



Consignor

Support Notes

This support notes are suitable for:

- MYOB Accounting
- MYOB Premier
- MYOB PremierPlus

Introduction

Consignment stock, by definition, is a marketing arrangement whereby physical control of merchandise but not title, is transferred from one business (the Consignor) to another (the Consignee). The title to the goods remains that of the consignor until such a time as the goods are sold by the consignee. For this reason, consignment stock must be shown as an asset in the consignor's books until the consignee sells the goods. At this point, a sale occurs and the goods pass title.

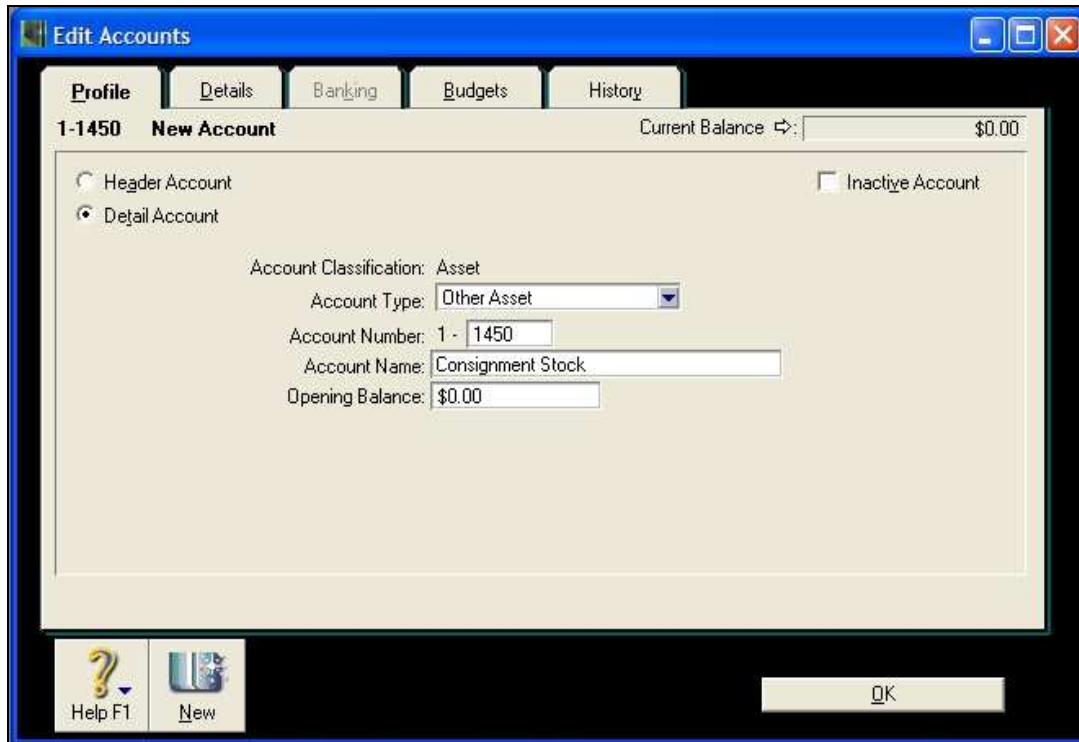
MYOB accounting software can be used as an effective tool in controlling consignment stock. For example, assume that you distribute the latest computer software to many computer stores around the country. A number of stores refuse to purchase the software outright from you, but will gladly sell this product on a consignment basis.

This support note explains how to handle consignment stock as a consignor using the above scenario as an example

How do I enter consignment stock transactions?

Step 1 - Set up a dedicated asset account for consignment stock

1. Go to the **Accounts** command centre and click **Accounts List**.
2. Click **New** and enter a unique account number that suits your account list.
3. Name the account Consignment Stock and click **OK**.



Step 2 - Set up inventory for Consignment Stock

Each line of inventory on consignment will require its own item number.

1. Go to the **Inventory** command centre, click **Item List** and click **New** to set up a new inventory item for the item being sent out on consignment. Use the same number as the existing trading stock item number, however precede it with the letter 'C'.
2. Mark the item as **I Sell** and **I Inventory**.
3. Make the asset account created in the previous step the Linked Asset Account for the C Item(s) in your Items List.
4. Make sure that the **Income Account for Tracking Sales** and the **Cost of Sales Account** are the same as those used by the trading stock item number.

Item Information

Profile | Item Details | Buying Details | Selling Details | History | Auto-Build

Item Number: C123432 Quantity On Hand: 0
 Name: AFL 2005 CD-Rom Consignment Current Value: \$0.00
 Average Cost:

Copy From Inactive Item

Buy This Item Cost of Sales Account: 5-2400 Software
 Sell This Item Income Account for Tracking Sales: 4-1800 Software Sales
 Inventory This Item **Asset Account for Item Inventory: 1-1450 Consignment Stock**

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Step 3 - Move stock from trading stock to consignment stock

1. From the **Inventory** command centre, click **Build Items** to record a transaction to move the items from trading stock to consignment stock.
2. Enter or select the **Item Number** for the trading stock item and enter a **negative (-)** for the quantity you will be transferring. The current **Unit Price** (Average Cost) for this item will appear in the **Unit Price** field .
3. Enter in the **Item Number** for the consignment stock item and an equal opposing value that will be transferred. Fill in the same **Unit Price** (average cost) for this item.

Sales - New Item

INVOICE

Customer: Sports City Terms: Net 30th after EOM Tax Inclusive

Ship to: Sports City Invoice #: 00000013
 Date: 24/08/2005
 Customer PO #:

Ship	Backorder	Item Number	Description	Price	Disc%	Total	Job	Tax
3		C123432	AFL 2005 CD-Rom Consignem	\$95.00		\$285.00		GST

Salesperson: Subtotal: \$285.00
 Comment: Freight: \$0.00 GST
 Ship Via: Tax: \$25.91
 Promised Date: Total Amount: \$285.00

Journal Memo: Sale; Sports City Paid Today: \$0.00
 Referral Source: Payment Method: Cash Details...
 Invoice Delivery Status: To be Printed Balance Due: \$285.00

Save as Recurring Use Recurring Reimburse

Help F1 Print Send To Journal Layout Register Record Cancel

4. Settle the invoice through the **Receive Payments** window.

How do I enter Opening Consignment Stock?

Opening balances (stock that is already out on consignment at the time of conversion to MYOB) need to be included into the stock figures.

Option 1 - Build Items

Use this method if you are currently tracking both trading stock and consignment stock under the same item number.

1. Create the Consignment Items (See Set up inventory for Consignment Stock)
2. Prepare a **Build Items** transaction to move the stock from the trading stock item number to the consignment item number.

Option 2 - Count Inventory

Use this method if you are setting up inventory for the first time or your consignment stock is not included in the quantity levels of your trading stock.

1. Create the Consignment Items (See Set up inventory for Consignment Stock)
2. From **Inventory**, select **Count Inventory**.
3. Enter in the quantity of stock currently on Consignment for the new item numbers. Then click **Adjust Inventory** button.

Note. If you are starting a new data file, the stock is adjusted to the Consignment Stock asset account, as the value of stock on consignment would be entered as an opening balance in the Account Opening Balances.

4. At the **Adjustment Information** window click **Continue**
5. Enter the per unit value of the stock on consignment and record the adjustment.

What do I do when the Consignee returns stock?

If a consignee returns stock, you need to complete a **Build Items** transaction to move the stock and its value from consignment stock back to trading stock.

Item Number	Quantity	Unit Cost	Amount	Job	Memo
123432	-2	\$55.00	-\$110.00		
C123432	2	\$55.00	\$110.00		

Out of Balance: \$0.00