JD Edwards EnterpriseOne Applications

Advanced Stock Valuation Implementation Guide

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JD Edwards EnterpriseOne Applications Advanced Stock Valuation Implementation Guide, Release 9.1

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Preface

Welcome to the JD Edwards EnterpriseOne Applications Advanced Stock Valuation Implementation Guide.

Audience

This guide is intended for implementers and end users of the JD Edwards EnterpriseOne Advanced Stock Valuation system.

JD Edwards EnterpriseOne Products

This implementation guide refers to Oracle's JD Edwards EnterpriseOne Inventory Management product.

JD Edwards EnterpriseOne Application Fundamentals

Additional, essential information describing the setup and design of your system appears in a companion volume of documentation called *JD Edwards EnterpriseOne Financial Management Application Fundamentals 9.0 Implementation Guide.*

Customers must conform to the supported platforms for the release as detailed in the JD Edwards EnterpriseOne minimum technical requirements. In addition, JD Edwards EnterpriseOne may integrate, interface, or work in conjunction with other Oracle products. Refer to the cross-reference material in the Program Documentation at http://oracle.com/contracts/index.html for Program prerequisites and version cross-reference documents to assure compatibility of various Oracle products.

See Also:

- *JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide.*

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Related Documents

You can access related documents from the JD Edwards EnterpriseOne Release Documentation Overview pages on My Oracle Support. Access the main documentation overview page by searching for the document ID, which is 1308615.1, or by using this link:

https://support.oracle.com/CSP/main/article?cmd=show&type=NOT&id=1308615.1

To navigate to this page from the My Oracle Support home page, click the Knowledge tab, and then click the Tools and Training menu, JD Edwards EnterpriseOne, Welcome Center, Release Information Overview.

Conventions

The following text conventions are used in this document:

Convention	Meaning
Bold	Indicates field values.
Italics	Indicates emphasis and JD Edwards EnterpriseOne or other book-length publication titles.
Monospace	Indicates a JD Edwards EnterpriseOne program, other code example, or URL.

1

Introduction to JD Edwards EnterpriseOne Advanced Stock Valuation

This chapter contains the following topics:

- Section 1.1, "JD Edwards EnterpriseOne Advanced Stock Valuation Overview"
- Section 1.2, "JD Edwards EnterpriseOne Advanced Stock Valuation Integrations"
- Section 1.3, "JD Edwards EnterpriseOne Advanced Stock Valuation Implementation"

1.1 JD Edwards EnterpriseOne Advanced Stock Valuation Overview

You use the JD Edwards EnterpriseOne Advanced Stock Valuation system from Oracle to determine the current value of a company's stock. Stock is also referred to as inventory. Stock value is based on the total cost of the stock owned by a company at a specific time. The value of stock can vary, depending on the different methods used to calculate the total cost and the method used to value the stock.

You can value stock using one of these methods:

- Replacement cost.
- Average weighted cost.
- First In, First Out (FIFO).
- Last In, First Out (LIFO).

1.2 JD Edwards EnterpriseOne Advanced Stock Valuation Integrations

This diagram illustrates the JD Edwards EnterpriseOne systems from Oracle that integrate with the JD Edwards EnterpriseOne Advanced Stock Valuation system:

Figure 1–1   Systems that integrate with Advanced Stock Valuation
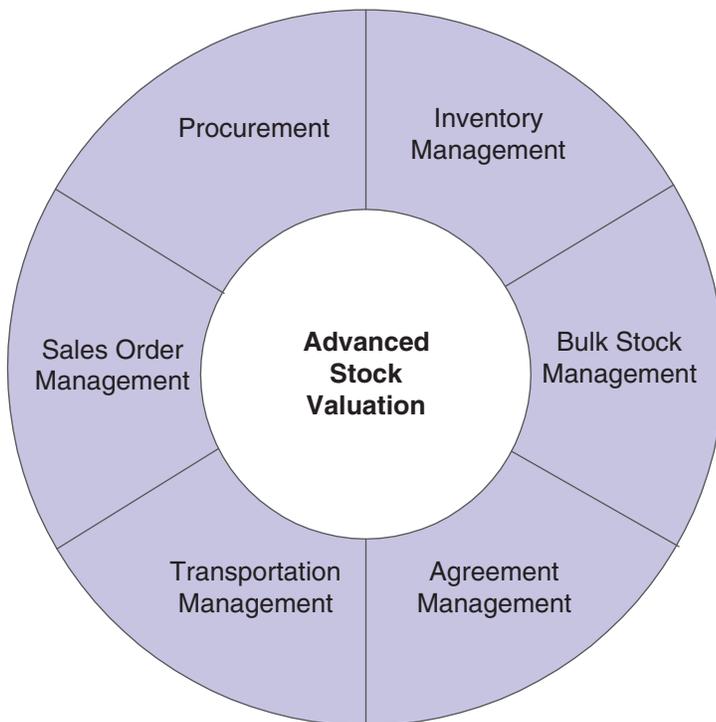
The JD Edwards EnterpriseOne Advanced Stock Valuation system works with other JD Edwards EnterpriseOne systems to ensure that all information is fully integrated into the general ledger. Integration considerations are discussed in the implementation chapters in this implementation guide. Supplemental information about third-party application integrations is located on the Oracle | PeopleSoft Customer Connection website.

1.3 JD Edwards EnterpriseOne Advanced Stock Valuation Implementation

This section provides an overview of the steps that are required to implement the JD Edwards EnterpriseOne Advanced Stock Valuation system.

In the planning phase of the implementation, take advantage of all JD Edwards EnterpriseOne sources of information, including the installation guides and troubleshooting information.

When determining which electronic software updates (ESUs) to install for JD Edwards EnterpriseOne Advanced Stock Valuation, use the EnterpriseOne and World Change Assistant. EnterpriseOne and World Change Assistant, a Java-based tool, reduces the time required to search and download ESUs by 75 percent or more and enables you to install multiple ESUs at one time.

See *JD Edwards EnterpriseOne Tools Software Updates Guide*.

1.3.1 Global Implementation Steps

The following is a list of the global implementation steps for the JD Edwards EnterpriseOne Advanced Stock Valuation system:

1. Set up global user-defined codes.

See "Working with User Defined Codes" in the *JD Edwards EnterpriseOne Tools System Administration Guide*.

2. Set up companies, fiscal date patterns, and business units.

See "Setting Up Organizations" in the *JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide*.

3. Set up next numbers.

See "Setting Up Next Numbers" in the *JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide*.

4. Set up accounts, and the chart of accounts.

See "Creating the Chart of Accounts" in the *JD Edwards EnterpriseOne Applications Financial Management Fundamentals Implementation Guide*.

5. Set up the General Accounting constants.

See "Setting Up the General Accounting System" in the *JD Edwards EnterpriseOne Applications General Accounting Implementation Guide*.

6. Set up multicurrency processing, including currency codes and exchange rates.

See "Setting Up General Accounting for Multicurrency Processing" in the *JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide*.

See "Setting Up Exchange Rates" in the *JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide*.

7. Set up ledger type rules.

See "Setting Up Ledger Type Rules for General Accounting" in the *JD Edwards EnterpriseOne Applications General Accounting Implementation Guide*.

8. Enter address book records.

See "Entering Address Book Records" in the *JD Edwards EnterpriseOne Applications Address Book Implementation Guide*.

9. Set up inventory information such as branch/plant constants, default locations and printers, manufacturing and distribution Automatic Accounting Instructions (AAIs), and document types.

See "Setting Up the Inventory Management System" in the *JD Edwards EnterpriseOne Applications Inventory Management Implementation Guide*.

10. Set up shop floor calendars.

See "Setting Up Shop Floor Management" in the *JD Edwards EnterpriseOne Applications Shop Floor Management Implementation Guide*.

11. Set up manufacturing constants.

See "Setting Up Manufacturing Constants" in the *JD Edwards EnterpriseOne Applications Product Data Management Implementation Guide*.

1.3.2 Advanced Stock Valuation Implementation Steps

The following is a list of the suggested application-specific implementation steps for JD Edwards EnterpriseOne Advanced Stock Valuation:

1. Activate advanced stock valuation.

See Activating Advanced Stock Valuation.

2. Activate dual currency.

   See Activating Dual Currency.

3. Set up user-defined codes.

   See Setting Up User-Defined Codes.

4. Specify the stock valuation processing mode.

   See Specifying the Stock Valuation Processing Mode.

5. Define valuation methods.

   See Defining Valuation Methods.

6. Use pools and items.

   See Using Pools and Items.

7. Set up automatic accounting instructions for advanced stock valuation.

   See Understanding AAI Setup for Advanced Stock Valuation.

8. Extract advanced stock valuation records.

   See Extracting Advanced Stock Valuation Records.

9. Purge advanced stock valuation records.

   See Purging Advanced Stock Valuation Records.

2

Understanding the Advanced Stock Valuation System

This chapter contains the following topics:

2.1 The Advanced Stock Valuation System

You use the JD Edwards EnterpriseOne Advanced Stock Valuation system to determine the current value of a company's stock. Stock is also referred to as inventory. Stock value is based on the total cost of the stock owned by a company at a specific time. The value of stock can vary, depending on the different methods used to calculate the total cost and the method used to value the stock.

You can value stock using one of these methods:

- Replacement cost.

- Average weighted cost.

- FIFO (First In, First Out).

- LIFO (Last In, First Out).

2.2 System Integration

This table describes the systems with which the JD Edwards EnterpriseOne Advanced Stock Valuation system integrates:

System	Description
JD Edwards EnterpriseOne Procurement	The JD Edwards EnterpriseOne Procurement system from Oracle retrieves item costs based on the purchasing costing method that is defined for each item. When you receive a voucher for the item, the system updates the general ledger.

System	Description
JD Edwards EnterpriseOne Inventory Management	The JD Edwards EnterpriseOne Inventory Management system stores item information that all of the other systems can use.
JD Edwards EnterpriseOne Bulk Stock Management	The JD Edwards EnterpriseOne Bulk Stock Management system from Oracle controls the storage, measurement, and movement of dynamic bulk inventory. This system lets you complete transactions that move bulk inventory. In addition, it accurately calculates product gains and losses for each bulk stock transaction.
JD Edwards EnterpriseOne Sales Order Management	The JD Edwards EnterpriseOne Sales Order Management system from Oracle retrieves item prices and costs from the JD Edwards EnterpriseOne Inventory Management system for sales orders. The system updates the general ledger and creates accounts receivable entries to record inventory, cost of goods sold, revenue, and tax transactions for use in cash receipts processing.
JD Edwards EnterpriseOne Agreement Management	The JD Edwards EnterpriseOne Agreement Management system from Oracle enables you to manage contracts with business partners. You can accurately accommodate loans, borrows, and exchanges, and ensure that the stock involved is valued correctly.
JD Edwards EnterpriseOne Transportation Management	The JD Edwards EnterpriseOne Transportation Management system from Oracle confirms the release of stock from the inventory and records the amount of stock in transit, thereby accurately reflecting the actual stock to be valued at the end of a period.

The systems that integrate with JD Edwards EnterpriseOne Advanced Stock Valuation store all inventory activity in a central table, the Item Ledger File table (F4111), which is known as the Cardex. The Cardex is the central repository of all inventory and cost movements. Programs from other systems that handle inventory create records in this table whenever inventory and cost are affected. The JD Edwards EnterpriseOne Advanced Stock Valuation system uses inventory information from the Cardex to ensure that the correct inventory is valued.

2.3 System Flow

The JD Edwards EnterpriseOne Advanced Stock Valuation system uses the F4111 table as the base for its processing. The system extracts the inventory activities from the Cardex by document number, type, and item. Based on the valuation methods, the system then determines the various balances and updates the valuation files. When you post the valuation, the system updates the general ledger and the Valuation Period Table (F39061).

This table describes the tasks performed by the system:

Table	Description
Item Ledger File table (F4111)	The system retrieves records by specific document number, document type, and item for a given date range.
Item Pool Valuation Master table (F3904)	The system retrieves the item or pool valuation method and unit of measure.
Valuation Method Master table (F3905)	The system retrieves attributes of the valuation method.
Valuation Period Table (F39061)	The system retrieves the closing balance and other necessary information from the previous period's record.
Period Build report (R39120)	This batch application: ■ Updates the Historical Valuation Period Detail Table (F390619) with current information. ■ Builds layers in detail or summary, based on the valuation method, in the Valuation Layers Table (F39062). ■ Accumulates totals by document type to the Valuation Document Summary Table (F39064). ■ Writes and updates current information to the Period Additional Quantity Table (F39063).
Company G/L Update Method Master table (F39042)	The system retrieves the valuation method that is used to update the Account Ledger (F0911) table.
Valuation Layers Table (F39062)	The system updates layer information and combines layers at year-end.
General Ledger Post report (R09801)	Run this batch application to update the general ledger from journal entries.
Stock Valuation GL Update report (R39130)	This batch application: ■ Updates the general ledger based on the valuation method that you defined. ■ Updates the F39061 table, as posted.

2.4 Business Considerations

This section discusses:

- General considerations
- Inventory identification
- Cost identification
- Stock valuation methods
- Dual currency

2.4.1 General Considerations

System integrations provide the flexibility needed to accommodate the many stock valuation methods throughout the distribution industries. Additional features support unique considerations of energy and chemical businesses and the demands placed on

companies that must meet the requirements of many national and local regulatory agencies.

Stock valuation is a vital component of all distribution and manufacturing industries. It provides the information that you need for reporting purposes and to evaluate profit margins.

You calculate stock value on a periodic schedule. In general monthly, quarterly, and yearly. Business and government requirements determine when a company completes the reporting to:

- Measure and manage stock levels and related cash flow.
- Comply with the accounting standards that require companies to provide a true and fair value of the company's financial performance and capital used.

Stock valuation reporting is necessary for corporate, management, and statutory purposes. Corporate reporting analyzes the value of the company's stock and the cost of the stock that was sold (cost of goods sold). Management reporting verifies that the company's storage and handling methods comply with the laws enforced by various governmental organizations.

2.4.2 Inventory Identification

To value the stock, you must be able to identify the items in the inventory. Possession of legal title of inventory is a fundamental criterion for determining whether items should be reflected in the inventory of a seller or a buyer. However, possession of title does not necessarily coincide with actual physical possession of the goods. For example, title to goods that are in the possession of a common carrier and in transit from the seller to the buyer should remain in the inventory of the seller until delivered. The integration of the various systems ensures that you can identify the entire inventory.

Many companies consolidate items into groups of similar items for stock valuation purposes. This process is called *pooling* or *product consolidation*. When you pool items, you can apply a single purchase price and associated costs to all items in that pool.

Whether each item is valued separately or as a pool varies from industry to industry. The JD Edwards EnterpriseOne Advanced Stock Valuation system enables you to value by individual items, pools, or both.

Many companies maintain contracts with other companies to store bulk product. Therefore, bulk stock might be commingled and belong to more than one owner. The JD Edwards EnterpriseOne Advanced Stock Valuation system enables you to exclude commingled stock from the valuation.

2.4.3 Cost Identification

You generally post inventory at an amount that reflects the price paid plus all costs incurred to bring the items to the location and to make them salable.

In some distribution industries, especially energy and chemical businesses, the actual purchase cost from a supplier might not be known at the time that the items are received into the inventory or only become known after you issue a voucher for payment.

The JD Edwards EnterpriseOne system enables you to update, or recost, these open receipts and paid vouchers, which ensures that the value of the stock is represented by the actual cost.

2.4.4 Stock Valuation Methods

Determining which method is used to assign inventory costs to the Cost of Goods Sold (COGS) account in the income statement is a major management decision. Inventory items that are in a company's possession and available for sale throughout a period must acquire a period end status of either **Sold** or **On hand.** If the items have been sold, you must reflect the costs assigned to those goods on the period's income statement. If the items remain unsold, you must be able to determine which portion of the cost of goods available for sale is to be assigned to the income statement, and which portion is to be assigned to the balance sheet.

Inventory items physically move out of the business when they are sold. Similarly, the costs assigned to those items must move from the balance sheet to the income statement, where they are no longer reflected as an available resource but as an operating expense for that period.

The JD Edwards EnterpriseOne Advanced Stock Valuation system provides these valuation methods for all items in the inventory:

- First In, First Out (FIFO).

- Last In, First Out (LIFO).

- Weighted Average Cost.

- Replacement/Current Cost.

In this documentation, we refer to these methods as stock valuation methods to differentiate between the cost of an item and its current value. *Cost* refers to the cost of an item so that you can determine its selling value. *Valuation* determines the value of any item that is currently in the inventory for reporting and financial purposes.

2.4.5 Dual Currency

Businesses operating in an inflationary market need to be able to maintain a set of books in two currencies: the local currency and a stable currency, commonly U.S. dollars. The JD Edwards EnterpriseOne Advanced Stock Valuation system enables a business to value inventory based on a valuation method, such as LIFO, FIFO, and replacement or current cost. With the Dual Currency feature, a business can use a second ledger type to adjust its inventory in both the domestic and the stable currency.

2.5 Tables Used in Advanced Stock Valuation

This table identifies the primary JD Edwards EnterpriseOne Advanced Stock Valuation tables and their contents:

Table	Description
Item Pool Valuation Master table (F3904)	Contains information for these valuation methods: - Item number or pool. - Valuation method. - User identification and update information.
Valuation Category Master table (F39041)	Contains information for these valuation methods: - Unit of measure - GL class

Table	Description
Company G/L Update Method Master table (F39042)	Contains information for these valuation methods: ■ GL update method ■ Default branch/plant
Valuation Method Master table (F3905)	Contains information for all valuation methods that you define for the company.
Item Pool Valuation Cost Master table (F3908)	Maintains the replacement cost of the items and pools.
G/L Adjustment Table (F3910)	Displays the adjustments made to the GL table.
Valuation Period Table (F39061)	Contains these stock valuation methods for the period: ■ Opening quantities and amounts. ■ Period incoming quantities and amounts. ■ Period outgoing quantities and amounts. ■ Closing quantities and amounts. ■ Inventory and COGS adjustment. ■ LIFO adjustment and adjustment cost. ■ General ledger classification. ■ Posted and closed information. ■ User identification and update. information.
Valuation Layers Table (F39062)	Contains all of the information for the historical layers for all stock valuation methods that you define for the company, including: ■ Receipt information. ■ Current quantity, amount, and allocations. ■ Last allocation amount, quantity, and date. ■ User identification and update information.
Period Additional Quantity Table (F39063)	Contains the valuation information for those methods that you defined to include not-in-stock inventory, in-transit inventory, or loan and borrow accommodations.
Valuation Document Summary Table (F39064)	Contains the cost information summarized by document type.

See Also:

■ Form Used to Define Valuation Methods.

3

Understanding Valuation Calculations

This chapter contains the following topics:

3.1 FIFO and LIFO Calculations

The JD Edwards EnterpriseOne Advanced Stock Valuation system uses FIFO and LIFO calculations to determine stock valuations. The value of the inventory is based on the activity that occurred on a year-to-date basis instead of a rolling inventory balance that is carried forward. To facilitate this type of processing, when the system applies the calculation method for each period, it reverses the entries for the prior period, which makes the new entries the current year-to-date values. This reversal occurs for all periods except for the last period of the year.

The reversals for every period also keep the opening inventory constant until the end of the year. Thus, because the previous period's entries are reversed, the opening inventory is always the same, regardless of what transpired in the previous period.

The system stores the total purchase quantity, amount, and average price for each period of the year. The stored information enables the system to allocate the closing inventory, starting with the current period and allocating to previous periods.

You might not always know the price of an item when you receive it. Because a quantity without a price can cause a large fluctuation in the average price, you can enter and use an override price for each period.

The information that follows includes examples of FIFO and LIFO calculations.

3.1.1 FIFO Calculations

The FIFO costing method assumes that the first inventory items purchased are the first ones sold. This method results in an ending inventory balance based on the costs associated with the most recent purchases. The allocated ending inventory and value become the opening inventory for the next period.

Suppose that you apply the FIFO costing method to four receipts that include five items each. This table lists the price that you paid for each receipt:

Receipt Number	Amount
Receipt 1	1.00 USD
Receipt 2	1.50 USD

Receipt Number	Amount
Receipt 3	2.00 USD
Receipt 4	2.50 USD

The total value of the inventory is 35.00 USD, which you calculate using this equation:

$(1 \times 5) + (1.5 \times 5) + (2 \times 5) + (2.5 \times 5) = 35.00$

Suppose that you are using the FIFO costing method and you sell five items for 1.00 USD each. In this case, the total value of the inventory is 30.00 USD, which you calculate using this equation:

$(1.5 \times 5) + (2 \times 5) + (2.5 \times 5) = 30.00$

Next, suppose that you sell another five items for 1.50 USD each. In this case, the total value of the inventory is 22.50 USD, which you calculate using this equation:

$(2 \times 5) + (2.5 \times 5) = 22.50$

3.1.2 LIFO Calculations

The LIFO costing method assumes that the last inventory items purchased are the first ones sold. This costing method determines the stock value and cost of goods sold based on the sale of the newest stock first. That is, the inventory that has been in stock the shortest amount of time is sold first. This method results in an ending inventory balance based on the costs associated with the oldest inventory. This method also requires that the system record historical costs for all years with stock remaining for that year.

Because the purpose of the LIFO method is to reflect the inventory value accumulation or depletion at the end of the year, you must adjust the entries that you log at the end of each period to remove the effect of any accumulation or depletion. This adjustment is called a *LIFO adjustment*. You must do a LIFO adjustment for all periods except the last period of the year. The system records the LIFO adjustment against the income statement and balance sheet accounts.

Suppose that you apply the LIFO costing method to four receipts that include five items each. This table lists the price that you paid for each receipt:

Receipt Number	Amount
Receipt 1	1.00 USD
Receipt 2	1.50 USD
Receipt 3	2.00 USD
Receipt 4	2.50 USD

The total value of the inventory is 35.00 USD, which you calculate using this equation:

$(1 \times 5) + (1.5 \times 5) + (2 \times 5) + (2.5 \times 5) = 35.00$

Suppose that you are using the LIFO costing method and you sell five items for 2.50 USD each. In this case, the total value of the inventory is 22.50 USD, which you calculate using this equation:

$(1 \times 5) + (1.5 \times 5) + (2 \times 5) = 22.50$

Next, suppose that you sell another five items for 2.00 USD each. In this case, the total value of the inventory is 12.50 USD, which you calculate using this equation:

$(1 \times 5) + (1.5 \times 5) = 12.50$

The JD Edwards EnterpriseOne Advanced Stock Valuation system lets you calculate LIFO on a periodic or annual basis. Period LIFO considers stock increments and decrements individually by period; annual LIFO considers overall increments and decrements that occurred over the course of the year.

You specify in the Stock Valuation Constants whether to run the valuation process in annual or period mode. Because you specify the valuation process by company in the constants, if you specify the annual LIFO method for a company, you must run all methods for the company (such as FIFO or Weighted Average) in annual mode.

This table describes the annual LIFO stock valuation methods:

Time Period	Stock Valuation Used
First year	Stock is evaluated using the average total unit cost method for all purchases completed in the period considered.
Subsequent years	One of these methods applies:
	■ If the number of units of stock has increased from the ending number of units for the previous year, the additional stock is a new layer and is added to the previous layers.
	The value of this layer is determined by calculating the weighted average between the purchase prices for the stock over the period considered.
	■ If the number of units of stock has decreased from the ending number of units for the previous year, the decrement is deducted from the layers added in previous years, beginning with the most recent year.

Processing LIFO calculations in annual mode can significantly affect performance since every execution selects all transactions belonging to the processed year. Depending on the number of transactions in the F4111 table and, consequently, the number of transactions in the F39120W table, the batch process that calculates LIFO values requires time to reselect all current year inventory transactions and recalculate the average unit cost.

You must install the systems to use the LIFO stock valuation method.

3.1.3 Example: Annual LIFO Method of Stock Valuation

When using a LIFO method of stock rotation, you ship the most recently received stock before shipping stock received at an earlier time. This method might result in having stock in inventory that was purchased in previous years. This table lists the remaining stock for two previous years plus the purchase and sales transactions for the current year (2010):

Transaction	Year	Quantity	Average Cost	Value
Stock (layer)	2008	100	10	1000
Stock (layer)	2009	200	12	2400

Transaction	Year	Quantity	Average Cost	Value
Purchases	2010	300	15	4500
Sales	2010	(250)	-	-

During 2010, stock increased by 50 units (300 units purchased minus 250 units sold). This increase forms a new layer valued at the average cost for purchases during 2010 (15). This table displays the total value of all stock on December 31, 2010:

Transaction	Year	Quantity	Average Cost	Value
Stock (layer)	2008	100	10	1000
Stock (layer)	2009	200	12	2400
Stock (layer)	2010	50	15	750
LIFO stock value on December 31, 2010	-	350	-	4150

If in 2011 the stock decreased by 100 units, the total stock available on December 31, 2011 was 250 units. Fifty of the 100 unit decrease is deducted from the 50 units in the 2009 layer, and 50 units are deducted from the 2008 layer. This table lists the stock and value on December 31, 2010:

Transaction	Year	Quantity	Average Cost	Value
Stock (layer)	2008	100	10	1000
Stock (layer)	2009	150	12	1800
LIFO stock value on December 31, 2011	-	250	-	2800

3.2 Weighted Average Cost Calculations

The weighted average cost method calculates the inventory value based on a cost that is a weighted average of the purchases for a given period.

This section discusses:

- Average cost in Inventory Management.

- Average cost in Advanced Stock Valuation.

3.2.1 Average Cost in Inventory Management

In JD Edwards EnterpriseOne Inventory Management, sales order costs depend on the current average cost, not the period average cost. The timing of a purchase also significantly affects the cost of the inventory. This table lists information for two receipts:

Receipt Date	Quantity	Price Per Item	Total Price
January 1, 2010	100	1.00 USD	100.00 USD
January 15, 2010	100	2.00 USD	200.00 USD

You calculate the effect of the purchase price on the cost of inventory for this example as follows:

The average cost per item is 1.50 USD, which you calculate using this equation:

(100 + 200)/200 = 1.50 USD

On January 15, 2010, you sell 50 items for 1.50 each, for a total sales price of 75.00 USD. The average cost per piece is 1.50 USD, which you calculate using this equation:

225/150 = 1.50

If you had made the sale before you received the second receipt, then the cost that appears on the sales order would have been different, and the entire value of the stock would also have been different.

3.2.2 Average Cost in Advanced Stock Valuation

When you use the average cost method in JD Edwards EnterpriseOne Advanced Stock Valuation, timing is not an issue. The system first calculates the average cost for all incoming receipts, without considering when the outgoing transaction occurred. Incoming transactions are the true value of the stock; they indicate what you paid for the items.

To calculate the true cost of goods sold, the system calculates all incoming transactions and bases the outgoing values on that amount.

4

Setting Up the Advanced Stock Valuation System

Before you can use the JD Edwards EnterpriseOne Advanced Stock Valuation system, you must complete certain tasks to define information that the system uses during processing. You can customize much of this information to meet the business needs of the company.

This chapter contains the following topics:

4.1 Understanding Setup Requirements for the Advanced Stock Valuation System

This table describes the various system components that you must set up for JD Edwards EnterpriseOne Advanced Stock Valuation:

System Component	Description
User-defined codes	UDCs define customized codes, such as document types and pools, that are appropriate for the business needs.
Valuation methods	Valuation methods define the attributes for all of the valuation methods that you want to use to value the stock.
Pools and items	Pools identify all of the items associated with an item pool and assign the valuation methods that you use for each item and pool.

System Component	Description
Company selection	Companies must be set up to use when you extract the valuation by company.
AAIs	AAIs define the rules for the chart of accounts and establish how the system creates automatic entries.

4.2 Understanding AAI Setup for Advanced Stock Valuation

AAIs tell the system how to create GL entries for programs that generate automatic journal entries. AAIs are the user-defined link between program functions, the chart of accounts, and financial reporting. AAIs direct transactions to the appropriate general ledger accounts.

The system already has AAIs in place. You need to ensure that these AAIs are appropriate for the business needs. You can revise existing AAIs and set up additional AAIs as needed to accommodate growth and change in the business functions and financial reporting. Follow the same setup steps to create a new AAI or to revise an existing AAI.

For JD Edwards EnterpriseOne logistics systems from Oracle, you must create AAIs for each unique combination of company, transaction, document type, and general ledger class that you will use. Each AAI identifies a specific general ledger account consisting of a business unit, an object, and a subsidiary. When the system processes a transaction, it creates accounting entries.

When setting up each AAI item, verify that a default value exists for company 00000. For each company requiring specific instructions, verify that there is a business unit or object account.

You can attach explanatory messages to any AAI. Select the memo function and enter the message. When you attach a message, a See Memo message appears next to the AAI.

See "Setting Up AAIs for General Accounting" in the *JD Edwards EnterpriseOne Applications General Accounting Implementation Guide*.

4.3 Activating Advanced Stock Valuation

This section lists a prerequisite and discusses how to activate the Advanced Stock Valuation system.

4.3.1 Prerequisite

Before you can use JD Edwards EnterpriseOne Advanced Stock Valuation with other JD Edwards EnterpriseOne systems, you must activate the JD Edwards EnterpriseOne Advanced Stock Valuation system using the Activate Stock Valuation program (P99410).

4.3.2 Forms Used to Activate Advanced Stock Valuation

Form Name	FormID	Navigation	Usage
EnterpriseOne System Control - Revisions	W99410B	Stock Valuation Setup (G3940), Activate Stock Valuation On the Work With EnterpriseOne System Control form, select the row containing the data item SY39, and click Select.	Activate the JD Edwards EnterpriseOne Advanced Stock Valuation system.

4.3.3 Activating the Advanced Stock Valuation System

Access the EnterpriseOne System Control - Revisions form.

Figure 4–1 EnterpriseOne System Control - Revisions form
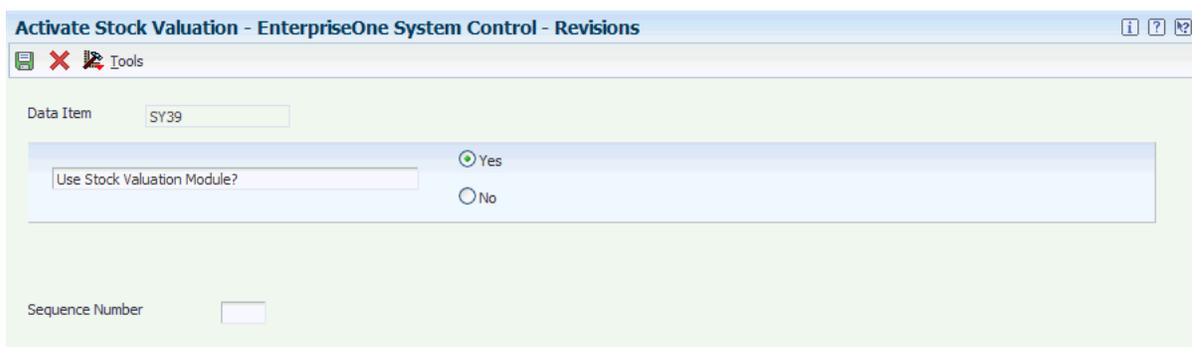
Click the Yes option, and then click OK.

4.4 Activating Dual Currency

This section provides an overview of currency requirements, lists a prerequisite, and discusses how to activate the dual currency feature.

4.4.1 Understanding Currency Requirements

As part of working with different currencies, you need to be able to convert foreign currencies to domestic currencies, revalue currencies, and restate the amount into one common currency rate. For dual currency to work in the JD Edwards EnterpriseOne Advanced Stock Valuation system, you need to verify or set the correct currency code.

4.4.2 Prerequisite

Before you complete the tasks in this section, verify that multicurrency is set up.

See "Setting Up General Accounting for Multicurrency Processing, Setting Up Multicurrency Constants" in the *JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide*.

4.4.3 Forms Used to Activate Dual Currency

Form Name	FormID	Navigation	Usage
Work with Ledger Types	W0025FQ	General Accounting System Setup (G0941), Ledger Type Master Setup	Work with ledger types.
Ledger Type Rules Setup	W0025FR	Select a ledger type on the Work with Ledger Types form and click Select.	Set up rules for a ledger type.

4.4.4 Activating the Dual Currency Feature

Access the Work with Ledger Types form.

Figure 4–2 Work with Ledger Types form
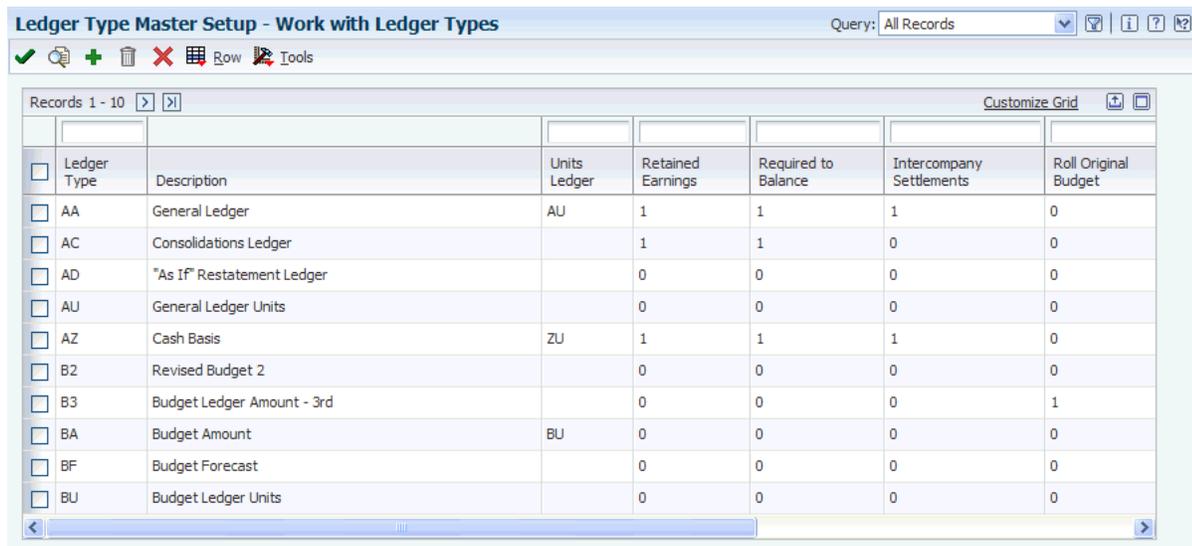
You use the Ledger Type Rules Setup form to enter the denominated currency code in this procedure.

1. Select the record for the **XA** ledger type.

2. Verify the correct code for the Currency Code field.

3. To change the currency code for XA, click Select.

4. On the Ledger Type Rules Setup form, complete the Denominated Currency Code field and click OK.

4.5 Setting Up User-Defined Codes

This section provides an overview of user-defined codes (UDCs) and discusses how to set up UDCs.

4.5.1 Understanding UDCs

You can define most standard information in UDCs. Generally, you define these codes for the business purposes. Many of these codes are set up by the system and are included when you install the system. When a UDC is referred to as hard-coded, you should not change it. Programming has been defined to work with hard-coded UDCs. If you change the UDC, the programming will not work correctly.

Each system has its own UDC types. JD Edwards EnterpriseOne Advanced Stock Valuation is system 39. It also integrates with other JD Edwards EnterpriseOne systems, such as the JD Edwards EnterpriseOne Inventory Management system. UDCs are referenced by the system number and type. Therefore, 39/OD indicates that OD (Outgoing Doc Types) is a UDC type for the JD Edwards EnterpriseOne Advanced Stock Valuation system.

This table lists the UDCs associated with stock valuation:

User-Defined Code	Description
Valuation Type (39/VA)	These UDCs include valuation types such as LIFO, FIFO, Weighted Average Cost, and Replacement/Current Cost.
Allocation by Branch or Company (39/WT)	These UDCs include options for defining valuation methods by either branch or company.
Item Category Code 05 (41/05)	These codes include all pool codes that you use to group items for valuation purposes.

4.5.1.1 Document Types

You can classify document types as incoming, outgoing, or both. Document types classified as both indicate that this type of document can represent a transaction that is either bringing stock into inventory or taking stock out of inventory. Bulk stock movements that use from and to transactions are examples of transactions that use a document type of both.

4.5.2 Form Used to Set Up UDCs

Form Name	FormID	Navigation	Usage
Work With User Defined Codes	W0004AA	Type UDC in the Fastpath.	Find and set up the stock valuation UDCs.

4.5.3 Setting Up UDCs

Access the Work With User Defined Codes form.

4.6 Specifying the Stock Valuation Processing Mode

This section provides an overview of the stock valuation processing mode and discusses how to set the processing mode.

4.6.1 Understanding the Stock Valuation Processing Mode

You can set the Processing Mode field in the Stock Valuation Constants to either **Period** or **Annual.** The mode you select determines how often the stock valuation records are processed.

When you set the processing mode to Period, the system processes stock valuation records for each accounting period as determined by the company setup and by the number of periods within a year. You then run the Stock Valuation GL Update program (R39130) at the end of each period to update the stock valuation, including posting to General Ledger (GL) accounts. The system also clears the Period Detail Work File table (F39120W) and creates the initial stock valuation record for the next period. Period mode creates a stock valuation record in the Valuation Period Table (F39061) for each period within a year.

When you set the processing mode to Annual, the Period Build program (R39120) extracts stock transactions for the entire year. You then run the Stock Valuation GL Update program (R39130) only at the end of the final period of the company's fiscal year to update the stock valuation, including posting to GL accounts.

4.6.2 Form Used to Specify the Stock Valuation Processing Mode

Form Name	FormID	Navigation	Usage
Stock Valuation Constants Revisions	W39042A	Stock Valuation Setup (G3940), Stock Valuation Constants	Set the stock valuation processing mode.
		Select a company or enter a company number and click Select on the Work With Stock Valuation Constants form.	

4.6.3 Setting the Processing Mode

Access the Stock Valuation Constants Revisions form.

Figure 4–3   Stock Valuation Constants Revisions form
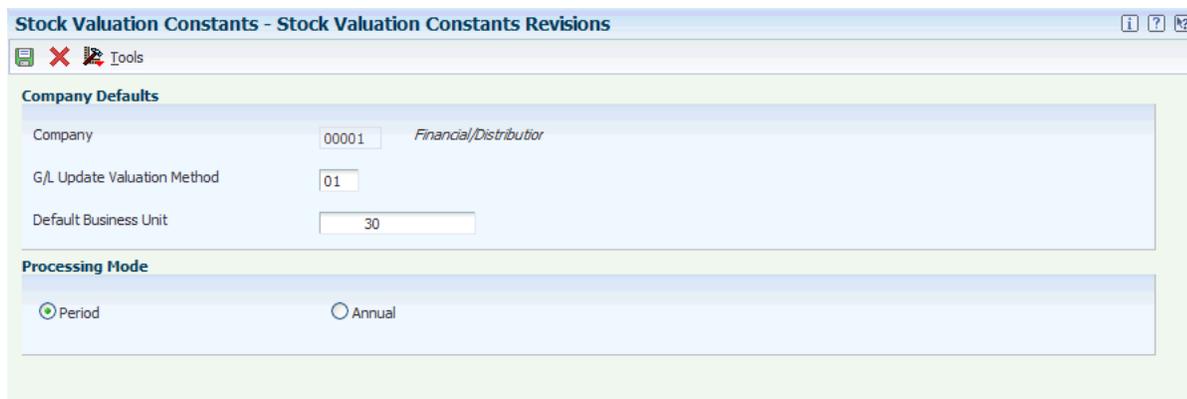
1. Select Period or Annual for the processing mode.
2. Click OK.

4.7 Defining Valuation Methods

This section provides an overview of valuation methods and discusses how to create valuation method definitions.

4.7.1 Understanding Valuation Methods

You must define the name and attributes for the primary valuation method and each of the auxiliary methods. You need to consider all of the company's valuation requirements before you can use JD Edwards EnterpriseOne Advanced Stock Valuation. These definitions tell the system how to value the stock, what to include in the valuation, and how to display and report the results.

This table describes the stock valuation methods available with JD Edwards EnterpriseOne systems:

Valuation Method	Description
Fist In, First Out (FIFO)	This method assumes that the first inventory items purchased or manufactured are the first items sold. With FIFO, the cost of the most recently acquired items are the costs associated with the ending balance.
Last In, First Out (LIFO)	This method assumes that the last inventory items purchased or manufactured are the first items sold. The system assigns the most recent inventory costs to the current period's cost of goods sold, leaving the oldest costs in the balance sheet account.
	LIFO accounting requires an understanding of inventory layers and inventory liquidation. If you receive or increase inventory from one period end to the next, a new LIFO layer is created in the system. If you have a net decrease in inventory from one period end to the next, no new layer is added to the system. However, if you have a net decrease in inventory and no new layer is added, the previous period's layer is liquidated or reduced by the amount of the decrease.
Weighted Average Cost	This method calculates the inventory on a weighted average of all the purchases.
Replacement/Current Cost	This method reflects the current value of inventory for a given period. In effect, it is the cost of replacing the inventory for a specific period. You can specify the cost that will be used during the valuation, instead of using a calculated cost.

It is not unusual for a company to need more than one method for valuating stock. For example, local governments might require a different method for financial reporting than the method that you use within the company. Tax authorities might require a different method than that used for profitability reports within a company.

With the JD Edwards EnterpriseOne Advanced Stock Valuation system, you can select one primary method of stock valuation per company to update the general ledger for standardized accounting and reporting. You can also assign auxiliary methods to use for comparison or other reporting purposes.

By selecting one of the four valuation methods in the Valuation Method Master program (P3905), you can customize both the unit cost and the negative inventory.

See Also:

- [Understanding Valuation Calculations](#).

4.7.2 Form Used to Define Valuation Methods

Form Name	FormID	Navigation	Usage
Valuation Method Master Revisions	W3905B	Stock Valuation Setup (G3940), Valuation Method Maintenance Click Add.	Define valuation methods and make revisions.

4.7.3 Creating Valuation Method Definitions

Access the Valuation Method Master Revisions form.

Figure 4–4   Valuation Method Master Revisions form

Valuation Method

Enter a two-character abbreviation for the methods that the system uses to determine the value of the company's stock for reporting and financial purposes. Examples include:

- **FI:** (FIFO)

- **F2:** (FIFO Detail by Branch)

- **LI:** (LIFO)

When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.

Neg. Inventory Bus. Function (negative inventory business function)

Enter a business function that retrieves a replacement unit cost when the Stock Valuation closing quantity is negative. A custom user-defined business function (BSFN) or the Stock Valuation BSFN can also be used.

Weighted Average

Enter a hard-coded user-defined code (system 39/type VA) indicating the type of process that the valuation method should use in stock valuation. Identify if the method is a LIFO, FIFO, or Weighted Average Cost valuation type.

Replacement Cost

Enter a hard-coded user-defined code (system 39/type VA) indicating the type of process that the valuation method should use in stock valuation. Identify if the method is a LIFO, FIFO, or Weighted Average Cost valuation type.

LIFO Adjustment

Use this adjustment to remove the effect of any accumulation or depletion at the end of a reporting period. Do not apply the LIFO adjustment for the closing period of a fiscal year. Record the adjustment against the income statement and balance sheet accounts.

The system uses this formula to determine the LIFO adjustment:

(average cost of the accumulation or depletion or the current period's average cost) * accumulation or depletion

If this valuation method is a LIFO method type and set up as the entire company method, you might want the system to calculate a LIFO adjustment. Values are:

Y or **1:** Include the LIFO adjustment calculation. This is an entire company LIFO valuation method, and the default.

N or **0:** Do not include the LIFO adjustment. This LIFO method is either layered within a branch/plant or is not an entire company valuation method.

Company

Specify how the system allocates the historical layers built by the valuation method. Values are:

1: Within company. The system creates one record per company, item or pool, valuation method, and period.

2: Within branch. The period detail contains one record per branch, item or pool, valuation method, and period.

At the end of the year, the system rolls all detail layers and period summary layers into one layer for LIFO.

Branch

Specify how the system allocates the historical layers built by the valuation method. Values are:

1: Within company. The system creates one record per company, item or pool, valuation method, and period.

2: Within branch. The period detail contains one record per branch, item or pool, valuation method, and period.

At the end of the year, the system rolls all detail layers and period summary layers into one layer for LIFO.

Detail

Enter a code that indicates whether the layers are created in detail or summary mode. Codes are:

D: Detail mode, which creates one layer per transaction.

S: Summary mode, which creates one layer per branch or company, depending on whether you specified branch or company in the Allocation by Branch/Company field.

If you select **S,** the system's processing time depends on the size of the Item Location table (F41021).

At the end of the year, the system rolls all detail layers and period summary layers into one layer.

Summary
Enter a code that indicates whether the layers are created in detail or summary mode. Codes are:

D: Detail mode, which creates one layer per transaction.

S: Summary mode, which creates one layer per branch or company, depending on whether you specified branch or company in the Allocation by Branch/Company field.

If you select **S,** the system's processing time depends on the size of the F41021 table.

At the end of the year, the system rolls all detail layers and period summary layers into one layer.

Include In-transit
Indicates whether the system should include in-transit stock in the valuation. Values are:

Y: Yes, include stock that is currently in transit to a customer in the calculation of stock value.

N: No, do not include stock that is in transit in the calculation of stock value.

For Oracle's JD Edwards EnterpriseOne product lines, a check mark indicates that the system should include in-transit stock in the valuation.

4.8 Using Pools and Items

This section provides overviews of stock valuation at the item or pool level and valuation methods, lists prerequisites, and discusses how to:

- Assign pools.

- Assign valuation methods.

- Assign unit cost.

4.8.1 Understanding Stock Valuation at the Item or Pool Level

The JD Edwards EnterpriseOne Advanced Stock Valuation system can compute the value of stock at the item level or the pool level. If you want to value stock at the item level, the system calculates the cost and value of each item. To value stock at the pool level, group items of similar products and relatively similar purchase prices, using these guidelines:

- If you define the pool's valuation method to use a summary layer, the system applies a single purchase price to all items in the pool for a period.

- If you define the pool's valuation method to provide detailed layers, the system uses each purchase as a layer to determine the pool's value.

You can value part of the stock at the item level and part of the stock in pools. The primary method of valuation (the method that the system uses to update the GL) must be the same for all items and pools within a company.

You assign pools only for items that you want to value at the pool level. If you want to value an item only at the individual item level, do not assign a pool to that item. If you

are assigning pool codes to items, you must enter the pool code at the branch/plant level for each item that you want to include in a pool.

4.8.1.1 Setup Considerations

Kit items are priced at the master item (kit) level, but costs are set up at the component level. The system maintains inventory for each component item of the kit, not the master kit number. Therefore, the master kit item has no stock valuation.

> **See Also:**
>
> - "Working With Kits" in the *JD Edwards EnterpriseOne Applications Inventory Management Implementation Guide*.

4.8.2 Understanding Valuation Methods

You must assign a valuation method to each item and pool that you want to value. The system uses this information to calculate the value of the stock. If you want to update the general ledger, you must assign only one method as the general ledger update for all items and pools. The valuation method that you use to update the general ledger is often called the primary method.

You can assign any number of auxiliary methods. The system uses the auxiliary methods to track the value of stock for comparison or reporting purposes, but does not post the auxiliary results to the general ledger.

When you use the Item Pool Valuation Maintenance (P3904) program to add an item or pool, the system verifies that it does not yet exist in this table. The system stop you from making duplicate entries for the same item or pool.

If you are using dual currency, you can specify for each valuation method within a company and item/pool whether to enable dual currency.

> **See Also:**
>
> - Understanding Dual Currency.

4.8.3 Prerequisites

Before you complete the tasks in this section:

- Set up UDCs for pools.

  See "Setting Up Multicurrency Constants" in the *JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide*.

- Set up an item during item setup.

  See "Entering Item Master Information" in the *JD Edwards EnterpriseOne Applications Inventory Management Implementation Guide*.

- Define the valuation methods.

4.8.4 Forms Used to Use Pools and Items

Form Name	FormID	Navigation	Usage
Work With Item Master Browse	W4101E	Stock Valuation Setup (G3940), Item Master Class Codes	Select a row for the assignment of default pools.

Form Name	FormID	Navigation	Usage
Category Codes	W4101B	On the Work With Item Master Browse form, select a row and select Category Codes from the Row menu.	Verify or change the item pool code.
Work With Item Branch	W41026E	Stock Valuation Setup (G3940), Branch Plant Class Codes	Assign branch/plant pools for existing items.
Work With Item Pool Valuation Maintenance	W3904A	Stock Valuation Setup (G3940), Item Pool Valuation Maintenance.	Assign valuation methods.
Item Pool Valuation Maintenance	W3904C	Click Add on the Work With Item Pool Valuation Maintenance form.	Assign valuation methods.
Work With Item Pool Cost	W3908A	Stock Valuation Setup (G3940), Item Pool Cost Maintenance	Enter values for a stable currency, and access the Item Pool Cost Maintenance form.
Item Pool Cost Maintenance	W3908B	Complete the Company field on the Work With Item Pool Cost form and click Add.	Assign unit cost.

4.8.5 Assigning Pools

This section discusses how to assign default pools for new items and assign branch/plant pools for existing items.

4.8.5.1 Assigning Default Pools for New Items

Access the Work With Item Master Browse form.

Figure 4–5   Work With Item Master Browse form
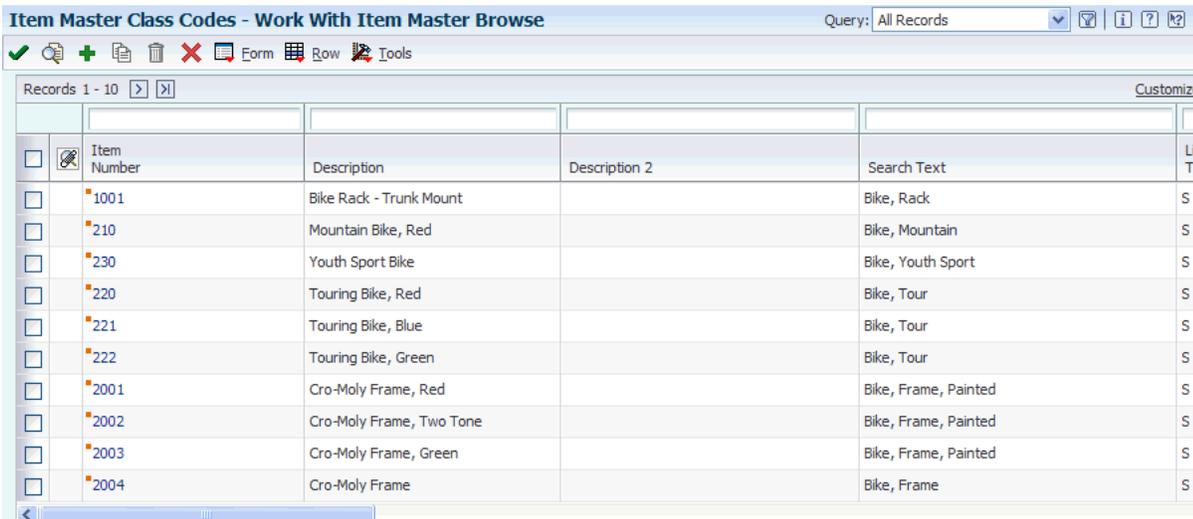
When you first set up a new item, you must assign a pool code if you want that item included in a pool for stock valuation purposes. The system automatically enters the pool code that you enter on the Category Codes form in the Item Master Class Codes program (P4101) onto the Category Codes form in the Branch Plant Class Codes program (P41026).

1. Complete the Item Number field and click Find.

2. Select the row for which you want to assign default pools, and then select Category Codes from the Row menu.

3. On Category Codes, verify or change the Item Pool Code field so that it is part of a pool.

    The item pool code (table 41/P0) represents an item property type or classification, such as commodity type, planning family, or so forth. The system uses this code to sort and process like items. This field is one of six classification categories available primarily for purchasing purposes.

4.8.5.2 Assigning Branch/Plant Pools for Existing Items

Access the Work With Item Branch form.

Figure 4–6   Work With Item Branch form

If you are assigning pool codes to items that you set up previously, you must enter the pool code at the branch/plant level for each item that you want to include in a pool.

> **Note:**   The JD Edwards EnterpriseOne Advanced Stock Valuation system uses only the information designated at the branch/plant level. You do not need to change the information in the Item Master Class Codes program (P4101) if you previously set up this item.

1. Complete the Item Number field and click Find.

2. Select the row for which you want to assign branch/plant pools, and then select Category Codes from the Row menu.

3. On the Category Codes form, verify that the information imported from the Item Master Class Codes program (P4101) is correct.

4.8.6 Assigning Valuation Methods

Access the Work With Item Pool Valuation Maintenance form.

Figure 4–7   Work With Item Pool Valuation Maintenance form

1. Complete one of these fields:

- – Item Number
- – Item Pool

2. Complete these fields:

- – Company
- – U/M
- – GL Category
- – Business Unit

3. To specify the valuation method that you want the system to use to update the general ledger, complete the GL Update VM field.

4. On a separate line for each, enter the primary and all of the auxiliary valuation methods that you want to use for this number or pool in the Valuation Method field.

5. If you use dual currency, complete the Dual Curr field.

6. Click OK.

4.8.7 Assigning Unit Cost

Access the Work With Item Pool Cost form.

> **Note:** Instead of using a calculated cost, you can specify a cost for each item and pool that you want to value stock using the replacement/current cost method. The system uses this information to calculate the value of the stock.
>
> You can maintain the replacement cost of the items and pools, as well as the specified effective dates. If multicurrency is active for the company, you can select to store the values in domestic or dual currency.

1. Complete the Company field.

2. To enter values for a stable currency, click the Dual Currency option.

3. Click Add.

4. (Optional) On Item Pool Cost Maintenance, complete one of these fields:

   – Item Number

   – Item Pool

5. Complete the Unit Cost field and the Effective Thru Date field in the detail area, and click OK.

   The unit cost is the amount per unit, derived by dividing the total cost by the unit quantity. The value in the Effective Thru Date field is the date on which the item, transaction, or table becomes inactive, or through which you want transactions to appear. This field is used generically throughout the system. It could be a lease effective date, a price or cost effective date, a currency effective date, a tax rate effective date, or whatever is appropriate.

4.9 Extracting Advanced Stock Valuation Records

This section discusses how to extract advanced stock valuation records.

4.9.1 Extracting Advanced Stock Valuation Records

Select Stock Valuation Updates (G3930), Stock Valuation Extraction to access the Available Versions form.

Use the Stock Valuation Extraction program (R39600) to retrieve data from these tables:

- Item Ledger File (F4111).

- Agreements Transaction Ledger (F38111).

- Load In-transit Ledger (F49631).

With the data from the previously listed tables, the Stock Valuation Extraction program updates these tables:

- Period Detail Work File (F39120W).

- Additional Quantity Work File (F39121W).

You can also use this program to automatically update the JD Edwards EnterpriseOne Advanced Stock Valuation tables, rather than turning on the stock valuation triggers.

Before you begin using the JD Edwards EnterpriseOne Advanced Stock Valuation system, you must run Stock Valuation Extraction program to gather information from the item transaction tables.

4.10 Purging Advanced Stock Valuation Records

This section discusses how to purge advanced stock valuation records.

4.10.1 Purging Advanced Stock Valuation Records

Select Stock Valuation Updates (G3930), Valuation File Purge to access the Available Versions form.

After Advanced Stock Valuation is complete for the selected periods, run the Purge Stock Valuation Records program (R39900) to delete last year's records from these tables:

- Valuation Period Table (F39061).
- Period Additional Quantity Table (F39063).
- Valuation Document Summary Table (F39064).

You can run this purge in final or proof mode. You can also print a report and write the purged data to historical files.

5

Running Advanced Stock Valuation Processing

This chapter contains the following topics:

- Section 5.1, "Understanding Advanced Stock Valuation Processing"
- Section 5.2, "Understanding Dual Currency"
- Section 5.3, "Prerequisite"
- Section 5.4, "Running the Period Build Program"
- Section 5.5, "Reviewing Valuation Results"
- Section 5.6, "Updating the General Ledger"

5.1 Understanding Advanced Stock Valuation Processing

The central function of JD Edwards EnterpriseOne Advanced Stock Valuation is to establish the cost of the ending inventory based on the period's activity and the previous periods' layers. The accuracy of this value relies on information from other JD Edwards EnterpriseOne systems.

The JD Edwards EnterpriseOne systems that integrate with JD Edwards EnterpriseOne Advanced Stock Valuation store all inventory activity in a central table, the F4111 table, which is also known as the Cardex. JD Edwards EnterpriseOne Advanced Stock Valuation processing enables you to:

- Extract period activity from the F4111 table.
- Build historical layers based on the activity.
- Store the activity information in a transaction table.

JD Edwards EnterpriseOne Advanced Stock Valuation provides vital information for reporting and profitability and helps the organization ensure that all stock is valued with the correct costs. JD Edwards EnterpriseOne Advanced Stock Valuation provides you with opportunities to review and analyze the results of the extraction before you update the general ledger. You can review and approve the valuation before you actually post it. With dual currency, you can value stock based on a stable currency in addition to the domestic currency.

5.2 Understanding Dual Currency

This section discusses:

- Use of dual currency

■ Dual currency accounts

5.2.1 Use of Dual Currency

Businesses operating in an inflationary market need to be able to maintain a set of books in two currencies: the local currency and a stable currency, commonly U.S. dollars. The JD Edwards EnterpriseOne Advanced Stock Valuation system enables a business to value inventory based on a valuation method, such as Last In, First Out (LIFO) or First In, First Out (FIFO). With dual currency in JD Edwards EnterpriseOne Inventory Management, a second ledger type (XA) enables a business to adjust its inventory in both the domestic currency and the stable currency.

Dual currency in JD Edwards EnterpriseOne Advanced Stock Valuation works with multicurrency accounting, which enables you to do business in multiple currencies and follow the reporting and accounting requirements of the corresponding countries. You must set up multicurrency to use dual currency in JD Edwards EnterpriseOne Advanced Stock Valuation.

> **Note:** Itemizing at the conversion rate results in a different total than if you add up all of the transactions and then multiply by the conversion rate.

5.2.2 Dual Currency Accounts

The system maintains dual currency for valuation layers by creating an additional ledger for the stable currency, using the current exchange rate to calculate the amount. The system writes a record for each currency in the JD Edwards EnterpriseOne Advanced Stock Valuation system tables. For example, when data is extracted from the Cardex, two records are written: one contains the domestic currency amounts and one contains the stable currency amounts.

See Also:

■ *JD Edwards EnterpriseOne Applications Multicurrency Processing Implementation Guide*.

■ Understanding Dual Currency.

5.3 Prerequisite

Before you complete the tasks in this section, verify that the programs that integrate with the JD Edwards EnterpriseOne Advanced Stock Valuation system are installed and set up.

5.4 Running the Period Build Program

This section provides an overview of the Period Build program, lists prerequisites, and discusses how to:

■ Run the Stock Valuation Period Build program.

■ Set processing options for Stock Valuation Period Build (R39120).

■ Run the Clear and Restart Period Build program.

■ Set processing options for Clear and Restart Period Build (R39120).

5.4.1 Understanding the Period Build Program

You can run the stock valuation process as many times as you like during each accounting period. During processing, the system builds the valuation for all assigned methods for each item and pool. When the build is complete, you can print reports to verify the completeness and accuracy of the company's stock value before you post it for the period. You can also review the valuation built for all auxiliary valuation methods that you have assigned to each item and pool.

You use the Period Build program (R39120) to build the Stock Valuation period activity tables for calculating the value of stock. Most users of the JD Edwards EnterpriseOne Advanced Stock Valuation system use two versions of the Period Build program to accomplish separate results. You can use a different version to rerun the program if you discover inaccurate information or omissions in the first version of the program that you run. If the system encounters any errors, it sends a message to the message center or includes a message on a report.

For dual currency, the program creates additional records for the stable currency for every layer of the domestic currency. If dual currency is active and the Cardex transaction is a reversal, the Period Build program uses the transaction date of the reversal to calculate the exchange rate.

This table describes the two versions of the Period Build program:

Program Version	Description
Stock Valuation Period Build	This version selects any records for the current period that were not previously processed. Use this version to extract all records since the end of the previous period and post them to the general ledger. If you approve of the data, this is the only version that you need to run.
Clear and Restart Period Build	This version clears the stock valuation tables for the period and reprocesses the entire period. Use the Clear and Restart Period Build (R39120) program to correct errors, such as omitted documents or incorrect entries.

5.4.2 Prerequisites

Before you complete the tasks in this section:

■ Verify that each item or pool has an assigned valuation method.

See Assigning Valuation Methods.

■ Verify that two versions of the Period Build program are set up.

See *JD Edwards EnterpriseOne Tools Foundation Guide*.

During period build, if an accumulation for the year exists, the program starts at the beginning of the year and allocates the accumulated quantity forward throughout the layer. If a depletion for the year exists, the program starts at the end of the layer previous to the current year and subtracts the depleted amount backward throughout the layer.

The program uses the allocations to calculate the adjustment amounts for LIFO accumulation/depletion.

5.4.3 Running the Stock Valuation Period Build Program

Access Stock Valuation Updates (G3930), Stock Valuation Period Build.

The Period Build program (R39120) extracts the transactions by document type for specific date ranges to build the valuation tables.

Use this version to extract all records since the end of the previous period and post them to the general ledger. If you approve of the data, this is the only version that you need to run.

You can set the Processing Mode field in the Stock Valuation Constants to either Period or Annual. The mode you select determines how often the Period Build program processes records.

5.4.3.1 Period Processing Mode

When you set the Processing Mode to Period, you run the Period Build program for each period within a year. The Period Build program extracts the transactions by document type to build the valuation tables. You specify the As Of date. The system creates a stock valuation record for each period of the year.

If you approve of the data, this is the only version that you need to run for a period.

5.4.3.2 Annual Processing Mode

When you set the Processing Mode to Annual, you run the Period Build program once for the entire year, up to the As Of date. The system creates only one stock valuation record for the year.

When processing in annual mode, set the processing option for Clear and Restart to **On.** When set to **On,** the application reprocesses all transactions for the current year. If you do not set this processing option to **On,** the system displays an error.

Reprocessing all transactions from the beginning of the year calculates the average unit cost and creates a new layer.

> **Note:**   Processing LIFO calculations in annual mode affects performance because every run must select all transactions belonging to the processed year. Depending on the number of transactions in the F4111 table and the F39120W table, this batch process requires a considerable amount of time to reselect all stock transactions for the current year in order to recalculate the average unit cost.

5.4.4 Setting Processing Options for Stock Valuation Period Build (R39120)

Processing options enable you to specify the default processing for programs and reports.

For programs, you can specify options such as the default values for specific transactions, whether fields appear on a form, and the version of the program that you want to run.

For reports, processing options enable you to specify the information that appears on reports. For example, you set a processing option to include the fiscal year or the number of aging days on a report.

Do not modify JD Edwards EnterpriseOne demo versions, which are identified by ZJDE or XJDE prefixes. Copy these versions or create new versions to change any values, including the version number, version title, prompting options, security, and processing options.

5.4.4.1 Select

These processing options indicate the date and type of transactions that the system uses to process the period build.

1. Enter the 'As of' Date to Execute

Specify the date that the system uses to select data when it runs the period build. The system processes the records within the period, the date of which is less than or equal to the date that you enter.

2. Clear and Restart

Specify whether the system selects all transactions that were not previously processed, or clears all previously processed transactions before choosing all transactions up to the as of date. Values are:

Blank: The system selects all transactions not previously processed.

1: Clear and restart. The system clears all previously processed transactions before selecting all transactions up to the as of date.

> **Note:** When the Processing Mode constant is set to Annual, the system automatically sets this processing option to clear and restart.

5.4.5 Running the Clear and Restart Period Build Program

This version completely clears the valuation table and runs the entire extraction again. The system does not clear any previous valuations that have been posted to the general ledger.

Access Stock Valuation Updates (G3930), Clear and Restart Period Build.

5.4.6 Setting Processing Options for Clear and Restart Period Build (R39120)

Processing options enable you to specify the default processing for programs and reports.

5.4.6.1 Select

These processing options indicate the date and type of transactions that the system uses to process the period build.

1. Enter the 'As of' Date to Execute

Specify the date that the system uses to select data when it runs the period build. The system processes the records within the period, the date of which is less than or equal to the date that you enter.

2. Clear and Restart

Specify whether the system selects all transactions that were not previously processed, or clears all previously processed transactions before choosing all transactions up to the as of date. Values are:

Blank: The system selects all transactions not previously processed.

1: Clear and restart. The system clears all previously processed transactions before selecting all transactions up to the as of date.

> **Note:** When the Processing Mode constant is set to Annual, the system automatically sets this processing option to clear and restart.

5.5 Reviewing Valuation Results

This section provides overviews of valuation information review and layers and discusses how to:

- Work with stock valuation.

- Review item or pool quantities.

- Review historical layers.

- Review methods.

- Review by document type.

- Review general ledger adjustments.

- Set processing options for Unit Cost Inquiry (P39210).

- Review unit cost inquiry.

5.5.1 Understanding Valuation Information Review

After you run any version of the Period Build program (R39120), you can use several forms to review the valuation information. You can use these forms to research any problems with the build before you run another version or accept the results of the valuation. You can review different aspects of the valuation continuously throughout the period until you post the valuation for the next period.

With most of these review options, you can review item or pool information by a specific valuation method. When it displays valuation information, the system uses one of the methods that is assigned to an item in the Item Pool Valuation Maintenance program (P3904).

> **Note:**   When you define a valuation method to include in-transit inventory or loan and borrow accommodations, the system includes these amounts in the valuation. You can use the Work With Additional Quantities form to review this information on separate detail lines from the Valuation Period Review (P39061) and Work With Stock Valuation (P39060) programs.

See Also:

- Assigning Valuation Methods.

- Defining Valuation Methods.

5.5.2 Understanding Layers

Layers are receipts of product that you enter into the system. You can review the historical layers for the ending inventory. You can select between domestic and dual currency modes.

You can identify and review the layers in one of two formats. The system displays the information in either detail or summary format, depending on how you define the valuation method:

- If you define the valuation method to use detail mode, each receipt is a layer.

- If you define the valuation method to use summary mode, each period is a layer.

  At year end, the layers for previous years are combined into one layer.

5.5.3 Forms Used to Review Valuation Results

Form Name	FormID	Navigation	Usage
Work With Stock Valuation	W39060A	Daily Operations (G3910), Stock Valuation Review	Review a summary of the valuation for any item or pool. Review a specific valuation method. Select between domestic and dual currency modes.
Work With Valuation Period Review	W39061A	Daily Operations (G3910), Valuation Period Review	Review the opening, incoming, outgoing, and period ending values of any item or pool for a specific valuation method.
Work With Valuation Layers	W39062A	Daily Operations (G3910), Valuation Layers Review	Review the historical layers for the ending inventory.
Work With Valuation Method Comparison	W39200B	Daily Operations (G3910), Valuation Method Comparison	Compare the valuation differences between two different methods.
Work With Document Summary Review	W39064A	Daily Operations (G3910), Document Summary Review	Review a summary of transactions by document type to resolve problems that might have been caused by missing or inaccurate document type information.
Work with G/L Adjustment Inquiry (work with general ledger adjustment inquiry)	W3910A	Daily Operations (G3910), General Ledger Adjustment Inquiry	View stock valuation adjustments to the general ledger with the General Ledger Adjustment Inquiry program (P3910).
Work With Unit Cost Period Inquiry	W39210A	Daily Operations (G3910), Unit Cost Inquiry	Review the average cost for current and previous periods based on valuation method.

5.5.4 Working with Stock Valuation

Access the Work With Stock Valuation form.

Figure 5–1   Work With Stock Valuation form

Company

Enter a code to identify a specific organization, fund, or other reporting entity. The company code must already exist in the F0010 table and must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions.

> **Note:**   You can use company **00000** for default values such as dates and automatic accounting instructions (AAIs). You cannot use company **00000** for transaction entries.

Valuation Method

Enter a two-character abbreviation for the methods that the system uses to determine the value of the company's stock for reporting and financial purposes.

Examples include **FI** (FIFO), **F2** (FIFO Detail by Branch), and **LI** (LIFO).

When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.

Item Number

Enter a number that the system assigns to an item. It can be in short, long, or third item number format.

Item Pool

Enter a value from UDC 41/05 that indicates a group of items that are evaluated using the same set of valuation methods. You assign the item pool to the item and then set up valuation methods for the pool using the Pool Valuation Method Maintenance program.

Business Unit

Enter an alphanumeric code that identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, branch, or plant.

You can assign a business unit to a document, entity, or person for purposes of responsibility reporting. For example, the system provides reports of open accounts

payable and accounts receivable by business unit to track equipment by responsible department.

Business unit security might prevent you from viewing information about business units for which you have no authority.

Current Period / Year
Enter a number (from **1** to **14**) that identifies the current accounting period. The system uses this number to generate error messages, such as PBCO (Posted Before Cut Off) and PACO (Posted After Cut Off).

5.5.5 Reviewing Item or Pool Quantities

Access the Work With Valuation Period Review form.

Figure 5–2   Work With Valuation Period Review form

1. Complete these fields:

   – Company

   – Valuation Method

   – Period/Year

2. Complete one of these fields:

   – Item Number

   – Item Pool

     While reviewing item or pool quantities, you can access the Work With Additional Quantities form to review stock status, accommodations, and in-transit quantities.

3. If the valuation method is allocated within all branch/plants, complete the Business Unit field and click Find.

5.5.6 Reviewing Historical Layers

Access the Work With Valuation Layers form.

Figure 5–3   Work With Valuation Layers form

Layer Depleted
Select to designate that the layer does not have any quantity left to allocate. The layer is fully depleted and will be deleted at the end of the year.

See Also:

- Defining Valuation Methods.

- Understanding Valuation Calculations.

5.5.7 Reviewing Methods

Access the Work With Valuation Method Comparison form.

Valuation Method
Enter a two-character abbreviation for the methods that the system uses to determine the value of the company's stock for reporting and financial purposes.

Examples include **FI** (FIFO), **F2** (FIFO Detail by Branch), and **LI** (LIFO).

When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.

5.5.8 Reviewing by Document Type

Access the Work With Document Summary Review form.

Figure 5–4   Work With Document Summary Review form

Transaction Type

Enter a value that specifies if the transaction type is incoming, outgoing, or both. Values are:

*: Select all transactions.

1: Select only incoming transactions.

2: Select only outgoing transactions.

3: Select only transaction types that are both incoming and outgoing.

5.5.9 Reviewing General Ledger Adjustments

Access the Work with G/L Adjustment Inquiry form.

Figure 5–5   Work with G/L Adjustment Inquiry form

G/L Date (general ledger date)
Enter a date that identifies the financial period to which the transaction will be posted. You define financial periods for a date pattern code that you assign to the company record. The system compares the date that you enter on the transaction to the fiscal date pattern assigned to the company to retrieve the appropriate fiscal period number, as well as to perform date validations.

Adjustment Type
Enter the type of adjustment that will be written to the general ledger. Values are:

1: Accumulated/Depleted Adjustment Offset.

2: Cost of Goods Sold.

3: LIFO Accumulated/Depleted Adjustment.

4: Inventory.

5.5.10 Setting Processing Options for Unit Cost Inquiry (P39210)

Processing options enable you to specify the default processing for programs and reports.

5.5.10.1 Unit Cost

Cost for Closing Inventory
Enter a value to display average unit costs. Values are:

Blank: Displays the average unit cost for incoming transactions.

1: Displays the average unit cost for closing inventory.

5.5.11 Reviewing Unit Cost Inquiry

Access the Work With Unit Cost Period Inquiry form.

Figure 5–6   Work With Unit Cost Period Inquiry form

1. Complete the Company field.

2. (Optional) Complete one of these fields and click Find:

   – Item Number

   – Item Pool

   – Business Unit

5.6 Updating the General Ledger

This section provides an overview of the Stock Valuation GL Update program and discusses how to:

■ Run the Stock Valuation GL Update program.

■ Set processing options for the Stock Valuation GL Update program (R39130).

5.6.1 Understanding the Stock Valuation GL Update Program

You run the Stock Valuation GL Update program (R39130) after you review the data from the Stock Valuation Period Build program. The R39130 program updates the general ledger for the valuation method that is defined as the general ledger update method. The program updates the general ledger based on the valuation method that you set up in the Stock Valuation Constants record for the company.

> **Note:** If the Processing Mode in the Stock Valuation Constants is set to **Period,** you can run the Stock Valuation GL Update program in proof mode at any time. You will normally run the program in final mode only at the end of each period.
>
> If the Processing Mode in the Stock Valuation Constants is set to **Annual,** you can run the Stock Valuation GL Update program in proof mode at any time to print the valuation report. When you set the processing option to final mode, the system selects data for processing only when the run date is at the end of the fiscal year.

The Period Build program calculates the amounts to be updated. The Stock Valuation GL Update program performs the update after you have reviewed the data. Additionally, records for the next period are built for the F39061 table and the F39063 table. These records contain the opening balance for the next period. For dual currency, the program writes a record to the general ledger for the stable currency.

You can run proof and final versions of the Stock Valuation GL Update program. When you run the proof version, the system does not update the general ledger. After you review the proof version, you run the final version to update the general ledger.

Before you update the general ledger, you can review and approve batches produced by the system. After you approve the general ledger updates, you can post them to the account ledger. Posting completes the valuation process and posts the actual stock value for the period end.

> **Note:** The Stock Valuation GL Update program writes accumulations and depletions to separate accounts. If the offset amount for the LIFO accumulation or depletion amount is positive, the program writes a journal entry to the Asset for LIFO AAI. If the offset is negative, the update writes a journal entry to the Liability for LIFO AAI.

See Also:

- "Posting Journal Entries" in the *JD Edwards EnterpriseOne Applications General Accounting Implementation Guide*.

5.6.2 Running the Stock Valuation GL Update Program

Access Stock Valuation Updates (G3930) menu, Stock Valuation G/L Update.

5.6.3 Setting Processing Options for the Stock Valuation GL Update Program (R39130)

Processing options enable you to specify the default processing for programs and reports.

5.6.3.1 Defaults

Although processing options are set up during implementation, you can change processing options each time you run a program.

1. Update/Proof Mode

Specify whether to run the report in proof or update mode. Values are:

Blank: Proof mode. Updates do not occur.

1: Update mode. The system creates journal entries and sets the update flag on the period detail file.

5.6.3.2 Process

Although processing options are set up during JD Edwards EnterpriseOne implementation, you can change processing options each time you run a program.

1. G/L Date (general ledger date)

Specify the date that the system uses to run the report. Values are:

Blank: Use the current date to run the report.

1: Use the GL date to run the report.

2. Document Type

Specify the document type (UDC 00/DT) that the system uses. If you leave this processing option blank, the system uses document type JE.

3. Domestic Ledger Type

Specify the domestic ledger type (UDC 09/LT) that the system uses. If you leave this processing option blank, the system uses the AA ledger type.

4. Dual Currency Ledger Type

Specify the ledger type (UDC 09/LT) that the system uses for dual currency when dual currency is activated. If you leave this processing option blank, the system uses the XA ledger type for dual currency.

5. Summarize Entries

Specify whether the system creates detailed or summarized entries by account. Values are:

Blank: Create detailed entries.

1: Summarize entries by account.

6. Version ID (version identifier)

Specify the version of the GL journal entry program that the system uses. If you leave this processing option blank, the system uses version ZJDE0001.

7. Roll Up FIFO Layers

Specify whether the system rolls up the remaining FIFO layers for year-end processing. For LIFO valuations, the system always rolls up all layers at the end of the year into a single layer for the opening balance for the next year. If you want the FIFO valuations to roll up into one layer, enter **1** in this option. Otherwise, the system does not roll up the FIFO valuations into one layer. Values are:

Blank: Do not roll up remaining FIFO layers for year-end processing.

1: Roll up remaining FIFO layers for year-end processing.

8. Do Not Create G/L Entries (do not create general ledger entries)

Specify whether the system creates GL entries when the batch is run in update mode. Values are:

Blank: Create GL entries.

1: Do not create GL entries.

5.6.3.3 Setup

Although processing options are set up during implementation, you can change processing options each time you run a program.

1. By Pass Date Edit

Specify whether the system bypasses date editing. Typically, you bypass date editing only during the initial setup of data (for example, when you load the previous year's data into a live environment). Values are:

Blank: Use date editing.

1: Bypass date editing.

6

JD Edwards EnterpriseOne Advanced Stock Valuation Reports

This chapter contains the following topics:

- Section 6.1, "JD Edwards EnterpriseOne Advanced Stock Valuation Reports: A to Z"
- Section 6.2, "JD Edwards EnterpriseOne Advanced Stock Valuation: Selected Reports"

6.1 JD Edwards EnterpriseOne Advanced Stock Valuation Reports: A to Z

This table lists the JD Edwards EnterpriseOne Advanced Stock Valuation Reports, sorted alphanumerically by report ID.

Report ID and Report Name	Description	Navigation
R39220 Annual Layered Fiscal Report	Use this report as often as necessary to calculate the stock value you use for forecasting.	Access Batch Versions by typing **BV** in the Fastpath. On Available Versions, enter **R39220** in the Batch Application field and click Find. Select a version of the Annual Layered Fiscal Report (R39220) and select Processing Options from the row menu.
R39400 Stock Valuation Detail Report	Use this report to display First In, First Out (FIFO), Last In, First Out (LIFO), weighted average cost, or replacement cost valuation methods in detail by item and pool. For each item and pool, this report displays the openings, incomings, outgoings, and closings for the year to date or for the current period. This report also displays the GL Update methods.	Select Stock Valuation Reports menu (G3920), Stock Valuation Detail Report.
R39500 Stock Valuation Summary Report	Use this report to display a summary of stock valuation information by valuation method for each item and pool.	Select Stock Valuation Reports (G3920), Stock Valuation Summary Report.

Report ID and Report Name	Description	Navigation
R39510 General Ledger Update Summary Report	Use this report to display a summary of the stock valuation information that will be updated to the general ledger.	Select Stock Valuation Reports (G3920), General Ledger Update Summary Report.
R39540 Unit Cost Period Report	Provides the average cost of each item or pool for selected periods, based on valuation method.	Select Stock Valuation Reports (G3920), Unit Cost Period Report.

6.2 JD Edwards EnterpriseOne Advanced Stock Valuation: Selected Reports

This section provides detailed information, including processing options, for individual reports. The reports are listed alphanumerically by report ID.

6.2.1 R39220 - Annual Layered Fiscal Report

This report uses the average unit cost unless you set the processing option to override the average unit cost with a substitute cost. Before you override the average unit cost, you must complete these fields in the Item Pool Valuation Cost Master (F3908) table:

- Enter the substitute cost in the Unit Cost field.

- Enter the last day of the fiscal year in the Effective Thru Date field.

The R39220 program also uses data from the F3908 table when you use the Replacement Cost method to determine stock value. If you override the average unit cost with a substitute cost, you cannot use the Replacement Cost method.

You can run the Annual Layered Fiscal report as often as necessary to calculate the stock value you use for forecasting.

The Annual Layered Fiscal report contains:

- Valuation method.

- Currency code.

- Company.

- Item or item pool number and description.

- Quantity, average purchasing unit cost, and monetary amount by year for each business unit.

- Total quantity and monetary amount for each business unit.

- Total quantity and monetary amount for the company.

6.2.2 Processing Options for the Annual Layered Fiscal Report (R39220)

Processing options enable you to specify the default processing for programs and reports.

6.2.2.1 Process

These processing options specify the date and the cost method that the system uses for processing stock valuation records.

1. G/L Date (general ledger date)

Specify the general ledger date that the system uses as the closing date. The general ledger date must equal the Thru Date from the Item Pool Valuation Cost Master table (F3908) to ensure that the system uses normal costs when processing the current year. If you leave this processing option blank, the system uses the current date.

2. Normal Cost

Specify whether to override the average unit cost with the normal cost when processing the report. Values are:

Blank: Average unit cost.

1: Normal cost.

You must set up the normal cost in the Item Pool Valuation Cost Master table (F3908) with the thru date equal to the end date of the fiscal year. The general ledger date from the G/L Date processing option must equal the thru date in the F3908 table in order for the system to use the normal cost when processing the current year.

6.2.3 Processing Options for the Stock Valuation Detail Report (R39400)

Processing options enable you to specify the default processing for programs and reports.

6.2.3.1 Print Report

These processing options specify the information that appears on the Stock Valuation Detail Report when it is printed.

1. G/L Update valuation method (general ledger update valuation method)

Specify whether to print the report using valuation methods. Values are:

Blank: Prints the report using all valuation methods.

1: Prints the report using the GL update valuation method for each item pool.

2. Period incoming and outgoing for LIFO

Specify whether to omit or include the period incoming and outgoing quantities along with the amount on the LIFO report. Values are:

Blank: Omits the period incoming and outgoing quantities along with the amount from the report.

1: Prints the period incoming and outgoing quantities on the report along with the year to date quantities and amounts for LIFO valuation methods.

3. Dual currency amounts

Specify whether to omit or include dual currency amounts on the report. Values are:

Blank: Omits the dual currency amounts on the report.

1: Includes the dual currency amounts on the report.

6.2.4 Processing Options for the Stock Valuation Summary Report (R39500)

Processing options enable you to specify the default processing for programs and reports.

6.2.4.1 Dual Currency

This processing option specifies the dual currency amount used in the Stock Valuation Summary Report.

Dual Currency Amount
Specify whether to omit or include the dual currency amounts on the report. Values are:

Blank: Omits the dual currency amounts on the report.

1: Includes the dual currency amounts on the report.

6.2.5 Processing Options for the General Ledger Update Summary Report (R39510)

Processing options enable you to specify the default processing for programs and reports.

6.2.5.1 G/L Update Sum

This processing option specifies the dual currency amount that the system uses for processing the general ledger update.

Dual Currency Amount
Specify whether to omit or include dual currency amounts on the report. Values are:

Blank: Omit the dual currency amounts from the report.

1: Include the dual currency amounts on the report.

6.2.6 R39540 - Unit Cost Period Report

After you run the Period Build program (R39120), you can generate a report to verify the accuracy and completeness of the valuation. The Unit Cost Period Report program (R39540) provides the average cost of each item or pool for selected periods, based on valuation method. You can specify in a processing option whether to display domestic or dual currency.

6.2.7 Processing Options for Unit Cost Period Report (R39540)

Processing options enable you to specify the default processing for programs and reports.

6.2.7.1 Process

These processing options specify how to process the Unit Cost Period Report.

1. Enter the Fiscal Period
Specify the Fiscal Period to display on the report.

If you leave this option blank, the system displays the current fiscal period for the company.

2. Enter the Fiscal Year
Specify the fiscal year of the first period to display on the report.

If you leave this option blank, the system displays the current fiscal period for the company.

3. Cost for Closing Inventory
Displays average unit costs for the closing period on the report. Values are:

Blank: Displays the average unit cost for incoming transactions.

1: Displays the average unit cost for closing inventory.

4. Dual Currency Amounts
Specify whether to omit or include the dual currency amounts on the report. Values are:

Blank: Omits the dual currency amounts from the report.

1: Includes the dual currency amounts on the report.

Glossary

FIFO

A hard coded user-defined code (UDC) (system 39/type VA) indicating the type of process that the valuation method should use in stock valuation. Identify if the method is a LIFO, FIFO, or Weighted Average Cost valuation type.

LIFO

A hard coded user-defined code (system 39/type VA) indicating the type of process that the valuation method should use in stock valuation. Identify if the method is a LIFO, FIFO, or Weighted Average Cost valuation type.

Valuation Method

A two character abbreviation for the methods that the system uses to determine the value of the company's stock for reporting and financial purposes.

Examples include **FI** (FIFO), **F2** (FIFO Detail by Branch), and **LI** (LIFO).

When you run the Stock Valuation Extraction program, the system updates the Stock Valuation Detail tables for the assigned valuation methods.

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