



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 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.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
D	Goods to be Received	Commitments / 1	PO1	WRS	18 USD
C	Purchase On Order	Commitments / 2	PO1	WRS	18 USD
17.	10001060: Purchase Order / On Order		BO: Purchase Order / PUR000002		
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.	100024060: Project Costs & Commitments / On Order		BO: Project Cost and Commitment / TP1		
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.

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

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.

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
59.	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
60.	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

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
61.	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	PO2		220 USD

		/ 1			
62.	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
63.	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
64.	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

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 67 and 68 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
65.	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
66.	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
67.	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

68.	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
69.	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
70.	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

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
71.	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
72.	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 58 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
73.	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
74.	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
75.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC2	12 USD
76.	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

77.	<i>10061074: Warehouse Receipt / Receipt</i>		<i>BO: Inventory Transaction / IT00000003</i>		
D	Inventory	Inventory / 1	NWH1	LC1	6 USD
C	Interim Transit	Interim Transit / 1	NWH1		6 USD
78.	<i>10061056: Warehouse Receipt / Item Surcharge Receipt</i>		<i>BO: Inventory Transaction / IT00000003</i>		
D	Inventory	Inventory / 1	NWH1	SUR	69 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	69 USD
79.	<i>10061121: Warehouse Receipt / Warehouse Surcharge Receipt</i>		<i>BO: Inventory Transaction / IT00000003</i>		
D	Inventory	Inventory / 1	NWH1	WRS	18 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	18 USD
80.	<i>10061074: Warehouse Receipt / Receipt</i>		<i>BO: Inventory Transaction / IT00000003</i>		
D	Inventory	Inventory / 1	NWH1	MAT	228 USD
C	Interim Transit	Interim Transit / 1	NWH1		228 USD
81.	<i>10061074: Warehouse Receipt / Receipt</i>		<i>BO: Inventory Transaction / IT00000003</i>		
D	Inventory	Inventory / 1	NWH1	LC1	2 USD
C	Interim Transit	Interim Transit / 1	NWH1		2 USD

Journal entries 76, 77, 78 and 79, are for the six pieces of PI1. Journal entries 80 and 81 are for the four pieces of PI2. The amounts of journal entries 76,77 and 80, 81 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;
 - the total price of 900 USD (675 USD) on cost component MAT
 - the landed cost amount of 12 USD (9 USD) on cost component MAT
 - the landed cost amount of 8 USD (6 USD) on cost component LC1
- Item PI2 receives 100/400 of;
 - the total price of 900 USD (225 USD) on cost component MAT
 - the landed cost amount of 12 USD (3 USD) on cost component MAT
 - 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.

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

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

Journal entry 82 is created when the receipt is confirmed. Journal entry 83 is created later on in TP when the transaction is posted. Therefore, the journal entries are not made at the same time.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
82.	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
83.	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 82 through 83 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 82 through 83 are created, where the enterprise unit for Interim Transit / 1 is the enterprise unit of the warehouse (PWH1).

For a receipt in a project WIP warehouse also the journal entries 82 through 83 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

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
84.	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
85.	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
86.	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
87.	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
88.	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
89.	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
90.	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

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 84, 85, 86 and 88 are also created. If the valuation method is Standard Cost, journal entries 89 and 90 are also created. The only difference is for journal entry 87. This journal entry is replaced with journal entry 91, as indicated in the other integration document type.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
91.	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)

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
92.	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
93.	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 93 will be increased with the total landed cost value.

4.4.7 Production operation subcontracting (with material flow)

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
94.	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

95.	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
96.	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
97.	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
98.	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
99.	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
100.	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
101.	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
102.	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
103.	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
104.	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 next operation of the production order is also subcontracted, or 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

105.	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
106.	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
107.	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
108.	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
109.	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
110.	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
111.	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 95). 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 next operation is also subcontracted, the following integration transactions are created for the fictive receipt in the warehouse. Inventory Transaction IT0000083 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

112.	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
113.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	120 USD
114.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		26 USD
C	SFC WIP	Production Order WIP / 1	SCO1	SUR	26 USD
115.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000082		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
116.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000082		
D	Inventory	Inventory / 1	NWH1	OPR	120 USD
C	Interim Transit	Interim Transit / 1	NWH1		120 USD
117.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000082		
D	Inventory	Inventory / 1	NWH1	SUR	26 USD
C	Interim Transit	Interim Transit / 1	NWH1		26 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. 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
118.	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
119.	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
120.	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
121.	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
122.	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
123.	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 126, 127 and 130 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
124.	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
125.	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
126.	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

127.	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
128.	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
129.	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
130.	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 next operation of the production order is also subcontracted, or 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 131, 136, 138 and 139 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
131.	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
132.	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

133.	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
134.	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
135.	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
136.	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
137.	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
138.	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 125 and 126). 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
139.	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 next operation is also subcontracted, the following integration transactions are created for the fictive receipt in the warehouse (journal entries 142, 143 and 146 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
140.	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
141.	10014091: Production Order / Subcontracting WIP		BO: Production Order / SFC000005		
D	Interim Transit	Interim Transit / 1	NWH1		120 USD
C	SFC WIP	Production Order WIP / 1	SCO1	OPR	120 USD
142.	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
143.	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
144.	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
145.	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
146.	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 receipt in the warehouse (journal entries 142, 143 and 146 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
147.	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
148.	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
149.	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
150.	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
151.	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
152.	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
153.	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

4.4.8 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

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

4.4.8.2 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
167.	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
168.	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
169.	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
170.	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
171.	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
172.	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 171 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
173.	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
174.	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 167 up to 172 (except 171) are also created. If the valuation method is Standard Cost, journal entries 173 and 174 are also created. The only difference is for journal entry 171. This journal entry is replaced with journal entry 175, as indicated in the other integration document type.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
175.	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

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
176.	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
177.	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
178.	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
179.	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
180.	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 180 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.

Journal entries 176 up to 179 are created when the receipt is confirmed. Journal entry 180 is created later on in TP when the transaction is posted. Therefore, the journal entries are not made at the same time.

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
181.	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
182.	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
183.	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
184.	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
185.	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	NWH1		541.8 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 185 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

Example: Service order SOC000001 uses subcontracting. To enable this, purchase order PUR000009 was created for two pieces of item CI1, although a cost item or a service 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 if item CI1 is not released to warehousing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
186.	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
187.	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

Following journal entries are created if item CI1 is released to warehousing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
188.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000009		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
189.	10015089: Service Order / Subcontracting		BO: Service Order / SOC000001		
D	Service WIP	Service Order WIP / 1	SD1		100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entries 187 and 189 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 Maintenance work subcontracting (without maintained item flow)

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 or a service 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 if item CI2 is not released to warehousing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
190.	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
191.	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

Following journal entries are created if item CI2 is released to warehousing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
192.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000010		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		100 USD
193.	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	NWH1		100 USD

Landed costs can be applicable in this scenario. Journal entries 48 and 49 are created for this. Journal entry 191 or 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.

4.4.11 Maintenance work subcontracting (with maintained item flow)

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
194.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000033		
D	Interim Transit	Interim Transit / 1	NWH1		60 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		60 USD
195.	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	NWH1		60 USD
196.	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
197.	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
198.	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
199.	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 196 until 199 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
200.	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 P11 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
201.	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
202.	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.

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 194 up to 202 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
203.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000033		
D	Interim Transit	Interim Transit / 1	NWH1		60 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		60 USD
204.	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	NWH1		60 USD

205.	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
206.	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
207.	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

4.4.12 Assembly

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
208.	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
209.	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 209 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.

4.4.13 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 or the service item is from service subcontracting, the journal entries described in section *Purchase Order, Receipts, Service subcontracting* are created.
- If the cost item or service 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 in warehouse and Costs to Be Specified has value No or Receipt of Tool Item.

Example: Receipt of order line for purchase order PUR000012 of two 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
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
210.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000012		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD

C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
211.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000012		
D	Interim Transit	Interim Transit / 1	NWH1		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	8 USD
212.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000012		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
213.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000012		
D	General Costs	End Account / 102	PO1	GEN	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
214.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000012		
D	General Costs	End Account / 102	PO1	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
215.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR000012		
D	General Costs	End Account / 102	PO1	LC2	12 USD
C	Interim Transit	Interim Transit / 1	NWH1		12 USD

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

Example: Receipt of order line for purchase order PUR000013 of two 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
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

216.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000013		
D	Interim Transit	Interim Transit / 1	NWH1		220 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		220 USD
217.	10001132: Purchase Order / Landed Costs Invoiced		BO: Purchase Order / PUR000013		
D	Interim Transit	Interim Transit / 1	NWH1		8 USD
C	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	8 USD
218.	10001130: Purchase Order / Landed Costs		BO: Purchase Order / PUR000013		
D	Interim Transit	Interim Transit / 1	NWH1		12 USD
C	Landed Costs Cover	End Account / 115	PO1	LC2	12 USD
219.	10001010: Purchase Order / Costs to be Specified		BO: Purchase Order / PUR000013		
D	Interim Costs	Interim Costs / 8	PO1	GEN	220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
220.	10001045: Purchase Order / General Costs		BO: Purchase Order / PUR0000013		
D	General Costs	End Account / 102	PO1	LC1	8 USD
C	Interim Transit	Interim Transit / 1	NWH1		8 USD
221.	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	NWH1		12 USD

Receipt of cost/service item (not in warehouse) and Costs to Be Specified has value No, or, receipt of subcontracting / equipment item (not in warehouse).

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

222.	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
223.	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
224.	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
225.	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
226.	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
227.	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 (not in warehouse) and Costs to Be Specified has value Yes.

Example: Receipt of order line for purchase order PUR000015 of two pieces of item CI1. 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

228.	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
229.	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
230.	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
231.	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
232.	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
233.	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 “Purchase item subcontracting”
- 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

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
234.	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
235.	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
236.	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
237.	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
238.	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

239.	<i>10060052: Warehouse Issue / Issue</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
240.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-10 USD
C	Issue Result	End Account / 712	NWH1	MAT	-10 USD
241.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		-44 USD
C	Issue Result	End Account / 712	NWH1	SUR	-44 USD
242.	<i>10060031: Warehouse Issue / Issue Result</i>		<i>BO: Inventory Transaction / IT00000005</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 235 + 5 of journal entry 236

If project pegging is applicable journal entry 240 through 242 are replaced by journal entries 243 through 248.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
243.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD
244.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		44 USD
C	Interim Transit	Interim Transit / 1	NWH1		44 USD
245.	<i>10060178: Warehouse Issue / Issue Result (Project)</i>		<i>BO: Inventory Transaction / IT00000005</i>		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Interim Transit	Interim Transit / 1	NWH1		3 USD
246.	<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		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD

247.	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
248.	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
249.	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
250.	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
251.	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 Unit	Cost Comp	Amount
252.	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
253.	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
254.	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
255.	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
256.	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
257.	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
258.	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
259.	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
260.	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 234 through 242 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
261.	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
262.	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
263.	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
264.	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
265.	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
266.	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
267.	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
268.	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
269.	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
270.	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 262 through 269 are for the three pieces of PI1. Journal entry 270 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 267 through 269 are replaced by journal entry 271 through 276.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
271.	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
272.	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
273.	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
274.	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
275.	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
276.	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

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
277.	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
278.	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 a production receipt in quarantine it can also be company owned. In that case the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
279.	10001074: Purchase Order / Receipt		BO: Purchase Order / PUR000002		
D	Interim Transit	Interim Transit / 1	NWH1		-110 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		-110 USD
280.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000323		
D	Interim Transit	Interim Transit / 1	NWH1		110 USD
C	Inventory	Inventory / 1	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**

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:

- A 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 Group	Enterprise Unit	Cost Comp.	Amount
281.	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
282.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT0000001		
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
283.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	10 USD
C	Standard Cost Result	End Account / 731	NWH1	MAT	10 USD
284.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-10 USD
C	Standard Cost Result	End Account / 731	NWH1	SUR	-10 USD
285.	10061067: Warehouse Receipt / Standard Cost Result		BO: Inventory Transaction / IT0000001		
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
286.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Lot Result	End Account / 733	NWH1	SUR	-11 USD
287.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
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
288.	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
289.	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
290.	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 288 through 290 are replaced by journal entries 291 through 296.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
291.	<i>10061137: Warehouse Receipt / Inventory Value Correction</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Interim Transit	Interim Transit / 1	NWH1		-10 USD
292.	<i>10061137: Warehouse Receipt / Inventory Value Correction</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	SUR	-12 USD
C	Interim Transit	Interim Transit / 1	NWH1		-12 USD
293.	<i>10061137: Warehouse Receipt / Inventory Value Correction</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Interim Transit	Interim Transit / 1	NWH1		-3 USD
294.	<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		10 USD
C	Interim Transit	Interim Transit / 1	NWH1		10 USD
295.	<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		12 USD
C	Interim Transit	Interim Transit / 1	NWH1		12 USD
296.	<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		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
297.	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
298.	15061070: Warehouse Receipt / Quarantine Receipt / Customer Owned		BO: Inventory Transaction / IT0000001		
D	Customer Owned Inventory	Consigned/Customer Owned Inventory / 3	NWH1	MAT	110 USD
C	Interim Transit	Interim Transit / 13	NWH1		110 USD

4.6.1.2 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
299.	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
300.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000004		
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 297 and 298 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
301.	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
302.	10061058: Warehouse Receipt / Consignment Rejection		BO: Inventory Transaction / IT0000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	FWH2		-110 USD
303.	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
304.	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 297 and 298 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):

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

Integration transactions 307 and 308 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

305.	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
306.	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
307.	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
308.	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
309.	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
310.	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

311.	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 297 and 298 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
312.	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
313.	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 297 and 298 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 281 through 298 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)

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:

- A 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
314.	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
315.	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
316.	10061075: Warehouse Receipt / Rejection		BO: Inventory Transaction / IT00000081		
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 297 and 298 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.

4.6.5 Purchase item subcontracting

Example: One of the two pieces of the receipt of item MWIPS1 of order line for purchase order PUR000024, as described in section 4.4.8 “Purchase item subcontracting” 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:

- A 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
317.	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
318.	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
319.	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
320.	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
321.	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
322.	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
323.	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 297 and 298 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.

4.6.6 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

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

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
324.	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
325.	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
326.	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
327.	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
328.	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
329.	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
330.	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 331 is created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
331.	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 331 is replaced by journal entry 332.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
332.	10001131: Purchase Order / 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

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
333.	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
334.	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
335.	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
336.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	6 USD
C	Lot Result	End Account / 733	NWH1	MAT	6 USD
337.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	0.6 USD
C	Lot Result	End Account / 733	NWH1	SUR	0.6 USD
338.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT0000001		
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
339.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-4 USD
C	Value Correction	End Account / 736	NWH1	MAT	-4 USD
340.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	4 USD
C	Value Correction	End Account / 736	NWH1	LC1	4 USD
341.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000001		
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 339 through 341 are replaced by journal entry 342 through 345.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
342.	10061137: Warehouse Receipt /Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	MAT	-4 USD
C	Interim Transit	Interim Transit / 1	NWH1	MAT	-4 USD
343.	10061137: Warehouse Receipt /Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	4 USD
C	Interim Transit	Interim Transit / 1	NWH1	LC1	4 USD
344.	10061137: Warehouse Receipt /Inventory Value Correction		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	-0.4 USD
C	Interim Transit	Interim Transit / 1	NWH1	SUR	-0.4 USD
345.	10024109: Project Costs & Commitments / Value Correction		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1	SUR	0.4 USD
C	Interim Transit	Interim Transit / 1	NWH1	SUR	0.4 USD

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
346.	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
347.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000004		
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: 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
348.	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
349.	10061063: Warehouse Receipt / Consignment Receipt		BO: Inventory Transaction / IT0000076		
D	Consigned Inventory	Consigned/Customer Owned Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 3	FWH2		-110 USD
350.	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
351.	10061063: Warehouse Receipt / Consignment Receipt		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

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 354 and 355 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
352.	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
353.	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
354.	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
355.	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
356.	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
357.	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
358.	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

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
359.	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
360.	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

361.	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
362.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT00000004		
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
363.	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
364.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT00000004		
D	Interim Transit	Interim Transit / 2	NWH1		70 EUR
C	Consigned Inventory	Consigned/Customer Owned Inventory / 1	NWH1	MAT	70 EUR
365.	10061085: Warehouse Receipt / Consignment Result		BO: Inventory Transaction / IT00000004		
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

366.	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
367.	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
368.	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
369.	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

Depending on the valuation method, a 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

370.	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
371.	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
372.	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
373.	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
374.	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
375.	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
376.	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
377.	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, a 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
378.	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
379.	10061064: Warehouse Receipt / Consignment Use		BO: Inventory Transaction / IT00000078		
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
380.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000078		
D	Inventory	Inventory / 1	FWH2	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	FWH2		-110 USD

381.	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
382.	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
383.	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, a 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
384.	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

385.	10061064: Warehouse Receipt / Consignment Use			BO: Inventory Transaction / IT00000004	
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
386.	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
387.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT00000004		
D	Inventory	Inventory / 1	NWH1	MAT	-110 USD
C	Interim Transit	Interim Transit / 1	NWH1		-110 USD
388.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT00000004		
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	-11 USD
389.	10061121: Warehouse Receipt / Warehouse Surcharge Receipt		BO: Inventory Transaction / IT00000004		
D	Inventory	Inventory / 1	NWH1	WRS	-3 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	-3 USD

Depending on the valuation method, a 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
390.	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
391.	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
392.	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
393.	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
394.	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
395.	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

396.	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
397.	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, a 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
398.	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
399.	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
400.	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
401.	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
402.	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
403.	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, a 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.

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
404.	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
405.	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
406.	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
407.	10002052: Sales Order / Issue		BO: Sales Order / SLS000001		
D	Interim COGS	Interim Costs / 1	SO1	MAT	240 USD
C	Interim Transit	Interim Transit / 1	PO1		240 USD
408.	10002052: Sales Order / Issue		BO: Sales Order / SLS000001		
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 407 and 408 are created at the same time as journal entries 404 through 406. If customer approval is implemented, journal entries 407 and 408 are created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entries 407 and 408 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
409.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000001		
D	Interim Costs	Interim Costs / 12	PO1		220 USD
C	Interim Transit	Interim Transit / 1	SO1		220 USD
410.	10002050: Sales Order / Interim Result		BO: Sales Order / SLS000001		
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
411.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000001		
D	Interim Transit	Interim Transit / 1	PO1		-220 USD

C	Rejection	End Account / 175	PO1	MAT	-220 USD
412.	10002075: Sales Order / Rejection		BO: Sales Order / SLS000001		
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 407 and 408 are replaced by journal entries 413 and 414.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
413.	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
414.	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 transferred from the purchase office to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on purchase (gross or net) price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it) or can be a commercial price. An internal invoice can be sent, 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
415.	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
416.	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
417.	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
418.	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 418 is created at the same time as journal entries 415 through 417. If customer approval is implemented, journal entry 418 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 418 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 418 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
419.	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
420.	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
421.	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
422.	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 418 is replaced by journal entry 423.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
423.	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 423 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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 404 through 406 as for sales order (no return) are created. Journal entries 407 and 408 are replaced by journal entry 424.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
424.	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 415 through 417 as for sales order (no return) are created. Journal entry 418 is replaced by journal entry 425.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
425.	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
426.	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
427.	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
428.	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
429.	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
430.	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 2216/434 and 432.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
431.	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
432.	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
433.	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
434.	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 426 through 433 when the purchase order is released to Service:

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

435.	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
436.	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
437.	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
438.	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
439.	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
440.	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 2217/445 and 443. Assume the internal commercial invoice price is 200 USD.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
441.	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
442.	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
443.	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
444.	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
445.	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 436 through 444 when the purchase order is released to Service:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
446.	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
447.	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
448.	<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
449.	<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
450.	<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

451.	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
452.	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

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 453 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
453.	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

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 'Warehousing, Inventory variances'. For an Expensed Tax of 10 USD, also a record is created in the inventory variances in warehousing.

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 454 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
454.	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

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'.

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
455.	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

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'*.

4.10.5 Project

Approve Purchase Invoice

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
456.	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
457.	10024071: Project Costs & Commitments / Purchase Price Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD

Journal entry 456 is created when the invoice is approved. Journal entry 457 is created later on in TP when the transaction is posted. For this reason, the journal entries are not made at the same time.

The journal entries 456 through 457 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 456 and 457 are created.

For a receipt in a project WIP warehouse, the journal entries 456 and 457 are created similar to a direct receipt in project.

For an expensed tax of 10 USD, only journal entry 457 is created for 10 USD. Journal entry 456 is not created.

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.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
458.	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
459.	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

Journal entry 458 is created when the invoice is approved. Journal entry 459 is created later on in TP when the transaction is posted. For this reason, the journal entries are not made at the same time.

The journal entries 458 through 459 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 458 and 459 are created.

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.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
460.	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
461.	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

Journal entry 460 is created when the invoice is approved. Journal entry 461 is created later on in TP when the transaction is posted. For this reason, the journal entries are not made at the same time.

The journal entries 460 through 461 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 460 and 461 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
462.	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
463.	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
464.	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
465.	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
466.	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:

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
467.	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
468.	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
469.	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 but not released to Invoicing

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
470.	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
471.	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 470 through 471 are replaced by journal entry 472 through 473.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
472.	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
473.	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

Quantity approved and already released to Invoicing

The following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
474.	10002017: Sales Order / COGS Price Variance		BO: Sales Order / SLS000001		
D	Cost of Goods Sold	End Account / 164	SO1	MAT	20 USD
C	Interim Transit	Interim Transit / 1	PO1		20 USD
475.	10002017: Sales Order / COGS Price Variance		BO: Sales Order / SLS000001		
D	Cost of Goods Sold	End Account / 164	SO1	SUR	6.4 USD
C	Interim Transit	Interim Transit / 1	PO1		6.4 USD

If project pegging is applicable journal entry 474 through 475 are replaced by journal entry 476 through 477.

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

476.	<i>10024139: Project Costs & Commitments / Sales Order Price Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim Transit	Interim Transit / 1	PO1		20 USD
477.	<i>10024139: Project Costs & Commitments / Sales Order Price Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6.4 USD
C	Interim Transit	Interim Transit / 1	PO1		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
478.	<i>10002075: Sales Order / Rejection</i>		<i>BO: Sales Order / SLS000001</i>		
D	Interim Transit	Interim Transit / 1	PO1	MAT	-20 USD
C	Rejection	End Account / 175	PO1		-20 USD
479.	<i>10002075: Sales Order / Rejection</i>		<i>BO: Sales Order / SLS000001</i>		
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

480.	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
481.	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

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
482.	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
483.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000004		
D	Interim COGS	Interim Costs / 11	PO1		20 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		20 USD
484.	10001023: Purchase Order / Direct Delivery Issue Intercompany		BO: Purchase Order / PUR000004		
D	Interim COGS	Interim Costs / 11	PO1		6.4 USD
C	Interim Direct Delivery	Interim Transit / 4	PO1		6.4 USD
485.	10001017: Purchase Order / COGS Price Variance		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 104	PO1		20 USD
C	Interim COGS	Interim Costs / 11	PO1		20 USD
486.	10001017: Purchase Order / COGS Price Variance		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 104	PO1		6.4 USD
C	Interim COGS	Interim Costs / 11	PO1		6.4 USD

If project pegging is applicable journal entry 485 through 486 are replaced by journal entry 487 through 488.

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

			Unit		
487.	10024024: Project Costs & Commitments / Direct Delivery Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		20 USD
C	Interim COGS	Interim Costs / 11	PO1		20 USD
488.	10024024: Project Costs & Commitments / Direct Delivery Variance		BO: Project Cost and Commitment / TP1		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		6.4 USD
C	Interim COGS	Interim Costs / 11	PO1		6.4 USD

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 462 is replaced by journal entry 489.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
489.	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 462 is replaced by journal entry 490.

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

490.	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
491.	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
492.	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
493.	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
494.	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
495.	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
496.	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
497.	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
498.	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
499.	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
500.	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
501.	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
502.	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

503.	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
504.	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
505.	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
506.	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
507.	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:

Intercompany trade relationship not present between purchase office and service department

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
508.	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
509.	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:

Service order not yet released to invoicing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
510.	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

Service order already released to invoicing

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
511.	10015024: Service Order / Direct Delivery Variance		BO: Service Order / SOC000002		
D	Interim Variance	Interim Variance / 1	PO1		26.4 USD
C	Interim Transit	Interim Transit / 1	PO1		26.4 USD
512.	10015017: Service Order / COGS Price Variance		BO: Service Order / SOC000002		
D	Cost of Goods Sold	End Account / 302	SD1		26.4 USD
C	Interim Variance	Interim Variance / 1	PO1		26.4 USD

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 Unit	Cost Comp.	Amount
513.	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
514.	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
515.	10001017: Purchase Order / COGS Price Variance		BO: Purchase Order / PUR000004		
D	Cost of Goods Sold	End Account / 104	PO1		26.4 USD

C	Interim COGS	Interim Costs / 11	PO1		26.4 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 503 is replaced by journal entry 516.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
516.	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 503 is replaced by journal entry 517.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
517.	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

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
518.	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
519.	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 519 is created for 10 USD. Journal entry 518 is not created.

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 454 is created.

Upon approval, the following entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
520.	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
521.	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

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 518 is replaced by journal entry 522.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
522.	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 Production 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 entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
523.	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

The service posting that must be created depends on the status of the service order.

If the service order line is not yet costed, you must create the following journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
524.	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

If the service order line is already costed, you must create the following journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
525.	10015017: Service Order / COGS Price Variance		BO: Service Order / SOC000001		
D	Cost of Goods Sold	End Account / 302	SD1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

Note: Journal entry 525 is not permitted for internal service orders without invoicing. In other words, you cannot cost order lines for internal service orders before the invoice is approved.

For an expensed tax of 10 USD, only journal entry 524 or 525 is created for 10 USD. Journal entry 523 is not created.

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 523 is replaced by journal entry 526.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
526.	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 523 is replaced by journal entry 527.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
527.	10001131: Purchase Order / Landed Costs Variance		BO: Purchase Order / PUR000008		
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
528.	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

The maintenance postings that you must create depend on the type of maintenance work order and the status of the maintenance work order and for a linked maintenance sales order, the status of the maintenance sales order.

For an internal maintenance work order in which no maintenance sales order is linked, you must create the following entry. Note that you cannot close a maintenance work order before the invoice is approved. If a maintenance sales order is linked to the maintenance work order, you must also create the following entry if the maintenance work order is not yet closed.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
529.	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
530.	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.

Intercompany trade relationship not present between work order department and sales order department

You must always create the following entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
531.	10032019: Maintenance Work Order / Work Order Price Variance		BO: Maintenance Work Order / WCS000001		
D	Interim Variance	Interim Variance / 2	SD2		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

You must create the following entry if the maintenance sales order line is not yet costed:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
532.	10031019: Maintenance Sales Order / Work Order Price Variance		BO: Maintenance Sales Order / MSC000001		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		-5 USD
C	Interim Variance	Interim Variance / 2	SD2		-5 USD

You must create the following entry if the maintenance sales order line is already costed:

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

			Unit		
533.	<i>10031017: Maintenance Sales Order / COGS Price Variance</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Cost of Goods Sold	End Account / 342	SD2		-5 USD
C	Interim Variance	Interim Variance / 2	SD2		-5 USD

If project pegging is applicable journal entry 533 is replaced by journal entry 534.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
534.	<i>10024019: Project Costs & Commitments / Work Order Price Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-5 USD
C	Interim Variance	Interim Variance / 2	SD2		-5 USD

Intercompany trade relationship present between work order department and sales order department

The following journal entry is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
535.	<i>10032017: Maintenance Work Order / COGS Price Variance</i>		<i>BO: Maintenance Work Order / WCS000001</i>		
D	Cost of Goods Sold	End Account / 377	SD1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

If project pegging is applicable journal entry 533 is replaced by journal entry 534.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
536.	<i>10024065: Project Costs & Commitments / Price Variance</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Project (TP) WIP	Project (TP) WIP / 1	TP1		-5 USD
C	Interim Variance	Interim Variance / 1	PO1		-5 USD

For an expensed tax of 10 USD, the same journal entries are created for 10 USD. Only journal entry 528 is not created.

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 528 is replaced by journal entry 537.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
537.	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 528 is replaced by journal entry 538.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
538.	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

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
539.	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
540.	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 10 USD, only journal entry 540 is created for 10 USD. Journal entry 539 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 or the service item is from service subcontracting: the journal entries from subsection 4.10.11.
- The cost item or service 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
541.	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
542.	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 542 is also created. Entry 541 is not created.

If project pegging is applicable journal entry 542 is replaced by journal entry 543.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
543.	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 546 is created in the reconciliation transactions, not in the integration transactions.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
544.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000015		
D	Invoice Accrual	Invoice Accrual / 3	PO1		-20 USD
C	Interim Variance	Interim Variance / 1	PO1		-20 USD
545.	10001011: Purchase Order / Costs to be Specified Variance		BO: Purchase Order / PUR000015		
D	Interim Costs	Interim Costs / 8	PO1		20 USD
C	Interim Variance	Interim Variance / 1	PO1		20 USD
546.	Only Reconciliation: Cost Transaction		BO: Purchase Order / PUR000015		
C	Interim Costs	Interim Costs / 8	PO1		240 USD

For expensed tax of 20 USD, entries 545 and 546 are also created. Entry 544 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
547.	10001133: Purchase Order / Landed Costs Variance Invoiced		BO: Purchase Order / PUR000015		
D	Inv Accrual Landed Costs	Invoice Accrual / 16	PO1	LC1	-2 USD
C	Interim Variance	Interim Variance / 1	PO1		-2 USD
548.	10001043: Purchase Order / General Costs Variance		BO: Purchase Order / PUR000015		
D	General Costs	End Account / 103	PO1	LC1	2 USD
C	Interim Variance	Interim Variance / 1	PO1		2 USD

Note that journal entry 548 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
549.	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
550.	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 550 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 3351 is replaced by next journal entry.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
551.	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
552.	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 Direct Delivery

4.11.1 Sales order

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.

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

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
553.	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
554.	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
555.	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

556.	Only Reconciliation: Approval			BO: Sales Order / SLS000001	
D	Invoice Accrual	Invoice Accrual / 5	SO1		270 USD

You cannot unapprove intercompany trade internal invoices.

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.

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

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
557.	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
558.	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
559.	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
560.	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

4.11.2 Service order

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.

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

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
561.	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
562.	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
563.	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
564.	Only Reconciliation: Approval		BO: Service Order / SOC000002		
D	Invoice Accrual	Invoice Accrual / 13	SD1		270 USD

You cannot unapprove intercompany trade internal invoices.

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.

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

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
565.	10001169: Purchase Order / Revenues Intercompany		BO: Purchase Order / PUR000004		
D	Intercompany	End Account / 118	PO1		270 USD
C	Turnover	End Account / 114	PO1		270 USD
566.	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
567.	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
568.	10015012: Service Order / Costs Intercompany		BO: Service Order / SOC000002		
D	Invoice Accrual	Invoice Accrual / 13	SD1		270 USD
C	Intercompany	End Account / 300	SD1		270 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 4.4.8) and all efficiency variances for the material.

For the data of the examples in sections 4.2.1, 4.2.2 and 4.4.8, 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
569.	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
570.	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
571.	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
572.	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
573.	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
574.	<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
575.	<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

576.	<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
577.	<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
578.	<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
579.	<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

Also records for the variance of 3 USD, 5 USD, and 14 USD are 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'.

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
580.	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
581.	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

582.	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
583.	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
584.	10001149: Purchase Order / Project Receipt Variance (Stage Payment)			BO: Purchase Order / PUR000001		
D	Invoiced Stage Payments	Interim Costs / 27	PO1	MAT	B	-220 USD
C	Interim Transit	Interim Transit / 1	PO1	MAT	B	-220 USD
585.	10024148: Project Costs & Commitments / Receipt Variance (Stage Payment)			BO: Project Cost and Commitment / TP-B		
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
586.	Only Reconciliation: Approval		BO: Purchase Order / PUR000001		
D	Invoiced Stage Payments	Interim Costs / 27	30 USD	33 EUR	36 GBP
587.	Only Reconciliation: Approval		BO: Purchase Order / PUR000001		
D	Invoiced Stage Payments	Interim Costs / 27	50 USD	55 EUR	60 GBP
588.	Only Reconciliation: Approval		BO: Purchase Order / PUR000001		
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

589.	10001144: Purchase Order / Receipt (Stage Payment)		BO: Purchase Order / PUR000001		
C	Invoiced Stage Payments	Interim Costs / 27	120 USD	130 EUR	140 GBP
590.	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 586 till 588 are made with the currency rates of the invoice. Journal entries 589 till 590 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
591.	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

Also a record for the currency variance 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'.

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
592.	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 593 and 594 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
593.	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
594.	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
595.	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
596.	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

597.	10035060: Purchase Schedule / On Order		BO: Purchase Schedule / PURS00001		
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 592 through 597 are not created. Instead, the journal entries 598 through 600 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
598.	10024060: Project Costs & Commitments / On Order		BO: Project Cost and Commitment / TP1		
D	Project Soft Commitments	Commitments / 15	TP1		220 USD
C	Purchase On Order	Commitments / 16	TP1		220 USD
599.	10024060: Project Costs & Commitments / On Order		BO: Project Cost and Commitment / TP1		
D	Project Soft Commitments	Commitments / 15	TP1		14 USD
C	Purchase On Order	Commitments / 16	TP1		14 USD
600.	10024060: 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

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 598 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		
601.	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 602 and 603 are created as well.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
602.	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
603.	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 592 through 603 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

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

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
604.	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
605.	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
606.	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
607.	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
608.	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
609.	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

610.	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

5.2.1.1.2 Push schedule

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 604 through 606 are not created, but replaced with journal entries 611 through 616. Journal entries 607 through 610 are created in the same way.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
611.	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
612.	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
613.	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
614.	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
615.	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
616.	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

5.2.1.1.3 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.

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.

5.2.1.1.4 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
617.	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
618.	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

5.2.1.1.5 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 617 is split into two integration transactions with the amounts of 550 USD and 220 USD.

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.

5.2.1.1.6 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
619.	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
620.	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
621.	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
622.	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

5.2.1.1.7 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 619 and 621 are split into two integration transactions with the amounts of 550 USD and 220 USD.

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 625 and 626 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.

5.2.1.1.8 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
623.	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
624.	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
625.	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
626.	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

5.2.1.1.9 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 623 and 625 are split into two integration transactions with the amounts of 550 USD and 220 USD.

5.2.1.1.10 Standard Cost result

For both schedule types, Standard Cost results can be applicable. For Standard Cost results, journal entries 55 and 56 are created.

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.

5.2.1.1.11 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
627.	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
628.	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

5.2.1.1.12 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 627 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 C12 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
629.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	NWH1		770 USD

C	Invoice Accrual	Invoice Accrual / 3	PO1		770 USD
630.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	NWH1		42 USD
C	Landed Cost Cover	End Account / 123	PO1		42 USD
631.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	NWH1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1		14 USD
632.	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	NWH1		770 USD
633.	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	NWH1		14 USD
634.	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	NWH1		42 USD

No Warehouse: If the receipt is not in a warehouse, the enterprise unit for the transactions with reconciliation group Interim Transit / 1 is the enterprise unit of purchase office PO1 instead of the enterprise unit of warehouse NWH1.

Costs to Be Specified has value **Yes**

Example: Receipt for purchase schedule PURS00006 of seven pieces of item C11 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

635.	10035074: Purchase Schedule / Receipt		BO: Purchase Schedule / PURS00006		
D	Interim Transit	Interim Transit / 1	NWH1		770 USD
C	Invoice Accrual	Invoice Accrual / 3	PO1		770 USD
636.	10035130: Purchase Schedule / Landed Cost		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	NWH1		42 USD
C	Landed Cost Cover	End Account / 123	PO1		42 USD
637.	10035132: Purchase Schedule / Landed Cost Invoiced		BO: Purchase Schedule / PURS00005		
D	Interim Transit	Interim Transit / 1	NWH1		14 USD
C	Inv Accrual Landed Cost	Invoice Accrual / 18	PO1		14 USD
638.	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	NWH1		770 USD
639.	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	NWH1		14 USD
640.	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	NWH1		42 USD

No Warehouse: If the receipt is not in a warehouse, the enterprise unit for the transactions with reconciliation group Interim Transit / 1 is the enterprise unit of purchase office PO1 instead of the enterprise unit of warehouse NWH1.

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:

- A 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

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
641.	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
642.	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
643.	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
644.	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 Push schedule

The rejections are updated on the various receipt lines. As a result, journal entry 641 is split into two journal entries; the latest schedule line is updated first.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
645.	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
646.	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 643 is split into two journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
647.	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
648.	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

5.3.1.1.3 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 283, 284, and 285 are created.
- If the valuation method is Lot Price, journal entries 286 and 287 are created.
- If the valuation method is MAUC, FIFO, or LIFO, journal entries 288, 289, and 290 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 PI1 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
649.	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
650.	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 643 and 644 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 649 is split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 647, 648 and 644 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 PI1 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
651.	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
652.	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
653.	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
654.	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 643 and 644 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 651 and 653 are split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 647, 648 and 644 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 PI1 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):

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

Integration transactions 657 and 658 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
655.	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
656.	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
657.	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
658.	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 643 and 644 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 655 and 657 are split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 647, 648 and 644 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 309 and 310 are created.
- If the valuation method is MAUC, FIFO, LIFO or Serial, journal entry 311 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
659.	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
660.	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 643 and 644 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 659 is split into two integration transactions with the amounts of -440 USD and -220 USD.

Also in this scenario journal entries 647, 648 and 644 are created if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

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:

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). The following postings are created for a pull call-off schedule:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
661.	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
662.	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
663.	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
664.	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
665.	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

666.	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
667.	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 668 is created to account for the difference.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
668.	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 668 is replaced by journal entry 669.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
669.	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 a push schedule, journal entries 661 through 663 are replaced by journal entries 670 through 675:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
670.	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
671.	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
672.	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
673.	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
674.	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
675.	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

Also a record for the variance of \$24 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.

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.

5.4.1.1.1 Pull call-off schedule

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

676.	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
677.	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

5.4.1.1.2 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 676 is split into two integration transactions with the amounts of -440 USD and -220 USD.

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.

5.4.1.1.3 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
678.	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
679.	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
680.	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

681.	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

5.4.1.1.4 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 678 and 680 are split into two integration transactions with amounts of -440 USD and -220 USD.

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 684 and 685 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.

5.4.1.1.5 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
682.	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
683.	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
684.	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
685.	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

5.4.1.1.6 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entries 682 and 684 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.

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.

5.4.1.1.7 Pull call-off schedule

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
686.	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
687.	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

5.4.1.1.8 Push schedule

With the same example as described above for payment Pay on Receipt and internal payment Pay on Receipt, journal entry 686 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
688.	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
689.	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

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
690.	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
691.	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
692.	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
693.	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
694.	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
695.	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

696.	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
697.	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
698.	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
699.	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
700.	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
701.	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

Depending on the valuation method, a 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
702.	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

703.	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
704.	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
705.	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

Depending on the valuation method, a 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
706.	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

707.	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
708.	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
709.	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
710.	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
711.	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
712.	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
713.	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, a 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
714.	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
715.	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
716.	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
717.	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
718.	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
719.	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, a 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
720.	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
721.	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
722.	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

723.	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
724.	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
725.	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
726.	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
727.	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
728.	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
729.	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
730.	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
731.	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
732.	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
733.	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

Depending on the valuation method, a 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
734.	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
735.	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
736.	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
737.	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

Depending on the valuation method, a 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
738.	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
739.	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
740.	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
741.	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
742.	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
743.	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
744.	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
745.	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, a 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.

5.5.2.2.2.2 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
746.	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
747.	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
748.	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
749.	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
750.	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
751.	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, a 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
752.	<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
753.	<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
754.	<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
755.	<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
756.	<i>10035065: Purchase Schedule / Price Variance</i>		<i>BO: Purchase Schedule / PURS00003</i>		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD

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.

5.6.4.2 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 454 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
757.	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

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*.

5.6.5 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
758.	10035065: Purchase Schedule / Price Variance		BO: Purchase Schedule / PURS000005		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD
759.	10035043: Purchase Schedule / General Costs Variance		BO: Purchase Schedule / PURS000005		
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 759 is also created. Entry 758 is not created.

Costs to Be Specified has value **Yes**

Example: An invoice is approved for purchase schedule PURS00006: 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, 762 is created in the reconciliation transactions (not in the integration transactions).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
760.	<i>10035065: Purchase Schedule / Price Variance</i>		<i>BO: Purchase Schedule / PURS00006</i>		
D	Invoice Accrual	Invoice Accrual / 4	PO1		-70 USD
C	Interim Variance	Interim Variance / 1	PO1		-70 USD
761.	<i>10035011: Purchase Schedule / Costs to be Specified Variance</i>		<i>BO: Purchase Schedule / PURS00006</i>		
D	Interim Costs	Interim Costs / 9	PO1		70 USD
C	Interim Variance	Interim Variance / 1	PO1		70 USD
762.	<i>Only Reconciliation: Cost Transaction</i>		<i>BO: Purchase Schedule / PURS00006</i>		
C	Interim Costs	Interim Costs / 9	PO1		770 USD

For expensed tax of 70 USD, entries 761 and 762 are also created. Entry 760 is not created.

5.6.5.2 Approve Landed Cost Invoice

Example: A landed cost invoice is approved for purchase schedule PURS00006. 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
763.	<i>10035133: Purchase Schedule/ Landed Cost Variance Invoiced</i>		<i>BO: Purchase Schedule / PURS000006</i>		
D	Inv Accrual Landed Cost	Invoice Accrual / 16	PO1	LC1	-1 USD
C	Interim Variance	Interim Variance / 1	PO1		-1 USD
764.	<i>10035043: Purchase Schedule / General Costs Variance</i>		<i>BO: Purchase Schedule / PURS00006</i>		
D	General Costs	End Account / 122	PO1	LC1	1 USD
C	Interim Variance	Interim Variance / 1	PO1		1 USD

Note that journal entry 764 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
765.	10035159: Purchase Schedule / Currency Variance		BO: Purchase Schedule / 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 Amount	Local Amount	Reporting Amount
766.	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.

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
767.	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 767 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
768.	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
769.	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
770.	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
771.	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 769 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
772.	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

773.	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
774.	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
775.	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
776.	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 773, 774, and 775 are for item PI1. Journal entry 776 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 768 through 771, 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
777.	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 768 through 777 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 768 through 777 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

778.	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
779.	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
780.	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
781.	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
782.	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
783.	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
784.	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
785.	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 783, 784, and 785 are created at the same time as journal entries 778 through 782. If customer approval is implemented, journal entries 783, 784, and 785 are created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal entries 783, 784, and 785 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
786.	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
787.	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
788.	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
789.	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
790.	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
791.	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 783 through 785 are replaced by journal entries 792 through 794.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
792.	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
793.	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
794.	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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
795.	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
796.	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
797.	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
798.	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
799.	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
800.	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 800 is created at the same time as journal entries 795 through 799. If customer approval is implemented, journal entry 800 is created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal entry 800 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 800 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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

801.	<i>10002037: Sales Order / Interim Result Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
D	Interim Costs	Interim Costs / 12	NWH1		240 USD
C	Interim COGS	Interim Costs / 11	NWH1		240 USD
802.	<i>10002037: Sales Order / Interim Result Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
D	Interim Costs	Interim Costs / 12	NWH1		88 USD
C	Interim COGS	Interim Costs / 11	NWH1		88 USD
803.	<i>10002037: Sales Order / Interim Result Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
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
804.	<i>10002092: Sales Order / Rejection Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
D	Interim COGS	Interim Costs / 11	NWH1		-240 USD
C	Rejection	End Account / 171	NWH1	MAT	-240 USD
805.	<i>10002092: Sales Order / Rejection Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
D	Interim COGS	Interim Costs / 11	NWH1		-88 USD
C	Rejection	End Account / 171	NWH1	SUR	-88 USD
806.	<i>10002092: Sales Order / Rejection Intercompany</i>		<i>BO: Sales Order / SLS000002</i>		
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 800 is replaced by journal entry 807.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
807.	<i>10002129: Sales Order / Issue Intercompany (Project)</i>		<i>BO: Sales Order / SLS000002</i>		
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 807 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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 778 through 807 are created.
- **Issue by Components – Component Handling (Kitting)**
For list items and manufactured items. In this case, for every component line journal entries 778 through 807 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
808.	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
809.	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
810.	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
811.	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
812.	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
813.	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
814.	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
815.	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
816.	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 808 through 812 are for the six pieces of PI1. Journal entry 813 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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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 Group	Enterprise Unit	Cost Comp.	Amount
817.	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
818.	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
819.	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
820.	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
821.	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
822.	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
823.	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 823 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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 824 and 825 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
824.	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
825.	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
826.	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
827.	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 825 and 827 are created at the same time as journal entries 824 through 826. If customer approval is implemented, journal 825 and 827 are created when the goods are approved, but only if the journal entries are approved. If the goods are rejected, journal 825 and 827 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
828.	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
829.	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
830.	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
831.	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 827 is replaced by journal entry 832

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
832.	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
833.	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
834.	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
835.	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
836.	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
837.	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
838.	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
839.	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
840.	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
841.	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 840 and 841 are created at the same time as journal entries 837 through 839. If customer approval is implemented, journal entries 840 and 841 are created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entries 840 and 841 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
842.	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
843.	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
844.	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
845.	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 transferred from the workcenter to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial

price. An internal invoice can be sent, 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
846.	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
847.	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
848.	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
849.	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 849 is created at the same time as journal entries 846 through 848. If customer approval is implemented, journal entry 849 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 849 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 849 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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

850.	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
851.	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
852.	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
853.	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
854.	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
855.	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 855 is created at the same time as journal entry 854. If customer approval is implemented, journal entry 855 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 855 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
856.	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
857.	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 855 is replaced by journal entry 858

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
858.	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 854 through 858 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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
859.	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
860.	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 860 is created at the same time as journal entry 859. If customer approval is implemented, entry 860 is created when the goods are approved, but only if the goods are approved. If the goods are rejected, journal entry 860 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 860 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

If the goods are returned, the following posting is created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
861.	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
862.	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 860 is replaced by journal entry 863

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
863.	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 863 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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	Cost Comp.	Amount

			Unit		
864.	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
865.	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
866.	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
867.	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
868.	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
869.	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
870.	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
871.	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
872.	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
873.	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 869 and 870:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
874.	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
875.	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 869 and 870:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
876.	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
877.	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 869 through 873 are replaced by journal entries 878 through 884.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
878.	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
879.	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
880.	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
881.	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
882.	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
883.	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
884.	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
885.	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
886.	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
887.	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
888.	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
889.	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
890.	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
891.	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
892.	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
893.	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
894.	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 890 and 891 are replaced by journal entry 895 and 896.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
895.	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
896.	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
897.	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

898.	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
899.	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
900.	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
901.	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
902.	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
903.	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
904.	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
905.	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
906.	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
907.	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
908.	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
909.	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
910.	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

911.	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
912.	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
913.	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
914.	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
915.	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
916.	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
917.	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
918.	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

919.	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
920.	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 926 and 927.

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
921.	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
922.	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
923.	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

924.	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
925.	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
926.	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
927.	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
928.	10002052: Sales Order / Issue		BO: Sales Order / SLS000010		
D	Interim COGS	Interim Costs / 1	SO1	MAT	-240 USD
C	Interim Transit	Interim Transit / 1	NWH1		-240 USD
929.	10002052: Sales Order / Issue		BO: Sales Order / SLS000010		
D	Interim COGS	Interim Costs / 1	SO1	SUR	-88 USD
C	Interim Transit	Interim Transit / 1	NWH1		-88 USD
930.	10002052: Sales Order / Issue		BO: Sales Order / SLS000010		
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 926 through 930 are replaced by journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
931.	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
932.	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
933.	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
934.	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
935.	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
936.	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
937.	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
938.	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
939.	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
940.	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
941.	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
942.	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
943.	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
944.	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

945.	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
946.	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
947.	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
948.	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
949.	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 955 and 956.

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
950.	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
951.	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
952.	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
953.	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
954.	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

955.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	SUR	-97.4 USD (**)
C	Value Correction	End Account / 736	NWH1	SUR	-97.4 USD
956.	10061109: Warehouse Receipt / Value Correction		BO: Inventory Transaction / IT0000014		
D	Inventory	Inventory / 1	NWH1	WRS	-6 USD
C	Value Correction	End Account / 736	NWH1	WRS	-6 USD
957.	10002054: Sales Order / Issue Intercompany		BO: Sales Order / SLS000010		
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 957 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

If project pegging is applicable journal entries 955 through 957 are replaced by following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
958.	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
959.	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
960.	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
961.	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
962.	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 962 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
963.	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
964.	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
965.	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
966.	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
967.	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
968.	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
969.	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 969 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
970.	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
971.	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
972.	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
973.	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
974.	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 974 is replaced by journal entry 975

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
975.	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
976.	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
977.	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 977 is replaced by journal entry 978

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
978.	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 977 and 978 are split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
979.	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
980.	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
981.	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
982.	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
983.	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
984.	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 984 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
985.	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
986.	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
987.	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
988.	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 989 and 990 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
989.	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
990.	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 991, 992 and 993 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
991.	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
992.	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
993.	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 994 and 995 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
994.	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

995.	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
996.	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
997.	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 997 is replaced by journal entry.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
998.	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
999.	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

1000.	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 1005 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

1001.	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
1002.	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
1003.	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
1004.	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
1005.	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
1006.	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
1007.	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
1008.	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
1009.	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
1010.	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

<i>1011.</i>	<i>10061088: Warehouse Receipt / Shipment Variance</i>		<i>BO: Inventory Transaction / IT0000014</i>		
D	Interim Transit	Interim Transit / 1	NWH2		-3 USD
C	Shipment Variance	End Account / 734	NWH2	WRS	-3 USD
<i>1012.</i>	<i>10002084: Sales Order / Reverse Interim Result</i>		<i>BO: Sales Order / SLS000010</i>		
D	Interim Transit	Interim Transit / 1	NWH2		120 USD
C	Interim Costs	Interim Costs / 12	NWH1		120 USD
<i>1013.</i>	<i>10002084: Sales Order / Reverse Interim Result</i>		<i>BO: Sales Order / SLS000010</i>		
D	Interim Transit	Interim Transit / 1	NWH2		44 USD
C	Interim Costs	Interim Costs / 12	NWH1		44 USD
<i>1014.</i>	<i>10002084: Sales Order / Reverse Interim Result</i>		<i>BO: Sales Order / SLS000010</i>		
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
<i>1015.</i>	<i>10061074: Warehouse Receipt / Receipt</i>		<i>BO: Inventory Transaction / IT0000015</i>		
D	Inventory	Inventory / 1	NWH2	MAT	110 USD
C	Interim Transit	Interim Transit / 1	NWH2		110 USD

1016.	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
1017.	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
1018.	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
1019.	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
1020.	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
1021.	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
1022.	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
1023.	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
1024.	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
1025.	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

1026.	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
1027.	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
1028.	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
1029.	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
1030.	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
1031.	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
1032	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
1033	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
1034	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
1035.	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
1036.	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
1037.	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
1038.	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
1039.	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
1040.	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
1041.	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
1042.	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
1043.	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
1044.	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 1045, 1046 and 1049 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
1045.	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
1046.	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
1047.	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
1048.	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
1049.	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 1050, 1051, 1052 and 1055 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
1050.	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
1051.	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

1052.	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
1053.	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
1054.	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
1055.	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 1056, 1057, 1060, 1061, 1062, 1063 and 1066 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
1056.	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
1057.	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
1058.	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
1059.	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
1060.	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
1061.	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
1062.	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

1063.	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
1064.	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
1065.	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
1066.	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

<i>1067.</i>	<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
<i>1068.</i>	<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
<i>1069.</i>	<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
<i>1070.</i>	<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
<i>1071.</i>	<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 1067 through 1069 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 1067 through 1071 are replaced by

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
<i>1072.</i>	<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
<i>1073.</i>	<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
<i>1074.</i>	<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
1075.	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
1076.	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

Note:

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. A 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
1077.	<i>10002081: Sales Order / Revenues</i>		<i>BO: Sales Order / SLS000004</i>		
D	Interim Revenues	Interim Revenues / 5	NWH1		120 USD
C	Turnover	End Account / 179	NWH1		120 USD
1078.	<i>10002140: Sales Order / COGS Intercompany</i>		<i>BO: Sales Order / SLS000004</i>		
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
1079.	<i>Only Reconciliation: Approval</i>		<i>BO: Sales Order / SLS000004</i>		
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
<i>1080.</i>	<i>10002169: Sales Order / Revenues Intercompany</i>		<i>BO: Sales Order / SLS000004</i>		
D	Intercompany	End Account / 161	NWH1		120 USD
C	Turnover	End Account / 160	NWH1		120 USD
<i>1081.</i>	<i>10002140: Sales Order / COGS Intercompany</i>		<i>BO: Sales Order / SLS000004</i>		
D	Cost of Goods Sold	End Account / 168	NWH1	GEN	100 USD
C	Interim COGS	Interim Costs / 11	NWH1		100 USD
<i>1082.</i>	<i>10002012: Sales Order / Costs Intercompany</i>		<i>BO: Sales Order / SLS000004</i>		
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

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
1083.	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 1083 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
1084.	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

1085.	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
1086.	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
1087.	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
1088.	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
1089.	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
1090.	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 1089 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

One of the following postings is created, depending on the intercompany trade situation for a purchase/manufactured/list item in warehouse

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1091.	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

1092.	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
1093.	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
1094.	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
1095.	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**, no integration transactions are created. However the following entry is created in the reconciliation data. So after the payment, Interim Revenues / 11 is balanced.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1096.	Only Reconciliation: Advance (Accounts Receivable)		BO: Sales Order / SLS000013		
D	Paid Advance Installment	Interim Revenues / 12	SO1		-100 USD
C	Advance Installment	Interim Revenues / 11	SO1		-100 USD

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
1097.	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
1098.	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
1099.	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
1100.	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
1101.	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
1102.	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 1101 and 1102 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
1103.	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
1104.	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
1105.	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
1106.	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
1107.	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
1108.	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 Unit	Cost Comp.	Amount
1109.	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
1110.	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
1111.	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
1112.	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
1113.	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
1114.	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
1115.	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
1116.	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 1114 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 1113 through 1116, 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
1117.	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 1113 through 1117 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
1118.	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
1119.	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
1120.	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
1121.	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

1122.	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
1123.	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
1124.	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
1125.	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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
1126.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000016		
D	Inventory	Inventory / 1	NWH1	SUR	54 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	54 USD
1127.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000016		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1128.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000016		
D	Interim COGS	Interim Costs / 11	NWH1		240 USD
C	Inventory	Inventory / 1	NWH1	MAT	240 USD
1129.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000016		
D	Interim COGS	Interim Costs / 11	NWH1		88 USD
C	Inventory	Inventory / 1	NWH1	SUR	88 USD
1130.	10060054: Warehouse Issue / Issue Intercompany		BO: Inventory Transaction / IT00000016		
D	Interim COGS	Interim Costs / 11	NWH1		6 USD
C	Inventory	Inventory / 1	NWH1	WRS	6 USD
1131.	10036054: Sales Schedule / Issue Intercompany		BO: Sales Schedule / SLSS000001		
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 1131 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

8.2.2 Cost/service item

Issue without warehouse

Example: Issue of sales schedule SLSS000002 is for two pieces of item CI1.

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

1132.	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
1133.	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 1132 and 1133 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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
1134.	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
1135.	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 1135 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
1136.	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
1137.	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
1138.	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 PI1 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
1139.	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
1140.	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
1141.	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

1142.	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
1143.	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 1139 through 1141 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
1144.	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
1145.	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
1146.	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
1147.	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
1148.	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
1149.	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

1150.	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
1151.	Only Reconciliation: Approval		BO: Sales Schedule / SLSS00002		
D	Invoice Accrual	Invoice Accrual / 7	SO1		120 USD

You cannot unapprove 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
1152.	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
1153.	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
1154.	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
1155.	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 1155 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
1156.	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

1157.	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
1158.	<i>Only Reconciliation: Approval</i>		<i>BO: Sales Order / SLS000002</i>		
D	Invoice Accrual	Invoice Accrual / 7	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
1159.	<i>10036054: Sales Schedule / Issue Intercompany</i>		<i>BO: Sales Schedule / SLSS00001</i>		
D	Interim COGS	Interim Costs / 2	SO1	MAT	18 USD
C	Invoice Accrual	Invoice Accrual / 7	SO1		18 USD
1160.	<i>10036012: Sales Schedule / Costs Intercompany</i>		<i>BO: Sales Schedule / SLSS00002</i>		
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 1159 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
1161.	<i>10060169: Warehouse Issue / Revenues Intercompany</i>		<i>BO: Inventory Transaction / IT0000016</i>		
D	Intercompany	End Account / 703	NWH1		18 USD
C	Turnover	End Account / 718	NWH1		18 USD

In case of cost/service item

1162.	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
1163.	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
1164.	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

<i>1165.</i>	<i>10036072: Sales Schedule / Rebate Reservation</i>		<i>BO: Sales Schedule / SLSS00004</i>		
D	Rebate Commitments	Interim Revenues / 16	SO1		-100 USD
C	Rebates to be Invoiced	Interim Revenues / 17	SO1		-100 USD
<i>1166.</i>	<i>10036073: Sales Schedule / Rebate</i>		<i>BO: Sales Schedule / SLSS00004</i>		
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
1167.	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 1167 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
1168.	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
1169.	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
1170.	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
1171.	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 transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be sent, 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
1172.	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
1173.	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
1174.	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
1175.	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 1173 and 1175 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 1173 and 1175 are split in the same way as is explained for journal entries 1211 and 1213.

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
1176.	<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
1177.	<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
1178.	<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 1178 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 transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be sent, 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
1179.	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
1180.	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
1181.	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
1182.	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
1183.	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
1184.	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
1185.	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
1186.	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
1187.	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
1188.	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
1189.	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
1190.	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 1185 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 transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be 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
1191.	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
1192.	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
1193.	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
1194.	10030111: People / WIP Hours		BO: People / EMP1		
D	Interim People	Interim Transit / 11	PCO1		1 USD
C	Hours Cover	End Account / 572	PCO1	OHL	1 USD
1195.	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
1196.	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
1197.	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
1198.	10013046: PCS Project / General Hours		BO: PCS Project / PCS1		
D	Project (PCS) WIP	Project (PCS) WIP / 1	PCO1	OHL	1 USD
C	Interim People	Interim Transit / 11	PCO1		1 USD

Note: Journal entries 1195 and 1197 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 1195 and 1197 are split in the same way as is explained for journal entries 1211 and 1213.

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 value **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
1199.	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

<i>1200.</i>	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	SCO1		4 USD
C	Hours Cover	End Account / 572	SCO1	MAC	4 USD
<i>1201.</i>	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	SCO1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
<i>1202.</i>	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	SCO1		1 USD
C	Hours Cover	End Account / 572	SCO1	OHL	1 USD
<i>1203.</i>	<i>10014061: Production Order / Operation Costs</i>		<i>BO: Production Order / SFC000001</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	LAB	40 USD
C	Interim People	Interim Transit / 11	SCO1		40 USD
<i>1204.</i>	<i>10014061: Production Order / Operation Costs</i>		<i>BO: Production Order / SFC000001</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	MAC	4 USD
C	Interim People	Interim Transit / 11	SCO1		4 USD
<i>1205.</i>	<i>10014061: Production Order / Operation Costs</i>		<i>BO: Production Order / SFC000001</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	OHL	2 USD
C	Interim People	Interim Transit / 11	SCO1		2 USD
<i>1206.</i>	<i>10014061: Production Order / Operation Costs</i>		<i>BO: Production Order / SFC000001</i>		
D	SFC WIP	Production Order WIP / 1	SCO1	OHL	1 USD
C	Interim People	Interim Transit / 11	SCO1		1 USD

(*) The department for the credit side of journal entry 1201 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 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 production financial department

If an intercompany trade relationship is defined between an employee department and the production financial department the costs are not transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be 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
1207.	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
1208.	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
1209.	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

1210.	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
1211.	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
1212.	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
1213.	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
1214.	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 1211 and 1213 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 1211 and 1213 are replaced by the journal entries below

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1215.	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
1216.	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

1217.	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
1218.	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 as 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
1219.	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
1220.	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
1221.	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
1222.	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
1223.	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
1224.	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

1225.	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
1226.	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 1221 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
1227.	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
1228.	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
1229.	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
1230.	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
1231.	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
1232.	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
1233.	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
1234.	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 1229 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
1235.	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
1236.	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
1237.	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
1238.	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
1239.	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
1240.	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
1241.	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
1242.	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	Cost Comp.	Amount

			Unit		
1243.	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
1244.	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
1245.	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
1246.	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
1247.	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
1248.	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
1249.	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
1250.	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 1245 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 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 line station

If an intercompany trade relationship is defined between an employee department and the line station the costs are not transferred from the employee department to the line station. The line station pays an amount that can be based on cost price (with a markup percentage added to it), or can be a commercial price. An internal invoice can be 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
1251.	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
1252.	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

1253.	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
1254.	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
1255.	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
1256.	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
1257.	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
1258.	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 1255 and 1257 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 1255 and 1257 are split in the same was as is explained for journal entries 1211 and 1213.

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 1259 and 1260 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
<i>1259.</i>	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	SD1		40 USD
C	Hours Cover	End Account / 572	ED1	LAB	40 USD
<i>1260.</i>	<i>10030111: People / WIP Hours</i>		<i>BO: People / EMP1</i>		
D	Interim People	Interim Transit / 11	SD1		2 USD
C	Hours Cover	End Account / 572	ED1 (*)	OHL	2 USD
<i>1261.</i>	<i>10015061: Service Order / Operation Costs</i>		<i>BO: Service Order / SOC000001</i>		
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 1260 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 transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be 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**.

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
1262.	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
1263.	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
1264.	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 1259 and 1260 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
1265.	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
1266.	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
1267.	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 1266 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 transferred 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 markup percentage added to it), or can be a commercial price. An internal invoice can be 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**.

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
1268.	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
1269.	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
1270.	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
1271.	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
1272.	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 transferred 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 markup percentage added to it) or can be a commercial price. It is also possible to define the relationship based on zero price. In this case, the hour line department does not have to pay anything. An internal invoice can be sent, 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
1273.	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
1274.	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 1274 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 1274 I is split in the same was as is explained for journal entries 1211 and 1213.

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

1275.	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
1276.	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 transferred 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 markup percentage added to it), or can be a commercial price. It is also possible to define the relationship based on zero price. In this case, the hour line department does not have to pay anything. An internal invoice can be sent, 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
1277.	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
1278.	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
1279.	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
1280.	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
1281.	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
1282.	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
1283.	<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
1284.	<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
1285.	<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
1286.	<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
1287.	<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
1288.	<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
1289.	<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
1290.	<i>Only Reconciliation: Approval</i>		<i>BO: Project Cost and Commitment / TP1</i>		
D	Invoice Accrual	Invoice Accrual / 30	TP1		110 USD

You cannot unapprove 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
1291.	<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
1292.	<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
1293.	<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
1294.	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
1295.	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
1296.	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
1297.	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
1298.	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

1299.	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
1300.	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
1301.	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
1302.	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
1303.	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

1304.	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

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 / IT0000017		
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 / IT0000017		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD

C	Surcharge Cover	End Account / 717	NWH1	WIS	10 USD
1307.	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
1308.	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
1309.	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
1310.	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
1311.	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
1312.	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 Comp	Amount
1313.	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
1314.	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
1315.	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

11.1.1.3 Issue (mixed ownership)

If Customer Furnished Material Concept is implemented, an item can have mixed ownership. From financial 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
1316.	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
1317.	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

11.1.4 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
1318.	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
1319.	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
1320.	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
1321.	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.

11.1.5 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 1322, 1323 and 1326 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
1322.	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
1323.	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
1324.	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
1325.	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
1326.	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
1327.	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
1328.	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
1329.	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
1330.	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
1331.	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
1332.	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
1333.	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
1334.	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
1335.	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
1336.	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 1332 and 1333 are replaced by journal entry 1337 through 1340.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1337.	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
1338.	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
1339.	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
1340.	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
1341.	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
1342.	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
1343.	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
1344.	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
1345.	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
1346.	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
1347.	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
1348.	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

1349.	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
1350.	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
1351.	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
1352.	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
1353.	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
1354.	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
1355.	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
1356.	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
1357.	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
1358.	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

11.1.8 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
1359.	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
1360.	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
1361.	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
1362.	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
1363.	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
1364.	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
1365.	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
1366.	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
1367.	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
1368.	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 PI1of 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 Unit	Cost Comp.	Amount
1369.	10061070: Warehouse Receipt / Quarantine Receipt		BO: Inventory Transaction / IT0000119		
D	Inventory	Inventory / 2	NWH1	MAT	220 USD

C	Interim Transit	Interim Transit / 1	NWH1		220 USD
1370.	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
1371.	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
1372.	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
1373.	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
1374.	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
1375.	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 1376 and 1377 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
1376.	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
1377.	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
1378.	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
1379.	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 1380 up to 1382 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
1380.	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
1381.	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
1382.	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
1383.	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
1384.	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
1385.	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
1386.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 1	NWH1		240 USD
C	Inventory	Inventory / 2	NWH1	MAT	240 USD
1387.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000325		
D	Interim Transit	Interim Transit / 1	NWH1		88 USD
C	Inventory	Inventory / 2	NWH1	SUR	88 USD
1388.	10060160: Warehouse Issue / Quarantine Issue		BO: Inventory Transaction / IT0000325		
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
1389.	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 1390 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
1390.	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
1391.	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
1392.	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	Cost Comp.	Amount

			Unit		
1393.	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
1394.	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
1395.	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
1396.	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
1397.	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	Cost Comp.	Amount

			Unit		
1398.	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
1399.	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
1400.	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
1401.	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
1402.	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
1403.	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
1404.	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
1405.	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 1398 through 1405 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
1406.	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
1407.	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
1408.	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

1409.	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
1410.	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
1411.	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
1412.	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
1413.	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
1414.	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 235 + 5 of journal entry 236

If project pegging is applicable journal entry 1412 through 1414 are replaced by journal entry 1415 through 1420.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1415.	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
1416.	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

1417.	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
1418.	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
1419.	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
1420.	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
1421.	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
1422.	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
1423.	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
1424.	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
1425.	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

1426.	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 1421 up to 1426 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
1427.	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
1428.	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
1429.	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 1427 up to 1429 are created, but also the following journal entries are created.

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

1430.	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
1431.	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
1432.	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
1433.	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
1434.	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
1435.	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
1436.	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

1437.	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
1438.	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 1437 and 1438 replaced by journal entries 1439 up to 1442

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1439.	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
1440.	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
1441.	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
1442.	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 1432 up to 1438 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
1443.	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
1444.	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
1445.	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
1446.	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 1443 up to 1445 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1447.	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
1448.	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
1449.	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

1450.	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
1451.	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
1452.	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
1453.	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
1454.	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 1421). 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 1449 up to 1454, 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
1455.	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

1456.	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
1457.	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 1427). 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
1458.	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 1455 up to 1457 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1459.	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
1460.	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
1461.	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 1430). 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
1462.	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
1463.	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
1464.	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
1465.	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
1466.	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
1467.	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
1468.	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 1421). 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 1462 up to 1468 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
1469.	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
1470.	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
1471.	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 1427). 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
1472.	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 1469 up to 1472 are created, but also the following journal entries are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1473.	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
1474.	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
1475.	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 1430). 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
1476.	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
1477.	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

1478.	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
1479.	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
1480.	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
1481.	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
1482.	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
1483.	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
1484.	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 95). 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 1485, 1488, 1490 and 1491 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	Cost	Amount

			Unit	Comp	
1485.	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
1486.	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
1487.	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
1488.	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
1489.	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
1490.	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 125 and 126). 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
1491.	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
1492.	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
1493.	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
1494.	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
1495.	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
1496.	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
1497.	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
1498.	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

1499.	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
1500.	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
1501.	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
1502.	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 95). 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 1485, 1488, 1490 and 1491 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
1503.	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
1504.	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
1505.	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
1506.	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
1507.	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
1508.	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 125 and 126). 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
1509.	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
1510.	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
1511.	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
1512.	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
1513.	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
1514.	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
1515.	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
1516.	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
1517.	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
1518.	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
1519.	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
1520.	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
1521.	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
1522.	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
1523.	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
1524.	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
1525.	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
1526.	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
1527.	Only Reconciliation: Approval		BO: Production Order / SFC000003		
D	Invoice Accrual	Invoice Accrual / 1	WC2		110 USD

You cannot unapprove 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
1528.	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>1529.</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>1530.</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>1531.</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>1532.</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>1533.</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>1534.</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

1535.	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
1536.	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
1537.	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
1538.	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
1539.	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 1532 through 1539 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
1540.	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 is 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
1541.	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

1542.	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
1543.	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
1544.	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
1545.	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
1546.	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

1547.	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
1548.	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
1549.	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
1550.	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.

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 1551, 1552 and 1555 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

1551.	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
1552.	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
1553.	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
1554.	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
1555.	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

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
1556.	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
1557.	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
1558.	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
1559.	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
1560.	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
1561.	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
1562.	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
1563.	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

1564.	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 1564 is replaced by journal entries 1565 and 1566.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1565.	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
1566.	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 1567, 1568 and 1571 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
1567.	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
1568.	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

1569.	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
1570.	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
1571.	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

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1572.	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
1573.	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

1574.	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
1575.	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 1576, 1577 and 1580 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.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1576.	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
1577.	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
1578.	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

1579.	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
1580.	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.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1581.	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
1582.	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
1583.	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
1584.	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
1585.	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
1586.	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, a Standard Cost Result can be created. In case the valuation method in the warehouse is Lot Pricing, a Lot Result can be 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 1587 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.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1587.	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
1588.	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 2722 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
1589.	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
1590.	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
1591.	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
1592.	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
1593.	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
1594.	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
1595.	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

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
1596.	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

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.

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
1597.	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
1598.	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

1599.	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
1600.	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
1601.	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
1602.	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
1603.	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
1604.	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

<i>1605.</i>	<i>10021052: Work Cell Cost Document / Issue</i>		<i>BO: Work Cell Cost Document / WCD000001</i>		
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
<i>1606.</i>	<i>10021052: Work Cell Cost Document / Issue</i>		<i>BO: Work Cell Cost Document / WCD000001</i>		
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
<i>1607.</i>	<i>10021052: Work Cell Cost Document / Issue</i>		<i>BO: Work Cell Cost Document / WCD000001</i>		
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
<i>1608.</i>	<i>10060052: Warehouse Issue / Issue</i>		<i>BO: Inventory Transaction / IT0000018</i>		
D	Interim Transit	Interim Transit / 1	NWH1		150 USD
C	Inventory	Inventory / 1	NWH1	MAT	150 USD
<i>1609.</i>	<i>10021052: Work Cell Cost Document / Issue</i>		<i>BO: Work Cell Cost Document / WCD000001</i>		
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
1610.	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
1611.	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
1612.	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
1613.	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
1614.	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
1615.	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
1616.	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
1617.	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

1618.	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
1619.	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
1620.	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
1621.	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
1622.	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
1623.	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

1624.	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
1625.	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
1626.	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
1627.	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
1628.	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
1629.	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
1630.	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
1631.	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
1632.	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
1633.	10021056: Work Cell Cost Document / Item Surcharge Receipt		BO: Work Cell Cost Document / WCD000001		
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
1634.	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
1635.	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
1636.	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
1637.	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
1638.	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

1639.	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
1640.	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
1641.	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
1642.	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
1643.	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
1644.	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
1645.	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
1646.	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
1647.	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
1648.	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
1649.	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
1650.	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
1651.	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

1652.	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
1653.	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
1654.	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
1655.	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
1656.	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
1657.	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
1658.	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
1659.	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
1660.	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
1661.	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
1662.	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
1663.	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
1664.	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
1665.	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
1666.	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
1667.	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
1668.	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
1669.	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
1670.	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
1671.	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
1672.	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		
1673.	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
1674.	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
1675.	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
1676.	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
1677.	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
1678.	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
<i>1679.</i>	<i>10021065: Work Cell Cost Document / Price Variance</i>		<i>BO: Production Schedule / RPT000001</i>		
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
<i>1680.</i>	<i>10021065: Work Cell Cost Document / Price Variance</i>		<i>BO: Production Schedule / RPT000001</i>		
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
<i>1681.</i>	<i>10021030: Work Cell Cost Document / Efficiency Variance</i>		<i>BO: Production Schedule / RPT000001</i>		
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
1682.	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 1682 is created due to the work cell surcharge entry 1632 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

1683.	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
1684.	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
1685.	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
1686.	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
1687.	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
1688.	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
1689.	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
1690.	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
1691.	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
1692.	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
1693.	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
1694.	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
1695.	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
1696.	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

1697.	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
1698.	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
1699.	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
1700.	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
1701.	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
1702.	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
1703.	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
1704.	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
1705.	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
1706.	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
1707.	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
1708.	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
1709.	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
1710.	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

1711.	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
1712.	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
1713.	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
1714.	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
1715.	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
1716.	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
1717.	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
1718.	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
1719.	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
1720.	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
1721.	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

1722.	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
1723.	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
1724.	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
1725.	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
1726.	Only Reconciliation: Approval			BO: Assembly Line / AL2	
D	Invoice Accrual	Invoice Accrual / 2	LS2		110 USD

You cannot unapprove 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
1727.	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
1728.	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
1729.	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
1730.	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

1731.	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
1732.	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
1733.	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
1734.	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
1735.	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
1736.	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
1737.	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

1738.	<i>Only Reconciliation: Approval</i>		<i>BO: Sales Order / SLS000007</i>		
D	Invoice Accrual	Invoice Accrual / 5	SO1		190 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
1739.	<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
1740.	<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
1741.	<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
1742.	<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
1743.	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
1744.	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
1745.	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
1746.	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
1747.	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
1748.	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
1749.	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
1750.	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

A 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
1751.	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

1752.	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
1753.	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
1754.	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
1755.	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
1756.	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

1757.	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
1758.	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
1759.	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
1760.	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
1761.	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
1762.	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
1763.	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
1764.	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
1765.	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
1766.	10060057: Warehouse Issue / Item Surcharge Issue		BO: Inventory Transaction / IT00000074		
D	Inventory	Inventory / 1	NWH1	SUR	22.6 USD
C	Surcharge Cover	End Account / 713	NWH1	IIS	22.6 USD
1767.	10060120: Warehouse Issue / Warehouse Surcharge Issue		BO: Inventory Transaction / IT00000074		
D	Inventory	Inventory / 1	NWH1	SUR	5 USD
C	Surcharge Cover	End Account / 717	NWH1	WIS	5 USD
1768.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000074		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Inventory	Inventory / 1	NWH1	MAT	100 USD
1769.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000074		
D	Interim Transit	Interim Transit / 1	NWH1		37.6 USD
C	Inventory	Inventory / 1	NWH1	SUR	37.6 USD
1770.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT00000074		
D	Interim Transit	Interim Transit / 1	NWH1		3 USD
C	Inventory	Inventory / 1	NWH1	WRS	3 USD
1771.	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.*

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1772.	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
1773.	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
1774.	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
1775.	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
1776.	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
1777.	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
1778.	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
1779.	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
1780.	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 1778 till 1780 also journal entry 1781 and 1782 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1781.	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
1782.	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

1783.	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
1784.	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
1785.	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
1786.	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
1787.	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
1788.	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
1789.	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
1790.	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
1791.	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
1792.	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
1793.	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
1794.	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
1795.	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
1796.	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
1797.	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

1798.	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
1799.	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
1800.	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
1801.	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
1802.	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 1795 through 1802 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

1803.	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
1804.	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
1805.	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
1806.	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
1807.	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
1808.	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
1809.	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
1810.	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
1811.	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
1812.	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 1807 and 1808:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1813.	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
1814.	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 1808 and 1809:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1815.	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
1816.	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
1817.	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
1818.	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
1819.	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
1820.	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
1821.	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
1822.	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
1823.	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
1824.	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
1825.	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

1826.	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 1822 and 1823 are replaced by journal entry 1827 and 1828.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1827.	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
1828.	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
1829.	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

1830.	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
1831.	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
1832.	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
1833.	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
1834.	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
1835.	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
1836.	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
1837.	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
1838.	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
1839.	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
1840.	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
1841.	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

1842.	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
1843.	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
1844.	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
1845.	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
1846.	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
1847.	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
1848.	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
1849.	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
1850.	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
1851.	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
1852.	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
1853.	15032074: Maintenances 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
1854.	<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
1855.	<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
1856.	<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
1857.	<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
1858.	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
1859.	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
1860.	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 1859 and 1860 also journal entry 1861 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1861.	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
1862.	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 1862 also journal entry 1863 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
1863.	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
1864.	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
1865.	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
1866.	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
1867.	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 1867 also journal entry 1868 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1868.	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 10 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
1869.	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
1870.	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
1871.	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 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
1872.	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
1873.	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
1874.	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
1875.	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
1876.	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
1877.	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
1878.	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
1879.	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
1880.	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
1881.	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
1882.	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
1883.	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

1884.	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
1885.	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
1886.	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
1887.	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

1888.	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
1889.	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
1890.	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
1891.	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
1892.	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
1893.	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
1894.	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
1895.	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
1896.	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
1897.	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
1898.	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 1892 up to 1898 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
1899.	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
1900.	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
1901.	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
1902.	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
1903.	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
1904.	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

1905.	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
1906.	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 1902 up to 1906, 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
1907.	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
1908.	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
1909.	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
1910.	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
1911.	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
1912.	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
1913.	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
1914.	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 1910 up to 1914 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
1915.	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
1916.	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
1917.	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
1918.	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
1919.	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

1920.	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
1921.	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
1922.	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
1923.	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
1924.	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
1925.	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
1926.	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
1927.	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
1928.	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
1929.	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
1930.	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
1931.	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
1932.	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
1933.	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
1934.	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
1935.	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
1936.	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
1937.	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
1938.	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 1938 also journal entries 1939 and 1940 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1939.	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
1940.	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
1941.	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
1942.	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
1943.	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

1944.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		-334 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		-334 USD
1945.	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

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
1946.	15032009: Maintenance Work Order / Completion / Customer Owned		BO: Maintenance Work Order / MSC000002		
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 1946 also journal entries 1947 and 1948 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
1947.	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
1948.	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 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
1949.	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
1950.	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
1951.	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
1952.	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
1953.	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
1954.	<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
1955.	<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
1956.	<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
1957.	<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

1958.	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
1959.	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
1960.	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
1961.	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
1962.	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
1963.	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
1964.	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
1965.	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
1966.	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

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
1967.	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
1968.	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

1969.	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
1970.	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
1971.	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.

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
1972.	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

1973.	10032106: Maintenance Work Order / Transfer to WIP Maintenance Sales		BO: Maintenance Work Order / WCS000002		
D	Interim Transit	Interim Transit / 9	SD1		120 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD
1974.	10031127: Maintenance Sales Order / Tool Costs		BO: Maintenance Sales Order / MSC000002		
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
1975.	10032104: Maintenance Work Order / Transfer to WIP Maint Sales Intercompany		BO: Maintenance Work Order / WCS000002		
D	Interim COGS	Interim Costs / 22	SD1		120 USD
C	Maintenance Work WIP	Maintenance Work Order WIP / 1	SD1		120 USD
1976.	10031128: Maintenance Sales Order / Tool Costs Intercompany		BO: Maintenance Sales Order / MSC000002		
D	Maintenance Sales WIP	Maintenance Sales Order WIP / 1	SD2		160 USD
C	Invoice Accrual	Invoice Accrual / 19	SD2		160 USD

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
1977.	10032051: Maintenance Work Order / Internal Service Costs		BO: Maintenance Work Order / WCS000002		
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
1978.	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
1979.	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
1980.	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
1981.	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 gets its 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
1982.	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
1983.	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
1984.	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
1985.	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
1986.	<i>Only Reconciliation: Approval</i>		<i>BO: Maintenance Sales Order / MSC000001</i>		
D	Invoice Accrual	Invoice Accrual / 19	SD2		190 USD
1987.	<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
1988.	<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
1989.	<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
1990.	<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
1991.	<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
1992.	<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
1993.	<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
1994.	<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
1995.	<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
1996.	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
1997.	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
1998.	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
1999.	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
2000.	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
2001.	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
2002.	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 2006 and 2007. 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
2003.	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
2004.	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
2005.	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
2006.	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
2007.	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
2008.	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

2009.	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
2010.	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
2011.	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
2012.	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
2013.	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

2014.	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
2015.	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
2016.	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
2017.	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

2018.	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
2019.	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
2020.	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
2021.	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
2022.	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
2023.	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
2024.	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
2025.	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
2026.	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
2027.	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
2028.	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
2029.	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
2030.	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
2031.	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 transferred from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
2032.	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
2033.	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
2034.	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
2035.	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
2036.	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

2037.	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
2038.	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
2039.	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 2038 and 2039 also journal entry 2040 and 2041 are created.

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

2040.	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
2041.	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
2042.	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
2043.	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
2044.	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

2045.	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
2046.	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
2047.	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
2048.	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

2049.	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
2050.	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
2051.	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
2052.	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
2053.	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
2054.	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
2055.	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
2056.	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
2057.	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
2058.	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
2059.	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 2054 through 2059 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
2060.	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
2061.	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
2062.	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
2063.	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
2064.	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
2065.	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
2066.	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
2067.	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
2068.	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
2069.	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
2070.	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
2071.	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
2072.	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
2073.	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
2074.	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
2075.	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
2076.	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 2077, for the piece that is not returned, and posting 2078, for the piece that is returned, is equal to the amount of posting 2076.
- The amount for posting 2082 indicates the difference between posting 2079 and posting 2078.
- If no price is entered on the inbound line, the amount of posting 2079 is 167 USD, the amount of posting 2080 is 16.70 USD, and posting 2082 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

2077.	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
2078.	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
2079.	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
2080.	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
2081.	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
2082.	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
2083.	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
2084.	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
2085.	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
2086.	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
2087.	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
2088.	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
2089.	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
2090.	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
2091.	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 2083 is replaced by journal entries 2092 and 2093 and journal entries 2090 and 2091 are replaced by journal entries 2094 through 2097.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2092.	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
2093.	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
2094.	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
2095.	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
2096.	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
2097.	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	
2098.	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
2099.	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
2100.	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
2101.	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
2102.	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
2103.	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

2104.	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
2105.	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
2106.	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
2107.	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
2108.	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 2108 is replaced by journal entry 2109.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2109.	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
2110.	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
2111.	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
2112.	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
2113.	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 2111 is replaced by journal entry 2114

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2114.	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 2354:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2115.	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

2116.	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
2117.	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
2118.	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
2119.	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
2120.	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

2121.	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
2122.	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
2123.	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
2124.	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

2125.	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
2126.	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
2127.	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
2128.	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
2129.	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
2130.	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
2131.	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.

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
2132.	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
2133.	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
2134.	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
2135.	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
2136.	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
2137.	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

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
2138.	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
2139.	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

2140.	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
2141.	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
2142.	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 CCM00001 with claim method 'reimburse for materials'. The following postings are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2143.	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
2144.	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
2145.	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
2146.	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
2147.	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
2148.	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
2149.	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
2150.	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 transferred 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. An internal invoice can be sent, 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
2151.	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
2152.	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
2153.	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
2154.	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

2155.	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
2156.	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
2157.	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 16.2.3.2 is returned to the customer. Inventory transaction ID IT0000125 is created during shipment.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2158.	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
2159.	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 16.2.3.2 *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
2160.	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		
2161.	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		

2162.	<i>10100007: Customer Claim / Contract</i>		<i>BO: Customer Claim / MSC000001</i>		
D	Contract	End Account / 402	SD1		
C	Interim Customer Claim	Interim Customer Claim / 1	SD1		
2163.	<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		
2164.	<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*

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
2165.	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
2166.	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
2167.	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
2168.	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
2169.	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
2170.	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.
- Internal invoicing is not supported (possible relation is just neglected)

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
2171.	<i>15060052: Warehouse Issue / Issue / Customer Owned</i>		<i>BO: Inventory Transaction / IT0000038</i>		
D	Interim Transit	Interim Transit / 13	NWH1		150 USD
C	Customer Owned Inventory	Consigned/Customer Owned Inventory / 2	NWH1	MAT	150 USD
2172.	<i>15102052: Supplier Claim / Issue / Customer Owned</i>		<i>BO: Supplier Claim / SCM000002</i>		
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
2173.	<i>15102105: Supplier Claim / Transfer Accrual / Customer Owned</i>		<i>BO: Supplier Claim / SCM000002</i>		
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
2174.	<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
2175.	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
2176.	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
2177.	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 Inbound Order Price defined

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
2178.	<i>10102074: Supplier Claim / Receipt</i>		<i>BO: Supplier Claim / SCM000003</i>		
D	Interim Transit	Interim Transit / 1	NWH1		100 USD
C	Supplier Claim Materials	End Account / 432	SD2		100 USD
2179.	<i>10061074: Warehouse Receipt / Receipt</i>		<i>BO: Inventory Transaction / IT0000003</i>		
D	Inventory	Inventory / 1	NWH1	MAT	100 USD
C	Interim Transit	Interim Transit / 1	NWH1		100 USD
2180.	<i>10061056: Warehouse Receipt / Item Surcharge Receipt</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	SUR	10 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	10 USD
2181.	<i>10061121: Warehouse Receipt / Warehouse Surcharge Receipt</i>		<i>BO: Inventory Transaction / IT0000001</i>		
D	Inventory	Inventory / 1	NWH1	WRS	6 USD
C	Surcharge Cover	End Account / 737	NWH1	WRS	6 USD

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

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
2182.	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 2188 and 2189. 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

2183.	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
2184.	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
2185.	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
2186.	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
2187.	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
2188.	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
2189.	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
2190.	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
2191.	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
2192.	10061088: Warehouse Receipt / Shipment Variance		BO: Inventory Transaction / IT00000014		
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)

17.3.3.2 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
2193.	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
2194.	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

2195.	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
2196.	15061088: Warehouse Receipt / Shipment Variance / Customer Owned		BO: Inventory Transaction / IT0000015		
D	Interim Transit	Interim Transit / 1	NWH1		-150 USD
C	Customer Owned Accrual	Consigned/Customer Owned Accrual / 6	NWH1	MAT	-150 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
2197.	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
2198.	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
2199.	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
2200.	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
2201.	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
2202.	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 transferred from the warehouse to the service department. The service department pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
2203.	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
2204.	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
2205.	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
2206.	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
2207.	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
2208.	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
2209.	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	NWH1	MAT	220 USD

		Inventory / 2			
2210.	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
2211.	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 2209 till 2211 also journal entry 2212 and 2213 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2212.	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
2213.	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
2214.	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
2215.	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

2216.	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
2217.	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 2216 or journal entry 2217 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

2218.	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
2219.	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
2220.	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
2221.	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
2222.	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
2223.	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
2224.	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 Unit	Cost Comp.	Amount
2225.	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
2226.	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
2227.	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
2228.	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
2229.	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
2230.	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
2231.	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
2232.	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
2233.	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
2234.	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
2235.	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
2236.	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
2237.	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 2230 through 2237 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
2238.	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
2239.	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
2240.	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
2241.	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
2242.	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
2243.	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
2244.	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
2245.	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
2246.	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
2247.	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 2243 and 2244:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2248.	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
2249.	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 2243 and 2244:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2250.	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
2251.	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
2252.	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
2253.	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
2254.	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
2255.	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
2256.	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
2257.	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
2258.	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
2259.	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 2257 and 2258 are replaced by journal entry 2260 and 2261.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2260.	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
2261.	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
2262.	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
2263.	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
2264.	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
2265.	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
2266.	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
2267.	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
2268.	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
2269.	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
2270.	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
2271.	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
2272.	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
2273.	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
2274.	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
2275.	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
2276.	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
2277.	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

2278.	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
2279.	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
2280.	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
2281.	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
2282.	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 2282 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 2216 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 2286 and 2287.

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
2283.	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
2284.	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

2285.	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
2286.	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
2287.	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
2288.	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
2289.	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
2290.	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
2291.	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
2292.	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
2293.	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
2294.	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
2295.	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 2282 is made at the same time as journal entries 2283 through 2295, 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 2282 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
2296.	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
2297.	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
2298.	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

2299.	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
2300.	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
2301.	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
2302.	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
2303.	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 2282 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 2216 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 2308 and 2309.

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
2304.	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
2305.	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
2306.	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
2307.	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
2308.	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
2309.	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
2310.	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
2311.	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
2312.	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

2313.	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
2314.	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
2315.	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
2316.	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
2317.	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
2318.	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
2319.	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
2320.	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
2321.	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
2322.	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
2323.	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
2324.	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
2325.	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
2326.	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
2327.	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
2328.	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 2327 and 2328 also journal entry 2329 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2329.	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
2330.	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 2330 also journal entry 2331 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2331.	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
2332.	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 2332 also journal entry 2333 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2333.	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
2334.	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
2335.	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
2336.	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
2337.	15015052: Service Order / Issue/ Customer Owned		BO: Service Order / SOC000002		
D	Customer Owned Service WIP	Service Order WIP / 2	SD1		-260 USD
C	Interim Transit	Interim Transit / 13	NWH1		-260 USD
2338.	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
2339.	15015105: Service Order / Transfer Accrual / Customer Owned		BO: Service Order / SOC000002		
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
2340.	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
2341.	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
2342.	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

2343.	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
2344.	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
2345.	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
2346.	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
2347.	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 2345 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
2348.	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
2349.	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
2350.	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
2351.	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
2352.	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
2353.	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 2352 is created when the service order line is costed. Journal entry 2353 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
2354.	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
2355.	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
2356.	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 2354:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2357.	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 4.11.2

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
2358.	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
2359.	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
2360.	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
2361.	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
2362.	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
2363.	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
2364.	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
2365.	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
2366.	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
2367.	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
2368.	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

2369.	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
2370.	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
2371.	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 entry 2371 is replaced by journal entry 2372.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2372.	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
2373.	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
2374.	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
2375.	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 2373 is replaced by journal entry 2376.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2376.	<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		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 2104 and 2105; costing a service order line, described in journal entries 2343 and 2344; or costing a service call, described for journal entries 2367 and 2368

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
2377.	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
2378.	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
2379.	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
2380.	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
2381.	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
2382.	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
2383.	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
2384.	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
2385.	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

2386.	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 2383 is replaced by journal entry 2387 and 2388.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2387.	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
2388.	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
2389.	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
2390.	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
2391.	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
2392.	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
2393.	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
2394.	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
2395.	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
2396.	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
2397.	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 2429 through 2433 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 2398 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
2398.	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 2399 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
2399.	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

2400.	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
2401.	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
2402.	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
2403.	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
2404.	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
2405.	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
2406.	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 2404 through 2406 are replaced by journal entries 2407 through 2412.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2407.	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

2408.	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
2409.	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
2410.	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
2411.	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
2412.	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
2413.	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
2414.	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 2414 is replaced by journal entries 2415 through 2416.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2415.	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
2416.	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
2417.	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
2418.	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
2419.	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
2420.	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
2421.	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
2422.	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 2419 is replaced by journal entries 2422 and 2423.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2423.	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
2424.	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
2425.	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
2426.	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
2427.	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
2428.	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
2429.	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
2430.	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
2431.	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
2432.	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
2433.	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 2429 through 2433 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
2434.	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 2435 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
2435.	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
2436.	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
2437.	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
2438.	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
2439.	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
2440.	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
2441.	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

2442.	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 2440 through 2442 are replaced by journal entries 2443 through 2448.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2443.	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
2444.	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
2445.	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
2446.	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
2447.	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
2448.	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
2449.	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
2450.	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 2450 is replaced by journal entries 2451 through 2452.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2451.	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
2452.	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
2453.	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
2454.	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
2455.	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
2456.	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 2455 and 2456 are replaced by journal entries 2457 through 2460.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2457.	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
2458.	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

2459.	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
2460.	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 2461 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
2461.	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
2462.	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 2462 is replaced by journal entries 2463 and 2464

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2463.	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
2464.	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
2465.	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
2466.	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
2467.	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
2468.	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
2469.	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
2470.	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
2471.	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
2472.	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
2473.	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
2474.	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
2475.	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
2476.	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
2477.	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
2478.	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
2479.	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
2480.	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
2481.	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
2482.	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
2483.	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
2484.	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
2485.	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
2486.	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
2487.	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
2488.	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

2489.	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
2490.	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
2491.	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
2492.	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
2493.	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
2494.	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
2495.	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 2490 through 2494 are created when the shipment is confirmed. Journal entry 2495 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 2490 through 2494 are created in the same way.
- Journal entry 2495 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 2490 through 2494:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2496.	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
2497.	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
2498.	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 2490 through 2498 are replaced by next journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2499.	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
2500.	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 2499 and 2500 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
2501.	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
2502.	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
2503.	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
2504.	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
2505.	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
2506.	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
2507.	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
2508.	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
2509.	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
2510.	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
2511.	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
2512.	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
2513.	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
2514.	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 869 and 870:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2515.	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
2516.	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 869 and 870:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2517.	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
2518.	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
2519.	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
2520.	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

2521.	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
2522.	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
2523.	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
2524.	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
2525.	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
2526.	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
2527.	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
2528.	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
2529.	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
2530.	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
2531.	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
2532.	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 2531 and 2532 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
2533.	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
2534.	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
2535.	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
2536.	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
2537.	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 a Standard Cost result.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2538.	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
2539.	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
2540.	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
2541.	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
2542.	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
2543.	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
2544.	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
2545.	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 2542 through 2544, as well as journal entries 2546 through 2548 if applicable, are created when the receipt is confirmed. Journal entry 2545 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
2546.	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
2547.	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
2548.	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 2542 through 2548 are replaced by next journal entries:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2549.	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
2550.	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 2549 and 2550 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
2551.	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
2552.	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

2553.	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	
2554.	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	
2555.	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	
2556.	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 2559 and 2560 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	
2557.	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	
2558.	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	
2559.	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	

2560.	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
2561.	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
2562.	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
2563.	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
2564.	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:

- A 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
2565.	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
2566.	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
2567.	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
2568.	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
2569.	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

2570.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000051	
D	Inventory	Inventory / 1	NWH1	SUR	-11 USD
C	Lot Result	End Account / 733	NWH1	SUR	-11 USD
2571.	10061068: Warehouse Receipt / Lot Result			BO: Inventory Transaction / IT0000051	
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
2572.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000051	
D	Inventory	Inventory / 1	NWH1	MAT	-10 USD
C	Value Correction	End Account / 736	NWH1	MAT	-10 USD
2573.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000051	
D	Inventory	Inventory / 1	NWH1	SUR	-12 USD
C	Value Correction	End Account / 736	NWH1	SUR	-12 USD
2574.	10061109: Warehouse Receipt / Value Correction			BO: Inventory Transaction / IT0000051	
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

2575.	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
2576.	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
2577.	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
2578.	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
2579.	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
2580.	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):

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

Integration transactions 2583 and 2584 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
2581.	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
2582.	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
2583.	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
2584.	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
2585.	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
2586.	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
2587.	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
2588.	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
2589.	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
2590.	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
2591.	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
2592.	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
2593.	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
2594.	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
2595.	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
2596.	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
2597.	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
2598.	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
2599.	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
2600.	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
2601.	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
2602.	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
2603.	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
2604.	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
2605.	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
2606.	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
2607.	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, a 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
2608.	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
2609.	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
2610.	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
2611.	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

2612.	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
2613.	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, a 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
2614.	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
2615.	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
2616.	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
2617.	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
2618.	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

2619.	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
2620.	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
2621.	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
2622.	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
2623.	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
2624.	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
2625.	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

2626.	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
2627.	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
2628.	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
2629.	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 2618 through 2629 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2630.	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
2631.	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
2632.	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

2633.	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
2634.	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
2635.	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
2636.	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 2634 through 2636 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2637.	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

2638.	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
2639.	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
2640.	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
2641.	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
2642.	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
2643.	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
2644.	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 2638 through 2644 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2645.	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
2646.	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
2647.	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
2648.	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
2649.	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
2650.	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
2651.	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
2652.	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
2653.	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 2646 through 2653 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2654.	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
2655.	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 2655 is replaced by next journal entry:

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

2656.	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
2657.	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 2657 is replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2658.	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 transferred from the shipping warehouse to the receiving warehouse. The receiving warehouse pays an amount that can be based on cost price (with a markup percentage added to it), or can be a commercial price. An internal invoice can be sent, 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
2659.	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
2660.	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
2661.	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
2662.	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
2663.	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
2664.	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
2665.	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
2666.	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
2667.	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 2665 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 2665 in this example will be replaced by the journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2668.	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
2669.	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

2670.	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
2671.	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
2672.	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
2673.	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
2674.	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

2675.	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
2676.	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
2677.	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 2675 through 2677 are replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2678.	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
2679.	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
2680.	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
2681.	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

2682.	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
2683.	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
2684.	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 2684 is replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2685.	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
2686.	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 2684 up to 2686 are split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
2687.	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
2688.	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
2689.	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 2693 and 2694 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
2690.	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

2691.	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
2692.	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
2693.	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
2694.	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
2695.	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
2696.	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
2697.	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

2698.	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
2699.	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
2700.	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
2701.	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
2702.	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 2697 was created upon issue, during receipt following integration transaction must be created:

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

2703.	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 2698 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
2704.	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
2705.	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 2697 was created upon issue, during shipment the following integration transaction must be created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2706.	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 2698 was created upon issue, during shipment the following integration transaction must be created.

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

2707.	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
2708.	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
2709.	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 transaction 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
2710.	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
2711.	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
2712.	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
2713.	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
2714.	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 2710 and 2711 were created upon issue, during receipt the following integration transaction must be created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2715.	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 2712 and 2713 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
2716.	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
2717.	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 2710 and 2711 were created upon issue, during shipment following integration transaction must be created

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2718.	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 2712 and 2713 were created upon issue, during shipment following integration transaction must be created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2719.	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

2720.	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
2721.	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
2722.	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
2723.	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
2724.	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
2725.	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
2726.	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
2727.	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
2728.	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
2729.	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
2730.	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
2731.	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
2732.	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
2733.	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
2734.	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
2735.	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
2736.	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
2737.	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
2738.	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
2739.	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
2740.	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
2741.	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

2742.	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 2659 up to 2674 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
2743.	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
2744.	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
2745.	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

2746.	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
2747.	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
2748.	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 2737 up to 2742 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
2749.	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
2750.	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
2751.	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
2752.	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
2753.	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
2754.	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
2755.	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

2756.	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
2757.	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
2758.	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
2759.	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
2760.	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
2761.	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
2762.	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 a Standard Cost Result is created. In case the valuation method 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 2763 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

2763.	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
2764.	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 2765 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
2765.	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
2766.	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
2767.	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
2768.	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
2769.	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
2770.	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
2771.	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
2772.	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
2773.	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
2774.	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
2775.	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
2776.	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
2777.	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
2778.	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
2779.	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
2780.	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
2781.	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
2782.	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
2783.	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
2784.	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
2785.	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
2786.	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
2787.	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
2788.	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
2789.	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
2790.	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
2791.	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
2792.	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
2793.	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
2794.	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
2795.	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
2796.	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
2797.	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
2798.	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
2799.	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
2800.	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
2801.	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
2802.	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
2803.	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 2804 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2804.	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
2805.	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 2806 and 2807 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2806.	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
2807.	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
2808.	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
2809.	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
2810.	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
2811.	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

2812.	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 2812 is replaced by journal entries 2813 and 2814.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2813.	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
2814.	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
2815.	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
2816.	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
2817.	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
2818.	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
2819.	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
2820.	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 2815 through 2820 are replaced by next journal entry (landed costs not applicable):

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2821.	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 2819 and 2820 are replaced by journal entries 2822 through 2825.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2822.	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
2823.	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
2824.	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
2825.	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, a shipment variance posting is also 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**, 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
2826.	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
2827.	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

2828.	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 2826 through 2828 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2829.	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
2830.	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
2831.	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
2832.	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 2830 through 2832 are replaced by next journal entry:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2833.	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
2834.	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
2835.	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
2836.	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
2837.	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
2838.	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
2839.	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
2840.	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 2838 through 2840 are replaced by journal entries 2841 through 2846.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2841.	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

2842.	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
2843.	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
2844.	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
2845.	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
2846.	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 2847 up to 2852 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 2853 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 2853 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		
2847.	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
2848.	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
2849.	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
2850.	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
2851.	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
2852.	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
2853.	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
2854.	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 2853 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

If project pegging is applicable journal entries 2851 and 2852 are replaced by journal entries 2855 through 2858.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2855.	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
2856.	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
2857.	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
2858.	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 2854 is replaced by journal entries 2859 and 2860

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2859.	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
2860.	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
2861.	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
2862.	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
2863.	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 2861 through 2863 are replaced by the following journal entries

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2864.	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
2865.	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
2866.	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
2867.	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
2868.	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
2869.	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
2870.	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 2870 is replaced by journal entry 2871

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		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
2872.	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
2873.	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
2874.	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
2875.	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 2876 up to 2879 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 2853 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 2853 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 2853 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
2876.	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
2877.	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
2878.	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
2879.	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
2880.	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
2881.	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
2882.	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
2883.	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 2880 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

If project pegging is applicable journal entries 2881 through 2883 are replaced by journal entries 2884 through 2889.

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

2884.	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
2885.	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
2886.	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
2887.	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
2888.	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
2889.	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
2890.	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

2891.	<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
2892.	<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 2890 through 2892 are replaced by the following journal entries.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2893.	<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
2894.	<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
2895.	<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
2896.	<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
2897.	<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

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**, 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
2899.	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
2900.	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
2901.	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 2899 through 2901 are replaced by the following journal entries.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2902.	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
2903.	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

2904.	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 based on an inventory valuation method and intercompany trade are not applicable. Results should occur as little as possible and therefore 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
2905.	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
2906.	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
2907.	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
2908.	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
2909.	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
2910.	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 2907 through 2910) for each cost component.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2911.	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
2912.	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
2913.	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
2914.	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
2915.	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
2916.	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
2917.	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
2918.	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
2919.	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
2920.	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
2921.	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
2922.	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
2923.	<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
2924.	<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
2925.	<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
2926.	<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
2927.	<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
2928.	<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
2929.	<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
2930.	<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
2931.	<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
2932.	<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
2933.	<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
2934.	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
2935.	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
2936.	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
2937.	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
2938.	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

■ 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
2939.	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
2940.	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
2941.	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
2942.	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
2943.	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 Unit	Cost Comp.	Amount

2944.	Only Reconciliation: Approval		BO: Sales Schedule / SLSS00001		
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
2945.	Only Reconciliation: Approval		BO: Maintenance Sales Order / MSC000001		
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
2946.	Only Reconciliation: Approval		BO: Service Order / SOC000002		
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
2947.	Only Reconciliation: Approval		BO: Customer Claim / CCM000001		
D	Invoice Accrual	Invoice Accrual / 21	SD1		380 USD

In case of a project contract:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2948.	Only Reconciliation: Approval		BO: Contract / CON000001		
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

■ 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
2949.	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
2950.	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
2951.	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
2952.	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 Unit	Cost Comp.	Amount
2953.	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

2954.	10036012: Sales Schedule / Costs Intercompany			BO: Sales Schedule / SLSS00001	
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
2955.	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
2956.	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
2957.	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 project contract:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2958.	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 2960 and 2961 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
2959.	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
2960.	10061038: Warehouse Receipt / Variance Adjustment		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	LC1	5 USD
C	Interim Variance	Interim Variance / 1	PO1		5 USD
2961.	10061056: Warehouse Receipt / Item Surcharge Receipt		BO: Inventory Transaction / IT0000001		
D	Inventory	Inventory / 1	NWH1	SUR	2 USD
C	Surcharge Cover	End Account / 732	NWH1	IRS	2 USD

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 2962 through 2964 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

2962.	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
2963.	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
2964.	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 2965 through 2967 are created, because the inventory value must be against lot price.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2965.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	MAT	-15 USD
C	Lot Result	End Account / 733	NWH1	MAT	-15 USD
2966.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
D	Inventory	Inventory / 1	NWH1	LC1	-5 USD
C	Lot Result	End Account / 733	NWH1	LC1	-5 USD
2967.	10061068: Warehouse Receipt / Lot Result		BO: Inventory Transaction / IT00000001		
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 2965 through 2967 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 2965 and 2967 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 2968 through 2970 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
2968.	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
2969.	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
2970.	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 2968 through 2970 are replaced by journal entries 2971 through 2976.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2971.	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
2972.	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
2973.	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

2974.	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
2975.	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
2976.	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

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 2960 through 2970 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
2977.	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
2978.	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

2979.	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 2977 and 2978 are for the six pieces of PI1. Journal entry 2979 is for the four pieces of PI2. The amounts of journal entries 2977 and 2979 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 2962 through 2976 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 2980 and 2982 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.	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
2981.	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
2982.	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 2983 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
2983.	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
2984.	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 2984 is replaced by journal entries 2985 and 2986.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
2985.	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
2986.	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 2987 and 2988 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
2987.	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
2988.	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 2962 through 2964 are also created. If the valuation method of the item is lot price, journal entries 2965 through 2967 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 2989 and 2991 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 2992 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
2989.	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
2990.	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
2991.	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
2992.	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

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 2993 and 2994 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
2993.	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
2994.	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

If project pegging is applicable journal entry 2994 is replaced by journal entries 2995 and 2996

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2995.	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
2996.	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 2993 and 2994 are created.
- Issue by Components
For list items and manufactured items. For this scenario, journal entries 2993 and 2994 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 2997 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
2997.	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

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 2998 and 2999 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
2998.	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
2999.	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 2999 is replaced by journal entries 3000 and 3001.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3000.	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
3001.	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 3002, 3004 and 3008 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
3002.	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
3003.	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
3004.	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
3005.	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 3005 is replaced by journal entries 3006 and 3007.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3006.	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
3007.	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
3008.	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 453 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 3038 and 3039 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 3009 through 3016 are created with transaction date January 2nd.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3009.	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
3010.	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
3011.	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
3012.	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
3013.	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
3014.	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
3015.	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

3016.	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 2960 and 2961 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 3017 and 3018 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
3017.	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
3018.	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 3019 through 3021 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
3019.	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
3020.	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

3021.	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 3020 and 3021 are replaced by journal entries 3022 and 3023

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3022.	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
3023.	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 3020 and 3021 are replaced by journal entries 3024 and 3025

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3024.	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
3025.	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 1551 through 1555 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 3026 and 3027 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
3026.	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
3027.	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
3028.	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
3029.	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 2960 and 2961 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 3030 and 3031 with transaction date January 5th are created for this. To do so, the inventory transaction ID of the corrected issue is used. Journal entry 3030 is created only if financial integration transactions parameter **Log Integration Transactions for Customer Owned Transactions** has value **Yes**.

D/C	Journal Entry	Reconciliation	Enterprise	Cost Comp.	Amount

		Group	Unit		
3030.	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
3031.	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 3030 and 3031 are replaced by journal entries 3032 and 3033. Journal entry 3032 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
3032.	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 Owned Accrual / 6	NWH1		-30 USD
3033.	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 3030 and 3031 are replaced by journal entries 3034 and 3035. Journal entry 3034 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
3034.	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
3035.	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 3036 and 3037 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
3036.	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
3037.	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 3038 through 3051 are created regardless whether project pegging is applicable or not.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3038.	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
3039.	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
3040.	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
3041.	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
3042.	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
3043.	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 3042 and 3043 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
3044.	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
3045.	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 3046 and 3047 are created if the quarantine value is 300 on cost component MAT.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3046.	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
3047.	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
3048.	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
3049.	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
3050.	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
3051.	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 3052 and 3053 are also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3052.	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
3053.	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 3052 through 3053 are replaced by journal entries 3054 through 3057.

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

3054.	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
3055.	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
3056.	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
3057.	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 3058 and 3059 are also created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3058.	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
3059.	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 3058 through 3059 are replaced by journal entries 3060 through 3063.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3060.	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
3061.	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
3062.	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
3063.	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 3064 and 3065 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
3064.	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
3065.	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 Payment = Pay on Use, Internal Payment = Pay on Use changes to:

Payment = Pay on Receipt, Internal Payment = 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 Payment = Pay on Use, Internal Payment = Pay on Use changes to: Payment = Pay on Receipt, Internal Payment = Pay on Use.

For an example of integration transactions of consigned receipt transactions, see section *Warehousing, Receipt in warehouse, Purchase order (manual) scenario Payment = Pay on Receipt, Internal Payment = 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 3066 is created for shipment line 10 and journal entry 3067 is created for shipment line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3066.	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
3067.	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 3068 is created for shipment line 10 and journal entry 3069 is created for shipment line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3068.	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
3069.	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 3068 and 3069 or 3066 and 3067, 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 3070 and 3071 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3070.	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
3071.	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 3072 and 3073 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3072.	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
3073.	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 3074 and 3075 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3074.	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
3075.	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 3076 and 3077 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3076.	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
3077.	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 3078 and 3079 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3078.	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
3079.	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 3080 and 3081 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3080.	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
3081.	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 3080 and 3081 or 3078 and 3079, 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 TFRM000002. Journal entries 3082 and 3083 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3082.	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
3083.	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 3084 and 3085 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3084.	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
3085.	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
3086.	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
3087.	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
3088.	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
3089.	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
3090.	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
3091.	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

3092.	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
3093.	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
3094.	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
3095.	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
3096.	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
3097.	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 3095 and 3097 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
3098.	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

3099.	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 3088 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
3100.	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
3101.	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 3100 is created with an amount of 20 USD. Journal entry 3102 is created in the reconciliation data.

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

			Unit		
3102.	Only Reconciliation: Unapproval		BO: Freight Load Shipment / SHIP00001		
D	Invoice Accrual	Invoice Accrual / 9	SHO1		-120 USD

Except for the journal entries 3100, 3101 and 3102, 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 3103 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3103.	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 3104 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3104.	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
3105.	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
3106.	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
3107.	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	
3108.	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
3109.	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
3110.	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 3110 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
3111.	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 3112 is created for cluster line 10 and journal entry 3113 is created for cluster line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3112.	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
3113.	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 3114 is created for cluster line 10 and journal entry 3115 is created for cluster line 950.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3114.	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
3115.	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 3112 and 3113 or 3114 and 3115, journal entries 3070 up to 3077 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 3116 and 3117 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3116.	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
3117.	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 3118 and 3119 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3118.	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
3119.	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 3116 and 3117 or 3118 and 3119 journal entries 3082 up to 3097 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 3120 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
3120.	<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
3121.	<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 3120 is created with an amount of 20 USD. Journal entry 3122 is created in the reconciliation data.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3122.	<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 3120, 3121 and 3122, journal entries 3103 up to 3110 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 3123 is created when the invoice is posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3123.	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 3124 is created when the invoice is posted.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3124.	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. An internal invoice can be 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 3125, 3126 and 3127 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3125.	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
3126.	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
3127.	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
3128.	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
3129.	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
3130.	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

3131.	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
3132.	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
3133.	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
3134.	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
3135.	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
3136.	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

3137.	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
3138.	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
3139.	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
3140.	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
3141.	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 3141 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
3142.	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 3143 is created in all scenarios.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3143.	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
3144.	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
3145.	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
3146.	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
3147.	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 3148 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3148.	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

3149.	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
3150.	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
3151.	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
3152.	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
3153.	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
3154.	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
3155.	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

3156.	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
3157.	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 3158 and 3159 are created when the transaction is posted in Project (TP).

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3158.	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
3159.	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 3160 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3160.	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
3161.	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 3162 and 3163 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3162.	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
3163.	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 3164 and 3165 are created.

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

3164.	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
3165.	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 3166 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 3167 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
3166.	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
3167.	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 3168 and 3169 are created.

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

3168.	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
3169.	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 3170 is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3170.	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 3171 is created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3171.	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 3172 is created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3172.	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
3173.	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 3174 is created.

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

3174.	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 2634.

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 1070 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
3175.	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
3176.	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
3177.	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
3178.	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
3179.	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
3180.	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 3181, **Error! Reference source not found.** and **Error! Reference source not found.**

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
3181.	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
3182.	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
3183.	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
3184.	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
3185.	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
3186.	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
3187.	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 3187 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 3187 in this example will be replaced by the journal entries below.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3188.	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
3189.	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
3190.	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 2634 logs credit with an amount of -100 USD on End Account / 734 on the enterprise unit of warehouse NWH2. Journal entry 3191 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
3191.	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 3192. 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
3192.	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 2634 logs credit with an amount of -100 USD on End Account / 734 on the enterprise unit of warehouse NWH2. Journal entry 3193 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

3193.	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 3196 and 3197 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3194.	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
3195.	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

3196.	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
3197.	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
3198.	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 3198 is split into multiple transactions with different cost components. How this works is explained for journal entry 3187 (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 2631, 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 3199 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
3199.	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 3200 and 3201 are created.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3200.	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
3201.	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 2634, 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 3202 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
3202.	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. An internal invoice can be sent, 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 3181, the following journal entries are created:

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3203.	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
3204.	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
3205.	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 3181, 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
3206.	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
3207.	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
3208.	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
3209.	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
3210.	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
 - Purchase Order / Sales Order in 4.11 and 7.6.
 - Purchase Order / Service Order in 4.11 and 18.6.2
- For External Material Delivery Sales
 - Sales Order in 7.5, 13.6 and 21.11.2
 - Sales Schedule in 8.5 and 21.11.2
 - Maintenance Sales Order in 15.11.1 and 21.11.2
 - Customer Claim in 16.5 and 21.11.2
 - Service Order in 18.6.1 and 21.11.2
 - 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
 - Production in 11.6.3
 - 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
3211.	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
3212.	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
3213.	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
3214.	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

3215.	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
3216.	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
3217.	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
3218.	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
3219.	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
3220.	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
3221.	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
3222.	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
3223.	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 transferred from the warehouse to the sales office. The sales office pays an amount that can be based on cost price (with a markup percentage added to it), on sales (gross or net) price (with a markdown percentage subtracted from it), on sales customs value (with a markdown percentage subtracted from it), on profit split (gross or net, with a profit split percentage defined on it), or can be a commercial price. An internal invoice can be sent, 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
3224.	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
3225.	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
3226.	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
3227.	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
3228.	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
3229.	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
3230.	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
3231.	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 3231 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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 3219 through 3223 are replaced by journal entry 3232 through 3236.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3232.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		220 USD
C	Interim Transit	Interim Transit / 1	NWH1		220 USD
3233.	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
3234.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		40 USD
C	Interim Transit	Interim Transit / 1	NWH1		40 USD
3235.	10026052: Contract / Issue			BO: Contract / CON000001	
D	Interim Transit	Interim Transit / 1	SO1		20 USD
C	Interim Transit	Interim Transit / 1	NWH1		20 USD

3236.	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
3237.	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
3238.	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
3239.	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
3240.	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
3241.	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 3231 is replaced by journal entry 3242.

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

3242.	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
3243.	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 3242 and 3243 are split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

26.1.1.2 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)

26.1.1.2.1 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 3244 and 3245 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
3244.	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

3245.	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
3246.	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
3247.	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 3247 is replaced by journal entry 3248.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3248.	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
3249.	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
3250.	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
3251.	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
3252.	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
3253.	10026052: Contract / Issue			BO: Contract / CON000003	
D	Interim Transit	Interim Transit / 1	SO1		100 USD
C	Interim Transit	Interim Transit / 1	SO1		100 USD
3254.	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

3255.	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
3256.	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
3257.	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
3258.	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 3258 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
3259.	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

3260.	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
3261.	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
3262.	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
3263.	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
3264.	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 3263 and 3264 are split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
3265.	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
3266.	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
3267.	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
3268.	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
3269.	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

3270.	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
3271.	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
3272.	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
3273.	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
3274.	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
3275.	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
3276.	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
3277.	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
3278.	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
3279.	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
3280.	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
3281.	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
3282.	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
3283.	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
3284.	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
3285.	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
3286.	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

3287.	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
3288.	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
3289.	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
3290.	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
3291.	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
3292.	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
3293.	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
3294.	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
3295.	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
3296.	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

3297.	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
3298.	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
3299.	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
3300.	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
3301.	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

3302.	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
3303.	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
3304.	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
3305.	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
3306.	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
3307.	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
3308.	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
3309.	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
3310.	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
3311.	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 3311 is split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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 3273 through 3275 (and the other situation where a contract / issue (project) posting is created) are replaced by journal entry 3312 through 3314

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3312.	10026052: Contract / Issue		BO: Contract / CON000004		
D	Interim Transit	Interim Transit / 1	SO1		-200 USD
C	Interim Transit	Interim Transit / 1	NWH1		-200 USD
3313.	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
3314.	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
3315.	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
3316.	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
3317.	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 3311 is replaced by journal entry 3318.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3318.	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
3319.	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 3318 and 3319 are split into multiple transactions with different cost components. How this works is explained for journal entry 2665.

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
3320.	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

3321.	<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
3322.	<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
3323.	<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
3324.	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
3325.	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
3326.	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

3327.	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
3328.	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 3329 and 3330 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
3329.	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
3330.	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

3331.	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
3332.	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 3332 is replaced by journal entry 3333.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp	Amount
3333.	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
3334.	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
3335.	10026081: Contract / Revenues		BO: Contract / CON000003		
D	Interim Revenues	Interim Revenues / 5	NWH1		150 USD
C	Turnover	End Account / 543	NWH1		150 USD
3336.	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
3337.	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
3338.	10026169: Contract / Revenues Intercompany		BO: Contract / CON000003		
D	Intercompany	End Account / 552	NWH1		150 USD
C	Turnover	End Account / 544	NWH1		150 USD
3339.	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
3340.	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
3341.	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
3342.	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
3343.	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
3344.	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
3345.	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
3346.	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
3347.	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 3348, 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
3348.	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 3349 and 3350 are created. For all the transactions that are created, refer to section *Purchase Order, Invoice approval / Change price after receipt*.

Journal entry 3349 uses the rates of the order. Journal entry 3350 uses the rates of the invoice.

D/C	Journal Entry	Reconciliation Group	Transaction	Local Amount	Reporting

			Amount		Amount
3349.	10001065: Purchase Order / Price Variance		BO: Purchase Order / PUR000019		
D	Invoice Accrual	Invoice Accrual / 3	-£20 GBP	-60 USD	-80 EUR
3350.	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 3351 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
3351.	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 3352, 3353 and 3354 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
3352.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000065		
D	Interim Transit	Interim Transit / 1	240 USD	240 USD	480 EUR
3353.	10060052: Warehouse Issue / Issue		BO: Inventory Transaction / IT0000065		
D	Interim Transit	Interim Transit / 1	24 USD	24 USD	48 EUR
3354.	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 3355, 3356, and 3357, 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
3355.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000066		
C	Interim Transit	Interim Transit / 1	240 USD	240 USD	360 EUR
3356.	10061074: Warehouse Receipt / Receipt		BO: Inventory Transaction / IT0000066		
C	Interim Transit	Interim Transit / 1	24 USD	24 USD	36 EUR
3357.	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
3358.	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
 - Purchase Order / Sales Order in 4.11 and 7.6.
 - Purchase Order / Service Order in 4.11 and 18.6.2
- For External Material Delivery Sales
 - Sales Order in 7.5, 13.6 and 21.11.2
 - Sales Schedule in 8.5 and 21.11.2
 - Maintenance Sales Order in 15.11.1 and 21.11.2
 - Customer Claim in 16.5 and 21.11.2
 - Service Order in 18.6.1 and 21.11.2
 - 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
 - Production in 11.6.3
 - 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
3359.	Only Reconciliation: Opening Balance (90010001: Opening Balance / Inventory / 1		BO:		
D	Inventory	Inventory / 1	NWH1	MAT	1,000 USD
3360.	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
3361.	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
3362.	<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 3361, the transaction is replaced by reconciliation transaction 3363.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3363.	<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 3362 is posted, the transaction is replaced by reconciliation transaction 3364.

D/C	Journal Entry	Reconciliation Group	Enterprise Unit	Cost Comp.	Amount
3364.	<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 3365 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
3365.	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 3366 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
3366.	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 3367 is created for Interim Transit / 1.

D/C	Journal Entry	Reconciliation Group	Transaction Amount	Local Amount	Reporting Amount
3367.	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
3368.	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.