



Additional Cost Details for : Item X		
Type of Cost	%-age	Amount
Freight		1000

Once you enter the value and press Enter, the Cost Allocation screen pops up, where the required 'Category' is selected and the 'Cost Centre' as shown below:

Cost Allocations for : Item X		
Upto: Rs. 15,000.00 Dr		
Cost Category	Name of Cost Centre	Amount
		14,000.00
Category	Cost Centre	15,000.00

The amount allocated to the 'Cost Centre' here is **Rs. 15,000.00** i.e., **Item Value + Additional Cost (Freight)** (Rs. 14,000.00 + 1000.00 = Rs. 15,000.00)

Accounting Voucher Creation		Cost Centre in Invoice		Ctrl + M
Purchase No. 1				1-Apr-2007
Ref : 1				Sunday
Particulars		Debit		Credit
To Creditor				15,000.00
Cur Bal : 15,000.00 Cr				
New Ref 1	15,000.00 Cr			
By Purchase A/c		15,000.00		
Cur Bal : 15,000.00 Dr				
Item X	1,400 nos 10.00/nos 14,000.00			
Actuals :	10.71/nos (15,000.00)			
Category				
Cost Centre	15,000.00 Dr			

The Stock Summary Report after the entry is passed in the entry mentioned above is seen as shown below:

Stock Summary		Cost Centre in Invoice		Ctrl + M
		For 1-Apr-2007		
		Closing Balance		
		Quantity	Rate	Value
Item X		1,400 nos	10.71	14,999.99

It will display the Rate as 10.71 i.e.,  $14000.00(\text{Item Value}) + 1000.00 (\text{Freight Value}) = 15000.00/1400 = 10.71$

The Cost Centre Report allocates Rs.15000.00 to the Cost Centre and not Rs.14,000.00 i.e. not only the Item value but will also include the additional cost (freight) of Rs.1,000



Accounting Voucher Creation		Cost Centre in Invoice		Ctrl + M
Purchase No. 1				1-Apr-2007
Ref.: 1				Sunday
Party's A/c Name : Creditor				
Current Balance :				
Name of Item	Quantity	Rate per	Amount	
Item X	1,400 nos	10.00 nos	14,000.00	
Freight			1,000.00	
Narration:			1,400 nos	15,000.00

As Freight ledger in Invoice mode is selected after allocating the item to Purchase ledger and then to cost centre, the amount of **Rs. 1000** will add up to the Item value as Rs. 15,000.00, but will not add to the Cost Centre details.

Created under a Group "Expenses on Purchase" under "Purchase Account" and 'Method to Allocate when used in Purchase Invoice?' option is set to 'Appropriate by Value'

Now when you check the Stock Summary Report, it will show the total amount of Rs.15,000/-

Stock Summary		Cost Centre in Invoice		Ctrl + M
Particulars	Cost Centre in Invoice For 1-Apr-2007			
	Closing Balance			
	Quantity	Rate	Value	
Item X	1,400 nos	10.71	14,999.99	

It will show you the Rate as **10.71** which is correct

But when you check the Cost Centre Report, it will display only Rs.14,000/- as the allocation amount, which is incorrect.

Breakup of Cost Centre		Cost Centre in Invoice		Ctrl + M
Particulars	Cost Centre: Cost Centre			
	Cost Centre in Invoice			
	For 1-Apr-2007			
	Transactions		Closing Balance	
	Debit	Credit		
Purchase Accounts	14,000.00		14,000.00 Dr	

Please note this screen is *fictitious* and created only to show the effect if 'Cost Allocation' option was available in Invoice mode

This will lead to an incorrect cost centre report, as the additional cost details are not allocated to cost centre, in case of purchase entry in invoice mode. The entry needs therefore needs to be passed in voucher mode. You can use the feature 'User Pre-defined Cost Centre Allocation during Entry' in Purchase entry in Invoice mode, if it suits you.