

Sell Purchased Inventory (Livestock or Crop Inventory)

Document #:	3116	Product:	CenterPoint® Accounting for Agriculture
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This topic describes how to sell purchased inventory. The same process is used for selling livestock or crop inventory. Changing to the DT - Sell Resale Inventory template on the sales account (or transaction) will cause the quantity sold to be deducted from the inventory account balance specified in the detail portion of the transaction. The amount deducted from inventory will then be charged to the cost of goods sold account assigned to the inventory account. It will be deducted from inventory at the value it was purchased into inventory. The total price of the items sold will be recorded to the revenue account, thus automatically calculating a net profit or loss (revenue - cost of goods sold = net profit/loss).

Prerequisite

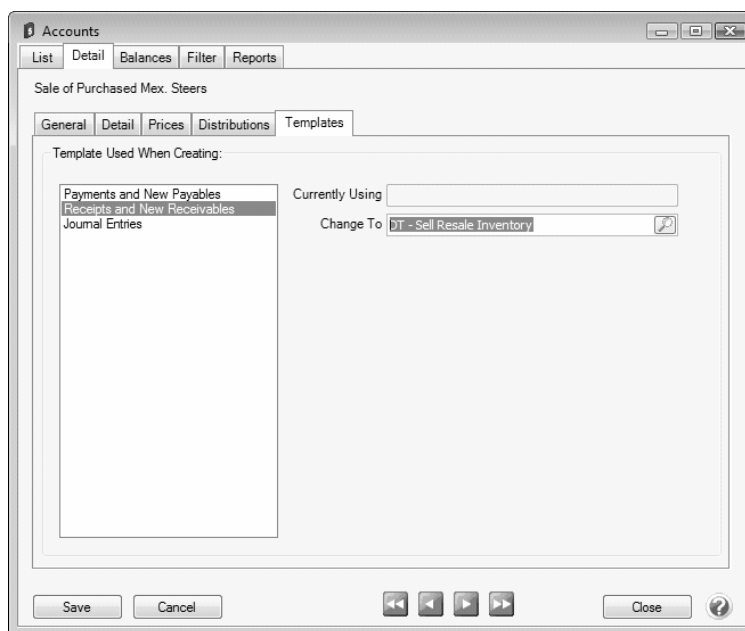
Prior to processing the transactions, the database must have an inventory account (asset), a cost of goods sold account and a revenue account setup for the commodity being sold. The inventory account must have the appropriate cost of goods sold account assigned as the offset account on the detail tab.

[Step A: Verify the Revenue Account is Setup Properly \(One-Time Setup\)](#)

[Step B - Sell Purchase Inventory](#)

Step A: Verify the Revenue Account is Setup Properly (One-Time Setup)

1. Select **Setup > Accounts > Accounts**.
2. Double-click on the appropriate **Revenue account** (Sale of Purchased Cattle, for example).
3. Click on the **Templates** tab. Select **Receipts and New Receivables** on the left. On the right, set the **Change To** field to **DT - Sell Resale Inventory**.

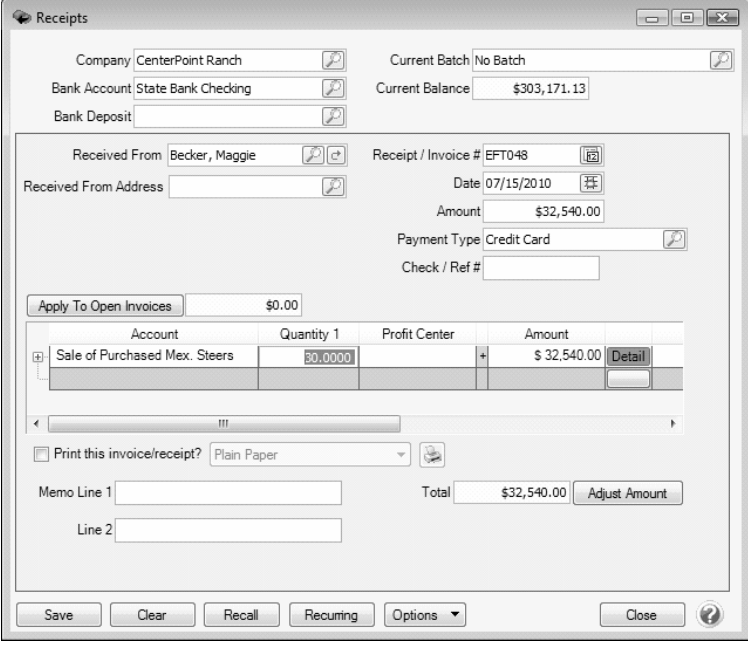


4. Click **Save**.

Step B - Sell Purchase Inventory

Either a Customer Invoice (A/R) or Receipt transaction can be used to record the sale of inventory. In our example, we'll sell purchased cattle with a receipt transaction.

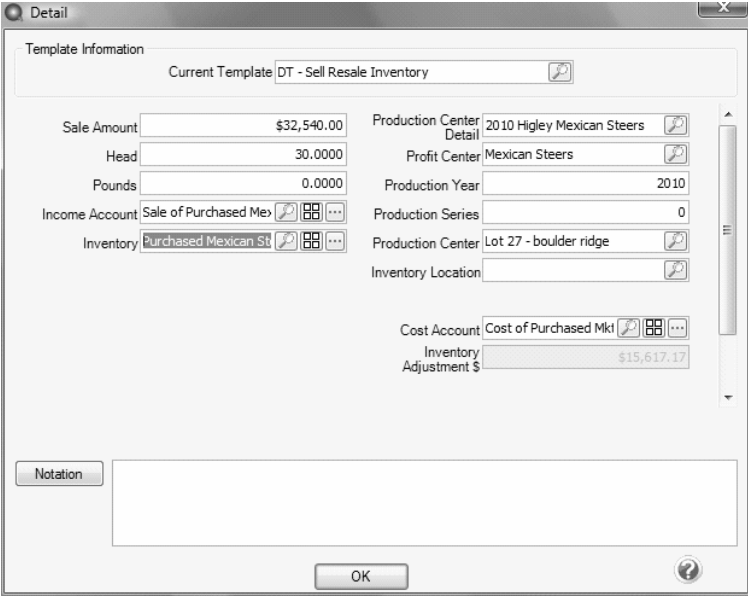
1. Select **Processes > Sales > Receipts** or **Processes > Sales > Customer Invoices (Basic)**.



The 'Receipts' window is shown with the following fields and values:

- Company: CenterPoint Ranch
- Current Batch: No Batch
- Bank Account: State Bank Checking
- Current Balance: \$303,171.13
- Bank Deposit: (empty)
- Received From: Becker, Maggie
- Receipt / Invoice #: EFT048
- Received From Address: (empty)
- Date: 07/15/2010
- Amount: \$32,540.00
- Payment Type: Credit Card
- Check / Ref #: (empty)
- Apply To Open Invoices: \$0.00
- Table with 5 columns: Account, Quantity 1, Profit Center, Amount, and a button. The first row is: Sale of Purchased Mex. Steers, 30.0000, (empty), \$ 32,540.00, and a 'Detail' button.
- Print this invoice/receipt?: Plain Paper
- Memo Line 1: (empty)
- Line 2: (empty)
- Total: \$32,540.00
- Buttons: Save, Clear, Recall, Recurring, Options, Close

 Note: The DT - Sell Resale Inventory template is setup to deduct the quantity sold from the inventory account.



The 'Detail' window is shown with the following fields and values:

- Template Information: Current Template: DT - Sell Resale Inventory
- Sale Amount: \$32,540.00
- Head: 30.0000
- Pounds: 0.0000
- Income Account: Sale of Purchased Mex
- Inventory: Purchased Mexican St
- Production Center: 2010 Higley Mexican Steers
- Profit Center: Mexican Steers
- Production Year: 2010
- Production Series: 0
- Production Center: Lot 27 - boulder ridge
- Inventory Location: (empty)
- Cost Account: Cost of Purchased Mkt
- Inventory Adjustment \$: \$15,617.17
- Notation: (empty text area)
- Buttons: OK

2. Specify the appropriate **Inventory** account. Verify the **Cost Account** (this should be the cost of goods sold account assigned to the inventory account).
3. Specify all applicable production details (profit center, production year, etc.). Click **OK**.
4. Click **Save** to on the original receipt transaction screen to complete the transaction.

After the sale is entered, the quantity and amount sold will automatically be deducted from the Inventory account balance (Setup > Accounts > Accounts > Balances tab). The inventory value is offset with the cost of goods account assigned to the inventory account. The revenue account is increased by the sale amount and offset with cash.

List	Detail	Balances	Filter	Reports		
Company CenterPoint Ranch						
Name	Book Value	Market Value	Mod Cash Value	Quantity 1	Quantity 2	
[-] Assets						
+ Cash	\$400,798.99	\$400,798.99	\$0.00	0.0000	0.0000	
+ Hedging Account	\$13,202.45	\$13,202.45	\$0.00	0.0000	0.0000	
+ Accounts Receivable	\$6,500.00	\$6,500.00	\$0.00	0.0000	0.0000	
+ Prepaid Expense	\$0.00	\$0.00	\$0.00	0.0000	0.0000	
+ Raised Crops Inventory	\$47,537.44	\$47,537.44	\$0.00	15,964.1...	0.0000	
+ Raised Market Livestock	\$0.00	\$0.00	\$0.00	0.0000	0.0000	
+ Other Raised Livestock	\$1,800.00	\$1,800.00	\$0.00	3.0000	0.0000	
[-] Purchased Livestock Inventory						
+ Purchased Feeder Cattle	\$7,230.00	\$7,230.00	\$0.00	26.0000	0.0000	
Purchased Mexican Steers	\$21,343.46	\$21,343.46	\$0.00	41.0000	25,105.2801	
+ Feed WIP	\$5,340.97	\$5,340.97	\$0.00	34,664.0...	0.0000	