

Inventory Accuracy Tip #3
General Ledger

So you think the General Ledger should be pretty easy. Not necessary. Sometimes, users don't fully understand when or how to use Inventory Accounts. The simple rule: NEVER use these accounts. They are reserved for the Visual programs to use.

Here are the places to look for potential issues.

1. Invalid Journals – The valid posting for Inventory Accounts are Purchases (PUR), Work in Process (WIP), Finished Goods Receipts (FG), Cost of Sales (SLS) and Inventory Adjustments (ADJ). If you are running Project version of Visual you will have project (PRJ) & burden (BUR) postings. To find if there are improper postings go to:
 - Accounting Window
 - Print General Journal or Printer Icon
 - Select Dates from the beginning of the database to the current month.
 - Select the range of GL accounts.
 - Select by Batch Type. Keep it on Summary.
 - This report will show all the batch types. There should be no API, ARI, APC, ARC, BAJ, RVJ or GJ.

The diagram below is highlighting the problem journal types.

Account	Description	Debits	Credits	Total
	Journal Type			
1310	Inventory			
	ADJ	1,513,546.55	898,460.36	615,086.19
	API	2,861.14		2,861.14
	BAJ	1,598.65		1,598.65
	FG	9,506,888.88	123,456.57	9,383,432.31
	GJ	6,456.58	89,131.12	- 82,674.54
	PUR	7,658,410.68	566,446.25	7,091,964.43
	SLS	21,568.49	6,979,713.00	- 6,958,144.51
	WIP	654,984.10	6,894,389.13	- 6,239,405.03
	Account totals			<u><u>3,814,718.64</u></u>

If you are running Global Financial, print the GL activity to file and filter on the incorrect journal types.

2. PO Line – To find these ones, go to Purchasing – Vendor Inquiry – At the bottom is GL Expense account. Enter the Inventory Account (or use the wildcard – example 13%). This will show any PO's that used inventory accounts.

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3. Adjustments – Periodically, users select the inventory account as the adjustment expense account in error. You will need to look at the Inventory Transaction table to find the problem transactions. You could run the script below. Replace the XXXXX with your inventory account.

```
SELECT * FROM INVENTORY_TRANS WHERE GL_ADJ_ACCT_ID Like 'XXXXX%'
```

4. Unposted Transactions – The testing for unposted transactions in the Accounting Window, looks at the current month only. You can make it more efficient if you run scripts looking at the 5 journal types.
5. Dollars in Default Inventory Accounts – If you are using Product Codes to determine how inventory postings then there should be no dollars in the accounts defined in the GL Interface table. Making journal entries to remove doesn't count.

The next ones are rare but only take a couple of minutes to check.

6. GL Accounts defined in Part Maintenance. To find go to Part Maintenance and add the GL accounts to the Browse Part Maintenance columns. Click on search and enter % to see if they are used.
7. The total of the postings do not equal the value in the General Ledger. Run the General Ledger report for the inventory accounts. Ensure the total for each account equals the amount shown in the Accounting Window. If not you will need to run VFFIXDST.

To repair these problems, the original transactions should be modified and reposted or reversed based on the same transaction type. The objective is to get the Accounting Window to show zero posted for the invalid journal types. If there are any other inventory reconciliation issues, you will more than likely want to delay reversing the general journal entry until all items are repaired.