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Landed Cost

Megan De Freitas - 2024-12-02 - Settings

Overview

Landed Cost represents the cost of purchasing goods from vendors. Typically used in transactions with international companies, Landed Costs represent an array of expenses such as customs or freight.

To access Landed Cost functionality, enable the *Enable Landed Cost* setting in the Purchasing Settings section of the <u>System Settings</u> module. Once you've enabled the setting, click **Landed Cost** from the Settings menu to get started.

Setup		Reports	Other	٦
Location Payment Terms Price Level Price Lists	Sales Document Type Sales Territory Salesperson Shipping Method	Dynamic Grid Reports Sales Analysis File Import History	Configured Emails Integration Dashboard Inventory Reconciliation System Settings	
Purchase Order Type Account Class Contact Method Type Currency	Tax Schedule Landed Cost Landed Cost Group Payment Methods	Grid Reports Report Designer	Manage Security Company Card Manage Organization)
Customer Class Customer Type Email Templates	Reason Codes Tax Agencies UofM Type			•
Entity Number Fee Type Interaction Type Item Class	User Field Definitions Vendor Class Vendor Type Workflow			•

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Landed Cost

Create a Landed Cost

To create a Landed Cost, click the **Create Landed Cost** button in the upper left-hand corner of the screen.

Landed Cost Setup	
Create Landed Cost	
Landed Cost Setup	

The Create Landed Cost drawer will appear. Fill out the information fields in this drawer. When you've finished entering your information, click **Save**.

The following is a brief explanation of each of the different information fields in the Create Landed Cost drawer:

Landed Cost Name - Allows you to name the Landed Cost

Description - Allows you to add a description for the Landed Cost

Allocation By - Allows you to choose from three allocation methods: Flat Amount, Quantity, and Percent Value; Flat Amount assigns a dollar amount to the Landed Cost, Quantity assigns a dollar amount based on the quantity of the linked line and the dollar amount in the Amount field, and Percent Value assigns a percentage of the linked line's extended cost

Amount - Specifies the dollar amount for Flat Amount and Quantity Landed Cost

Tax Schedule - Assigns a Tax Schedule to the Landed Cost

Vendor - Assigns a vendor to the Landed Cost

Warehouse - Designates a Location to use for the Landed Cost

Currency - Designates a Currency for the Landed Cost

Clearing Account - Designates the QuickBooks Online account that Landed Costs will post to

Taxable - Indicates whether or not the landed cost is taxable

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Edit a Landed Cost

To edit an existing Landed Cost, first select the Landed Cost from the list on the left-hand side of the Landed Cost Setup window.

Landed Cost Setup

Create I	Landed Cost
Landed Cost Setup	
Active	Inactive
Container Fee - CH	
Duty	

Once you've selected the Landed Cost you want to edit, make your changes in the information fields on the right-hand side of the screen.

Landed Cost Name	Description
Container Fee - CH	Container Fee Inbound China Origination Port
Allocation By	Amount
Flat Amount	120
Tax Schedule	Vendor
SPC No Tax Code 🗙 🔻	United States Treasury X 🗸
Warehouse	Currency
MAIN 🗶 🔻	US Dollars 🗶 🔻
Clearing Account	
SPC Received Not Invoiced Account	•
Taxable	Inactive
	Save

When you've finished making your changes, click Save

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See it in Action

Landed Costs have tabs on Item cards, purchase orders, purchase receipts, and vendor invoices.

Graph	Audits	User Fields		
				Inventory
				Restock
				Notes
				Variants
				UPC
				Components
			ļ	Landed Cost

Item Card Landed Cost tab

The Landed Cost tab on an Item card allows you to add Landed Costs and Landed Cost Groups to that item. When the item is added to a sales document as a line item, Landed Costs and Landed Cost Groups are added as well.

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Purchase Order Landed Cost tab

The Landed Cost tab on a purchase order displays any Landed Cost links that are attached to items on the purchase order. If you need to add more Landed Cost links, click the **Add Landed Cost** button.



The Landed Cost Links drawer will appear. Select the line item to add the Landed Costs to, then select the Landed Costs. Click **Link** in the lower right-hand corner to add the Landed Costs and close the drawer.

Landed (Cost Lini	(S										
A selection f	selection from each grid is required to link items.											
Lines Items	ines Items Landed Costs											
• •	Seq▲	Item Number	UofM	Qty	Unit Cos		-	Name 🔺	Description	Amount	Allocation By	Туре
		•••								•••		
	1	Painted Shelf	Each	1	\$0			China Im	China Im			Group
								Container	Container	120	Flat_Amo	Detail
								Duty	Duty Fees	10	Percent	Detail

When you create a Landed Cost link, the links's amount will always be a flat dollar amount. This means if you link to a Landed Cost with an *Allocation By* value of Percent Value, the percentage will be calculated when the link is made. You can edit the Amount column after the percentage is calculated, but that Landed Cost link will always be treated as a flat amount.

When the purchase order is received, Landed Cost links will be transferred to the purchase receipt.

Please note that Landed Cost amounts will not be factored into a purchase order's total.

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Purchase Receipt Landed Cost tab

The purchase receipt Landed Cost tab behaves very similarly to the purchase order Landed Cost tab. Unlike on a purchase order, though, Landed Cost amounts *will* be factored into the purchase receipt total.

When a vendor invoice is generated from the purchase receipt, you have the option to generate all Landed Cost vendor invoices in addition to the normal vendor invoice.



If you choose to generate Landed Cost vendor invoices in this way, one will be created for each unique combination of vendor and <u>Tax Schedule</u>. If you choose not to generate Landed Cost vendor invoices, you can go back select any number of Landed Cost links in the Landed Cost tab and generate the needed vendor invoices by clicking the **Generate Vendor Invoice** button in the upper right-hand corner. These vendor invoices will also be grouped by vendor and Tax Schedule.

	Received	Generate Vendor Invoice	×
Payme	nt Terms		

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Vendor Invoice Landed Cost tab

The only line item on the Landed Cost tab of a vendor invoice will be the Landed Cost system unit. The Unit Cost is the total of all Landed Costs linked to the invoice. These linked costs can be found on the Landed Cost tab.

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