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VRP Cost Fields

VRP has a few cost fields:

1. Current cost. This is the cost viewed in Matrix and the inventory heart. It is in the rpv table as "UnitCost". This cost is used when a new purchase order is created, or for calculating or inventory replacement cost.
2. PO Cost. This the the cost as given to the vendor and printed on the PO. It is initially coming from the current cost, as the PO is created, and can be changed on the PO itself from the PO module. In the PO there is a flag, indicating if the current cost should be updated upon receiving of that PO. This is kept as "UnitCost" in the PODetail2 table.
3. Average cost. This is the weighted average cost. This cost is updated every time an item is received. The formula is:
$$((LK * OHB) + (NC * Qty)) / TOH$$
Where
LK=Last known average cost
OHB=On hand before receiving
NC=Receiving Cost
Qty=Quantity received now
TOH=Toal on hand after receiving

This cost is capture at the point of sale while an item is sold, aka COGS (Cost of goods sold)

4. COGS Cost of good sold, is the weighted average cost at the moment of sale. It is kept as "AverageCost" in the AverageCost table

How to change cost.

You can change the cost in the matrix, inventory heart, price maintenance module, and the “prices” module. All except the “Prices” module will change the current cost (#1 above).

To change a PO to have a new current cost that was updated, use in the PO module the synchronize button.

To change a cost for items received in the past, whether from a PO or otherwise, and recalculate backwards the COGS and average cost, use the “Prices” module and specify the backward date when prompted.