

Consignment Material In M1 Enterprise

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Consignment Material In M1 Enterprise Overview The idea of Sell on Consignment is to track and sell material items that have been "lent" to the shop by a supplier. Once the material is sold the supplier then bills the shop for the sold material and generally replaces the sold material with a new "lent" material. **Procedure**

1) Setup material card in Setup or Enterprise, including all cost pricing, retail pricing, description, etc. On the Properties page check the Sell on Consignment box and enter the usual supplier for this material item. (NOTE: in an Enterprise setup, you should set the Sell on Consignment box at the Location Level as it is possible that not all Locations will sell this material item on consignment.)

2) Download the material card from Setup or Enterprise to the Location. On the Properties tab of the Materials Card identify who the normal supplier would be for that material item. Edit other fields as necessary. When finished activate the Save button.

3) Use the Receive button on the Material card to create the initial stock. Identify the supplier and an invoice number. (NOTE: at this point this is really more of a packing slip number as you have not purchased this material at this point in time) - In the GL, the value of the 1420 Materials account will increase by the cost of the material card times the number of units. The off setting entry in the GL is to the 2130 Consignment Liability account. The net to the Balance Sheet is zero. (NOTE: if you carry consignment items then the true value of your material would be the value of the 1420 Materials minus the value of the 2130 Consignment Liability accounts.)

4) In the Purchases module, under Purchase Orders | Consignment Slips you will see, from your supplier an entry that lists the consignment material received from that supplier as well as the "packing slip" number. The Consignment Slips module is a "notepad" only and does not affect any area of M1 Enterprise. It can be "flushed" at anytime, but you would lose the notepad information. The Activity information for that material card is still in tact and accurate on the Material Card.

5) When you sell and post a Consignment Material Item on a M1 Enterprise work order or counter sale, a Supplier Invoice is automatically created for the number of consignment units sold, under the default supplier for that material item. The supplier invoice also uses the invoice number created on the Consignment Slip. This supplier invoice corresponds to what is now owed to the supplier for the sold material, and should correspond to the invoice you will receive from your supplier for the sold material item. When the supplier invoice arrives, the invoice number will have to be updated.

6) When new consignment materials are received, you receive the stock through the Material Card Receive button. And a new Consignment Slip is created.

Posted by: [Tim McDonnell](#) - Thu, Mar 24, 2011 at 10:37 AM. This article has been viewed 6621 times.

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