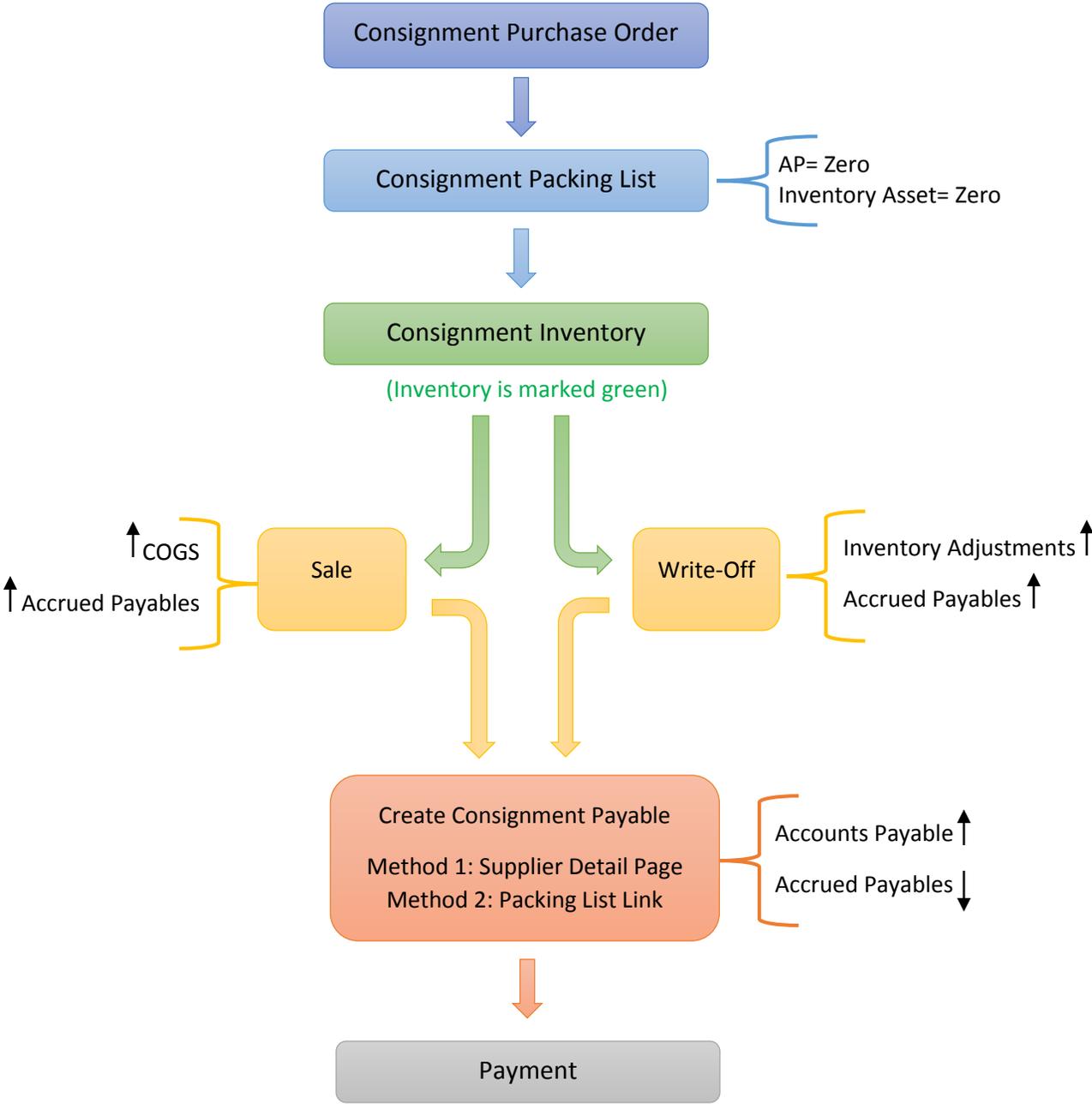
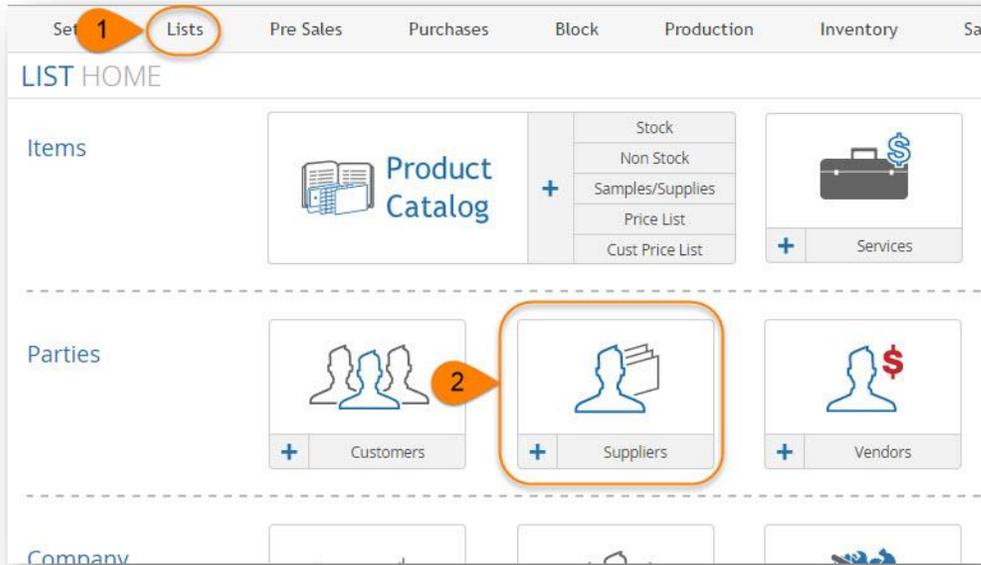


# Inward Consignment Management



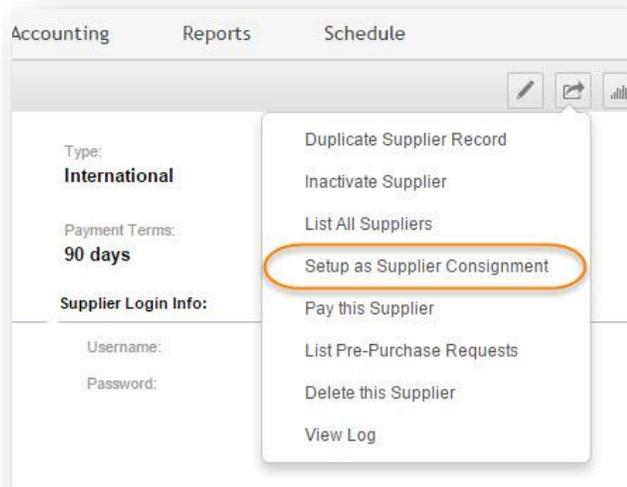
# Designating Consignment Locations

1. To setup a consignment supplier in your system, start by going to your **List Home**<sup>1</sup> and then to your list of **Suppliers**<sup>2</sup>.



2. Search for the supplier you will be receiving consignment material from, and click their name to be taken to their detail page. On the top right of their detail page, click the action button and select **“Setup as Supplier Consignment.”**

You'll be prompted once more to setup before the process is complete.

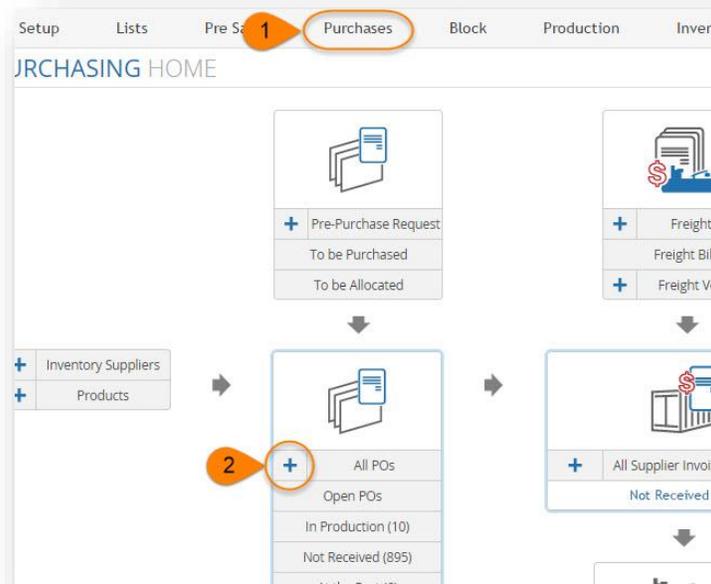


**NOTE:** If you are notified about having the maximum number of consignment suppliers set up, contact Stone Profits to discuss enabling more.

# Purchasing on Consignment

This process is virtually identical to creating a normal purchase order, except there are indicators to alert you that the inventory is being purchased on consignment.

1. Go to your **Purchasing Home**<sup>1</sup> and select the **Plus Sign**<sup>2</sup> to create a new purchase order.



2. Using the supplier search box, select the consignment supplier you are ordering from. If the supplier is set up for consignment, the checkbox will be checked for **"This is a consignment PO,"** and you will also receive an alert that the order is being placed on consignment when you click "GoTo Next Step to Add Products."

The screenshot shows a purchase order form. At the top, there are fields for 'P.O. #' (100002835), 'P.O. Date' (2/8/2016), and 'Supplier SO#'. Below these, there is a 'Supplier' section with a search box containing 'Ankit Gupta'. There are also fields for 'Select Address', 'Address' (P.O. BOX 690669), 'Suite / Unit#' (13), 'City' (DENVER), 'State' (CO), 'Zip', 'Country' (United States), and 'Payment Terms' (35 Days). At the bottom, there is a checkbox labeled 'This is a consignment PO' which is checked and circled in orange.

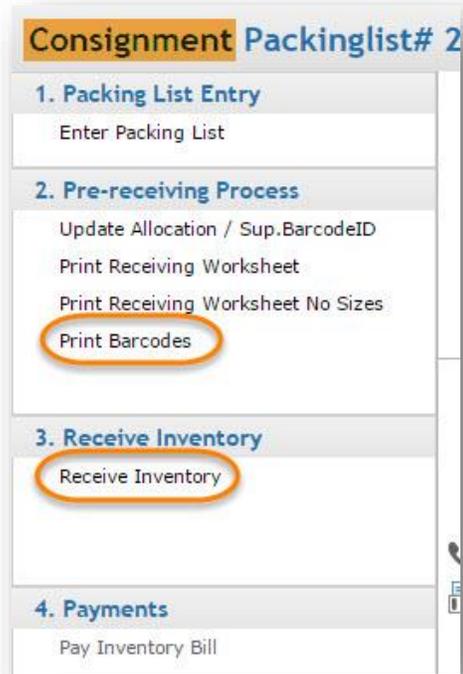
- On the next page, use the product search box to find and add each product you wish to order with quantity/unit prices for each. When you have compiled the full list of products on the order, click "Save."
- You'll be taken to the next page, in which you will notice "(Consignment)" is placed next to "Purchase Order Detail."

## Purchase Order Detail (Consignment)

When the ordered materials arrive at your facility, click "Add Supplier Invoice/ Packing List" and enter the information from the invoice you received from the supplier. You can add in purchase prices, but this will not affect any journal.

- Add the information for each item on the invoice by clicking "Add Slab" (or "Add Item Detail" for tile) under the product name. When you've entered all info, you can **print your barcodes** and **receive the inventory** using the links on the left side of the Packinglist page. After clicking to receive, you will be taken to a final confirmation page. Press "Receive Supplier Invoice" to complete the allocation to your inventory.

**NOTE:** you will need a default link account for Accrued Payable. If you do not, you won't be able to move forward (Set up is in System Settings > Accounting > Default Link Accounts).



**Journal Entries-** Receiving Inventory from a Consignment Supplier Invoice/ Packing List creates blank (\$0.00) journal entries.

Account	Debit	Credit
Inventory	\$0.00	--
AP	--	\$0.00

Consignment inventory will be **marked in green everywhere** in your system to signify that it is being held on consignment (as pictured below).

### Inventory Search:

Product Name / SKU	Inventory	Type	Category	Origin	Colors	Group
<b>Absolute black 2cm Consignment</b>	In Stock	16	800.00 SF	SLAB		
	Committed	-1	-50.00 SF			
	Available	15	750.00 SF			

Serial Num	Barcode	Lot	Bundle	Supp. Ref	Present Location	Bin	Quantity	P	N	D			
200002180-5	DT358837				Miami		120" x 60" = 50.00 SF						so
200002180-11	DT358843				Miami		120" x 60" = 50.00 SF						
200002180-12	DT358844				Miami		120" x 60" = 50.00 SF						
200002180-13	DT358845				Miami		120" x 60" = 50.00 SF						
200002180-14	DT358846				Miami		120" x 60" = 50.00 SF						
200002180-15	DT358847				Miami		120" x 60" = 50.00 SF						
200002180-16	DT358848				Miami		120" x 60" = 50.00 SF						
200002180-17	DT358849				Miami		120" x 60" = 50.00 SF						
200002180-18	DT358850				Miami		120" x 60" = 50.00 SF						
200002180-19	DT358851				Miami		120" x 60" = 50.00 SF						
200002180-20	DT358852				Miami		120" x 60" = 50.00 SF						

### Sale Orders:

SO	Header/Product/Service	SKU	Description	Quantity	UOM	Unit Price	Extended	Tax	Hide
10.00	Absolute black 2cm Consignment	SP		150.00	SF	\$20.0000	\$3,000.00	Y	N

Serial Num	BarcodeID	Lot / Shade	Bundle	Supp. Ref	Present Location(Bin)	Quantity	Unit Price	Extended			PT/PL#	
200002180-14	DT358846				Miami	120" x 60" = 50.00 SF	\$20.0000	\$1,000.00				
200002180-15	DT358847				Miami	120" x 60" = 50.00 SF	\$20.0000	\$1,000.00				
200002180-16	DT358848				Miami	120" x 60" = 50.00 SF	\$20.0000	\$1,000.00				

Sub Total: \$3,000.00

## Consumption of Consignment Inventory

Consignment inventory items are added to sale orders and sold in the same way as all other inventory items. The main difference is that sold consignment material will additionally credit an account called “**Accrued Payables**” that serves as a placeholder for the money owed to your consignment supplier from the sale.

### Selling (Invoicing) Consignment Material

Account	Debit	Credit
AR	Sale \$	--
Sales Income	--	Sale \$
COGS	Cost \$	--
Accrued Payables	--	Cost \$

The same applies for write-offs, assuming you will still need to compensate for the lost material. Your “Accrued Payables” account will be credited.

### Write-Off Consignment Material

Account	Debit	Credit
Inventory Adjustments	Cost \$	--
Accrued Payables	--	Cost \$

# Creation of Consignment Payables

A payable towards your consignment supplier will need to be created *after* the materials are sold. There are multiple ways to pay your consignment supplier after consignment material is sold; find two methods below.

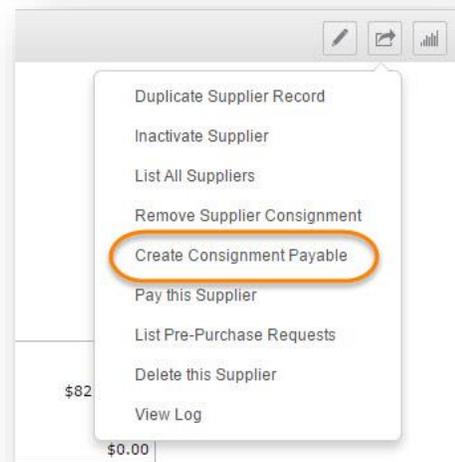
## Method #1: Create Payable from Supplier Page

You can create a payable towards your consignment supplier via the Consignment Supplier's detail page.

To see which inventory for a supplier has been consumed without a payable created, click the reports icon on the top right of the supplier detail page and then click **Consignment Inventory**. This shows consumed inventory and pending AP by each individual item.



Also on the top right of the supplier's detail page, you can click the action button and then select the **Create Consignment Payable** option (right).



A page will display with a list of all transactions for that specific supplier which can potentially be made payable on your accounts (pictured below). Select what you would like to create payables for, and press **Create Payables** to finish.

**Supplier:**  
**Consignment Supplier**

**Create consignment payable for consumed inventory: 1 - 7 (7)**

<input type="checkbox"/>	Consumed Transaction	Customer / JobName	Cons. Date	Item Name	Serial Num	BarCodeID	Lot / Shac
<input type="checkbox"/>	Write Off# 200002174		Jan 26, 2016	Acme Green	200002173 - 1	DT358578	
<input type="checkbox"/>	Write Off# 200002176		Jan 27, 2016	STN-TEC STONE & TILE CLEANER 24OZ SPRAY	200002173 - 26	DT358603	
<input checked="" type="checkbox"/>	<b>Invoice# 4000000904</b>	<b>A B MARBLE - (6KK9)</b>	<b>Jan 27, 2016</b>	<b>Consignment Product - Slab</b>	<b>200002167 - 7</b>	<b>DT358411</b>	
<input checked="" type="checkbox"/>	<b>Invoice# 4000000904</b>	<b>A B MARBLE - (6KK9)</b>	<b>Jan 27, 2016</b>	<b>Consignment Product -</b>	<b>200002167 - 8</b>	<b>DT358412</b>	

Creation of Consignment Payable After Sale or Write-Off

Account	Debit	Credit
Accrued Payable	\$	--
AP	--	\$

## Method #2: Create Payable from Consignment Packinglist

On the Consignment Packinglist, two tabs are present to help you manage inventory for each consignment purchase.

**Consumed Inventory** shows the invoices created for items that have been sold out of that consignment purchase.

**Consignment Payables** lists the payables previously created from that packinglist.

**Consignment Packinglist# 200002177**

**1. Packing List Entry**  
Enter Packing List

**2. Pre-receiving Process**  
Allocate Inventory  
Update Sup.BarcodeID  
Print Receiving Worksheet  
Print Receiving Worksheet No Sizes  
Print Barcodes

**3. Receive Inventory**  
Inventory Received On Jan 27, 2016  
Tag all Purchased Items  
Create Consignment Payable

**4. Payments**  
Pay Inventory Bill

**5. Returns (Items)**  
Add Return / Credit Memo

**Jan 27, 2016 (RECEIVED)**  
Created from PO#: 200002177

Supplier:  
**Consignment Supplier**

Ship to:  
**Miami**  
1147 Gateway Blvd  
Boynton Beach 33426  
United States

312-828-0600  
3128043531

P.O. Terms:

Items: **Consumed Inventory** **Consignment Payables**

**Consumed Inventory**

Cons. Transaction	Customer / JobName	Cons. Date	Item N
Invoice# 4000000909	American Composite dba Jubilee - (1231321252)	Jan 27, 2016	SLAB H ABSOLU
Invoice# 4000000905	A AND M GRANITE AND MARBLE - (010408-15)	Jan 27, 2016	SLAB H ABSOLU

**Consignment Packinglist#**

**1. Packing List Entry**  
Enter Packing List

**2. Pre-receiving Process**  
Allocate Inventory  
Update Sup.BarcodeID  
Print Receiving Worksheet  
Print Receiving Worksheet No Sizes  
Print Barcodes

**3. Receive Inventory**  
Inventory Received On Jan 25, 2016  
Tag all Purchased Items  
**Create Consignment Payable**

**4. Payments**

Once consignment material is sold, a link to **Create Consignment Payable** appears on the packinglist/supplier invoice detail page which the inventory was received from.

Upon clicking the link, you'll be taken to a list of transactions involving items from that supplier invoice. Select the invoices you wish to create payables for, and click the "Create Payable" button on the bottom right. This adds the total amount from the selected invoices to your AP subledger (pictured below).

**Supplier:**  
**Consignment Supplier**

**Create consignment payable for consumed inventory: 1 - 2 (2)**

<input type="checkbox"/>	Consumed Transaction	Customer / JobName	Cons. Date	Item Name	Serial
<input checked="" type="checkbox"/>	Invoice# 4000000904	A B MARBLE - (6KK9)	Jan 27, 2016	Consignment Product - Slab	20000
<input type="checkbox"/>	<u>Invoice# 4000000904</u>	A B MARBLE - (6KK9)	Jan 27, 2016	Consignment Product - Slab	20000

**Creation of Consignment Payable After Sale or Write-Off**

Account	Debit	Credit
Accrued Payable	\$	--
AP	--	\$

To see what consignment inventory has been sold for a given date range, go to your **Reports Home**, to the **Purchasing, AP** reports section, and then choose a report in the Supplier Consignment Analysis table. The **Sold Inventory** reports can be organized by supplier or product, or a more comprehensive report can be found by clicking "Detail."

The screenshot shows the 'Reports & Analysis' page with a navigation menu at the top: Setup, Lists, Pre Sales, Purchases, Inventory, Sales, Account, and Reports (callout 1). The left sidebar contains various report categories, with 'Purchasing, AP' highlighted (callout 2). The main content area is titled 'Purchasing' and contains several report sections:

- Inventory by Status**: A table with three rows: 'On PO', 'In Transit', and 'Received'. Each row has a 'Detail' column and a 'Summary' column listing 'Summary - Product', 'Summary - Supplier', and 'Summary - Supplier, Product'.
- Purchase Analysis**: A table with a 'Detail' column and a 'Summary' column listing 'Summary - Product', 'Summary - Supplier', and 'Summary - Product, Supplier'.
- Product Purchase History**: A table with a 'Detail' column and a 'Summary' column listing 'Summary by Shipto Location', 'Summary by Supplier', 'Summary by Product', 'Summary by Category', 'Summary by Transaction Date', and 'Summary by Month'.
- Special Order Analysis**: A table with a 'Special Orders' column and a 'History' column listing 'History', 'Open Orders', and 'Cost of Special Orders on containers'.
- Supplier Consignment Analysis(Inward Consignment)**: A table with two rows: 'Unsold Inventory' and 'Sold Inventory'. Each row has a 'Detail' column and a 'Summary' column listing 'Summary - by Supplier' and 'Summary - by Product' (callout 3).

On the right side, there is a section for 'Accounts Payables' with 'AP Reports' including 'Aged Payables' and 'A/P Aging'. Below that is 'Supplier/Vendor Purchase' with 'Prepayment (Deposit to S)' and 'Prepayments'.

## Recap of Journal Entries

Receiving Consignment Inventory on a Supplier Invoice/ Packing List (no journal entries)

Account	Debit	Credit
Inventory	--	--
AP	--	--

Selling (Invoicing) Consignment Material

Account	Debit	Credit
AR	Sale \$	--
Sales Income	--	Sale \$
COGS	Cost \$	--
Accrued Payable	--	Cost \$

Write-Off Consignment Material

Account	Debit	Credit
Accrued Payable	--	Cost \$
Inventory Adjustments	Cost \$	--

Creation of Consignment Payable After Sale or Write-Off

Account	Debit	Credit
Accrued Payable	\$	--
AP	--	\$