

Consignment

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Consignment is a common situation in which the vendor stores product at the company's location for use but doesn't bill the product until it is sold. The vendor is notified to release a quantity of the product at which time a bill for that quantity is issued.

There is an option to indicate that an item is consignment at the product *Profile* screen. Consignment products may optionally be excluded from Inventory Statement reports.

How to Handle Consignment

1. Consignment inventory should be represented with an unprocessed Purchase Receipt. This product is not included on a Company-Owned Inventory Statement unless the report option *Include Consignment Products* is selected.
2. When the bill arrives for any released product, process that portion of the receipt at the *Purchase Invoice* function, leaving the balance on the Purchase Receipt as consignment.