

## Landed Cost Management

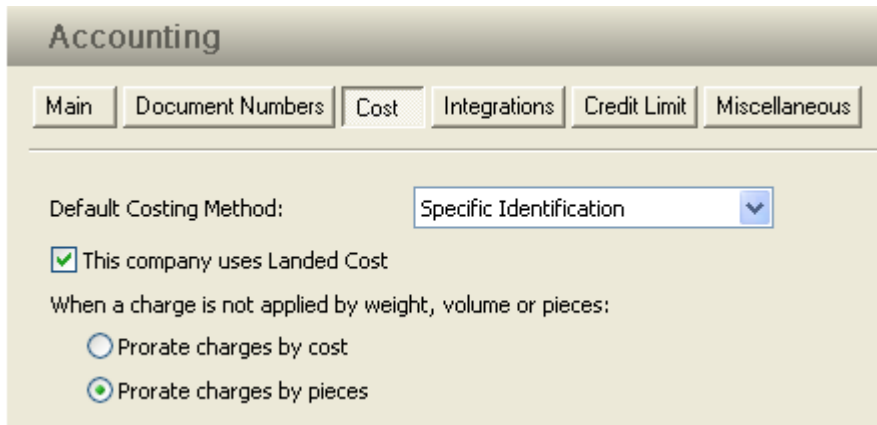
### Introduction

This how-to article explains a new feature in Magaya software version 9.5, landed costs.

Landed Costs are all the costs of items such as transportation costs, duties and taxes, in addition to the cost of the item itself. This is ideal for wholesalers and others who purchase inventory and resell it. Learn how to set up your Magaya system to use this new feature so you can know how costs are prorated across items and then included in your Inventory Asset Account. Landed costs are available in the Magaya Supply Chain Solution and Magaya Commerce System.

### Configure Your Magaya System for Landed Costs

Go to Maintenance > Configuration > Accounting. Click the "Cost" tab.



Click the checkbox to activate the Landed Cost options. When you check this option, also decide how to prorate the charges, by cost or by pieces.

The Landed Cost setting automatically prorates the costs and creates the asset adjustments for additional charges found in Purchase Orders (PO) when the bill is created from the PO. If you bill a third party, instead of the main vendor, the landed costs are also updated. If items are added or removed, the system updates the landed costs.

Save the configuration.

### Landed Costs in "Items & Services"

To use landed costs, you must tell the system which item in the Items & Services list will calculate landed costs:

- Go to the "Items & Services" list.
- Select the service charge such as Inland Freight Cost, and double-click to open it.
- On the tab "Landed Cost," check the box to include this non-inventory charge in Landed Cost. (Note: This tab only appears when configured to activate it.)



What will happen: When a PO is created with this Inland Freight charge, the charge will be distributed (prorated) across the items in the list. See the PO dialog box to view how the costs are prorated. Tip: Right-click in the Commodities screen of the PO to choose the columns if needed to view them. The column "Other Costs" means costs non-inventory costs.

Part Number	Quantity	Price	Amount	Other Costs	Landed Cost
P3	10.00	10.00000	100.00	25.00	125.00
P3	10.00	10.00000	100.00	25.00	125.00

Total Amount: USD 10

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*Remember:* Only costs that are defined as Landed will be included as Landed. Be sure the services or items in your Items & Services list are marked as Landed.

When a PO with charges for landed costs is billed, the Bill for the other charges will also contain an asset adjustment. The charges for landed costs will be added to the inventory asset account. When selling, the landed cost charges will be deducted from the inventory asset account (in addition to the inventory items).

View the details in the Inventory Item Definitions List (choose the columns for average landed cost, total landed cost, and average additional cost).

This will also affect your Balance Sheet and Trial Balance in your Magaya system. 

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