. Journal entries 3461 and 3462 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3461.	15060052: Warehouse Issue / Issue / Customer Owned			BO: Inventory Transaction / IT0000011	
D	Interim Transit	Interim Transit / 13	NWH1		60 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	60 USD

3462.	15026052: Contract / Issue / Customer Owned			BO: Contract / CON000002	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		60 USD
C	Interim Transit	Interim Transit / 13	NWH1		60 USD
3463.	10060116: Warehouse Issue / WIP Transfer Issue			BO: Inventory Transaction / IT0000011	
D	Interim Transit	Interim Transit / 1	NWH1		20 USD
C	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
3464.	10026135: Contract / Issue (Project)			BO: Contract / CON000002	
D	Interim COGS	Interim Costs / 21	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

26.1.2.2 None Delivery Based Invoicing

In case of none delivery based invoicing, the same transactions are created as for delivery based invoicing for the inventory transaction side. For the contract side 3464 is replaced by journal entry 3465.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3465.	10026052: Contract / Issue			BO: Contract / CON000002	
D	Interim Transit	Interim Transit / 1	SO1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

Additional the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3466.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	SO1		20 USD

26.1.3 Cost/Service Item

Issue is valued against cost price.

26.1.3.1 Issue without warehouse – delivery based invoicing

Example: Issue of order line project contract CON000003 for two pieces of item CI1
Cost price is 50 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3467.	10026045: Contract / General Costs			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	General Costs	End Account / 541	SO1	GEN	100 USD
3468.	10026135: Contract / Issue (Project)			BO: Contract / CON000003	
D	Interim COGS	Interim Costs / 21	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

26.1.3.2 Issue without warehouse – none delivery based invoicing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3469.	10026045: Contract / General Costs			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	General Costs	End Account / 541	SO1	GEN	100 USD
3470.	10026052: Contract / Issue			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD
3471.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

26.1.3.3 Issue from warehouse – delivery based invoicing**26.1.3.3.1 No intercompany trade relationship between warehouse and sales office**

Example: Issue of order line project contract CON000002 for two pieces of item CI1.
Cost price is 50 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3472.	10026045: Contract / General Costs			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	General Costs	End Account / 541	NWH1	GEN	100 USD
3473.	10026135: Contract / Issue (Project)			BO: Contract / CON000003	
D	Interim COGS	Interim Costs / 21	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD

26.1.3.3.2 Intercompany relationship between warehouse and sales office

Example: Issue of order line project contract CON000002 for two pieces of item CI1. Cost price is 50 USD. The commercial intercompany trade price is 75 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3474.	10026101: Contract / General Costs Intercompany			BO: Contract / CON000003	
D	Interim COGS	Interim Costs / 30	NWH1		100 USD
C	General Costs	End Account / 541	NWH1	GEN	100 USD
3475.	10026129: Contract / Issue Intercompany (Project)			BO: Contract / CON000003	
D	Interim COGS	Interim Costs / 21	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		150 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3475 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.1.3.4 Issue from warehouse – none delivery based invoicing

26.1.3.4.1 No intercompany trade relationship between warehouse and sales office

Example: Issue of order line project contract CON000002 for two pieces of item CI1. Cost price is 50 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3476.	10026045: Contract / General Costs			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	General Costs	End Account / 541	NWH1	GEN	100 USD

3477.	10026052: Contract / Issue			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
3478.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	GEN	100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD

26.1.3.4.2 Intercompany trade relationship between warehouse and sales office

Example: Issue of order line project contract CON000002 for two pieces of item CI1. Cost price is 50 USD. The commercial intercompany trade price is 75 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3479.	10026101: Contract / General Costs Intercompany			BO: Contract / CON000003	
D	Interim COGS	Interim Costs / 30	NWH1		100 USD
C	General Costs	End Account / 541	NWH1	GEN	100 USD
3480.	10026054: Contract / Issue Intercompany			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1	GEN	150 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		150 USD
3481.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	GEN	150 USD
C	Interim Transit	Interim Transit / 1	SO1		150 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entries 3480 and 3481 are split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.2 Return Orders

Note: For a project contract defining an inbound price on a return line is not supported.

26.2.1 Company owned in warehouse – delivery based invoicing – No intercompany trade relationship between warehouse and sales office

26.2.1.1 Project contract not linked to original contract – No price defined on inbound order line

‘Default Inventory Receipt Value’ is ‘Standard Cost’

The project contract integration transactions are booked against issue Standard Cost. Inventory is booked against same amount increased with receipt surcharges.

Note: the project contract is always a pegged transaction, so no Standard Cost result and no Lot result will occur.

Example: Receipt for order line for project contract CON000004 for project TP1 of two pieces of item PI1 in warehouse NWH1. Receipt valuation price is 100 (MAT) + 10 (SUR) + 3 (WRS). Issue valuation price is 100 (MAT) + 37.6 (SUR) + 3 (WRS)

Inventory Transaction ID IT0000012 is created during receipt. If the valuation method is MAUC, the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3482.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
3483.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		75.2 USD
3484.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
3485.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	28.12 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	28.12 USD
3486.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

3487.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	SUR	-83.12 USD (**)
C	Interim Transit	Interim Transit / 1	NWH1		-83.12 USD
3488.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000012		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
3489.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		89.22 USD
C	Interim Transit	Interim Transit / 1	NWH1		89.22 USD
3490.	10026135: Contract / Issue (Project)		BO: Contract / CON000004		
D	Interim COGS	Interim Costs / 21	SO1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
3491.	10026135: Contract / Issue (Project)		BO: Contract / CON000004		
D	Interim COGS	Interim Costs / 21	SO1	SUR	-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
3492.	10026135: Contract / Issue (Project)		BO: Contract / CON000004		
D	Interim COGS	Interim Costs / 21	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 200 + 75.2 + 6

(**) 75.2 + 28.12 – 20 (receipt Standard Cost value on SUR)

‘Default Inventory Receipt Value’ is ‘Inventory Value’

The project contract integration transactions are booked against *inventory value* increased with issue surcharge. Inventory is booked with same amount increased with receipt surcharges. Subsequently the inventory value is corrected towards *inventory value* before return.

Example: Receipt for order line for project contract CON000005 for project TP1 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000013 is created during receipt. If the valuation method is MAUC and the MAUC is 100 USD (MAT), 25 USD (SUR) and 4 USD (WRS), the following integration transactions are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3493.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 1	NWH1		200 USD
3494.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	111.6 USD
C	Interim Transit	Interim Transit / 1	NWH1		111.6 USD
3495.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	WRS	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
3496.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	31.96 USD (**)
C	Surcharge Cover	End Account / 732	NWH1	IRS	31.96 USD
3497.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT000003		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
3498.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	SUR	-93.56 USD (***)
C	Interim Transit	Interim Transit / 1	NWH1	SUR	-93.56 USD
3499.	10061137: Warehouse Receipt / Inventory Value Correction		BO: Inventory Transaction / IT0000013		
D	Inventory	Inventory / 1	NWH1	WRS	-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD
3500.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP		-111.56 USD
C	Interim Transit	Interim Transit / 1	NWH1		-111.56 USD
3501.	10026135: Contract / Issue (Project)		BO: Contract / CON000005		
D	Interim COGS	Interim Costs / 21	SO1	MAT	-200 USD

C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
3502.	10026135: Contract / Issue (Project)		BO: Contract / CON000005		
D	Interim COGS	Interim Costs / 21	SO1	SUR	-111.6 USD (*)
C	Interim Transit	Interim Transit / 1	NWH1		-111.6 USD
3503.	10026135: Contract / Issue (Project)		BO: Contract / CON000005		
D	Interim COGS	Interim Costs / 21	SO1	WRS	-8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-8 USD

(*) 20% of (200 + 50 + 8) + 10 + 50

(**) 10% of (200 + 111.6 + 8)

(***) 50 - 111.6 – 31.96

26.2.1.2 Project contract linked to original contract – No price defined on inbound order line

In case of a linked return order the peg is copied from the original document and cannot be maintained.

The contract side of the transaction is a reversal of the original contract issue and inventory is updated with inventory value valid at moment of original issue. This is executed in the following steps:

- The contract issue is done with the amount of the original contract issue.
- The warehouse receipt is also carried out with this amount.
- Receipt surcharges are applied to the normal receipt
- In the end, the inventory value is corrected to be equal to the inventory value before issue.

Example: Project contract CON000006 is created for project TP1, which is a return of project contract CON000001 of two pieces of item PI1 from warehouse NWH1 as described in section 26.1.1.1. This contract issue was performed against 220 USD (MAT), 100.8 USD (SUR), 40 USD (LC1), 20 USD (LC2) and 6 USD (WRS).

In this example, valuation method was MAUC and the PMAUC at issue date was 110 USD (MAT), 14 USD (SUR), 20 USD (LC1), 10 USD (LC2) and 3 USD (WRS), for a total of 157 USD.

Inventory Transaction ID IT0000014 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount

3504.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
3505.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	100.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		100.8 USD
3506.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	LC1	40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD
3507.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	LC2	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
3508.	10061074: Warehouse Receipt / Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
3509.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	38.68 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	38.68 USD
3510.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
3511.	10061137: Warehouse Receipt / Inventory Value Correction			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	-111.48 USD (**)
C	Interim Transit	Interim Transit / 1	NWH1		-111.48 USD
3512.	10061137: Warehouse Receipt / Inventory Value Correction			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
3513.	10024109: Project Costs& Commitments / Value Correction			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		117.48 USD
C	Interim Transit	Interim Transit / 1	NWH1		117.48 USD

3514.	10026135: Contract / Issue (Project)				BO: Contract / CON000006
D	Interim COGS	Interim Costs / 21	SO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
3515.	10026135: Contract / Issue (Project)				BO: Contract / CON000006
D	Interim COGS	Interim Costs / 21	SO1	LC1	-40 USD
C	Interim Transit	Interim Transit / 1	NWH1		-40 USD
3516.	10026135: Contract / Issue (Project)				BO: Contract / CON000006
D	Interim COGS	Interim Costs / 21	SO1	SUR	-100.8 USD
C	Interim Transit	Interim Transit / 1	NWH1		-100.8 USD
3517.	10026135: Contract / Issue (Project)				BO: Contract / CON000006
D	Interim COGS	Interim Costs / 21	SO1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

(*) 10 percent of 240 + 40 + 100.8 + 6

(**) 100.8 + 38.68 – 28 (original value on SUR)

26.2.2 Company owned in warehouse – delivery based invoicing – Intercompany trade relationship between warehouse and sales office

The same different situations can be distinguished as described in 26.2.1. In this chapter only the situation that the contract is linked to an original contract is described. The other situations are the combinations of the specific intercompany trade related postings of this section and the specific situation postings as described in 26.2.1.

Example: Project contract CON000006 is created for project TP1, which is a return of project contract CON000001 of two pieces of item PI1 from warehouse NWH1 as described in section 26.1.1.1. This contract issue was performed against 220 USD (MAT), 100.8 USD (SUR), 40 USD (LC1), 20 USD (LC2) and 6 USD (WRS).

In this example, valuation method was MAUC and the PMAUC at issue date was 110 USD (MAT), 14 USD (SUR), 20 USD (LC1), 10 USD (LC2) and 3 USD (WRS), for a total of 157 USD.

Inventory Transaction ID IT0000014 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3518.	10061054: Warehouse Receipt / Issue Intercompany				BO: Inventory Transaction / IT0000014
D	Inventory	Inventory / 1	NWH1	MAT	220 USD
C	Interim COGS	Interim Costs / 11	NWH1		220 USD

3519.	10061054: Warehouse Receipt / Issue Intercompany			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	100.8 USD
C	Interim COGS	Interim Costs / 11	NWH1		100.8 USD
3520.	10061054: Warehouse Receipt / Issue Intercompany			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	LC1	40 USD
C	Interim COGS	Interim Costs / 11	NWH1		40 USD
3521.	10061054: Warehouse Receipt / Issue Intercompany			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	LC2	20 USD
C	Interim COGS	Interim Costs / 11	NWH1		20 USD
3522.	10061054: Warehouse Receipt / Issue Intercompany			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Interim COGS	Interim Costs / 11	NWH1		6 USD
3523.	10061056: Warehouse Receipt / Item Surcharge Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	38.68 USD (*)
C	Surcharge Cover	End Account / 732	NWH1	IRS	38.68 USD
3524.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD
3525.	10061137: Warehouse Receipt / Inventory Value Correction			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	SUR	-111.48 USD (**)
C	Interim Transit	Interim Transit / 1	NWH1		-111.48 USD
3526.	10061137: Warehouse Receipt / Inventory Value Correction			BO: Inventory Transaction / IT00000014	
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD
3527.	10024109: Project Costs& Commitments / Value Correction			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		117.48 USD
C	Interim Transit	Interim Transit / 1	NWH1		117.48 USD
3528.	10026129: Contract / Issue Intercompany (Project)			BO: Contract / CON000006	
D	Interim COGS	Interim Costs / 21	SO1	MAT	-380 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		-380 USD

(*) 10 percent of $240 + 40 + 100.8 + 6$

(**) $100.8 + 38.68 - 28$ (original value on SUR)

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3528 is split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.2.3 Company owned in warehouse - none delivery based invoicing – No intercompany trade relationship between warehouse and sales office

In case of none delivery based invoicing, the same transactions are created as for delivery based invoicing for the inventory transaction side and for the project cost and commitment value correction. For the contract side, journal entries 3490 through 3492 (and the other situation where a contract / issue (project) posting is created) are replaced by journal entry 3529 through 3531

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3529.	10026052: Contract / Issue		BO: Contract / CON000004		
D	Interim Transit	Interim Transit / 1	SO1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
3530.	10026052: Contract / Issue		BO: Contract / CON000004		
D	Interim Transit	Interim Transit / 1	SO1		-75.2 USD
C	Interim Transit	Interim Transit / 1	NWH1		-75.2 USD
3531.	10026052: Contract / Issue		BO: Contract / CON000004		
D	Interim Transit	Interim Transit / 1	SO1		-6 USD
C	Interim Transit	Interim Transit / 1	NWH1		-6 USD

Additional the following postings are created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3532.	10024052: Project Costs & Commitments / Issue		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	-200 USD
C	Interim Transit	Interim Transit / 1	SO1		-200 USD
3533.	10024052: Project Costs & Commitments / Issue		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	-75.2 USD

C	Interim Transit	Interim Transit / 1	SO1		-75.2 USD
3534.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	WRS	-6 USD
C	Interim Transit	Interim Transit / 1	SO1		-6 USD

26.2.4 Company owned in warehouse - none delivery based invoicing – Intercompany trade relationship between warehouse and sales office

In case of none delivery based invoicing, the same transactions are created as for delivery based invoicing for the inventory transaction side and for the project cost and commitment value correction. For the contract side, journal entry 3528 is replaced by journal entry 3535

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3535.	10026054: Contract / Issue Intercompany			BO: Contract / CON000006	
D	Interim Transit	Interim Transit / 1	SO1		-380 USD
C	Invoice Accrual	Invoice Accrual / 20	SO1		-380 USD

Additional the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3536.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	-380 USD
C	Interim Transit	Interim Transit / 1	SO1		-380 USD

Note: in case Adopt Selling Cost Structure on the intercompany trade order has the value Yes, journal entry 3535 and 3536 are split into multiple transactions with different cost components. How this works is explained for journal entry 2880.

26.2.5 Customer owned (mixed ownership) – delivery based invoicing

If customer furnished materials concept is implemented a project contract can be flagged as 'contains Customer Furnished Material'. Normally the item has mixed ownership.

26.2.5.1 Return as Company Owned

Project contract not linked to original contract – No price defined on inbound order line

The same postings as described in section 26.2.1.1 are created.

Project contract not linked to original contract – Price defined on inbound order line

For a project contract defining an inbound price is not supported, similar to a pegged sales return order.

Project contract linked to original contract – No price defined on inbound order line

In this case, the company owned issue and warehouse receipt is done with the sum of the customer-owned and company-owned amount of the original contract issue. With this amount the same postings as described in section 26.2.1.2 are created.

Project contract linked to original contract – Price defined on inbound order line

For a project contract defining an inbound price is not supported, similar to a pegged sales return order.

26.2.5.2 Return as Customer Owned

Project contract not linked to original contract – No price defined on inbound order line

In this case, the material costs of the receipt Standard Cost excluding receipt surcharges is always used for both the customer owned contract and inventory integration transactions.

Example: Receipt for order line for contract CON000007 of two pieces of item PI1 in warehouse NWH1. Inventory Transaction ID IT0000015 is created during receipt. If the valuation method is MAUC, the following integration transactions are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

Inventory Transaction ID IT0000015 is created during receipt.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3537.	15061074: Warehouse Receipt / Receipt / Customer Owned			BO: Inventory Transaction / IT0000015	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	200 USD
C	Interim Transit	Interim Transit / 13	NWH1		200 USD

3538.	<i>Contract / Issue / Customer Owned</i>			<i>BO: Contract / CON000007</i>	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-200 USD
C	Interim Transit	Interim Transit / 13	NWH1		-200 USD

Project contract not linked to original order – Price defined on inbound order line

In this case, the price of the inbound order line is always used for both the project contract and inventory integration transactions.

As the ownership is customer owned defining an inbound order price is allowed.

The customer owned financial transactions are not impacted by the project pegging concept. Existing customer owned financial transactions are used. The peg is available as logged element on the transaction.

Example: Receipt for order line for contract CON000008 of two pieces of item PI1 in warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000016 is created during receipt. The following journal entries are created (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**)

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3539.	<i>15061074: Warehouse Receipt / Receipt / Customer Owned</i>			<i>BO: Inventory Transaction / IT0000016</i>	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD
3540.	<i>Contract / Issue / Customer Owned</i>			<i>BO: Contract / CON000008</i>	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-220 USD
C	Interim Transit	Interim Transit / 13	NWH1		-220 USD

Project contract linked to original contract – No price defined on inbound order line

In case of a linked return order the peg is copied from the original document and cannot be maintained.

In this case, the customer owned project contract issue and warehouse receipt is done with the sum of the customer-owned and company-owned amount of the original issue.

Example: Contract CON000009 is created, which is a return for contract CON000002 of two pieces of item PI1 from warehouse NWH1. Inventory Transaction ID IT0000017 is

created during receipt. The following journal entries are created. (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3541.	15061074: Warehouse Receipt / Receipt / Customer Owned			BO: Inventory Transaction / IT0000017	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	80 USD
C	Interim Transit	Interim Transit / 13	NWH1		80 USD
3542.	Contract / Issue / Customer Owned			BO: Contract / CON000009	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-80 USD
C	Interim Transit	Interim Transit / 13	NWH1		-80 USD

Project contract linked to original contract – Price defined on inbound order line

In case of a linked return order the peg is copied from the original document and cannot be maintained.

As the ownership is customer owned defining an inbound order price is allowed.

In this case, the customer owned contract issue is performed with the sum of the customer-owned and company-owned amount of the original contract issue. The customer owned warehouse receipt is made with the amount of the customer owned inbound order line. The interim transit is balanced with a customer owned return result.

Example: Contract CON000010 is created, which is a return for contract CON000002 of two pieces of item PI1 from warehouse NWH1. Inbound order line price is 110 USD each. Inventory transaction ID IT0000018 is created during receipt. (if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**)..

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3543.	15061074: Warehouse Receipt / Receipt / Customer Owned			BO: Inventory Transaction / IT0000018	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	220 USD
C	Interim Transit	Interim Transit / 13	NWH1		220 USD

3544.	15061090: Warehouse Receipt / Return Result / Customer Owned			BO: Inventory Transaction / IT0000018	
D	Interim Transit	Interim Transit / 13	NWH1		140 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		140 USD
3545.	Contract / Issue / Customer Owned			BO: Contract / CON000010	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-80 USD
C	Interim Transit	Interim Transit / 13	NWH1		-80 USD

26.2.5.3 Return as Issued

Return as issued is only possible if the return order is linked to an original order.

It is not allowed to enter an inbound price when the goods are returned as issued.

In case of a linked return order the peg is copied from the original document and cannot be maintained.

The contract side of the transaction is a reversal of the original contract issue and inventory is updated with the same amount.

Existing customer owned financial transactions are used. The peg is available as logged element on the transactions.

Example: Item PI1 has mixed ownership. Contract return CON000011 is created to return the items as described in section 26.1.2. The following integration transactions are created (journal entries 3546 and 3547 are created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3546.	15061074: Warehouse Receipt / Receipt / Customer Owned			BO: Inventory Transaction / IT0000019	
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	60 USD
C	Interim Transit	Interim Transit / 13	NWH1		60 USD
3547.	Contract / Issue / Customer Owned			BO: Contract / CON000011	
D	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1		-60 USD
C	Interim Transit	Interim Transit / 13	NWH1		-60 USD

3548.	10061117: Warehouse Receipt / WIP Transfer Receipt			BO: Inventory Transaction / IT0000019	
D	Inventory WIP	Inventory WIP / 1	NWH1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD
3549.	10026135: Contract / Issue (Project)			BO: Contract / CON000011	
D	Interim COGS	Interim Costs / 21	SO1	MAT	-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

26.2.6 Customer Owned (mixed ownership) – none delivery based invoicing

For *none delivery based invoicing* the same transactions are made as for *delivery based invoicing* as described in section 26.2.5. Only difference is that journal entry 3549 is replaced by journal entry 3550

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3550.	10026052: Contract / Issue			BO: Contract / CON000011	
D	Interim Transit	Interim Transit / 1	SO1		-20 USD
C	Interim Transit	Interim Transit / 1	NWH1		-20 USD

Additional the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3551.	10024052: Project Costs & Commitments / Issue			BO: Project Cost and Commitment / TP1	
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	MAT	-20 USD
C	Interim Transit	Interim Transit / 1	SO1		-20 USD

26.2.7 Cost/Service Item

In case of a return order similar transactions are made as for an order with a positive quantity. The amounts of the financial transactions are negative in case of return orders. No determination of original amounts is required because also for return orders the cost price is used.

26.3 Intercompany Trade External Material Delivery Sales

26.3.1 Purchased/manufactured item

The journal entries and reconciliation entries for intercompany trade in case of an intercompany trade relation between warehouse and sales office for a purchased/manufactured item are described in Section 21.11.2.

26.3.2 Cost/service item

Intercompany trade relationship with internal invoice

Example: Project Contract CON000003, described in section 26.1.3.3.2, in which the contract delivery line was released to warehouse NWH1. An intercompany trade relationship is defined between the warehouse and the sales office, based on commercial price. The commercial price is 75 USD each. When the invoice is posted in central invoicing, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3552.	10026081: Contract / Revenues		BO: Contract / CON000003		
D	Interim Revenues	Interim Revenues / 5	NWH1		150 USD
C	Turnover	End Account / 543	NWH1		150 USD
3553.	10026140: Contract / COGS Intercompany		BO: Contract / CON000003		
D	Cost of Goods Sold	End Account / 551	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 30	NWH1		100 USD

Balancing of reconciliation group Interim Revenues / 5 is described in section *Central Invoicing, Reconciliation interim revenues*.

When the internal invoice is created in Accounts Payable, a record is created in the reconciliation data that is no integration transaction. This record is created to balance the invoice accrual. The amount is the invoice amount.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3554.	Only Reconciliation: Approval		BO: Contract / CON000003		
D	Invoice Accrual	Invoice Accrual / 20	SO1		150 USD

You cannot unapprove internal invoices.

Intercompany trade relationship without internal invoice

Example: Project Contract CON000003, described in section 26.1.3.3.2, in which the contract delivery line was released to warehouse NWH1. An intercompany trade

relationship is defined between the warehouse and the sales office, based on commercial price without internal invoice. The commercial price is 75 USD each. When the intercompany trade transaction line is posted in the Intercompany Trade module, the following journal entries are created. The last one is meant to balance the invoice accrual account:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3555.	10026169: Contract / Revenues Intercompany		BO: Contract / CON000003		
D	Intercompany	End Account / 552	NWH1		150 USD
C	Turnover	End Account / 544	NWH1		150 USD
3556.	10026140: Contract / COGS Intercompany		BO: Contract / CON000003		
D	Cost of Goods Sold	End Account / 551	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 30	NWH1		100 USD
3557.	10026012: Contract / Costs Intercompany		BO: Contract / CON000003		
D	Invoice Accrual	Invoice Accrual / 20	SO1		150 USD
C	Intercompany	End Account / 545	SO1		150 USD

27 Payroll Advice

Payroll Advice transactions are coming from outside LN. Via a BOD the Payroll Advice Transactions come into LN and from there they are inserted in the integration transactions.

Example: Payroll Document PD0000001 consists of 5 lines for Employee EMP1, working in department ED1. Payments are done from company PO1. The sum of debit must be equal to the sum of credit.

On the debit side

- The gross salary is 5000 USD
- Social Tax is 50 USD

On the credit side

- The paid net salary is 2500 USD
- The reservation for pension is 100 USD
- The reservation for salary tax is 2450 USD

Following journal entries are created when the payroll document is processed

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3558.	10029045: Payroll Advice / General Costs		BO: Payroll Advices / PD0000001		
D	Interim Costs	Interim Costs / 31	PO1		2500 USD
C	Net Salary	End Account / 591	PO1		2500 USD
3559.	10029045: Payroll Advice / General Costs		BO: Payroll Advices / PD0000001		
D	Interim Costs	Interim Costs / 31	PO1		100 USD
C	Reservation Pension	End Account / 591	PO1		100 USD
3560.	10029045: Payroll Advice / General Costs		BO: Payroll Advices / PD0000001		
D	Interim Costs	Interim Costs / 31	PO1		2450 USD
C	Reservation Salary Tax	End Account / 591	PO1		2450 USD
3561.	10029034: Payroll Advice / Expenses		BO: Payroll Advices / PD0000001		
D	Gross Salary	End Account / 581	ED1		5000 USD
C	Interim Costs	Interim Costs / 31	PO1		5000 USD
3562.	10029034: Payroll Advice / Expenses		BO: Payroll Advices / PD0000001		
D	Social Tax	End Account / 581	ED1		50 USD
C	Interim Costs	Interim Costs / 31	PO1		50 USD

28 Budget Control

28.1 Budget Procurement

This integration document type is not used for a real financial transaction, only for defaulting purposes in the module budget control. The Debit side of this integration document type is used to determine the default ledger account for Purchase Requisitions or for Purchase Orders.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3563.	10090060: Budget Procurement / On Order		BO: Purchase Requisition or Order		
D	'External Cost for department'	Not applicable			0 USD
C	Not applicable	Not applicable			0 USD

28.2 Budget Warehouse Issue

This integration document type is used only for defaulting purposes in the module budget control. The Debit side of this integration document type is used to determine the default ledger account for a Warehouse Order.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3564.	10091060: Budget Warehouse Issue / On Order		BO: Warehouse Order		
D	'Internal Cost for department'	Not applicable			0 USD
C	Not applicable	Not applicable			0 USD

29 Currency Differences

Each reconciliation group includes an indication of how currency differences are logged in the system. The following options are available:

- Automatically
- Manually
- Not

29.1 Automatically

If currency differences are logged automatically, integration transactions and reconciliation transactions are created for the currency differences.

Note that for the reconciliation groups Invoice Accrual / 3 (Purchase orders), 4 (Purchase Schedules), 16 (Landed costs invoiced for purchase orders), 17 (Landed costs invoiced for purchase schedules), 18 (Landed costs invoiced for warehouse transfer orders) the currency difference transaction is replaced by a currency variance transaction that moved the currency difference into inventory.

Example: Purchase order PUR000019 is created for two pieces of item PI1 for warehouse NWH1 in a company with a dependent currency system. Automatic currency differences can also occur with a single currency system and an independent currency system.

The local currency and reference currency is USD, and the first reporting currency is EUR. The order price is 100 GBP each. The currency rates for the order are defined as 1 GBP = 3 USD = 4 EUR. For reconciliation group Invoice Accrual / 3, the value for **Log Currency Differences** is **Automatically**.

During receipt, journal entry 3565, among others, is created for Invoice Accrual / 3. For all the transactions that are created, refer to section *Purchase Order, Receipts*.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3565.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000019		
C	Invoice Accrual	Invoice Accrual / 3	£200 GBP	600 USD	800 EUR

The invoice now arrives for 220 GBP, using currency rates 1 GBP = 3 USD = 3.5 EUR. If you approve the invoice, journal entries 3566 and 3567 are created. For all the transactions that are created, refer to section *Purchase Order, Invoice approval / Change price after receipt*.

Journal entry 3566 uses the rates of the order. Journal entry 3567 uses the rates of the invoice.

D/C	Journal Entry	Reconciliation Group	Transaction	Local Amount	Reporting

			Amount		Amount
3566.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000019		
D	Invoice Accrual	Invoice Accrual / 3	-£20 GBP	-60 USD	-80 EUR
3567.	Only Reconciliation: Approval		BO: Purchase Order / PUR000019		
D	Invoice Accrual	Invoice Accrual / 3	£220 GBP	660 USD	770 EUR

As a result, Invoice Accrual / 3 is not balanced. For that reason, journal entry 3568 is created. The credit side of this posting is not logged in the reconciliation data, and therefore no reconciliation group is involved on the credit side.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3568.	50050003: Currency Difference / Invoice Accrual / 3		BO: Purchase Order / PUR000019		
D	Invoice Accrual	Invoice Accrual / 3	£0 GBP	0 USD	110 EUR
C	Currency Difference		£0 GBP	0 USD	110 EUR

You can find the integration document type for currency difference to be used on the reconciliation group.

The integration document type depends on the reconciliation group in code and description. The currency differences that are created automatically can only occur during invoice approval/unapproval from ACP or during posting invoice from SLI (installments).

29.2 Manually

Currency differences can also be logged manually. These currency differences are only possible in a dependent-currency system, and are logged with the Calculate Currency Differences for Integration Accounts (tfgld4295m400) session. For manual currency differences, only reconciliation transactions are created, and no integration transactions. Currency differences only occur if the internal rate type changes.

Example: Transfer manual order TRFM00003 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. The warehouses belong to the same enterprise unit. The local currency and reference currency is USD, the first reporting currency is EUR. At the time of issue, the internal currency rates are defined as 1 USD = 2 EUR.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 120 USD (MAT), 12 USD (SUR), and 3 USD (WRS), for a total of 135 USD.

For reconciliation group Interim Transit / 1, the value for **Log Currency Differences** is **Manually**.

Upon issue, inventory transaction IT000065 is created. Among others, journal entries 3569, 3570 and 3571 are created for Interim Transit / 1. For all the transactions that are

created, refer to section *Warehousing, Transfers, Warehouse transfer – no invoice relation*.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3569.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000065		
D	Interim Transit	Interim Transit / 1	240 USD	240 USD	480 EUR
3570.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000065		
D	Interim Transit	Interim Transit / 1	24 USD	24 USD	48 EUR
3571.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000065		
D	Interim Transit	Interim Transit / 1	6 USD	6 USD	12 EUR

After the issue, the internal currency rates change to 1 USD = €1.5 EUR.

During receipt of the two pieces, inventory transaction IT000066 is created. Journal entries 3572, 3573, and 3574, among others, are created for Interim Transit / 1. For all the transactions that are created, refer to section *Warehousing, Transfers, Warehouse transfer – no invoice relation*.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3572.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000066		
C	Interim Transit	Interim Transit / 1	240 USD	240 USD	360 EUR
3573.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000066		
C	Interim Transit	Interim Transit / 1	24 USD	24 USD	36 EUR
3574.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000066		
C	Interim Transit	Interim Transit / 1	6 USD	6 USD	9 EUR

As a result, Interim Transit / 1 is not balanced. If you run the session to calculate currency differences, a record is created in the reconciliation data that is no integration transaction. The business object used is one of the involved business objects and, therefore, can be IT0000065 or IT0000066.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3575.	Only Reconciliation: Currency Difference (50500001: Currency Difference / Interim Transit / 1)		BO: Inventory Transaction / IT0000066		
D	Interim Transit	Interim Transit / 1	0 USD	0 USD	-135 EUR

You can find the integration document type for currency difference to be used on the reconciliation group.

29.3 Not

If the value of the **Log Currency Differences** parameter is **Not**, no integration transactions, and no reconciliation transactions, are logged for currency differences.

30 Reconciliation Transactions

Reconciliation transactions can be logged with one of the following entry types:

- Integration Transaction
- Integration Transaction Reversal
- Integration Transaction (Reversed)

Reconciliation transactions that are logged with the Integration Transaction entry type, are described in the preceding chapters, except the transactions that are indicated with Only Reconciliation. For more information about the time an integration transaction is logged, refer to Appendix C of the [iBaan ERP 6.0a TC FD FIN - Financial Integrations \(D2675A US\)](#) document.

For a visualized flow of the integration transactions, refer to Appendix F of the same document.

Integration transactions are mapped and posted in Financials. Posting cannot be undone. Sometimes, however, it is only after posting to the general ledger, that it turns out that integration transactions were posted to the wrong ledger account and/or dimensions, due to an incorrect mapping setup. Because you cannot change the original integration transaction, two new integration transactions are created.

- One integration transaction that is the same as the incorrect integration transaction, but with the opposite amount. When this integration transaction is logged in the reconciliation data, the type of entry for this reconciliation transaction becomes Integration Transaction Reversal.
- One integration transaction that is the same as the incorrect integration transaction, but with the correct new mapping. When this integration transaction is logged in the reconciliation data, the type of entry for this reconciliation transaction becomes Integration Transaction. The type of entry for the incorrect integration transaction changes from Integration Transaction to Integration Transaction (Reversed). As a result, the total amount of the Integration Transaction Reversal and the Integration Transaction (Reversed) must be equal to zero.

30.1 Approval / unapproval

30.1.1 External

The postings that are created for external invoices from operations management are described in the following sections:

- For purchase orders en purchase order landed costs, in 4.10
 - For purchase schedules en purchase schedule landed costs in 5.6
 - For transfer landed costs in 21.8.10
 - For freight load/shipments in 22.1.3
 - For freight order clusters in 22.2.3
-

30.1.2 Internal (Intercompany Trade)

The postings that are created for internal invoices from Operations Management are described in the following sections:

- For External Material Direct Delivery
 - o Purchase Order / Sales Order in 4.11 and 7.6.
 - o Purchase Order / Service Order in 4.11 and 18.6.2
- For External Material Delivery Sales
 - o Sales Order in 7.5, 13.6 and 21.11.2
 - o Sales Schedule in 8.5 and 21.11.2
 - o Maintenance Sales Order in 15.11.1 and 21.11.2
 - o Customer Claim in 16.5 and 21.11.2
 - o Service Order in 18.6.1 and 21.11.2
 - o Project Contract Deliverable in 26.3 and 21.11.2
- For Subcontracting Depot Repair in 14.9 and 15.11.2
- For Internal Material Delivery in 21.11.1
- For WIP Transfer
 - o Production in 11.6.3
 - o Assembly in 13.4.3
- For Freight in 22.4.2
- For PCS Delivery in 24.5

30.2 Expensed tax

Reconciliation transactions that are logged with type of entry **Expensed Tax** are described in sections *Purchase order*, *Invoice approval / Change price after receipt*, *Expensed tax*, and *Purchase Schedule*, *Invoice approval*, *Expensed tax*.

30.3 Cost transaction

Reconciliation transactions that are logged with type of entry **Cost Transaction** are described in sections *Purchase order*, *Invoice approval / Change price after receipt*, *Cost/service/subcontracting/equipment/tool item*, and *Purchase Schedule*, *Invoice approval*, *Cost/service item*.

30.4 Sales invoice

Reconciliation transactions that are logged with type of entry **Sales Invoice** are described in section *Central Invoicing, Reconciliation interim revenues*.

30.5 Advance (Accounts Receivable)

Reconciliation transactions that are logged with type of entry **Advance (Accounts Receivable)** are described in section *Sales Order, Installment orders, Advance installment*.

30.6 Currency difference

Reconciliation transactions that are logged with type of entry **Currency Difference** are described in section *Currency Differences, Manually*. Here, the value for **Log Currency Differences on the Reconciliation Group** is **Manually**.

If the value for **Log Currency Differences on the Reconciliation Group** is **Automatically**, reconciliation transactions with type of entry Integration Transaction are logged, described in sections *Currency Differences, Automatically* and *Reconciliation Transactions*.

30.7 Opening balance

For each reconciliation group, you can enter a record for opening balance. You usually do this is when a new system is set up.

Example: A customer starts to using ERP LN. Initially, the total inventory value for item PI1 in warehouse NWH1 is 1,000 USD on cost component MAT and 100 USD on cost component SUR. The customer uses cost component as reconciliation element.

The following reconciliation transactions are entered. You can enter a business object and a business object ID. However, you can also leave these values empty.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3576.	Only Reconciliation: Opening Balance (90010001: Opening Balance / Inventory / 1		BO:		
D	Inventory	Inventory / 1	NWH1	MAT	1,000 USD
3577.	Only Reconciliation: Opening Balance (90010001: Opening Balance / Inventory / 1		BO:		
D	Inventory	Inventory / 1	NWH1	SUR	100 USD

You can find the integration document type for currency difference on the reconciliation group.

30.8 Correction (not final)/rounding correction (not final)/correction (final)/rounding difference

30.8.1 Enter corrections manually

For reconciliation transactions that are already posted, you can enter corrections manually for all reconciliation groups. In this case, two types of entries are possible: **Correction (Not Final)** and **Rounding Correction (Not Final)**. For Rounding Correction (Not Final), you cannot enter a transaction amount and a local amount. Only reporting amounts can be changed. Corrections (Not Final) and Rounding Corrections (Not Final) are always linked to an existing reconciliation transaction, from which the business object and the business object ID are used.

Rounding correction (Not Final)

Example: The internal currency rates is defined as 3 USD = 1 EUR. Two pieces of item PI1 are bought for 5 USD each, therefore, the receipt amount on inventory is 10 USD = 3.33 EUR. Next, a single piece is sold for 5 USD = 1.67 EUR. Again, one piece is sold for 5 USD = 1.67 EUR. Therefore, the total issued value is 10 USD = 3.34 EUR, which means a rounding difference of 0.01 EUR.

You can enter the correction on each of the three reconciliation records—one receipt and two issues. You can also choose whether the rounding correction must be on the debit or the credit side. If the correction is entered on the last issue transaction, and inventory transaction IT0000067 is created during this issue, the following reconciliation transaction is entered.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3578.	Only Reconciliation: Rounding Correction (Not Final) (No IDT)		BO: Inventory Transaction / IT0000067		
D	Inventory	Inventory / 1	0 USD	0 USD	€0.01 EUR

Correction (Not Final)

Example: An incorrect integration transaction, with an incorrect amount, is logged, mapped, and posted. Later on, you find out that the amount was incorrect. In this case, you can enter a correction in the reconciliation data.

For example, a receipt in warehouse NWH1, for inventory transaction IT0000068, is logged with 50 USD on cost component MAT, while the amount should have been 40 USD. The following reconciliation transaction is entered on inventory. You can also find the same type of transaction on the interim transit side, if that side is also wrong.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3579.	<i>Only Reconciliation: Correction (Not Final) (No IDT)</i>		<i>BO: Inventory Transaction / IT0000068</i>		
C	Inventory	Inventory / 1	NWH1	MAT	10 USD

30.8.2 Post manually entered corrections

In the Post-Reconciliation Corrections (tfld4295m300) session, you can post the manually entered corrections. In this case, no new reconciliation transactions are created, but the manually entered corrections are updated.

When you post reconciliation transaction 3578, the transaction is replaced by reconciliation transaction 3580.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3580.	<i>Only Reconciliation: Rounding Difference (60010001: Correction / Inventory / 1)</i>		<i>BO: Inventory Transaction / IT0000067</i>		
D	Inventory	Inventory / 1	0 USD	0 USD	€0.01 EUR

When reconciliation transaction 3579 is posted, the transaction is replaced by reconciliation transaction 3581.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3581.	<i>Only Reconciliation: Correction (Final) (60010001: Correction / Inventory / 1)</i>		<i>BO: Inventory Transaction / IT0000068</i>		
C	Inventory	Inventory / 1	NWH1	MAT	10 USD

As a result, the type of entry differs: Rounding Difference or Correction (Final). But the integration document type in both cases is the integration document type for Correction, which you can find on the reconciliation group.

The integration document type for rounding differences, which you can also find on the reconciliation group, is only used for calculated rounding differences, described in sections *Reconciliation Transactions, Correction (not final) / rounding correction (not final) / correction (final) / rounding difference, Calculate rounding currency differences*, not for the posting of manually entered rounding differences.

30.8.3 Calculate rounding currency differences

For reconciliation groups with basis for final acceptance other than Not Applicable, you can calculate rounding differences using the Calculate Rounding Currency Differences for Integration Accounts (tfld4295m500) session.

Example: Transfer manual order TRFM00004 of two pieces of item PI1 from warehouse NWH1 to warehouse NWH2. The warehouses belong to the same enterprise unit. The local currency and reference currency is USD, and the first reporting currency is EUR. The internal currency rates are defined as 3 USD = 1 EUR.

Assume, for example, that valuation method is MAUC and the MAUC at issue date is 5 USD (MAT), zero USD (SUR), and zero USD (WRS).

Upon issue, inventory transaction IT0000069 is created. Among others, journal entry 3582 is created for Interim Transit / 1. For all the transactions that are created, refer to section 21.8.1.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3582.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000069		
D	Interim Transit	Interim Transit / 1	10 USD	10 USD	€3.33 EUR

First, one piece is received. During receipt, inventory transaction IT0000070 is created. Among others, journal entry 3583 is created for Interim Transit / 1. For all the transactions that are created, refer section 21.8.1.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3583.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000070		
C	Interim Transit	Interim Transit / 1	5 USD	5 USD	€1.67 EUR

Later on, the other piece is received. During receipt, inventory transaction IT0000071 is created. Among others, journal entry 3584 is created for Interim Transit / 1.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3584.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000071		
C	Interim Transit	Interim Transit / 1	5 USD	5 USD	€1.67 EUR

Therefore, Interim Transit / 1 is not balanced. If you run the session to calculate rounding currency differences, a record is created in the reconciliation data that is no integration transaction. The business object used is one of the involved business objects, and can therefore be IT0000069, IT0000070, or IT0000071.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3585.	Only Reconciliation: Rounding Difference (70500001: Rounding Difference / Interim Transit / 1)		BO: Inventory Transaction / IT0000069		
D	Interim Transit	Interim Transit / 1	0 USD	0 USD	€0.01 EUR

You can find the integration document type for rounding difference to be used on the reconciliation group.