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Consignment Management QRG
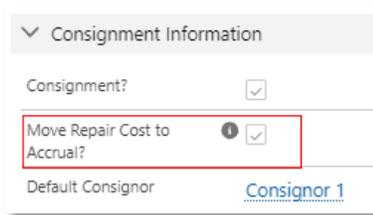### Repair Cost is an Accrued Cost

Purpose: The purpose of this guide is to outline the basics of Consignment Management including Owner Code Set-up and Behavior, Tracking Repair Costs and Sales with Repair Costs as Accrued Costs, Owner Code Adjustments and Consignment Management.

Quick Reference Guide

Owner Code Set-up and Behavior

1. To ensure the Repair Order cost be captured as an Accrued Cost, check the box "Move to Repair Cost to Accrual?" on the Owner Code.
   The Consignor Payable will now be calculated as:

   Sales x Consignment Rate.

2. Back on the Owner Code, Accrued Cost (highlighted in yellow) will change based on Repair Cost & other associated Cost captured as Accrued Cost and then processed as Bill Backs against the Consignor.

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Tracking Repair Cost as Accrued Cost

1. As Repair Order is received, a Transaction Activity is created which produces an automated Receiving Journal Entry and an Owner Code Adjustment.

2. For example, let's look at the cost of repair from RO-45001 of $750 where it is Accrued on the Owner Code (OC) but not on the Inventory Line.

Owner Code Adjustment Name	Total Amount	Adjustment Date	Type
OCA-56695	USD 750.00	6/13/2024	Repair Cost Accrual

Owner Code Adjustments (1)

SUMMARY

Owner Code Type	Total Adjustments
Consignment Code	$750.00
Lines in Inventory	Total Sales
1	$0.00
Inventory Lines on Exchange	Total COGS
0	$0.00
Inventory Lines on Repair	Total Profit
0	$0.00
Total Repair Cost in Inventory ⓘ	
$0.00	
Total Accrued Repair Costs ⓘ	
$750.00	
Total Inventory Lines	
2	

Inventory
INV-638926

Acquisition Cost	
Repair Cost ⓘ	USD 0.00
Extended Cost	USD 0.00

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Tracking Sales where Repair Cost is on the Owner Code

1. For this example, let's use Owner Code TEST2 & an outright sale that had a Repair Cost. (Highlighted GL Accounts below correspond to additional information about this example later).

2. As Sales are Shipped, the following records are automatically generated:
   a. Invoice
   b. Billing
   c. Transaction Activity
   d. Journal Entry (Type: Shipping) which identifies the Cost of Goods Sold (COGS).

3. Let's now look at INVC-25147 for an Outright Sale of $8000.
   a. Revenue Entry was generated.

Transaction Na... ⌄	Accounting Period ⌄	GL Account	⌄	Amount ↓
TRN-781082	2024-06	11201-Accounts Receivable - Trade (USD)		USD 8,000.00
TRN-781083	2024-06	31110-Rev TR Parts - Parts Sales		USD -8,000.00

   b. Consignor's Payables are ($8000 x 75% = $6000) and this is recorded as Cost of Goods Sold (COGS).

INVOICE	Release	Part Number	Keyword	SN	INV-ID	Owner Code	Qty Invoiced	Extended P...	Consignor Payable
INVC-25147	RLS-70003	TEST	WRONG		INV-638926	TEST2	1	$8,000.00	$6,800.00

Journal Ent... ⌄	GL Account ↑	⌄	Debit	⌄	Credit
JEL-337377	21114-Accrued Payables - Consignor				USD 6,800.00
JEL-337376	41110-COS TR Parts - Parts Sales		USD 6,800.00		

Consignor's Payable

4. Summary (Total Sales, COGS, Profit) increases, and the invoice is now listed under the Tab Sales.

Owner Code
TEST2

Lot Code?	Chargeout Rate	Remaining Cost	Consignment?	Consignment Rate	Accrued Cost
☐			☑	85.00%	USD 750.00

Details   Analysis   Inventory   Receipts   **Sales**   Repairs   Adjustments   Related   Archives

Export All

SOID	DATE	CUSTOMER	PN	KEYWORD	COND	Q ORD	Q OPEN	Q SHP	Q INV	PRICE
SOL-127986	Jun 13, 20...	Test Custo...	TEST	WRONG	SV	2	1	1	1	USD8,000.00

Previous   1/1   Next

SUMMARY

Owner Code Type	Total Adjustments
Consignment Code	$750.00
Lines in Inventory	Total Sales
0	$8,000.00
Inventory Lines on Exchange	Total COGS
0	$6,800.00
Inventory Lines on Repair	Total Profit
0	$1,200.00
Total Repair Cost in Inventory ⓘ	
$0.00	
Total Accrued Repair Costs ⓘ	
$0.00	
Total Inventory Lines	
2	

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Owner Code Adjustments

1. Next, manually record all other cost (i.e. Teardown Cost, Legal Fees, etc.) as an Owner Code Adjustment.
2. From the Owner Code, select "New Adjustment".
3. Complete applicable fields like Date, Type, Description and Amount.
4. Check the "Update Owner Code Cost" box.
5. Next, if debits and credits need to be reflected on a GL Account(s) different from what is already set-up, select them here.
6. Finally, click "Save".
7. Continuing the example above, create said Payable in Accounting Seed, the Debit Entry is the Expense account used as highlighted in Yellow.

Note: Remember to credit the same expense so that it zeroes out.

8. The Debit Entry is the "Inventory Account-Acq" of that OC as this is where the Accrued Cost pulls from as highlighted in Green.

9. Journal Entry in Accounting Seed when OCA was created, and Accrued Cost increased by $850.

Journal Ent...	GL Account ↑	Debit	Credit
JEL-337378	21114-Accrued Payables - Consignor	USD 850.00	
JEL-337379	52801-Freight Expenses		USD 850.00

Last Rev: 6-13-2024

This then will show in the Owner Code the Accrued Cost has increased by those 2 Adjustments. One that was manually created (the OCA for Freight & the other that was automatically created from the Receiving in the Repair Order

Owner Code TEST2

Lot Code?	Chargeout Rate	Remaining Cost	Consignment?	Consignment Rate	Accrued Cost
☐			☑	85.00%	USD 1,600.00

Details   Analysis   Inventory   Receipts   Sales   Repairs   **Adjustments**   Related   Archives

Owner Code Adjustments (2)

Owner Code Adjustment Name	Total Amount	Adjustment Date	Type
OCA-56695	USD 750.00	6/13/2024	Repair Cost Accrual
OCA-56696	USD 850.00	6/10/2024	Teardown Freight

View All

Consignment Management

Finally, from Sales Tools > Consignment Management, use the on-screen filters to find the applicable Sales & Adjustments (e.g. by Owner Code).

Using the examples above, when sorting by the Owner Code, you will see under the tab "Sales", the 1 invoice listed to be processed to Consignor and under the tab "Adjustments", select the OCAs that is being processed as Bill Backs which includes the previous Repair Cost and click Next.

Select the applicable Invoice Lines, and/or Owner Code Adjustment Lines from the Sales & Adjustments tabs and click, "Next".

When the Invoices & OCAs are selected to be processed to a Consignor Payable, select "Create New Payable".

Give the Consignor Payable record a Name (e.g. YYYY-MM OCTEST1).

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Once the Consignor Payable is complete (and greater than or equal to 0), click "Generate Documents" and "Save Copy" to store the file on the record.

Consignment Payable Print

Owner Code: TEST2
Default Consignor: Consignor 1

INVOICE	RELEASE	SO#	PART NUMBER	KEYWORD	SN	INV-ID	QTY INVOICED	EXTENDED PRICE	EXT REP COST	CONSIGNOR PAYABLE	CONS STATUS	INVOICE PAID	ESN	NSN	DATE SHIPPED	DAYS INVOICED
INVC-25147	RLS-70003	SO-22408	TEST	WRONG		INV-638926	1	$8000.00	$0.00	$6800.00	Processed		ESNTEST1		6/13/2024	0

Consignment Bill Back

OCA-ID	ADJUSTMENTS DATE	TYPE	PN	KEYWORD	SN	DOC #	LINE #	ACCOUNT	INV-ID	OWNER CODE	DEFAULT CONSIGNOR	TOTAL AMOUNT	STATUS	ESN	NSN
OCA-56696	6/10/2024	Teardown_Freight						UPS Freigh		TEST2	Consignor 1	$850.00	Processed	ESNTEST1	
OCA-56695	6/13/2024	Repair Cost Accrual	TEST	WRONG		RO-45158	1	BP Aero Se	INV-638926	TEST2	Consignor 1	$750.00	Processed	ESNTEST1	

TA #	
Payable	$6,800.00
Bill Back -/+	$1,600.00
Match TA Total =	$5,200.00

Next, create the Payable and click Continue

Consignment Management - When the "Payable" record is created, it will appear under the List View for Open Payables in Accounting Seed.

Payable Line N... ∨	Description ∨	Quantity ∨	Unit Cost ∨	Total ∨	Expense GL Account
APL-38012		1.000000	$4,400.000000	$4,400.00	21114-Accrued Payables - Consignor

Note: The Accrued Cost reduces by what OCAs were selected when the Consignor Payable is created. Since all of the OCAs were selected to be processed against the consignor payable, the accrued cost will be back to 0.