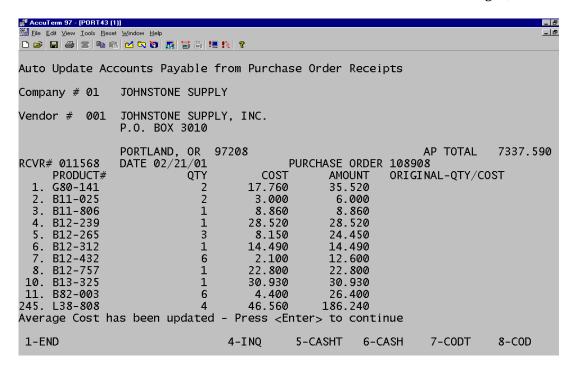# Accounts Payable & Inventory

ACCOUNTS PAYABLE AND INVENTORY

- When inventory comes into the warehouse is it received in.
- At this point it will be reflected in the inventory counts (detail), but not the G/L (summary.).
- Inventory doesn't hit the G/L summary until it has been vouchered and set for payment. The receivers created when inventory is scanned in are very important in facilitating this process. The receivers must be cleared through menu 13.20.2 when paying for merchandise.

```
AccuTerm 97 - [PORT43 (1)]
File  Edit  View  Tools  Reset  Window  Help

Auto Update Accounts Payable from Purchase Order Receipts

Company # 01    JOHNSTONE SUPPLY

Vendor #  001   JOHNSTONE SUPPLY, INC.
                P.O. BOX 3010

                PORTLAND, OR  97208
                              AMT RECEIVED
        RCVR#     DATE        NOT INVOICED   PURCHASE ORDER NUMBERS
  51.   009700   08/15/00        46.200      107379
  52.   009701   08/15/00       484.970      107375
  53.   009712   08/15/00         6.350      107314
  54.   009717   08/16/00       296.010      107472
  55.   009719   08/16/00       340.810      107391
  56.   009727   08/17/00        43.890      107492
  57.   009731   08/17/00        33.200      107391
  58.   009738   08/17/00       281.850      107305
  59.   009786   08/24/00        24.640      107497
  60.   009822   08/28/00        76.320      107593

Enter Line#, Rcvr#, <Enter>-next, P-revious,U-pdate or END

 1-END                     4-INQ     5-CASHT   6-CASH    7-CODT    8-COD
```

- Also, we have had special programming done so that the average cost changes are taken to a COG account if there is quantity on hand. This is important on the accounting side.

```
AccuTerm 97 - [PORT43 (1)]
File  Edit  View  Tools  Reset  Window  Help

Auto Update Accounts Payable from Purchase Order Receipts

Company # 01    JOHNSTONE SUPPLY

Vendor #  001   JOHNSTONE SUPPLY, INC.
                P.O. BOX 3010

                PORTLAND, OR  97208                     AP TOTAL   7337.590
RCVR# 011568    DATE 02/21/01              PURCHASE ORDER 108908
     PRODUCT#           QTY        COST       AMOUNT    ORIGINAL-QTY/COST
  1. G80-141             2        17.760       35.520
  2. B11-025             2         3.000        6.000
  3. B11-806             1         8.860        8.860
  4. B12-239             1        28.520       28.520
  5. B12-265             3         8.150       24.450
  6. B12-312             1        14.490       14.490
  7. B12-432             6         2.100       12.600
  8. B12-757             1        22.800       22.800
 10. B13-325             1        30.930       30.930
 11. B82-003             6         4.400       26.400
245. L38-808             4        46.560      186.240
Average Cost has been updated - Press <Enter> to continue

 1-END                          4-INQ     5-CASHT   6-CASH     7-CODT     8-COD
```

- If there isn't quantity on hand, then the discrepancy is coded to Cost of Goods Sold and is a line item on the last screen in 13.20.2.
- At the end of the month, 13.20.7 is run right after Accounts Payable is closed. It is preferable to close A/P on the first day of the following month.
- This report generates a lit of all the receivers that haven't been vouchered again in 13.20.2.
- At the end of the month, the total on the bottom of the report is used in a journal entry to force the unvouchered receivers to hit the GL summary. All the receivers that have not been vouchered are accounted for in a reversing journal entry that credits inventory and debits the accrual account.It is very important that these are reversing journal entries since the individual receivers may be vouchered in the next month and finally hit inventory.
- If a receiver is over 90 days old and still on the report, it would be a good idea to research it and find out why it hasn't been paid. I wouldn't call the vendor since we don't want to do their accounting for them, but it would be a good idea to do a little investigating.