

Costing Method 365 User manual

Costing Method 365 user manual for Microsoft Dynamics 365 Business Central

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1. GENERAL

1.1. Version

This manual describes the contents of Costing Method 365 Version 3.1.3.0

1.2. Explanation of the Symbols used

	Information – This symbol identifies passages that contain additional important information which must be observed during use.
	Reminder – Reminder of already mentioned important information or processes that when using the solution lead to optimised results.
	Practice tip – This symbol identifies passages that are intended to help the user to deploy the functionality in practice.
	Warning – This symbol accompanies information that it is essential to observe in order to avoid errors during use.

2. OVERVIEW

2.1. Module Options

Costing Method 365 is an ISV special solution based on Microsoft Dynamics 365 Business Central®.

The goal is to be able to change particular item parameters, such as primarily the costing method, which within the standard functionality of Microsoft Dynamics 365 Business Central **"can no longer be changed"** after posting.

The following options are available to you by using **Costing Method 365** :

- [Changing the costing method](#)
- [Changing the item tracking codes](#)
- [Changing the base unit of measure](#)

The solution is completely integrated in the application areas financial management and inventory of Microsoft Dynamics 365 Business Central ®-Standard.

If the above-mentioned parameters need to be changed for items, this change is carried out via "Costing Policy Worksheet".

Existing quantities with value are debited by the system, the change carried out and the quantities with value reposted anew.

To record the change, in addition to the item and value entries, so-called costing policy entries are formed.

2.2. Costing Policy Worksheet

The costing policy worksheet can be retrieved directly via the role centre or via the item list /- card.

CRONUS UK Ltd. | Finance | Journals | Cash Management | Cost Accounting | Fixed Assets | Posted Documents | Setup & Extensions | Valuation 365 | Costing Method 365

Costing Policy Worksheet Costing Policy Worksheet Name Costing Policy Entries Items Setup Data Costing Method 365

Insight from last month

The largest posted sales invoice was for **£15,853**

Actions

- + Sales Credit Memo
- + Purchase Credit Memo
- + Payment Journal Entry
- Payments
- Analysis
- Tasks
- Create
- Reports
- Setup
- History
- Costing Method 365
- Valuation 365
- Valuation 365 Analysis
- Valuation 365 Setup
- G/L Reports
- Cash Flow
- Customers and Vendors
- VAT Reports
- Intrastat
- Cost Accounting

CRONUS UK Ltd. | Finance | Journals | Cash Management | Cost Accounting | Fixed Assets | Posted Documents | Setup & Extensions | Valuation 365 | Costing Method 365

Items: All | Search | New | Delete | Process | Report | Item | Prices & Discounts | Request Approval | Inventory | Attributes | Page | **Actions** | Related | Reports | Fewer options

No. 1	Description	Type	Inventory	Substitutes Exist	Assembly BOM	Base Unit of Measure	Costing M	Unit Price	Vendor No.	Reverse Charge Applies
1896-S	ATHENS Desk	Inventory	4	No	No	PCS	FIFO	649.40	30000	
1900-S	PARIS Guest Chair, black	Inventory	0	No	No	PCS	FIFO	125.10	20000	
1906-S	ATHENS Mobile Pedestal	Inventory	5	No	No	PCS	FIFO	281.40	30000	
1908-S	LONDON Swivel Chair, blue	Inventory	3	No	No	PCS	FIFO	123.30	30000	
1920-S	ANTWERP Conference Table	Inventory	10	No	No	PCS	FIFO	420.40	20000	
1925-W	Conference Bundle 1-6	Inventory	0	No	Yes	PCS	FIFO	122.50		
1928-S	AMSTERDAM Lamp	Inventory	8	No	No	PCS	FIFO	35.60	10000	
1929-W	Conference Bundle 1-8	Inventory	0	No	Yes	PCS	FIFO	151.70		
1936-S	BERLIN Guest Chair, yellow	Inventory	100	No	No	PCS	FIFO	125.10	20000	
1953-W	Guest Section 1	Inventory	-49	No	Yes	PCS	FIFO	81.60		
1960-S	ROME Guest Chair, green	Inventory	2	No	No	PCS	FIFO	125.10	20000	
1964-S	TOKYO Guest Chair, blue	Inventory	4	No	No	PCS	FIFO	125.10	20000	
1965-W	Conference Bundle 2-8	Inventory	-81	No	Yes	PCS	FIFO	151.70		
1968-S	MEXICO Swivel Chair, black	Inventory	10	Yes	No	PCS	FIFO	123.30	30000	
1969-W	Conference Package 1	Inventory	-7	No	Yes	PCS	FIFO	221.80		
1972-S	MUNICH Swivel Chair, yellow	Inventory	0	No	No	PCS	FIFO	123.30	30000	
1980-S	MOSCOW Swivel Chair, red	Inventory	0	Yes	No	PCS	FIFO	123.30	30000	
1988-S	SEOUL Guest Chair, red	Inventory	0	Yes	No	PCS	FIFO	97.50	125.10	20000
1996-S	ATLANTA Whiteboard, base	Inventory	10	No	No	PCS	FIFO	707.20	906.70	30000
2000-S	SYDNEY Swivel Chair, green	Inventory	38	No	No	PCS	FIFO	96.10	123.30	30000

Costing Policy Worksheet | Work Date: 12/04/2021

Name: DEFAULT

Manage Process Line Open in Excel

Item No. 1	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure
1896-S	ATHENS Desk	FIFO	Standard			PCS
1900-S	PARIS Guest Chair, black	FIFO	Standard			PCS
1906-S	ATHENS Mobile Pedestal	FIFO	Standard			PCS
1908-S	LONDON Swivel Chair, blue	FIFO	Standard			PCS
1920-S	ANTWERP Conference Table	FIFO	Standard			PCS
1925-W	Conference Bundle 1-6	FIFO	Standard			PCS
1928-S	AMSTERDAM Lamp	FIFO	Standard			PCS
1929-W	Conference Bundle 1-8	FIFO	Standard			PCS
1936-S	BERLIN Guest Chair, yellow	FIFO	Standard			PCS
1953-W	Guest Section 1	FIFO	Standard			PCS
1960-S	ROME Guest Chair, green	FIFO	Standard			PCS
1964-S	TOKYO Guest Chair, blue	FIFO	Standard			PCS
1965-W	Conference Bundle 2-8	FIFO	Standard			PCS
1968-S	MEXICO Swivel Chair, black	FIFO	Standard			PCS
1969-W	Conference Package 1	FIFO	Standard			PCS
1972-S	MUNICH Swivel Chair, yellow	FIFO	Standard			PCS
1980-S	MOSCOW Swivel Chair, red	FIFO	Standard			PCS
1988-S	SEOUL Guest Chair, red	FIFO	Standard			PCS
1996-S	ATLANTA Whiteboard, base	FIFO	Standard			PCS
2000-S	SYDNEY Swivel Chair, green	FIFO	Standard			PCS

The lines for the change of the costing policy can either be proposed with a function or manually entered in the costing policy worksheet.

Costing Policy Worksheet | Work Date: 12/04/2021

Name DEFAULT

Manage **Process** Line Open in Excel

Suggest Costing Policy... Implement Costing Policy...

Item No. T	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code
→					

The change in the item is carried out by the function suggest costing policy. This involves reclassifications of existing quantities and values.

Item 1896-S ATHENS Desk | Work Date: 12/04/2021

Item Ledger Entries | Search | Entry | Page | More options

Posting Date	Entry Type	Document Type	Document No.	Item No. ▼	Description	Department Code	Customergroup Code	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)
08/08/2020	Purchase	Purchase Receipt	107112	1896-S					11	11	0	0.00
08/07/2020	Purchase	Purchase Receipt	107099	1896-S					10	10	0	0.00
08/06/2020	Purchase	Purchase Receipt	107087	1896-S					15	15	0	0.00
08/05/2020	Purchase	Purchase Receipt	107074	1896-S					14	14	0	0.00
08/04/2020	Purchase	Purchase Receipt	107062	1896-S					18	18	0	0.00
08/03/2020	Purchase	Purchase Receipt	107049	1896-S					15	15	0	0.00
09/02/2020	Purchase	Purchase Receipt	107036	1896-S					13	13	0	0.00
09/01/2020	Purchase	Purchase Receipt	107023	1896-S					9	9	0	0.00
01/01/2020	Purchase	Purchase Receipt	107001	1896-S					4	4	0	0.00
31/03/2021	Sale	Sales Shipment	102196	1896-S		SALES	LARGE		-8	-8	0	5,195.20
25/03/2021	Sale	Sales Shipment	102191	1896-S		SALES	SMALL		-10	-10	0	6,494.00
27/02/2021	Sale	Sales Shipment	102182	1896-S		SALES	LARGE		-7	-7	0	4,545.80
23/02/2021	Sale	Sales Shipment	102178	1896-S		SALES	SMALL		-8	-8	0	5,195.20

You can find detailed information from chapter 4 - Costing Policy Change.

2.3. Costing Policy Entries

In addition to the item postings that are carried out when the costing policy is changed, costing policy entries occur for the recording.

The costing policy entries can be retrieved via the item card.

Item Card | Work Date: 12/04/2021

1896-S · ATHENS Desk

Process Item Prices & Discounts Request Approval Actions **Related** Fewer options

History Item Availability Purchases Sales Bill of Materials Warehouse Resources

Entries

- Ledger Entries
- Phys. Inventory Ledger Entries
- Reservation Entries
- Value Entries
- Item Tracking Entries
- Warehouse Entries
- Costing Policy Entries**
- Item Valuation Entries
- Application Worksheet
- Export Item Data

Inventory

Shelf No. Inventory

Costs & Posting

Cost Details

Costing Method: FIFO
Standard Cost: 0.00
Unit Cost: 506.60
Indirect Cost %: 0
Last Direct Cost: 506.60

Posting Details

Gen. Prod. Posting Group: RETAIL
VAT Prod. Posting Group: STANDARD
Inventory Posting Group: RESALE
Default Deferral Template: [dropdown]
Foreign Trade: [dropdown]

1896-S · ATHENS Desk | Work Date: 01/01/2022

Costing Policy Entries | Search Page

Item No. ↑	Description	Costing Method	Item Tracking Code	Base Unit of Measure	Starting Date	First Item Ledger Entry No.
1896-S	ATHENS Desk	FIFO		PCS		9
1896-S	ATHENS Desk	Average		PCS	01/01/2022	652

Two costing policy entries are always created during a change. The first entry shows the parameters valid until the reference date of the change. The second entry shows the parameters valid from the reference date of the change with a starting date.

The following fields are available in the costing policy entries:

Option	Description
Item No.	Number of the item for which a value flow change was carried out.
Description	Item description
Costing Method	When the costing method is changed, the first entry includes the old costing method and the second entry the new valid costing method.
Item tracking code	When item tracking is changed, the first entry includes the old item tracking and the second entry the new valid item tracking.
Base unit of Measure	When the base unit of measure is changed, the first entry includes the old base unit of measure and the second entry the new valid base unit of measure.
Starting Date	Indicates the reference date from which the costing policy change is valid.
First Item Ledger Entry No.	Here you find the serial number of the first item entry for the particular valid costing policy.

For every costing policy change carried out on the item, new costing policy entries are created.

3. FOUNDATIONS

3.1. Role Centre

The module is integrated in the accountant role centre of Microsoft Dynamics 365 Business Central® and can be retrieved there.

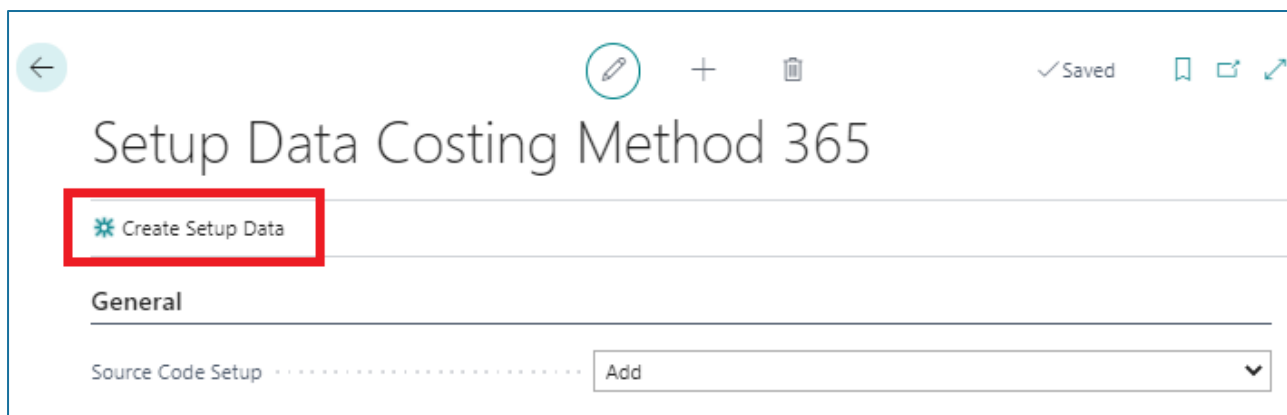
In addition, branching options exist in the item overview and item card.



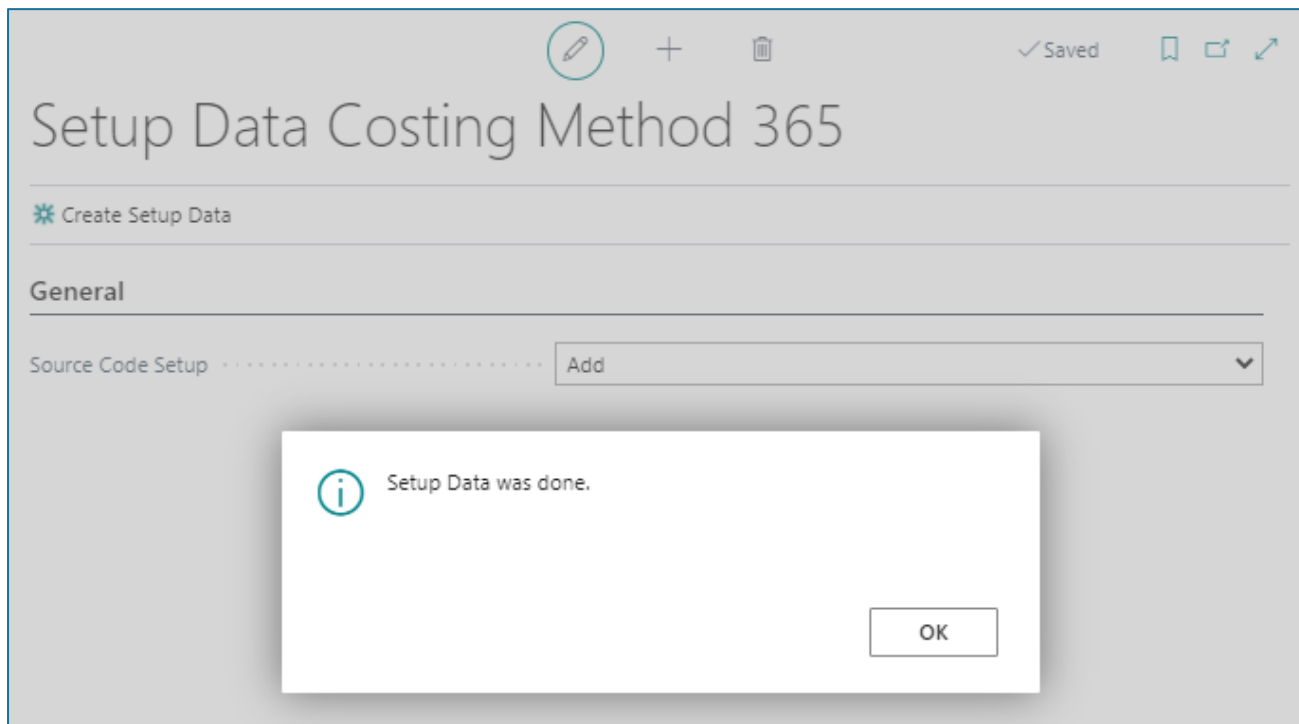
3.2. Setup Data Costing Method 365

The function setup data Costing Method 365 enables you to create basic setup parameters for the module and file them in the system.

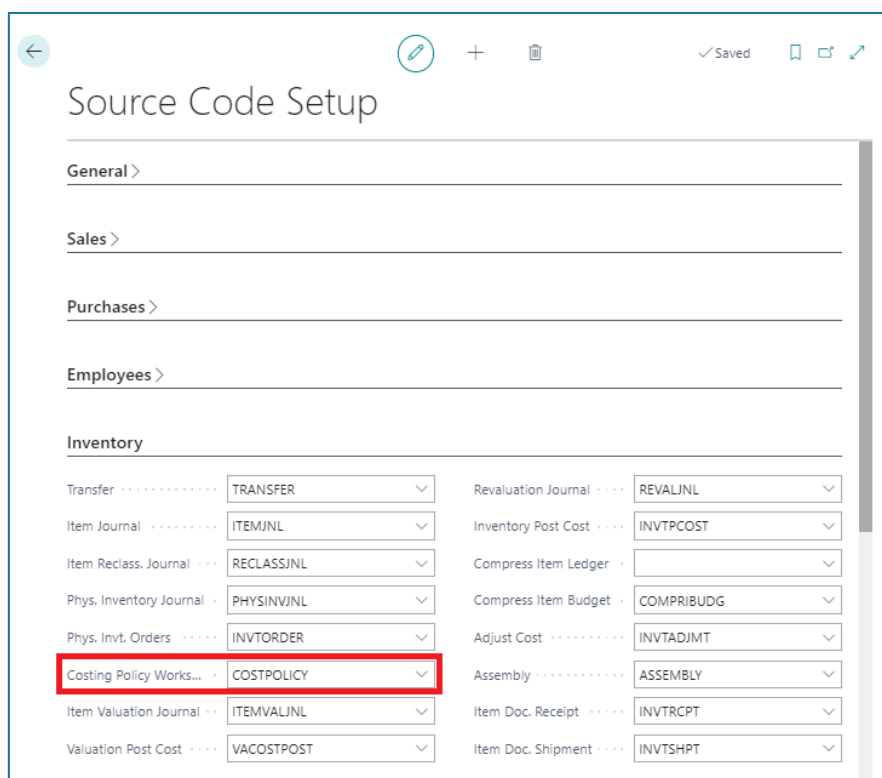
In this case, a source code is needed for the costing policy worksheet, which makes entries to change the item parameters.



By executing the function create setup data, a source code is created and filed in the source code setup for the costing policy worksheet.



Result in the source code setup:



4. COSTING POLICY CHANGE

4.1. Costing Policy Change Steps

The system carries out the following four steps to change the costing policy:

1. All open positive item entries of the item are determined. This corresponds to the incoming transactions, such as purchases, transfer inputs, actual reports of production and assembly orders.
2. A negative adjustment is posted for each of these positive item entries.
3. The program changes the costing policy from the costing method, item tracking code, base unit of measure and, if necessary, the (fixed) standard costs of the item master record and in all associated inventory data.
4. For the original positive open item entries additions are then once again created with the new costing policy and the new standard cost (fixed) if a tick has been set.
5. The program ensures that the reservations for the originally open positive item entries now apply to the new item entries.
6. The program creates a new costing policy entry for the item. The entry shows the new costing method, the new item tracking code and/or the new base unit of measure code, the starting date and the number of the first item entry for which the costing policy is valid.

Item entry of a costing policy change:

Item 1920-S ANTWERP Conference Table Work Date: 01/01/2022												
Item Ledger Entries Search Entry Page More options												
Posting Date	Entry Type	Document Type	Document No.	Item No. ▼	Loc... Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Invtbl.)	Open
01/01/2022	Positive Adjmt.		ICP0001	1920-S		6	6	6	0.00	1,968.00	0.00	<input checked="" type="checkbox"/>
01/01/2022	Positive Adjmt.		ICP0001	1920-S		4	4	4	0.00	1,312.00	0.00	<input checked="" type="checkbox"/>
31/12/2021	Negative Adjmt.		ICP0001	1920-S		-6	-6	0	0.00	-1,968.00	0.00	<input type="checkbox"/>
31/12/2021	Negative Adjmt.		ICP0001	1920-S		-4	-4	0	0.00	-1,312.00	0.00	<input type="checkbox"/>
11/03/2021	Purchase	Purchase Receipt	107197	1920-S		6	6	0	0.00	1,968.00	0.00	<input type="checkbox"/>
11/02/2021	Purchase	Purchase Receipt	107184	1920-S		6	6	0	0.00	1,968.00	0.00	<input type="checkbox"/>



When the costing policy is changed, the dimensions of the original entry are not used, but rather always the standard dimensions of the item master record.

4.2. Prerequisite

The following conditions must be met to change the costing policy:

- There may not be any open negative item entries.
- There may not be any partially completed production order lines. If such lines exist, you can simply change the quantity in the production order line to the value of the quantity completed and finish the production order. A new production order should then be created with the quantity still outstanding. This procedure allows you to proceed with changing the costing method.
- No open transfer orders may exist for the item for which the output side is posted and the input side is still missing. This is because it is not possible to move quantities directly from the transit storage locations.
- There may not be any item entries with the same or later date than the validity date from the requirement window Adopt costing policy.



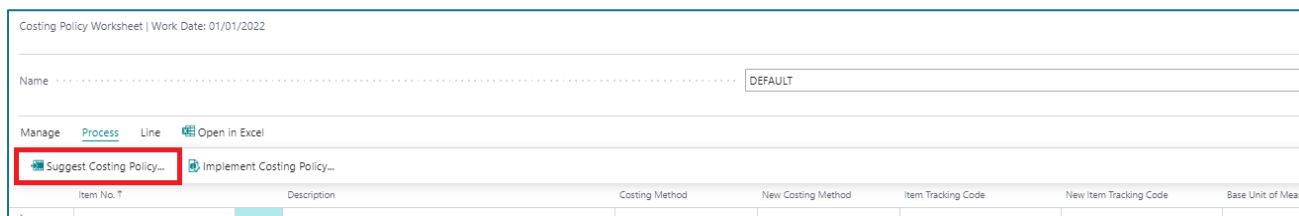
Before changing the costing policy, we recommend creating a data backup of the database.

In addition, the changes should first be changed on a test system to enable the resulting new values to be thoroughly checked without affecting the genuine data.

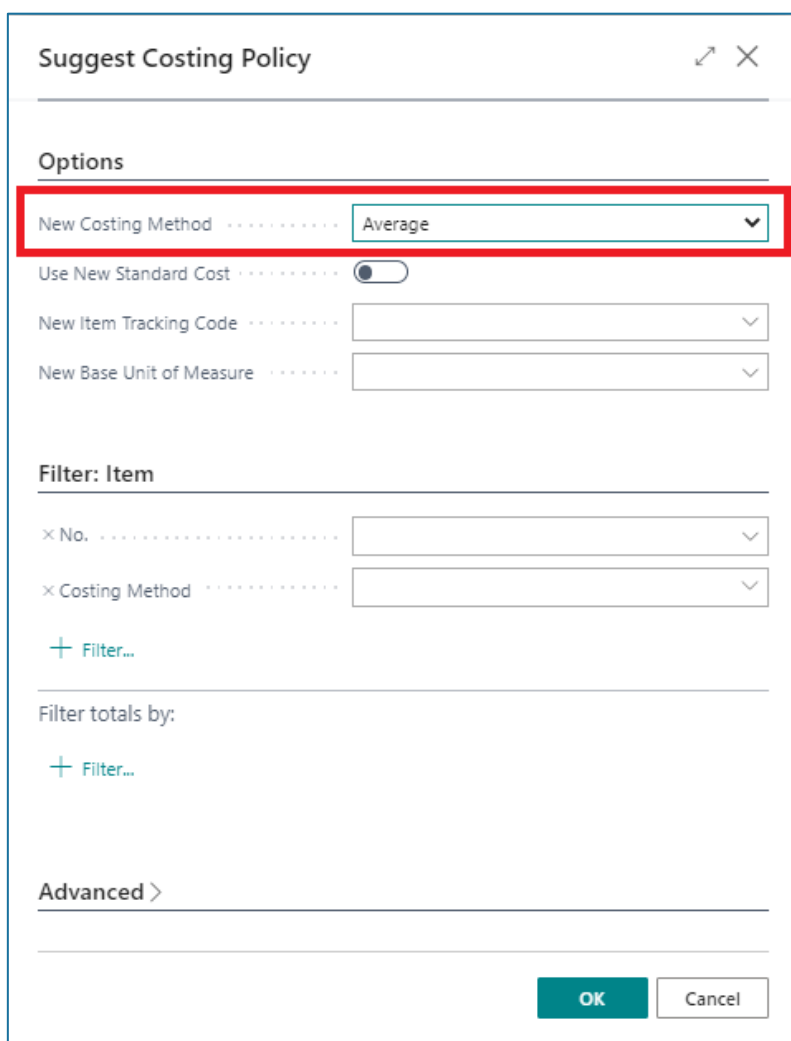
4.3. Suggest Costing Policy

To change the costing policy of one or more items, open the costing policy worksheet (see **Fehler! Verweisquelle konnte nicht gefunden werden. Fehler! Verweisquelle konnte nicht gefunden werden.**).

The function suggest costing policy enables you to automatically fill the proposal journal with the desired items.



The new costing policy must be stated, e.g. the new costing method. In addition, items can be filtered via the register to enable particular items to be included in the proposal.



Field	Description
New Costing Method	The costing method is entered here to which the items are to be changed.
Use New Standard Cost	Is only applied to changing to the standard costing method. If the check box is selected, the new standard cost fixed is already used for recalculation of the item inventory value. If you leave the field empty, the program uses the old fixed standard cost when recalculating the open item entries as a result of which the inventory value reflects the old fixed standard cost. The program then adopts the new fixed standard cost in the next entry made for the item.
New Item Tracking Code	The item tracking code is entered here to which the items are to be changed.
New Base Unit of Measure Code	The base unit of measure is entered here to which the items are to be changed.

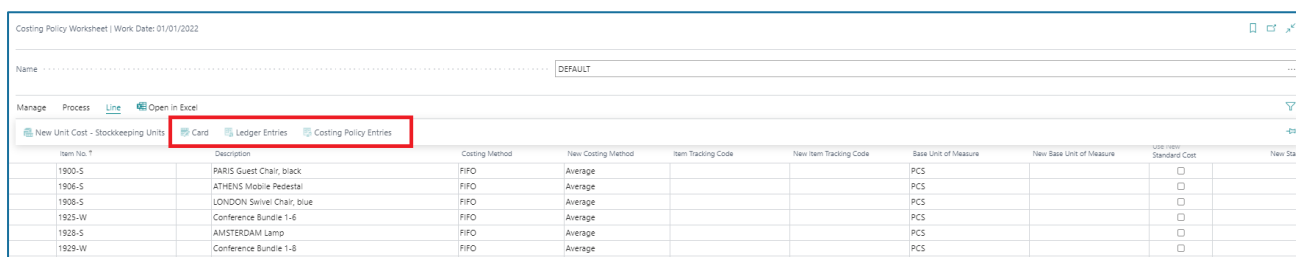
In the register Filter item, filters can be set for the item master to ensure only particular items are adopted in the costing policy worksheet.

Item No. T	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Use New Standard Cost	New Standard Cost
1900-S	PARIS Guest Chair, black	FIFO	Average			PCS		<input type="checkbox"/>	
1906-S	ATHENS Mobile Pedestal	FIFO	Average			PCS		<input type="checkbox"/>	
1908-S	LONDON Swivel Chair, blue	FIFO	Average			PCS		<input type="checkbox"/>	
1925-W	Conference Bundle 1-6	FIFO	Average			PCS		<input type="checkbox"/>	
1928-S	AMSTERDAM Lamp	FIFO	Average			PCS		<input type="checkbox"/>	

The following information is to be found in the costing policy worksheet:

Field	Description
Item No.	Number of the item for which the costing policy was proposed.
Description	Description of the item for which the costing policy was proposed.
Costing Method	The previous costing method of the item.
New Costing Method	The new costing method which is to be changed to.
Item Tracking Code	The previous item tracking code of the item
New Item Tracking Code	The new item tracking code which is to be changed to.
Base Unit of Measure	The previous base unit of measure code of the item
New Base Unit of Measure	The new base unit of measure code which is to be changed to.
Use New Standard Cost	This field is set if standard was selected as new costing method.

	<p>When proposing the costing policy, this field can already be activated. As a result, this determines that the value from the field "New standard cost" is already used for the entry of the costing policy worksheet. If the field is not activated, the value from the field standard cost (fixed) is used for the entry.</p>
Standard Cost	Value of the field standard cost of the item card.
New Standard Cost	Upon activation of the field Use new standard cost, the new valid standard cost can be filed here.
New Unit Cost – stockkeeping unit exist	Activation of the check box shows if stock data are available for the item.
Unit Cost	Value of the field standard cost of the item card.
Last Direct Unit Cost	Value of the field last direct unit cost of the item card.



You can go to the respective item card or item entry via the start line. If there are already costing policy entries from earlier changes, these can also be viewed via the start line.

4.4. Implement Costing Policy

To implement the costing policy and as a result carry out the change, the corresponding function is retrieved in the costing policy worksheet.

Item No. T	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Lock Item Standard Cost	New Stand
1900-S	PARIS Guest Chair, black	FIFO	Average			PCS		<input type="checkbox"/>	
1906-S	ATHENS Mobile Pedestal	FIFO	Average			PCS		<input type="checkbox"/>	
1908-S	LONDON Swivel Chair, blue	FIFO	Average			PCS		<input type="checkbox"/>	
1925-W	Conference Bundle 1-6	FIFO	Average			PCS		<input type="checkbox"/>	
1928-S	AMSTERDAM Lamp	FIFO	Average			PCS		<input type="checkbox"/>	

Implement Costing Policy

Use default values from Last used options and filters

Options

Valid-from Date

Document No.

Filter: Costing Policy Worksheet

× Item No.

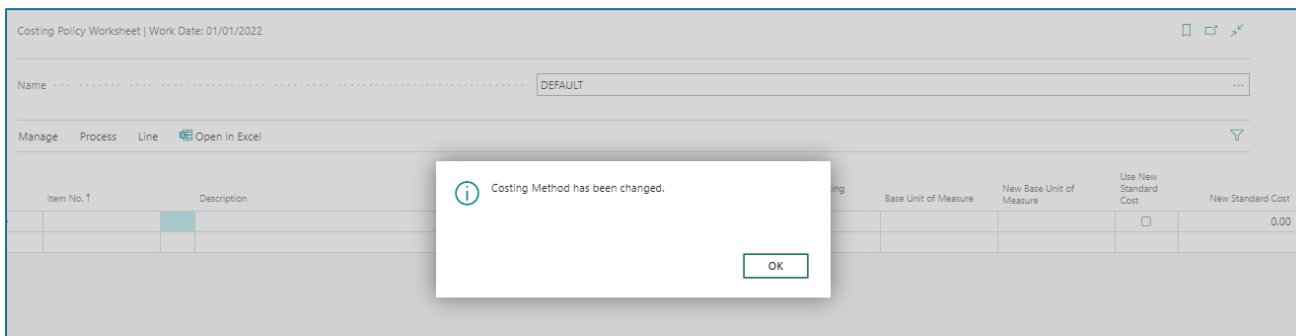
+ Filter...

Advanced >

The following parameters must be included:

Field	Description
Valid from date	The reference date is entered here from which the new costing policy is to apply. The new item entries are posted with this date.
Document no.	This document number is used for posting the new item entries.

In the register Filter costing policy worksheet, filters can be placed on the lines from the costing policy worksheet, e.g. if the costing policy change is only to be carried out for a small portion in the first step.



	<p>After changing the costing policy, inventory costs actual standard prices must be executed.</p>
	<p>Due to the great number of entries, it can take a while until the batch processing implement costing policy completes its task. Consequently, we recommend not carrying out the batch processing during normal business hours.</p>

4.5. Result

Through the change in the costing policy, the former stocks, which were present before the change date, are posted out and after the change to Valid from reference date reposted.

As a result, the following item entries arise:

The screenshot shows the 'Item Ledger Entries' table for Item 1964-5 TOKYO Guest Chair, blue. The table has columns for Posting Date, Entry Type, Document Type, Document No., Item No., Location Code, Quantity, Invoiced Quantity, Remaining Quantity, Sales Amount (Actual), Cost Amount (Actual), Cost Amount (Non-Initial), Open, Order Type, and Entry No.

Posting Date	Entry Type	Document Type	Document No.	Item No.	Location Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Non-Initial)	Open	Order Type	Entry No.
01/01/2022	Positive Adjmt.		ICP0001	1964-5		4	4	4	0.00	390.00	0.00	<input checked="" type="checkbox"/>		706
31/12/2021	Negative Adjmt.		ICP0001	1964-5		-4	-4	0	0.00	-390.00	0.00	<input type="checkbox"/>		705
10/11/2020	Purchase	Purchase Receipt	107154	1964-5		4	4	0	0.00	390.00	0.00	<input type="checkbox"/>		584

In addition to the item entries, the following costing policy entries arise:

Costing Policy Entries | Work Date: 01/01/2022

Search Page

Item No.	Description	Costing Method	Item Tracking Code	Base Unit of Measure	Starting Date	First Item Ledger Entry No.
1896-S	ATHENS Desk	FIFO		PCS		9
1896-S	ATHENS Desk	Average		PCS	01/01/2022	652
1996-S	ATLANTA Whiteboard, base	FIFO		PCS		11
1996-S	ATLANTA Whiteboard, base	Average		PCS	01/01/2022	654
2000-S	EVANSTON Cabinet Chair, base	FIFO		PCS		25

4.6. Change to Standard Costing Method

If there is a change in the standard costing method, the fixed cost from the field standard cost of the item card or stock data is relevant.

The standard cost normally arises from a previous calculation of the cost components of the item. In the case of production items, these are normally the costs from the unit lists and work plans.

If an item is changed to the standard method, the field standard cost must either be filled out in advance on the item, e.g. via the standard cost work sheet or the externally calculated standard cost is included in the costing policy worksheet and transferred with the change in the item card.

4.6.1. Change with existing standard cost

If the correct standard cost is already filed in the item card or stock for the item that is to be changed, this can be applied in the costing policy worksheet.

Item card of a FIFO item in which the standard cost is already filed and is accordingly also reflected in the entries:

Item Card | Work Date: 10.09.2023

1000 · Tourenrad

Process Item Prices & Discounts Request Approval More options

Item Show more

No. 1000 Type Inventory

Description Tourenrad Base Unit of Measure STÜCK

Blocked Item Category Code

Inventory 32

Costs & Posting Show more

Cost Details

Costing Method FIFO

Standard Cost 350,595

Unit Cost 350,595

Net Invoiced Qty. 0

Cost is Adjusted

Purchase Prices & Discounts [Create New...](#)

Posting Details

Gen. Prod. Posting Group HANDEL

Tax Group Code

Inventory Posting Group FERTIG

Default Deferral Template

Foreign Trade

Tariff No.

In the event of a change in the costing method from FIFO to STANDARD, this standard cost can be applied in the costing policy worksheet.

In this case, no tick is placed in the check box Use new standard cost.

The proposal obtains the values from the item card and writes these in the costing policy worksheet.

Costing Policy Worksheet | Work Date: 10.09.2023 ✓ Saved

Name STANDARD

Manage Process Line

Item No. ↑	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Use New Stand... Cost	New Standard Cost
→ 1000	Tourenrad	FIFO	Standard			STÜCK		<input checked="" type="checkbox"/>	350,595

In the costing policy change, the debit is made with the old standard cost according to the previous costing method. For the posting of the quantity, the value from the field New standard cost is used.



After changing the costing policy, inventory costs actual standard prices must be executed.



If the standard cost of the item card does not match the values of the posted entries, then the costing policy worksheet applies the value from the field standard cost fixed (latest) when changing the costing method. The inventory costs actual standard prices function re-adjusts with the actual values of the posted entries according to the value flow, as a result of which the values do not correspond..

4.6.2. Change with new standard cost

If a new standard cost is to be applied when changing the costing method, it can be stated in the costing policy worksheet.

If the field standard cost of the item card or stock data is already filled with the correct value, this is applied.

Item card of a FIFO item without standard cost.

Item Card | Work Date: 10.09.2023

70075 · FIFO Item with new Standard Cost

Process Item Prices & Discounts Request Approval More options

Item

No. 70075 Type Inventory

Description FIFO Item with new Standard Cost Base Unit of Measure STÜCK

Blocked Item Category Code

Inventory

Shelf No.

Inventory 20 Qty. on Sales Order 0

Qty. on Purch. Order 0 Stockout Warning Default (Yes)

Qty. on Prod. Order 0 Unit Volume 0

Qty. on Component Lines 0 Over-Receipt Code

Costs & Posting

Cost Details		Posting Details	
Costing Method	FIFO	Gen. Prod. Posting Group	HANDEL
Standard Cost	0,00	VAT Prod. Posting Group	MWST.19
Unit Cost	15,00	Tax Group Code	
Indirect Cost %	0	Inventory Posting Group	WEITERVERK
Last Direct Cost	15,00	Default Deferral Template	
Net Invoiced Qty.	20	Foreign Trade	
Cost is Adjusted	<input type="checkbox"/>	Tariff No.	
Cost is Posted to G/L	<input type="checkbox"/>	Country/Region of Origin Code	
Purchase Prices & Discounts	Create New...		

In the costing policy worksheet, when executing the function suggest costing policy it is stated that a new standard cost should be used.

Suggest Costing Policy

Options

New Costing Method Standard

Use New Standard Cost

New Item Tracking Code

New Base Unit of Measure

Filter: Item

No. 70075

Costing Method

+ Filter...

Filter totals by:

+ Filter...

Advanced >

OK Cancel

In the costing policy worksheet, the new valid standard cost can be entered in the field new standard cost.

← Costing Policy Worksheet | Work Date: 10.09.2023 ✓ Saved

Name: STANDARD

Manage Process Line

Item No.†	Description	Costing Method	New Costing Method	Item Tracki... Code	New Item Tracki... Code	Base Unit of Measure	New Base Unit of Meas...	Use New Stan... Cost	New Standard Cost	New Unit Cost - Stockkeeping Units exists	Unit Cost	Standard Cost	Last Direct Unit Cost
→ 70075	FIFO Item with new Standard Cost	FIFO	Standard			STÜCK		<input checked="" type="checkbox"/>	35.00	<input type="checkbox"/>	15.00	0.00	15.00

If the costing policy worksheet is adopted, the posting occurs with the new value and the field standard cost is filled in accordingly in the item card.

Item card after change of the costing policy:

← Item Card | Work Date: 10.09.2023 ✓ Saved

70075 · FIFO Item with new Standard Cost

Process Item Prices & Discounts Request Approval More options

Item Show more

No. 70075 Type Inventory

Description FIFO Item with new Standard Cost Base Unit of Measure STÜCK

Blocked Item Category Code

Inventory Show more

Shelf No. Qty. on Sales Order 0

Inventory 20 Stockout Warning Default (Yes)

Qty. on Purch. Order 0 Unit Volume 0

Qty. on Prod. Order 0 Over-Receipt Code

Qty. on Component Lines 0

Costs & Posting Show less

Cost Details

Costing Method Standard

Standard Cost 35.00

Unit Cost 35.00

Indirect Cost % 0

Last Direct Cost 35.00

Net Invoiced Qty. 20

Cost is Adjusted

Cost is Posted to G/L

Purchase Prices & Discounts Create New...

Posting Details

Gen. Prod. Posting Group HANDEL

VAT Prod. Posting Group MWST.19

Tax Group Code

Inventory Posting Group WEITERVERK

Default Deferral Template

Foreign Trade

Tariff No.

Country/Region of Origin Code

Item Ledger Entries after Costing Policy Change:

← Item 70075 FIFO Item with new Standard Cost | Work Date: 10.09.2023

Item Ledger Entries Search Entry More options

Posting Date	Entry Type	Doc... Type	Document No.	Item No. ▼	Des...	Dep... Code	Proj... Code	Loc... Code	Quantity	Invoiced Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)
31.12.2023	Positive Adj...		CMC2023	70075					20	20	20	0.00	700.00
30.12.2023	Negative A...		CMC2023	70075					-20	-20	0	0.00	-300.00
10.09.2023	Positive Adj...		AU00001	70075					20	20	0	0.00	300.00



After changing the costing policy, Adjust Cost – Item Entries must be executed.

4.6.3. Change to standard costing method with inventory data

If inventory data are available for an item, the standard cost is saved in the respective stock data and referred to for the evaluation

Item costing method FIFO with inventory data:

...ing Unit Card | Work Date: 01/01/2022

EAST · 1968-S

New Item Navigate More options

General

Item No. 1968-S Qty. on Purch. Order 0

Description MEXICO Swivel Chair, black Qty. in Transit 0

Location Code EAST Qty. on Sales Order 0

Variant Code Inventory 3

Assembly BOM No Qty. on Job Order 0

Shelf No. Qty. on Assembly Ord... 0

Last Date Modified 28/09/2021 Qty. on Asm. Compon... 0

Invoicing

Standard Cost 0.00 Last Direct Cost 96.10

Unit Cost 96.10

If an item with inventory data is used in the costing policy worksheet, the line is marked in the field New standard cost - stock data available.

Costing Policy Worksheet | Work Date: 01/01/2022

Name DEFAULT

Manage Process Line Open in Excel

Item No.1	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Use New Stand... Cost	Standard Cost	New Standard Cost	Unit Cost	Last Direct Unit Cost
1968-S	MEXICO Swivel Chair, black	Average	Standard			PCS		<input type="checkbox"/>	0.00	0.00	96.10	96.10

The stock data can be viewed via the button line:

Costing Policy Worksheet | Work Date: 01/01/2022

Name DEFAULT

Manage Process Line Open in Excel

New Unit Cost - Stockkeeping Units Card Ledger Entries Costing Policy Entries

Item No.1	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Use New Stand... Cost	Standard Cost	New Standard Cost	Unit Cost	Last Direct Unit Cost
1968-S	MEXICO Swivel Chair, black	Average	Standard			PCS		<input type="checkbox"/>	0.00	0.00	96.10	96.10

Window new unit cost - inventory data:

Location Code ↑	Variant Code ↑	Description	Use New Stan... Cost	Unit Cost	Last Direct Unit Cost	New Standard Cost
→ EAST		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	0.00
MAIN		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	0.00
SCRAP		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	0.00
WEST		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	0.00

Field	Description
Location Code	If the stock data are structured according to storage location, a line is displayed here per storage location, for which a new standard cost can be filed.
Variant Code	If the stock data are structured according to storage location, a line is displayed here per version, for which a new standard cost can be filed.
Description	Description of the item used in the costing policy worksheet.
Use New Standard Cost	Is only applied to changing to the standard costing method. If the check box is selected, the new standard cost is already used for posting the item inventory value. If you leave the field empty, the program uses the old standard cost when recalculating the open item entries as a result of which the inventory value reflects the old fixed standard cost. The program then adopts the new standard cost in the next entry made for the item.
Unit Cost	Value of the field standard cost of the item card.
Last Direct Unit Cost	Value of the field last direct costs of the item card.
New Standard Cost	Value of the field standard cost of the stock data.

The new standard cost is filed in this list and is consequently filed behind the respective line in the costing policy worksheet.

DEFAULT · 1968-S | Work Date: 01/01/2022 ✓ Saved

New Unit Cost - Stockkeeping Units | Search Edit List Page Related Fewer options

Location Code ↑	Variant Code ↑	Description	Use New Stan... Cost	Unit Cost	Last Direct Unit Cost	New Standard Cost
EAST		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	120.00
MAIN		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	90.00
SCRAP		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	150.00
→ WEST		MEXICO Swivel Chair, black	<input type="checkbox"/>	96.10	96.10	75.00

When executing the costing policy change, the standard costs are used for the posting and the values are filed in the respective stock data.

...ing Unit Card | Work Date: 01/01/2022

EAST · 1968-S

New Item Navigate More options

General

Item No. 1968-S Qty. on Purch. Order 0

Description MEXICO Swivel Chair, black Qty. in Transit 0

Location Code EAST Qty. on Sales Order 0

Variant Code Inventory 3

Assembly BOM No Qty. on Job Order 0

Shelf No. Qty. on Assembly Ord... 0

Last Date Modified 28/09/2021 Qty. on Asm. Compon... 0

Invoicing

Standard Cost 120.00 Last Direct Cost 120.00

Unit Cost 120.00

Item ledger entries after change of the costing policy:

Item 1968-S MEXICO Swivel Chair, black | Work Date: 01/01/2022

Item Ledger Entries | Search Entry Page More options

Posting Date	Entry Type	Document Type	Document No.	Item No.	Loc. Code	Quantity	Involved Quantity	Remaining Quantity	Sales Amount (Actual)	Cost Amount (Actual)	Cost Amount (Expected)	Sales Amount (Expected)	Cost Amount (Actual) (IC1)	Cost Amount (Expected) (IC1)	Cost Amount (NormInvnd)	Open	Order Type
01/02/2022	Positive Adjmt.		ICP0001	1968-S	MAIN	1	1	1	0.00	96.10	0.00	0.00	0.00	0.00	0.00	<input checked="" type="checkbox"/>	
31/01/2022	Negative Adjmt.		ICP0001	1968-S	MAIN	-1	-1	0	0.00	-96.10	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
01/01/2022	Positive Adjmt.		ICP0001	1968-S	MAIN	1	1	0	0.00	96.10	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
31/12/2021	Negative Adjmt.		ICP0001	1968-S	MAIN	-1	-1	0	0.00	-96.10	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
01/04/2021	Transfer	Transfer Shipment	108001	1968-S	MAIN	-1	-1	0	0.00	-96.10	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	Transfer
01/01/2020	Purchase	Purchase Receipt	107009	1968-S	MAIN	2	2	0	0.00	192.20	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
01/02/2022	Positive Adjmt.		ICP0001	1968-S	EAST	3	3	3	0.00	288.30	0.00	0.00	0.00	0.00	0.00	<input checked="" type="checkbox"/>	
31/01/2022	Negative Adjmt.		ICP0001	1968-S	EAST	-3	-3	0	0.00	-288.30	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
01/01/2022	Positive Adjmt.		ICP0001	1968-S	EAST	3	3	0	0.00	288.30	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
31/12/2021	Negative Adjmt.		ICP0001	1968-S	EAST	-3	-3	0	0.00	-288.30	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
01/01/2020	Purchase	Purchase Receipt	107010	1968-S	EAST	3	3	0	0.00	288.30	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
13/03/2021	Purchase	Purchase Receipt	107199	1968-S		8	8	0	0.00	768.80	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
13/02/2021	Purchase	Purchase Receipt	107186	1968-S		6	6	0	0.00	576.60	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	
13/01/2021	Purchase	Purchase Receipt	107173	1968-S		7	7	0	0.00	672.70	0.00	0.00	0.00	0.00	0.00	<input type="checkbox"/>	



After changing the costing policy, Adjust Cost – Item Entries must be executed.

4.7. Changing Item Tracking Code

If an item is already posted, the item tracking code on the item cannot be changed or reset in standard.

Through **Costing Method 365** a change can be made with the costing policy worksheet.

Item previously without item tracking:

The screenshot shows the SAP Item Card for '1900-S · PARIS Guest Chair, black'. The 'Costs & Posting' section is expanded, showing 'Costing Method' set to 'Standard'. The 'Item Tracking' section at the bottom has a red box around the 'Item Tracking Code' dropdown menu.

4.7.1. Prerequisite

The same procedure applies as when changing the costing method (see chapter 4.1 - 4.4)

Furthermore, with the change of the item tracking code existing stocks are posted out before the change and thereafter reposted with the right tracking code.

4.7.2. Setting a new item tracking code

The existing quantity of the item has to be posted out via the item journal.

After this, the new costing policy can be proposed.

Suggest Costing Policy ↗ ✕

Options

New Costing Method

Use New Standard Cost

New Item Tracking Code

New Base Unit of Measure

Filter: Item

× No.

× Costing Method

+ Filter...

Filter totals by:

+ Filter...

Advanced >

The new item tracking code is set in the costing policy worksheet.

Item No. 1	Description	Costing Method	New Costing Method	Item Tracking Code	New Item Tracking Code	Base Unit of Measure	New Base Unit of Measure	Use New Standard Cost	Standard Cost	New
1900-S	PARIS Guest Chair, black	Standard			SNALL	PCS		<input type="checkbox"/>	10.00	

The new item tracking code is set upon adoption of the costing policy:

Item Card | Work Date: 01/01/2022

1900-S · PARIS Guest Chair, black

Process Item Prices & Discounts Request Approval Actions Related Fewer options

Costs & Posting Show less

<p>Cost Details</p> <p>Costing Method Standard</p> <p>Standard Cost 0.00</p> <p>Unit Cost 0.00</p> <p>Indirect Cost % 0</p> <p>Last Direct Cost 97.50</p> <p>Net Invoiced Qty. 0</p> <p>Cost is Adjusted <input type="checkbox"/></p> <p>Cost is Posted to G/L <input type="checkbox"/></p> <p>Purchase Prices & Discounts Create New...</p>	<p>Posting Details</p> <p>Gen. Prod. Posting Group RETAIL</p> <p>VAT Prod. Posting Group STANDARD</p> <p>Inventory Posting Group RESALE</p> <p>Default Deferral Template </p> <p>Foreign Trade</p> <p>Commodity Code </p> <p>Country/Region of Origin Code .. </p>
--	--

Prices & Sales 125.10

Replenishment Purchase

Planning None

Item Tracking

Item Tracking Code SNALL

Lot Nos.

Serial Nos.

Expiration Calculation


Costing policy entries are made. Item postings are not created by the system:

1900-S · PARIS Guest Chair, black | Work Date: 01/01/2022

Costing Policy Entries | Search Page

Item No. ↓	Description	Costing Method	Item Tracking Code	Base Unit of Measure	Starting Date
1900-S	PARIS Guest Chair, black	FIFO		PCS	
1900-S	PARIS Guest Chair, black	Average		PCS	01/01/2022
1900-S	PARIS Guest Chair, black	Standard		PCS	01/02/2022
1900-S	PARIS Guest Chair, black	Standard	SNALL	PCS	01/02/2022

After the change, the stocks must be reposted via the item journals.



After changing the costing policy, Adjust Cost – Item Entries must be executed.

4.8. Changing Base Unit of Measure

If an item is already posted, the base unit of measure on the item cannot be changed in standard.

Through **Costing Method 365** a change can be made with the costing policy worksheet.

4.8.1. Prerequisite

The same procedure applies as when changing the costing method (see chapter 4.1 - 4.4)

The unit which is to be changed to must exist as item unit in the item master.

4.8.2. Setting a new base unit of measure



To set the new base unit of measure, the same steps are executed as for changing the costing method.

The items with the necessary change are retrieved from the costing policy worksheet.

The old base unit of measure and the new one, which is to be changed to, can be seen in the costing policy worksheet.

Upon adoption of the proposal, a debit with the old base unit of measure and posting with the new base unit of measure is made.

Item entry after changing the base unit of measure:

	<p>After changing the costing policy, Adjust Cost – Item Entries must be executed.</p>
	<p>Upon changing the base unit of measure, there is no system-supported conversion of the quantities to the new unit. The quantities from the old unit are adopted one to one in the new unit.</p>



To ensure the newly set unit uses the correct quantities, the existing quantities should be posted out via the item journal before changing the base unit of measure and the correct quantities reposted after the change.

4.9. Manual Use of the Costing Policy Worksheet

The costing policy worksheet can also be manually filled by entering the item for which the costing method, item tracking code and/or base unit of measure is to be changed.

Proceed here as follows:

1. In the field **Item no.** enter the item number. As soon as you leave the field, the program automatically fills the fields **description**, **costing method**, **item tracking code** and **base unit of measure code** with values from the item card.
2. In the field **new costing method** enter the costing method, in the field **new item tracking code** the item tracking code and in the field **new base unit of measure code** the base unit of measure code which the item is to be used in future.
3. If you select standard as the new costing method, you can decide whether the program is to already use the new fixed standard cost when recalculating the current item inventory value. To do this, place a tick in the field **use new standard cost**.

If you leave the field empty, the program uses the old fixed standard cost when recalculating the open item entries as a result of which the inventory value reflects the old fixed standard cost. The program then adopts the new fixed standard cost in the next entry made for the item.

4. If you select standard as new costing method, in the field **new standard cost** enter the new fixed standard cost.

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