

Costing in All Orders

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All Order maintains a 'shadow inventory sub-ledger' which applies an alternate valuation method than that used in QuickBooks. QuickBooks uses the weighted average cost while All Orders applies a combination of specific identification and First-in-first-out (FIFO). It uses specific identification when All Orders 1) the item is lotted or serialized or 2) when there is a linked transaction. Otherwise All Orders uses FIFO.

Generally FIFO requires costs be applied in date order starting with the earliest date. For example, assume you received an 50 units of an item on December 20 for \$3 per unit and a further 75 units on January 2 for \$3.10 per unit . You sold 25 units on each of ship docs 1,2,3 and 4 on December 22, December 28, Jan 1 and Jan 2 respectively. The first 2 ships docs would be costed at \$3 per unit and the last 2 at \$3.1 per unit.

The same concept applies to finishing work orders, receiving items or any transaction recorded out of date sequence. Depending on the number of transactions preceding it that uses the same item this process can take a long time and the system appears to hang or be not responding. In fact the database is working and All Orders is waiting for a response.

The trigger for recording transactions in the All Orders inventory sub-ledger as follows

- Ship Docs/Customer Returns - when Shipped is checked (note this will also happen when you click Invoice if the preferences to mark as shipped is selected)
- Work Orders - when status is changed to In Production or Finished
- Receivers/ Vendor Returns - when saved
- Adjustments - when saved
- Transfers - when saved
- Value Adjustment - when saved

There are four reports that provide visibility into the All Orders inventory sub-ledger as follows

- Transactions
 - Inventory Ledger
 - Inventory Valuation
 - Ship Doc P & L
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