

Merchandise Inventory Report

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Overview

The Merchandise Inventory Report values merchandise based on the setup of the Grain Ledger Account. The inventory value can be calculated from the current inventory or a percentage of the cost of sales. Do not run Post Inventory to GL if using the Merchandise Inventory Report to value the merchandise inventory. Also, if an inventory adjustment is created in Accounting; do not make an entry in the general ledger.

When the Merchandise Inventory Report is posted, journal entries are made to the purchase and inventory accounts that are established on the grain ledger accounts. These entries are reversed out next month (the program automatically creates future journal entries). The beginning of month balance on the asset account should always be the beginning of year balance.

Setup

Merchandise Inventory Section

Account	Beg of Year		Purchases		Current Inv.		Cost of Sales		Sales	
	Units	Value	Units	Value	Actual Units	Value	%	Amount	Units	Value
ANIMAL HEA	0.00	8000.00	0.00	1815.41	0.00	0.00		9815.41	283.00	2777.17

Beg of Year

Units = Beginning of Year Units on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

Value = Beginning of Year Value on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

Purchases

Units = YTD quantity total for the purchase account setup on the Grain Ledger Account (*Setup/Grain Ledger Accounts/Merchandise tab*).

Value = YTD amount for the purchase account setup on the Grain Ledger Account (*Setup/Grain Ledger Accounts/Merchandise tab*).

Current Inv

Actual Units = Current Period Units on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

Value = Current Period Value on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*). If the Current Period Value it is blank it is calculated as follows: Beginning of Year Value (*Setup / Grain Ledger Accounts / Merchandise tab*) plus Purchases Value1 minus Cost of Sales Amount2.

Cost of Sales

% = Cost of Sales % on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

2Amount = Beginning of Year Value (*Setup / Grain Ledger Accounts / Merchandise tab*) plus Purchases Value1 minus Current Inventory Value (*Setup / Grain Ledger Accounts / Merchandise tab*). If Current Inventory Value is blank calculate as follows: Sales Value3 times Cost of Sales Percent (*Setup / Grain Ledger Accounts / Merchandise tab*).

Sales

Units = YTD quantity total for the sales account setup on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

3Value = YTD amount for the sales account setup on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

GL Adjusting Entries

GL Adjusting Entries

Account	Description	Debit Dollars	Credit Dollars
42201P 1080.1	Cost of Sales Adjustment ANIMAL HEALTH - Cost Adj	8,000.00	8,000.00

Cost of Sales Adjustment = Cost of Sales Amount minus Purchases Value. A debit to the purchase account setup on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

Cost Adj = Cost of Sales Amount minus Purchases Value. A credit to the inventory account setup on the Grain Ledger Account (*Setup / Grain Ledger Accounts / Merchandise tab*).

