

Merchandise Inventory Report

Last Modified on 04/01/2025 11:17 am CDT

The Merchandise Inventory Report values merchandise based on the setup of the Grain Ledger Account. The inventory value can be calculated from the current inventory or a percentage of the cost of sales. Do not run Post Inventory to GL if using the Merchandise Inventory Report to value the merchandise inventory. Also, if an inventory adjustment is created in Accounting; do not make an entry in the general ledger.

When the Merchandise Inventory Report is posted, journal entries are made to the purchase and inventory accounts that are established on the grain ledger accounts. These entries are reversed out next month (the program automatically creates future journal entries). The beginning of month balance on the asset account should always be the beginning of year balance.

Merchandise Inventory Section

Account	Beg of Year		Purchases		Current Inv.		Cost of Sales		Sales	
	Units	Value	Units	Value	Actual Units	Value	%	Amount	Units	Value
ANIMAL HEA	0.00	8000.00	0.00	1815.41	0.00	0.00		9815.41	283.00	2777.17

Values/Units/Amounts can be found on the *Merchandise* tab at *Setup / Grain Ledger Accounts*.

Beg of Year

- **Units** – *Beginning of Year Units* on the Grain Ledger Account
- **Value** – *Beginning of Year Value* on the Grain Ledger Account

Purchases

- **Units** – YTD quantity total for the Purchases account set up on the Grain Ledger Account
- **Value** – YTD amount for the Purchases account set up on the Grain Ledger Account

Current Inv

- **Actual Units** – *Current Period Units* on the Grain Ledger Account
- **Value** – *Current Period Value* on the Grain Ledger Account. If the Current Period Value is blank, it is calculated as follows:

$$\text{Beginning of Year Value} + \text{Purchases Value} - \text{Cost of Sales Amount}$$

Cost of Sales

- **%** – *Cost of Sales %* on the Grain Ledger Account
- **Amount** – *Beginning of Year Value + Purchases Value - Current Inventory Value*

Note: If *Current Inventory Value* is blank, it is calculated as follows:

*Sales Value³ * Cost of Sales Percent*

Sales

- **Units** – YTD quantity total for the Sales account set up on the Grain Ledger Account
- **3Value** – YTD amount for the Sales account set up on the Grain Ledger Account

GL Adjusting Entries

GL Adjusting Entries

Account	Description	Debit Dollars	Credit Dollars
42201P	Cost of Sales Adjustment	8,000.00	
1080.1	ANIMAL HEALTH - Cost Adj		8,000.00

- **Cost of Sales Adjustment** – A debit to the Purchases account set up on the Grain Ledger Account.
Cost of Sales Amount - Purchases Value
- **Cost Adj** – A credit to the Inventory account set up on the Grain Ledger Account.
Cost of Sales Amount - Purchases Value