

Outsourcing Work

This manual describes how one can receive a product and send this product out to an external supplier. This supplier changes the product and charges you an admin fee for the work done, however you receive a different product back into stock with the additional value.

The first thing one must do is work out what products are been created.

Example

Raw material Aluminum sheet- Cost R1000-00 per sheet

Qty

L-shape bracket 1 R200-00

U-shape bracket 1 R500-00

T-shape bracket 1 R300-00

Cutting cost by Supplier R500-00

End products coming back into stock – Total cost of this must be R1500-00

The system will also work out the additional price per product.

Qty

L-shape bracket 1 R400-00

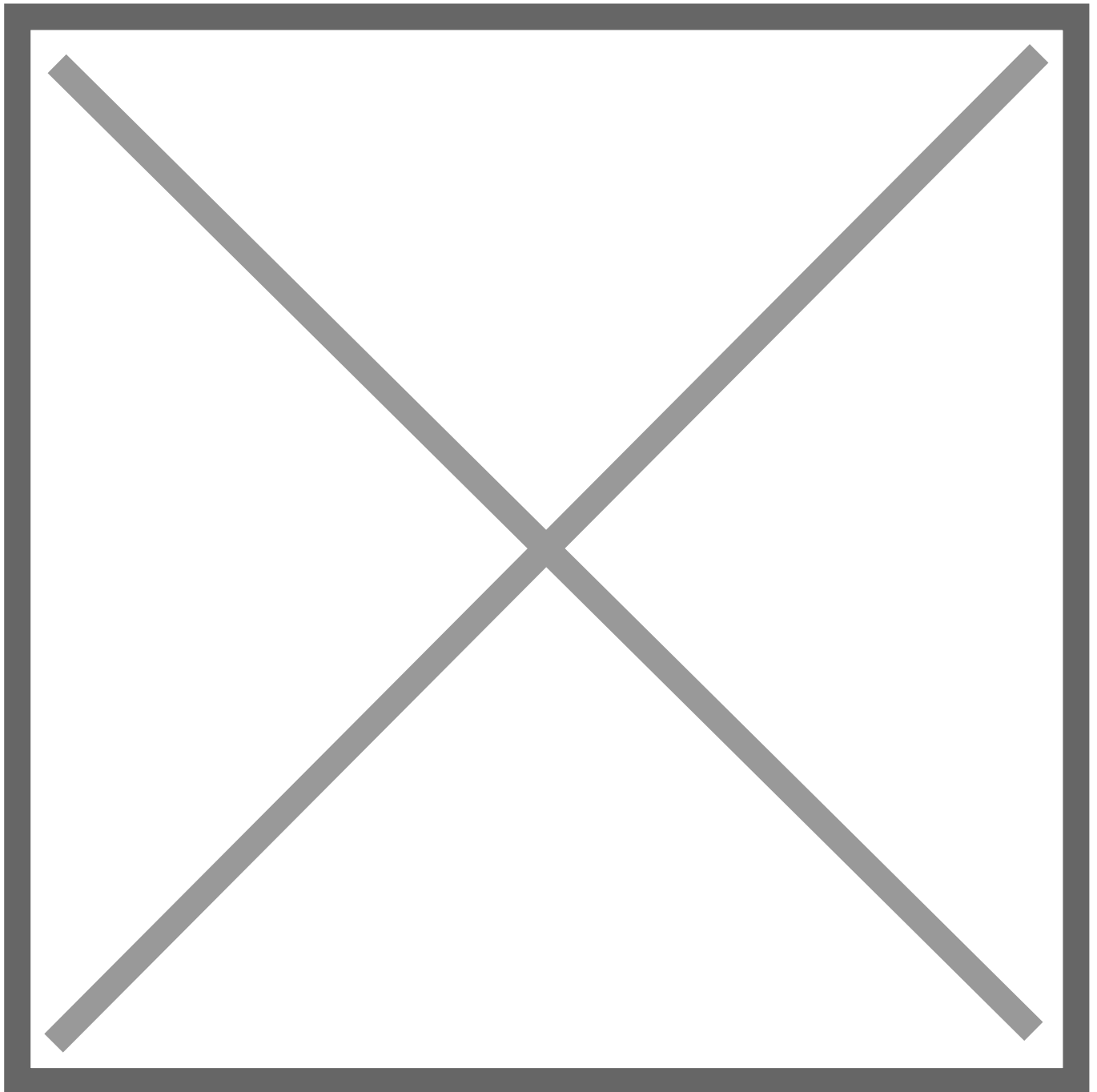
U-shape bracket 1 R600-00

T-shape bracket 1 R500-00

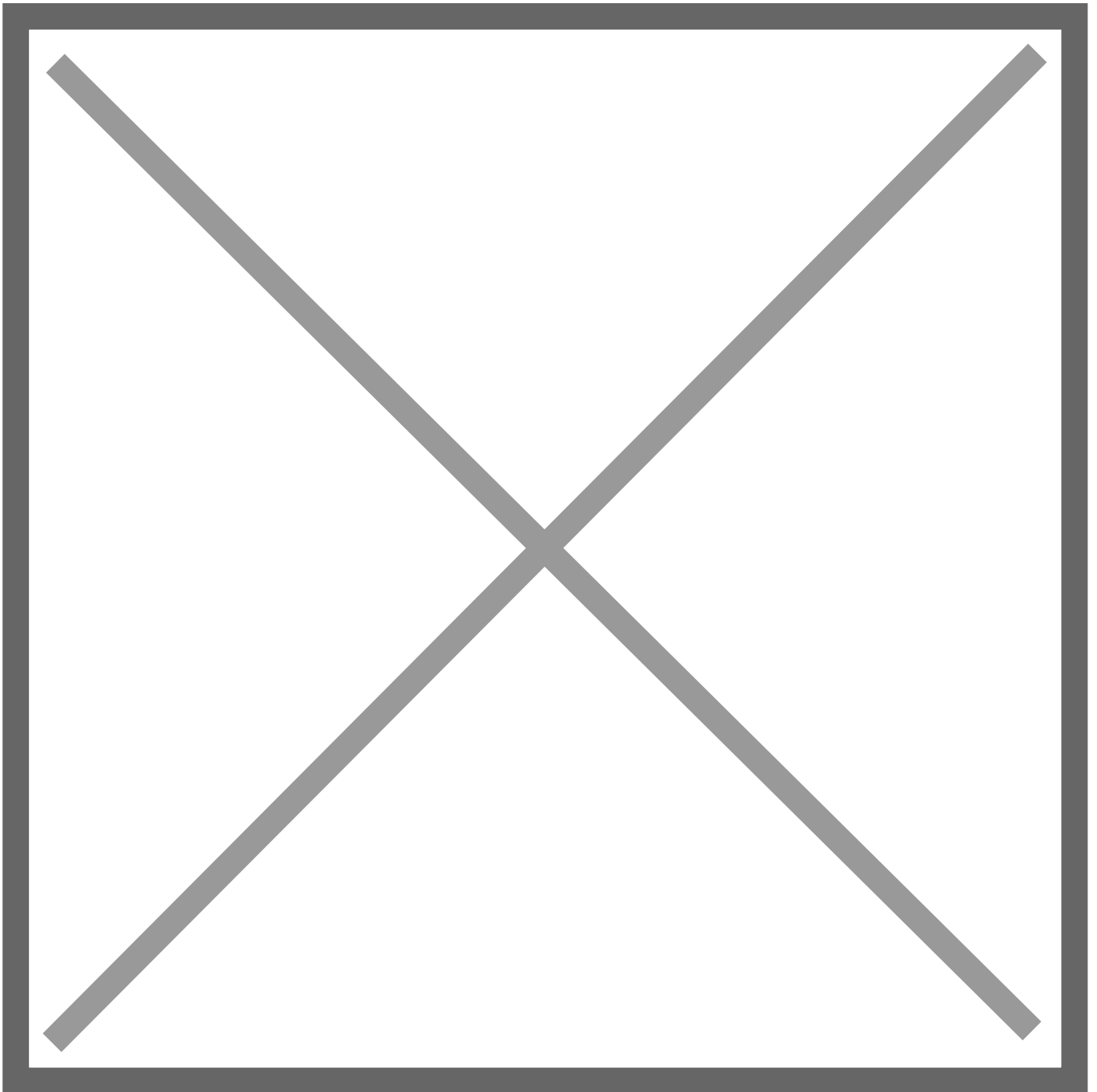
Here is the process you will follow.

1	Bring in raw material stock
2	Create a outsource supplier
3	Do a stock return for the value of the stock item to this outsource supplier
4	Do a GRV with importation spilt of the new items against this outsource supplier

Brining in current stock via a GRV



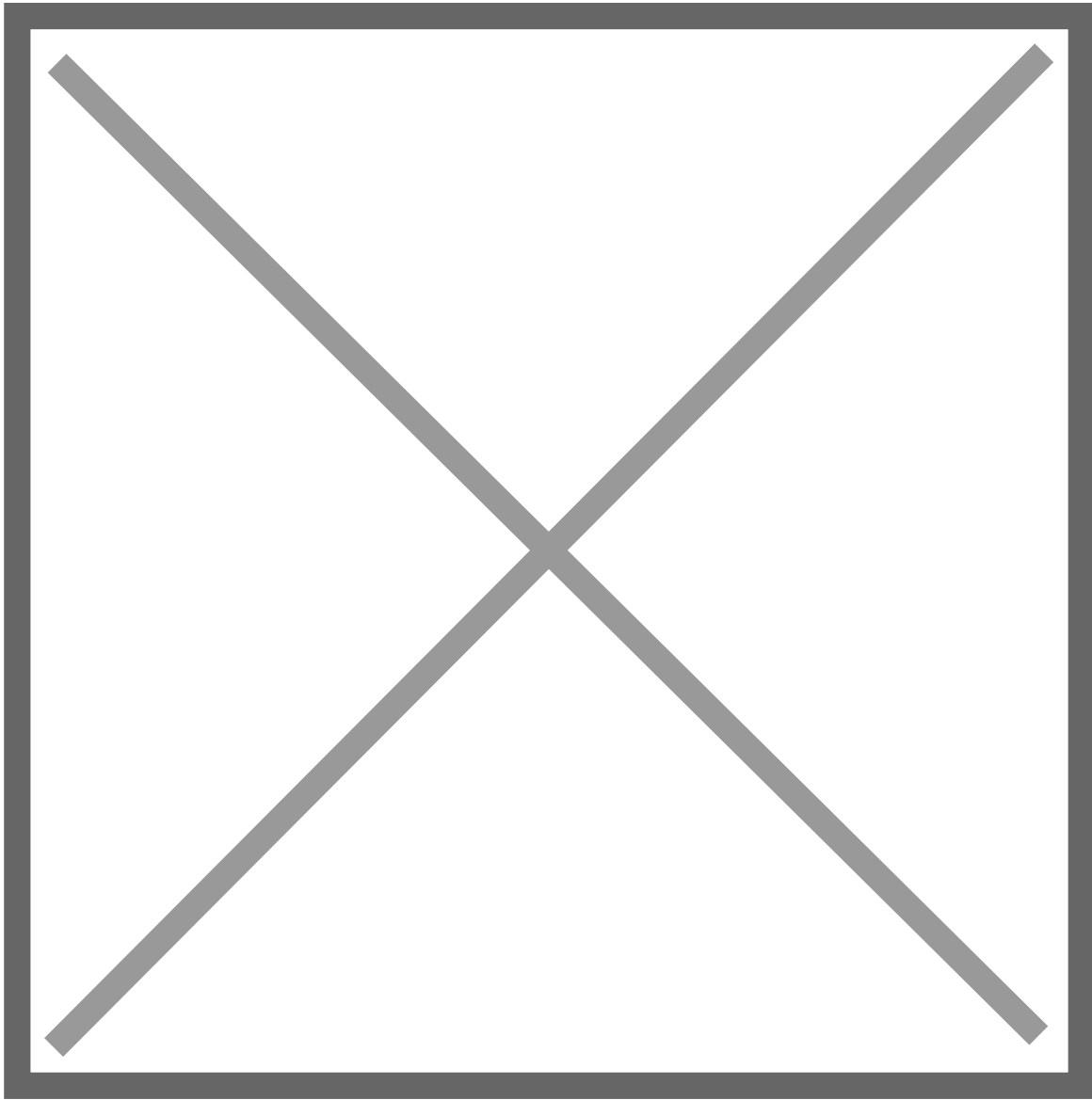
Create an outsource supplier – normally the name of the supplier with outsource in front.



Sending out the sheets to the supplier

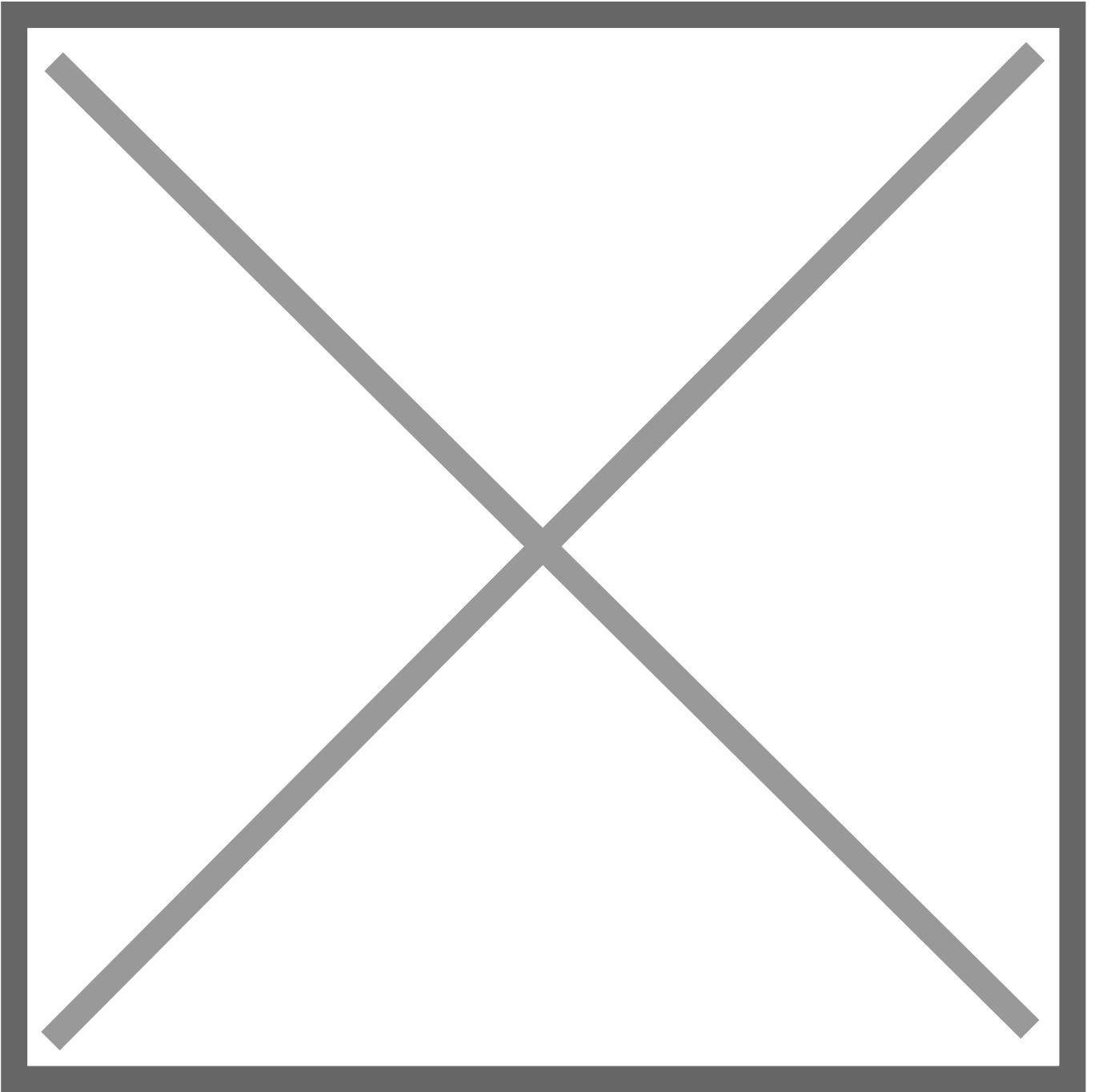
When capturing the stock to go out to the outsource supplier, make sure it is at the average cost price of the item.

Make sure that you select Non-VAT, as you have already claimed the VAT on the actual GRV of raw materials stock.

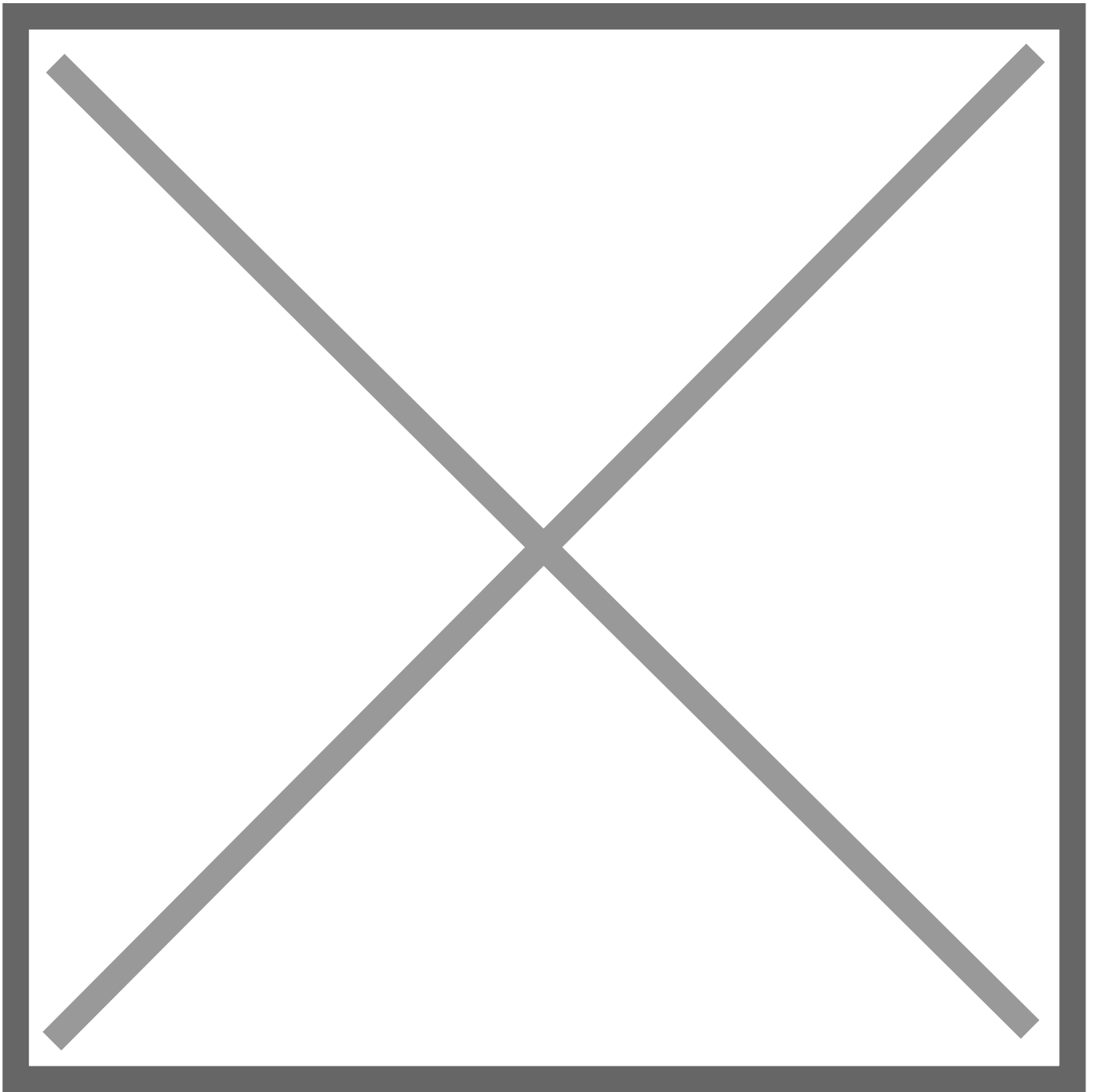


Stock return to Outsource supplier

This way you can track how much stock the supplier has that you have sent him.



You will notice in your outsource supplier age analysis that it is in credit

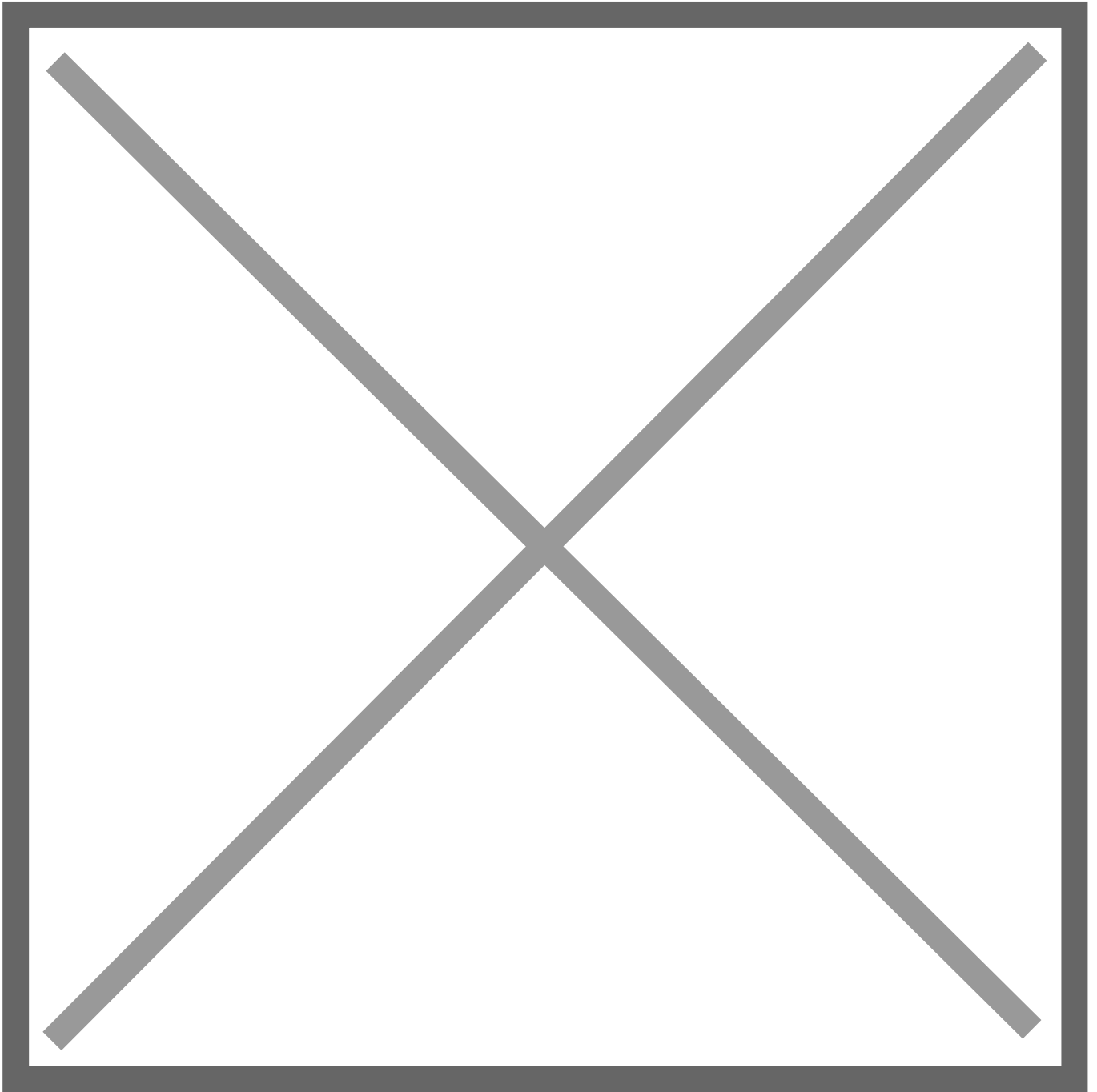


GRV incoming of new stock

Some points to remember

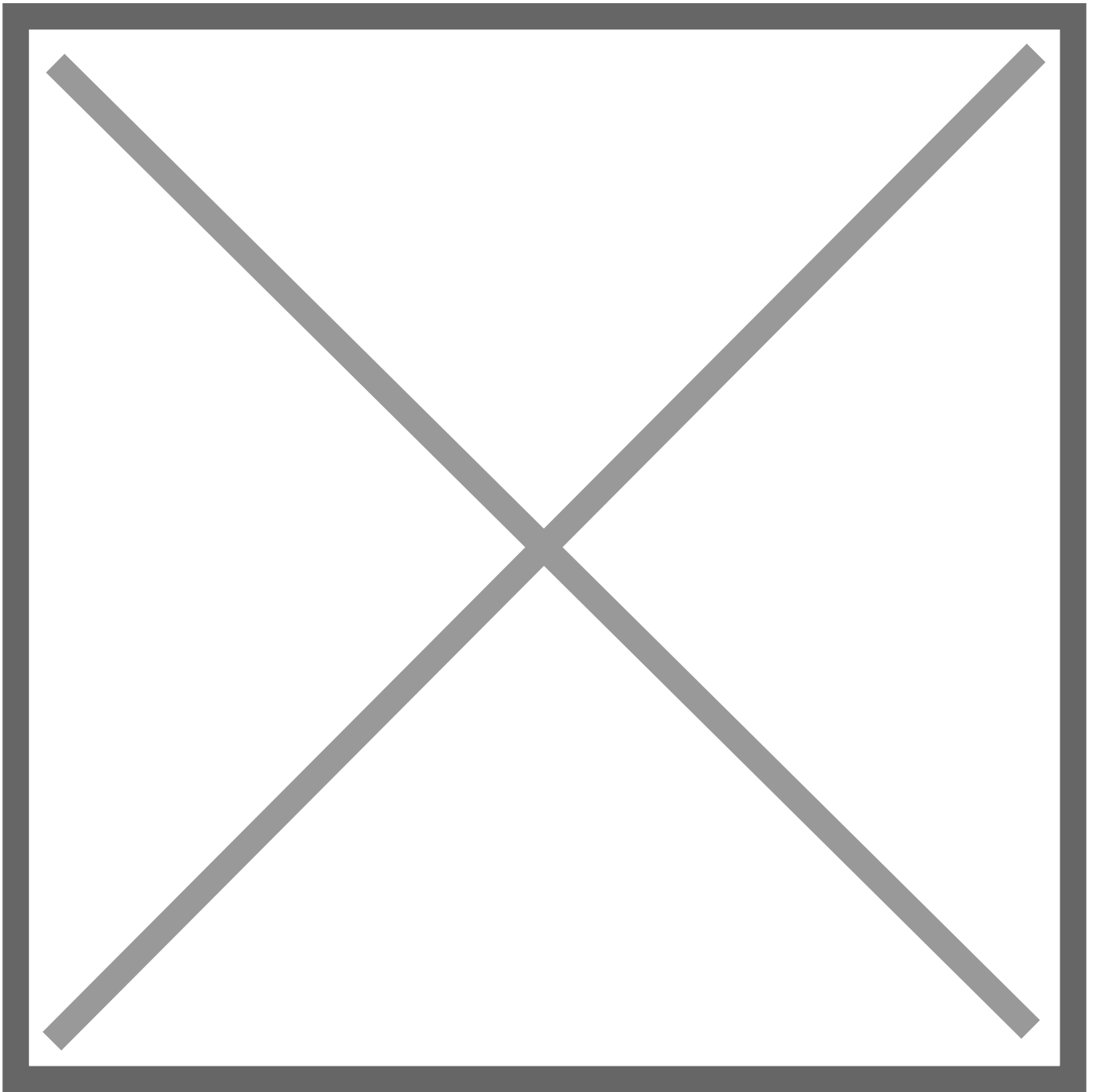
The stock items must be the cost value of the cost price of the Aluminium.

Value out equals value in.

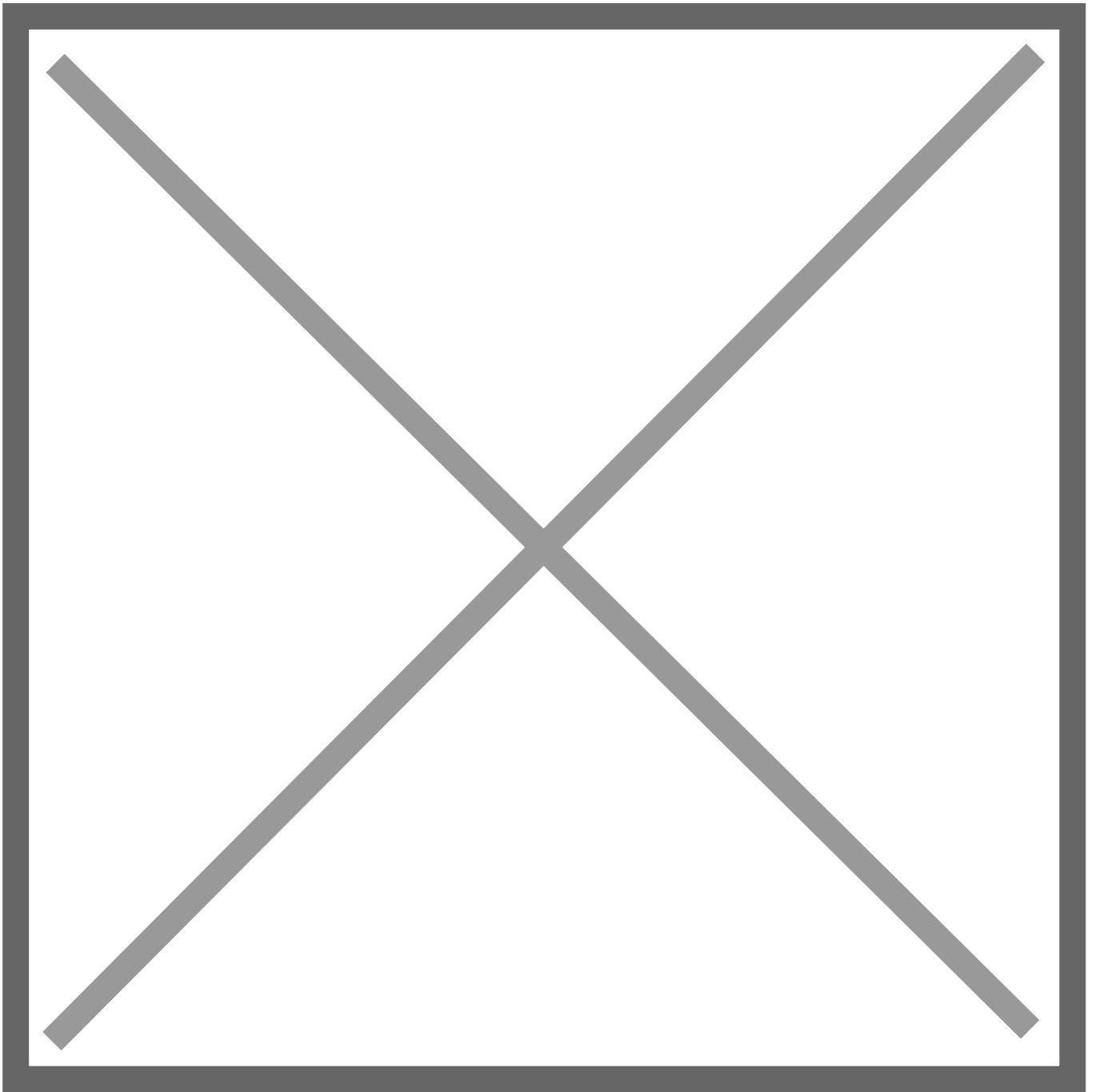


Next step is to add the value of the cutting of the other supplier onto the GRV. We will do this by doing the importation split.

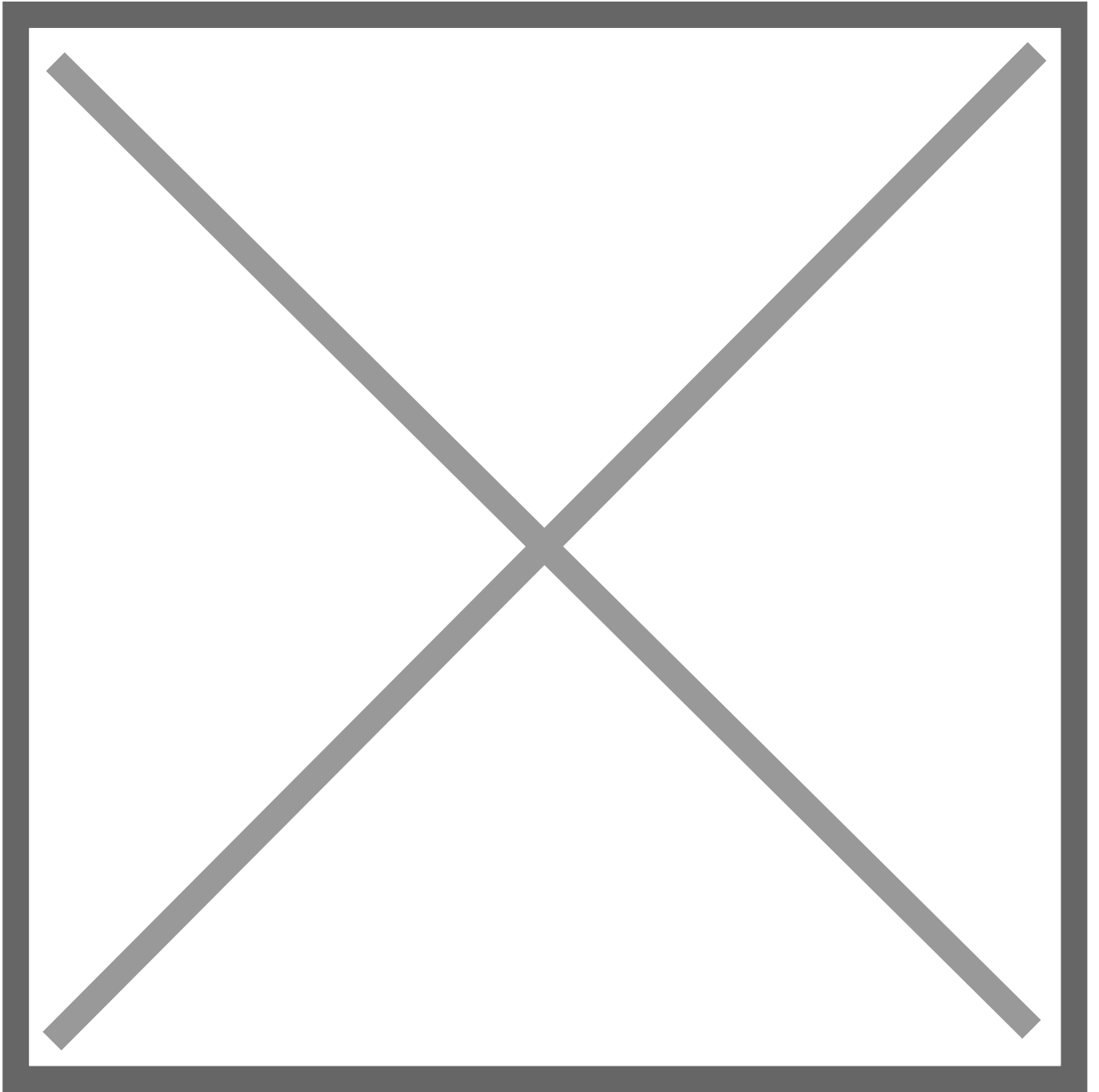
On the GRV, click on More details button



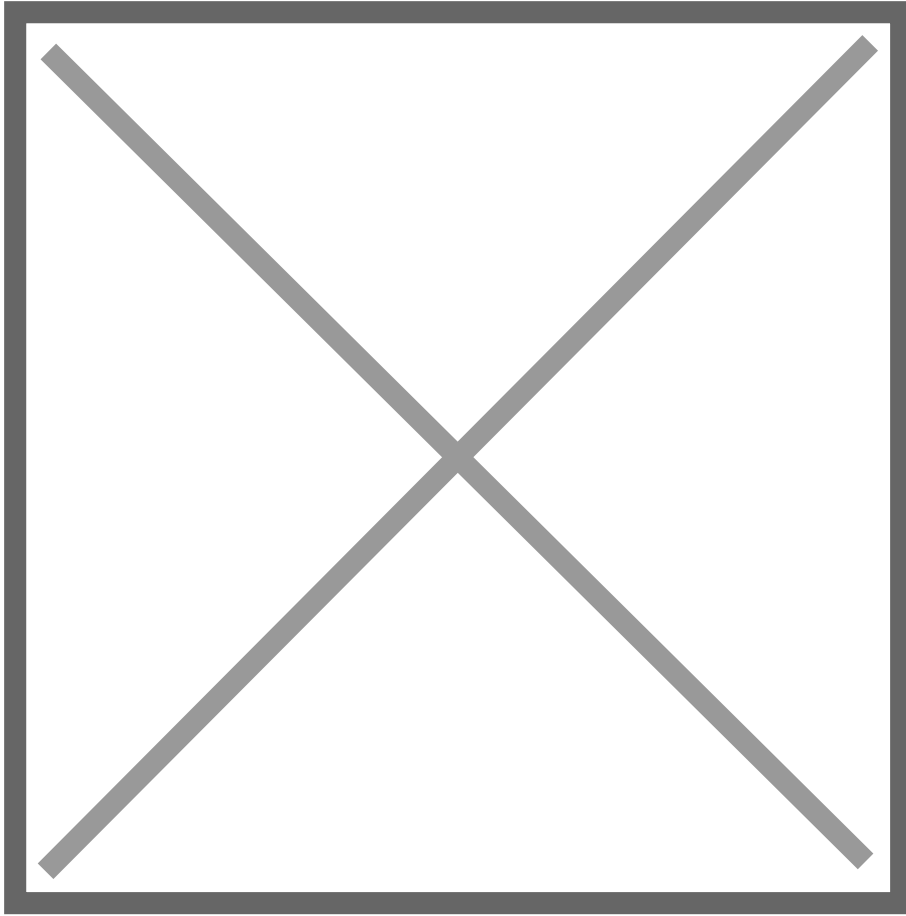
Then click on the Importation Split



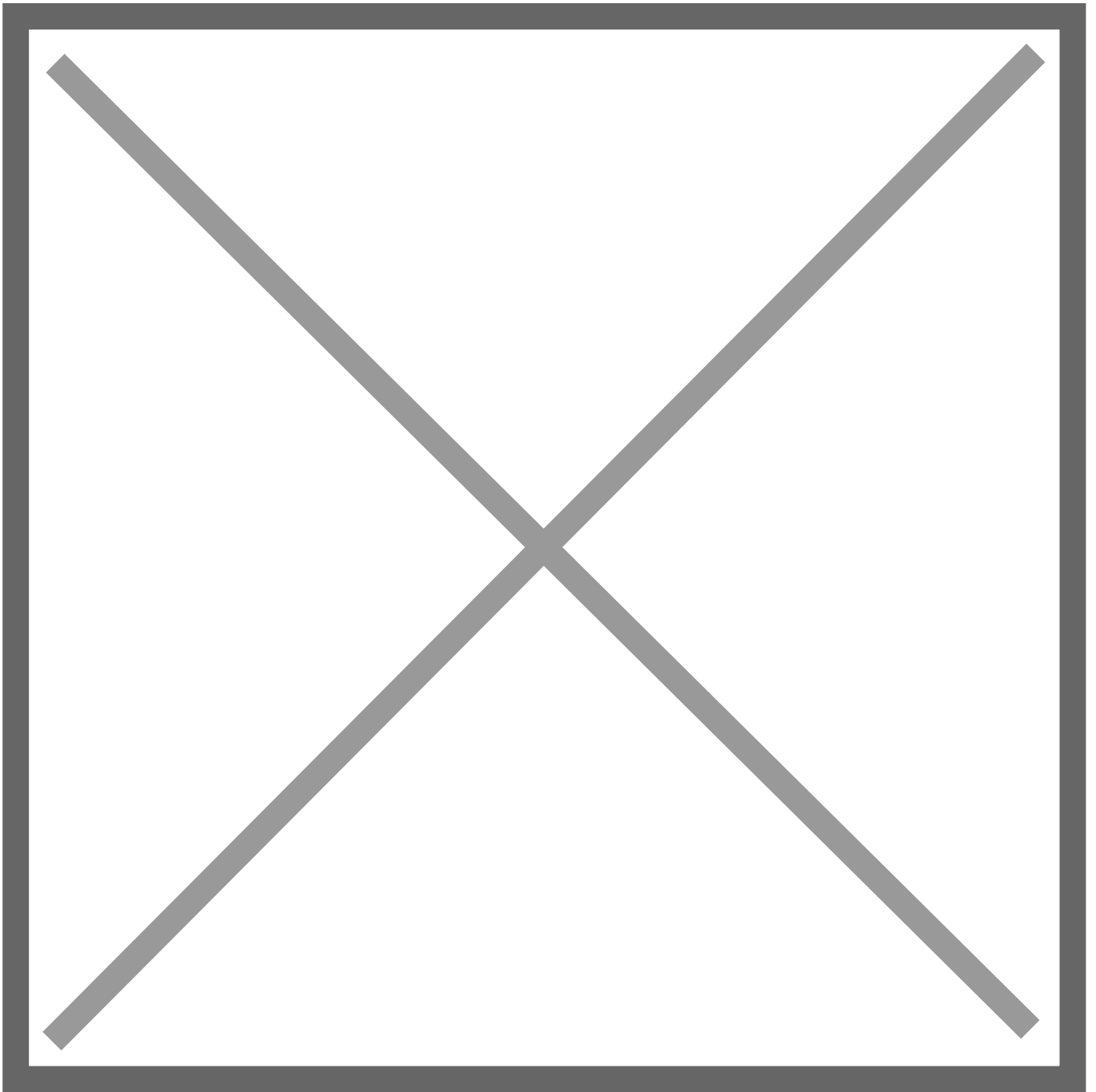
Then click on the Insert Line button to add the invoice from the supplier who charged for the cutting of the sheet.



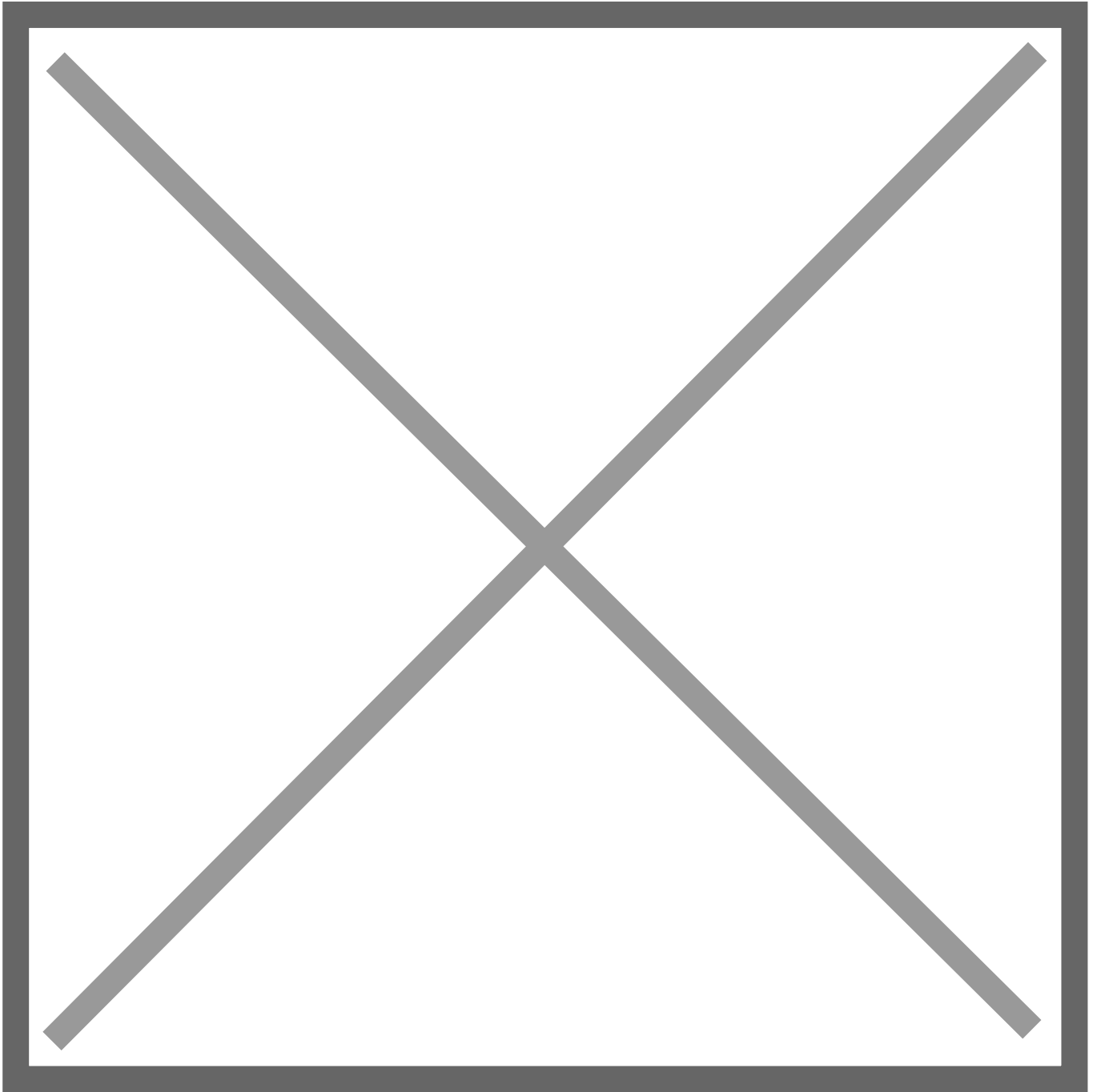
This is where you will insert the supplier invoice with the VAT.



Click on close to update the GRV lines and then SAVE and CLOSE button

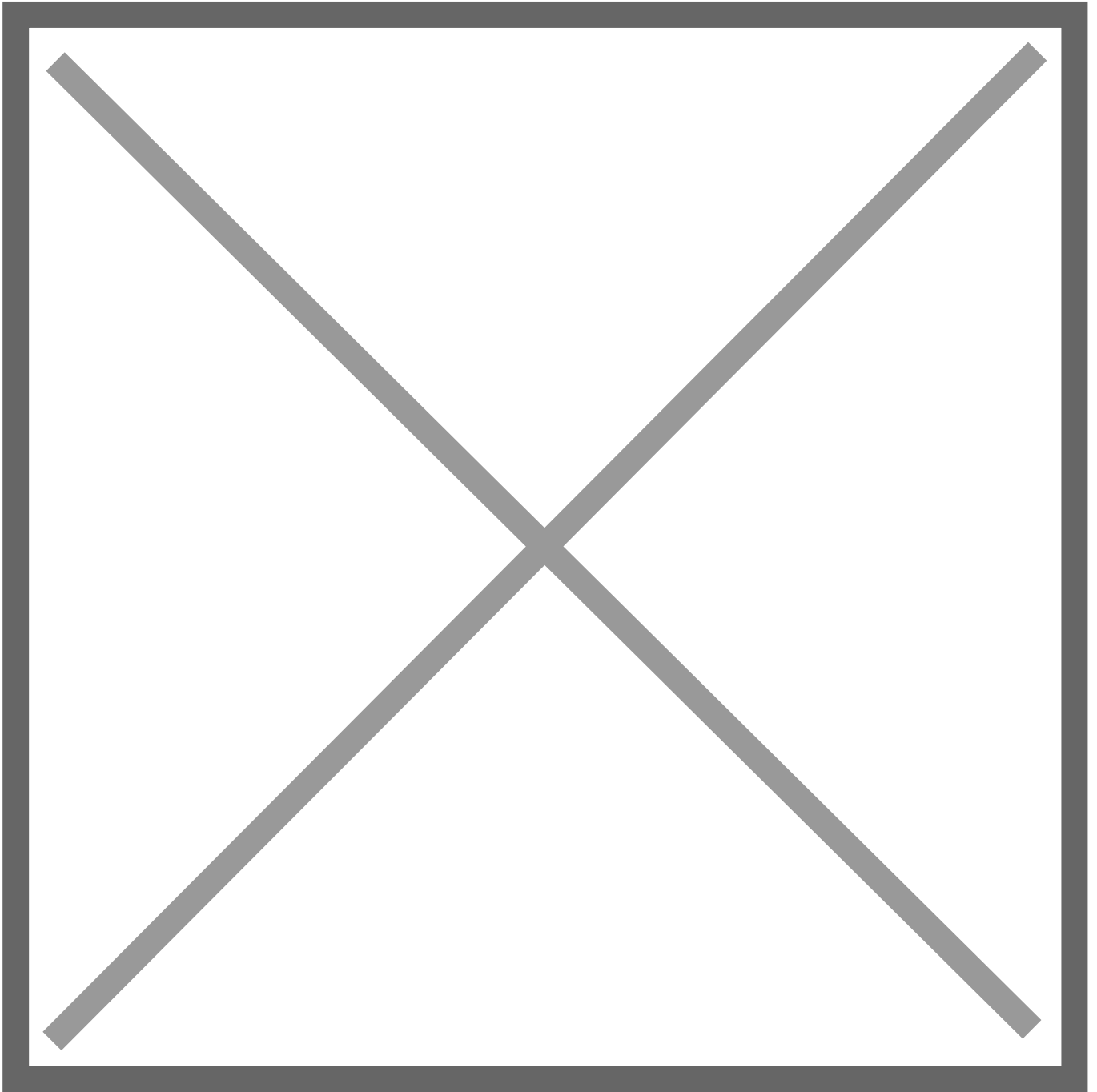


The GRV lines will be updated with the new additional unit cost of the cutting which then gets added to the item cost.



If you are not happy with the additional cost per item you can manually allocate the additional costs to the items.

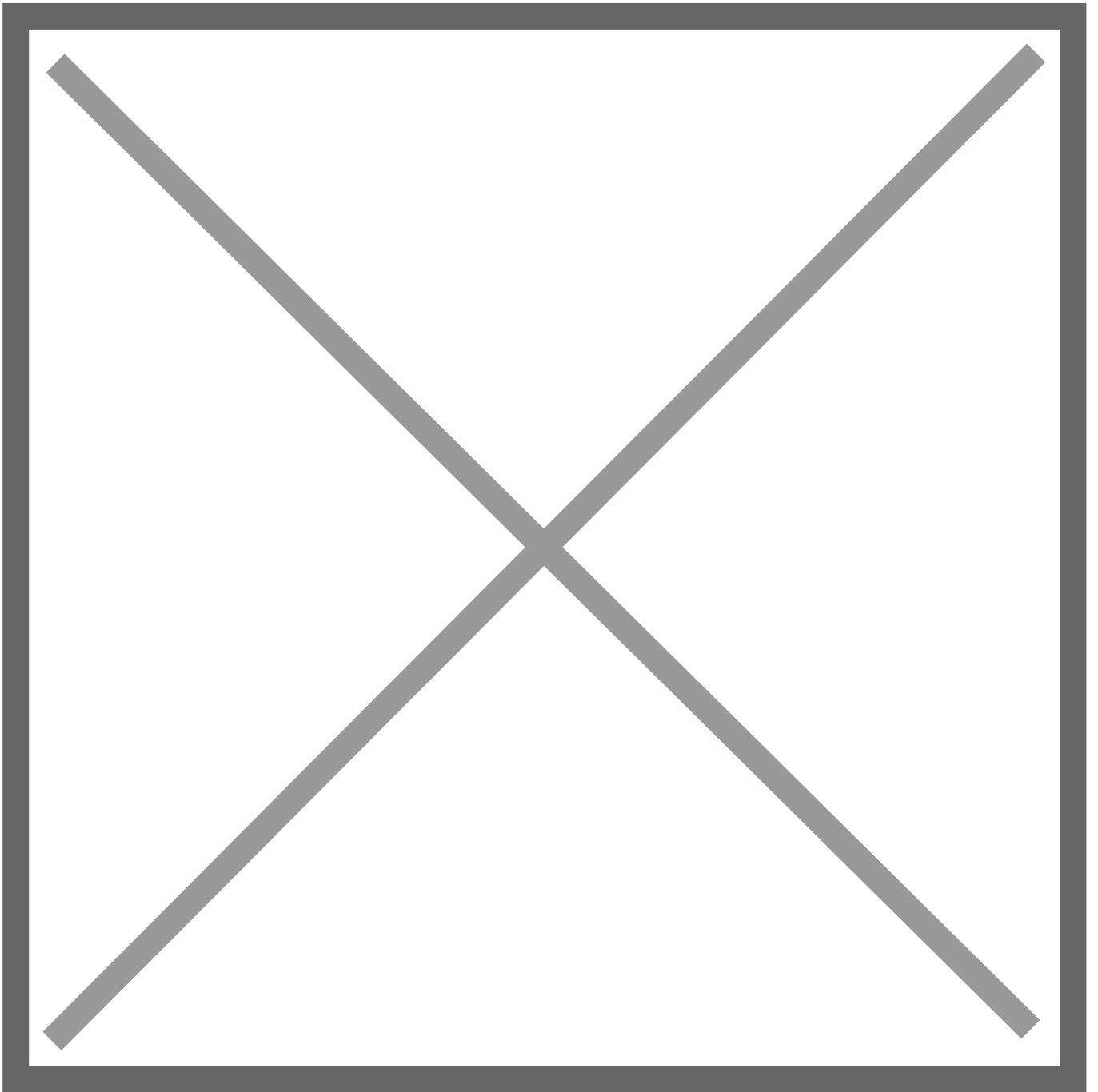
Go to More details button and then click on Manual Importation Split button, this allows one to put your own cost price in per item.



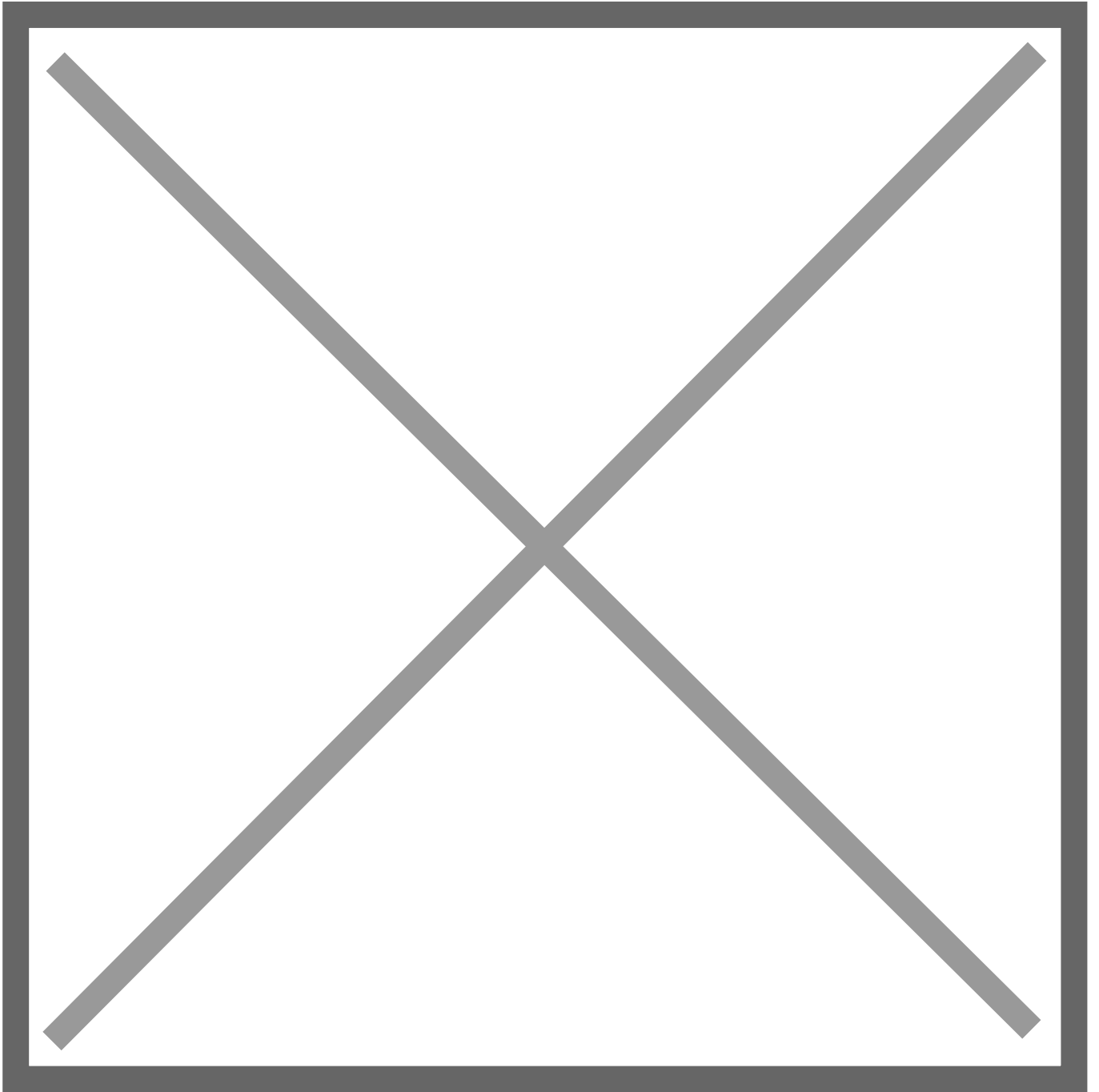
In this one action, the new finished goods are updated, the added value to the items are updated and the supplier invoice is captured into the system.

The Outsource Creditor will balance to zero,

IF the value does not balance you can journal out the value to a Cost of sales account to balance the creditor account.

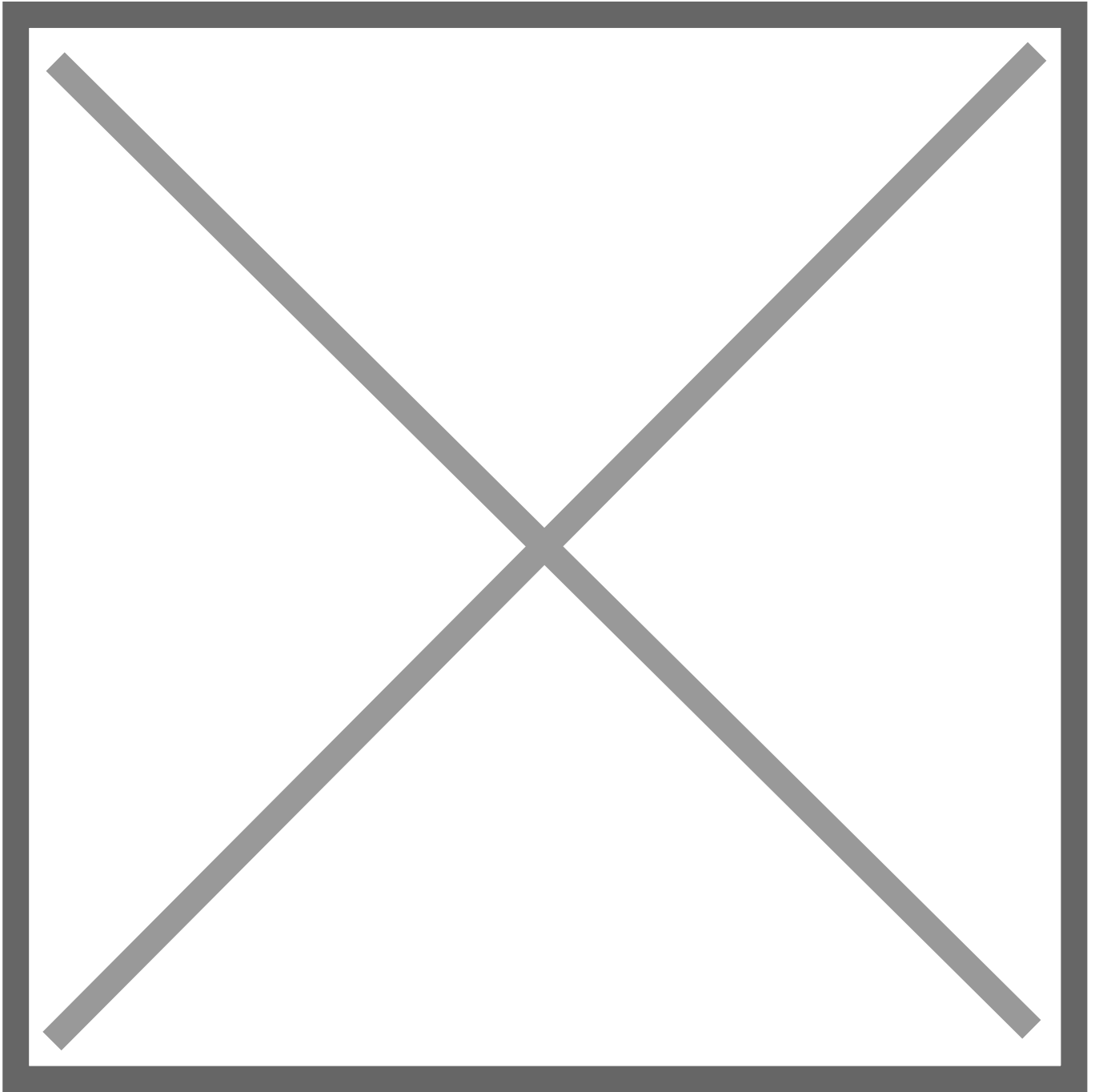


Creditor who did the cutting



Outsource GRV Ledger accounts

As you can see the stock has increased by the new value



Outsource Creditor

Revision #3
Created 21 July 2023 10:36:33 by Paige
Updated 23 January 2024 22:56:24 by Paige