Apps for Greentree

STOCK VALUATION TO GL RECONCILIATION TOOL

APP NUMBER: 010024

Powered by:

MYOB Greentree

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FEATURES

1. Stock Valuation to GL Reconciliation Tool

It can often be difficult to reconcile the Stock Valuation Report to your Stock on Hand account(s) in the General Ledger.

It could be non-diminishing items, it could be that someone has posted a manual transaction to your control accounts, it could be your posting rules are wrong and the transaction is not appearing in your General ledger where you expect it to be. Or it could be you just don't know why they are different.

This app provides all your stock valuation report information in Excel along with the "GL Value" of that stock and the GL account it has been posted to. It also includes any non-system generated transactions that have gone to any stock on hand GL account.

Reconciliation Options

1. Transaction Movement This option generates an extract of data showing the accounting entries for each stock movement, as they in appear in the General Ledger and the Inventory Sub Ledger. It can be used to identify amongst other things, that the accounting entries are posted to the correct accounts,

2. Stock Valuation and GL This option generates a view of the value of inventory from both the GL and the Inventory Sub Ledger, for comparison with the Greentree Inventory Valuation Report. Discrepancies may occur for a variety of reasons that are discussed in the User Guide section below.

IMPORTANT NOTES

- We recommend that you test the configuration of the App thoroughly in a test system prior to deploying the App in your live Greentree system.

OTHER REQUIREMENTS

Greentree Modules: Inventory, General Ledger

Associated Apps: None

INSTRUCTIONS

This User Guide is intended to help you identify errors or inconsistencies in your processes, Greentree system configuration and/or data that have caused a discrepancy in Stock Valuation.

Because of the many and varied ways that discrepancies can creep in to a system and the variety of accounting treatments Greentree users have for inventory, the User Guide does not:

- Attempt to uncover every possible cause of discrepancies
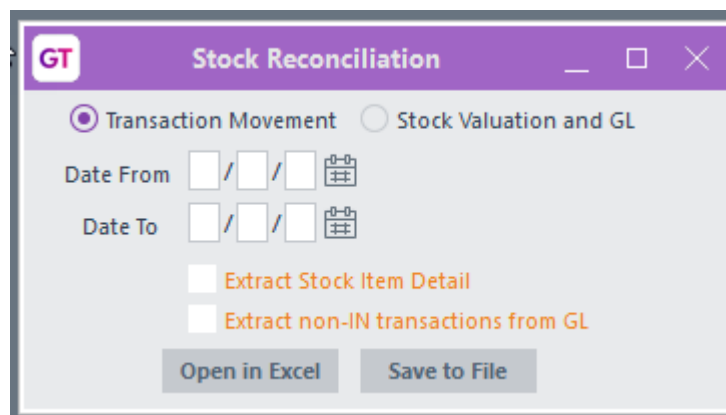- provides recommendations on the accounting entries required to unwind or rectify the discrepancies found.

If you are in any doubt as to the cause or resolution of a discrepancy, it is highly advisable that you seek appropriate assistance from a Greentree Consultant or qualified Accounting professional.

Warning: We suggest you run this analysis out of hours or in a test system /copy of your live system to avoid real-time changes in Inventory affecting the data.

Transaction Movement Extract

The Transaction Movement Extract generates a list of all General Ledger transactions associated with Inventory items. It allows you to review the GL Ledger Amount on the transaction and the associated Inventory Cost posting.

1. Once the App is registered, log in to Greentree.
2. Select the menu item | Process | Inventory | Stock Reconciliation
3. Choose Transaction Movement from the Stock Reconciliation screen

4. Enter the Date From and Date To corresponding to a rate range you'd like to target. For example, the date from which Stock was last reconciled up to the most recent period end.

5. Click either Open in Excel (to begin analyzing the data immediately) or Save to File (to save the data for later investigation).

## Tips & Tricks for Analyzing the Transaction Movement Extract

1. Apply Filters to the data.
2. Use the filter on the Difference column to show only significant differences.
3. Run the Greentree Inventory Valuation Report as-at the Date To you specified when creating the extract.
4. Scenarios to explore:
   a. Look for any items with no value present in the IN Cost column to identify transactions where the cost associated with a transaction has been recorded only in the GL but not the Inventory sub-ledger.
   b. Look for GL Accounts that should not contain postings for Inventory movements, e.g. suspense accounts rather than control accounts.

Note: In versions prior to 2018.3 you may get differences for AP invoices that have been receipted – these can be ignored.

Stock Valuation and GL Extract

The Stock Valuation and GL extract re-creates the Greentree Stock Valuation Report, giving you a comparison between the value shown in the General Ledger and the Value at Average Cost for each stock item.

1. Once the App is registered, log in to Greentree.
2. Select the menu item | Process | Inventory | Stock Reconciliation
3. Choose Stock Valuation and GL from the Stock Reconciliation screen
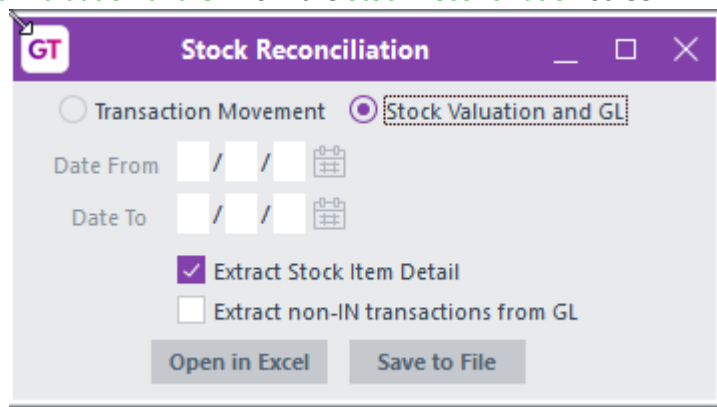
4. Leave the Date From and Date To boxes empty. This extract works from the first transaction in your database through to the last, rather than on a specific date range.
5. If Extract Stock Item Detail you get detail for all stock items, if Extract non-IN transactions from GL is selected the output shows individual transactions that have affected the GL balance but not the cost of goods in the Inventory Sub Ledger.
6. Click either Open in Excel (to begin analyzing the data immediately) or Save to File (to save the data for later investigation).

Tips & Tricks for Analyzing the Transaction Movement Extract in Excel

1. Apply Filters to the data.
2. Add a column after the GL Value column, head it up as Difference and insert a formula like the following, on each row, to identify stock items where the Cost at Average Value and GL Value differ: =ABS(H2-I2)
3. Use the filter on the Difference column to show only significant differences.
4. Run the Greentree Inventory Valuation Report as-at the furthest date in the future that transactions may have been entered in your system.
5. Scenarios to explore:
   a. Look for any items with no GL Account present or a GL Account that is not part of Inventory. Check in the GL Module Control to ensure the Inventory Accounts have been set up correctly. This may be the result of situation where the loading of inventory data occurred before the accounts linking Inventory and the GL were set up.

   b. Calc Cost 1 does not equal Average Cost
      Calc Cost 1 is a recalculation by the App, of the average cost of the item from the first transaction to the last. Perform an enquiry on the transactions for that Inventory Item. Look for any negative movements in stock where there is no cost associated For example, in the Greentree Demo system the following stock item shows:

	A	B	C	D	E	F	G	H	I	J	K	
1	Code	Description	Qty On Hand	Average Cost	Calc Cost 1	Calc Cost 2	Last Cost	Cost at Avg	GL Value	GL Account	Cycle Counts	
258	ZELLOWS1	Zellows 17' Screen Filter	50	300	312	312	300	15000	15600.19	10.99.6800		
259	ZODIAC-D	Dual Core 1.6GHz System	0	865	312	0	0	0	0	None		

   An investigation of the transactions associated shows that one transaction (the issue of a Quantity of two) carries no Cost of Sale.

Date	Period	Trans Type	Reference	Batch	Location	Trans Qty	UOM	Cost(LC)	Stocking Qty	Narration	nventory Co
			Open Balar				EA		50.0000		
20/03/08	31/03/08	Issue	104	S116	03.Z01	-15.0000	EA	-4500.00	-15		-4500
10/04/08	30/04/08	Issue	103	S114	03.Z01	-10.0000	EA	-3000.00	-10		-3000
26/04/11	30/04/11	Issue	10	S138	03.Z01	-2.0000	EA	0.00	-2		0
27/04/11	30/04/11	Receipt	43565	S142	03.Z01	55.0000	EA	16500.19	55		16500

   c. Calc Cost 2 does not equal Average Cost
      Calc Cost 2 is a recalculation by the App, of the average cost of the item from the date that the Quantity on Hand was last at Zero.

d. Incorrect Cost on Stock Adjustments. Check for Stock Adjustments where the Cost has been manually over-ridden and is significantly different from the norm, affecting the Average Cost calculated for that item.

e. Receipted Non-Diminishing Items. Issues can occur when an item set up as Non-Diminishing is receipted as if it were taken in to stock. Non-Diminishing items do not appear in the Greentree Stock Valuation report.

f. Changes in Inventory Costing Method. Check that the setting on the Inventory Module Control used as the basis for calculating Inventory cost, has not been changed since the system was first configured. If so a manual one-off adjustment may be (or have been) necessary to re-value stock.

g. Negative Stock on Hand. Where stock on hand is negative and new stock comes in at a cost that is significantly different from the current Average cost, check that the ongoing Average cost is calculated as you would expect it to be.

IMPLEMENTATION GUIDE

Please refer to the Important Notes section above before installing and configuring this App

APP INSTALLATION

1. Log into Greentree as the Super user
2. Select the menu item | System | Apps For Greentree | Apps Module Control | 3. Enter the New Registration Codes supplied and click Install App

4. Select/Highlight the Stock Valuation to GL Reconciliation Tool App.

5. Click on the Edit Users button and select the users who will be configured to use Active Directory Integration, for which companies.

6. Once you have selected the users, Save the settings using the save icon in the header and Close the window.

7. Save and Close the form.