



Quick Start: Inventory Revaluation

Summary

Once in a while, you need to revalue what your inventory actually costs. Example of this could be that you enter the wrong price in the A/R Invoice or that the price is no longer reflective of the actual value.

Revaluation Types

Inventory Debit/Credit:

- Select this revaluation type to change the value associated with this item in the associated Inventory Account by a specific dollar amount.
- This option gives you more direct control over the posting and will be preferred in most cases.
- You can use this method to most accurately adjust the unit value of an item as of a specific date. To do this, you would calculate the difference between the unit cost on the specified date and the unit cost it should have been. Then you'd multiple this difference by the number of units that were in stock on the specified date, as shown on the Inventory Audit Report. The 'Quantity' on the form should be '1'.
- **Accounting:** The value entered in the Debit/Credit column will post to the Inventory Account assigned to the item. This account is not explicitly shown on the revaluation form. You'll use a negative sign in this column if you want to decrease the value of the inventory. The accounts that default into the: 'G/L Increase Acct' and 'G/L Decrease Acct' fields will be used to offset the posting to the Inventory Account.
- You can always right-click and select 'Journal Entry Preview' to see the accounting effects of an Inventory Revaluation before posting.
- Please note that if you choose to revalue inventory as of a past date, and the item involved has been involved in any transactions since that date, you will also need to process a second Inventory Revaluation to correct the value of the inventory as of the current (System Date).

Price Change:

- Select this option to change the **CURRENT** cost of the item. The current cost of the item will be adjusted regardless of the specified posting date.



- **Accounting:** The Inventory Account associated with the item will be adjusted approximately by the difference between the 'Current Cost' and the 'New Cost' multiplied by the **CURRENT** 'In-Stock' quantity.
- The accounts that default into the 'G/L Increase Acct' and 'G/L Decrease Acct' are used to offset the posting to the Inventory account, which isn't shown on the form.
- If the 'New Cost' > 'Current Cost' then the Inventory Account will be debited
- If the 'New Cost' < 'Current Cost' then the Inventory Account will be credited

Step-by-Step Guide

1. Go to Inventory->Inventory Transactions->Inventory Revaluation in your Modules tab
2. Select the Revaluation Type you want (See notes below)
3. Find your item in the Item No. column
4. Fill out, or review, the data in the required columns
5. Click Add when you are done

Administration
Financials
Sales Opportunities
Sales - A/R
Purchasing - A/P
Business Partners
Banking
Inventory
Item Master Data
Bar Codes
Document Printing
Item Management
Inventory Transactions
Goods Receipt
Goods Issue
Inventory Transfer Request
Inventory Transfer
Recurring Transactions
Recurring Transaction Templates
Inventory Counting Transactions
Inventory Opening Balance
Cycle Count Recommendations
Inventory Revaluation
Price Lists
Pick and Pack
Inventory Reports
Production

Open Documents

Inventory Revaluation

Number 1076 Series Primary Posting Date 10/14/2014
Document Date 10/14/2014
Ref: 2

Revaluation Type Price Change
Price Change
Inventory Debit/Credit

#	Item No.	Item Description	Whse	Current Cost	New Cost	Unit of Measure	Inventory UoM	In Stock	G/L Increase Acct	G/L Decrease Acct	Val. Method	Distr. Rule	Project
1	RM1	OBeer Malt	A1	\$ 2.00000		lbs	Yes	50.000	50065-01	50065-01	Moving Averages		
2													

FIFO Layers

#	Doc. No.	Entry Date	Current Cost	New Price	Open Qty

Remarks

Journal Remark Inventory Revaluation

Add Cancel

You can go into your Item Master Data, go to your Inventory Tab and your inventory should now reflect the changes made.