JOB RECEIPT GUIDELINES

Key guidelines for accurate job receipt costing, inventory value, and WIP control.

1 JOB RECEIPT ESTABLISHES INVENTORY VALUE

- Job Receipt moves absorbed material, labor, overhead, and subcontract costs from Work in Process to Inventory.
- The receipt cost is averaged with any quantity and value already on hand to establish inventory value.
- Job Receipt is a critical company function that impacts inventory value and cost of goods sold.

2 GOOD COSTING STARTS AT JOB RELEASE

- Review the Estimated Job Cost at time of Job Release.
- Establish a commitment to costing discipline when releasing Jobs to production.

3 JOB RECEIPT FUNDAMENTALS

1 Receipt with all status indicators Green

- This confirms that material, labor, and subcontract service costs have been reported to the job.

2 Receipt at a reasonable unit cost

- This unit cost updates inventory and becomes the cost basis for later job issues and customer shipments.

3 At Final Receipt: monitor WIP Balance value

- If WIP Balance is excessive, stop and make corrections prior to receipt
- You have a limited window of time to make corrections

4 NEXT STEPS

1 Release dependent Jobs

- After subassembly receipt, go immediately to the Job Control Panel screen and release next level Jobs

2 Close Finished Jobs to Reconcile WIP

- Close jobs as close to the Finish Date as possible

Best practice: Receipt with green status indicators, use a reasonable unit cost, release eligible jobs after receipt, and close finished jobs