Overview

The Eclipse Vendor Consigned Inventory program allows the consignment of inventory between a vendor and a distributor, where the vendor retains the ownership of the inventory, but stores the material at the distributor site, as shown in Figure 1361.

Figure 1361: Vendor Consignment Relationship

A consignment agreement between the vendor and the distributor establishes the acceptable inventory levels. The distributor tracks and records inventory usage and reports to the vendor, who initiates billings as the distributor depletes the inventory. The system also allows for consignment inventory returns from the distributor to the vendor.

Before You Begin

Before you begin using Vendor Consigned Inventory, you will need to assign authorization keys, establish general ledger accounts and auto-postings, and identify consignment vendors.

Authorization Keys

Access to the Vendor Consigned Inventory program requires the assignment of the following authorization keys. For a detailed description of these keys, please refer to the Eclipse Authorization Keys document.
POE.CENTER.ENVIRONMENT

Users possessing this authorization key can create vendor consignment transfer orders. There are no levels associated with this key. This causes an associated prompt to appear in Purchase Order Entry for those vendors flagged as consignment vendors.

General Ledger

Before you can use vendor consignment inventory, you need to assign each vendor consignment inventory G/L account to its corresponding type of charge in the G/L Autoposting screen. Please refer to the Eclipse “G/L Maintenance” documentation for details on setting up G/L accounts and autopostings.

G/L Accounts

Create four G/L accounts like the ones shown in Table 5.

Table 5: Sample G/L Accounts for Consignments

<table>
<thead>
<tr>
<th>G/L Account</th>
<th>Balance or Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consigned Inventory</td>
<td>Balance Sheet</td>
</tr>
<tr>
<td>Unbilled Consignment A/P *</td>
<td>Balance Sheet</td>
</tr>
<tr>
<td>Consignment Purchases - Default</td>
<td>Income Statement</td>
</tr>
<tr>
<td>Clear Consignment P/O to Inventory</td>
<td>Income Statement</td>
</tr>
</tbody>
</table>

* allow A/P Adjustment

G/L Autopostings

Assign a G/L account to the Autoposting Items. Table 6 shows the items and corresponding G/L accounts from the example in Table 5 (your G/L account names might be different).

Table 6: Sample G/L Account Autoposting Assignments

<table>
<thead>
<tr>
<th>Autoposting Item</th>
<th>G/L Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Consignment to Inventory</td>
<td>Clear Csgnt Purch to Inventory</td>
</tr>
<tr>
<td>Consignment Inventory</td>
<td>Consigned Inventory</td>
</tr>
<tr>
<td>Unbilled Consignment</td>
<td>Unbilled Csgnt A/P</td>
</tr>
<tr>
<td>Default Consign Purchases</td>
<td>Consignment Purchases - Default</td>
</tr>
</tbody>
</table>
Vendor Maintenance

To enable a valid Ship-From vendor account (not a Pay-To vendor account) to use Vendor Consigned Inventory, enter Y in the Consignment Inventory (Y/N) field on the Additional Vendor Data screen (F1-Files / Vendor / Add’l) shown in Figure 1362.

![Additional Vendor Data Screen](image)

**Figure 1362:** Additional Vendor Data Screen

**Note:** Vendor consignment purchases are handled through vendor Ship-From accounts; not vendor Pay-To only accounts.

Using Vendor Consigned Inventory

You create a vendor consignment purchase order for a vendor to transfer inventory to your location. Create vendor consignment purchase orders from the Purchase Order Entry screen in the same way as you create regular purchase orders, after designating that the order is a consignment shipment.

When creating a new order in Purchase Order Entry for a vendor consignment inventory vendor, Eclipse checks for the presence of the POE.CONSIGNMENT.ALLOWED authorization key. If you have the authorization key, the system prompts “Is This a Consignment PO?” This allows you to create either a vendor consignment purchase order or a non-consignment (“regular”) purchase order.

When you answer “Yes,” the order entry Body screen denotes that a purchase order is for a vendor consignment shipment, as shown in Figure 1363.

![Vendor Consignment Purchase Order](image)

**Figure 1363:** Starting a Vendor Consignment Purchase Order
Creating a Consignment Purchase Order

Add quantities and products to the purchase order, as you would normally in purchase order entry.

Vendor consignments differ from normal vendor transactions in the following ways:

**G/L Postings**

When you receive material on a vendor consignment purchase order, Eclipse tracks the value of the vendor consignment inventory separately from your regular stock inventory. The examples below illustrate the postings of credits and debits to the General Ledger for a vendor consignment purchase order.

**Figure 1364** shows the purchase order.

![Figure 1364: Entering Products on a Vendor Consignment Purchase Order](image)

When you examine the credits and debits to the G/L accounts, you will see the following activity on the balance sheet shown in **Figure 1365** upon receipt of the vendor consignment inventory.

Consignments have no affect on the value of your total inventory.

![Figure 1365: Example Balance Sheet Account Postings](image)

An unbilled consignment inventory account offsets the consignment inventory account.

<table>
<thead>
<tr>
<th>Consigned Inventory</th>
<th>$ 11,844.14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Receipt</td>
<td></td>
</tr>
<tr>
<td>Unbilled Consignment A/P</td>
<td>$ 11,844.14</td>
</tr>
<tr>
<td>Contra-asset</td>
<td></td>
</tr>
</tbody>
</table>
And you will see the following activity on the income statement shown in Figure 1366.

**Figure 1366:** Example Income Statement Account Postings

**A/P Entry**

Vendor consignment purchase orders do not appear in A/P Entry because you do not reconcile the purchase order against vendor billings. Instead, you pay the vendor based on usage. You report your usage to the vendor, who in turn issues an invoice for the appropriate amount. In A/P, the amount is posted to Unbilled Consignment Inventory (“Unbilled Csgn A/P”) using the GL Distribution option, thereby reducing your consignment liability.

**Figure 1367:** Posting a Vendor Invoice Amount to Unbilled Consignment Inventory

**Inventory History Ledger**

As shown in the Inventory History Ledger in Figure 1368, the system records this product as being on Vendor Consignment (“VCnsgn”).

**Figure 1368:** Checking Inventory Levels for Consignment Purchases
For shipments from consignment vendors only, the VCnsgn entry in the Inventory History Ledger distinguishes the vendor consignment shipment from non-consignment vendor shipments.

- Use the Show hot key on the Inventory History Ledger screen to display available sales types. Select Purchases, and choose VendCnsgn to view only vendor consignment transactions.

**Product Location Maintenance**

Vendor consignment inventory affects Product Location Maintenance in the following manner. Please note the difference between vendor consignment inventory record types and non-consignment vendor inventory record types:

**Vendor Consignment Inventory Record Type and Location**

As shown in Figure 1369, vendor consignment inventory uses the S or “Stock” type (Typ column) product location record with a vendor name in the Tag ID column.

**Non-Consignment Inventory Record Type and Location**

By contrast, non-consignment vendor inventory uses the S or “Stock” type (Typ column) product location record with a blank in the Tag ID column, and a location status (LocStat column) of “P” for Primary or “S” for Secondary.

**Figure 1369:** Product Location Maintenance Screen

**Figure 1370:** Product Location Maintenance Screen
Regular Stock Receipt

To further understand how vendor consignment inventory differs from non-consignment vendor inventory, compare the above inventory movements with the same product purchased as regular stock from the same vendor (by specifying that this is a non-consignment purchase order):

**Figure 1371:** Entering Products on a Non-Consignment (Regular) Purchase Order

If you examine the credits and debits to the G/L accounts, you would see the following activity on a balance sheet upon receipt of the regular vendor purchase order.

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory</td>
<td>$2,368.83</td>
</tr>
<tr>
<td>Unbilled Accounts Payable</td>
<td>$2,368.83</td>
</tr>
</tbody>
</table>

**Figure 1372:** Example Balance Sheet Account Postings

And you would see the following activity on an income statement.

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases</td>
<td>$2,368.83</td>
</tr>
<tr>
<td>Clear Purchases to Inventory</td>
<td>$2,368.83</td>
</tr>
</tbody>
</table>

**Figure 1373:** Example Income Statement Account Postings
As indicated in the Inventory History Ledger, the system records this product as being a regular stock receipt.

![Inventory History Ledger](image)

**Figure 1374:** Checking Inventory Levels for Regular Vendor Purchases

In Product Location Maintenance, the system indicates that the material is tagged to regular stock (no Tag ID assigned).

![Product Location Maintenance](image)

**Figure 1375:** Checking Inventory Location for Regular Vendor Purchases

### Selling Both Stock and Consignment Inventory

When you sell an item that is both a stock item and a vendor consignment item, Eclipse depletes regular stock before depleting the vendor consignment inventory.

Using the example thus far, suppose you have thirteen (13) of Product #55195 (the 206HNS-TEI2 Burnham (NS) Gas Boiler); 10 on vendor consignment, and 3 from regular stock. On the sales order shown in **Figure 1376**, a customer purchases 11 of the product in question.

![Example Sales Order](image)

**Figure 1376:** Example Sales Order
If you examine the current credits and debits to the G/L accounts, as shown in Figure 1377, you will see that Eclipse depletes regular inventory before vendor consignment inventory.

<table>
<thead>
<tr>
<th>Inventory</th>
<th>Consigned Inventory</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 3,553.24</td>
<td>$ 3,553.24</td>
</tr>
<tr>
<td>$ 11,844.14</td>
<td>$ 9,475.31</td>
</tr>
</tbody>
</table>

**Figure 1377:** Example Balance Sheet Account Postings

You will also see in Figure 1378 that the total amount of regular inventory and vendor consignment inventory sold is balanced by the cost of goods sold from the Showroom. Finally, the Showroom sales amount is balanced with the accounts receivable.

<table>
<thead>
<tr>
<th>Showroom Sales COGS</th>
<th>Showroom Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 13,028.55</td>
<td>$ 14,982.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accounts Receivable</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 14,982.00</td>
</tr>
</tbody>
</table>

**Figure 1378:** Example Income Statement Account Postings

The system records the sale on the Inventory History Ledger.

In Product Location Maintenance, as shown in Figure 1379, the system records the inventory movement.

**Figure 1379:** Product Location Maintenance

**Returning Vendor Consignment Inventory**

To return vendor consignment inventory that you have not yet sold and reported to your vendor as such, create a negative quantity consignment purchase order for the consignment inventory vendor, similar to a normal stock return to a vendor, using the Purchase Order Entry screen (F6-Purch/Purchase Order Entry).

Returns for sales of consigned inventory already reported to the vendor should be treated as a normal stock return.
Inventory History Ledger

The Inventory History Ledger screen shows a vendor consignment return as a reversed vendor consignment inventory movement: for the purchase order in question, the VCnsgn type indicates inventory going out to the vendor.

Product Location Maintenance

The Product Location Maintenance screen shows a vendor consignment return by reducing the on-hand stock quantity that is tagged to the consignment vendor.

Returning Both Vendor Consignment and Regular Stock

If you return more than the on-hand quantity associated with a consignment vendor, the system decreases vendor consignment inventory until it is zero, and then decreases the main stock inventory.

Inventory History Ledger

The Inventory History Ledger screen shows a combination vendor consignment and stock return as a vendor consignment inventory return and a regular stock return for the same transaction on two separate lines.

Product Location Maintenance

The Product Location Maintenance screen shows a combination vendor consignment and stock return by reducing the on-hand stock quantity tagged to the consignment vendor to zero, and by reducing regular stock inventory by the balance of the return.

Running Reports for Consignments

There are three Eclipse reports related to consignments:

- “Inventory Valuation Report” on page 2561
- “Product Sales Report” on page 2562
- “Product Purchases Report” on page 2563
Inventory Valuation Report

Use the Inventory Valuation report (F6-Purch/Reports.../Inventory Valuation) for basic reporting with vendor consignment inventory. The Inventory Valuation report screen shown in Figure 1380 lets you generate a report in either summary or detailed fashion that will display the value of the products in a price line, a series of price lines, or all price lines within one or more branches.

![Inventory Valuation Screen](image)

**Figure 1380:** Inventory Valuation Screen

### Running the Inventory Valuation Report

Select whether to include, exclude or only run the report for Vendor Consignment Inventory. If set to “only” the **Consignment Customer/Vendor** field will search for the specified consignment vendor only.

Select whether to include, exclude or only run the report for Customer Consignment Inventory. If set to “only” the **Consignment Customer/Vendor** field will search for the specified consignment customer only.

<table>
<thead>
<tr>
<th><strong>Field</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Date</strong></td>
<td>Date of the report.</td>
</tr>
<tr>
<td><strong>Price Line</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Sort by Line</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Show Serial Numbers</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Vend Consignment</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Cust Consignment</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The **Consignment Customer/Vendor** field is active only if either the **Vend Consignment** field or the **Cust Consignment** field is set to “only.”

You can only run the Inventory Valuation report for Ship-To and Ship-From entities; vendor consignment inventory does not affect Bill-To Only and Pay-To Only entities.

For a detailed description of fields and hot keys on this screen, please refer to the “Inventory Valuation Report” in the Eclipse “Purchasing Reports” document.

### Summary, Detail, or Summary By Product

The Summary version of the report displays information by individual price line with a break after each price line, followed by grand totals for all selected price lines.
The Detail version of the report displays information on a line item basis for each selected price line. The row of information for each item is with respect to the specified branch near the right side of the report. The line item information is followed by a summary for the price line and a break before the information for the next price line. Following the detailed line information are grand totals for all selected price lines.

The Summary By Product version of the report provides the total on-hand (for each type of on-hand quantity: Stock, Tag, Review, Defective, Overshipment, Display), and the extended value for each product on the report.

The report heading displays the start and end dates for the report, whether nonstocks are included, the branches, how the inventory is valued, and the as of date for the valuation.

**Product Sales Report**

For each product selected for the report, the Product Sales report lists the quantity and dollar amount of each product sold during a designated period of time. This report is an extremely versatile and flexible report which can provide you a tremendous amount of information regarding your sales.

The Product Sales screen (F8-F2-Reports/End of Month Reports../Product Sales) shown in **Figure 1381** prompts you for the information necessary for creating the report.

<table>
<thead>
<tr>
<th>Br/Tr/ALL</th>
<th>Start Date</th>
<th>End Date</th>
<th>Price Line</th>
<th>Product</th>
<th>Qty Type</th>
<th>Status</th>
<th>Sort By</th>
<th>Show Costs (Y/N/Only)</th>
<th>Detail/Summary</th>
<th>Transfers (Inc/Exc/Only)</th>
<th>Credits (Inc/Exc/Only)</th>
<th>Directs (Inc/Exc/Only)</th>
<th>Serial Numbers (A/I/N)</th>
<th>VendConsignment(Inc/Exc/Only/One): Include</th>
<th>CustConsignment(Inc/Exc/Only/One): Include</th>
</tr>
</thead>
</table>

**Figure 1381**: Product Sales Screen

**Running the Product Sales Report**

Select whether to include, exclude or only run the report for Consignments (vendor and customer) and whether to:

- **Include** - Show the total quantities of the selected items taken from the regular stocking inventory and the vendor or customer consignment inventory.
Exclude - Show only the quantities of the selected items taken from the regular stocking inventory.

Only - Show only the quantities of the selected items taken from the vendor or customer consignment inventory. Selecting either vendor or customer consignment excludes the other; you can select one, not both.

One - Show only the quantities for one selected consignment customer or consignment vendor. Selecting either vendor or customer consignment excludes the other; you can select one, not both. When selected, an additional prompt appears, allowing you to select the Customer ID or Vendor ID. This additional prompt supports full search capability.

Note: You can only run the Inventory report for Ship-To and Ship-From entities; consignment inventory does not affect Bill-To Only and Pay-To Only entities.

For a detailed description of fields and hot keys on this screen, please refer to the “Product Sales Report” in the Eclipse “End of Month Reports” document.

Summary or Detail

The Summary version of the report displays information by individual price line with a break after each price line followed by grand totals for all selected price lines.

The Detail version of the report displays information on a line item basis for each selected price line. The row of information for each item is with respect to the specified branch near the right side of the report. The line item information is followed by a summary for the line and a break before the information for the next line. Following the detailed line information are grand totals for all selected lines.

The report heading displays the start and end dates for the report, whether nonstocks are included, the branches, how the inventory is valued, and the price date for the valuation.

Product Purchases Report

For each product selected for the report, the Product Purchases Summary Report lists the quantity and dollar amount of each product purchased during a designated period of time. You can print the report in a detail or summary format.
The Product Purchase Report screen (F8-F2-Reports/End of Month Reports.../Product Purchases) shown in Figure 1381 prompts you for the information necessary for creating the report.

![Product Purchases Screen](image1)

**Figure 1382:** Product Purchases Screen

For complete information on this report, please refer to the Eclipse *End of Month Reports* document.

### Running the Product Purchase Report

This report allows users to review a count of the total consignment received for a specified period. You can select a vendor or group of vendors on which to run the report, and specify whether to include, exclude or only run the report for vendor consignments:

- **Include** - Show the total quantities of the selected items taken from the regular stocking inventory and the vendor consignment inventory.

- **Exclude** - Show only the quantities of the selected items taken from the regular stocking inventory.

- **Only** - Show only the quantities of the selected items taken from the vendor consignment inventory.

**Note:** When run at the detail level, the Qty Recv column on the resulting report can display a mix of units of measure for the associated line items. However, all totals of the line items will be converted to the “each” unit of measure.

For a detailed description of fields and hot keys on this screen, please refer to the “Product Purchases Report” in the Eclipse “End of Month Reports” document.

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