



## Item Charges Overview

### **Purpose of this document**

Item Charges functionality allows food banks to associate additional costs that are incurred, such as freight, processing, or storage, to specific items when purchasing product or receiving purchased or donated product. These additional costs along with the original cost are known as landed cost and are included in the value of the inventory or are expensed. They can be associated with a different Vendor than the product Vendor or Donor.

This document illustrates how to associate additional costs incurred in the handling of donated or purchased product.

*Ceres Object release 5.00.00 is required for the functionality described in this document.*

# Table of Contents

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ITEM CHARGE ASSIGNMENT .....	3
ITEM CHARGE SETUP .....	3
PROCESSING INVOICES WITH ITEM CHARGES .....	4
REVIEWING THE VALUE ENTRIES .....	9
RELATED TOPICS.....	10

## Item Charge Assignment

Item Charges can be assigned based on:

- Purchase / Donation Receipt Lines
- Purchase / Donation Return Receipt Lines
- Transfer Receipt Lines
- Agency Shipment Lines
- Agency Return Shipment Lines

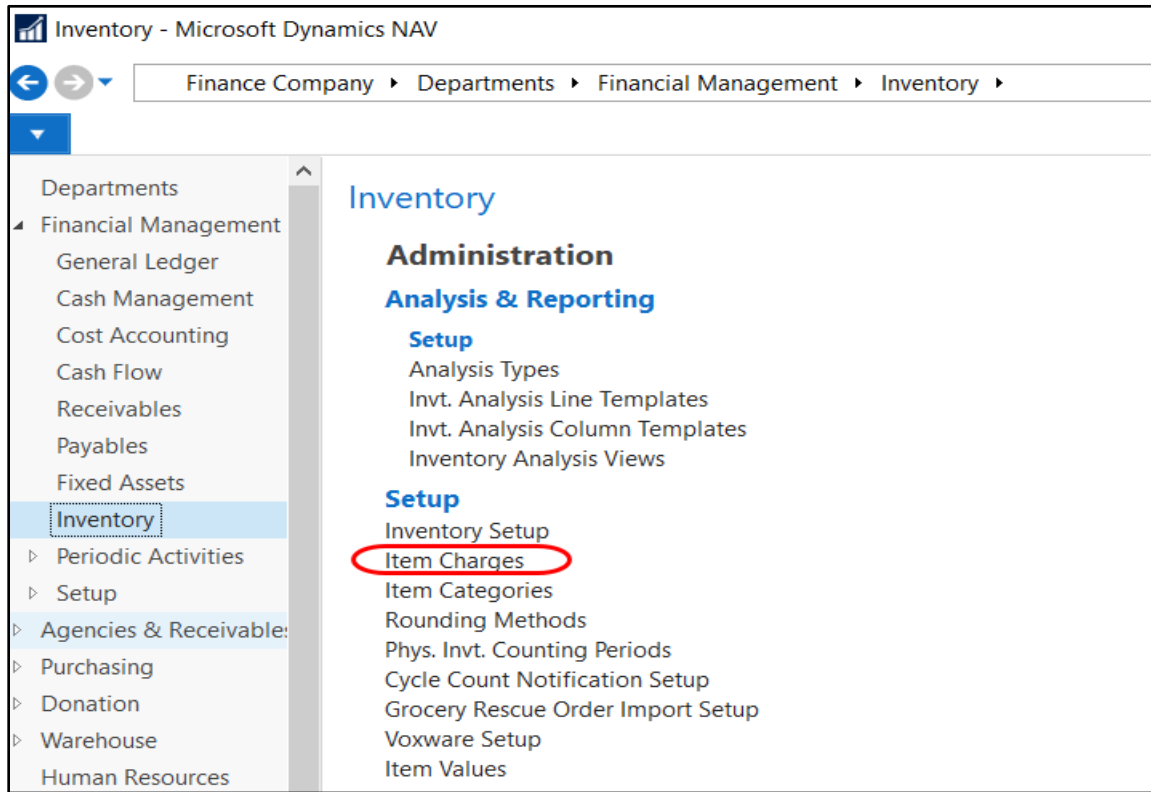
Whether the Item Charge cost is capitalized (included in the value of inventory) or expensed is based on how the Item Charge is assigned.

**Receipt Lines** - Cost is capitalized and included in the value of the inventory.

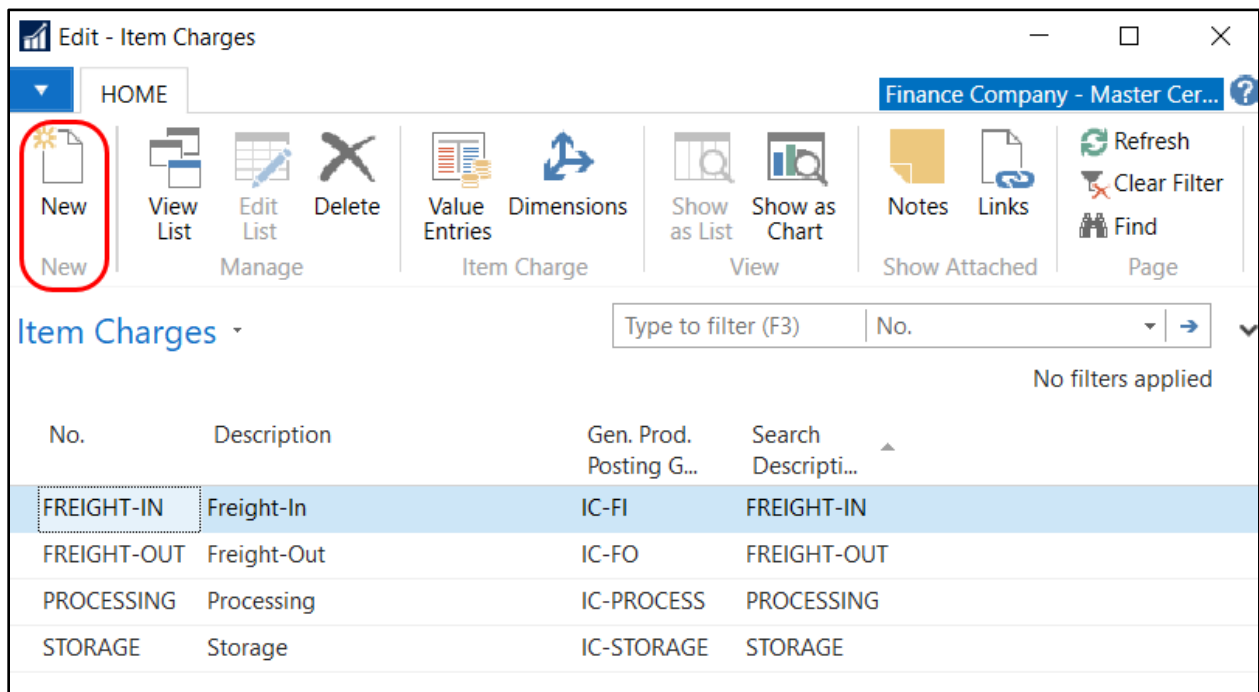
**Agency Shipment Lines** - Cost is expensed.

## Item Charge Setup

1. The setup of Item Charges starts with defining Item Charge Codes. Item Charges can be accessed from Departments → Financial Management → Inventory → Administration → Setup → Item Charges



- To create a new Item Charge select New from the Home Tab of the Ribbon.



- Input values in the following fields.

**No. :** Unique identifier for the new Item Charge.

**Description:** A brief description of the Item Charge.

**Gen. Product Posting Group:** This field is mandatory and determines which Accounts are used to post dollar transactions to the General Ledger. In the above example, new Gen Product Posting Groups starting with IC were created specifically for Item Charges.

**Search Description:** Enter an alternative description that can be used for searching. The Search Description will automatically default to the Description but can be overridden.

## Processing Invoices with Item Charges

Item Charges can be entered and processed from a purchase order or a purchase invoice for charges, such as freight-in, processing, storage, or from an agency order for freight-out. In the below example a Purchase Invoice is used to process Item Charges

- Create a new Purchase Invoice; select the Vendor No., etc. Refer to the Creating & Processing Purchase Invoices for more detailed information.
- Move to the lines of the Purchase Invoice. In the Type field select Charge (Item).

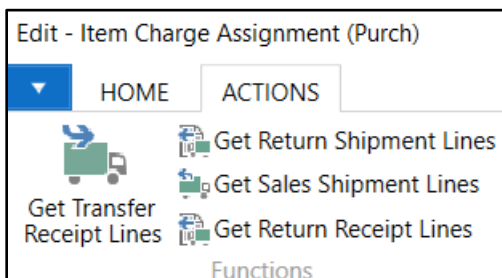
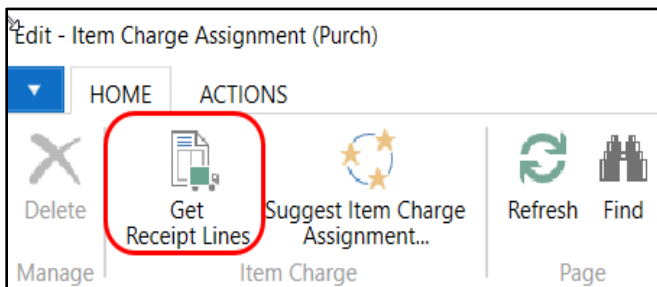
3. In the No. field, type in the Item Charge Number or use the lookup to select from the List.
4. In the Quantity field enter the quantity, and in the Direct Unit Cost field the amount of the invoice.

Type	No.	Description/Comment	Quantity	Direct Unit Cost Excl. Tax	Line Amount Excl. Tax	Fund No.	Department Code	Project Code
Charge (Item)	STORAGE	Storage	1	3,000.00	3,000.00	UR	4000	

5. To assign the Item Charge click on the Line Button, and then select Related Information → Item Charge Assignment.

Lines	
Line	Find Filter Clear Filter
Functions	Description/Comment Quantity
Item Availability by	
Related Information	<ul style="list-style-type: none"> <li>Dimensions Ctrl+Shift+D</li> <li>Comments</li> <li>Item Charge Assignment</li> <li>Qualifiers</li> <li>Deferral Schedule</li> </ul>

6. From the Item Charge Assignment Page, select Receipt Lines from the Home Tab of the Ribbon. For other options, click on the Actions Tab of the Ribbon and select which Get..... option you want to copy the Lines from. In this example, Get Receipts Lines was selected.



- From the Receipt Lines List, scroll down and select the Lines you would like to copy by highlighting them. You can select as many lines as you would like.

Purch. Receipt Lines

HOME

Finance Company - Master Ceres 50 Testing Databas...

Show Document Dimensions Item Tracking Lines Show as List Show as Chart Notes Links Refresh Clear Filter Find

Purch. Receipt Lines

Type to filter (F3) Document No.

Show results:

Where Document No. is Enter a value.

And Posting Date is 01/01/19..07/25/19

+ Add Filter

Document No.	Buy-from Vendor No.	Type	No.	Description	Location Code	Bin Code	Pallet No.	Lot No.	Quantity	Unit of Measure
PO-00305-1R	V000004	Item	10018	Chocolate Sryup	KAN	01-101-B	1305-04838	LOT-04048	100	Case
	V000004	Item	10018	Chocolate Sryup	KAN	01-101-B	1305-04839	LOT-04048	100	Case
	V000004	Item	10018	Chocolate Sryup	KAN	01-101-B	1305-04840	LOT-04048	100	Case
	V000004	Item	10018	Chocolate Sryup	KAN	01-101-B	1305-04841	LOT-04048	100	Case
	V000004	Item	10018	Chocolate Sryup	KAN	01-101-B	1305-04842	LOT-04048	100	Case
PO-00305-2R	V000004	Item	10019	Coffee	KAN	01-103-D	1305-04843	LOT-04049	100	Case
	V000004	Item	10019	Coffee	KAN	01-103-D	1305-04844	LOT-04049	100	Case
	V000004	Item	10019	Coffee	KAN	01-103-D	1305-04845	LOT-04049	100	Case
	V000004	Item	10019	Coffee	KAN	01-103-D	1305-04846	LOT-04049	100	Case
	V000004	Item	10019	Coffee	KAN	01-103-D	1305-04847	LOT-04049	100	Case
PO-00306-1R	V000004	Item	10040	Napkins	KAN	01-101-A	1305-04848	LOT-04050	50	Case
PO-00307-1R	V000004	Item	10040	Napkins	KAN	01-101-A	1305-04859	LOT-04052	50	Case
PO-00311-1R	V000004	Item	10040	Napkins	KAN	01-101-A	1305-04865	LOT-04058	50	Case
PO-00312-1R	V000004	Item	FACOST2B	100094 Chicken in Water Ca...	KAN	01-100-A	1305-04866	LOT-04060	100	Case

OK Cancel

- Click OK to copy Receipt Lines to the Item Charge Assignment Page. You can add lines by rerunning the Item Charge Assignment Action or you delete lines by selecting Home → Delete.

Edit - Item Charge Assignment (Purch)

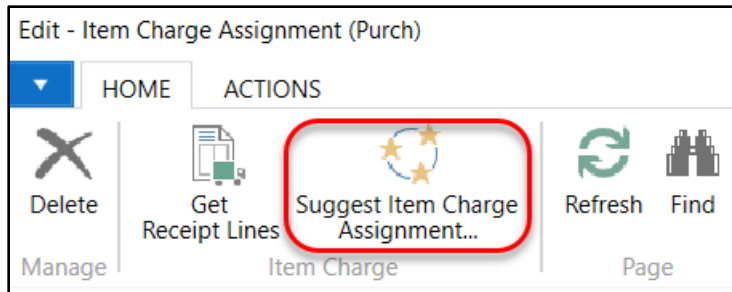
HOME ACTIONS

Delete Get Receipt Lines Suggest Item Charge Assignment... Refresh Find

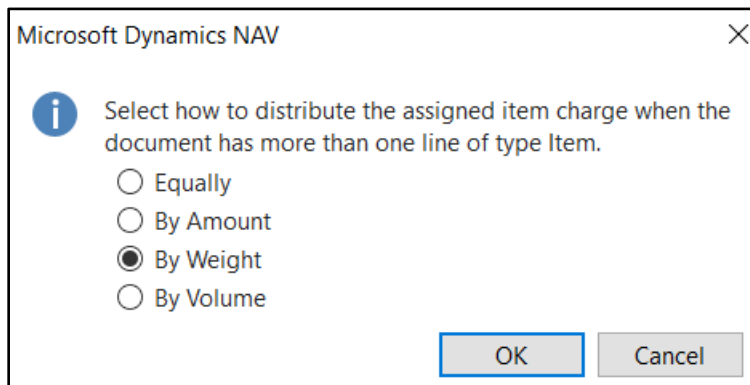
Manage Item Charge Page

Applies... Doc. Type	Applie... Doc. No.	Applie... Doc. Line No.	Item No.	Description	Qty. to Assign	Qty. Assigned	Amount to Assign	Gross Weight
Receipt	PO-00305-1R	10000	10018	Chocolate Sryup			0.00	1,800
Receipt	PO-00305-1R	12000	10018	Chocolate Sryup			0.00	1,800
Receipt	PO-00305-1R	14000	10018	Chocolate Sryup			0.00	1,800
Receipt	PO-00305-1R	16000	10018	Chocolate Sryup			0.00	1,800
Receipt	PO-00305-1R	18000	10018	Chocolate Sryup			0.00	1,800
Receipt	PO-00305-2R	20000	10019	Coffee			0.00	1,200
Receipt	PO-00305-2R	30000	10019	Coffee			0.00	1,200
Receipt	PO-00305-2R	40000	10019	Coffee			0.00	1,200
Receipt	PO-00305-2R	50000	10019	Coffee			0.00	1,200
Receipt	PO-00305-2R	60000	10019	Coffee			0.00	1,200

9. To allocate an amount to each line, select Suggest Item Charge Assignment for the Home Tab of the Ribbon..



10. A Dialog Box will display where you can choose the method would like to allocate the amount by. The options are:



**Equally** - The Line Amount will be allocated equally across all lines.

**By Amount** – The Line Amount will be prorated based on the amount associated with each receipt or shipment line.

**By Weight** – The Line Amount will be prorated based on the gross weight associated with each receipt or shipment line.

**By Volume** – The Line Amount will be prorated based on the volume associated with each receipt or shipment line.

- Click the OK button to allocate the Purchase Invoice Line Amount. In this example, 60% or \$1,800 was allocated to Item 10018 and 40% or \$1,200 was allocated to Item 10019.

Edit - Item Charge Assignment (Purch)

HOME ACTIONS Finance Company - Master Ceres 50 Testing Database - eso...

Delete Get Receipt Lines Suggest Item Charge Assignment... Refresh Find

Applies...	Applie...	Applie...	Item No.	Description	Qty. to Assign	Qty. Assigned	Amount to Assign	Gross Weight	Unit Volume	Qty. to Receive (Base)	Qty. Received (Base)
Doc. Type	Doc. No.	Doc. Line No.									
Receipt	PO-00305-1R	10000	10018	Chocolate Sryup	0.12		360.00	1,800			100
Receipt	PO-00305-1R	12000	10018	Chocolate Sryup	0.12		360.00	1,800			100
Receipt	PO-00305-1R	14000	10018	Chocolate Sryup	0.12		360.00	1,800			100
Receipt	PO-00305-1R	16000	10018	Chocolate Sryup	0.12		360.00	1,800			100
Receipt	PO-00305-1R	18000	10018	Chocolate Sryup	0.12		360.00	1,800			100
Receipt	PO-00305-2R	20000	10019	Coffee	0.08		240.00	1,200			100
Receipt	PO-00305-2R	30000	10019	Coffee	0.08		240.00	1,200			100
Receipt	PO-00305-2R	40000	10019	Coffee	0.08		240.00	1,200			100
Receipt	PO-00305-2R	50000	10019	Coffee	0.08		240.00	1,200			100
Receipt	PO-00305-2R	60000	10019	Coffee	0.08		240.00	1,200			100

- Click the OK button to return to the Purchase Invoice. Once the Purchase Invoice Line Amount has been allocated, the Qty to Assign is updated automatically.

Lines

Line Find Filter Clear Filter

Type	No.	Description/Comment	Quantity	Direct Unit Cost Excl. Tax	Line Amount Excl. Tax	Qty. to Assign	Fund No.
Charge (Item)	STORAGE	Storage	1	3,000.00	3,000.00	1	JR

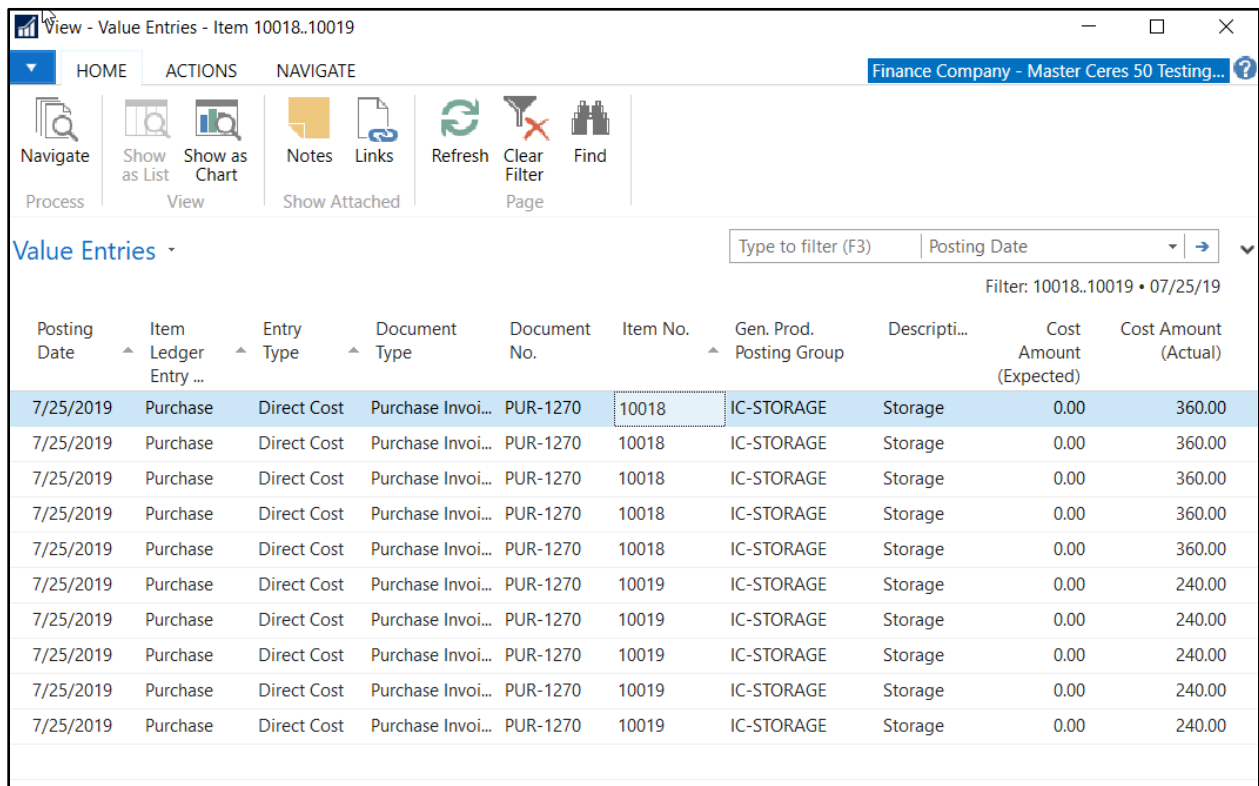
- Finish processing the Purchase Invoice and then post it.



## Reviewing the Value Entries

The Item Value Entries were updated when the transaction was posted. One way to view the entries is to Navigate from the Posted Purchase Invoice.

1. From the Posted Purchase Invoice, select Navigate from the Home Tab of the Ribbon. From the Edit – Navigate Page select Value Entry and then Show to display the Value Entries
2. As a result, \$3,000 of storage was added to the overall cost (Value Entries) to Items 10018 and 10019.



Value Entries										
Posting Date	Item Ledger Entry ...	Entry Type	Document Type	Document No.	Item No.	Gen. Prod. Posting Group	Descripti...	Cost Amount (Expected)	Cost Amount (Actual)	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10018	IC-STORAGE	Storage	0.00	360.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10018	IC-STORAGE	Storage	0.00	360.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10018	IC-STORAGE	Storage	0.00	360.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10018	IC-STORAGE	Storage	0.00	360.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10018	IC-STORAGE	Storage	0.00	360.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10019	IC-STORAGE	Storage	0.00	240.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10019	IC-STORAGE	Storage	0.00	240.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10019	IC-STORAGE	Storage	0.00	240.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10019	IC-STORAGE	Storage	0.00	240.00	
7/25/2019	Purchase	Direct Cost	Purchase Invoi...	PUR-1270	10019	IC-STORAGE	Storage	0.00	240.00	

3. This same cost is reflected in the inventory value when you run the Inventory Valuation Report.  
Note that \$1,800 of freight costs were added to the value of Item 10018 and \$1,200 to Item 10019.

Inventory Valuation						
Ceres 5.0 Testing						
Quantities and Values As Of 07/25/19						
Item: No.: 10018..10019						
No.	Description	Base Unit of Measure	Costing Method	Remaining Quantity	Unit Cost	Inventory Value
10018	Chocolate Sryup	CASE	FIFO	5,964.00	28.62	170,689.68
10019	Coffee	CASE	FIFO	5,541.00	2.31	12,800.00
Total Inventory Value						183,489.68

## Related Topics

1. Purchase Invoice Overview
2. Purchase Order Overview
3. Purchase Credit Memo Overview
4. Purchase Return Order Overview