

Posting Notes for Manufactured Inventory

Last Modified on 01/14/2022 3:32 pm CST

Save of the Manufactured Blend

- **Inventory Detail** – A record is made for the finished product and each raw material to leave an audit trail of inventory activity.
- **Inventory Amount on Hand** – This amount is updated for the products involved. The finished product's quantity is increased and each raw material's quantity is decreased.
- **Finished Product Cost** – The blended product's *Average* and *Last Costs* are updated based on the cost of the raw materials.

General Ledger

General Journal Entry	Debits	Credits
Total cost of all raw materials	Cost of Sales for finished product	
Each raw material cost		Cost of Sales for each raw material product

If using *Transactional Inventory* valuation, the following information is included in the journal entry:

General Journal Entry	Debits	Credits
Total cost of all raw materials	Inventory Asset for finished product	
Each raw material cost		Inventory Asset for each raw material product

- **Reverse** – A new entry is made that is opposite of the original. All corresponding posting occurs.