WARRANTY SYSTEM (MENU 15)

In order to ensure balancing (GL to reports), the only items that can be run through the warranty are items that have been returned to the store that we have issued credit to the customer.

Flow through the General Ledger

Widget
Avg. cost = $10
Sale Price = $12
Credit from Vendor = $25

		Inven	Sales	A/R	COGS	Warr Pend	Warr A/R	Warr Discrep	A/P
1	Credit Memo	10	12	12	10				
2	Warranty Update ME	10				10			
3	Create Claim					10	10		
	CREDIT REC'D								
4	Post Credit-Claim						15	15	
5	Voucher Credit						25		25
	RECEIVING								
4	Replacement	10					10		

- Step 1 is at the time the customer brings back the warranty item. We issue them a credit and create a sequence number attached to the warranty item. The item is brought back in through a credit memo, but the on hand count is not updated since we can't sell the part. The sequence number brings it into the warranty program. Once the credit memo has been issued and a sequence number assigned, no change should be made to the part in menu 15.9 - especially to the cost. It is dangerous to change this number, especially if you are crossing months. Very likely it will throw out the detail to the summary and you won't balance.

- Step 2 is how the warranty items are updated at month end. This step always happens even if a claim is created before month end.

- Step 3 is creating the claim from the sequence number.

    - Depending on how the vendor handles warranty items, you may get a replacement part or you may get a credit. If you get a credit then you have to post the credit to the claim in 15.11 and voucher the credit as well. If a replacement is sent, then it is received in through the warranty menu in the warehouse.

A few notes:

If a part is not brought into the warranty program through a credit memo, it has to go on a handwrite, it can not be put on a computer claim and run through the system.

Sometimes, we elect to hold off issuing credit to a customer until we receive credit from a vendor. It also has to be put on a handwrite otherwise you run the risk of throwing off the warranty balances. In this case, you may hold off posting the credit until credit has been issued to the customer and a claim created. You have to wait for day end to happen before you can create a claim so it usually isn't easier to do it that way.