

## Landed Cost Adjustments

The main page where you would notice a difference in the unit cost of an item is: Main Menu>Cost Accounting>Item Costs>Review Costs>Item Cost.

On this page, you will see the average cost updating each time the warehouse is restocked. As freight and taxes are added, the average price per unit will increase slightly. If the unit price charged by a supplier goes up when the warehouse is restocked, this will also cause the average unit price to increase.

As an example, if an item in the stores warehouse has an average cost for widgets of \$100 and there are currently 15 in stock, and that item is restocked with 10 additional widgets at a total cost of \$1098 (\$1000 plus \$98 freight and tax), then the new average cost will be  $((15*100)+(1098))/(15+10)=103.92$  average cost.

The screenshot shows the Oracle Cost Accounting interface for 'Item Cost'. The breadcrumb trail is: Favorites > Main Menu > Cost Accounting > Item Costs > Review Costs > Item Cost. The Oracle logo is visible. Below the breadcrumb, there are tabs for 'General', 'Standard', 'Actual', 'Perpetual Avg' (selected), 'Retroactive Avg', and 'Periodic Avg'. The 'Unit' is 06500 and the 'Item' is 00011062. The 'Description' is 'FASTENERS, ROUND HEAD 1/2"'. Below this, there is a section for 'Perpetual Weighted Average Costs' with 'Find | View All' and 'First 1 of 1 Last' options. Underneath, 'Book Name' is FIN. The 'Item Cost History' table is displayed with columns: Date Timestamp, Seq #, Cost Elmnt, Cost Source, Unit per Cost, and Status. The table contains two rows: one for a PO Receipt on 10/07/2015 with a unit cost of 0.4633 and an active status, and another for an Expr Ptway on 09/23/2015 with a unit cost of 0.4400 and an inactive status. At the bottom, there are navigation buttons: 'Return to Search', 'Previous in List', and 'Next in List'. Below the buttons, the same set of tabs is repeated: 'General | Standard | Actual | Perpetual Avg | Retroactive Avg | Periodic Avg'.

Date Timestamp	Seq #	Cost Elmnt	Cost Source	Unit per Cost	Status
10/07/2015 2:19:43.773052PM	1	100	PO Receipt	0.4633	Active
09/23/2015 8:40:42.000000AM	1	100	Expr Ptway	0.4400	Inactive

There will be no difference in the amounts shown on requisitions. As requisitions are created they will continue to show the vendor price, which does not including freight or tax. If a requisition is for non-stores items, the requisition will be sourced in to a PO where tax and freight will continue to be added as "Miscellaneous Charges" on the header. For stores requisitions, since no PO is created, the tax and freight will be included when the charges post via a journal into the general ledger.