

Guide
August 1997



WORLD SOFTWARE®

Advanced Stock Valuation

Release
A8.1

JD Edwards®



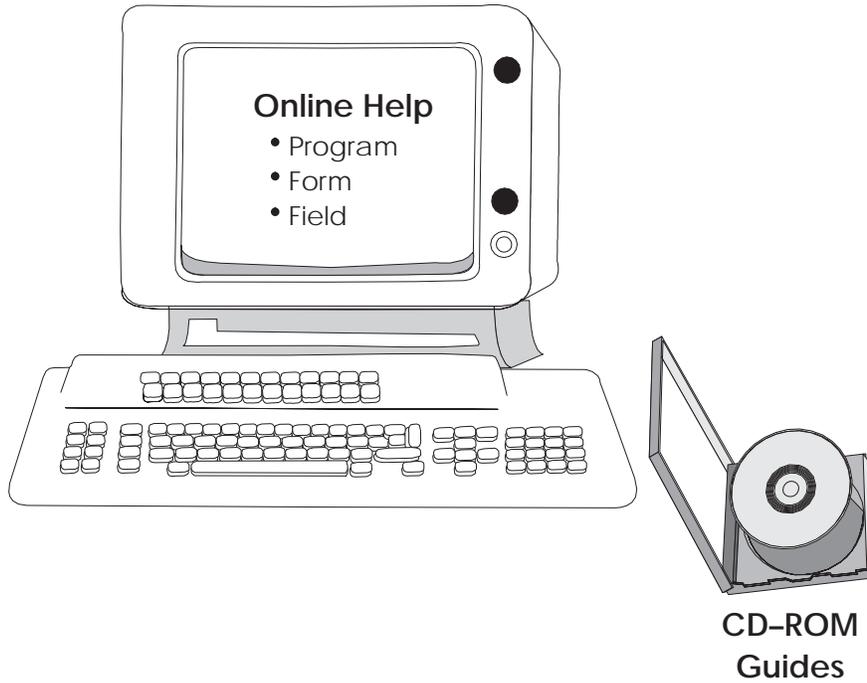
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Where Do I Look?



Guides



Important Note for Students in Training Classes

This guide is a source book for online helps, training classes, and user reference. Training classes may not cover all the topics contained here.

Welcome

About this Guide

This guide provides overviews, illustrations, procedures, and examples for the current release of J.D. Edwards software. Forms (screens and windows) shown are only examples. If your company operates at a different software level, you might find discrepancies between what is shown in this guide and what you see on your screen.

This guide includes examples to help you understand how to use the system. You can access all of the information about a task using either the guide or the online help.

Before using this guide, you should have a fundamental understanding of the system, user defined codes, and category codes. You should also know how to:

- Use the menus
- Enter information in fields
- Add, change, and delete information
- Create and run report versions
- Access online documentation

Audience

This guide is intended primarily for the following audiences:

- Users
- Classroom instructors
- Client Services personnel
- Consultants and implementation team members

Organization

This guide is divided into sections for each major function. Sections contain chapters for each task or group of related tasks. Each chapter contains the information you need to accomplish the task, run the program, or print the

report. Chapters normally include an overview, form or report samples, and procedures.



When it is appropriate, chapters also might explain automatic accounting instructions, processing options, and warnings or error situations. Some chapters include self-tests for your use outside the classroom.

This guide has a detailed table of contents and an index to help you locate information quickly.

Conventions Used in this Guide

The following terms have specific meanings when used in this guide:

- *Form* refers to a screen or a window.
- *Table* generally means “file.”

We assume an “implied completion” at the end of a series of steps. That is, to complete the procedure described in the series of steps, either press Enter or click OK, except where noted.

Table of Contents

Advanced Stock Valuation Overview

System Integration	1-1
Business Considerations	1-5
Identify Inventory	1-5
Identify Costs	1-7
Choose Stock Valuation Methods	1-7
Dual Currency	1-8
Tables and Descriptions	1-8
Menu Overview	1-10

Periodic

Advanced Stock Valuation Processing

About Advanced Stock Valuation Processing	2-1
Understand Sources of Stock Valuation Information	2-3
About Sources of Stock Valuation Information	2-3
Updating Actual Costs	2-3
Purchase Management System	2-3
Loans, Borrows, and Exchanges	2-5
Transfers	2-8
Stock in Transit	2-8
Understand Dual Currency	2-9
About Dual Currency	2-9
Dual Currency Accounts	2-9
Determine the Value of Stock	2-11
Determining the Value of Stock	2-11
Running the Periodic Extraction	2-11
Processing Options for Valuation Period Extraction	2-15
Generating Reports	2-16
Valuation Summary Report	2-17
General Ledger (G/L) Update Summary Report	2-17
Unit Cost Period Report	2-18
Processing Options for Unit Cost Period Report	2-18
Stock Valuation Detail Report	2-19
Processing Options for Stock Valuation Detail Report	2-19
Reviewing Results	2-20
Reviewing Item or Pool Quantities	2-21
Reviewing a Summary by Period	2-22
Reviewing Historical Layers	2-23
Reviewing Methods	2-25

Reviewing the Year-to-Date Summary	2-25
Reviewing by Document Type	2-26
Reviewing G/L Adjustments	2-29
Updating the General Ledger	2-30
Processing Options for Valuation G/L Update	2-31
Reviewing and Approving Batches	2-31
Posting the Journal Entries	2-34
Processing Options for Posting Adjustments to General Ledger .	2-34

Setup

Advanced Stock Valuation Setup

About Advanced Stock Valuation Setup	3-1
What Are the System Setup Requirements?	3-1
Set Up User Defined Code Lists	3-3
Setting Up User Defined Codes for Advanced Stock Valuation	3-3
Define Valuation Methods	3-7
Defining Valuation Methods	3-7
Processing Options for Valuation Method Master	3-11
Work with Pools and Items	3-13
About Pools and Items	3-13
Assigning Pools	3-13
Assigning Default Pools for New Items	3-14
Assigning Branch/Plant Pools for Existing Items	3-15
Reviewing Pools	3-17
Assigning Valuation Methods	3-17
Assigning Unit Cost	3-22
Set Up Automatic Accounting Instructions	3-25
Setting Up Automatic Accounting Instructions	3-25
Set Up Company Selection	3-29
Setting Up Company Selection	3-29
Data Selection Values	3-29

Advanced & Technical

Technical Processes

About Technical Processes	4-1
Purge Valuation Data	4-3
Purging Valuation Data	4-3
Processing Options for Stock Valuation Purge	4-4

Appendices

Appendix A — Valuation Calculations	A-1
First In/First Out (FIFO) Calculations	A-1
Last In/First Out (LIFO) Calculations	A-5
Formulas Used in LIFO Calculations	A-6
Accumulation/Depletion Credit or Debit	A-8
Weighted Average Cost Calculations	A-20
Appendix B — Functional Servers	B-1
Example: Voucher Processing Functional Server	B-2

Glossary

Index



Advanced Stock Valuation Overview

Stock valuation determines the current value of a company's stock, also referred to as a company's inventory. Stock value is based on the total cost of the inventory owned by a company at a specific time. The value of stock can vary, depending on the different costs used to calculate the total cost and the method used to value the stock.

System Integration

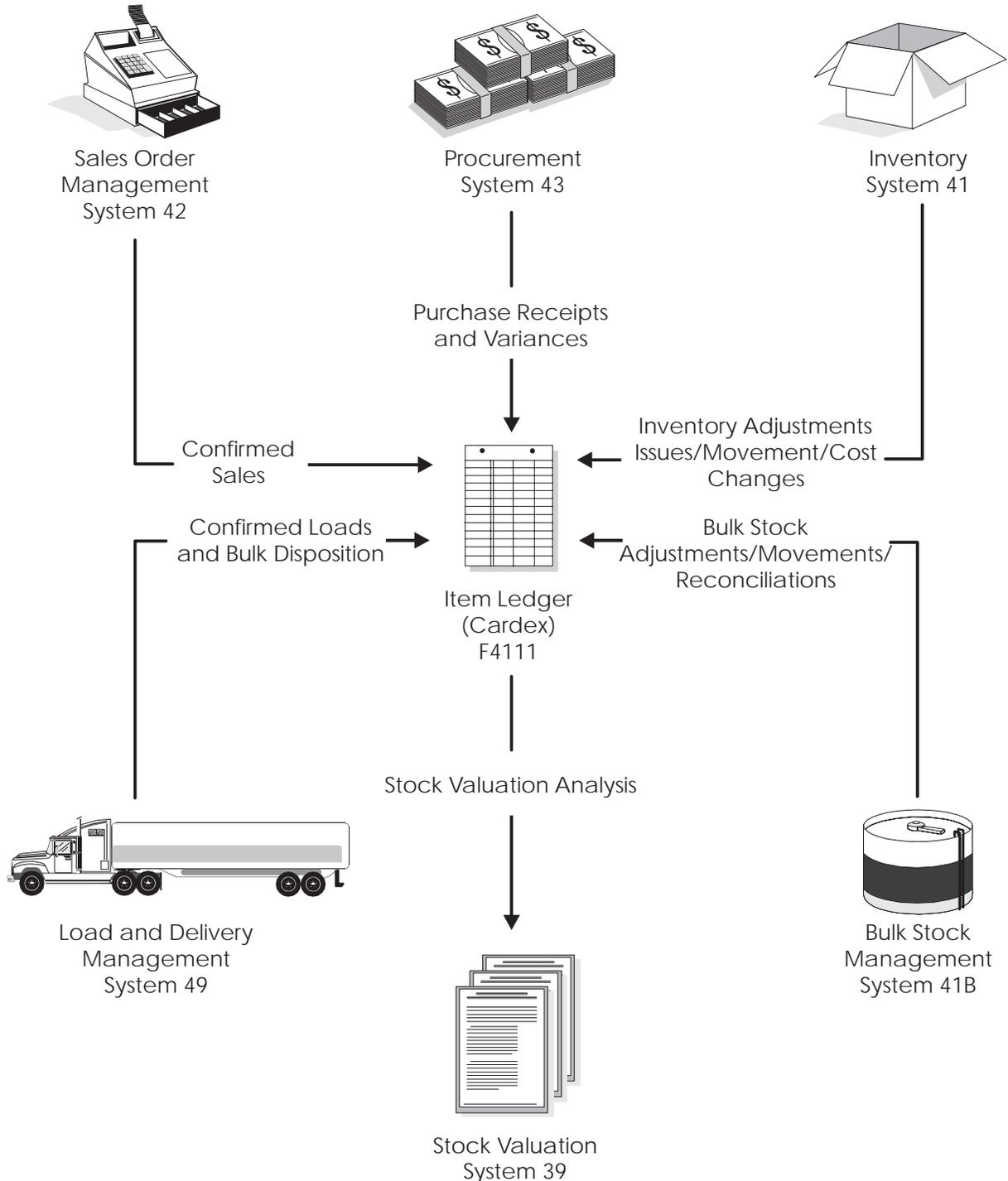
The Advanced Stock Valuation system integrates with the following systems:

Procurement	This system retrieves item costs based on the purchasing costing method defined for each item. When you receive and voucher the item, the system updates the general ledger.
Inventory Management	This system stores item information that can be used by all the other systems.
Bulk Stock Management	This system controls the storage, measurement, and movement of dynamic bulk inventory. This system lets you complete transactions that move bulk inventory and accurately calculate product gains and losses for each bulk stock transaction.
Sales Order Management	This system retrieves item prices and costs from the Inventory Management system for sales orders. The system updates the general ledger and creates accounts receivable entries to record inventory, cost of goods sold, revenue, and tax transactions for use in cash receipts processing.
Distribution Contracts Management	This system allows you to manage contracts with business partners. You can accurately accommodate loans, borrows, and exchanges and ensure the stock involved is valued correctly.
Load and Delivery Management	This system confirms the release of stock from your inventory and records the amount of stock in transit, thereby accurately reflecting the actual stock to be valued at the end of a period.



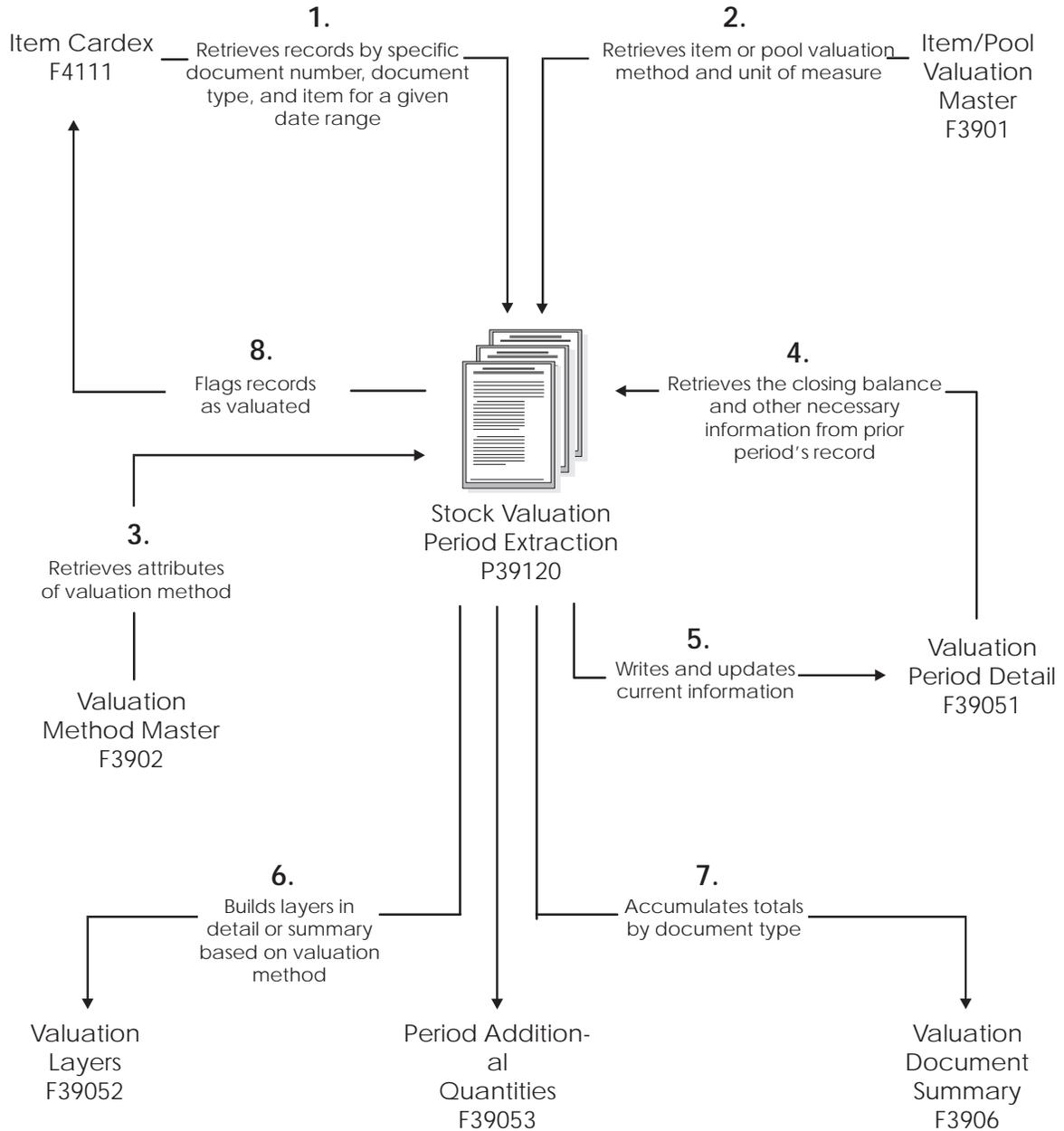
Advanced Stock Valuation

The Cardex, or Item Ledger, is the central repository of all inventory and cost movements. Each program from all other J.D. Edwards systems that handles inventory writes records to this table whenever inventory and cost are affected. The Advanced Stock Valuation system uses inventory information from the Cardex to ensure that the correct inventory is valued. The following diagram identifies the programs that impact inventory balances and write entries to the Cardex.

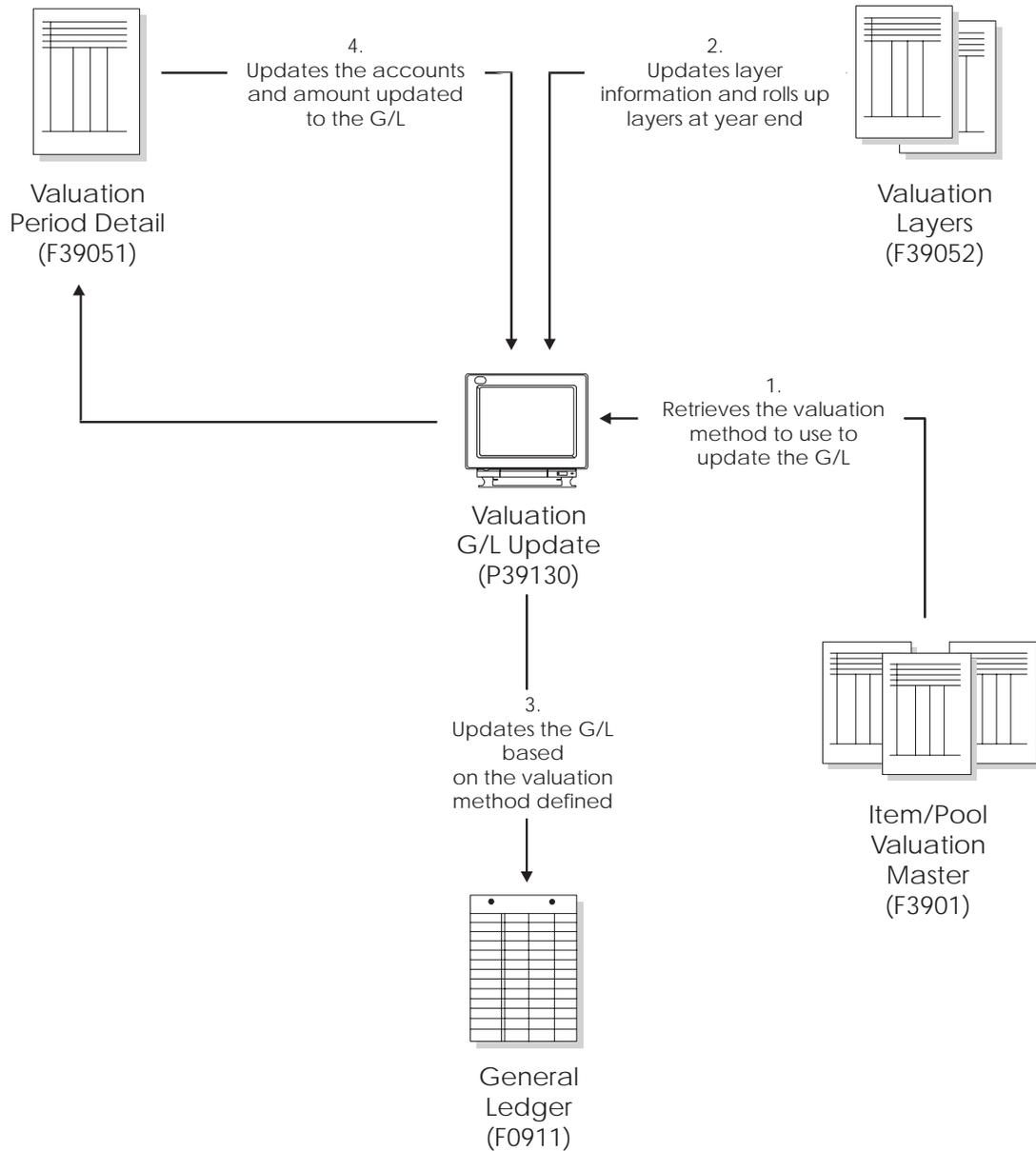


The Advanced Stock Valuation system uses the Cardex as the base for its processing. The system:

- Extracts the inventory activities from the Cardex by document number, type, and item
- Determines the various balances based on the valuation methods
- Updates the valuation files as illustrated in the following diagram



When you decide that the valuation is ready to post, the system updates the general ledger and the valuation period table. The following diagram illustrates the final step in the valuation process.



Business Considerations

The J.D. Edwards integrated systems provide the flexibility needed to accommodate the many stock valuation possibilities throughout the distribution industries. Additional features support the unique considerations of energy and chemical businesses and the demands placed on companies that must meet the requirements of many different national and local regulatory agencies.

Stock valuation is a vital component of all distribution and manufacturing industries. It provides the information you need for reporting purposes and to evaluate profit margins.

You calculate stock value on a periodic schedule, generally, monthly, quarterly, and yearly. Various business and government requirements determine when a company completes the reporting to:

- Measure and manage stock levels and related cash flow
- Comply with the accounting standards that require companies to provide a true and fair value of the company's financial performance and capital used

Stock valuation reporting is necessary for corporate, management, and statutory purposes. Corporate reporting analyzes the value of the company's stock and the cost of the stock that was sold (Cost of Goods Sold). Management reporting verifies that your company's storage and handling methods meet the laws enforced by various governmental organizations.

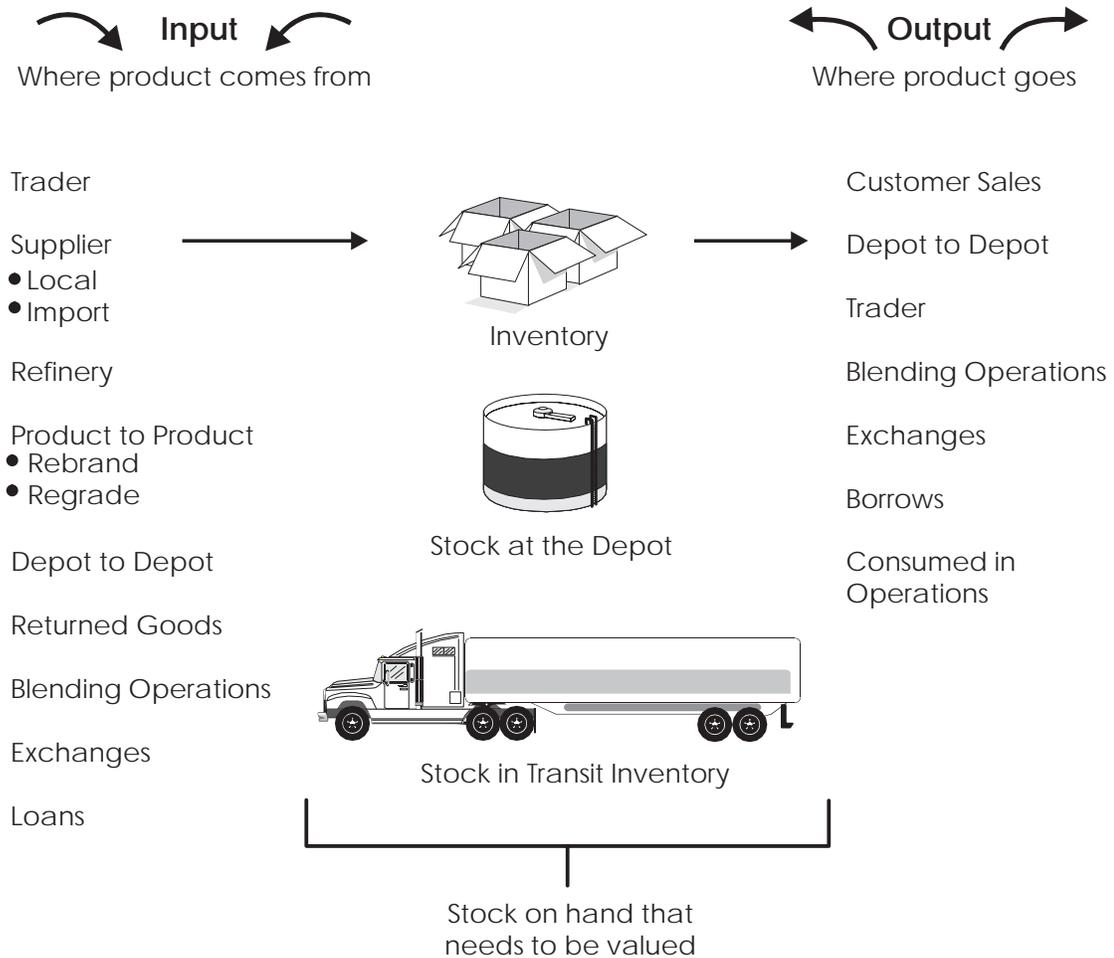
To determine how to account for your company's inventory, you must:

- Identify the items to include in inventory
- Identify all of the costs assigned to the inventoried items
- Choose a stock valuation method to distinguish costs associated with inventory that has been sold from inventory that is still on hand

Identify Inventory

To value your stock, you must be able to identify the items in your inventory. Possession of legal title of inventory is a fundamental criterion for determining whether items should be reflected in the inventory of a seller or a buyer. However, possession of title does not necessarily coincide with actual physical possession of the goods. For example, title to goods that are in the possession of a common carrier in transit from the seller to the buyer should remain in the inventory of the seller until delivered. The integration of the various systems ensures that you can identify your entire inventory.

The following diagram illustrates how product enters your inventory and some of the ways you can deplete your inventory.



Many companies consolidate items into groups of similar items for stock valuation purposes. This process is called “pooling” or “product consolidation.” When you consolidate items, you can apply a single purchase price and associated costs to all items in that pool.

Whether each item is valued separately or as a pool varies from industry to industry. The Advanced Stock Valuation system allows you to value by individual items, pools, or both.

Many companies maintain contracts with other companies to store bulk product. Therefore, bulk stock might be commingled and belong to more than one

owner. The Advanced Stock Valuation system allows you to exclude commingled stock from the valuation.

Identify Costs

You generally post inventory at an amount that reflects the price paid plus all costs incurred to bring the items to the location and to make them salable.

In some distribution industries, especially energy and chemical businesses, the actual purchase cost from a supplier might not be known at the time items are received into your inventory or after you issue a voucher for payment.

The J.D. Edwards systems allow you to update, or “recost,” these open receipts and paid vouchers. With this feature, you can ensure that the value of your stock is represented by the actual cost.

Choose Stock Valuation Methods

Determining which method to use to assign inventory costs to the income statement cost of goods sold (COGS) account is a major management decision. Inventory items in a company’s possession and available for sale throughout a period must acquire a period-end status of either “sold” or “on hand.” If the items have been sold, you must reflect the costs assigned to those goods on the period’s income statement. If the items remain unsold, you must be able to determine which portion of the cost of goods available for sale is to be assigned to the income statement and which portion is to be assigned to the balance sheet.

Inventory items physically move out of the business when they are sold. Similarly the costs assigned to those items must move from the balance sheet to the income statement, where they are no longer reflected as an available resource, but as an operating expense for that period.

The Advanced Stock Valuation system provides four valuation methods for all items in your inventory:

- First In/First Out (FIFO)
- Last In/First Out (LIFO)
- Weighted Average Cost
- Replacement/Current Cost

In this documentation, we refer to these methods as stock valuation methods to differentiate between the cost of an item and its current value. “Cost” refers to the cost of an item so you can determine its selling value. Valuation determines the value of any item that is currently in your inventory for reporting and financial purposes.

Dual Currency

Businesses operating in an inflationary market need to be able to maintain a set of books in two currencies, the local currency and a stable currency, commonly U.S. dollars. The Stock Valuation system allows a business to value inventory based on a valuation method, such as LIFO, FIFO, and replacement/current cost. With Dual Currency, a second ledger type allows a business to adjust its inventory in both the domestic and the stable currency.

Tables and Descriptions

The following identifies the primary stock valuation tables and their contents:

Item/Pool Valuation Master (F3901)	Contains the information for all valuation methods, including: <ul style="list-style-type: none">• Item number or pool• Unit of measure• Valuation method• User identification and update information
Valuation Method Master (F3902)	Contains the information for all valuation methods you define for your company. <i>See Defining Valuation Methods.</i>
Valuation Period Detail (F39051)	Contains all of the stock valuation information for the period, including: <ul style="list-style-type: none">• Opening quantities and amounts• Period incoming quantities and amounts• Period outgoing quantity• Outgoing cost amount• Closing quantities and amounts• LIFO adjustment and adjustment cost• General ledger classification• Posted and closed information• User identification and update information <i>See Running the Period Extraction.</i>

**Valuation Layers
(F39052)**

Contains all of the information for the historical layers for all stock valuation methods you define for your company, including:

- Receipt information
- Current quantity, amount, and allocations
- Last allocation amount, quantity, and date
- Posted and closed information
- User identification and update information

**Period Additional
Quantities (F39053)**

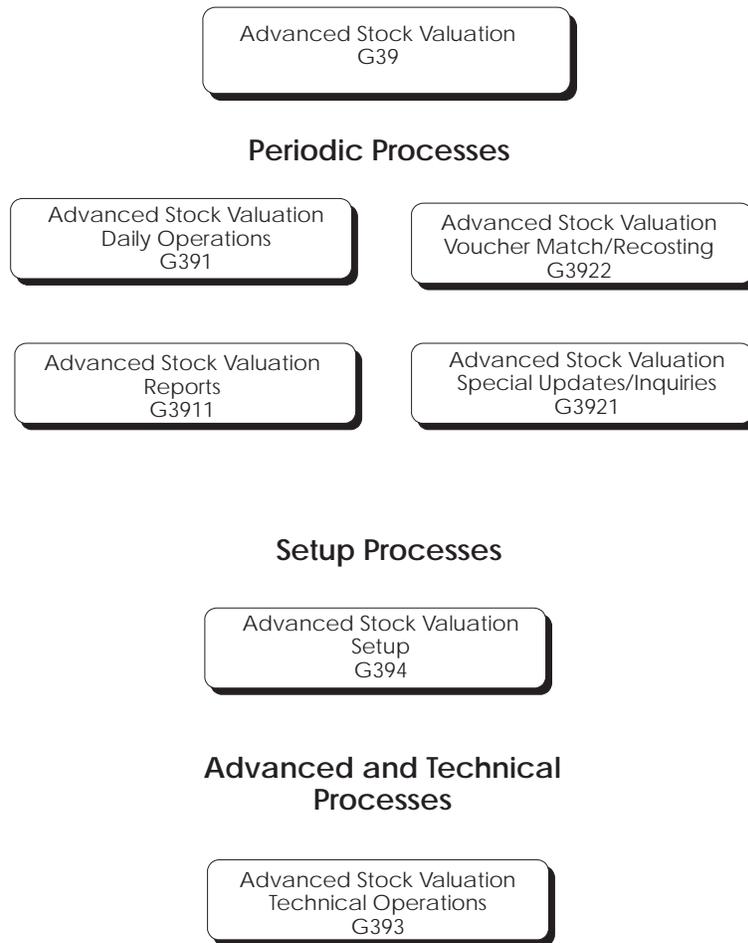
Contains the valuation information for those methods you defined to include not-in-stock inventory, in-transit inventory, or loan and borrow accommodations.

**Valuation Document
Summary (F3906)**

Contains the cost information summarized by document type.

Menu Overview

The following diagram identifies the commonly used menus for the J.D. Edwards Advanced Stock Valuation system.



Periodic



Advanced Stock Valuation Processing

Objectives

- To understand the information sources needed to value your company's stock
- To determine the value of your company's stock

About Advanced Stock Valuation Processing

The central function of stock valuation is to establish a cost of your ending inventory based on the period's activity and the prior periods' layers. The accuracy of this value and costs relies on information from other systems.

Complete the following tasks:

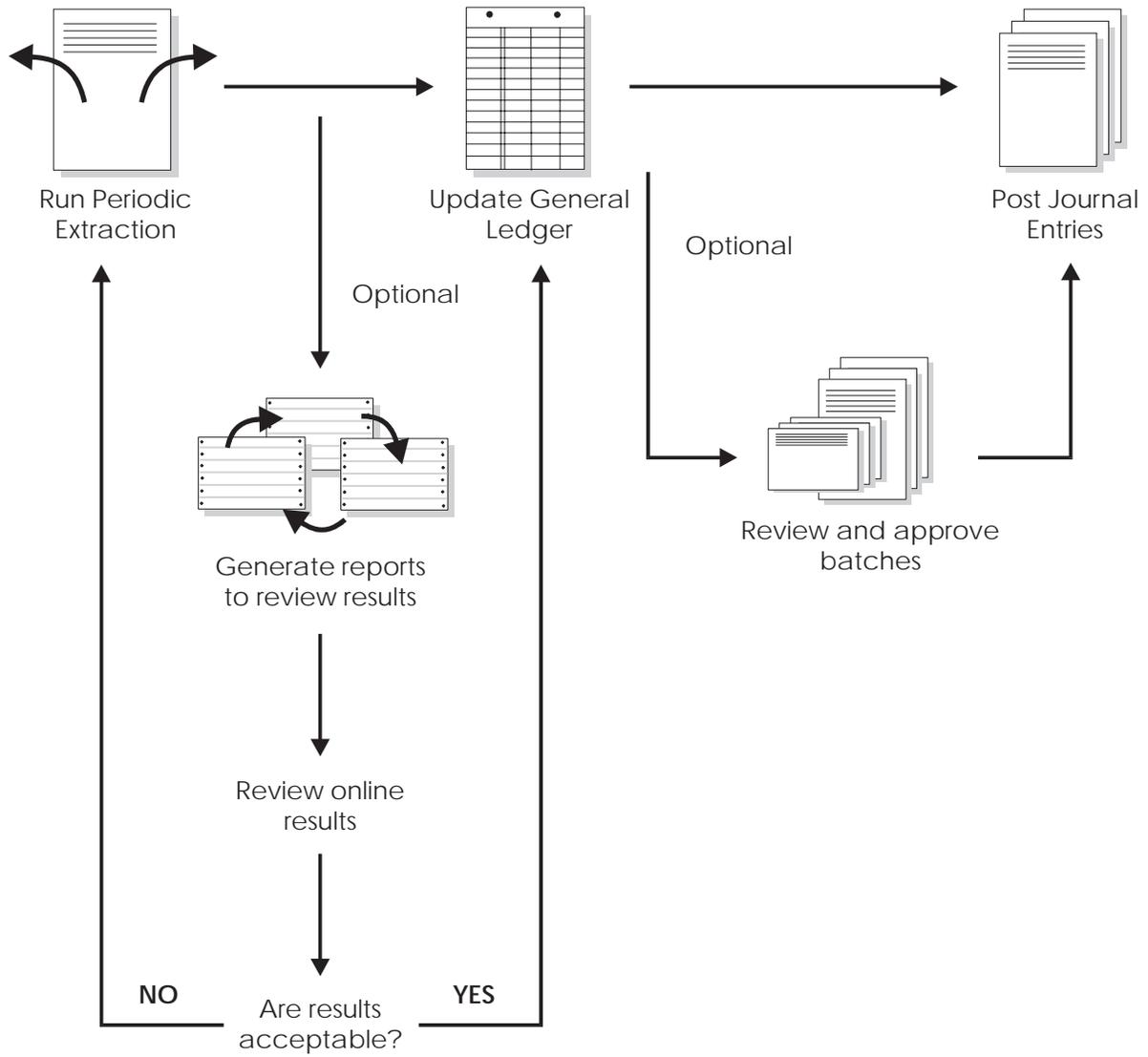
- Understand the information sources for stock valuation
- Understand dual currency
- Determine the value of stock

The systems that integrate with stock valuation store all inventory activity in a central table known as the Cardex (Item Ledger). The Advanced Stock Valuation system:

- Extracts the period's activity from this table
- Builds historical layers based on the activity
- Stores the information in a transaction table

Stock valuation provides vital information for reporting and profitability. It is important that all stock is valued with the correct costs. Therefore, the Advanced Stock Valuation system provides you with opportunities to review and analyze the results of the extraction before you update the general ledger. Additionally, you have the option to implement steps to review and approve the valuation before you actually post it. With dual currency, you can value stock based on a stable currency in addition to the domestic currency.





Understand Sources of Stock Valuation Information

About Sources of Stock Valuation Information

The Advanced Stock Valuation system integrates with other systems to accurately reflect the cost of your inventory. Understanding how these systems work together helps you determine how each system affects the stock valuation results.

Updating Actual Costs

Frequently, you do not know the price of the inventory when you purchase it. Typically, you enter an average price or average formula price when you receive the inventory. At a later date, you update the system information with the actual price or formula when it is known. This process is also called “recosting.”

Procurement System

Landed costs are costs in excess of the purchase price of an item. You assign each item a landed cost or landed cost rule. You need this information to accurately reflect the value of your stock.

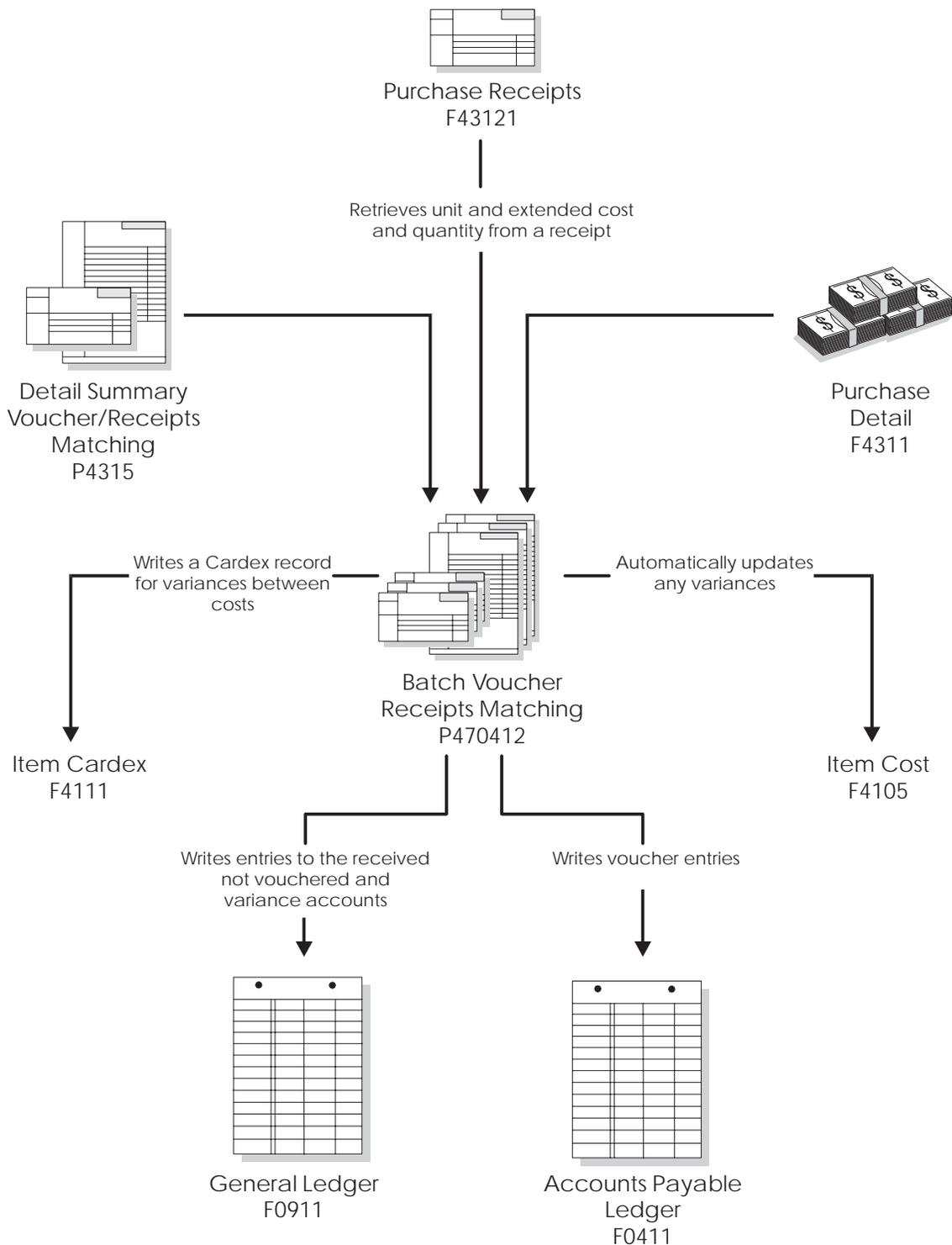
You enter the cost of an item during purchase order entry. If you do not enter a different cost or adjust the cost at any other point, the system retrieves this cost to determine the cost of an item.

When you receive an invoice for purchased items, use the voucher matching programs to match invoices either in detail (sales line by sales line) or in summary (match the total of all sales lines to the total amount due to the supplier). At this point, you can change the cost of an item if it is different from what the system retrieves. You can also revise paid vouchers by using the Summary Voucher Matching program. The voucher matching programs:

- Update the general ledger accounts for any variances
- Keep the general ledger and inventory in balance
- Update the Item Cost table (F4105) with the last in cost
- Write records to the average cost history table to be extracted later by the batch update program

You must run the batch Voucher Receipts Matching subsystem program to process any variances on the invoice and landed costs.

The following graphic illustrates how the subsystem integrates with other systems for the recosting process.



Loans, Borrows, and Exchanges

Loans, borrows, and exchanges are agreements made with business partners to facilitate smooth operations when one partner has low inventory on one or more items. You define the terms of these agreements in the Agreement Management programs and assign a unique number to each agreement. To fulfill the terms of the agreements, you use the sales order entry or purchase order entry programs and assign the unique agreement number to the appropriate document.

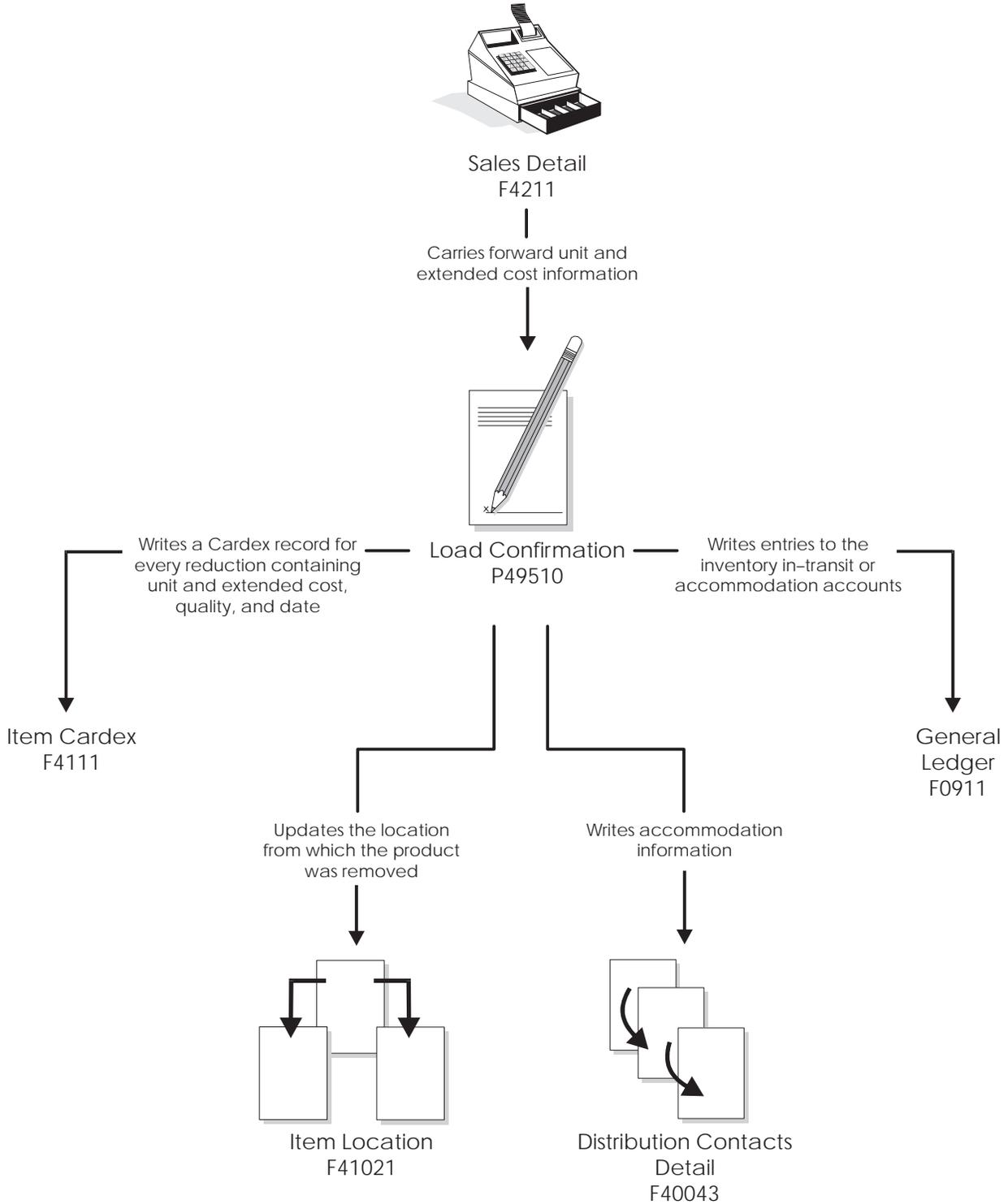
Loans, borrows, and exchanges might cause physical inventory to be transferred. A loan to another company can be shipped out of the depot of the loaning company directly to a customer. The borrowing company might never take physical possession of the product. Storage, transportation, and handling charges might be part of an agreement that can add to the cost of an item and increase the valuation for borrowed inventory.

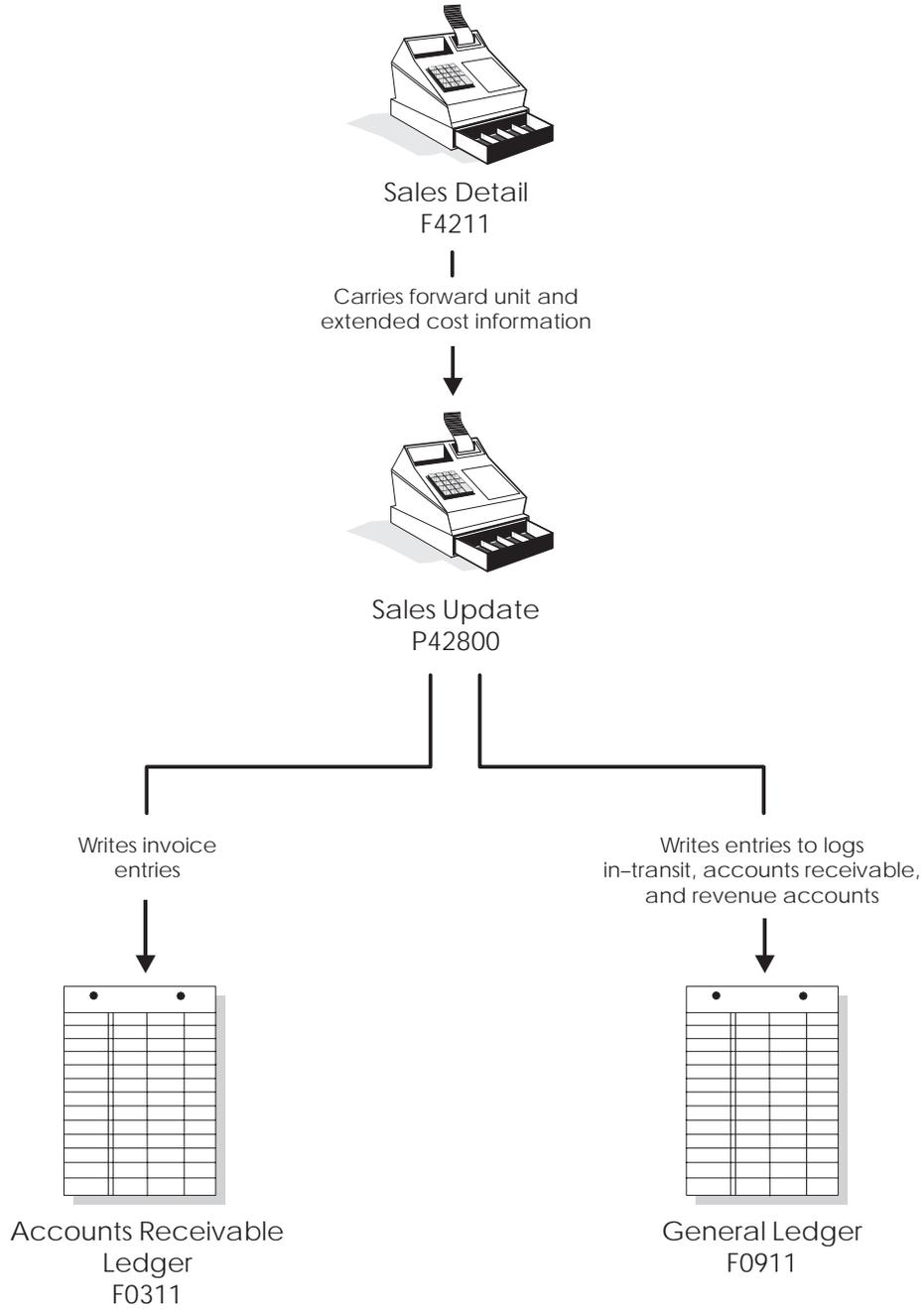
The following steps outline the process when you loan product to a partner:

- You enter a sales order to record the loan.
- The system retrieves the item cost from the Item Cost table (F4105) and assigns the selling price based on the sales costing method defined in the Inventory Management system.
- Generally, you reduce inventory during the load confirm process when you actually remove the item from its location in your inventory. Because this process reduces inventory, it writes a record to the Cardex using the item and cost information from the sales order.
- The Sales Update program updates the general ledger accounts for the inventory reduction.

When you loan product to another company, the system reduces the on-hand inventory quantity. Because you anticipate the borrowing company to return the loan and you still own the inventory, you will want to include this quantity in your valuation. Conversely if you borrow product, you anticipate returning the quantity to the other company. Therefore, even though the borrowing transactions actually increase your inventory quantity, you do not want to include them in your valuation. An include accommodations flag in the Agreement Management system allows you to capture the net value, or accommodations, from loans and borrows.

The following diagrams illustrate this process for a loan.





To process a borrow or an exchange, you will usually use a purchase order or a sale out of a “foreign” depot.

Transfers

When you enter a transfer order, you create both a sales order and a purchase order so that you can move items from one branch/plant within your company to another branch/plant. Additional costs are generally part of a transfer order. Because transfers have a different document type, these additional costs can be included in the price and processed through the stock valuation extraction.

Stock in Transit

When you value stock at the end of each period, you want to ensure that you accurately reflect all of the stock that is in your inventory. When you define each of the valuation methods you use, you can select to include stock in transit.

Stock in transit is still owned by your company and needs to be included as part of your inventory. Items that have completed the load confirm process but not yet had delivery confirmed are automatically processed as part of the stock valuation unless you excluded them when you defined the valuation method.

See Also

- *Setting Up Landed Costs and Creating Vouchers Using Invoices (P4315)* in the *Procurement Guide*
- *Entering Detail Information (P4211)* in the *Sales Order Management Guide* for entering a sales order
- *Entering Purchase Order Header Information and Entering Purchase Order Detail Information (P4311)* in the *Procurement Guide*
- *Recording Intra-Depot Stock Movements (P415101)* in the *Bulk Stock Management Guide*
- *Defining Agreement Relationships (P38010)* in the *Agreement Management Guide*
- *Setting up Branch Sales Markups* in the *Sales Order Management Guide*
- *Defining Valuation Methods (P3902)*

Understand Dual Currency

About Dual Currency

Businesses operating in an inflationary market need to be able to maintain a set of books in two currencies, the local currency and a stable currency, commonly U.S. dollars. The Stock Valuation system allows a business to value inventory based on a valuation method, such as LIFO or FIFO. With Dual Currency in Inventory, a second ledger type (XA) allows a business to adjust its inventory in both the domestic and the stable currency.

Dual Currency in Inventory works with multi-currency accounting, which allows you to do business in multiple currencies and follow the reporting and accounting requirements of the corresponding countries. You must set up multi-currency in order to use Dual Currency in Inventory.

Dual Currency Accounts

The system maintains dual currency for inventory layers by creating an additional ledger for the stable currency, using the current exchange rate to calculate the amount. The system writes a record for each currency in the Stock Valuation tables. For example, when data is extracted from the Cardex, two records are written, one containing the domestic currency amounts and one containing the stable currency amounts.

See Also

- *About Multi-Currency* in the *General Accounting I Guide*
- *Setting Up Multi-Currency* in the *General Accounting I Guide*
- *Assigning Valuation Methods* for setting up dual currency in inventory

Determine the Value of Stock

Determining the Value of Stock

You generally run the stock valuation process once per accounting period. During processing, the system extracts the valuation for all assigned methods for each item and pool. When the extraction is complete, you can print reports to verify the completeness and accuracy of the company's stock value before you post it for the period. You can also review the valuation extracted for all auxiliary valuation methods you have assigned to each item and pool.

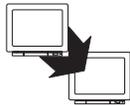
To determine the value of stock, complete the following tasks:

- Run the periodic extraction
- Print reports (optional)
- Review results (optional)
- Update the general ledger
- Review and approve batches (optional)
- Post the journal entries

Before You Begin

- Verify that the programs that integrate with stock valuation are installed and set up. See also *Understand Sources of Stock Valuation Information*.

Running the Periodic Extraction



From Advanced Stock Valuation (G39), choose Special Updates/Inquiries

From Adv. Stock Valuation Special Updates/Inquiries (G3921), choose Valuation Period Extraction

The Valuation Period Extraction program extracts the transactions by document type for specific date ranges to build the valuation tables. The system uses inventory information from the Inventory Management system for stock valuation.

For dual currency, the program creates additional records for the stable currency for every layer at the domestic currency.

Most users of the Advanced Stock Valuation system utilize at least three versions of Valuation Period Extraction. You can use different versions to rerun the extraction if you discover inaccurate information or omissions in the first extraction you run. The processing options allow you to differentiate the following versions:

Valuation Period Extraction

Use this version the first for each period to extract all records since the previous period ending and posting to the general ledger. If you approve the data, this is the only version you need to run.

Period Extraction - Update Period

Use this version to include missed transactions or receipts. You set the processing option for this version to extract only missed information. This version saves time by not reprocessing the transactions that were already extracted.

You can also use this version if your company wants to run interim extractions to keep valuation information current throughout the period.

Period Extraction - Clear and Restart

Use this version to correct errors, such as omitted documents or incorrect entries. You set the processing option for this version to completely clear the table and run the entire extraction again. The system will not clear any previous valuations that have been posted to the general ledger.

To run the Valuation Period Extraction program, specify the Data Selection values as follows:

G/L Date

Set the G/L date to "Less than or equal to" the ending date for the period, to select all transactions previous to the G/L date for the ending of the period.

Valuation End Date

This date is set to *ZEROS to determine whether a transaction has been previously extracted.

Commingled Other Owner

Set this value to not equal to "1" to exclude commingled stock from being valued.

To run the Period Extraction - Update Period program, specify the Data Selection values as follows:

G/L Date	Set the G/L date to “Less than or equal to” the ending date for the period, to select all transactions previous to the G/L date for the ending of the period. If you select the date range to the beginning through the end of the period, you will not extract transactions that may have been entered in the previous period, but missed being extracted.
Valuation End Date	This date is set to *ZEROS to determine whether a transaction has been previously extracted.
Commingled Other Owner	Set this value to not equal to “1” to exclude commingled stock from being valued.

To run the Period Extraction - Clear and Restart program, specify the Data Selection Values as follows. Notice that there are two sections, one for “clear” and one for “restart.”

G/L Date	Set the G/L date to “Less than or equal to” the ending date for the period, to select all transactions previous to the G/L date for the ending of the period. This should be the same date for both sections, otherwise you could clear all the records before restarting.
Valuation End Date	Set the first or “clear” valuation end date equal to the ending date for the period. Set the second or “restart” valuation end date to *ZEROS to determine whether a transaction has been previously extracted.
Commingled Other Owner	Set this value to not equal to “1” to exclude commingled stock from being valued.

Before You Begin

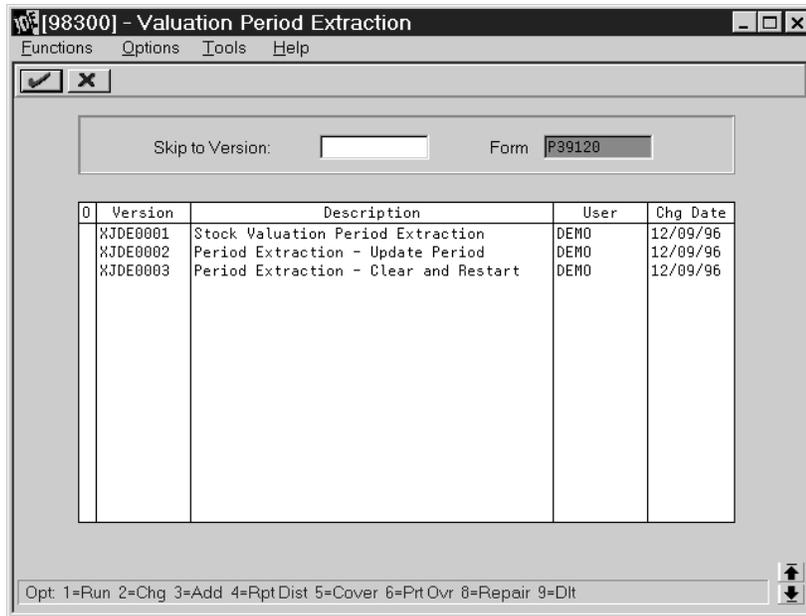
- Verify that each item or pool has an assigned valuation method. See *Assigning Valuation Methods*.
- Verify that three versions of Value Period Extraction are set up. See *Creating a Version* in the *Common Foundation Guide*.
- Verify that Period Extraction Company Selection has been set up if you want to extract the valuation by company. See *Setting Up Company Selection*.

► **To run the periodic extraction**

On Valuation Period Extraction

1. A message displays reminding you to set up company selection, if you want to extract by company.

Choose the function to execute the extraction program.



2. Select the version you want to run.
3. Review the results.

What You Should Know About

Specifying the G/L date The general ledger date for all versions must be set to LE, Less than or equal to, the current end-of-month date.

Writing accumulation and depletion adjustments During period extraction, if there is an accumulation for the year, the program starts at the beginning of the year and allocates the accumulated quantity forward throughout the layer. If there is a depletion for the year, the program starts at the end of the layer previous to the current year and subtracts the depleted amount backward throughout the layer.

The program uses the allocations to calculate the LIFO accumulation/depletion adjustment amounts.

Processing Options for Valuation Period Extraction

PROCESSING DATE:

- 1. Enter the G/L Date to execute. _____
 Default of blank will use the current date. (The period to process will be determined by this date.)

DREAMWRITER VERSION ID:

- 2. Enter the DREAMwriter Version ID to determine the company selection from the Item/Pool Valuation Master File (Dreamwriter Form ID P391201):
 Default = XJDE0001 _____
 (NOTE: This Dreamwriter Version controls company selection ONLY. If Item or Pool ID is selected, it will be ignored.)

RESTART OPTION:

- 3. Enter a '1' to restart the extraction for the period clearing any calculated allocations that already exist in the layer file. _____

Enter a '2' to restart the extraction for the period clearing the period file, layers file and document summary file for the period and pulling in transactions from the prior execution.

Default of blank will not perform any restart operations.

USER DEFINED CODES:

- 4. List the User Defined Code containing the document types for the following:
 Incoming Transactions:
 System Code _____
 Record Type _____
 Outgoing Transactions:
 System Code _____
 Record Type _____
 Document Types to repress error message - "Doc Type not incoming or outgoing":
 System Code _____
 Record Type _____

- 5. Enter the verison of the Item/Pool Error Report (R391214) to use. If left blank ZJDE0001 will be used. _____

This processing option will only affect Replacement/Current Cost valuation methods.

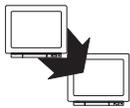
What You Should Know About Processing Options

**Restart Option
Processing Option (3)**

Enter 1 for the update version of the extraction program. This setting will keep the records from the extraction you just ran, and include any transactions or receipts that were not included.

Enter 2 for the clear and restart version of the extraction program. This setting clears all the records from the extraction you just ran and starts over with the extraction from the last period.

Generating Reports



From Advanced Stock Valuation (G39), choose Stock Valuation Reports

From Advanced Stock Valuation Reports (G3911), choose an option

After you run Valuation Period Extraction, you can generate reports to verify the accuracy and completeness of your valuation. Each report presents the valuation information in a different format. Which report format you use depends on the type of information you need to analyze:

Valuation Summary Report

- Summarizes results by valuation method for each item and pool

General Ledger (G/L) Update Summary

- Presents a summary of the stock valuation as it will be updated to the general ledger

Unit Cost Period Report

- Provides the average cost of each item or pool for the last five periods

Valuation Detail Report

- A detail for any LIFO, FIFO, or Weighted Average Cost valuation method
- Includes the layers for all pools and items, showing the openings, incomings, outgoings, and closings for the year to date or for the current period

For the Valuation Detail Report and the Unit Cost Period Report, you can specify in a processing option whether to display domestic or stable currency. For the Valuation Summary Report and the General Ledger Update Summary, you can specify in a processing option whether to display stable currency in addition to domestic currency.

Valuation Summary Report

39500	Stock Valuation Summary		Page No. 4	
			Date - 5/06/98	
Valuation Method 01 FIFO Valuation Summ by Co.				
Period 06 Fiscal Year 98				
Company 249				
Item/Item Pool	Branch/Plant	Quantity	Closing UM	Average Unit Cost
DIESEL	DEPOT1	2590	LT	601.40
DIESEL	DEPOT2		LT	.2322
Total of Liters		2590	LT	601.40
Totals for Method. 01				601.40
Valuation Method 02 FIFO Valuation Summ by Branch				
Period 04 Fiscal Year 98				
Company 249				
Item/Item Pool	Branch/Plant	Quantity	Closing UM	Average Unit Cost
DIESEL	DEPOT1	2391	LT	390.21
DIESEL	DEPOT2		LT	.1631
Total of Liters		2391	LT	390.21
Totals for Method. 02				390.21

General Ledger (G/L) Update Summary Report

39510	J.D. Edwards & Company		Page - 2	
	G/L Update Summary		Date - 5/13/96	
Valuation Method . 04 FIFO - Summary By Branch				
Period 05 Fiscal Year 96				
Company 249				
Item/Item Pool	Branch/Plant	Quantity	Closing UM	Average Unit Cost
LPG	DEPOT1	1050384	LT	118,561.44
LPG	DEPOT2	480184	LT	480,184.00
POOLA	OOC	17000-	LT	
POOLA	AGENT	1000	LT	200.00
POOLA	DEPOT1	1020071356-	LT	
POOLB	DEPOT1	60793467	LT	17,132,613.89
POOLB	DEPOT2	4000	LT	.2818
Liters		957759321-	LT	17,731,559.33
Model Energy & Chemical Co		957759321-	LT	17,731,559.33
Totals for General Ledger Update. .		957759321-	LT	17,731,559.33

Unit Cost Period Report

39540		J.D. Edwards & Company				Page - 2
		Unit Cost Period Report				Date - 7.05.96
Item Pool/Number	1996 Period 04 Average Cost	1996 Period 03 Average Cost	1996 Period 02 Average Cost	1996 Period 01 Average Cost	1995 Period 12 Average Cost	
LPG	0,2000	0,2000	0,9137			
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant		
LPG	0,2000	0,2000	4,5515			
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	DEPOT1	
LPG			1,0000			
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	DEPOT2	
POOLA	0,6984	0,3907	0,1496	0,4849		
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant		
POOLA						
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	OOO	
POOLA		0,2000				
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	AGENT	
POOLA	0,6984	0,4018	0,1496	0,4849		
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	DEPOT1	
POOLB	0,0077	0,1007	0,4000	0,2000		
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant		
POOLB	0,2000	0,1564	0,4000	0,2000		
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	DEPOT1	
POOLB						
Valuation Method 03 FIFO - Summary By Company			Company 249	Branch/Plant	DEPOT2	

Processing Options for Unit Cost Period Report

REPORT OVERRIDES

1. Enter the first Fiscal Period you want to print on the report. Blank will default to current fiscal period for the company.

2. Enter the Fiscal Year of the first period you want to print on the report. Default of blank will use the current fiscal year for the company.

3. Enter a '1' if you would like to print the report displaying Average Unit Cost for Closing Inventory. If left blank the report will display Average Unit Cost for Incoming Transactions.

Stock Valuation Detail Report

39500		Stock Valuation Summary			Page No. . . . 4	
					Date - 5/06/98	
Valuation Method . 01 FIFO Valuation Summ by Co.						
Item/Item Pool . . . DIESEL		Diesel Fuel				
Branch/Plant						
<u>Year Pd</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
04/30/98			.1632		599	97.7568
05/31/98			.1738		6472	1,124.8336
Current Period Details:						
1998 06 Opening		7071	.1729	1,222.59		
Incoming		3984	.2322	925.00		
Outgoing		8465	.1853	1,568.50		
			-----	-----		
Closing		2590	.2322	601.40		
Cost of Goods Sold				1,546.19		
Valuation Method . 02 FIFO Valuation Summ by Branch						
Item/Item Pool . . . DIESEL		Diesel Fuel				
Branch/Plant DEPOT1 Depot 1						
<u>Year Pd</u>	<u>Description</u>	<u>Quantity</u>	<u>Cost</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
04/30/98			.1632		599	97.7568
05/31/98			.1738		6472	1,124.8336
Current Period Details:						
1998 06 Opening		7071	.1729	1,222.59		
Incoming		3984	.2322	925.00		
Outgoing		8465	.1853	1,568.50		
			-----	-----		
Closing		2590	.2322	601.40		
Cost of Goods Sold				1,546.19		
Valuation Method . 02 FIFO Valuation Summ by Branch						
Item/Item Pool . . . DIESEL		Diesel Fuel				
Branch/Plant DEPOT2 Depot 2						

Processing Options for Stock Valuation Detail Report

G/L UPDATE METHOD:

1. Enter a '1' to print the report using the G/L Update Valuation Method for each Item/Item Pool.

Default of blank will print all valuation methods.

2. Enter a '1' to also print the period incoming and period outgoing on the report along with the Year to date quantities and amounts for LIFO valuation methods.

Default of blank will not print the period incoming and period outgoing quantity and amount.

Reviewing Results



From Advanced Stock Valuation (G39), choose Daily Operations

From Daily Operations (G391), choose an option

After you run any Valuation Period Extraction version, you can access the valuation information on several different forms. You can use these forms to research any problems with the the extraction before you run another version or accept the results of the valuation. You can continue to use these forms to review different aspects of the valuation throughout the period until you post the next period's valuation.

With most of these review options, you can review item or pool information by a specific valuation method. The system can only display valuation information using one of the methods that are assigned to an item on the Item/Pool Valuation Maintenance form.

You can review results in the following ways:

- Review item or pool quantities
- Review a summary by period
- Review historical layers
- Review methods
- Review the year-to-date summary
- Review by document types
- Review G/L adjustments

What You Should Know About

Reviewing valuation of additional inventory

If you defined a valuation method to include in-transit inventory or loan and borrow accommodations, the system includes these amounts in the valuation. You can use Period Additional Quantities to review this information on separate detail lines from Valuation Period Review and Valuation Summary Review.

See also *Defining Valuation Methods*.

See Also

- *Assigning Valuation Methods (P3901)*
- *Reviewing Pools (P39001)* for information about reviewing items in a pool

Reviewing Item or Pool Quantities

Use Valuation Period Review to review the opening, incoming, outgoing, and period ending values of any item or pool for a specific valuation method. You can toggle between domestic and stable currency modes.

► To review item or pool quantities

On Valuation Period Review

The screenshot shows a window titled "[39051] - Valuation Period Review" with a menu bar (Functions, Tools, Help) and a toolbar. The main area contains several input fields and a table.

Input fields:

- Company: 249
- Branch/Plant: []
- Fiscal Year: 1999
- Period: 07
- Valuation Method: 00
- Item Pool: []
- OR Item Number: UNL-SV
- Unleaded Fuel-Stock Valuation: Domestic Curr USD U.S. Dollar

Summary Table:

Description	Quantity	Average Unit Cost	Amount
Opening Inventory		.0000	
Period Activity			
Incoming Transactions	100000	.2000	20,000.00
Outgoing Transactions	5000	.1500	750.00
=====			
Closing Inventory	95000	.1974	18,750.00
Cost of Goods Sold			1,250.00

Footer: F5=Layer Inq F6=Summary Inq F10=Doc Sum Inq F11=Addtl Qtys F24=More Keys

1. Complete the following field:
 - Valuation Method
2. Complete one of the following fields:
 - Item Pool
 - Item Number
3. If the valuation method is allocated within all branch/plants, complete the following field:
 - Branch/Plant

Field	Explanation
Valuation Method	<p>A two-character abbreviation for the methods that the system uses to determine the value of your company's stock for reporting and financial purposes. Examples include: F1 (FIFO), F2 (FIFO Detail by Branch), and L1 (LIFO).</p> <p>When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.</p>
Item Pool	<p>A user defined code (system 41/type 05) that indicates a group of items that are evaluated by the Advanced Stock Valuation system using the same set of valuation methods. You assign the item pool to the item and then set up valuation methods for the pool using the Pool Valuation Method Maintenance program.</p>

What You Should Know About

Reviewing additional quantities	While reviewing item or pool quantities, you can access the Period Additional Quantities form to review stock status, accommodations, and in-transit quantities.
--	--

Reviewing a Summary by Period

Use Valuation Summary Review to review a summary of the valuation for any item or pool and a specific valuation method. You can toggle between domestic and stable currency modes.

► **To review a summary by period**

On Valuation Summary Review

The screenshot shows a software window titled "[39050] - Valuation Summary Review". It contains several input fields and a table. The input fields are: Valuation Method (03), Item Pool (empty), OR Item Number (UNL-SV), Fiscal Year (1999), Company (249), Branch/Plant (empty), Unleaded Fuel-Stock Valuation (empty), U/M (empty), LT Liters (empty), and Domestic Curr (USD U.S. Dollar). The table below has columns: Pr, Opening, Incoming, Outgoing, Closing, and Pst Cls. The data rows are:

Pr	Opening	Incoming	Outgoing	Closing	Pst Cls
7		100000	5000	95000	2
8	95000	10000	14000	91000	2
9	91000		15000	76000	2

At the bottom of the window, there is a status bar with the text: Opt1=Period Review F2=Display Amounts F5=Layers Inquiry F24=More Keys.

1. Complete the following field:
 - Valuation Method
2. Complete one of the following fields:
 - Item Pool
 - Item Number
3. Complete the following optional fields:
 - Company
 - Branch/Plant

Reviewing Historical Layers

Layers are receipts of product that you enter into the system. Use this option to review the historical layers for your ending inventory. You can toggle between domestic and stable currency modes.

You can identify and review the layers in one of two different formats. The system presents the information in either detail or summary mode, depending on how you defined the valuation method:

- If you defined the valuation method to use detail mode, each receipt is a layer.

- If you defined the valuation method to use summary mode, each period is a layer and the prior years' layers are rolled up at the year end into one layer.

See Also

- *Defining Valuation Methods (P3902)*

▶ **To review historical layers**

On Valuation Layers Review

The screenshot shows a software window titled "[39052] - Valuation Layers Review". It contains several input fields and a table. The input fields include: Company (249), Branch/Plant (*), Valuation Metho (06) FIFO, Item Pool, OR Item Number (UNL-SV), Fiscal Year (1999), Period (09), and Receipt Date. The table below shows receipt data with columns for Receipt Date, Curr. Inventory Allocations, Purchasing Unit Cost, Current Amount, Current Sales Quantity, and P C.

Receipt Date	Curr. Inventory Allocations	Purchasing Unit Cost	Current Amount	Current Sales Quantity	P C
07/05/99	16000	.2500	4,000.00	15000	2
07/15/99	50000	.1500	7,500.00		2
08/05/99	10000	.1500	1,500.00		2
TOTALS	76000	.1711	13,000.00	15000	

1. Complete the following field:
 - Valuation Method
2. Complete one of the following fields:
 - Item Pool
 - Item Number
3. If the valuation method is allocated within all branch/plants, complete the following field:
 - Branch/Plant
4. If you want to view the depleted layers, complete the following field:
 - Display Depleted Layers

Reviewing Methods

Use Valuation Methods Comparison to compare the valuation differences between two different methods. You can toggle between domestic and stable currency modes.

► To review methods

On Valuation Methods Comparison

Opening Inventory		Closing Inventory	
Quantity		Quantity	95000
Average Unit Cost	.0000	Average Unit Cost	.1974
Opening Amount		Amount	18,750.00
		Cost of Goods Sold	1,250.00

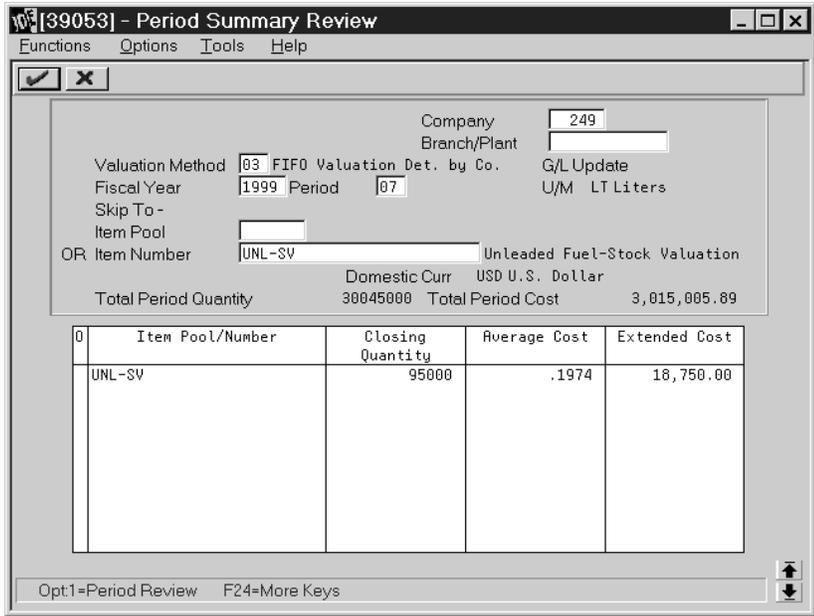
1. Complete one of the following fields:
 - Item Pool
 - Item Number
2. Complete the following fields:
 - Valuation Method 1
 - Valuation Method 2

Reviewing the Year-to-Date Summary

Use Period Summary Review to review period activities for the year to date. You can toggle between domestic and stable currency modes.

▶ To review the year-to-date summary

On Period Summary Review



1. Complete the following field:
 - Valuation Method
2. Complete one of the following fields:
 - Item Pool
 - Item Number

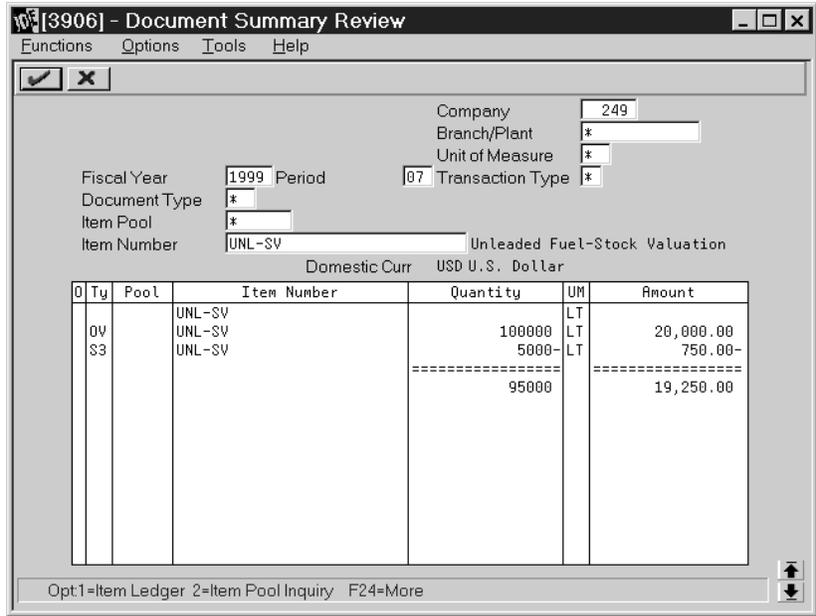
Reviewing by Document Type

Use Document Summary Review to review a summary of transactions by document type. Use this option to resolve problems that might be caused by missing or inaccurate document type information.

You can choose specific transaction types, such as incoming, outgoing, or both. If you choose to review by a specific item or pool, the system displays quantity and amount totals also. You can toggle between domestic and stable currency modes.

► To review by document type

On Document Summary Review



1. Complete the following field:
 - Branch/Plant
2. Accept the defaults, or complete the following optional fields:
 - Transaction Type
 - Document Type
3. Complete one of the following optional fields:
 - Item Pool
 - Item Number

Field	Explanation
Transaction Type	A value that specifies if the transaction type is incoming, outgoing, or both. Valid values are: * Select all transactions 1 Select only incoming transactions 2 Select only outgoing transactions 3 Select only transaction types that are both incoming and outgoing

Field	Explanation
Document Type	<p>A user defined code (system 00/type DT) that identifies the origin and purpose of the transaction.</p> <p>J.D. Edwards reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>The reserved document type prefixes for codes are:</p> <ul style="list-style-type: none"> P Accounts payable documents R Accounts receivable documents T Payroll documents I Inventory documents O Order processing documents J General ledger/joint interest billing documents <p>The system creates offsetting entries as appropriate for these document types when you post batches.</p> <p>..... <i>Form-specific information</i></p> <p>Advanced Stock Valuation</p> <p>Enter a specific document type (for example, BB for bulk simple blend) to view all of the transactions associated with this document type.</p>

Reviewing G/L Adjustments

You can view stock valuation adjustments to the general ledger with the Valuation G/L Adjustment Inquiry program. You can toggle between domestic and dual currency modes.

► To review G/L adjustments

On Valuation G/L Adjustment Inquiry

The screenshot shows the 'G/L Adjustment Inquiry' window with the following fields and values:

- Company Number: 249
- Adjustment Type: 2
- Valuation Method: 05
- Item Pool: (empty)
- Item: UNL-SV
- G/L Date: (empty)
- Currency Code: USD U.S. Dollar

Company Name: Model Energy & Chemical Co
 Cost of Goods Sold: Cost of Goods Sold
 Valuation Method: LIFO Valuation Summ by Co.

Item/Pool	Account Number	Amount
UNL-SV	DEPOT1.6020.SV	250.00
UNL-SV	DEPOT1.6020.SV	450.00
UNL-SV	DEPOT1.6020.SV	250.00-
UNL-SV	DEPOT1.6020.SV	1,200.00
UNL-SV	DEPOT1.6020.SV	450.00-
Total For Adjustment Type		1,200.00

Footer: Opt1=JE's F4=Fold Area F6=Dual Curr F24=More Keys

- Complete the following fields:
 - Adjustment Type
 - Company Number
- To skip to a pool or item, complete one of the following optional fields:
 - Pool
 - Item
- To skip to a specific G/L date, complete the following field:
 - G/L Date

Updating the General Ledger



From Advanced Stock Valuation (G39), choose Special Updates/Inquiries

From Adv. Stock Valuation Special Updates/Inquiries (G3921), choose Valuation G/L Update

Run the Valuation G/L Update program after you review the data from the Period Extraction program. Valuation G/L Update updates the general ledger for the valuation methods defined as general ledger update methods. The program updates the general ledger based on one valuation method for each item/item pool. The Period Extraction program calculates the amounts to be updated. For dual currency, the program additionally writes a record to the general ledger for the stable currency.

You can set up proof and final versions of this program. The proof version does not update the general ledger. After you review the proof version, you can run the final version to update the general ledger.

See Also

- *Assigning Valuation Methods* (P39130)

What You Should Know About

Recording LIFO accumulations/depletions

The G/L Update program writes accumulations and depletions to separate accounts. If the offset amount for the LIFO accumulation/depletion amount is positive, the update writes a journal entry to the Asset for LIFO AAI. If the offset is negative, the update writes a journal entry to the Liability for LIFO AAI.

Processing Options for Valuation G/L Update

PROOF OR FINAL:

1. Enter a '1' to execute in update mode which will create journal entries and set the update flag on the period detail record. Default of blank will execute in PROOF mode (no update will occur).

G/L JOURNAL ENTRY OPTIONS:

2. G/L date (Default = current)
3. Document Type (Default = JE)
4. Enter '1' to summarize entries by account (Default = detail entries)

G/L JOURNAL ENTRY SERVER:

5. Enter the version ID to use for the G/L Journal Entry Server program (XT0911Z1). Default = ZJDE0001

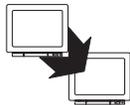
YEAR-END PROCESSING:

6. Enter a '1' to roll up remaining FIFO layers for year-end processing.

What You Should Know About Processing Options

- Year-end processing (6)** Except for FIFO valuations, the system always rolls up all layers at the end of the year into a single layer for the opening balance for the next year. If you want the FIFO valuation to remain, leave this option blank. If you want the FIFO valuations to roll up into one layer, enter 1 in this option.

Reviewing and Approving Batches



From Advanced Stock Valuation (G39), choose Special Updates/Inquiries

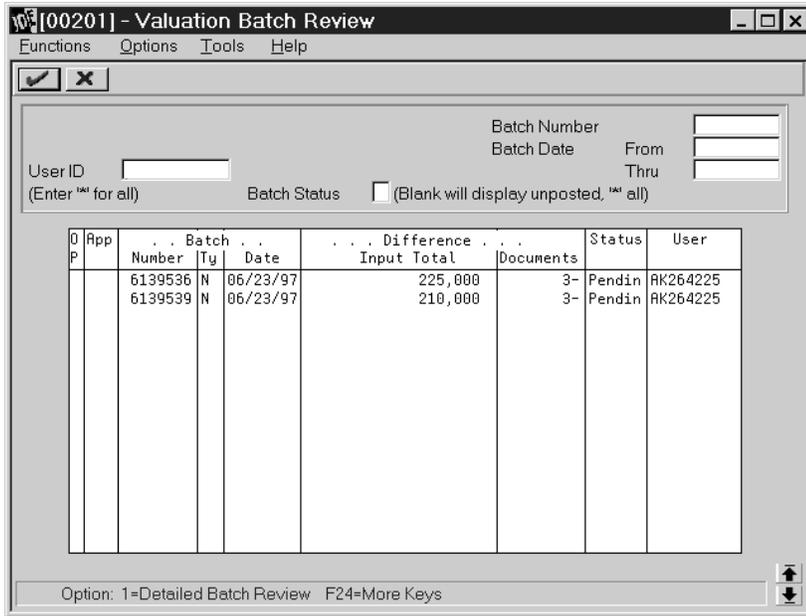
From Adv. Stock Valuation Special Updates/Inquiries (G3921), choose Valuation Batch Review

When you update the general ledger, the system produces batch files of the results. You can review or approve the batches produced by the system before you actually post them to the journal.

If your company requires both review and management approval before posting a batch to the general ledger, only users with an authorized approval user ID can change a batch to an approved status.

► To review and approve batches

On Valuation Batch Review



1. Display all batches for all users and for all statuses or complete one or more of the following fields to limit your search:
 - User ID
 - Batch Number
 - Batch Date From
 - Batch Date Thru
 - Batch Status
2. Choose the batch job that contains the transactions you want to review.
3. Choose the option for detailed batch review.

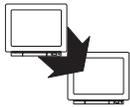
General Ledger Batch Review appears with a list of the general entries.

4. On General Ledger Batch Review, review the transactions.
5. Return to Valuation Batch Review.
6. On Valuation Batch Review, complete the following field:
 - Approved

Field	Explanation
Batch Number	A number that identifies a group of transactions that the system processes and balances as a unit. When you enter a batch, you can either assign a batch number or let the system assign it through Next Numbers. When you change, locate, or delete a batch, you must specify the batch number.
Batch Date From:	The date for the batch. If this is an entry field and you leave it blank, the system supplies the current date.
User ID	For World, The IBM-defined user profile. For OneWorld, the creator of the version.
Batch Date Thru:	The date for the batch. If this is an entry field and you leave it blank, the system supplies the current date.
Batch Status	A user defined code (98/IC) that indicates the posting status of a batch. Valid codes are: <ul style="list-style-type: none"> blank Unposted batches that are pending approval or have a status of approved. A Approved for posting. The batch has no errors, is in balance, but has not yet been posted. D Posted. The batch posted successfully. E Error. The batch is in error. You must correct the batch before it can post. P Posting. The system is posting the batch to the general ledger. The batch is unavailable until the posting process is complete. If errors occur during the post, the batch status is changed to E (error). U In use. The batch is temporarily unavailable because someone is working with it.
Batch Approved for Posting	A code that indicates whether a batch is ready for posting. Valid codes are: <ul style="list-style-type: none"> A Approved, ready for posting. P Pending approval. The batch will not post. <p>If the system constants do not specify manager approval, the system automatically approves batches that are not in error.</p>
Batch Type	A code that indicates the system and type of entries for a batch. This is a user defined code (system 98, type IT).

Field	Explanation
Input Total	<p>On batch header forms, this is the total amount that you expect to enter for the batch. This amount must be entered without decimals. For journal entries in the general ledger, this amount is the total of the debits. In other systems, it is the total amount of all documents in the batch. The system keeps track of the amount you enter and displays the difference, if any, when you finish the batch. When you review batches of transactions, this is the difference between the input total and what you actually entered. Example:</p> <p style="margin-left: 40px;">Input Total – 10052 Total Entered – 10000 Total Remaining – 52</p> <p>If you are using batch control but you did not enter an input total, this amount appears as a negative number when you review batches.</p> <p>NOTE: Depending on how your system uses batch review, this field might not apply to batches created by your particular system.</p>

Posting the Journal Entries



From Advanced Stock Valuation (G39), choose Special Updates/Inquiries

From Adv. Stock Valuation Special Updates/Inquiries (G3921), choose Post Adjustments to G/L

After you approve the general ledger updates, you can post them to the general ledger. This completes the valuation process and posts the actual stock value for the period end.

Processing Options for Posting Adjustments to General Ledger

BATCH SELECTION:

- 1. Enter Batch Number _____
- or Batch Date _____
- or Batch User ID _____

PRINT SELECTION:

- 2. Identify how to print amount fields on Post Journal: _____
- '1' = to Millions (w/ commas)
- '2' = to Billions (w/o commas)
- Blank (Default) = No Journal Printed.

- 3. Identify which account number to print on report: _____
- '1' = Account Number
- '2' = Short Account ID
- '3' = Unstructured Account

'4' = (Default) Number Entered
During Input

FIXED ASSETS:

- 4. Enter a '1' to post F/A entries to Fixed Assets. _____
NOTE: DREAM Writer version ZJDE0001 of Post G/L Entries to Assets(Pl2800) is executed when this option is selected. All transactions selected from that DREAM Writer will be posted rather than just the current entries being posted to G/L.
- 5. Enter a 'Y' if you wish to explode parent item time down to the assembly component level. Component billing rates will be used. (This applies to batch type 'T' only.) _____

CASH BASIS ACCOUNTING:

- 6. Enter a '1' to create and post Cash Basis accounting entries. (Applies to batch type G, K, M, W, & R only.) _____
- 7. Enter units ledger type for Cash Basis Accounting entries. (Default of blank will use "ZU" ledger type.) _____

ACCOUNTING FOR 52 PERIODS:

- 8. Enter a '1' for 52 Period Post. _____
NOTE: DREAM Writer data selection is used for 52 period posting ONLY. It is NOT used for the standard post to the F0902. Additionally, 52 period date patterns must be set up.

TAX FILE UPDATE:

- 9. Identify when to update the Tax Work file (F0018): _____
'1' = V.A.T. or Use Tax only
'2' = for All Tax Amounts
'3' = for All Tax Explanation Codes
Blank (Default) = No Update to File.
Note: When using Vertex Taxes the Vertex Tax Register file will be updated instead of the Tax Work file for methods '1', '2', and '3'.
- 10. Adjust VAT Account for Cash Receipt Adjustments and Write Offs. Tax explanation must be a 'V'. _____
'1' = update VAT amount only
'2' = update VAT amount, extended price and taxable amount
- 11. Adjust VAT Account for Discount Taken. The Tax Rules file must be set to Calculate Tax on Gross Amount, including Discount and Calculate Discount on Gross Amount, including Tax. Tax explanation must be a 'V'. _____
'1' = update VAT amount only
'2' = update VAT amount, extended price and taxable amount

PROPERTY MANAGEMENT:

12. Enter DREAM Writer version of Property Management G/L Transaction Creation to be executed. Default is version ZJDE0001. (This applies to batch types '2' and '/'.)
-

UPDATE OPTION:

13. Enter '1' to update short ID number, company, fiscal year/period number, century, and fiscal quarter in unposted transaction records selected for posting. (May be required for custom input programs.)
-

REPORT FORMAT:

14. Enter a '1' to print the Posting Journal in a 198 character format. The default of blank will print the format with 132 characters.
-

DETAILED CURRENCY RESTATEMENT:

15. Enter a '1' to create currency restatement entries. This creates records in the XA, YA, and/or ZA ledgers depending on the version you are running.
-
16. Enter the version of the Detailed Currency Restatement (P11411) to execute. Default of blank will execute ZJDE0001.
-

RECONCILIATION FILE PROCESSING

17. Enter a '1' to update the Cross-Environment Reconciliation file. Blank will not update the reconciliation file.
-

Note: The Cross-Environment Reconciliation file can also be updated through the stand-alone Cross-Environment File Creation program.

BATCH TYPE SELECTION:

NOTE: This option should NOT be changed by User.

Setup



Advanced Stock Valuation Setup

Objectives

- To complete the setup tasks that define how your company values stock

About Advanced Stock Valuation Setup

Before you can use the Advanced Stock Valuation system, you must complete certain tasks to define information that the system uses during processing. You can customize much of this information to meet your company's business needs.

To set up the Advanced Stock Valuation system, complete the following tasks:

- Set up user defined code (UDC) lists
- Define valuation methods
- Work with pools and items
- Set up automatic accounting instructions (AAIs)
- Set up company selection

What Are the System Setup Requirements?

UDC lists	Define customized codes, such as documents types and pools, that are appropriate for your business needs.
Valuation methods	Define the attributes for all of the valuation methods you want to use to value your stock.
Pools and items	Identify all of the items associated with an item pool and assign the valuation methods you will use for each item and pool.
Company selection	When you extract the valuation by company, you must set up the company to use.



**Automatic accounting
instructions**

Define the rules for the chart of accounts and establish how the system creates automatic entries.

Set Up User Defined Code Lists

To access General User Defined Codes, enter UDC on any menu selection or command line.

Setting Up User Defined Codes for Advanced Stock Valuation

You can define most standard information in user defined code (UDC) tables. Generally, you define these codes for your business purposes. Many of these codes are set up by J.D. Edwards and are included when you install your system. When a UDC is referred to as hard coded, you should not change it. Programming has been defined to work with hard-coded UDCs. If you change the UDC, the programming will not work correctly.

Each system has its own UDC types. Advanced Stock Valuation is system 39. It also integrates with other systems, such as the Inventory Management system. UDCs are referenced by the system number and type. Therefore, system 39/type OD indicates that OD (Outbound Documents) is a UDC type for the Advanced Stock Valuation system. The following table lists the UDC types associated with stock valuation.

System 39/Type ID Incoming Document Type	Include all document types that you will use for incoming (“to”) transactions.
System 39/Type OD Outgoing Document Types	Include all document types that you will use for outgoing (“from”) transactions.
System 39/Type VA Valuation Type	Hard-coded UDCs to include LIFO, FIFO, Weighted Average Cost, and Replacement/Current Cost.
System 39/Type WT Allocation by Branch or Company	Hard-coded UDCs to include these two options for defining valuation methods.

System 41/Type 05
Item Category Code 05 Include all pool codes that you will use to group items for valuation purposes.

What You Should Know About

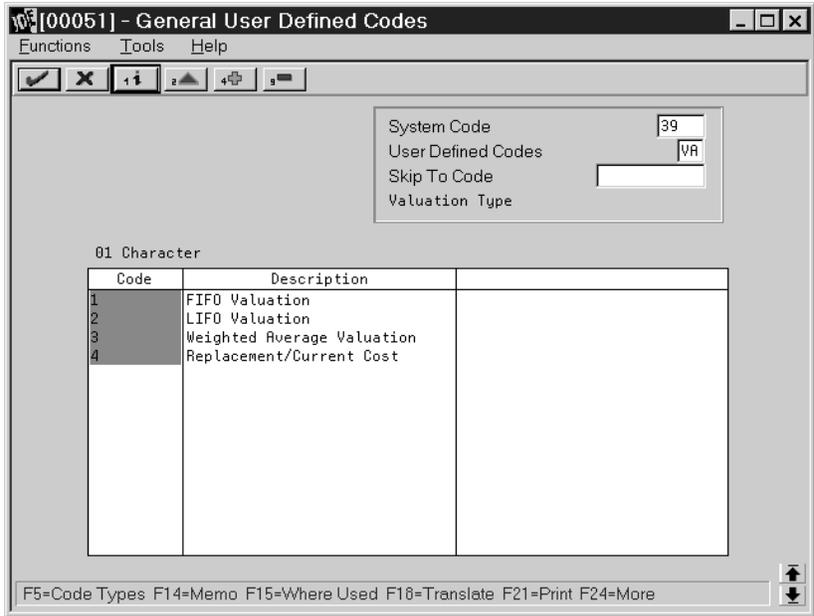
Document type UDCs Document types can be classified as incoming, outgoing, or both. Document types classified as both indicate that this type of document can represent a transaction that is either bringing stock into the inventory or taking stock out of inventory. Bulk stock movements that use “from” and “to” transactions are examples of transactions that use a “both” document type.

When you set up the stock valuation document types, you must enter information in the Special Handling Code field for all document types that you can use for both “from” and “to” transactions. You must also set up these documents in both the system 39/type OD and system 39/type ID tables:

- System 39/type OD (Outgoing documents) -
Enter a minus (-) to indicate “from” transactions that take product out of your inventory.
Enter a minus (-) for the system 39/type OD documents that are also in the system 39/type ID tables.
- System 39/type ID (Incoming documents) -
Enter a plus (+) to indicate “to” transactions that add product into your inventory.
Enter a plus (+) for the system 39/type ID document types that are also in the system 39/type OD table.

▶ To set up UDC lists

On General User Defined Codes



1. Complete the following fields:
 - System Code
 - User Defined Codes

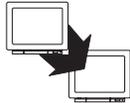
All UDCs for the system and type appear.

2. Review the codes already set up to confirm that they meet your business needs.
3. To add a new UDC or change existing codes, complete the following fields:
 - Code
 - Description
4. Access the detail area.
5. Complete the following optional fields:
 - Special Handling Code
 - Hard Coded Y/N

Field	Explanation
System Code	A user defined code (98/SY) that identifies a J.D. Edwards system.
User Defined Codes	Identifies the table that contains user defined codes. The table is also referred to as a code type.
Skip To Code	To begin the information displayed on the form with a specific user defined code, enter the code in this field.
Code	This column contains a list of valid codes for a specific user defined code list. The number of characters that a code can contain appears in the column title.
Description	A user defined name or remark.
Special Handling Code	<p>A code that indicates special processing requirements for certain user defined code values. The particular value you enter in this field is unique for each user defined code record type.</p> <p>The system uses the special handling code in many ways. For example, special handling codes defined for Language Preference specify if the language is double-byte or if the language does not have uppercase characters. Programming is required to activate this field.</p> <p>..... <i>Form-specific information</i></p> <p>If a "P" is in the second position, the system identifies that unit of measure as a potent unit of measure.</p>
Hard Coded Y/N	A yes/no flag indicating whether a user defined code is hard coded or not.

Define Valuation Methods

Defining Valuation Methods



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Valuation Method Master

You must define the name and attributes for your primary valuation method and each of your auxiliary methods. You need to consider all of your company's valuation requirements prior to setup. These definitions tell the system how to value the stock, what to include in the valuation, and how to display and report the results.

The following descriptions provide an overview of the stock valuation methods available with J.D. Edwards systems. Appendix A contains examples with sample data illustrating how the Advanced Stock Valuation system calculates the stock value using FIFO, LIFO, and Weighted Average Cost methods.

First In/First Out

This method assumes that the first inventory items purchased or manufactured are the first items sold. With FIFO, the cost of the most recently acquired items are the costs associated with the ending balance.

Last In/Last Out

This method assumes that the last inventory items purchased or manufactured are the first items sold. The most recent inventory costs are assigned to the current period's cost of goods sold, leaving the oldest costs in the balance sheet account.

LIFO accounting requires an understanding of inventory layers and inventory liquidation. Receiving or increasing inventory from one period end to the next results in a new LIFO layer. If a net decrease in inventory occurs from one period end to the next, no new layer is added. However, the prior period's layer is liquidated or reduced by the decrease amount.

Weighted Average Cost

This method calculates the inventory on a weighted average of all the purchases.

Replacement/Current Cost

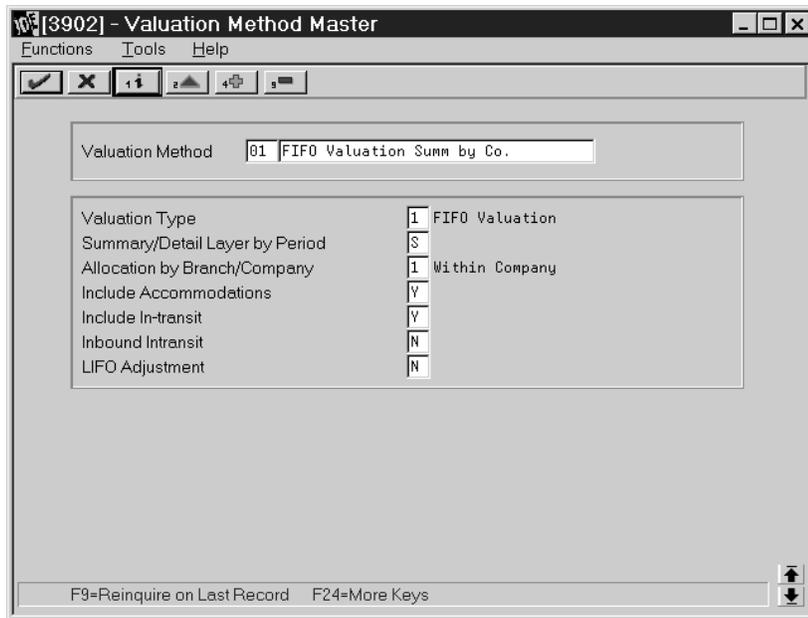
This method reflects the current value of inventory for a given period. In effect, it is the cost of replacing the inventory for a specific period. You can specify the cost that will be used during the valuation, instead of using a calculated cost.

It is not unusual for a company to need more than one method for valuating stock. For example, local governments might require a different method for financial reporting than the method that you use within the company. Taxes might require a different method than used for profitability reports within a company.

With the J.D. Edwards Advanced Stock Valuation system, you can choose one primary method of stock valuation per company to update the general ledger for standardized accounting and reporting. However, you can also assign auxiliary methods to use for comparison or other reporting purposes.

► **To define valuation methods**

On Valuation Method Master



1. Complete the following fields:
 - Valuation Method
 - Description
 - Valuation Type

- Within Branch or Company
 - Include Accommodations
 - Include In-transit
2. In you are using receipts routing, complete the following field:
- Include Not in Stock
3. If the valuation method is LIFO, complete the following field:
- LIFO Adjustment

Field	Explanation
Valuation Method	<p>A two-character abbreviation for the methods that the system uses to determine the value of your company's stock for reporting and financial purposes. Examples include: FI (FIFO), F2 (FIFO Detail by Branch), and LI (LIFO).</p> <p>When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.</p>
Description	<p>A brief description of an item, a remark, or an explanation.</p> <p>..... <i>Form-specific information</i></p> <p>For Advanced Stock Valuation</p> <p>The valuation method for the code in the Valuation Method field. Examples include FIFO, FIFO Detail by Branch, and LIFO.</p>
Valuation Type	<p>A hard-coded user defined code (system 39/type VA) indicating the type of valuation method to use in stock valuation. Valid values are:</p> <ul style="list-style-type: none"> FIFO Valuation LIFO Valuation Weighted Average Valuation Replacement/Current Cost

Field	Explanation
Summary/Detail Layer by Period	<p>A code that indicates whether the layers are created in detail or summary mode. Valid codes are:</p> <ul style="list-style-type: none"> D Detail mode, which creates one layer per transaction S Summary mode, which creates one layer per: Branch, item or pool, valuation method, and period if you set the Allocation Within Branch/Company field to B (branch) Company, item or pool, valuation method, and period if you set the Allocation Within Branch/Company field to C (company) <p>If you select S, the system's processing time depends on the size of the Item Location table (F41021).</p> <p>At the end of the year, the system rolls all detail layers and period summary layers into one layer.</p>
Allocation by Branch/Company	<p>A code that identifies how the system allocates the historical layers built by the valuation method. Valid values are:</p> <ul style="list-style-type: none"> 1 Within company. The system creates one record per company, item or pool, valuation method, and period. Additionally, it creates records by branch that are informational only and are not posted to the general ledger. 2 Within branch. The period detail contains one record per branch, item or pool, valuation method, and period. <p>At the end of the year, the system rolls all detail layers and period summary layers into one layer.</p>
Include Accommodations	<p>A code that indicates if you want accommodations included in this valuation method. Accommodations are the net value of loan and borrow transactions between your company and business partners. Valid values are:</p> <ul style="list-style-type: none"> Y or 1 Yes, include accommodations (default). N or 0 No, do not include accommodations.
Include In-transit	<p>A code that indicates if the system should include in-transit stock in the valuation. Valid values are:</p> <ul style="list-style-type: none"> Y or 1 Yes, include stock currently in transit to a customer in the calculation of stock value. N or 0 No, do not include stock that is in transit in the calculation of stock value.

Field	Explanation
LIFO Adjustment	<p>A LIFO adjustment removes the effect of any accumulation or depletion at the end of a reporting period. It should not be applied for the closing period of a fiscal year. You should record the LIFO adjustment against the income statement and balance sheet accounts.</p> <p>The system uses the following formula to determine the LIFO adjustment: $\text{(Average cost of the accumulation/depletion - current period's average cost) * accumulation/depletion}$</p> <p>If this valuation method is a LIFO method type and set up as a company-wide method, you might want the system to calculate a LIFO adjustment. Valid values are:</p> <p>Y or 1 Yes, this is a company-wide LIFO valuation method. Include the LIFO adjustment calculation. This is the default.</p> <p>N or 0 No, this LIFO method is either layered within a branch/plant or is not company wide. Do not include the LIFO adjustment.</p>
Inbound Intransit	<p>Enter a Y if you wish to include products that are currently in route to your inventory but have not arrived yet in the calculation of stock value.</p> <p>Enter a N if you wish not to include products in route.</p>
Include Not in Stock	<p>Enter a Y if you wish to include products that are currently in route to your inventory but have not arrived yet in the calculation of stock value.</p> <p>Enter a N if you wish not to include products in route.</p>

Processing Options for Valuation Method Master

DEFAULT VALUES :

1. Enter Version for Item/Pool Valuation Maintenance. _____

Work with Pools and Items

About Pools and Items

The system can compute the value of stock at the item level or the pool level.

If you want to value stock at the item level, the system calculates the cost and value of each item.

To value stock at the pool level, group items of similar products and relatively similar purchase prices:

- If you define the pool's valuation method to use a summary layer, the system can apply a single purchase price to all items in the pool for a period.
- If you define the pool's valuation method to provide detailed layers, the system uses each purchase as a layer to determine the pool's value.

You can value part of your stock at the item level and part in pools. The primary method of valuation (the method used to update the general ledger) must be the same for all items and pools within a company.

Complete the following tasks:

- Assign pools
- Review pools
- Assign valuation methods
- Assign unit cost

Assigning Pools

Complete this task only for items that you want to value at the pool level. If you want a valuation for an item only at the individual item level, do not assign a pool to that item.

Complete the following tasks:

- Assign default pools for new items

- Assign branch/plant pools for existing items

Before You Begin

- Set up User Defined Codes for pools. See *Setting Up User Defined Code Tables*.
- Set up an item or complete this step during item setup. See *Entering Item Master Information* in the *Inventory Management Guide*.

What You Should Know About

Kit items

You price kit items at the master item (kit) level, but you set up costs at the component level. The system maintains inventory for each component item of the kit, not the master kit number. Therefore, the master kit item has no stock valuation.

See *Entering Item Master Records for Kits* in the *Inventory Management Guide*.

Assigning Default Pools for New Items



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Item Master Class Codes

When you first set up a new item, you must assign a pool code if you want that item included in a pool for stock valuation purposes. The system automatically includes the default pool you enter here to the branch/plant level.

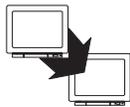
► **To assign default pools for new items**

On Item Master Class Codes

Complete the following fields:

- Product Number
- Item Pool Code

Assigning Branch/Plant Pools for Existing Items



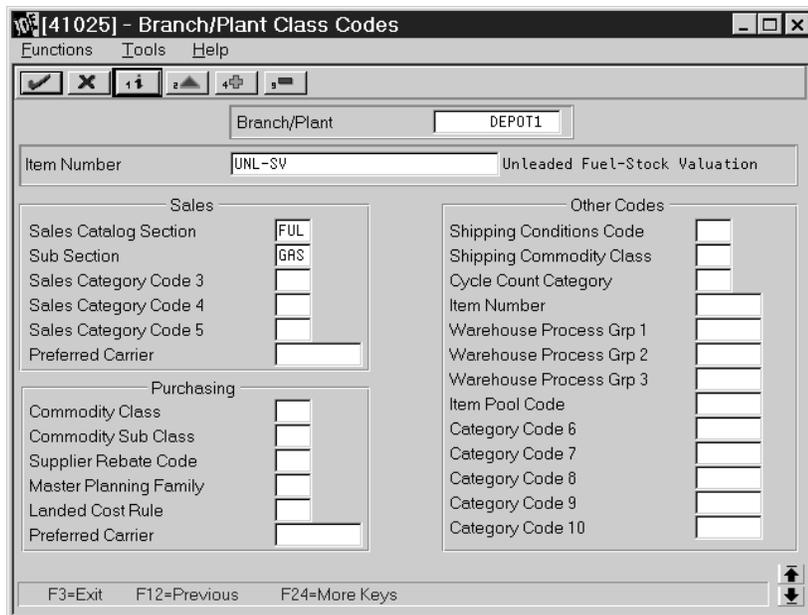
From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Branch/Plant Class Codes

If you are assigning pool codes to items you set up previously, you must enter the pool code at the branch/plant level for each item you want to include in a pool. The Advanced Stock Valuation system uses only the information designated at the branch/plant level, so it is not necessary to change the information on the Item Master Class Code form if you previously set up this item.

► **To assign branch/plant pools for existing items**

On Branch/Plant Class Codes



Complete the following fields:

- Branch/Plant
- Item Number
- Item Pool Code

Field	Explanation
Item Pool Code	<p>For Advanced Stock Valuation</p> <p>The item pool groups several items that contain the same requirements for the Advanced Stock Valuation system. Valuation methods are set up by item or pools. The items assigned to the pool use the pool's designated valuation methods for extracting and valuating the inventory value.</p> <p>Enter a valid user defined code (system 41/type 05) if you want this item to be valued within a pool rather than as an individual item.</p>

Reviewing Pools



From Advanced Stock Valuation (G39), choose Daily Operations

From Advanced Stock Valuation Daily Operations (G391), choose Item Pool Inquiry

You can review a list of items that are assigned to a pool. This is useful when you want to verify that all items are correctly assigned to a pool or to resolve problems that you identify after the period extraction.

▶ To review pools

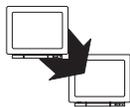
On Item Pool Inquiry

Item Number	Item Description	Branch/Plant

Complete the following fields:

- Item Pool
- Branch/Plant

Assigning Valuation Methods



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Item/Pool Valuation Maintenance

You must assign a valuation method to each item and pool that you want valued. The system uses this information to calculate the value of your stock. If you want to update the general ledger, you must assign only one method as the G/L update for all items and pools. The valuation method you use to update the general ledger is often called the primary method.

You can assign any number of auxiliary methods. The system uses the auxiliary methods to track the value of stock for comparison or reporting purposes, but does not post the auxiliary results to the general ledger.

When you add an item or pool with Item/Pool Valuation Maintenance, the system checks to ensure that it doesn't yet exist in this table. The system does not allow you to make duplicate entries for the same item or pool.

If you are using dual currency, you can specify for each valuation method within a company and item/pool, whether to enable dual currency.

Before You Begin

- Define the valuation methods. See *Defining Valuation Methods (P3902)*.
- For dual currency, set up multi-currency. See *Setting Up Multi-Currency* in the *General Accounting I Guide*.

See Also

- *About Dual Currency*
- *About Multi-Currency* in the *General Accounting I Guide*

► To assign valuation methods

On Item/Pool Valuation Maintenance

The screenshot shows the 'Item/Pool Val. Maintenance' window with the following fields and values:

- Company: 249
- Item Pool: (empty)
- Item Number: UNL-SV (Unleaded Fuel-Stock Valuation)
- Unit of Measure: LT Liters
- G/L Class Code: IN28
- G/L Update Mth: 05
- Active: (checked)
- Model: Model Energy & Chemical Co

OP	Valuation Method	Dual Curr
01	FIFO Valuation Summ by Co.	0
02	FIFO Valuation Summ by Branch	0
03	FIFO Valuation Det. by Co.	0
04	FIFO Valuation Det. by Branch	0
05	LIFO Valuation Summ by Co.	0
06	LIFO Valuation Summ by Branch	0
07	LIFO Valuation Det. by Co.	0
08	FIFO Valuation Det. by Branch	0
09	Weighted Average by Company	0
10	Weighted Average by Branch	0

Opt 1=Val Method Master 9=Delete F9=Previous Record F24=More

- Complete the following field:
 - Company
- If you want the valuation to update the general ledger, complete the following field:
 - G/L Update Method
- Complete one of the following fields:
 - Item Pool
 - Item Number

The system will not accept an item number that is already included in a pool.

- If you entered an item pool instead of an item number, complete the following fields:
 - Unit of Measure
 - G/L Class Code
- On a separate line for each, enter the primary and all auxiliary valuation methods you want to use for this item or pool in the following field:
 - Valuation Method
- If you are using dual currency, complete the following field:

- Dual Currency

Field	Explanation
G/L Update Mth	<p>A two-character abbreviation for the methods that the system uses to determine the value of your company's stock for reporting and financial purposes. Examples include FI (FIFO), F2 (FIFO detail by branch), and LI (LIFO).</p> <p>..... <i>Form-specific information</i></p> <p>For Advanced Stock Valuation</p> <p>In the G/L Update Method field, enter the valuation method used to update the general ledger, often referred to as the primary valuation method.</p> <p>List on a separate line under the Valuation Method heading all valuation methods you want to use to value this item or pool. You must include the G/L update method and all auxiliary methods you want to use in this list.</p>

Field	Explanation
G/L Class Code	<p>A user defined code that identifies the G/L offset to use when the system is searching for the account to which it will post the transaction. If you do not want to specify a class code, you can enter **** (four asterisks) in this field.</p> <p>The table of Automatic Accounting Instructions (AAIs) allows you to predefine classes of automatic offset accounts for the Inventory, Purchase, and Sales Order Management systems. G/L categories might be assigned as follows:</p> <p style="padding-left: 40px;">IN20 Direct Ship Orders IN60 Transfer Orders IN80 Stock Sales</p> <p>The system can generate accounting entries based upon a single transaction. As an example, a single sale of a stock item can trigger the generation of accounting entries similar to these:</p> <p style="padding-left: 40px;">Sales-Stock (Debit) xxxxx.xx A/R Stock Sales (Credit) xxxxx.xx Posting Category: IN80 Stock Inventory (Debit) xxxxx.xx Stock COGS (Credit) xxxxx.xx</p> <p>Although this field is four characters, the system uses only the last two characters of the Category and the last character of the Document Type to find the AAI.</p> <p>..... <i>Form-specific information</i></p> <p>For Advanced Stock Valuation</p> <p>A code that the system uses to post the stock valuation adjustments to the general ledger for all items in a pool. Each item might have a different G/L class code. You must assign one G/L class code to the pool for accurate valuation and posting.</p>
Unit of Measure	<p>A user defined code (00/UM) that indicates the quantity in which to express an inventory item, for example, CS (case) or BX (box).</p> <p>..... <i>Form-specific information</i></p> <p>Advanced Stock Valuation</p> <p>All items in a pool might not have the same standard unit of measure. Therefore, you must specify a unit of measure for the pool. The system converts all items in the pool to the standard unit of measure for valuation purposes only.</p>

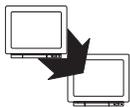
Field	Explanation
Valuation Method	<p>A two-character abbreviation for the methods that the system uses to determine the value of your company's stock for reporting and financial purposes. Examples include: FI (FIFO), F2 (FIFO Detail by Branch), and LI (LIFO).</p> <p>When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.</p> <p>..... <i>Form-specific information</i></p> <p>Advanced Stock Valuation</p> <p>Enter the method you want to use to update the general ledger in the G/L Update Method field. List on a separate line all valuation methods you want to use to value this item or pool. If you omit the method you listed in the header as the G/L Update Method, the system automatically adds it. You must list any auxiliary methods you want included.</p>

What You Should Know About

Changing or deleting auxiliary valuation methods

If you change or delete a method that contains valuation records for an item or pool, the system displays a warning message. The system does not prohibit the change or deletion.

Assigning Unit Cost



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Item/Pool Cost Maintenance

Instead of using a calculated cost, you can specify a cost for each item and pool that you want to value using the replacement/current cost method. The system uses this information to calculate the value of your stock.

Before You Begin

- Define the valuation methods. See *Defining Valuation Methods (P3902)*.

► **To assign cost methods**

On Item/Pool Cost Maintenance

0	Unit Cost	Thru Date
P		

1. Complete the following fields:
 - Company
 - Valuation Method
2. Complete one of the following fields:
 - Item Pool
 - Item Number
3. Accept the entries.

The program displays any previous unit cost information.

4. To change the information, complete the following fields:
 - Unit Cost
 - Thru Date

Field	Explanation
Company	<p>A code that identifies a specific organization, fund, entity, and so on. This code must already exist in the Company Constants table (F0010). It must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions.</p> <p>NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries.</p>
Valuation Method	<p>A two-character abbreviation for the methods that the system uses to determine the value of your company's stock for reporting and financial purposes. Examples include: FI (FIFO), F2 (FIFO Detail by Branch), and LI (LIFO).</p> <p>When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.</p>
Item Pool	<p>A user defined code (system 41/type 05) that indicates a group of items that are evaluated by the Advanced Stock Valuation system using the same set of valuation methods. You assign the item pool to the item and then set up valuation methods for the pool using the Pool Valuation Method Maintenance program.</p>
or Item Number	<p>An inventory item number. The system provides three separate item numbers plus an extensive cross reference capability to alternate item numbers (see data item XRT) to accommodate substitute item numbers, replacements, bar codes, customer numbers, supplier numbers, and so forth. The item numbers are:</p> <ol style="list-style-type: none"> 1. Item Number (short) – An eight-digit, computer-assigned item number. 2. 2nd Item Number – The 25-digit, free-form, user defined alphanumeric item number. 3. 3rd Item Number – Another 25-digit, free-form, user defined alphanumeric item number.
Unit Cost	<p>The amount per unit (the total cost divided by the unit quantity).</p>
Thru Date	<p>The date on which the item, transaction, or table becomes inactive or through which you want transactions to display. This field is used generically throughout the system. It could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate.</p>

Set Up Automatic Accounting Instructions



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Automatic Accounting Instructions

Setting Up Automatic Accounting Instructions

Automatic Accounting Instructions (AAI) tell the system how to create general ledger entries for programs that generate automatic journal entries. AAIs are the user-defined bridge between program functions, your chart of accounts, and financial reporting. AAIs direct transactions to the appropriate general ledger accounts.

The system already has AAIs in place. You need to ensure that these AAIs are appropriate for your business needs. You can revise existing AAIs and set up additional AAIs as needed to accommodate growth and change in your business functions and financial reporting. Follow the same setup steps to create a new AAI or to revise an existing AAI.

For distribution systems, you must create AAIs for each unique combination of company, transaction, document type, and general ledger class that you will use. Each AAI identifies a specific general ledger account consisting of a business unit, an object, and a subsidiary. When the system processes a transaction, it creates accounting entries.

When setting up each AAI item, verify that there is a default for company 00000. For each company requiring specific instructions, verify that there is a business unit or object account. In many companies, the accounting department is responsible for AAI setup and maintenance.

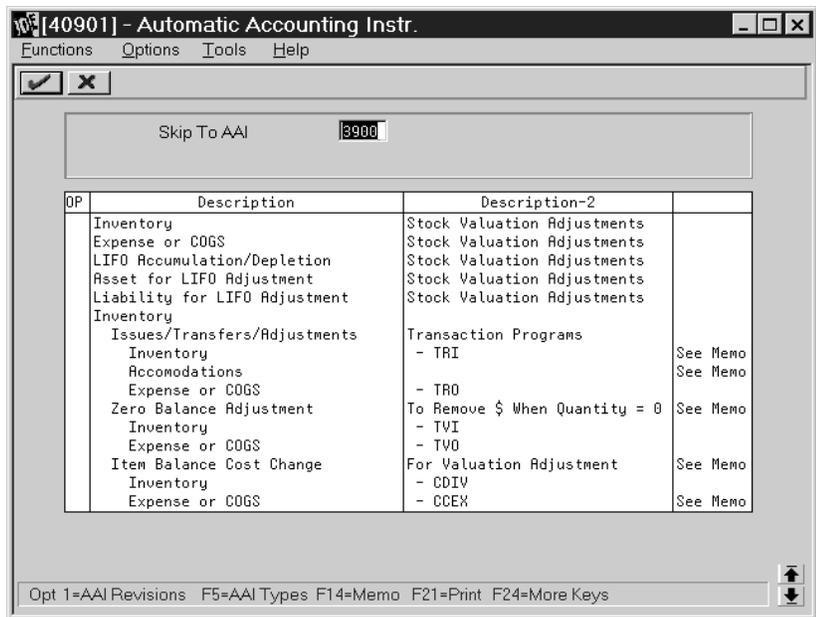
What You Should Know About

Attaching messages to AAIs

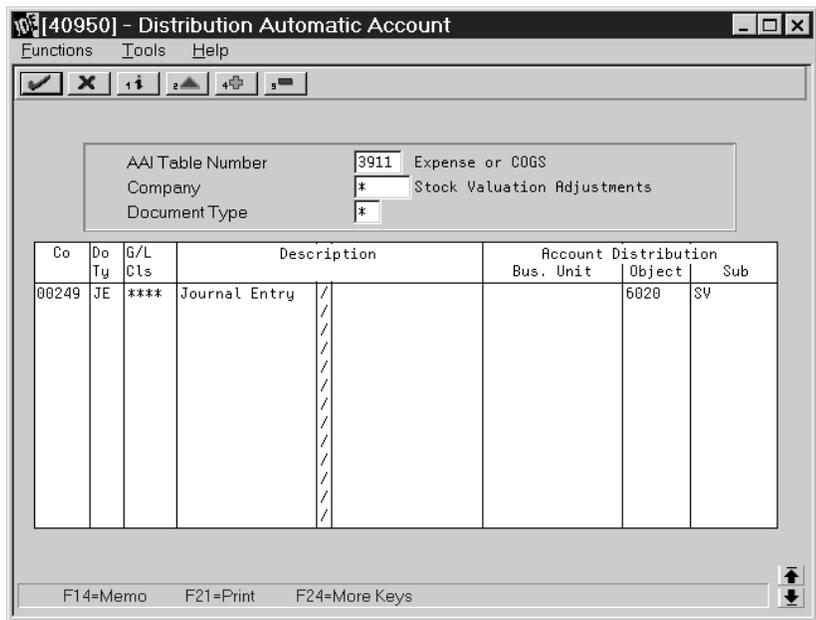
You can attach explanatory messages to any AAI. Choose the memo function and enter your message. When you attach a message, a “See Memo” message appears next to the AAI.

To set up automatic accounting instructions

On Automatic Accounting Instructions



1. Choose an AAI.
2. To revise the AAI, choose the option.



3. On Distribution Automatic Account, complete one or more of the following fields:

- Company
- Document Type
- General Ledger Posting Category
- Business Unit
- Object Account
- Subsidiary

Field	Explanation
Document Type	<p>A user defined code (system 00/type DT) that identifies the origin and purpose of the transaction.</p> <p>J.D. Edwards reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets.</p> <p>The reserved document type prefixes for codes are:</p> <ul style="list-style-type: none"> P Accounts payable documents R Accounts receivable documents T Payroll documents I Inventory documents O Order processing documents J General ledger/joint interest billing documents <p>The system creates offsetting entries as appropriate for these document types when you post batches.</p> <p>..... <i>Form-specific information</i></p> <p>In the inquiry field at the top of the form, the asterisk (*) is the default and causes the system to display all document types.</p>

Field	Explanation
G/L	<p>A user defined code that identifies the G/L offset to use when the system is searching for the account to which it will post the transaction. If you do not want to specify a class code, you can enter **** (four asterisks) in this field.</p> <p>The table of Automatic Accounting Instructions (AAIs) allows you to predefine classes of automatic offset accounts for the Inventory, Purchase, and Sales Order Management systems. G/L categories might be assigned as follows:</p> <ul style="list-style-type: none"> IN20 Direct Ship Orders IN60 Transfer Orders IN80 Stock Sales <p>The system can generate accounting entries based upon a single transaction. As an example, a single sale of a stock item can trigger the generation of accounting entries similar to these:</p> <ul style="list-style-type: none"> Sales-Stock (Debit) xxxxx.xx A/R Stock Sales (Credit) xxxxx.xx Posting Category: IN80 Stock Inventory (Debit) xxxxx.xx Stock COGS (Credit) xxxxx.xx <p>Although this field is four characters, the system uses only the last two characters of the Category and the last character of the Document Type to find the AAI.</p>
Object Account	<p>The object account portion of a general ledger account. The term "object account" refers to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). If you are using a flexible chart of accounts and the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. For example, entering 000456 is not the same as entering 456, because the system enters three blank spaces to fill a 6-digit object.</p>
Sub	<p>A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.</p> <p>..... <i>Form-specific information</i></p> <p>If you leave this field blank, the system uses the value you entered on the work order in the Cost Code field.</p>

Set Up Company Selection



From Advanced Stock Valuation (G39), enter 29

From Advanced Stock Valuation Setup (G394), choose Period Extraction Company Selection

Setting Up Company Selection

If you want the system to select information by company during the period extraction, you must set up all the companies you want selected.

See Also

- *Running the Period Extraction*

Data Selection Values

1. Type Y in the in the Include field for Company.
2. Move the cursor to the Value field.
3. Enter one of the following values:
 - *All to extract all companies
 - The number of the company you want selected during the period extraction
 - *Values

A form appears where you can list all the companies you want extracted.

Advanced & Technical



Technical Processes

Objectives

- To understand the purge programs

About Technical Processes

The Advanced Stock Valuation system contains purge programs to remove data from the valuation tables. Only trained, technical staff should complete the purges.



Purge Valuation Data



From Advanced Stock Valuation (G39), enter 27

From Advanced Stock Valuation Technical Operations (G393), choose Valuation File Purge

Purging Valuation Data

When data becomes obsolete or you need more disk space, you can remove files with the purge program. The system purges information from the following files:

- Document Summary (F3906)
- Period Summary (F39051)
- Additional Quantities (F39053)

Purging can cause serious damage to your system if done incorrectly. The system administrator or operations personnel should perform the procedure. A company should authorize only those employees who understand the purging process and its results access to the purge program.

Before You Begin

- Back up all files you are planning to purge. There is no program to reverse a purge. If an error occurs and the system loses data, you can recover data only from the backup files.
- Ensure that no users are working with the records or files you want to purge. If a file is in use, the system cannot reorganize it.

What You Should Know About

Naming saved purged records

Set the processing options to save the records you purge in a special purge library. The system names this library 'JDE' followed by the current system date (without separators). For example, if you purge the records on January 1, 1998, the purge library name is JDE010198. The system creates a physical file with the same name within that library. If you purge the same file multiple times on the same day, the system adds the purged records to the records already in the purge file for that day.

Reorganizing files

Set the processing options to reorganize your files after the purge is complete. Reorganizing the files redistributes the remaining data so that the system can use the disk space more efficiently. The files you want to reorganize cannot be in use elsewhere, but must be exclusively allocated to the report writer job performing the purge.

If you submitted a report writer version of the purge program using a logical file build rather than OPNQRYF, the system includes the logical file built over the purged file in the reorganization. This might increase the time required to perform the file reorganization.

Using OPNQRYF

If you use OPNQRYF to select records to be purged, you must specify at least one field in data sequencing and set the Delete field in additional parameters to Y for the report writer version that you use.

Processing Options for Stock Valuation Purge

RECORD SELECTION

1. Enter a '1' if you would like to print a report of the purged records. _____

2. Enter a '1' if you wish to run the purge in update mode. If left blank no records will be removed from the files and processing option #3 will be ignored. _____

3. Enter a '1' if you want to save the purged records to a history file. If this processing option is left blank, the records will not be saved. _____

Appendices

Appendix A — Valuation Calculations

First In/First Out (FIFO) Calculations

The FIFO costing method assumes that the first inventory items purchased are the first ones sold. This method results in an ending inventory balance based on the costs associated with the most recent purchases. The allocated ending inventory and value become the opening inventory for the next period.

The following example demonstrates the FIFO principle using the first five and last months of a fiscal year.

The example does not include the other factors, such as freight, exchange rate differences, and loans and borrows, that can affect the cost of the inventory.

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
January Opening Inventory		500	1.00	500.00		
Fuel A	01/05	500	2.00	1000.00	100	200.00
Fuel B	01/09	300	2.50	750.00	300	750.00
Fuel C	01/25	600	1.75	1050.00	600	1050.00
January Purchases		1400	2.00	2800.00		
January Sales		900				
Total Closing Inventory		1000	2.00	2000.00		
Cost of Goods Sold				1300.00		

The opening inventory quantity and price for Pool 1 for the month of January is the closing inventory from December of the previous year. In January, the company purchased a total of 1400 units for 2800.00. The company sold 900 units.

The system uses the following formula to calculate the closing inventory units:

$$\text{Opening inventory (500) + purchases (1400) - sales (900) = closing inventory (1000)}$$

In determining the closing inventory value using FIFO, the system allocates the closing inventory quantity to the most recently purchased quantities. Because this costing method specifies that the inventory purchased first is sold first, the system calculates the closing inventory as follows:

Advanced Stock Valuation

Purchases	Price	Date	Closing Allocations	Closing Value
500	1.00	Opening		
500	2.00	01/05	100	200.00
300	2.50	01/09	300	750.00
600	1.75	01/25	600	1050.00
Total Closing Inventory Value				2000.00

Once properly allocated, the system calculates the closing inventory value by multiplying the closing allocations by the respective purchase price and summing:

Closing inventory value = sum (closing allocations * purchase price)

Closing inventory value (January) =

$$(600 * 1.75) + (300 * 2.50) + (100 * 2.00) = 2000.00$$

Once the system determines the closing inventory, then it calculates the cost of the goods sold (COGS) using the formula:

Opening inventory value (500.00) + purchases (2800.00) – closing inventory value (2000.00) = COGS (1300.00)

The system calculates the cost of the closing inventory per unit as follows:

Closing inventory value (2000.00) / total closing inventory(1000) = 2.00

The January closing inventory becomes the February opening inventory. February through May follow the same calculation formulas as illustrated in the following tables:

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
February Opening Inventory		1000	2.00	2000.00	500	1000.00
Fuel A	02/08	700	2.50	1750.00	700	1750.00
Fuel B	02/17	800	1.75	1400.00	800	1400.00
February Purchases		1500	2.10	3150.00	Period Ending February 28	
February Sales		500				
Total Closing Inventory		2000	2.08	1450.00		
Cost of Goods Sold				1000.00		

The closing inventory quantity allocation is as follows:

Purchases	Unit Cost	Date	Closing Allocations	Closing Value
1000	2.00	Opening	500	1000.00
700	2.50	02/08	700	1750.00
800	1.75	02/17	800	1400.00
Total Closing Inventory Value				4150.00

March

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
March Opening Inventory		2000	2.08	4150.00		
Fuel A	03/10	200	1.50	300.00		
Fuel B	03/20	500	1.25	625.00	200	250.00
March Purchases		700	1.32	925.00	Period Ending March 31	
March Sales		2500				
Total Closing Inventory		200	1.25	250.00		
Cost of Goods Sold				4825.00		

April

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
April Opening Inventory		200	1.25	250.00		
Fuel A	04/11	1200	1.35	1620.00	400	540.00
Fuel B	04/15	1100	1.50	1650.00	1100	1650.00
April Purchases		2300	1.42	3270.00	Period Ending April 30	
April Sales		1000				
Total Closing Inventory		1500	1.46	2190.00		
Cost of Goods Sold				1330.00		

May

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
May Opening Inventory		1500	1.46	2190.00	1000	1460.00
Fuel A	05/13	600	1.63	975.00	600	975.00
Fuel B	05/24	500	1.35	675.00	500	675.00
May Purchases		1100	1.50	1650.00	Period Ending May 31	
May Sales		500				
Total Closing Inventory		2100	1.48	3110.00		
Cost of Goods Sold				730.00		

Advanced Stock Valuation

For simplicity, this example assumes the company made no transactions from June through November.

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
December Opening Inventory		2100	1.48	3110.00	100	148.10
Fuel A	12/15	1200	1.35	1620.00	1200	1620.00
Fuel B	12/16	1500	1.50	2250.00	1500	2250.00
December Purchases		2700	1.43	3870.00	Period Ending December 31	
December Sales		2000				
Total Closing Inventory		2800	1.44	4018.10		
Cost of Goods Sold				2961.90		

Closing inventory

Purchases	Price	Date	Closing Allocations	Closing Value
2100	1.48	Opening	100	148.10
1200	1.35	12/15	1200	1620.00
1500	1.50	12/16	1500	2250.00
Total Closing Inventory Value				4018.10

The system calculates the following end-of-year values as follows:

$$\text{Closing inventory value} = (100 * 1.48) + (1200 * 1.35) + (1500 * 1.50) = 4018.10$$

$$\text{Closing inventory cost per unit} = 4018.10 / 2,800 = 1.44$$

The system calculates the COGS for December as follows:

$$\text{COGS (December)} = 3110.00 + 3870.00 - 4018.10 = 2961.90$$

Using these calculations, the opening inventory values for January are:

Inventory Quantity 2800 units

Unit Price 1.44

Inventory Value 4018.10

Last In/First Out (LIFO) Calculations

The LIFO costing method assumes that the last inventory items purchased are the first ones sold. This costing method determines the stock value and cost of goods sold based on the sale of the newest stock first. That is, the inventory that has been in stock the shortest amount of time is sold first. This method results in an ending inventory balance based on the costs associated with the oldest inventory. Second, this method requires that the system records historical costs for all years with stock remaining for that year.

The LIFO costing method values inventory using some unique processes that are important to point out:

- The LIFO method values inventory based on the activity that occurred on a year-to-date basis instead of a rolling (carry forward) inventory balance. To facilitate this type of processing, when the system applies this method for each period, the prior period's entries are reversed, making the new entries the current year-to-date values.

This reversal is done for all periods except for the last period of the year.

The reversals every period also keep the opening inventory constant until the end of the year. Thus, the opening inventory is always the same regardless of what transpired in the prior period, because the prior period's entries are reversed.

- The system stores the total purchase quantity, amount, and average price for each period of the year. The stored information allows the system to allocate the closing inventory, starting with the current period and allocating to prior periods.

The LIFO example presented later in this documentation further illustrates this process.

- Because the LIFO method's purpose is to reflect the inventory value accumulation or depletion at the end of the year, the entries that are logged at the end of each period need to be adjusted to remove the effect of any accumulation or depletion. This adjustment is called a "LIFO adjustment." You must do a LIFO adjustment for all periods except the last period of the year. The system records the LIFO adjustment against the income and balance sheet accounts. See the Accumulation/Depletion matrix for instructions on when to debit and credit the appropriate accounts.
- You might not always know the price of an item when you receive it. Because a quantity without a price can cause a large fluctuation in the average price, you can enter and use an override price for each period.

Later in this documentation the tables for May and December illustrate price overrides.

Formulas Used in LIFO Calculations

Abbreviation	Definition
ABS	Absolute value of
Accum	Accumulation
COGS	Cost of good sold
CPUR	Current period average cost
DEPLT	Depletion
FPUR	First average cost (average allocated cost)
INVL	Inventory value
INVQ	Inventory quantity
PTD	Period to date
PURQ	Purchase quantity
PURV	Purchase value
QTY	Quantity
SALQ	Sales quantity
YTD	Year to date

Term	Equation
Opening inventory quantity	Sum of quantity accumulations of all existing layers
Opening inventory value	Sum of value accumulations of all existing layers
Period purchase price average	$((\text{Sum of PURV}) / (\text{Sum of PURQ}))$
Accumulation/Depletion	$\text{YTD PURQ} - \text{YTD SALQ}$
Total closing INVQ	$\text{Opening INVQ} + \text{YTD PURQ} - \text{YTD SALQ}$
Closing INVQ allocations	Accumulations: $\text{QTY} = (\text{accumulation} - \text{Jan PURQ})$ <ul style="list-style-type: none"> • If $\text{QTY} > 0$, then $\text{QTY} - (\text{QTY} - \text{Feb PURQ})$ Depletions: $\text{QTY} = (\text{depletion} - \text{prior Year1})$ <ul style="list-style-type: none"> • If $\text{QTY} > 0$, then $\text{QTY} = (\text{QTY} - \text{Prior Year2})$
Closing inventory value	$\text{Opening INVL} + \text{total allocation value}$
Cost of goods sold	$\text{Opening INVL} + \text{total YTD PURV} - \text{closing inventory value}$
Material balance	$\text{Opening INVQ} + \text{total YTD PURQ} - \text{closing INVA} - \text{YTD SALQ}$
Average accumulation price	$\text{Total allocation value} / \text{total allocation quantity}$
Accumulation/depletion adjusted price	$\text{Average accumulation price} - \text{PTD average price}$
Accumulation/depletion amount	$\text{Accumulation/depletion price} * \text{ABS (accumulation or depletion)}$

Accumulation/Depletion Credit or Debit

Accumulation

Balance Sheet

- If $FPUR < CPUR$, then debit
- If $FPUR > CPUR$, then credit

Income Statement

- If $FPUR < CPUR$, then credit
- If $FPUR > CPUR$, then debit

Depletion

Balance Sheet

- If $FPUR < CPUR$, then credit
- If $FPUR > CPUR$, then debit

Income Statement

- If $FPUR < CPUR$, then debit
- If $FPUR > CPUR$, then credit

The following example demonstrates the LIFO principle using the first five and the last months of a fiscal year. For simplicity, the example assumes that the company made no transactions from May through November.

The example reflects only the effect of the purchase price on the cost of inventory. It does not show the other factors, such as freight, exchange rate differences, loans, and borrows, that can affect the cost of the inventory.

The example presents three layers of accumulation prior to the current year (1998). The opening balance for the year is the sum of the accumulations for the prior layers.

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00		
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00	500	1000.00
Fuel A	01/05	500	2.00	1000.00		
Fuel B	01/09	300	2.50	750.00		
Fuel C	01/25	600	1.75	1050.00		
January Sales		900				
Accumulation/Depletion		500	2.00	1000.00		
Total Closing Inventory		147,500		171,800.00		
Cost of Goods Sold				1800.00		
Material Balance		0				
LIFO Accumulation/ Depletion Cost			0.00			
Period Ending January 31, 1998						
Accumulation						
General Ledger Entries						
<u>New Entries:</u>						
Inventory (Balance Sheet)				171,800.00		
Closing Inventory (Income Statement)				<171,800.00>		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				0.00		
LIFO Accumulation/Depletion Adjustment (Income Statement)				0.00		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		42,000	1.15	48,300.00		
1998		500	2.00	1000.00		
Total		147,500		171,800.00		

During January, the company purchased a total of 1400 units for 2,800.00. They sold 900 units. The system uses the following formula to determine the closing inventory for a specified period:

$$\text{Opening inventory (147,000) + purchases (1400) - sales (900) = closing inventory units (147,500)}$$

The system calculates the accumulation/depletion from the beginning of the year with the following formula:

$$\text{Closing inventory (147,500) - opening inventory (147,000) = accumulation/depletion (500)}$$

Advanced Stock Valuation

The closing inventory quantity needs to be allocated to the correct purchase quantities and dates for the LIFO method. The system allocates the closing inventory as follows:

Layers	Purchases	Unit Cost	Closing Allocations	Closing Value
1985	70,000	1.00	70,000	70,000.00
1990	35,000	1.50	35,000	52,500.00
1996	42,000	1.15	42,000	48,300.00
January 1998	1400	2.00	500	1000.00
Total Closing Inventory Value				171,800.00

Once properly allocated, the system multiplies the closing allocations by the respective purchase price and sums them to calculate the closing inventory value:

$$\text{Sum (closing allocations * purchase price) = closing inventory value} \\ (170,800.00) + (500 * 2.00) = 171,800.00$$

Once the closing inventory value has been determined, the system calculates the COGS using the formula:

$$\text{Opening inventory value (170,888.00) + purchases (2800.00) - closing} \\ \text{inventory value (171,800.00) = COGS (1800.00)}$$

The system calculates the average cost with the following formula:

$$\text{Total purchase amount (2800.00) / total purchase quantity (1400) =} \\ \text{average cost (2.00)}$$

The system uses the following formula to calculate the LIFO adjustment:

$$\text{Average price of the accumulation/depletion (1000.00 / 500) - current} \\ \text{period's average price (2800.00 / 1400) = LIFO adjustment (0.00)}$$

$$\text{Therefore, the LIFO adjustment is the accumulation/depletion (500) * the} \\ \text{accumulation/depletion cost (0.00) = 0.00}$$

In February, the January period ending entries are reversed before you make the February entries.

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00		
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00	1400	2800.00
Feb. Purchase Average		1500	2.10	3150.00	100	210.00
Fuel A	02/08	700	2.50	1750.00		
Fuel B	02/17	800	1.75	1400.00		
January Sales		900				
February Sales		500				
Accumulation/Depletion		1500	2.01	3010.00		
Total Closing Inventory		148,500		173,810.00		
Cost of Goods Sold				2940.00		
Material Balance		0				
LIFO Accumulation/ Depletion Cost			0.09			
Period Ending February 28, 1998						
Accumulation						
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<171,800.00>		
Closing Inventory (Income Statement)				171,800.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				0.00		
LIFO Accumulation/Depletion Adjustment (Income Statement)				0.00		
<u>New Entries:</u>						
Inventory (Balance Sheet)				173,810.00		
Closing Inventory (Income Statement)				<173,810.00>		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				140.00		
LIFO Accumulation/Depletion Adjustment (Income Statement)				<140.00>		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		42,000	1.15	48,300.00		
1998		1500	2.01	3010.00		
Total		148,500		173,810.00		

The system uses the same formulas and makes the calculations based on the February transactions.

Advanced Stock Valuation

During February, the company purchased a total of 1500 units for 3150.00. They sold 500 units. The system uses the following formula to determine the closing inventory:

$$\text{Opening inventory (147,000) + purchases (1400 + 1500) - sales (900 + 500) = closing inventory (148,500)}$$

The accumulation/depletion from the beginning of the year is:

$$\text{Closing inventory (148,500) - opening inventory (147,000) = 1500}$$

The system allocates the closing inventory as follows:

Layers	Purchases	Unit Cost	Closing Allocations	Closing Value
1985	70,000	1.00	70,000	70,000.00
1990	35,000	1.50	35,000	52,500.00
1996	42,000	1.15	42,000	48,300.00
Jan 1998	1400	2.00	1400	2800.00
Feb 1998	1500	2.10	100	210.00
Total Closing Inventory				173,810.00

The system calculates the February COGS:

$$\text{Opening inventory value (170,800.00) + purchases (2800.00 + 3150.00) - closing inventory value (173,810.00) = COGS (2940.00)}$$

The system calculates the February average cost:

$$\text{Total purchase amount (3150.00) / purchase quantity (1500) = average cost (2.10)}$$

The system calculates the LIFO adjustment:

$$\text{Average cost of the accumulation/depletion (2800.00 + 210.00 / 1500) - current period's average cost (2.10) = (0.09)}$$

$$\text{Accumulation/Depletion (1500) * accumulation/depletion average cost (0.09) = LIFO accumulation/depletion adjustment (140.00)}$$

See the matrix indicating how to credit or debit accumulation/depletion to determine how to make the income statement and balance sheet entries for the LIFO adjustment.

In March, the February period ending entries are reversed before you make the March entries.

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00	<300>	<345.00>
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00		
Feb. Purchase Average		1500	2.10	3150.00		
March Purchase Average		700	1.32	925.00		
Fuel B	03/10	200	1.50	300.00		
Fuel C	03/20	500	1.25	625.00		
January Sales		900				
February Sales		500				
March Sales		2500				
Accumulation/Depletion		<300>	1.15	<345.00>		
Total Closing Inventory		146,700		170,455.00		
Cost of Goods Sold				7220.00		
Material Balance		0				
LIFO Accumulation/ Depletion Cost			<0.17>			
Depletion						
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<173,810.00>		
Closing Inventory (Income Statement)				173,810.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				<140.00>		
LIFO Accumulation/Depletion Adjustment (Income Statement)				140.00		
<u>New Entries:</u>						
Inventory (Balance Sheet)				170,455.00		
Closing Inventory (Income Statement)				<170,455.00>		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				<51.43>		
LIFO Accumulation/Depletion Adjustment (Income Statement)				51.43		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		41,700	1.15	47,955.00		
Total		146,700		170,455.00		

The system uses the same formulas and makes the calculations based on the February transactions.

Advanced Stock Valuation

During March, the company purchased a total of 700 units for 925.00. They sold 2500 units. The system uses the following formula to determine the closing inventory:

$$\text{Opening inventory (147,000) + purchases (1400 + 1500 + 700) - sales (900 + 500 + 2500) = closing inventory (146,700)}$$

The accumulation/depletion from the beginning of the year is:

$$\text{Closing inventory (146,700) - opening inventory (147,000) = } \langle 300 \rangle$$

The system allocates the closing inventory as follows:

Layers	Purchases	Unit Cost	Closing Allocations	Closing Value
1985	70,000	1.00	70,000	70,000.00
1990	35,000	1.50	35,000	52,500.00
1996	42,000	1.15	42,000 - 300	47,955.00
Jan 1998	1400	2.00		
Feb 1998	1500	2.10		
March 1998	700	1.32		
Total Closing Inventory Value				170,455.00

The system calculates the March COGS:

$$\text{Opening inventory value (170,800.00) + purchases (2800.00 + 3150.00 + 925.00) - closing inventory value (170,455.00) = COGS (7220.00)}$$

The system calculates the March average cost:

$$\text{Total purchase amount } \langle 3450.00 \rangle / \text{total purchase quantity } \langle 300 \rangle = \text{average cost (1.15)}$$

The system calculates the LIFO adjustment:

$$\text{Average cost of the accumulation/depletion } (345 / 300 = 1.15) - \text{current period's average cost } (925 / 700 = 1.32) = \text{accumulation/depletion cost } \langle 0.17 \rangle$$

$$\text{Accumulation/depletion } (300) * \text{accumulation/depletion cost } \langle 0.17 \rangle = \text{LIFO accumulation/depletion adjustment } \langle 51.43 \rangle$$

See the matrix indicating how to credit or debit accumulation/depletion to determine how to make the income statement and balance sheet entries for the LIFO adjustment.

The depletion in March reduced the inventory of a prior layer. April's opening balance will be the same as all of the other months due to the fact that the prior period entries are reversed.

The remaining months follow the same calculations. In December, the last period in the year, no LIFO adjustment entries are made to the accounts.

Two different tables are presented for December:

- The first December example has a closing inventory as an accumulation. This creates a LIFO layer for 1998.
- The second December example has a depletion. The depletion is removed from the prior (1996) layer's quantity. No new layer is created.

Advanced Stock Valuation

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00		
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00	1000	2000.00
Feb. Purchase Average		1500	2.10	3150.00		
March Purchase Average		700	1.32	925.00		
April Purchase Average		2300	1.42	3270.00		
Fuel C	04/11	1200	1.35	1620.00		
Fuel A	04/15	1100	1.50	1650.00		
January Sales		900				
February Sales		500				
March Sales		2500				
April Sales		1000				
Accumulation/Depletion		1000	2.00	2000.00		
Total Closing Inventory		148,000		172,800.00		
Cost of Goods Sold				8145.00		
Material Balance		0				
LIFO Accumulation/ Depletion Cost			0.58			
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<170,455.00>		
Closing Inventory (Income Statement)				170,455.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				51.43		
LIFO Accumulation/Depletion Adjustment (Income Statement)				<51.43>		
<u>New Entries:</u>						
Inventory (Balance Sheet)				172,800.00		
Closing Inventory (Income Statement)				<172,800.00>		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				<578.26>		
LIFO Accumulation/Depletion Adjustment (Income Statement)				578.26		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		42,000	1.15	48,300.00		
1998		1000	2.00	2000.00		
Total		148,000		172,800.00		

Period Ending
April 30, 1998

Accumulation

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00		
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00	1000	2000.00
Feb. Purchase Average		1500	2.10	3150.00		
March Purchase Average		700	1.32	925.00		
April Purchase Average		2300	1.42	3270.00		
May Purchase Average		500	3.30	1650.00		
Fuel C	05/13	*****	*****	975.00		
Fuel A	05/25	500	1.35	675.00		
January Sales		900				
February Sales		500				
March Sales		2500				
April Sales		1000				
May Sales		500				
Accumulation/Depletion		1000	2.00	2000.00		
Total Closing Inventory		148,000		172,800.00		
Cost of Goods Sold				9795.00		
Material Balance		0				
LIFO Accumulation/ Depletion Cost			<1.30>			
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<172,800.00>		
Closing Inventory (Income Statement)				172,800.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				578.26		
LIFO Accumulation/Depletion Adjustment (Income Statement)				<578.26>		
<u>New Entries:</u>						
Inventory (Balance Sheet)				172,800.00		
Closing Inventory (Income Statement)				<172,800.00>		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				1300.00		
LIFO Accumulation/Depletion Adjustment (Income Statement)				<1300.00>		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		42,000	1.15	48,300.00		
1998		1000	2.00	2000.00		
Total		148,000		172,800.00		
*****Transactions entered with extended price and did not include quantity and unit price.						

Advanced Stock Valuation

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00		
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00	1400	2800.00
Feb. Purchase Average		1500	2.10	3150.00	1500	3150.00
March Purchase Average		700	1.32	925.00	700	925.00
April Purchase Average		2300	1.42	3270.00	200	284.35
May Purchase Average #		1100	1.50	1650.00		
Dec. Purchase Average		2700	1.14	3075.00		
Fuel C	12/15	1200	1.00	1200.00		
Fuel B	12/16	1500	1.25	1875.00		
January Sales		900				
February Sales		500				
March Sales		2500				
April Sales		1000				
May Sales		500				
December Sales		500				
Accumulation/Depletion		3800	1.88	7159.35		
Total Closing Inventory		150,800		177,959.35		
Cost of Goods Sold				7710.65		
Material Balance		0				
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<172,800.00>		
Closing Inventory (Income Statement)				172,800.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				<1300.00>		
LIFO Accumulation/Depletion Adjustment (Income Statement)				1300.00		
<u>New Entries:</u>						
Inventory (Balance Sheet)				177,959.35		
Closing Inventory (Income Statement)				<177,959.35>		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		42,000	1.15	48,300.00		
1998		3800	1.88	7159.35		
Total		150,800		177,959.35		
# Purchase average overridden with corrected quantity and unit price for previous month.						

Product	Date	Quantity	Unit Cost	Value	Allocation	Value
	1985	70,000	1.00	70,000.00		
	1990	35,000	1.50	52,500.00		
	1996	42,000	1.15	48,300.00	<700>	<805.00>
Opening Inventory	1998	147,000		170,800.00		
Jan. Purchase Average		1400	2.00	2800.00		
Feb. Purchase Average		1500	2.10	3150.00		
March Purchase Average		700	1.32	925.00		
April Purchase Average		2300	1.42	3270.00		
May Purchase Average #		1100	1.50	1650.00		
Dec. Purchase Average		2700	1.14	3075.00		
Fuel C	12/15	1200	1.00	1200.00	Period Ending December 31, 1998	
Fuel B	12/16	1500	1.25	1875.00		
January Sales		900				
February Sales		500				
March Sales		2500				
April Sales		1000				
May Sales		500				
December Sales		5000				
Accumulation/Depletion		<700>	1.15	<805.00>		
Total Closing Inventory		146,300		169,995.00		
Cost of Goods Sold				15,675.00		
Material Balance		0				
General Ledger Entries						
<u>Prior Period Reversal:</u>						
Inventory (Balance Sheet)				<172,800.00>		
Closing Inventory (Income Statement)				172,800.00		
LIFO Accumulation/Depletion Adjustment (Balance Sheet)				<1300.00>		
LIFO Accumulation/Depletion Adjustment (Income Statement)				1300.00		
<u>New Entries:</u>						
Inventory (Balance Sheet)				169,995.00		
Closing Inventory (Income Statement)				<169,995.00>		
Closing Inventory Balance						
1985		70,000	1.00	70,000.00		
1990		35,000	1.50	52,500.00		
1996		41,300	1.15	47,495.00		
Total		146,300		169,995.00		
# Purchase average overridden with corrected quantity and unit price for previous month.						

Weighted Average Cost Calculations

The Weighted Average Cost method calculates the inventory value based on a cost that is a weighted average of the purchases for a given period. The given period can also be a year-to-date range, which includes all purchases from the beginning of the year.

The following example only reflects the effect of the purchase price on the cost of inventory. It does not show the other factors, such as freight, exchange rate differences, loans, and borrows, that can affect the cost of the inventory.

Product	Date	Quantity	Unit Cost	Value
January Opening Inventory		500	1.20	600.00
Fuel A	01/05	500	2.00	1000.00
Fuel B	01/09	300	2.50	750.00
Fuel C	01/25	600	1.75	1050.00
January Purchases		1400	2.00	2800.00
January Sales		900		
Total Closing Inventory		1000	1.79	1789.47
Cost of Goods Sold				1610.53

The opening inventory quantity, cost, and value are the closing figures from December of the previous year. In the month of January, the company purchased a total of 1400 units for 2800.00. The company sold 900 units.

The system uses the following formula to calculate the closing inventory for January:

$$\text{Opening inventory (500) + purchases (1400) - sales (900) = total closing inventory (1,000)}$$

The system calculates the closing inventory value with the following formula:

$$\text{Closing inventory value} = \text{sum (closing inventory units * weighted average cost)}$$

The system calculates the weighted average cost with the following formula:

$$\text{Weighted average cost} = ((\text{opening inventory value} + \text{total purchases value}) / (\text{opening inventory units} + \text{total purchase units}))$$

$$((600.00 + 2800.00) / (500 + 1400)) = 1.79 \text{ (weighted average cost)}$$

Because the weighted average cost for January is 1.79, the closing inventory value is:

$$1000 * 1.79 = 1789.47$$

Once the closing inventory value has been determined, then the system calculates the COGS with the following formula:

$$\text{Opening inventory value (600.00) + purchases (2800.00) - closing inventory value (1789.47) = COGS (1610.53)}$$

This closing inventory value, along with the weighted average price of 1.79, will be the opening values for the next period, February.

Product	Date	Quantity	Unit Cost	Value
February Opening Inventory		1000	1.79	1789.47
Fuel A	02/08	700	2.50	1750.00
Fuel B	02/18	800	1.75	1400.00
February Purchases		1500	2.10	3150.00
February Sales		500		
Total Closing Inventory		2000	1.98	3951.58
Cost of Goods Sold				987.89

The system performs the same calculations for the ensuing months of the fiscal year.

The month of December follows the same principles and the closing inventory becomes the opening inventory for the next year.

Appendix B — Functional Servers

Several J.D. Edwards programs access functional servers. The purpose of functional servers is to provide a central location for standard business rules about entering documents, such as vouchers, invoices, and journal entries. These business rules establish the following:

- Data dictionary default values
- Field edits and valid values
- Error processing
- Relationships between fields or applications

The advantages of a functional server are:

- It reduces maintenance of entry programs because edit rules reside in one central location.
- You can standardize documents across all applications because you create them using the same business rules.
- Generally, the user interface (appearance and interaction) of a form is now separate from how a program works.

The steps for setting up business rules for an entry program are:

1. Create a DREAM Writer version for a specific functional server program (for example, XT0411Z1 for voucher entry).
2. Set the processing options within the version according to your company requirements.
3. Specify the version you want the entry program to use in the processing options for that entry program.

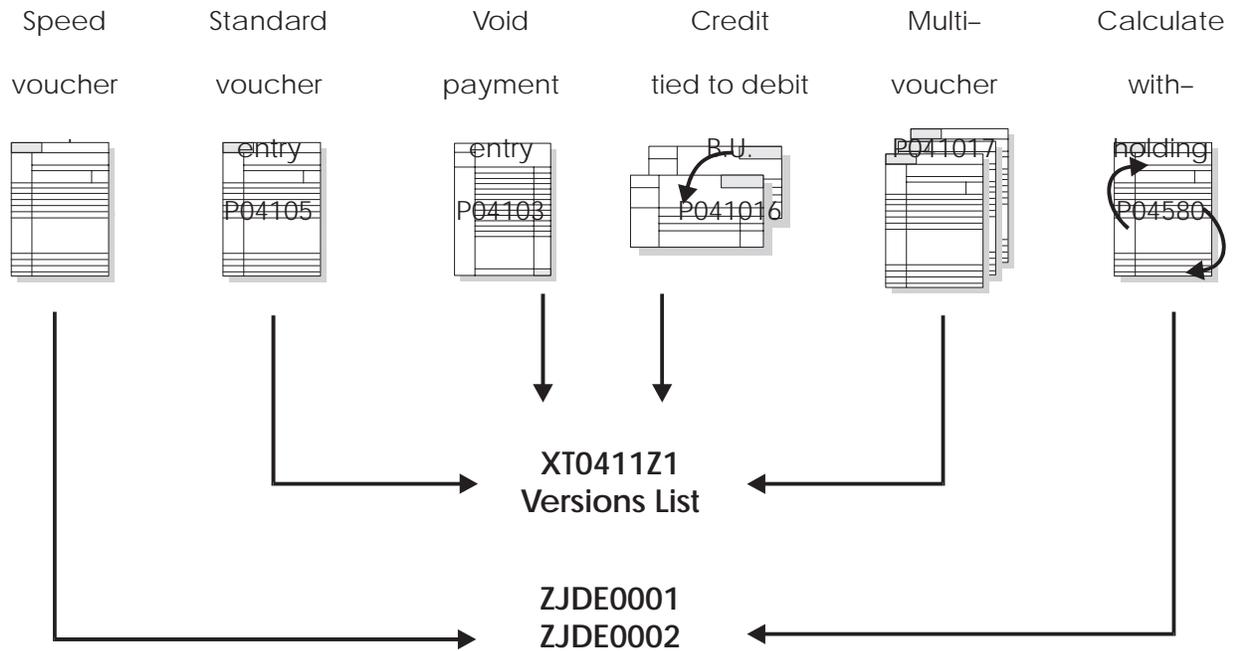
You can have all your entry programs use the same DREAM Writer version (and thus, use the same rules) or you can set up different DREAM Writer versions. J.D. Edwards provides DREAM Writer version ZJDE0001 as the default functional server version for your entry programs.



Only the person responsible for system-wide setup should make changes to the functional server version. For more information about how to set up DREAM Writer versions, see the *Technical Foundation Guide*.

Example: Voucher Processing Functional Server

The following graphic shows the programs that use the voucher processing functional server. J.D. Edwards provides two demo versions of the functional server, ZJDE0001 and ZJDE0002.



Glossary

Glossary

This glossary defines terms in the context of your use of J.D. Edwards' systems and the accompanying user guide.

access. To get to the information or functions provided by the system through menus, screens, and reports.

alphabetic character. Represents data by using letters and other symbols from the keyboard (such as *&#). Contrast with *numeric character*.

alphanumeric character. Represents data in a combination of letters, numbers, and other symbols (such as *&#).

audit trail. The detailed, verifiable history of a processed transaction. The history consists of the original documents, transaction entries, and posting of records, and usually concludes with a report.

automatic accounting instruction (AAI). A code that points to an account in the chart of accounts. AAIs define rules for programs that automatically generate journal entries. This includes interfaces between Accounts Payable, Accounts Receivable, and Financial Reporting and the General Accounting system. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the Post to General Ledger program to post a debit to a certain expense account and an automatic credit to a certain accounts payable account.

backup copy. A copy of original data preserved on a magnetic tape or diskette as protection against destruction or loss.

batch. A group of like records or transactions that the computer treats as a single unit during processing. For identification purposes, the system usually assigns each batch a unique identifier, known as a "batch number."

batch header. Information the computer uses as identification and control for a group of transactions or records in a batch.

batch job. A task or group of tasks you submit for processing that the system treats as a single unit during processing, for example, printing reports and purging files. The computer performs these tasks with little or no user interaction.

batch processing. A method by which the computer selects jobs from the job queue, processes them, and writes output to the outqueue. Contrast with *interactive processing*.

batch type. A code that designates which J.D. Edwards system the associated transactions pertain to, thus controlling what records are selected for processing. For example, in the Post General Journal process, only unposted transaction batches with a batch type of G for General Accounting are selected for posting.

Boolean logic operand. In J.D. Edwards's DREAM Writer, the parameter of the Relationship field. The Boolean logic operand tells the system to perform a comparison between certain records or parameters. Available operands are:

EQ = Equal To
LT = Less Than
LE = Less Than or Equal To
GT = Greater Than
GE = Greater Than or Equal To
NE = Not Equal To
NL = Not Less Than
NG = Not Greater Than

CAD/CAP. Computer Assisted Design/Computer Assisted Programming. A set of automated programming tools for designing and developing systems. These tools automate system design, generate source code and documentation, enforce design standards, and help to ensure consistency throughout all J.D. Edwards systems.

category code. In user defined codes, a temporary title for an undefined category. For example, if you are adding a code that designates different sales regions, you could change *category code 4* to *Sales Region*, and define E (East), W (West), N (North), and S (South) as the valid codes. Category codes were formerly known as *reporting codes*.

character. Any letter, number, or other symbol that a computer can read, write, and store.

command. A character, word, phrase, or combination of keys you use to tell the computer to perform a defined activity.

constants. Parameters or codes that rarely change. The computer uses constants to standardize information processing by an associated system. Some examples of constants are allowing or disallowing out-of-balance postings and having the system perform currency conversions on all amounts. Once you set constants such as these, the system follows these rules until you change the constants.

Core. The central and foundational systems of J.D. Edwards software, including General Accounting, Accounts Payable, Accounts Receivable, Address Book, Financial Reporting, Financial Modeling and Allocations, and Back Office.

cursor. The blinking underscore or rectangle on your screen that indicates where the next keystroke will appear.

cursor sensitive help. J.D. Edwards's online help function, which allows you to view a description of a field, an explanation of its purpose, and, when applicable, a list of the valid codes you can enter. To access this information, move the cursor to the field and press F1.

data. Numbers, letters, or symbols that represent facts, definitions, conditions, and situations, that a computer can read, write, and store.

database. A continuously updated collection of all information a system uses and stores. Databases make it possible to create, store, index, and cross-reference information online.

data dictionary. A database file consisting of the definitions, structures, and guidelines for the usage of fields, messages, and help text. The data dictionary file does not contain the actual data itself.

default. A code, number, or parameter the system supplies when you do not enter one. For example, if an input field's default is N and the you do not enter something in that field, the system supplies an N.

descriptive title. See *user defined code*.

detail. The individual pieces of information and data that make up a record or transaction. Contrast with *summary*.

display. (1) To cause the computer to show information on a terminal's screen. (2) A specific set of fields and information that a J.D. Edwards system might show on a screen. Some screens can show more than one display when you press a specified function key.

display field. A field of information on a screen that contains a system-provided code or parameter that you cannot change. Contrast with *input field*.

DREAM Writer. Data Record Extraction And Management Writer. A flexible data manipulator and cataloging tool. You use this tool to select and sequence the data that is to appear on a programmed report.

edit. (1) To make changes to a file by adding, changing, or removing information. (2) The program function of highlighting fields into which you have entered inadequate or incorrect data.

execute. See *run*.

exit. (1) To interrupt or leave a computer program by pressing a specific key or a sequence of keys. (2) An option or function key displayed on a screen that allows you to access another screen.

facility. A collection of computer language statements or programs that provides a specialized function throughout a system or throughout all integrated systems. Some examples DREAM Writer and FASTR.

FASTR. Financial Analysis Spreadsheet Tool and Report Writer. A report writer that allows you to design your own report specifications using the general ledger database.

field. (1) An area on a screen that represents a particular type of information, such as name, document type, or amount. Fields that you can enter data into are designated with underscores. See *input field* and *display field*. (2) A defined area within a record that contains a specific piece of information. For example, a vendor record consists of the fields Vendor Name, Address, and Telephone Number. The Vendor Name field contains just the name of the vendor.

file. A collection of related data records organized for a specific use and electronically stored by the computer.

fold area. An area of a screen, accessed by pressing F4, that displays additional information associated with the records or data items displayed on the screen.

function. A separate feature within a facility that allows you to perform a specific task, for example, the field help function.

function key. A key you press to perform a system operation or action. For example, you press F4 to have the system display the fold area of a screen.

hard copy. A presentation of computer information printed on paper. Synonymous with *printout*.

header. Information at the beginning of a file. This information is used to identify or provide control information for the group of records that follows.

help instructions. Online documentation or explanations of fields that you access by pressing the Help key or by pressing F1 with your cursor in a particular field.

helps. See *help instructions*.

hidden selections. Menu selections you cannot see until you enter HS in a menu's Selection field. Although you cannot see these selections, they are available from any menu. They include such items as Display Submitted Jobs (33), Display User Job Queue (42), and Display User Print Queue (43). The Hidden Selections window displays three categories of selections: user tools, operator tools, and programmer tools.

input. Information you enter in the input fields on a screen or that the computer enters from other programs, then edits and stores in files.

input field. An area on a screen, distinguished by underscores (`__`), where you type data, values, or characters. A field represents a specific type of information such as name, document type, or amount. Contrast with *display field*.

install system code. The code that identifies a J.D. Edwards system. Examples are 01 for the Address Book system, 04 for the Accounts Payable system, and 09 for the General Accounting system.

interactive processing. A job the computer performs in response to commands you enter from a terminal. During interactive processing, you are in direct communication with the computer, and it might prompt you for additional information during the processing of your request. See *online*. Contrast with *batch processing*.

interface. A link between two or more J.D. Edwards systems that allows these systems to send information to and receive information from one another.

jargon. A J.D. Edwards term for system specific help text. You base your help text on a specific reporting code you designate in the Data Dictionary Glossary. You can display this text as part of online help.

job. A single identifiable set of processing actions you tell the computer to perform. You start jobs by choosing menu selections, entering commands, or pressing designated function keys. An example of a computer job is check printing in the Accounts Payable system.

job queue. A screen that lists the batch jobs you and others have told the computer to process. When the computer completes a job, the system removes the job's identifier from the list.

justify. To shift information you enter in an input field to the right or left side of the field. Many of the facilities within J.D. Edwards systems justify information. The system does this only after you press Enter.

key field. A field common to each record in a file. The system uses the key field designated by the program to organize and retrieve information from the file.

Key General Ledger Account (Key G/L). See *automatic accounting instructions*.

leading zeros. A series of zeros that certain facilities in J.D. Edwards systems place in front of a value you enter. This normally occurs when you enter a value that is smaller than the specified length of the field. For example, if you enter 4567 in a field that accommodates eight numbers, the facility places four zeros in front of the four numbers you enter. The result would look like this: 00004567.

level of detail. (1) The degree of difficulty of a menu in J.D. Edwards software. The levels of detail for menus are as follows:

- A=Major Product Directories
- B=Product Groups
- 1=Basic Operations
- 2=Intermediate Operations
- 3=Advanced Operations
- 4=Computer Operations
- 5=Programmers
- 6=Advanced Programmers

Also known as *menu levels*.

(2) The degree to which account information in the General Accounting system is summarized. The highest level of detail is 1 (least detailed) and the lowest level of detail is 9 (most detailed).

master file. A computer file that a system uses to store data and information which is permanent and necessary to the system's operation. Master files might contain data or information such as paid tax amounts and vendor names and addresses.

menu. A screen that displays numbered selections. Each of these selections represents a program. To access a selection from a menu, type the selection number and then press Enter.

menu levels. See *level of detail*.

menu masking. A security feature of J.D. Edwards systems that lets you prevent individual users from accessing specified menus or menu selections. The system does not display the menus or menu selections to unauthorized users.

menu message. Text that appears on a screen after you make a menu selection. It displays a warning, caution, or information about the requested selection.

next number facility. A J.D. Edwards software facility you use to control the automatic numbering of such items as new G/L accounts, vouchers, and addresses. It lets you specify your desired numbering system and provides a method to increment numbers to reduce transposition and typing errors.

numeric character. Represents data using the numbers 0 through 9. Contrast with *alphabetic character* and *alphanumeric character*.

offline. Computer functions that are not under the continuous control of the system. For example, if you were to run a certain job on a personal computer and then transfer the results to a host computer, that job would be considered an offline function. Contrast with *online*.

online. Computer functions over which the system has continuous control. Each time you work with a J.D. Edwards system-provided screen, you are online with the system. Contrast with *offline*. See *interactive processing*.

online information. Information the system retrieves, usually at your request, and immediately displays on the screen. This information includes items such as database information, documentation, and messages.

operand. See *Boolean logic operand*.

option. A numbered selection from a J.D. Edwards screen that performs a particular function or task. To select an option, you enter its number in the Option field next to the item you want the function performed on. When available, for example, option 4 allows you to return to a prior screen with a value from the current screen.

output. Information the computer transfers from internal storage to an external device, such as a printer or a computer screen.

output queue. A screen that lists the spooled files (reports) you have told the computer to write to an output device, such as a printer. After the computer writes a file, the system removes that file's identifier from the online list.

override. The process of entering a code or parameter other than the one provided by the system. Many J.D. Edwards systems offer screens that provide default field values when they appear. By typing a new value over the default code, you can *override* the default. See *default*.

parameter. A number, code, or character string you specify in association with a command or program. The computer uses parameters as additional input or to control the actions of the command or program.

password. A unique group of characters that you enter when you sign on to the system that the computer uses to identify you as a valid user.

printout. A presentation of computer information printed on paper. Synonymous with *hard copy*.

print queue. An online list (screen) of written files that you have told the computer to print. Once the computer prints the file, the system removes the file's identifier from the online list. See *output queue*.

processing options. A feature of the J.D. Edwards DREAM Writer that allows you to supply parameters to direct the functions of a program. For example, processing options allow you to specify defaults for certain screen displays, control the format in which information gets printed on reports, change the way a screen displays information, and enter "as of" dates.

program. A collection of computer statements that tells the computer to perform a specific task or group of tasks.

program specific help text. Glossary text that describes the function of a field within the context of the program.

prompt. (1) A reminder or request for information displayed by the system. When a prompt appears, you must respond in order to proceed. (2) A list of codes or parameters or a request for information provided by the system as a reminder of the type of information you should enter or action you should take.

PTF. Program Temporary Fix. A representation of changes to J.D. Edwards software, which your organization receives on magnetic tapes or diskettes.

purge. The process of removing records or data from a system file.

record. A collection of related, consecutive fields of data the system treats as a single unit of information. For example, a vendor record consists of information such as the vendor's name, address, and telephone number.

reporting code. See *category code*.

reverse image. Screen text that displays in the opposite color combination of characters and background from what the screen typically displays (for example, black on green instead of green on black).

run. To cause the computer to perform a routine, process a batch of transactions, or carry out computer program instructions.

scroll. To use the roll keys to move screen information up or down a screen at a time. When you press the Rollup key, for instance, the system replaces the currently displayed text with the next screen of text if more text is available.

selection. Found on J.D. Edwards menus, selections represent functions that you can access from a given menu. To make a selection, you type its associated number in the Selection field and press Enter.

softcoding. A J.D. Edwards term that describes an entire family of features that allows you to customize and adapt J.D. Edwards software to your business environment. These features lessen the need for you to use computer programmers when your data processing needs change.

software. The operating system and application programs that tell the computer how and what tasks to perform.

special character. Representation of data in symbols that are neither letters nor numbers. Some examples are * & # /.

spool. The function by which the system puts generated output into a storage area to await printing and processing.

spooled file. A holding file for output data waiting to be printed or input data waiting to be processed.

subfile. An area on the screen where the system displays detailed information related to the header information at the top of the screen. Subfiles might contain more information than the screen can display in the subfile area. If so, use the roll keys to display the next screen of information. See *scroll*.

submit. See *run*.

summary. The presentation of data or information in a cumulative or totaled manner in which most of the details have been removed. Many of the J.D. Edwards systems offer screens and reports that are summaries of the information stored in certain files.

system. A collection of computer programs that allows you to perform specific business tasks. Some examples of applications are Accounts Payable, Inventory, and Order Processing. Synonymous with *application*.

user defined code. The individual codes you create and define within a user defined code type. Code types are used by programs to edit data and allow only defined codes. These codes might consist of a single character or a set of characters that represents a word, phrase, or definition. These characters can be alphabetic, alphanumeric, or numeric. For example, in the user defined code type table ST (Search Type), a few codes are C for Customers, E for Employees, and V for Vendors.

user defined code (type). The identifier for a table of codes with a meaning you define for the system (for example, ST for the Search Type codes table in Address Book). J.D. Edwards systems provide a number of these tables and allow you to create and define tables of your own. User defined codes were formerly known as *descriptive titles*.

user identification (user ID). The unique name you enter when you sign on to a J.D. Edwards system to identify yourself to the system. This ID can be up to 10 characters long and can consist of alphabetic, alphanumeric, and numeric characters.

valid codes. The allowed codes, amounts, or types of data that you can enter in a specific input field. The system checks, or edits, user defined code fields for accuracy against the list of valid codes.

video. The display of information on your monitor screen. Normally referred to as the *screen*.

vocabulary overrides. A J.D. Edwards facility that allows you to override field, row, or column title text on a screen-by-screen or report-by-report basis.

window. A software feature that allows a part of your screen to function as if it were a screen in itself. Windows serve a dedicated purpose within a facility, such as searching for a specific valid code for a field.

Index

Index

A

AAIs. *See* Automatic accounting instructions
Accumulation/Depletion credit or debit, A-8
Actual costs, updating, 2-3
Assigning branch/plant pools for existing items, 3-15
Assigning default pools for new items, 3-14
Assigning pools, 3-13
Assigning unit cost, 3-22
Assigning valuation methods, 3-17
Automatic accounting instructions
 attaching messages to, 3-25
 revising, 3-26
 setup, 3-25
Automatic Accounting Instructions form, 3-26

B

Batch Voucher Receipts Matching program (P49510), 2-4
Borrows. *See* Loans, borrows, exchanges
Branch/Plant Class Codes form, 3-16
Bulk Stock Control system, 1-1

C

Calculations, A-1
 FIFO, A-1
 LIFO, A-5
 Weighted Average Cost, A-20
Company selection, 3-29
Consolidation. *See* Pools

D

Data selection values, Period Extraction
Company Selection (P391201), 3-29

Defining valuation methods, 3-7
Determining the value of stock, 2-11
Diagrams
 Advanced Stock Valuation menus, 1-10
 inventory to value, 1-6
 load confirmation, 2-6
 menus, 1-10
 period extraction, 1-3
 posting the stock valuation, 1-4
 programs that impact inventory balances, 1-2
 sales update, 2-7
 voucher receipts matching, 2-4
Distribution Automatic Account form, 3-26
Distribution Contracts Management system, 1-1
Document Summary Review form, 2-27
Dual currency, 1-8, 2-9

E

Exchanges. *See* Loans, borrows, exchanges

F

FIFO, 3-7
 how calculated, A-1
First In/First Out. *See* FIFO
Forms
 Automatic Accounting Instructions, 3-26
 Branch/Plant Class Codes, 3-16
 Distribution Automatic Account, 3-26
 Document Summary Review, 2-27
 General User Defined Codes, 3-5
 Item Master Class Code, 3-15
 Item Pool Inquiry, 3-17
 Item/Pool Cost Maintenance, 3-23
 Item/Pool Valuation Maintenance, 3-19
 Valuation Batch Review, 2-32
 Valuation G/L Adjustment Inquiry, 2-29
 Valuation Layers Review, 2-24
 Valuation Method Comparison, 2-25

Valuation Method Master, 3-8
Valuation Period Extraction, 2-14
Valuation Period Review, 2-21
Valuation Summary Review, 2-23, 2-26

G

G/L Adjustments, 2-29
General ledger update, 2-30
General User Defined Codes form, 3-5
Generating reports, 2-16

I

Inventory
 dual currency, 2-9
 in transit, 2-8
 stock in transit, 1-5
Inventory Management system, 1-1
Item Ledger (Cardex) (F4111), 1-2
Item Master Class Code form, 3-15
Item Pool Inquiry form, 3-17
Item/Pool Cost Maintenance form, 3-23
Item/Pool Valuation Maintenance form, 3-19

K

Kit items, 3-14

L

Last In/Last Out. *See* LIFO
LIFO, 3-7
 accumulation/depletion credit or debit, A-8
 calculation formulas, A-6
 how calculated, A-5
 LIFO adjustment, A-5
Load and Delivery Management system, 1-1
Load Confirmation program (P49510), 2-6
Loans, borrows, exchanges, 2-5

M

Methods, 3-7
 See also specific valuation method
 assigning to pools or items, 3-17
 calculations, A-1
 define, 3-7
 deleting or changing auxiliary methods, 3-22
 FIFO calculations, A-1
 LIFO calculations, A-5
 Weighted Average Cost calculations, A-20

P

Period Extraction program, 2-11
 data selection values, 2-12
 Period Extraction - Clear and Restart, 2-12
 Period Extraction - Update Period, 2-12
 Valuation Period Extraction, 2-12
Period Summary Review form, 2-26
Pools, 1-6, 3-13
 assigning branch/plant pools, 3-15
 assigning default pools, 3-14
 reviewing, 3-17
Posting Adjustments to General Ledger, processing options, 2-34
Posting the journal entries, 2-34
Processing options
 Posting Adjustments to General Ledger, 2-34
 Stock Valuation Detail Report, 2-19
 Stock Valuation Purge, 4-4
 Unit Cost Period Report, 2-18
 Valuation G/L Update, 2-31
 Valuation Method Master, 3-11
 Valuation Period Extraction, 2-15
Procurement system, 1-1
Product consolidation. *See* Pools
Programs and IDs
 P00051 (general user defined codes), 3-5
 P00201 (valuation batch review), 2-32
 P39001 (item pool inquiry), 3-17
 P3901 (item/pool valuation maintenance), 3-19
 P3902 (valuation method master), 3-8

P3903 (item/pool cost maintenance), 3–23
P39050 (valuation summary review), 2–23
P39051 (valuation period review), 2–21
P39052 (valuation layers review), 2–24
P39053 (period summary review), 2–26
P3906 (document summary review), 2–27
P3907 (valuation G/L adjustment inquiry), 2–29
P39120 (valuation period extraction), 1–3, 2–14
P391201 (period extraction company selection), 3–29
P39130 (valuation G/L update), 1–4
P39200 (valuation method comparison), 2–25
P39400 (stock valuation detail report), 2–19
P39500 (stock valuation summary report), 2–17
P39510 (general ledger update summary report), 2–17
P39540 (unit cost period report), 2–18
P40901 (automatic accounting instructions), 3–26
P40950 (distribution automatic account), 3–26
P41011 (item master class code), 3–15
P41025 (branch/plant class codes), 3–16
P42800 (sales update), 2–7
P470412 (batch voucher receipts matching), 2–4
P49510 (load confirmation), 2–6
Purchase Management system, 2–3
Purging valuation data, 4–3

R

Replacement or current cost, 3–8
Replacement/current cost, assigning to pools and items, 3–22
Reports, 2–16
 General Ledger Update Summary, 2–16, 2–17
 Unit Cost by Period, 2–18
 Unit Cost Period, 2–16
 Valuation Detail, 2–16, 2–19

 Valuation Summary, 2–16, 2–17
Results
 by document type, 2–26
 document summary review, 2–27
 G/L adjustments, 2–29
 historical layers, 2–23
 item or pool quantities, 2–21
 method comparison, 2–25
 period summary review, 2–26
 reviewing items in a pool, 3–17
 summary by period, 2–22
 summary for the year, 2–25
 valuation layers review, 2–24
 valuation of additional inventory, 2–20
 valuation period review, 2–21
 valuation summary review, 2–23
Reviewing a summary by period, 2–22
Reviewing and approving batches, 2–31
Reviewing by document type, 2–26
Reviewing historical layers, 2–23
Reviewing item or pool quantities, 2–21
Reviewing methods, 2–25
Reviewing pools, 3–17
Reviewing the year-to-date summary, 2–25
Running the periodic extraction, 2–11
 data selection values, 2–12

S

Sales Order Management system, 1–1
Sales Update program (P42800), 2–7
Setting up automatic accounting instructions, 3–25
Setting up company selection, 3–29
Setting up user defined code lists, 3–3
Setup
 automatic accounting instructions, 3–25
 deleting or changing auxiliary methods, 3–22
 document type user defined codes, 3–4
 system requirements, 3–1
 unit cost, 3–22
 user defined code lists, 3–3
 valuation methods, 3–7, 3–17
Stock in transit, 2–8
Stock valuation
 costs, 1–7
 define methods, 3–7

Advanced Stock Valuation

- determine, 2-11
- general ledger update, 2-30
- in-transit inventory, 2-8
- integration with other systems, 1-1, 2-3
 - loans, borrows, exchanges, 2-5
 - purchase management, 2-3
 - transfers, 2-8
- item or pool level, 3-13
- kit items, 3-14
- methods, 1-7
- online results. *See* Results
- posting, 2-34
- reports, 2-16
- results, 2-20

- Stock Valuation Detail Report, processing options, 2-19
- Stock Valuation Purge, processing options, 4-4

T

- Tables, list of, 1-8
- Transfers, 2-8

U

- UDC. *See* User defined code lists
- Unit cost, assigning to pools or items, 3-22
- Unit Cost Period Report, processing options, 2-18
- Updating the general ledger, 2-30
- User defined code lists
 - document type setup, 3-4
 - setup, 3-3

V

- Valuation Batch Review form, 2-32
- Valuation G/L Adjustment Inquiry form, 2-29
- Valuation G/L Update, processing options, 2-31
- Valuation Layers Review form, 2-24
- Valuation Method Comparison form, 2-25

- Valuation Method Master, processing options, 3-11
- Valuation Method Master form, 3-8
- Valuation methods. *See* Methods
- Valuation Period Extraction, processing options, 2-15
- Valuation Period Extraction form, 2-14
- Valuation Period Extraction program, company selection, 3-29
- Valuation Period Review form, 2-21
 - access Period Additional Quantities form, 2-22
- Valuation Summary Review form, 2-23

W

- Weighted Average Cost, 3-7
 - how calculated, A-20

