

# MYOB EXO BUSINESS WHITE PAPER

Stock Integration



MYOB ENTERPRISE SOLUTIONS

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# Overview

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This paper provides an overview to the options available to a user for getting stock into the General Ledger (GL). There are two methods which can be utilised if stock is required in the GL. These methods are:

- Perpetual Inventory system – All stock transactions are posted to the GL.
- Periodic Inventory system – Manually driven at period-end by the user.

The **Stock system** setting in EXO Business Config (Essentials > General Ledger) determines which of these methods is used.

**Note:** For detailed worked examples of these two methods, see Appendix A.

## Perpetual Inventory

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### Overview

A Perpetual Inventory system integrates into the GL; all stock transactions are reflected in the GL, in a perpetual fashion. That is, the stock when it is increased or decreased whether by stock receipt, sale or adjustment, has the appropriate journal entry posted to the GL. The posting to the GL happens with all the Post to GL functions (including Stock, Debtors and Creditors). The stock, when received, is posted to a Stock Clearing Account. This is then taken from the stock clearing account to the creditors control account, when the liability is recognised by way of a Creditor Invoice.

Any variance between the valuation of stock at receipt and the value on the Creditor Invoice must be manually journalised to cost of sales. Only stock transactions from the time that the feature is enabled can be posted to the GL using the Post Stock to GL utility. It is advisable to enable this feature at the beginning of a financial period only.

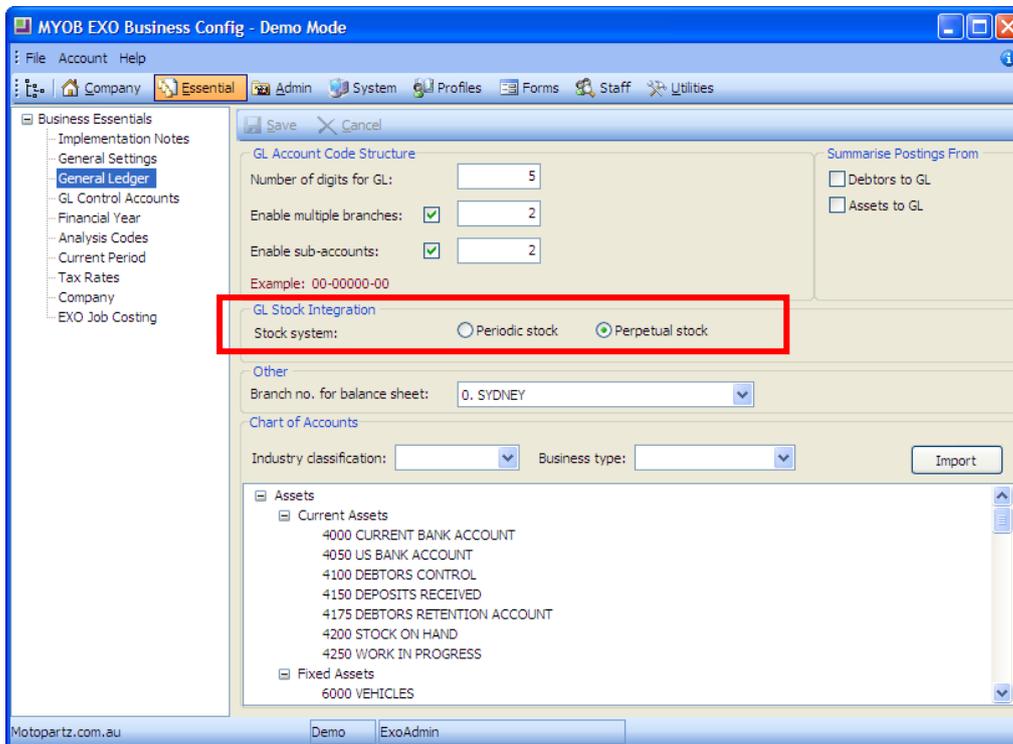
It is important that before a Perpetual Inventory system is enabled, all Creditors and Debtors have been posted to the GL based on the existing settings. A reconciliation between the stock control account and the stock valuation report must also be completed to ensure a correct starting position. If stock has been received but not yet invoiced, a journal will be required between the stock control account and the stock clearing account.

If the stock value includes a component of on cost such as freight into store, this will be split out by the Inwards Goods program. There is another clearing account to be set in the balance sheet: the **On cost clearing account**, set in EXO Business Config at Essential > GL Control Accounts > Custom tab. Also set here is an **On cost variance account**. This is used to acknowledge a variance between the estimated on costs in the stock valuation and the actual costs. This variance is taken up when the user marks the on cost line as completed.

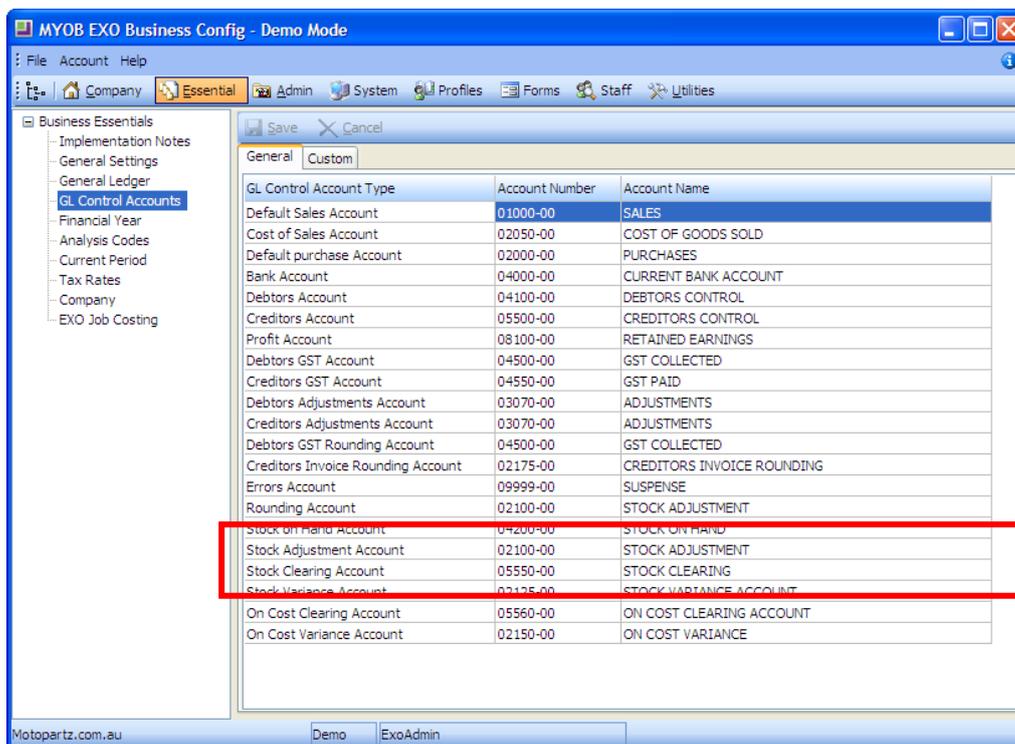
See the *Stock Valuation* White Paper for more information on how valuations are calculated.

## Setup

To enable this feature to be used in EXO Business, the **Perpetual stock** option must be selected in EXO Business Config at Essential > General Ledger:



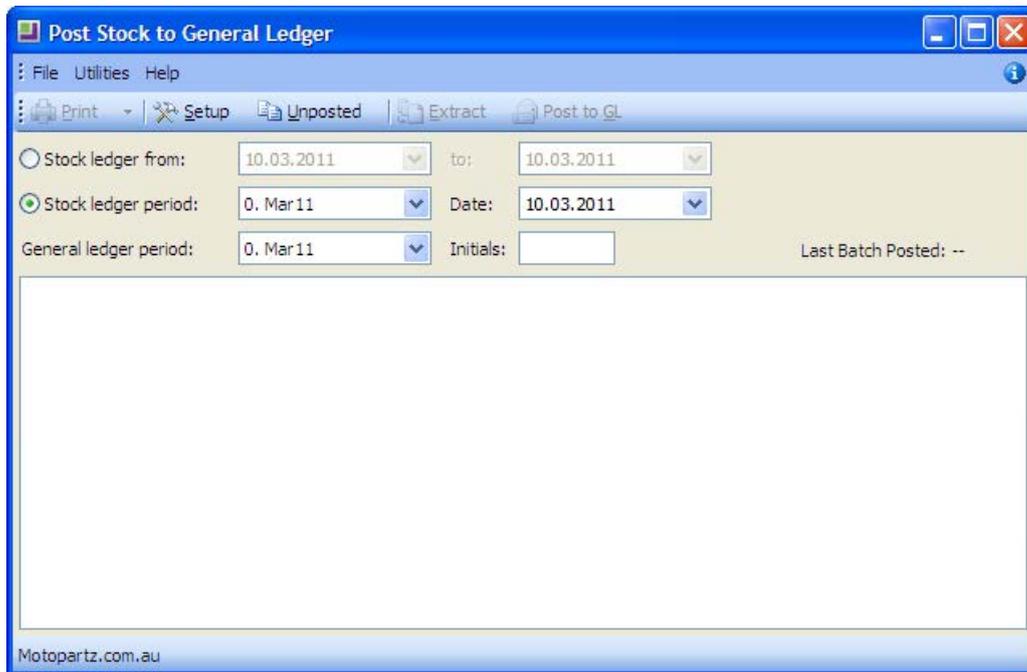
Once the option has been enabled, the user must complete the default account settings in the General Ledger Control Accounts Setup (Admin > General Ledger > GL Control Accounts). There are extra account codes to be specified. They are **Stock adjustment account** and **Stock clearing account**.



The user will need to add the **Post Stock to GL** menu item at Staff > Menus > Dropdown Menu if it is not already present. It is recommended that the user has the Creditors Invoice, Inwards Goods Costing and Inwards Goods Receipts utilities as well.

## Operation

As with Post Creditors and Debtors functions, users will periodically run the Post Stock to General Ledger utility.



The journal entries that are posted to the GL using this utility are the stock receipts and stock adjustments. The Post Creditors to GL utility inserts entries into the GL for the invoicing of stock that has been received or credited. Adjustments to stock either from stock transaction or stock takes are posted to the GL using this utility.

Credits from suppliers for stock must be entered using the Creditors Invoice Entry from Stock window. This ensures that the stock system and the GL are updated with the required journal entries.

The default **Purch Clearing GL Code** on the Details 2 tab of the Stock Item Details screen should be set to the stock clearing account. This is where creditor invoices will be coded too.

The following is an overview of the GL journals that are generated from stock transactions:

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Debit   Stock on Hand

Credit   Stock Clearing Account

This entry occurs using the Post Stock to GL utility when stock is receipted using a Purchase Order.

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Debit Stock Clearing Account

Debit GST

Credit Creditors

This entry occurs when invoicing a Purchase Order and is posted to the GL using the Post Creditors to GL utility.

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Debit Cost of Sales

Credit Stock on Hand

This entry occurs when stock is sold. The related Credit Sales , Debit Debtors is generated from the Post Debtors to GL utility.

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An adjustment (the entry would be made using Stock Transaction entry and selecting Adjustment) will make the following entry:

Debit Stock Adjustment

Credit Stock on Hand

This is an entry to write off damaged stock. The GL entry would be made when the Post Stock to GL utility is used.

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See Appendix A (page 12) for a worked example.

## Periodic Inventory

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### Overview

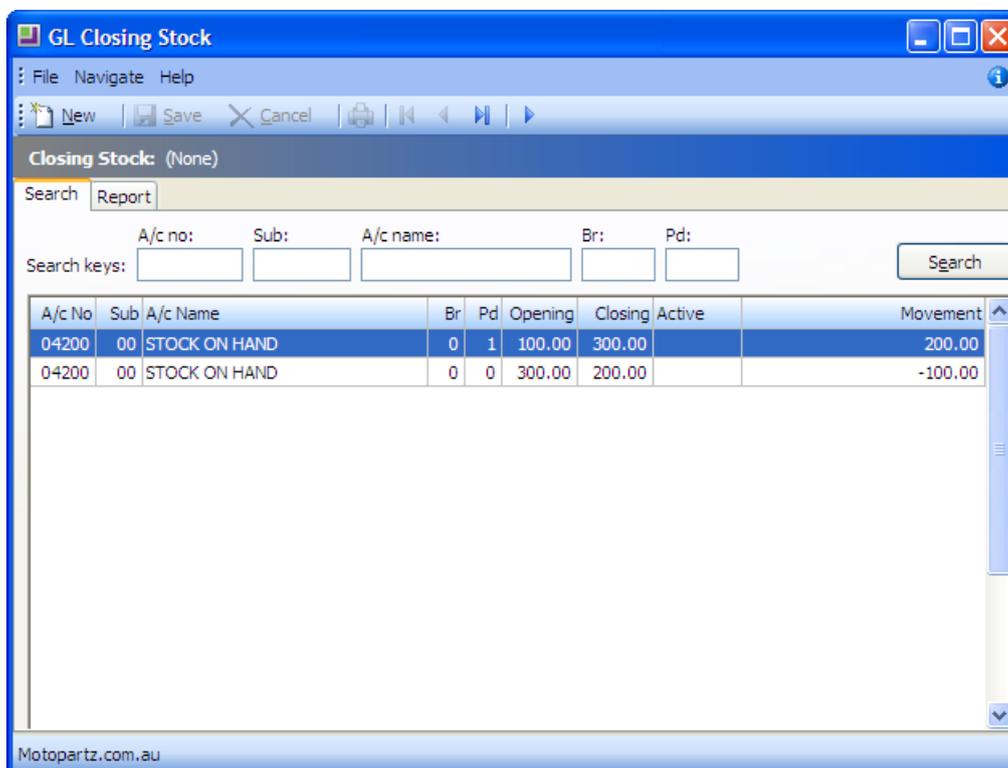
This is intended to allow the user to operate a periodic inventory system that integrates into the GL. The user is required to turn this feature on. The procedure that is invoked by this feature is that closing stock transactions are reflected in the GL in a periodic fashion. That is, the stock when it is increased or decreased when the user enters the closing stock valuation and the appropriate journal entry reflecting the movement is posted to the GL.

The posting to the GL happens with all GL Closing Stock entries. The user is able to modify a previous entry and the adjusting journals are posted to the GL in the appropriate periods. This utility will not operate if the user has Perpetual Inventory turned on. A movement account in the Profit and Loss area of the reports is specified as is a balance sheet account. The balance sheet account will hold the current value of the Stock on Hand and the movement account will record the change in the Stock on Hand period by period. When the financial reports are written the movement accounts can be substituted for the opening and closing stock figures.

## Setup

### Closing Stock

By default, the Post Closing Stock Valuation to GL procedure is available in the EXO Business menu under Utilities > Ledger postings. When this procedure is run the following screen will appear:



It is important to have the stock accounts and the movement accounts setup in the GL before using this utility. For each movement account in the profit and loss, you need to have a matching stock on hand account in the balance sheet. These can be either complete accounts or sub accounts. This is because you can only post one stock movement for each stock control account (or subaccount) per period.

### Stock Items

The user will need to setup the sales and purchases GL accounts against their stock items. It is recommended that the purchases GL account be the movement account for that particular stock item. In this way, creditor invoices for stock purchase and stock movements will be posted to the same account. Alternatively you can use a different movement account, therefore the combination of both the movement account and the purchases account is the Cost of Sales for that product (or product range). Any number of stock items can use the same movement account. These details are setup under the Details 2 tab of the Stock Items screen.

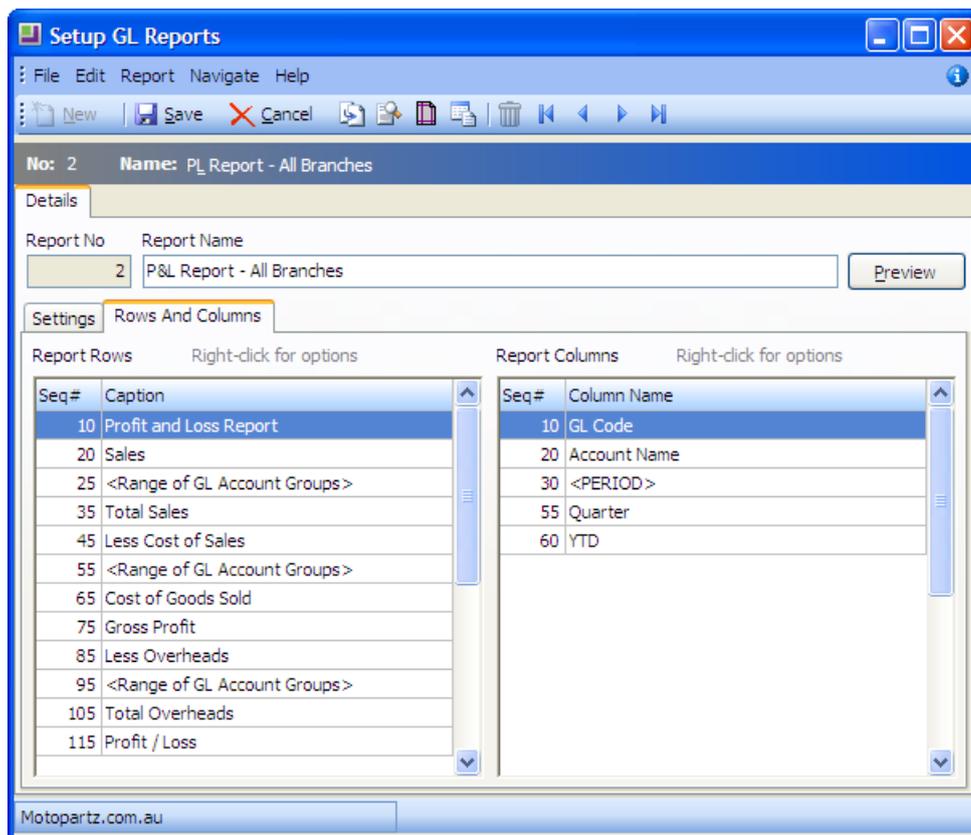
## GL Control Accounts

When using Periodic stock, the following GL Control Accounts are not used:

GL Control Account	Recommendation
Cost of Sales Account	Set the same as <b>Default Purchases Account</b>
Stock on Hand Account	Set to the default stock control account
Stock Clearing Account	Set to the suspense account
Stock Adjustment Account	-
On Cost Clearing Account	-

## Reporting

The user is required to set up the report on the *Statement of Financial Performance* (Profit and Loss Report) to substitute the movement accounts for the Opening and Closing Stock figures.

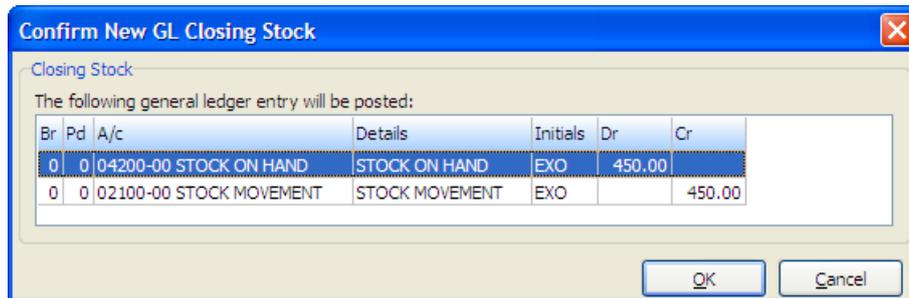


The Opening and Closing Stock as specified in the setup of the Profit and Loss Report are the same with the exception of the action type. The same range of accounts will be specified for both Opening and Closing Stock.

## Operation

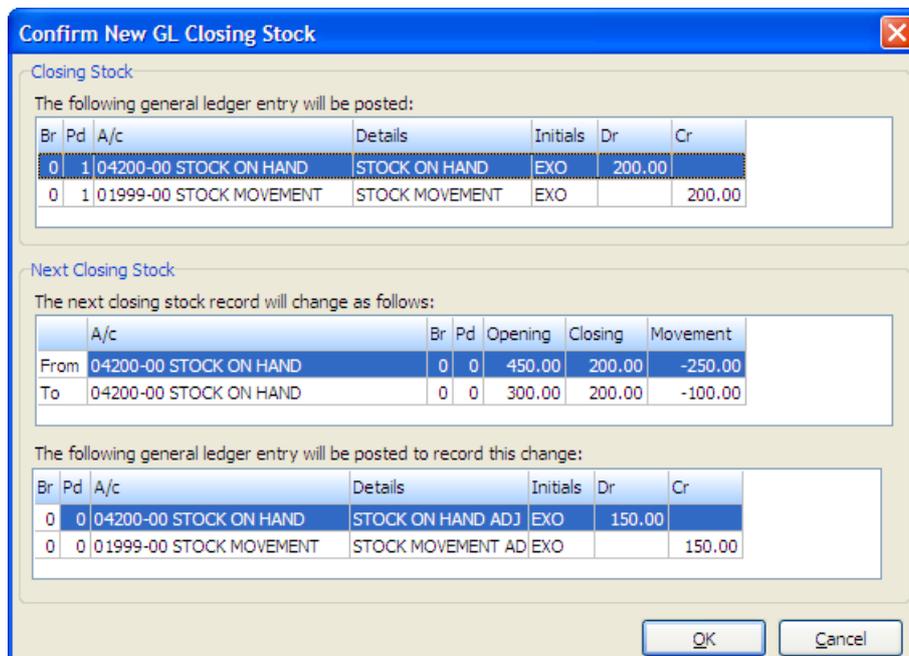
To enter the opening and closing stock figures for a period, the user runs the GL Closing Stock utility and clicks the **New** button. A balance sheet account will be selected. If this is the first time that this balance sheet account has been selected, the user will be required to select a movement account. If not, the utility will select the last movement account used in conjunction with the balance sheet account selected, as well as the closing stock figure from the previous period if one exists in the table. The closing stock figure from the previous period will be carried through to the opening stock area for the period being worked on. The screen will look as follows:

The user enters a closing stock figure (this figure can be gained from the Stock Valuation Report), initials, ensures the other details are correct and when all details are correct clicks **Save**. The following screen appears:



The user can go back to any period previously entered by selecting it from the search screen. The screen looks the same as the input screen for a new entry except that when saving, if there is an entry in the following period, this too will be updated. So the change in the closing stock will be reflected in the opening stock for the following period.

In this case, the following screen appears when the **Save** button is clicked:



# Integration with Add-on Modules

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## Job Costing

Job costing has the potential to have significant values in work in progress at the close of a period. This work in progress needs to have the value of, for example, direct labour, direct machine hours or overhead allocation assigned to it. It is recommended that Job Costing users select the Periodic Inventory System as this is simple to control, allows the user a degree of professional judgement on the value of the figure and avoids much of the complications of having to apportion overheads at a transactional level.

## Management Report

The stock valuation report shown in the Management Report is the quantity multiplied by the Value per unit (defined in the Management Report - Setup). This is then filtered by stock location or active status, if required by the user. The Management Report does not include the components of Direct Labour or any production costs that are not components held in the stock ledger as stock. Lookup items are not counted in the stock valuation report.

## Sales Order Workflow

Sales Order Workflow has the potential to have work in progress at the close of a period. This work in progress needs to have the value of, for example, direct labour, direct machine hours or overhead allocation assigned to it.

# Appendix A – Worked Examples

This appendix is intended to illustrate the financial impact of stock related transactions. Two examples are provided:

- A – Perpetual Inventory, local currency stock purchase. Also showing the effect of a sale.
- B – Periodic Inventory, local currency stock purchase. Also showing the effect of a sale.

These examples use the same transaction values, in order to clearly illustrate the difference between the Perpetual and Periodic methods.

## Example A: Perpetual Inventory, local currency stock purchase

### Summary

See the following sections for details of each step. This is only a summary of the accounting entries:

Step	Description	Stock	General Ledger								
		Ledger	Stock Control	Stock Clear'g	OnCost Clear'g	Creditor Control	GST	Debtor Control	Sales	COGS	Stock Adust
			4220	5550	5560	5500	4500	4100	1000	2050	2100
A1	Opening Balances	1600.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A2	Raise Purchase Order	-									
A3	Inwards Goods Receipt	-									
A4	Inwards Goods Costing	+620.00	+620.00	-525.00	-95.00						
A5	Creditors Invoice for Stock	-		+505.00		-568.13	+63.13				
A6	Creditors Invoice for Freight	-			+78.00 -8.00	-87.75	+9.75				+8.00
A7	Raise Debtor Invoice – sell stock	-336.66	-336.66				-67.50	+607.50	-540.00	+336.66	
	Closing Balances	1883.34	1883.34	-20.00	-25.00	-655.88	+5.38	+607.50	-540.00	+336.66	+8.00

## A1. Starting Situation

Opening Stock Ledger (assuming only 2 items on Stock ledger)

Item		SoH	Ave Cost	Value
AIR02	Air Filter 02	10	\$60.00	\$600.00
BAT02	Battery 02	10	\$100.00	\$1000.00
	TOTAL			\$1600.00

Opening Year-to-Date balance on the GL Stock Control Account (01-4220-00): \$1,600.00

## A2. Raise Purchase Order

Supplier: 4. FWP AUTOMOTIVE.

Code	Description	Qty	@Price	Total
AIR02	AIR FILTER 02	5	62.00	310.00
BAT02	BATTERY 02	5	100.00	500.00

Purchase Order number 10093 created.

No change to Stock Value or General Ledger.

## A3. Inwards Goods Receipt

Order No	Stock Code	Description	O/S Qty	Ord Price	Rec Qty
10093	BAT02	BATTERY 02	5	\$100.00	2
10093	AIR02	AIR FILTER 02	5	\$62.00	5

Receipt 10012 created.

No change to Stock Value or General Ledger.

BAT02 : Only 2 out of 5 is received

## A4. Inwards Goods Costing

Enter a freight charge of \$70, applicable to the entire receipt.

Cost Code	Details	Amount	Exch Rate	Local
LFR	LOCAL FREIGHT	\$70.00	1.0000	\$70.00

System will allocate \$10 for each item, as there are a total of 7 units being received-in.

Estimates are made of supplier's prices as invoice is not yet received. So *Ord Price* on AIR02 changed from \$62 to \$65.

An additional \$5 per unit is also applied to AIR02.

Order No	Stock Code	Rec Qty	Ord Price	Exch Rate	@Inv Cost	\$ Duty	\$ Fixed	@Land Cost
10093	AIR02	5	\$65.00	1.0000	\$65.00	\$0.00	\$5.00	\$80.00
10093	BAT02	2	\$100.00	1.0000	\$100.00	\$0.00	\$0.00	\$110.00

Stock Ledger is updated, and now looks like this:

Item		SoH	Ave Cost	Value
AIR02	Air Filter 02	15	\$66.67	\$1000.00
BAT02	Battery 02	12	\$101.67	\$1220.00
TOTAL .....				\$2220.00

**New average cost =**  
 (old value + receipt value) / total Qty  
 $\$66.67 = (\$60 * 10 + \$80 * 5) / 15$

Stock transactions are created to support the increase in stock, this is the one for AIR02:

Date	A/c	Alpha	Ref 1	Ref 2	Quantity	UnitPrice	Loc
26.06.02	4		10093	RECEIPT	5	\$80.00	1

### Posting to GL

(Utilities > Ledger Posting > Post Stock to GL (Perpetual))

01-4220-00	Stock Control	620.00	
01-5550-00	Stock Clearing		525.00
01-5560-00	On-Cost Clearing		95.00

On-cost value from \$70 freight + \$25 fixed costs (\$5 for each 5 units of AIR02)

## A5. Enter Creditor's Invoice - for Stock

Supplier: 4. FWP AUTOMOTIVE

Change to Stock mode, press Goods Receipt button, then select Goods Receipt 10012.

Modify @Price on BAT02 from \$100 to \$90, as this is what supplier has charged. This will result in a variance of \$20 (= 2 units \* (\$100 - \$90)) in the Stock Clearing account (01-5550-00).

Type	Code	Description	Qty	@Price	Total
STOCK	AIR02	AIR FILTER 02	5	65.00	325.00
STOCK	BAT02	BATTERY 02	2	90.00	180.00
Sub total:					505.00
GST total					63.13
Invoice total:					568.13

### Posting to GL

(Utilities > Ledger Posting > Post Creditors to GL)

01-4500-00	GST	63.13	
01-5550-00	Stock Clearing	505.00	
01-5500-00	Creditors Control		568.13

## A6. Enter Creditor's Invoice - for Freight

Supplier: Freightier

Change to Stock mode, press down arrow by Goods Receipt button, then modify 'Local Freight' LFR on Goods Receipt 10012. Actual invoice value is \$78.

On-Costs panel looks like this:

Receipt #	Cost code	Details	FC total	FC invoiced	Exch rate	Total	Invoiced	Invoice now	Complete
10012	LFR	LOCAL FREIGHT	\$70.00	\$0.00	1.000	\$70.00	\$0.00	\$78.00	Y
10012	LINEFIXED	CONSOLIDATED FIXED LINE COSTS	\$25.00	\$0.00	1.000	\$25.00	\$0.00	\$0.00	N

Note. Still awaiting invoice for this \$25. This is from the \$5 Fixed charge for 5 units of AIR02.

As this is set to Completed (Y), the system will write-off/back the difference between the amount charged to stock (\$70) and the

Creditors invoice line:

Type	Code	Description	Qty	@Price	Total
	00-5560-00	LOCAL FREIGHT		1	78.00

**Posting to GL**

(Utilities> Ledger Posting > Post Creditors to GL)

00-5560-00	On-Cost Clearing	78.00	
01-4500-00	GST	9.75	
01-5500-00	Creditors Control		87.75
00-5560-00	On-Cost Clearing		8.00
01-2100-00	Stock Adjustments	8.00	

**A7. Raise Debtor's Invoice – sell stock**

Debtor's invoice:

Stock Code	Description	Qty	@Price	Disc(%)	Total	GL Code
AIR02	AIR FILTER 02	2	120.00	0.0	240.00	00-1000-02
BAT02	BATTERY 02	2	150.00	0.0	300.00	00-1000-01

**Posting to GL**

(Utilities> Ledger Posting > Post Debtors to GL)

(Utilities> Ledger Posting > Post Stock to GL (Perpetual))

00-1000-01	Sales - Electrical		300.00
00-1000-02	Sales - Engine		240.00
01-4500-00	GST		67.50
01-4100-00	Debtor's Control	607.50	
00-2050-01	COGS - Electrical	203.33	
00-2050-02	COGS - Engine	133.33	
01-4220-00	Stock Control		336.66

Picks up Sales and Cost of sales accounts from Stock Master 'Details2' tab.

Average Cost \* Qty sold.  
AIR02: \$66.67 \* 2 = 133.33

Stock Ledger now looks like this...

Item		SoH	Ave Cost	Value
AIR02	Air Filter 02	13	\$66.67	\$866.67
BAT02	Battery 02	10	\$101.67	\$1016.67
	TOTAL .....			\$1883.33

## Notes

GL Control Accounts:

The screenshot shows a 'GL Control Accounts' window with a table of account types and numbers. Three callout boxes provide additional information:

- Callout 1:** Points to the 'Default Sales Account' (01000-00) with the text: "Sales & COGS are overridden at Stock Code level".
- Callout 2:** Points to the 'Default purchase Account' (02000-00) with the text: "Purchase account can also be overridden at Stock Code level. In this example we have changed it to 5550 on the stock masters. When creditor's invoice for stock is entered: DR Purchases account CR Creditors Control. For Perpetual, this account (or the related overriding account on the stock master) would normally be a Bal. Sheet account and the same as the 'Stock Clearing account' below. For periodic, it or its stock master override account would normally be a P&L account."
- Callout 3:** Points to the 'Stock on Hand Account' (04200-00) with the text: "These accounts are only used for Perpetual, not used in Periodic. Stock on Hand is the Balance Sheet Stock Control account. Stock Clearing Account is the account that Inwards goods are credited to, i.e. DR Stock on Hand. CR Stock Clearing".

GL Control Account Type	Account Number	
Default Sales Account	01000-00	A
Cost of Sales Account	02050-00	C
Default purchase Account	02000-00	P
Bank Account	04000-00	C
Debtors Account	04100-00	D
Creditors Account	05500-00	C
Profit Account	08100-00	R
Debtors GST Account	04500-00	G
Creditors GST Account	04550-00	G
Debtors Adjustments Account	03070-00	A
Creditors Adjustments Account	03070-00	A
Debtors GST Rounding Account	04500-00	G
Creditors Invoice Rounding Account	02175-00	C
Errors Account	09999-00	S
Rounding Account	02100-00	S
Stock on Hand Account	04200-00	S
Stock Adjustment Account	02100-00	S
Stock Clearing Account	05550-00	S
Stock Variance Account	02125-00	S
On Cost Clearing Account	05560-00	C
On Cost Variance Account	02150-00	ON COST VARIANCE

## Example B: Periodic Inventory, local currency stock purchase

### Summary

See the following sections for details of each step. This is only a summary of the accounting entries:

Step	Description	Stock	General Ledger							
		Ledger	Stock on hand	OnCost Clear'g	Creditor Control	GST	Debtor Control	Sales	Purchas	Stock Moves
			4230	5560	5500	4500	4100	1000	2000	2030
B1	Opening Balances	1600.00	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	
B2	Raise Purchase Order	-								
B3	Inwards Goods Receipt	-								
B4	Inwards Goods Costing	+620.00								
B5	Creditors Invoice for Stock	-			-568.13	+63.13			+505.00	
B6	Creditors Invoice for Freight	-		+78.00	-87.75	+9.75				
B7	Raise Debtor Invoice – sell stock	-336.66				-67.50	+607.50	-540.00		
B8	Post stock movements		+283.34							-283.34
	Closing Balances	1883.34	1883.34	+78.00	-655.88	+5.38	+607.50	-540.00	+505.00	-283.34

### B1. Starting Situation

Opening Stock Ledger (assuming only two items on Stock ledger)

Item		SoH	Ave Cost	Value
AIR04	Air Filter 04	10	\$60.00	\$600.00
BAT04	Battery 04	10	\$100.00	\$1000.00
	TOTAL .....			\$1600.00

Opening Year-to-Date balance on the GL Stock Control Account (01-4220-00): \$1,600.00

## B2. Raise Purchase Order

Supplier : 4. FWP AUTOMOTIVE.

Code	Description	Qty	@Price	Total
AIR04	AIR FILTER 04	5	62.00	310.00
BAT04	BATTERY 04	5	100.00	500.00

Purchase Order number 10094 created

No change to Stock Value or General Ledger

## B3. Inwards Goods Receipt

Order No	Stock Code	Description	O/S Qty	Ord Price	Rec Qty
10094	BAT04	BATTERY 04	5	\$100.00	2
10094	AIR04	AIR FILTER 04	5	\$62.00	5

Receipt 10013 created

BAT02 : Only 2 out of 5 is received

No change to Stock Value or General Ledger

## B4. Inwards Goods Costing

Enter a freight charge of \$70, applicable to the entire receipt

Cost Code	Details	Amount	Exch Rate	Local
LFR	LOCAL FREIGHT	\$70.00	1.0000	\$70.00

System will allocate \$10 for each item, as there are a total of 7 units being receipted-in.

Estimates are made of supplier's prices as invoice is not yet received. So *Ord Price* on AIR04 changed from \$62 to \$65.

An additional \$5 per unit is also applied to AIR04.

Order No	Stock Code	Rec Qty	Ord Price	Exch Rate	@Inv Cost	\$ Duty	\$ Fixed	@Land Cost
10094	BAT04	2	\$100.00	1.0000	\$100.00	\$0.00	\$0.00	\$110.00
10094	AIR04	5	\$65.00	1.0000	\$65.00	\$0.00	\$5.00	\$80.00

**Stock Ledger** is updated, and now looks like this:

Item	SoH	Ave Cost	Value
AIR04 Air Filter 04	15	\$66.67	\$1000.00
BAT04 Battery 04	12	\$101.67	\$1220.00
TOTAL .....			\$2220.00

**New average cost =**  
 (old value + receipt value) / total Qty  
 $\$66.67 = (\$60 * 10 + \$80 * 5) / 15$

Stock transactions are created to support the increase in stock, this is the one for AIR04:

Date	A/c	Alpha	Ref 1	Ref 2	Quantity	UnitPrice	Loc
26.06.02	4		10094	RECEIPT	5	\$80.00	1

No Posting to GL

## B5. Enter Creditor's Invoice - for Stock

Supplier: 4. FWP AUTOMOTIVE

Change to Stock mode, press Goods Receipt button, then select Goods Receipt 10013.

Modify @Price on BAT04 from \$100 to \$90.

Code	Description	Qty	@Price	Total
BAT04	BATTERY 04	2	90.00	180.00
AIR04	AIR FILTER 04	5	65.00	325.00
Sub total:			505.00	
GST total:			63.13	
Invoice total:			568.13	

### Posting to GL

(Utilities > Ledger Posting > Post Creditors to GL)

01-2000-01	Purchases - Electrical	180.00	
01-2000-02	Purchases - Engine	325.00	
01-4500-00	GST	63.13	
01-5500-00	Creditors Control		568.13

Picks up Purchases accounts from Stock Master 'Details2' tab.

## B6. Enter Creditor's Invoice - for Freight

Supplier: Freightier

Change to Stock mode, press down arrow by Goods Receipt button, then modify 'Local Freight' LFR on Goods Receipt 10013. Actual invoice value is \$78.

On-Costs panel looks like this....

Receipt #	Cost code	Details	FC total	FC invoiced	Exch rate	Total	Invoiced	Invoice now	Complete
10012	LINEFIXED	CONSOLIDATED FIXED LINE COSTS	\$25.00	\$0.00	1.000	\$25.00	\$0.00	\$0.00	N
10013	LFR	LOCAL FREIGHT	\$70.00	\$0.00	1.000	\$70.00	\$0.00	\$78.00	Y

As this is set to Completed (Y), the system will write-off/back the difference between the amount charged to stock (\$70) and the value of the invoice (\$78). Hence a further \$8 needs to be written off.

Creditors invoice line...

Type	Code	Description	Qty	@Price	Total
	00-5560-00	LOCAL FREIGHT	1	78.00	78.00

### Posting to GL

(Utilities > Ledger Posting > Post Creditors to GL)

00-5560-00	On-Cost Clearing	78.00	
01-4500-00	GST	9.75	
01-5500-00	Creditors Control		87.75

## B7. Raise Debtor's Invoice – sell stock

Debtor's invoice:

Stock Code	Description	Qty	@Price	Disc(%)	Total	GL Code
AIR04	AIR FILTER 04	2	120.00	0.0	240.00	00-1000-02
BAT04	BATTERY 04	2	150.00	0.0	300.00	00-1000-01

### Posting to GL

(Utilities > Ledger Posting > Post Debtors to GL)

00-1000-01	Sales - Electrical		300.00
00-1000-02	Sales - Engine		240.00
01-4500-00	GST		67.50
01-4100-00	Picks up Sales accounts from Stock Details2 tab.	607.50	

Stock Ledger now looks like this...

Item		SoH	Ave Cost	Value
AIR04	Air Filter 04	13	\$66.67	\$866.67
BAT04	Battery 04	10	\$101.67	\$1016.67
TOTAL				\$1883.33

## B8. Journal Closing Stock to GL

(Utilities > Ledger Posting > Post Closing Stock Valuation to GL (periodic))

Stock	
Opening stock (\$):	1,600.00
Closing stock (\$):	1,883.33
Movement (\$):	283.33

### Posting to GL

00-4230-00	Stock on Hand	283.33	
00-2030-00	Stock Movement		283.33

## Notes

### GL Control Accounts:

GL Control Account Type	Account Number	Account Name
Default Sales Account	01000-00	SALES
Cost of Sales Account	02050-00	COST OF GOODS SOLD
Default purchase Account	02000-00	PURCHASES
Bank Account	04000-00	CURRENT BANK ACCOUNT
Debtors Account	04100-00	DEBTORS CONTROL
Creditors Account	05500-00	CREDITORS CONTROL
Profit Account	08100-00	RETAINED EARNINGS
Debtors GST Account	04500-00	GST COLLECTED
Creditors GST Account	04550-00	GST PAID
Debtors Adjustments Account	03070-00	ADJUSTMENTS
Creditors Adjustments Account	03070-00	ADJUSTMENTS
Debtors GST Rounding Account	04500-00	GST COLLECTED
Creditors Invoice Rounding Account	02175-00	CREDITORS INVOICE ROUNDING
Errors Account	09999-00	SUSPENSE
Rounding Account	02100-00	STOCK ADJUSTMENT
Stock on Hand Account	04200-00	STOCK ON HAND
Stock Adjustment Account	02100-00	STOCK ADJUSTMENT
Stock Clearing Account	05550-00	STOCK CLEARING
Stock Variance Account	02125-00	STOCK VARIANCE ACCOUNT
On Cost Clearing Account	05560-00	ON COST CLEARING ACCOUNT
On Cost Variance Account	02150-00	ON COST VARIANCE

In this example the default sales account was overridden at Stock code level.

Cost of Sales account is not used in the Periodic method

In this example the default purchases account was overridden at Stock code level. We used 2000-01, and 2000-02.  
For the Periodic method, this should be a P&L account as this is where creditor invoices for stock purchases will be charged to.

These accounts are not used for Periodic.