

Mamut Knowledge Series

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Accounting

# Expensing Product Costs in Mamut Enterprise E5



*Reach Your Goals!*

# Expensing Product Costs in Mamut Enterprise E5

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# INTRODUCTION

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If you purchase goods for selling on, you have two alternatives for expensing product costs in Mamut Enterprise E5.

## Expense product upon purchase

This is the default setting in Mamut. This method involves that the product costs are expensed in the accounts at the time of registering the incoming purchase invoice and recognises the purchase as an expense straight away without recording any increase to your bought in stock account. It does not lead to an automatic update of the stock value in the balance sheet. This alternative is most appropriate for businesses with a small warehouse and who are able to post changes to their stock as part of regular stock counts. This method will not give a value of your stock in the balance sheet. To record the value of stock in the balance sheet you would need to make a manual entry after each stock count.

## Expense product to P/L when items are removed from stock

By applying this method, the balance sheet account for stock value will be updated automatically every time you receive or deliver stock items. The product costs will be expensed at the time of sale. A prerequisite for this method is that you keep items in stock. Considering that the ledgers will be updated when the goods are registered in and out of the warehouse, and that this does not necessarily take place at the same time as financial transactions such as the receipt of the purchase invoice or the raising of a customer invoice, in total four journal entries will be posted at the following times:

- Registration of receipt of goods
- Registration of purchase invoice
- Delivery of goods to the customer
- Invoicing the customer

This also applies in instances where the stock value is negative. If the stock value is negative, this will also show in the balance sheet as a negative stock value. In this document we will go through the various settings you need to make when choosing to **Expense products to P/L when items are removed from stock**. You will also find examples of the journal entries made according to the different settings.

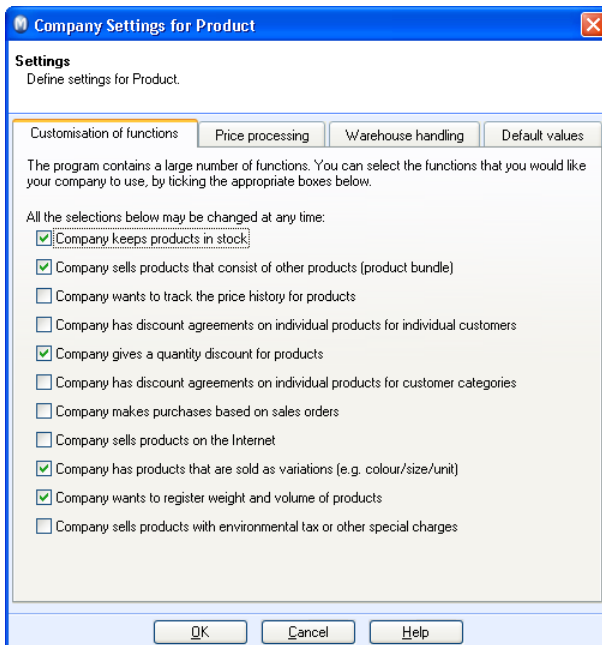
# SETTINGS

## Company Settings for stock management

A prerequisite for being able to post product costs at the time of sale is that you stock products.

### Activating the warehouse settings

1. Go to **View – Settings – Company – Settings per Module – Product – Customisation of functions**.
2. Tick the box next to **Company keeps products in stock**.



3. Under the **Warehouse handling** tab, you can now choose whether you want to select **The company uses stock locations**, **Company stocks products with consignment numbers**, **best before date** or **serial numbers**.
4. After you have activated the warehouse functionality, you can link a warehouse to both existing and new products in the Product Register.

 *The warehouse settings have now been activated.*

## Company Settings for Account update of stock value

The required settings for using the expensing functionality for product costs can be found by selecting: **View – Settings – Company – Settings per Module – Product** – then choosing the **Price processing** tab, and finally selecting the **Type** drop-down list under the **Accounts update of stock value** heading.

Under the **Type** drop-down list you will find three choices, and as discussed in the introduction we will go through the settings that apply to expense accounting at the time of sale, i.e. the last two choices.

- **Expense product upon purchase**
- **Expense product to P/L when items are removed from stock**
- **Individual rule for updating stock value in the accounts for each product**

The screenshot shows the 'Company Settings for Product' dialog box with the 'Price processing' tab selected. The 'Accounts update of stock value' section is expanded, showing a dropdown menu with three options: 'Expense product upon purchase', 'Expense product to P/L when items are removed from stock', and 'Individual rule for updating stock value in the accounts for each product'. The 'Expense product to P/L when items are removed from stock' option is currently selected in the dropdown.

### Expense product to P/L when items are removed from stock

Selecting this option will lead to all stock items being expensed when they are taken out from stock. Journal entries for all movements in and out of the warehouse will be posted in your ledgers automatically. The stock value of a product will also automatically be added to the Balance Sheet based on the product's purchase price reported in the stock movement and any reported purchase costs that might affect the posted stock value. This option gives you the opportunity to print a report for the **Reconciliation of stock value**.

You cannot apply **Expense product to P/L when items are removed from stock** to products that are not stock items. If these items are also handled via Purchase, they will be expensed when the purchase is posted, in the same manner as for the **Expense product upon purchase** option.

## Individual rule for updating stock value in the accounts for each product

If you decide to use this type of accounts update of the stock value, you are able to select individually per product whether the **product cost** should be **expensed when entering purchase** or **when they are taken out of the warehouse**.

Once this setting has been activated, you need to go into the product card for each product and select which type of accounts update for the stock value you want to use for that product. This is done under the **Settings** tab, where you select one of the two options mentioned above.

It is not possible to make settings for stock movement journals for products that are not stock items.

## Other Settings

In addition to the settings mentioned above, which decide the type of stock movement journals to be used, under the **Price processing** tab for product settings, you can also define whether the **Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price)**, what the **Basis for cost price** should be and whether you would like to **Use both types of Accounts update of stock value**.

### Basis for Cost Price

The **Basis for cost price** decides where the cost price used in the Sales Order module is taken from. When you start using **Expense product to P/L when items are removed from stock**, it is recommended to use the **Purch. price** as your cost price basis, because the cost price will be taken from the purchase invoice, which is the cost price applied in the accounts update procedure.



**Tip!** If you decide to use the Purchase price as your **Basis for cost price**, you can also choose whether the cost price should include the Costs from the Product Card in addition to the Purchase Price. This setting can be found by going to **View – Settings – Company – Settings per Module – Sales and Invoicing – Price/Discount** tab. By default, this option is not selected. If you decide to include Costs from the **Product Register** you need to be aware that the Gross profit /Gross margin for sales orders and statistics will not match the costs posted in your accounts.

### Expenses

Under expenses you will have the possibility to select whether:

- **Purchase cost to include freight and forwarding from the supplier's invoice**
- **Purchase cost to include costs entered for freight and duty invoices**

If one, or both, of these settings are active, the cost price for stock movements will be updated with the costs of freight and forwarding from the supplier's invoice and/or the costs for freight and duty invoices respectively.

If your **Basis for cost price** is set to **Purch. Price**, this will be included in the cost price shown in the Order module and have consequences for the gross profit/margin and statistics.

## Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price)

If one, or both, of the settings under **Expenses** are activated, you can also select whether this should contribute to the basis for the stock value posted in your accounts.

If you decide that the **Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price)**, the stock movement journal which updates the stock value will include these costs on the same line as the connected stock movement. This will be created when posting freight and forwarding from the supplier's invoice and/or freight and duty invoices.

## Use both types of Accounts update of stock value

Activating this setting will lead to stock level changes being posted to your profit/loss accounts in addition to being posted in the balance sheet, both for goods coming in and going out. It will also lead to two extra journal lines being added to the stock movement journals. Please note that this setting requires that you have selected the option for **Expense product to P/L when items are removed from stock**.

### Advantages with expensing products to P/L when items are removed from stock:

- It is possible to view changes to your stock from the Profit/Loss sheet

### Disadvantages with expensing products to P/L when items are removed from stock:

- It will lead to many journal lines in your accounts
- There might be postings that could be considered unnecessary
- It is not normal practise in the UK to use this option

## Account Settings

The system contains preset control accounts, amongst these accounts for Stock; **Stock changes; Stock delivered, not invoiced; Debtors control account; Creditors control account; Standard purchase account; Freight charges; Duty** and much more. Products that are registered as Stock items will by default use these accounts for the automatic stock movement posting. The settings for the control accounts can be found under **View – Settings – Accounting – Accounting Settings – Control accounts**.

Below is a specification of the uses of the different accounts and how they may be overruled.

### N/C 1004: Bought in Stock

This N/C is used as the **Balance sheet account for stock** and is updated automatically when registering incoming and outgoing stock movements.

The account can be setup per product. This is done by going to the **Product card** for the product in question, opening the **Settings** tab and changing the N/C in the drop-down list for **Balance sheet account for stock value**. If you do not select an account in the Product card, the default control account will be used.

The account can be set as the default for all products by going to **View – Settings – Accounting – Accounting Settings – Control accounts** and changing the N/C for **Stock** under the **Invoice** account group.



## N/C 1099: Stock delivered, not Invoiced

This N/C is used as an allocation account between **Balance** sheet account for stock and the posting of product costs at the time of Invoicing.

The account can be set up per customer. This is done by going to the **Contact card** for the contact in question, opening the **Settings** tab and clicking on the **Customer & Supplier** button. You can set the N/C by picking it from the Stock delivered, not invoiced drop-down list. If you do not select an account in the Contact card, the default control account will be used.

The account can be set as the default for all customers by going to **View – Settings – Accounting – Accounting Settings – Control Accounts** and changing the N/C for Stock delivered, not invoiced under the **Invoice** account group.

## N/C 2110: Invoice not Received

This N/C is used as an allocation account between **Balance sheet account for stock** and purchase accounting.

The account can be set up per supplier. This is done by going to the **Contact card** for the supplier in question, opening the **Settings** tab and clicking on the **Customer & Supplier** button. You can set the N/C by picking it from the **Stock received, no invoice** drop-down list.

If you do not select an account in the Contact card, the default control account will be used.

The account can be set as the default for all suppliers by going to **View – Settings – Accounting – Accounting Settings – Control accounts** and changing the N/C for Invoice, not received under the **Purchase** account group.

## N/C 5203: Stock Change

This N/C is used for **stock counts** and as the double-entry N/C for **Cost account for Product Cost** if you have selected to **Post adjustments to stock levels to your accounts**.

The account can be setup per product. This is done by going to the **Product card** for the product in question, opening the **Settings** tab and changing the N/C in the **Account for Stock change** drop-down list. If you do not select an account in the Product card, the default control account will be used.

The account can be set as the default for all products by going to **View – Settings – Accounting – Accounting Settings – Control accounts** and changing the N/C for Manual Stock changes under the **Purchase** account group.

## Cost Account for Product Cost

This is the Expense N/C the product is posted against when the item is being invoiced. It can be used together with the **Account for Stock change** if you would like to **Use both types of Accounts update of stock value**.


The cost account, for example N/C 5000: Materials Purchased, usually follows the default **VAT settings** for Input VAT. The account can also be setup per product, This is done by going to the **Product card** for the product in question, opening the **Settings** tab and changing the N/C in the **Cost account for Product Cost** drop-down list.

# IMPLEMENTATION

When implementing the method to **Expense product to P/L when items are removed from stock** there are different ways of doing so depending on whether the settings were made right at the start, or whether you have changed your expensing system after having used the **Expense product upon purchase** method.

## Expensing in a new database

When you wish to implement **Expense product to P/L when items are removed from stock** in a newly created database, it is important that you define the correct settings **before** you count the stock in your warehouse or make any purchases. Use the overview in the **Settings** section to create the settings you wish to use.

 **Important!** If manual entries were made against the **Balance sheet account for stock value**, possibly as **Opening balance** or **Manual posting of stock value**, this may lead to the **Balance sheet account for stock value** being twice as much as the actual stock value.

If this has happened, you will need to make a manual entry for the value of the difference to correct the **stock movement journal** that was created at the time of the stock count. This is because the **Balance sheet account for stock value** already contains the values, which are automatically posted during a stock count.

## Changing your expensing method

When changing from the **Expense product upon purchase** to the **Expense product to P/L when items are removed from stock** method, the change will only be implemented for products that are entered into stock after the relevant settings were made. That is to say that all goods, which have items in stock from before, will not be expensed at the time of invoicing before the old items in the warehouse have been removed/sold and new goods have been received.

In brief, if you would like the change to apply to stock that was already in the system, you will need to go through the steps below.

### How to change the expensing method for existing stock

1. Create a backup. For details, refer to the section below on 'Backup'.
2. Print out the **Stocktaking report**. For details, see the below section on 'Emptying the warehouse'.
3. Then print out the **Stock value list (stock movements)**. For details, see the section below on 'Emptying the warehouse'.
4. Reset the warehouse. For details see the section on 'Emptying the warehouse'.
5. Define your settings for the **Expense product to P/L when items are removed from stock** method. For further details refer to the section below on 'Making the Settings changes'.
6. Re-enter your stock figures by running a stock count. For more details see the section on 'Returning goods to stock'.



*The expensing method for existing stock has now been changed.*

**!** **Important!** If manual entries were made against the **Balance sheet account for stock value**, possibly as **Opening balance** or **manual posting of stock value**, this may lead to the **Balance sheet account for stock value** being twice as much as the actual stock value. If this has happened, you will need to make a manual entry for the value difference to correct the **stock movement journal** that was created at the time of the stock count. This is because the **Balance sheet account for stock value** already contains the values, which are automatically posted during a stock count.

## Backup

Before you start the process of changing your expensing method, it is important that you create a backup of your data in Mamut. To start the Backup wizard, go to **File – Backup – Create Backup**.

When you have completed the wizard, you are ready to start making changes.

## Emptying the warehouse

When changing the point of expensing for product costs from the time of invoicing to the time of an item being removed from stock, all stocked items have to be removed from the warehouse. Before you empty the warehouse you need to get an overview of all your stocked goods and their value. You can get an overview of your products in stock by going to **View – Product – Reports** and then selecting **Product** from the left hand menu and printing the **Stocktaking report** and the **Stock value list** (stock movements).

**!** **Note!** If you are using serial numbers, consignment numbers or best before dates, you need to print out separate stocktaking reports for these goods.

You then need to empty all your warehouses. This is done by going to **View – Warehouse – Stocktaking**, selecting a warehouse and then clicking on **Reset warehouse**. If you have more than one warehouse, repeat the procedure for all remaining warehouses.

If you are going to apply the Individual rule for updating stock value, only products which will be expensed when they are removed from stock will need to have their stock count reset.

## Making the Settings changes

After emptying the stock from your warehouse continue to **View – Settings – Company – Settings per Module – Product – Price processing**. Here, you need to define the following settings:

The **Basis for cost price** should be set to **Purch. Price**.

The **Accounts update of stock value** should be set to:

- **Expense product to P/L when items are removed from stock, or**
- **Individual rule for updating stock value in the accounts for each product**

If you select the **Individual rule** the individual settings are defined at product level in each product's Product card under the **Settings** tab. The settings that will apply to the product will be those you define under **Settings for posting**.

You will find an example of expensing product costs when the item is removed from stock below.

## Freight and Forwarding Costs

If you have selected the option **Purchase cost to include freight and forwarding from the supplier's invoice** then this can lead to the cost:

- Being included in the basis for entering stock value in balance sheet
- Not being included in the basis for entering stock value in balance sheet

If you would like freight and forwarding to be included in the basis, you need to select the following option as well:

**Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price).** You can find an example of expensing including freight and forwarding below.

## Duty and Freight Invoices

If you have selected the option **Purchase cost to include costs entered for freight and duty invoices** then this can lead to the cost:

- Being included in the basis for entering stock value in balance sheet
- Not being included in the basis for entering stock value in balance sheet

If you would like duty and forwarding to be included in the basis, you need to select the following option as well:

**Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price).** You can find an example of expensing including duty and forwarding below.

## Selection of both Freight and Forwarding Cost Expensing, we well as for Duty and Freight Invoice Costs

If you have selected the option **Purchase cost to include costs entered for freight and duty invoices** then this can lead to the cost:

- Being included in the basis for entering stock value in balance sheet
- Not being included in the basis for entering stock value in balance sheet

If you would like to follow the first alternative, the following setting has to be selected:

**Basis for entering stock value in balance sheet is to include purchase costs (in addition to purchase price).**

You can find an example of expensing freight and forwarding costs as wells as costs from freight and duty invoiced below.

## Using both types of Accounts update of stock value

If you would like to post adjustments to the stock levels to your accounts, you can activate this by selecting the following setting:

**Use both types of Accounts update of stock value**

This setting means that two extra journal entry lines are added to stock movements that are created when the goods are received and despatched. Note that the setting for **Post the cost of goods sold when they are taken out of the warehouse** has to be selected in order for this stock level adjustment postings to work. This option combines the expense at purchase method with the expense on sale method.

You will find an example of using both types of Accounts update of stock value below.

## Overruling Default Accounts

By default, the following N/Cs are allocated:

- **Balance Sheet Account for Stock Value** is set to N/C **1004**
- **Default Account for Stock Change** is set to N/C **5203**
- **Default Cost Account for Stock Value** is set to N/C **5000**

If you would like to overrule default N/Cs for your accounts, you can do so under the **Settings** tab in the Product card for the relevant product.

Remember that the N/C has to be set up in your Chart of Accounts in order for you to be able to select it from the drop-down list.

## Returning goods to stock

When you have made all settings according to your requirements, you need to return your goods into stock again. At this point in the process it may be useful to take another backup so that you can restore to this point if you need to later without having to make the settings changes again.

Go to **View – Warehouse – Stocktaking** and register your stock based on the **Stocktaking report** you printed earlier. Next, click on **OK** and confirm that the stock take should be updated. Following the update, go to **View – Warehouse – Warehouse** and check that the products are listed with the correct stock levels and values.

**Important!** The purchase price from the price calculator will be listed as cost price.



**Note!** We recommend that the purchase price is used as the basis for the cost price in the Order module. You select this setting by going to **View – Settings – Company – Settings per Module – Product – Price processing**.

## After the implementation

After you have changed your routine for expensing product costs, you should also consider which method for posting purchase invoices in Mamut is most appropriate for you.

### Manual Posting of Purchase Invoices in Journal Entry

By manually posting purchase invoices in the Journal Entry section of the software you now need to remember not to use the default cost accounts for product costs when registering your journals. This is because you should first use the cost account when the outgoing invoice is posted. Thus, you need to use the N/C Accruals non-received invoices N/C **2110** as the double entry N/C for the products included. VAT has to be posted in the usual manner.

If you decide to post purchase invoices manually, you will lose the link between posted purchase and stock movements that are created. Thus, you cannot correct the stock value in the balance sheet when posting purchases, and any costs such as freight/forwarding will not influence the value in the balance sheet either, should you want to include these in the first place. Therefore it is recommended that you use the Purchase module where possible to post purchase invoices.

### Posting Purchase Invoices via the Purchase Module

If you decide to post purchase invoices via the Purchase module in Mamut, this will make it possible to correct any possible differences between the product's receiving value and the posted value of the stock value in the balance sheet. Additionally, freight/forwarding etc. will be taken into account in the product's stock value in the balance sheet, if you made the relevant settings for this. Posting purchase invoices via the Purchase module is done by going to **View – Purchase Order – Purchases**, and finding the purchase you want to post to your accounts. Click on **Post Purchase Invoice** (Ctrl+B) and fill in the correct information. Click **Invoice** to post the purchase invoice.

# EXAMPLES

## Expense product upon purchase

**!** **Important!** This method was not discussed as part of this document and the example is only included to illustrate the differences with the other expensing methods.

	Journal type	In/Out	N/C	Description	Debit	Credit
Purchase Invoice	PI1	In	5000	Materials Purchased	45.00	
			2201	VAT on Purchases	7.88	
			2100	Creditors Control Account		52.88

### Examples for Expense product to P/L when items are removed from stock

When you have setup the software to **Expense product to P/L when items are removed from stock**, you will notice that this leads to a different way of posting product costs than what you may have been used to under the other method. Thus, it could be helpful to look at the examples below to see what this expensing method will look like in your books.

#### Journal types

**SM1** – stock movement journal created based on the receipt of goods (and when adding products via a stocktake)

**SM2** – stock movement journal created based on the despatch of the product to a customer

**PIF1** – purchase invoice, posted at the time of purchase

**SI1** – sales invoice, posted at the time of sale

The examples are based on the control accounts in Mamut and on a product with a purchase price of £45 and a sales price of £100.

Product price settings		
Purchase Price	45.00	£
Expenses	5.00	£
Cost Price	50.00	£
Gross Profit	50.00	£
Mark up in %	100.00	%
Sales Price	100.00	£
Purchase Price with Supplier	45.00	£

**Example 1: Default Journal Entry where Goods are counted in via a Stocktake**

	Journal type	In/out	N/C	Description	Debit	Credit
Goods receipt at stock take	SM1	In	1004	Bought in Stock	45.00	
			5203	Change of stock		45.00
Goods despatch	SM2	Out	1004	Bought in Stock		45.00
			1099	Stock delivered, not invoiced	45.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		45.00
			5000	Materials Purchased	45.00	

**Example 2: Posting from Goods Receipt at Purchase, to Invoicing the Customer**

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals, non-received invoices		45.00
Purchase Invoice	PI1	In	2110	Accruals, non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2100	Creditors Control Account		51.75
Goods despatch	SM2	Out	1004	Bought in Stock		45.00
			1099	Stock delivered, not invoiced	45.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		45.00
			5000	Materials Purchased	45.00	



**Example 3: Posting of Receipt of Goods at the time of Purchase, and Invoicing the Customer for when "Post Stock Changes in Accounts" has been selected**

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals, non-received invoices		45.00
			5000	Materials Purchased	45.00	
			5203	Change of Stock		45.00
Purchase Invoice	PI1	In	2110	Accruals, non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2100	Creditors Control Account		51.75
Goods despatch	SM2	Out	1004	Bought in Stock		45.00
			1099	Stock delivered, not invoiced	45.00	
			5000	Materials Purchased		45.00
			5203	Change of Stock	45.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		45.00
			5000	Materials Purchased	45.00	

## Examples for posting of freight, duty and forwarding

### Example 4: Freight and Forwarding

Product price settings		
Purchase Price	45.00	£
Expenses	5.00	£
Cost Price	50.00	£
Gross Profit	50.00	£
Mark up in %	100.00	%
Sales Price	100.00	£
Purchase Price with Supplier	45.00	£
Freight/Forwarding	5.00	£

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals, non-received invoices		45.00
Purchase Invoice	PI1	In	2110	Accruals, non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2110	Accruals, non-received invoices	5.00	
			2201	VAT on Purchases	0.75	
			2100	Creditors Control Account		57.50
Stock movement, freight/forwarding	SM2	In	1004	Bought in Stock	5.00	
			2110	Accruals, non-received invoices		5.00
Goods despatch	SM33	Out	1004	Bought in Stock		50.00
			1099	Stock delivered, not invoiced	50.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		50.00
			5000	Materials Purchased	45.00	
			5100	Carriage	5.00	

**Example 5: Duty and Forwarding**

Product price settings		
Purchase Price	45.00	£
Expenses	5.00	£
Cost Price	50.00	£
Gross Profit	50.00	£
Mark up in %	100.00	%
Sales Price	100.00	£
Purchase Price with Supplier	45.00	£
Duty/Forwarding	10.00	£

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals, non-received invoices		45.00
Purchase Invoice	PI1	In	2110	Accruals, non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2100	Creditors Control Account		51.75
Supplier's Duty and Forwarding invoices	PI2	In	2110	Accruals, non-received invoices	10.00	
			2201	VAT on Purchases	1.50	
			2100	Creditors Control Account		11.50
Stock movement, freight/forwarding	SM2	In	1004	Bought in Stock	10.00	
			2110	Accruals, non-received invoices		10.00
Goods Despatch	SM3	Out	1004	Bought in Stock		55.00
			1099	Stock delivered, not invoiced	55.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		55.00
			5000	Materials Purchased	45.00	
			5100	Carriage	10.00	

### Example 6: Selection of both Freight and Forwarding Cost Expensing, as well as for Duty and Freight Invoice Costs

Product price settings		
Purchase Price	45.00	£
Expenses	5.00	£
Cost Price	50.00	£
Gross Profit	50.00	£
Mark up in %	100.00	%
Sales Price	100.00	£
Purchase Price with Supplier	45.00	£
Freight/Forwarding	5.00	£
Duty/Forwarding	10.00	£

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals. non-received invoices		45.00
Purchase Invoice	PI1	In	2110	Accruals. non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2100	Accruals, non-received invoices	5.00	
			2201	VAT on Purchases	0.75	
			2100	Creditors Control Account		57.50
Stock movement, freight/forwarding	SM2	In	1004	Bought in Stock	5.00	
			2110	Accruals, non-received invoices		5.00
Supplier's Duty and Forwarding invoices	PI2	In	2110	Accruals, non-received invoices	10.00	
			2201	VAT on Purchases	1.50	
			2110	Creditors Control Account		11.50
Stock movement, duty/forwarding	SM3	In	1004	Bought in Stock	10.00	
			2110	Accruals, non-received invoices		10.00
Goods Despatch	SM4	Out	1004	Bought in Stock		60.00
			1099	Stock delivered, not invoiced	60.00	
Sales Invoice	SI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		60.00
			5000	Materials Purchased	45.00	
			5100	Carriage	15.00	

### Example 7: Use both types of Accounts update of stock value

If you would like to use both types of accounts update of stock value, you can activate this by selecting the following setting:

#### Use both types of Accounts update of stock value

This setting means that two extra journal entry lines are added to stock movements that are created when the goods are received and despatched.

Product price settings		
Purchase Price	45.00	£
Expenses	5.00	£
Cost Price	50.00	£
Gross Profit	50.00	£
Mark up in %	100.00	%
Sales Price	100.00	£
Purchase Price with Supplier	45.00	£

	Journal type	In/Out	N/C	Description	Debit	Credit
Goods Receipt Purchase	SM1	In	1004	Bought in Stock	45.00	
			2110	Accruals, non-received invoices		45.00
			5000	Materials Purchased	45.00	
			5203	Change of Stock		45.00
Sales Invoice	SI1	In	2110	Accruals, non-received invoices	45.00	
			2201	VAT on Purchases	6.75	
			2100	Creditors Control Account		51.75
Goods Despatch	SM2	Out	1004	Bought in Stock		45.00
			1099	Stock delivered, not invoiced	45.00	
			5000	Materials Purchased		45.00
			5203	Change of Stock	45.00	
Purchase Invoice	PI1	Out	4000	Sales		100.00
			2200	VAT on Sales		15.00
			1100	Debtors Control Account	115.00	
			1099	Stock delivered, not invoiced		45.00
			5000	Materials Purchased	45.00	

# MORE INFORMATION

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## Mamut Academy

### **Courses at Mamut Academy**

Mamut Academy is the name of the course activity offered by Mamut.

Mamut Software Ltd. supplies complete solutions in financial management, sales and contact management, purchasing/logistics, human resources, timesheets/projects and tax/personal finance.

The courses offered by the Mamut Academy are for people who wish to work with Mamut and in associated fields as efficiently as possible. Now you and your colleagues can really make use of the abundance of functions in the Mamut systems, which will stimulate both your business and the people using the systems!

If you require further details regarding dates and content of the courses offered, please contact us via phone 0800 032 5616 or e-mail at [academy@mamut.co.uk](mailto:academy@mamut.co.uk).

## Service and Support



### Mamut Support Centre

The Mamut Support Centre is dedicated to helping you whenever the need arises.

### How to get in touch with the Mamut Support Centre

#### Get in touch through the program

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The easiest way of getting in touch with the Mamut Support Centre is via the program. The **Mamut Information Desk** focus area allows you to search for answers and send new queries. The status of and answers to your query can be found in the same place.

#### Get in touch via the Internet

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Under the heading mySupport at <http://www.mamut.co.uk/support> you can get in touch with the Mamut Support Centre 24/7 and get an answer in no time. Enter you question and it will be answered within one working day.

#### Get in touch by e-mail

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If you cannot find the answer you are looking for on the Mamut Information Desk or in the online article database you can send an e-mail to [support@mamut.co.uk](mailto:support@mamut.co.uk).

#### Get in touch via fax 020 7153 0901

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If you do not have Internet access, you are able to send your query by fax to the Mamut Support Centre. You will receive an answer by fax as well. However, please do provide a telephone where you can be reached during working hours in case we need more information in order to solve your problem.

#### Get in touch over the phone: 020 7153 0900

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Most questions can usually be answered in the course of a phone call but in special cases we may need to record the question and contact you once we have found the solution to your problem.

#### Letters may be sent to:

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Mamut Software Ltd  
90 Long Acre  
Covent Garden  
London WC2E 9RZ



# The Mamut Service Agreement ensures a simpler working day!

The Mamut Service Agreement ensures that you are prepared and have full control of all challenges you or your business may encounter.

## Updates following legislation changes

We make sure that your Mamut system is always fully up-to-date with new laws and regulations, changes to tax-rates and official forms. Extensive user documentation for all such changes ensures that you can adapt to them quickly and easily.

## New functionality

Mamut systems are developed and improved continuously in tune with technological advances, new industry standards and trends and feedback from our customers. You are always guaranteed a modern solution, which will simplify your working day.

## Mamut Support Centre

We place great importance on providing a responsive and professional support department, which can promptly provide answers to your questions. Your Mamut Service Agreement entitles you to user support via telephone, e-mail, Internet or directly from within your program.

## Mamut Information Desk

Within the program you will find an Internet-powered news channel that provides you with daily updates of information, news and user tips directly related to your program and area of business. The Mamut Information Desk lets you communicate directly with our support department as well.

## Tips for users

At regular intervals, interested users will receive e-mails with tips about using their Mamut system, news about the product range and other useful information.

## Mamut Knowledge Series

Mamut publishes documents and advice on a range of areas including changes from the government, effective use of the system as well as new trends.

## Special offers

Mamut gives you special offers on Mamut products as well as on suitable products from other market-leading software vendors.