


## Purchase Inventory for Resale (Crop Inventory)

|                    |      |                 |   |
|--------------------|------|-----------------|---|
| <b>Document #:</b> | 3115 | <b>Product:</b> | CenterPoint® Accounting for Agriculture |
|--------------------|------|-----------------|---|

This topic describes how to purchase inventory for resale. The same process is used for purchasing crop or livestock inventory. The inventory account used in the transaction will track the quantity on hand (and the value) of the inventory.



Note: if you'd like to track inventory balances by more than just the account (for example, by inventory location), specify those items on the setup of the purchased crop inventory account category (Setup > Accounts > Account Categories > Balance Detail tab) prior to starting the transaction.

### Prerequisite

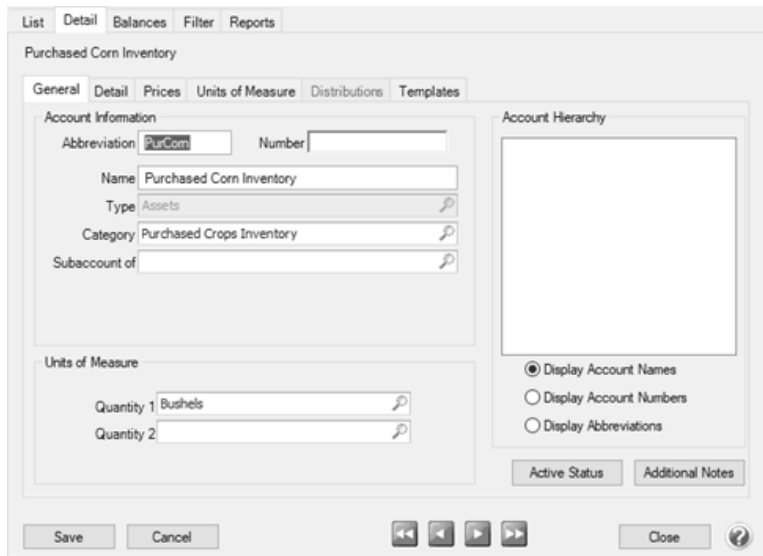
The database must have an inventory account (asset), a cost of goods sold account and revenue account setup for purchased inventory prior to processing the transactions. The inventory account must have the appropriate cost of goods sold account assigned as the offset account on the detail tab.

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

[Step B - Purchase Inventory for Resale](#)

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

1. Select **Setup > Accounts > Accounts**.
2. Double-click on the appropriate **purchased crop inventory account** (Purchased Corn, for example).
3. On the **General** tab, verify that the **Category** field is set to **Purchased Crops Inventory**.



4. On the **Detail** tab, verify that the **Offset Account** field is complete. A **Cost of Purchased Crop Inventory** (cost of goods sold) account should be used.

List Detail Balances Filter Reports

Purchased Corn Inventory

General Detail Prices Units of Measure Distributions Templates

Account Detail Information

Offset/COGS Account Cost of Purchased Corn Product Type

Adjustments Account

Purchase Price Variance

The offset for a purchased inventory or finished goods inventory account is usually a cost of goods sold account.

Company Specific Detail Information

Company Name  
CenterPoint Farm  
CenterPoint Orchard

No company specific account detail information available for this account category.

Additional Notes

Save Cancel < > Close

- Click **Save** to complete the edit of this account.

## Step B - Purchase Inventory for Resale

Either a Vendor Invoice (A/P) or Payment transaction can be used to purchase inventory for resale. In our example, we'll be purchasing corn for resale with a vendor invoice.

- Select **Processes > Purchases > Payments** or **Processes > Purchases > Vendor Invoices (A/P)**.

Company CenterPoint Farm Current Batch No Batch

Vendor Red Wing Elevator Vendor Balance \$0.00

Vendor Address Business Address Reference #

3385 Elevator Road Date 05/21/2019

Red Wing, MN 55066 Amount \$24,151.00

AP Account Accounts Payable Terms Net 30

☐ On Hold Date Due 06/20/2019

Discount Date 06/15/2019

| Account            | Invoice / Ref # | Quantity 1  | UOM 1   | Amount       | Project | Profit Center |        |
|--------------------|-----------------|-------------|---------|--------------|---------|---------------|--------|
| Purchased Corn Inv |                 | 8,000.00000 | Bushels | \$ 24,151.00 |         | Corn          | Detail |

Freight \$0.00 Detail

Sales Tax \$0.00 Detail

Total \$24,151.00 Adjust Amount

Available Terms Discount \$120.76 Override

Save Clear Recall Recurring Options Close

- In the **Pay To The Order Of** field, select the appropriate vendor.
- Specify the appropriate **Check Number**, **Date** and **Amount** for the purchase.
- In the **Account** field, specify the account setup for Purchased Inventory (For example, Purchased Corn).
- Specify the quantity purchased in the **Quantity 1** field. Specify the **Amount** paid for the inventory.
- Select the **Details** button. If applicable, specify the appropriate production details (profit center, production year, etc.). Click **OK**.

**Detail**

Template Information  
Current Template: DT - Increase Asset

Amount: 24151.00  
 Quantity 1: 8,000.000000  
 Quantity 2: 0.000000  
 Asset: Purchased Corn Inventz  
 Production Center Detail:   
 Profit Center: Corn  
 Production Year: 2019  
 Production Series: 0  
 Production Center:   
 Inventory Location: Home Bins  
 Associated Account:   
 Project:   
 Notation:   
 OK

7. Click **Save** to complete the transaction.

After the purchase is entered, it is automatically reflected in the Inventory account (Setup > Accounts > Accounts > Balances tab).

List Detail Balances Filter Reports

Company: CenterPoint Farm Period: May 2019 Beginning Period

Search For By Name

| Name                          | Account Num... | Book Value | Market Value | Mod Cash Value | Quantity 1  | Qu |
|-------------------------------|----------------|------------|--------------|----------------|-------------|----|
| Assets                        |                |            |              |                |             |    |
| Cash                          |                | 186061.37  | 186061.37    | 186061.37      | 0.000000    |    |
| Hedging Account               |                | 0          | 0            | 0              | 0           |    |
| Accounts Receivable           |                | 0          | 0            | 0              | 0           |    |
| Payroll Advances              |                | 0          | 0            | 0              | 0           |    |
| Other Receivables             |                | 0          | 0            | 0              | 0           |    |
| Notes Receivable              |                | 0          | 0            | 0              | 0           |    |
| Prepaid Expense               |                | 0          | 0            | 0              | 0           |    |
| Raised Crops Inventory        |                | 44400.00   | 45000.00     | 0.00           | 14800.00... |    |
| Purchased Crops Inventory     |                |            |              |                |             |    |
| Purchased Crops Inventory     | 124000         | 0          | 0            | 0              | 0           |    |
| Purchased Corn Inventory      |                |            |              |                |             |    |
| Home Bins                     |                | 24151.00   | 24151.00     | 24151.00       | 8000.000... |    |
| Other Raised Crop Inventory   |                | 0          | 0            | 0              | 0           |    |
| Purchased Livestock Inventory |                | 88800.00   | 46240.00     | 46240.00       | 134.000000  |    |
| Other Purchased Inventory     |                | 0          | 0            | 0              | 0           |    |

Save Cancel Detail Balances Refresh Options Close