



# Long Business Systems, Inc. (LBSi)

## **Management Software Solutions**

We help businesses manage for success

**Cleveland – Columbus – Cincinnati - Pittsburgh**

THE BEST-RUN BUSINESSES RUN SAP



# Freight & Landed Cost

Presented by: Vicki Smith



Methods for distributing freight, insurance, customs and other costs to your product.

## Agenda:

- ❖ Managing Freight in Documents
- ❖ Managing freight added to AP Invoices
- ❖ Setup for using Landed Costs
- ❖ Process purchase for landed cost product
- ❖ Creating Landed Cost Documents



# Managing Freight in Documents



- ❑ SAP will automatically distribute freight costs across your inventory when “Managing Freight in Documents”

*Go To: Administration > System Initialization > Document Settings*

Display Rounding Remark  
 Use Warehouse Address  
 Manage Freight in Documents  
 Block documents with earlier Posting Date  
 Allow Future Posting Date  
 Use Document Exchange Rate When Copying to Target Document

Freight - Setup

*Go to: Administration > Setup > General > Freight*

#	Name	Revenue Account	Expense Account	Distribution Method	Drawing Method	Stock	Last Purchase Price
1	Freight	⇒ 41400000-01-001-01	⇒ 65500000-01-001-01	Row Total	Total	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2	Handling	⇒ 41400000-01-001-01	⇒ 65500000-01-001-01	Row Total	Total	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3	Insurance	⇒ 41400000-01-001-01	⇒ 65500000-01-001-01	Row Total	Total	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4				None	Total	<input type="checkbox"/>	<input type="checkbox"/>

- **Note: Process is applicable to inventory that is managed by Moving Average or FIFO valuation methods**

# Managing freight in AP Invoices



- ❑ Create Purchase Order
- ❑ Add Goods Receipt PO
- ❑ Process AP Invoice
- ❑ Add freight costs in Addl Costs
- ❑ Cost is distributed to items

A/P Invoice

Vendor: V10000  
Name: Acme Associates  
Contact Person: Sarah Kierl  
Vendor Ref. No.:  
Local Currency:

No. Primary: 94  
Status: Open  
Posting Date: 03/19/13  
Due Date: 04/18/13  
Document Date: 03/19/13

Contents | Logistics | Accounting | Attachments

#	Item No.	Item Description	Quantity	UoM	Unit Price	Total (LC)	Whse	Tax...
1	A00004	HP Color Laser Jet 5	10	EA	\$ 500.00	\$ 5,000.00	01	NY

es Chan  
n, James

Total Before Discount: \$ 5,000.00  
Discount: %  
Total Down Payment:  
Addl Costs: \$ 100.00  
Rounding:  
Tax:  
Total Payment Due: \$ 5,100.00  
Applied Amount:  
Balance Due: \$ 5,100.00

OK Cancel Copy From Copy To

Freight Charges

Do Not Display Freight Charges with Zero Amount

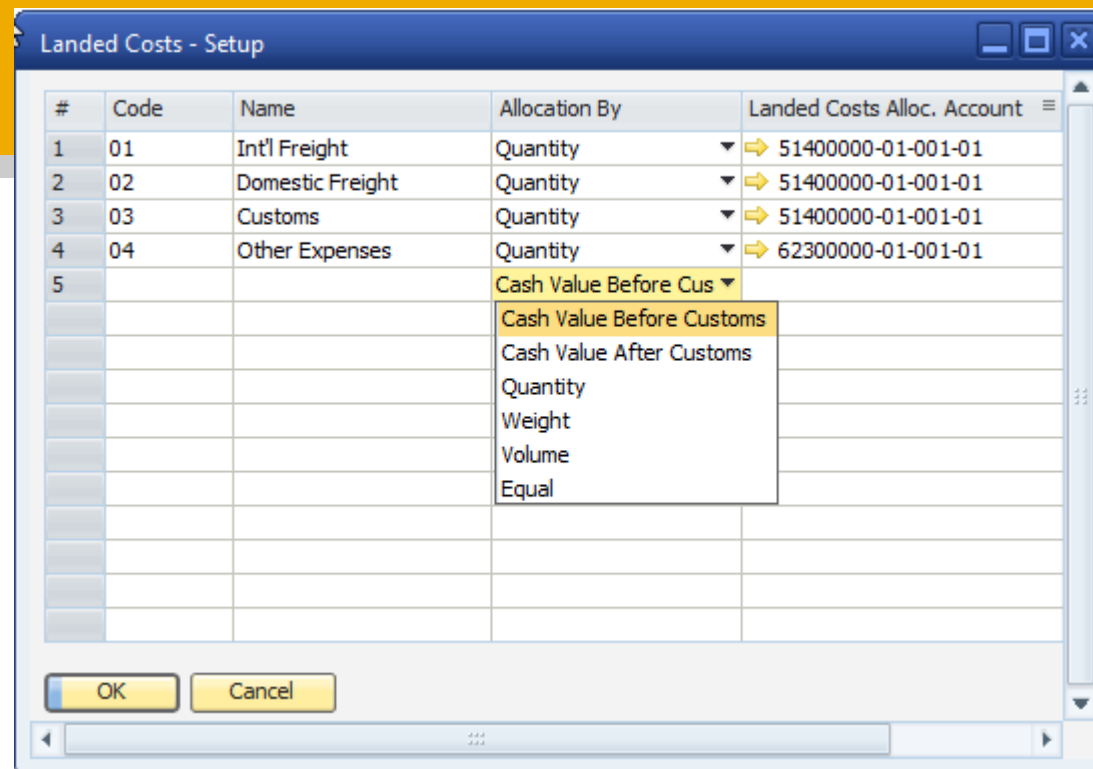
#	Freight Name	Remarks	Amount	Distrib. Method	Tax Code	Total Tax Amount	Status
1	Freight		\$ 100.00	Row Total	NY	\$ 0.00	O

\$ 100.00

OK Cancel

# Setup for using Landed Costs

- ❑ Go to: Administration > Setup > Purchasing > Landed Costs
- ❑ Define GL account mapping for Landed Cost transactions
- ❑ Define distribution method for allocating costs



#	Code	Name	Allocation By	Landed Costs Alloc. Account
1	01	Int'l Freight	Quantity	51400000-01-001-01
2	02	Domestic Freight	Quantity	51400000-01-001-01
3	03	Customs	Quantity	51400000-01-001-01
4	04	Other Expenses	Quantity	62300000-01-001-01
5			Cash Value Before Cus	
			Cash Value Before Customs	
			Cash Value After Customs	
			Quantity	
			Weight	
			Volume	
			Equal	

- ❑ Note: If using to allocate customs expenses also setup in Setup > Inventory > Customs Group window

# Authorizations for Landed Costs



Go to: Administration > System Initialization > Authorizations > General Authorizations

Subject	Authorization
▶ General	Full Authorization
▶ Customization Tools	Full Authorization
▶ Administration	Full Authorization
▶ Financials	Full Authorization
▶ Sales Opportunities	Full Authorization
▶ Sales - A/R	Various Authorizations
▼ Purchasing - A/P	Full Authorization
Purchase Quotation	No Authorization
▶ Purchase Order	Full Authorization
Goods Receipt PO	Full Authorization
Goods Return	Full Authorization
A/P Down Payment Invoice	Full Authorization
A/P Invoice	Full Authorization
A/P Credit Memo	Full Authorization
A/P Reserve Invoice	Full Authorization
Landed Costs	Full Authorization
Procurement Confirmation Wizard	No Authorization
Purchase Quotation Generation Wizard	No Authorization
Change Tax Amount Distribution	Full Authorization
▶ Purchasing Reports	Full Authorization
Tax Only	No Authorization
Modify Posted A/P Documents	Full Authorization
▶ Business Partners	Full Authorization
▶ Banking	Various Authorizations

- Note: Users need a Professional, Limited CRM or Limited Financial license to process Landed Cost transactions



# Landed Cost Process



- ❑ Create Purchase Order
- ❑ Add Goods Receipt PO
  - This step is mandatory when using Landed Costs
  - Goods Receipt PO document is basis for Landed Cost process
  - It is important that item prices and quantities are correct
- ❑ Process AP Invoice
  - Create AP Invoice as soon as you receive Vendor's invoice via normal process
  - You can create the Landed Cost document before AP invoice is processed
- ❑ Create a Landed Costs document
  - Typically done after receiving invoices from Freight or Shipping Brokers

# Creating Landed Cost Documents



- ❑ Go to: *Purchasing – A/P > Landed Costs*
- ❑ Select vendor items purchased from
- ❑ Use “Copy From” to select applicable Goods Receipt PO document(s)

Landed Costs

Vendor → V10000 | Acme Associates

Broker

\$

Number: 1  
Series: Primary  
Posting Date: 03/19/13  
Due Date: 03/19/13  
Reference  
File No.

Items | Costs | Vendors | Details | General

#	Item No.	Qty	Base Doc. Price	Base Doc...	Expendi...	Alloc. Co...	Whse Price	Total	Total Costs	Warehouse E...
1	→ A00004	10	\$ 500.00	\$ 5,000.00	\$ 0.00	\$ 0.00	\$ 500.00	\$ 5,000.00	\$ 0.00	→ 01

Projected Customs: \$ 0.00  
Actual Customs: \$ 0.00  
 Customs Affects Inventory

Remarks: Based On Goods Receipt PO 91,

Total Freight Charges: \$ 0.00  
Amount to Balance: \$ 0.00  
Before Tax: \$ 5,000.00  
Tax 1: \$ 0.00  
Tax 2: \$ 0.00  
Total: \$ 5,000.00

Add | Cancel | Copy From





# Creating Landed Cost Docs – cont..



- Enter costs on the Cost Tab

Landed Costs

Vendor: V10000 Acme Associates  
Broker:   
\$

Number: 1  
Series: Primary  
Posting Date: 03/19/13  
Due Date: 03/19/13  
Reference: 2569863  
File No.:

Items Costs Vendors Details General

Fixed Costs Variable Costs

#	Landed Costs	Allocation By	Amount	Factor	Include for Customs
1	Int'l Freight	Quantity	\$ 500.00	10.000	<input type="checkbox"/>
2	Domestic Freight	Quantity	\$ 0.00	0.000	<input type="checkbox"/>
3	Customs	Quantity	\$ 0.00	0.000	<input type="checkbox"/>
4	Other Expenses	Quantity	\$ 0.00	0.000	<input type="checkbox"/>
			\$ 500.00	10.000	

Recalculate  
Clear Table  
New Landed Costs  
Add Cancel Copy From



# Creating Landed Cost Docs – cont..



- ❑ Review Whse price and make any needed adjustments
- ❑ Add the document

Landed Costs

Vendor: V10000 Acme Associates  
Broker:   
Number: 1  
Series: Primary  
Posting Date: 03/19/13  
Due Date: 03/19/13  
Reference: 2569863  
File No.:

#	Item No.	Qty	Base Doc. Price	Base Doc...	Expenditure	Alloc. Costs Val.	Whse Price	Total	Total Costs	Warehouse
1	A00004	10	\$ 500.00	\$ 5,000.00	\$ 50.00	\$ 500.00	\$ 550.00	\$ 5,500.00	\$ 500.00	01

Projected Customs: \$ 0.00  
Actual Customs: \$ 0.00  
Total Freight Charges: \$ 500.00  
Amount to Balance: \$ 0.00  
Before Tax: \$ 5,500.00  
Tax 1: \$ 0.00  
Tax 2: \$ 0.00  
Total: \$ 5,500.00

Customs Affects Inventory

Remarks: Based On Goods Receipt PO 91,

Add Cancel Copy From

# Landed Cost GL Transaction



- Recorded on General Ledger as "IF" transaction

**Journal Entry**

Series	Number	Posting Date	Due Date	Doc. Date	Remarks	
Primary	1320	03/19/13	03/19/13	03/19/13	Landed Costs 1	
Origin	Origin No.	Trans. No.	Template Type	Template	Indicator	Project
IF	1	1320				
Trans. Code	Ref. 1	Ref. 2	Ref. 3			
	1					

Expand Editing Mode

#	G/L Acct/BP Code	G/L Acct/BP Name	Debit	Credit	Remarks
1	13400000-01-001-01	Inventory - Finished Goods (HO, USA, GA )	\$ 500.00		
2	51400000-01-001-01	COGS - Freight (HO, USA, GA )		\$ 500.00	

**Inventory Posting List**

Posting Date	Document	Whse	G/L Acct/BP Code					
A00004				HP Color Laser Jet 5				50
03/19/13	SO 45	01	13400000-01-001-01	Inventory - Finished Goods (HO, USA, GA )	-30	EA	\$ 500.00	20
03/19/13	PD 88	01	V10000	Acme Associates	10	EA	\$ 500.00	30
03/19/13	PU 94	01	V10000	Acme Associates		EA	\$ 510.00	30
03/19/13	PU 95	01	V10000	Acme Associates	10	EA	\$ 510.00	40
03/19/13	PD 89	01	V10000	Acme Associates	10	EA	\$ 500.00	50
03/19/13	IN 214	01	C40000	Earthshaker Corporation	-5	EA	\$ 625.00	45
03/19/13	PU 96	01	V10000	Acme Associates		EA	\$ 510.00	45
03/19/13	SO 46	01	13400000-01-001-01	Inventory - Finished Goods (HO, USA, GA )	-25	EA	\$ 510.00	20
03/19/13	PD 90	01	V10000	Acme Associates	10	EA	\$ 500.00	30
03/19/13	SO 47	01	13400000-01-001-01	Inventory - Finished Goods (HO, USA, GA )	-9	EA	\$ 510.00	21
03/19/13	PU 97	01	V10000	Acme Associates		EA	\$ 510.00	21
03/19/13	PD 91	01	V10000	Acme Associates	10	EA	\$ 500.00	31
03/19/13	PU 98	01	V10000	Acme Associates		EA	\$ 500.00	31
03/19/13	IF 1	01	V10000	Acme Associates		EA	\$ 550.00	31





**Thank you for taking time to participate in the SAP Business One User Group Meeting.**

**Please take a few minutes to respond to our survey and provide us with feedback and suggestions going forward.**

- We are always looking for new clients to work with. And we would like to find more clients and partners like you – companies that are engaged, smart, and focused on their future.
- Can you help us out by referring LBSi to someone who could benefit from our services?





## Next Meetings:

- Tuesday, Apr. 16, 2013
  - Procurement Confirmation Wizard
- Tuesday, May 14, 2013
  - What's new in 9.0



# Tip of the Day:



## How To Update Item Description in Marketing Document Rows

- Click in the description field on the row.
- Enter the updated description for the item.
- Ctrl +Tab (hold the control key down and click on tab) to exit the description field.
- Updated description is now recorded in the field.



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Cleveland – Columbus – Cincinnati – Pittsburgh

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