

Changing Inventory Posting Options

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When using transactional posting, the appropriate inventory asset account is updated along with each sale or purchase transaction. This maintains the value of inventory throughout the month as inventory movement is processed. A G/L detail entry is created for each of the inventory asset accounts involved in the sale, product purchase, or inventory adjustment.

When using summarized posting, the inventory asset accounts remain unchanged as product is purchased and sold. The inventory *Amount on Hand* changes, keeping the perpetual inventory accurate, but the G/L inventory accounts are not affected by these transactions. Instead, a utility called *Post Inventory to the G/L* is used to post the change in inventory since the last time the utility was run to the asset accounts.

Setup

It is recommended to use the summarized posting method unless someone in-house can monitor the effect of transactional posting to the G/L throughout the month. Contact SSI to discuss these options further.

Changing from Transactional Posting to Summarized

Although summarized posting is the recommended method of updating the G/L asset accounts, there are some considerations to review before switching from the transactional method to the summarized method.

1. Summarized posting should be done just before or just after ending the month and before entering any transactions into the new month.
2. Be certain the inventory asset and cost of goods sold account balances are accurate.
3. Each inventoried department's freight and discount accounts should be changed to direct expense accounts instead of asset accounts, as it is when doing transactional posting.

On the *Accounting / Setup / Preferences / General* tab, uncheck the *Transactional Posting to Inventory Asset Accounts* option.

Changing from Summarized Posting to Transactional

Following are steps to consider before switching from the summarized method to the transactional method.

1. Transactional posting should be done just before or just after ending the month and before entering any transactions into the new month.
2. Be certain the inventory asset and cost of goods sold account balances are accurate.
3. Each inventoried department's freight and discount accounts should be changed to inventory asset accounts instead of the direct expense accounts, as it is when doing summarized posting.

On the *Accounting / Setup / Preferences / General* tab, select the *Transactional Posting to Inventory Asset Accounts*

option.

How to Post Value of Inventory to G/L

1. Run a Company-Owned Inventory Statement found in *Accounting Reports / Inventory / Inventory Status / Inventory Statements* selecting the *Company Owned* style. Review the quantities and costs of the products and check inventory department totals. The department totals are the same numbers that the Post Inventory to G/L function will use.
2. Go to *G/L / Post Inventory to G/L*. If the value of unprocessed Purchase Receipts should be included, select the *Post Unprocessed Pur Rec's* checkbox. The unprocessed inventory is valued at the Purchase Order price per unit if the receipt is associated with a PO, the estimated average cost, or the product's last cost value.
3. **Note:** Because this function is designed to affect the general ledger balances in both the current and future months, it is important that the value of unprocessed Purchase Receipts be posted as the LAST journal entry of the fiscal month.
4. Select the correct *Cost to Use* option, and select **Calc**. All departments marked as *Inventory This Department at Setup / Inventory Department* on the *G/L Posting* tab display.
5. Compare the *Current Value* column with the department totals on Company-Owned Inventory Statement previously printed for all departments marked to inventory. The department totals and the Current Value for each inventoried department should match. If they do not, contact SSI Support.
6. All the departments with checkmarks in the *Post* column will be updated. Departments may be tagged or untagged as needed.
7. Select the *Print on Post* option.
8. Choose **Post** to make the adjustments.