
PUM005 Shipping Invoice GL Title Definition Maintenance

Overview This is used to define the general ledger item definitions used for the shipping invoices.

Explanation

Once an Accounts Payable (AP) invoice has been generated, by selecting the Post Invoice Option in Shipping/Invoice Entry/Maintenance, the shipping invoice details are protected and changes are not allowed. This ensures that the shipping invoice and the AP invoice match. The free on board (FOB) amount from the shipping invoice is generated.

The items on the shipping invoice are converted to the corresponding GL dissection codes on the AP invoice by using the GL definition file (PUGLA00P). This database is maintained using this Definition Maintenance program (PUM005).

The GL definition file also includes GL accounts used in the automatic generation of the various shipping journals such as Goods in transit (GIT), accruals, inventory and variances. The sequence in which the GL codes are stored on the file is defined in **TMSPU/GL-ACDEF**.

The sub ledger shipping journal file (PUSHJ00P) is used to generate the GL journals. The records in this file are by Shipment ID/shipping invoice/ISBN. The records are further classified by the landing charge type, record type and period. The record types used are:

- A – Total AP exchange variance
- B – Expensed AP exchange variance
- C – Capitalised AP exchange variance
- 0 – Orders
- 1 – GIT (Goods in Transit)
- 2 – Inventory
- 3 – Accrual
- 4 – Actual
- 5 – Expensed price variance
- 6 – Capitalised price variance
- 7 – Volume variance
- 8 – Order Variance

The two sided GL account codes used in generating the journals for the above record types are defined in **TMSPU/GL-JNDEF**. Record types 'A', '0', '1' and '8' do not generate any GL transactions.

When a shipment is released, GIT and accrual journals are created. The GIT and accrual amounts are for the whole shipping invoice and are for the full landed cost (FOB and all the landing charges as per landing charges definition). The journals are consolidated by currency.

When stocks are receipted, receipt journals are generated to update inventory. The corresponding receipted amount is also reversed from the GIT amount.

When actual invoices for the landing charges are processed in AP, the landing charge type that relates to the shipment must be entered. The system then allocates the amount (using program PUE005) to the individual items linked to the shipping invoices for the Shipment ID. The allocated amounts are created as record type '4' in the sub ledger Shipping Journal file (PUSHJ00P).

If the actual invoice amount is greater than the standard (estimated) amount, the difference between the two amounts is capitalised and/or expensed. The amount to be capitalised and/or expensed is determined as follows:

- a) Compute the ratio between the remaining stock from the receipt made on the shipping invoice and the total quantity received from the same shipping invoice.
- b) Capitalised amount = Ratio * Variance amount. The capitalised amount will generate a corresponding stock re-valuation adjustment to write-on the variance across all the available stocks. The adjustment code, document sub-type and transaction origin, are defined in **TMSPU/CST-DFT**.
- c) Expensed amount = Total variance less Capitalised variance. Another journal is created to reverse the total accrued amount.

If the actual invoice is less than the standard (estimated) amount, no variance is generated as yet. The favourable variance is only taken up on the close of the shipment. However, journals are still produced to reverse the equivalent actual amount from the accrual account.

When all shipping invoices have been processed, all stocks have been receipted and all the actual creditor's invoices have been entered in to the AP system, the relevant shipment is closed. The closing of a shipment reverses all accrual amounts, reverses all outstanding GIT and generates all variances (price, volume, exchange), both favourable and unfavourable.

The user will be able to use different General Ledger accounts for the various accounting entries of goods in transit, inventory, accrual and variances for the FOB and landing charge components of duty, freight, handling etc.

The General Ledger accounts for each of these items can be defined further by any combination of the item levels and IC-Types.

As an example, you can have different goods in transit account by company division. The company division can be Item Level 1 in this case.

TMSPU/GL-ACDEF defines the GL account definitions.

Examples

This section illustrates examples concerning:

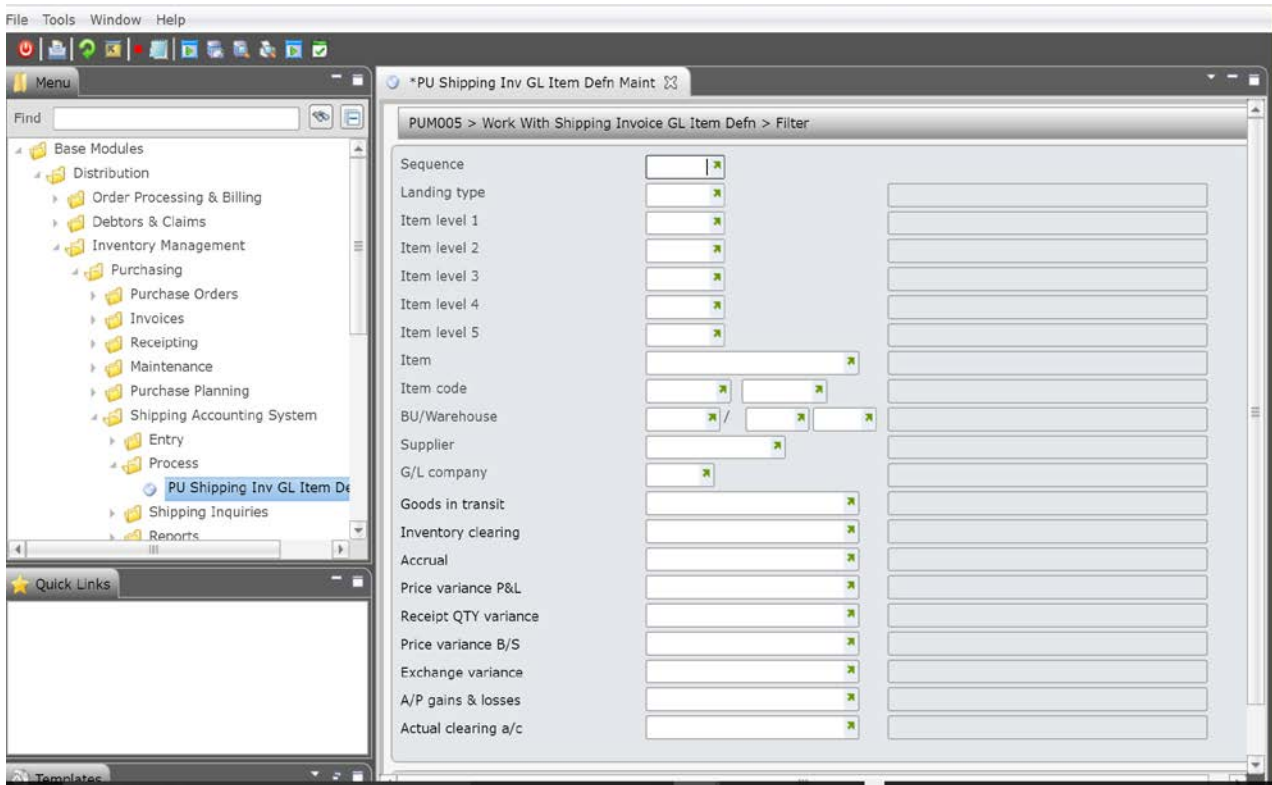
[Example 1: Add a New Shipping Invoice Title Definition](#)

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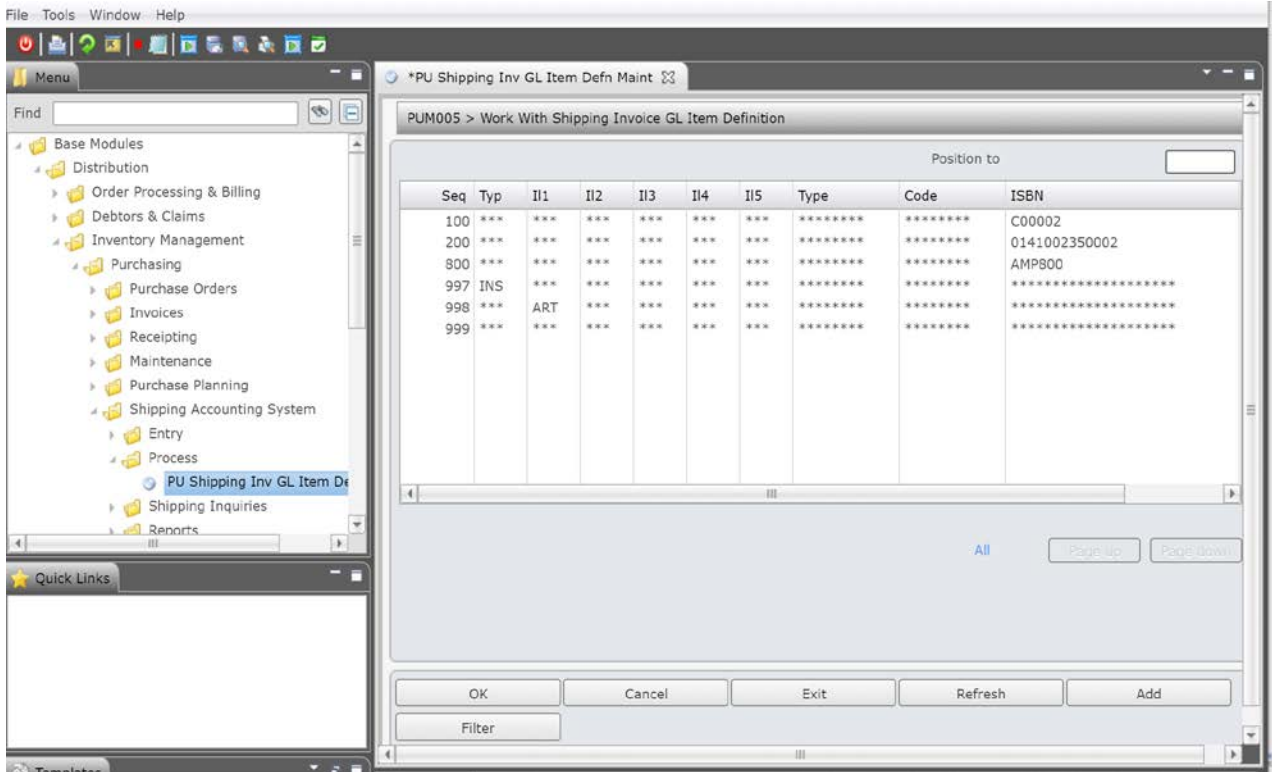
This example describes how to add a new shipping Invoice title definition.

1. Select menu option **PU Shipping Inv GL Item Defn Maint** from Distribution>Inventory Management>Purchasing>Shipping Accounting>Process menu.

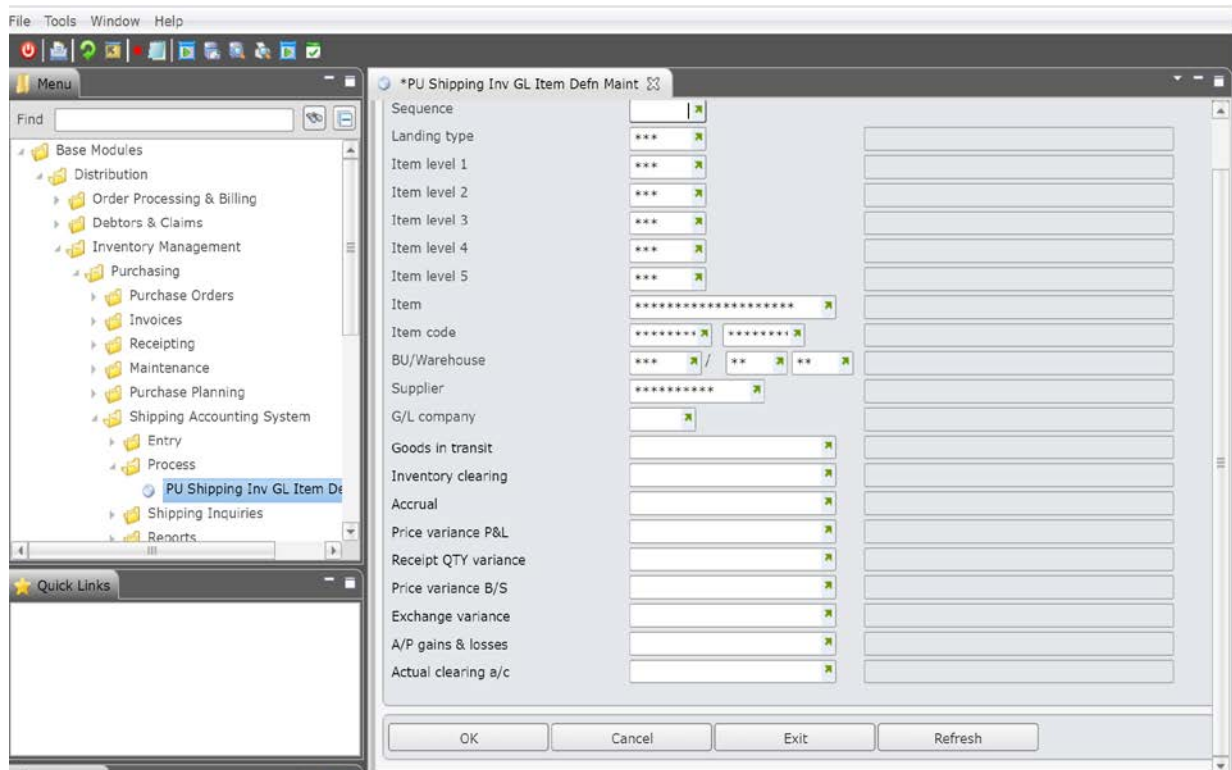
PUM005 Work with Shipping Invoice GL Item Defn – Filter panel is displayed in change mode.



2. Click **OK** to display list of existing definition.



3. To add a new definition click **Add**. **PUM005 Work with Shipping Invoice GL Item Defn** panel is displayed in add mode.



Relevant Fields

Sequence

Determine the preferred sequence for each landing charge type and hierarchy type for the posting of the G/L accounts.

Landing type

This determines what cost type is to be used in the definition. Enter a valid landing charge cost type or *** for all.

Supplier

If you require shipping invoice definition by external supplier then enter the supplier code or accept default *** for all.

BU/Warehouse

Logical warehouse or business unit for receipting.

G/L company

Enter the Company number that is to be used in the definition for the General Ledger posting.

- For each definition enter a G/L account that relates to the following:

Goods in transit

Inventory clearing

BU/Warehouse

Accrual

Price variance

P&L

Receipt Qty
variance

Exchange
variance

A/P gains &
losses

Actual clearing a/c

Actual clearing
a/c

5. Key in the required fields and click **OK**. This will add the new shipping invoice G/L item definition.