

JETELLIGENCE

Consignment Management QRG Repair Cost is an Accrued Cost

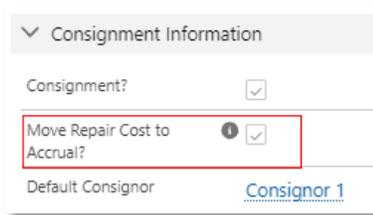
Purpose: The purpose of this guide is to outline the basics of Consignment Management including Owner Code Set-up and Behavior, Tracking Repair Costs and Sales with Repair Costs as Accrued Costs, Owner Code Adjustments and Consignment Management.

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.



A screenshot of a 'Consignment Information' form. The form has a dropdown arrow on the left. It contains three rows: 'Consignment?' with a checked checkbox, 'Move Repair Cost to Accrual?' with a checked checkbox and a red box around it, and 'Default Consignor' with the text 'Consignor 1'.

Owner Code					
	TEST2				
Lot Code?	Chargeout Rate	Remaining Cost	Consignment?	Consignment Rate	Accrued Cost
<input type="checkbox"/>			<input checked="" type="checkbox"/>	85.00%	USD 0.00

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.

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 Adjustments (1)			
Owner Code Adjustment Name	Total Amount	Adjustment Date	Type
OCA-56695	USD 750.00	6/13/2024	Repair Cost Accrual

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

Tracking Sales where Repair Cost is on the Owner Code

- 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).

Owner Code
TEST2

Lot Code?	Chargeout Rate	Remaining Cost	Consignment?	Consignment Rate	Accrued Cost
<input type="checkbox"/>			<input checked="" type="checkbox"/>	85.00%	USD 750.00

Accounting Information

Inventory Account-Acq	21114-Accrued Payables - Consignor	Inventory Account-Rep	11302-Inventory - Consignor Owned
Expense Account-Acq	41110-COS TR Parts - Parts Sales	Expense Account-Rep	41110-COS TR Parts - Parts Sales
Adjustment Account	49110-COS Other - Inventory Adjustments	Revenue Account	31110-Rev TR Parts - Parts Sales
Exchange Core Repair Account	11306-Inventory - Clearing	Consignor Accrual Account	21114-Accrued Payables - Consignor
GL Variable 1	N/A	Consignor Payable Account	21101-Accounts Payable - Trade (USD)
GL Variable 2	N/A		
GL Variable 3	N/A		
GL Variable 4	N/A		

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

- Let's now look at INVC-25147 for an Outright Sale of \$8000.
 - 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

- Consignor's Payables are ($\$8000 \times 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

Consignor's Payable

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	

- 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					
<input type="checkbox"/>			<input checked="" type="checkbox"/>	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	

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.

Payee Information							
Vendor		Bluegrace Logistics			Payee Reference		INVOICE 3322
Payable Line Name	Description	Quantity	Unit Cost	Total	Expense GL Account		
APL-38011		1.000000	\$850.000000	\$850.00	52801-Freight Expenses		

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.

Owner Code Adjustment			
OCA-56696			
Details			
Information			
Owner Code Adjustment Name	OCA-56696	Owner Code	TEST2
Adjustment Date	6/10/2024	Business Category	
Type	Teardown Freight		
Description			
Total Amount	USD 850.00		
Reference-Reporting Purposes			
Inventory		Part Number	
Doc #		Serial Number	
Line #		Qty	
Account	UPS.Freight.08312931	Unit Cost	
Accounting Update			
Update Owner Code Cost	<input checked="" type="checkbox"/>		
Debit Account	21114-Accrued Payables - Consignor	Debit Amount	USD 850.00
Credit Account	52801-Freight Expenses	Credit Amount	USD 850.00
GL Variable 1		GL Variable 3	
GL Variable 2		GL Variable 4	
Owner	Ann Martin	Last Modified By	Ann Martin, 6/13/2024 7:10 AM
Created By	Ann Martin, 6/13/2024 7:10 AM	Company	CID-0

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

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
<input type="checkbox"/>			<input checked="" type="checkbox"/>	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.

Consignment Management															
Filter															
Select Consignor	--Select Owner Code Group--	TEST2	<input type="radio"/> Open <input type="radio"/> Processed <input type="radio"/> Complete												
From Date	To Date	CD-0													
Sales Adjustments															
<input type="checkbox"/>	INVOICE	Release	Part Number	Keyword	SN	INV ID	Owner Code	Qty Invoiced	Extended ...	Consignor Payable	Cons Status	Invoice Paid	ESN	NSN	Date Shipp...
<input type="checkbox"/>	INV-25147	RLS-70003	TEST	WRONG		INV-838928	TEST2	1	\$8,000.00	\$6,800.00			ESNTEST1		6/13/2024

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Consignment Management

Filter

Select Consignor: [] --Select Owner Code Group--: [] TEST2 [X] Open Processed Complete

From Date: [] To Date: [] CD-0 []

Sales: **Adjustments**

Export

OCA-ID	Adjustments...	Type	PN	Keyword	SN	Doc #	Line #	Account	INV-ID	Owner Code	Default Con...	Total Amount	Status	ESN
OCA-56896	6/10/2024	Teardown, fr...						UPS Freight		TEST2	Consignor 1	\$250.00		ESNTEST1
OCA-56895	6/13/2024	Repair Cost...	TEST	WRONG		RD-45158	1	SP Aero Se	INV-608926	TEST2	Consignor 1	\$750.00		ESNTEST1

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".

Consignment Management

Header

CONSIGNOR	NUMBER OF SALES LINES	NUMBER OF ADJUSTMENT LINES	TOTAL SALES	TOTAL CONSIGNOR PAYABLE	TOTAL ADJUSTMENTS
Consignor 1	1	2	\$1,000.00	\$6,800.00	\$1,600.00

Back **Add to Existing Payable** **Create New Payable**

Sales: **Adjustments**

Export

INVOICE	Release	Part Number	Keyword	SN	INV-ID	Owner Code	Qty Invoiced	Extended P...	Consignor ...	Case Status	Invoice Paid	ESN	NSN	Date Shipped	Days Invoiced	Default Con...
INV-25147	RLS-7003	TEST	WRONG		INV-608926	TEST2	1	\$6,800.00	\$6,800.00			ESNTEST1		6/13/2024	0	Consignor 1

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

Create New Payable [X]

Payable Name

2024-06 OCTEST1

Save

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.

Consignor Payable
CNS-000068

Quantity of Sales Lines: 1, Quantity of Adjustment Lines: 2, Total Sales: USD 8,000.00

Buttons: [Generate Documents](#)

Details:

Consignor Payable Name	CNS-000068	Owner	Ann Martin
Payable Name	2024-06 OCTEST1	Consignor	Consignor 1
Processed By	Ann Martin	Company	CID-0
Quantity of Sales Lines	1	Quantity of Adjustment Lines	2
Total Consignor Payable	USD 6,800.00	Total Sales	USD 8,000.00
Total Adjustments	USD 1,600.00		
Consignor Due	USD 5,200.00		
Status			

Created By: Ann Martin, 6/13/2024 7:27 AM | Last Modified By: Ann Martin, 6/13/2024 7:27 AM

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
INV-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 Freight		TEST2	Consignor 1	\$850.00	Processed	ESNTEST1	
OCA-56695	6/13/2024	Repair Cost Accrual	TEST	WRONG		RD-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

Consignor Payable
CNS-000068

Quantity of Sales Lines: 1, Quantity of Adjustment Lines: 2, Total Sales: USD 8,000.00

Buttons: [Generate Documents](#), [Create Payable](#)

Details:

Consignor Payable Name	CNS-000068	Owner	Ann Martin
Payable Name	2024-06 OCTEST1	Consignor	Consignor 1
Processed By	Ann Martin	Company	CID-0
Quantity of Sales Lines	1	Quantity of Adjustment Lines	2
Total Consignor Payable	USD 6,800.00	Total Sales	USD 8,000.00
Total Adjustments	USD 1,600.00		
Consignor Due	USD 5,200.00		
Status			

Created By: Ann Martin, 6/13/2024 7:27 AM | Last Modified By: Ann Martin, 6/13/2024 7:27 AM

All consignment sales and Adjustment lines will be marked as "Paid" and the Accrued Cost for each owner code will be reduced by the Total Adjustments amount. Are you sure you want to continue?

Buttons: [Cancel](#), [Continue](#)

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

Payable AP-26333

Issue Date: 6/14/2021 | Due Date: 6/13/2021 | Accounting Period: 2021-05 | Posting Status: Posted | Total: \$4,400.00 | Balance: \$4,400.00

Details | Applied to | Amortization | Aging History | Notes & Files | All Activities

Payable Name: AP-26333 | Posting Status: Posted
 Payment Method: Wire | Ledger:
 Payment Priority: Consignment | Type: Invoice
 Vendor Terms: NET 30 | Sub-Total: \$4,400.00
 Payment Status: Unpaid | Purchase Tax: \$0.00
 Urgent?: | Total: \$4,400.00
 Net Amount: \$4,400.00
 Paid Amount: \$0.00
 Credit Memo Applied Amount: \$0.00
 Balance: \$4,400.00

Payee Information

Vendor: Consignor 1 | Payee Reference: CNS-000068
 Employee:
 Payee:
 Payee Check Name:
 Payable Contact:
 Repair Order:
 Purchase Order:
 Fixed Asset:
 Recurring Payable:

Payable Line N...	Description	Quantity	Unit Cost	Total	Expense GL Account
APL-38012		1.000000	\$4,400.000000	\$4,400.00	31114-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.

Owner Code TEST2					
Lot Code?	Chargeout Rate	Remaining Cost	Consignment?	Consignment Rate	Accrued Cost
<input type="checkbox"/>			<input checked="" type="checkbox"/>	85.00%	USD 0.00