Manufactured Formula

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Edit a Product at *File / Open / Product* and choose **Manufactured Formula**.

Overview

Standard blends that are either stockpiled or custom blended for resale should be set up with a recipe in the *Manufactured Formula* window. All raw materials used, as well as the finished product, must exist as inventory items. The blends are then made, depending on how the Manufactured Formula is set up to be used, by adding a **Manufactured Inventory Entry** or by invoicing the finished Product item in Accounting.

- **Quantity Produced by One Batch** – Indicate the size of one batch in inventory units. Often, if blending in pounds, this will be 2000. When creating this formula, make as many batches as needed.
- **Affect Inventory at Billing** – Check this option if the product is mixed as needed. If stockpiling the product, do not check this box.
    - **Blend at Invoicing** – If the Product is blended as it is sold and the manufactured Product is marked to *Affect Inventory at Billing*, the Invoice initiates the Blend. In this scenario, the finished good generally has a zero Amount on Hand (the quantity that gets produced is immediately sold). Saving the Invoice manufactures the Product and sells it all in one transaction.
    - **Blend to Stockpile** – If a stockpile of this Product is kept, then the *Affect Inventory at Billing* option should not be selected when setting up the manufactured formula. When a batch needs to be made for the stockpile, create a **Manufactured Inventory Entry** and indicate the quantity produced along with any notes. The corresponding quantities for the raw materials display. Using this method, the Product for the finished good has the quantity increased while the quantities for the raw materials are decreased.
- **Split Out when Printing** – Select the types of documents that should show the individual ingredients and

their weight instead of the total formula on the printed documents.

- **Product / Amount Grid** – Enter up to ten inventory items by double-clicking on the *Product* column to display the *Select Products* window. In the *Amount* column for each product, enter the amount of the product in inventory units for the recipe.

Raw material units need not match the units for the finished product. However, if mixed units are used or a container is used in the finished product mix to show cost more appropriately, a warning displays when saving that says *Total of raw materials is not equal to quantity produced*. If this warning displays and the formula setup is correct, select **OK** and save; the raw material inventory will be in accordance with the formula set up.

Process

Establish a formula to turn raw products into a finished product. This is used in conjunction with Manufacture Inventory.

1. Add the finished good as a product at *Accounting / File / Open / Products* and select **Save**.
2. Edit the product added. On the *Product Information* window, select **Manufactured Formula**.
3. On the *Manufactured Formula* window, enter the quantity of the new product produced in one batch.
4. Double-click the *Product* column heading to select the raw products used to make the new product. Enter the amount of each raw product. The total of the product amounts should equal the quantity produced by one batch.

   Note: If the total quantity of the raw materials does not equal the quantity produced by one batch, a message will display upon saving. If the formula is correct, select **OK** to save the entry.
5. When the *Affect Inventory at Billing* option is selected, the Manufacture Inventory step happens automatically when the Invoice is prepared. The inventory of the raw materials is adjusted out and the inventory of the finished product is adjusted in then invoiced out. If left unchecked, the inventory is affected when the *Manufacture Inventory* step is done.

   Note: If the product is created as it is sold, select the *Affect Inventory at Billing* option. If the product is produced for stockpiling in inventory, leave the option unchecked.
6. **Save** the formula.

Change Formula on Manufactured Product

To change the raw materials on a manufactured product that is set to affect inventory at billing time, it is recommended to add a brand new product and include the new formula.

Using this method affects inventory correctly if any Invoice that used the original manufactured product is later voided or reversed. If invoicing against the original manufactured product and changing the formula and voiding or reversing the Invoice, the raw materials inventory will be affected by the quantities set in the new formula, not by the quantities from the original formula.