

# Post Inventory to G/L with Unprocessed Purchase Receipts

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I have posted inventory to g/l including the 'Post Unprocessed Purchase Receipts' function more than once in this fiscal month. Now my financial reports are incorrect. My related COGS account(s) has/have been inflated. How can I correct?

- The *Post Inventory to G/L* function creates journal entries to post the value of inventory to the inventory asset general ledger account for each inventory department.

When you include the value of unprocessed purchases, this creates 2 additional journal entries for each department with unprocessed purchases. One journal entry posts the value of the unprocessed purchases for the department into the designated location key account AP Estimated (credit), offsetting to the inventory asset account (debit). The other journal entry is a future journal entry that is a reversal of the first journal entry for unprocessed purchases (debit AP Estimated, credit Inventory asset).

If this option is chosen twice in a one month, the subsequent postings result in inflated entries to the COGS account. The corrective active for this depends on whether the month is ended or not. The two cases are listed below.

## Case #1 - Month has not been ended yet

To correct any posting done more than once, you will need to delete all related future journal entries. Then reverse all of the current month journal entries for unprocessed purchases. This will be journal entries made to the AP Estimated account. Be careful NOT to reverse any journal entries that are made from previous month future journal entries.

Following this procedure will completely reverse all entries for the month. If you wish to the have unprocessed purchases posted to general ledger, you will need to post again at *Post Inventory to G/L*.

## Case #2 - Month has been ended

To correct the double posting, you will need to reverse the second posting of unprocessed purchase receipt reversals in the current month. Because the 2nd Post Inventory to GL included the value of the previously posted unprocessed purchase receipts in the inventory asset account, the purchase/cost of goods sold account would have been inflated by this purchase receipt value. To correct, a manual journal entry will need to be entered in the prior month (debit - AP Estimated and credit - Purchase/Cost of Goods Sold (per department)) for the value of the first posting of the unprocessed purchase receipts.