



**Core Charges**

Document Type: Invoice Document #: 0 Invoice #: 0 Document Date: 1/19/2012  
 Status: Open Customer PO#: 1234 Salesman: BENJI WARD CC Auth. #:  
 Memo:

Customer Name and Address Shipping Information

Name: CALVIN ROBERTS Ship To Shipping Method:  
 Address 1: PO BOX 246 Shipment Date: 1/19/2012  
 Address 2: Address 1:  
 City: SIMS Address 2:  
 State: TX Zip Code: 27880 City:  
 Primary Contact: State: Zip Code:

Show Customer Information (F9)

Item Number (Ctrl-N): F2-Find Customer F3-Add Misc. Charges F4-Item Search F5-Apply Core Credits F6-Collect Payment F10-Apply Discount

A... P...	Type	Item Number	Description	Bin	Quantity	List Price	Price	Amount	Subtotal	Discount	Total	Tax Group	Sales Tax	Back Order	Drop Ship	Drop Ship	Quantity Sold	Status	SO#
>	Item	ZZRW1073X-166-NAVISTR	WATER PU	C-15	1.0	\$280.14	\$174.43	\$174.43	\$174.43	0.00 %	\$186.64	TX MARTIN CO...	\$12.21	0.0	0.0		0	N/A	136777
	Core Chrg.	ZZRW1073X-166-NAVISTR	WATER PU (Core...	C-15	1.0	\$180.00	\$180.00	\$180.00	\$180.00	0.00 %	\$192.60	TX MARTIN CO...	\$12.60	0.0	0.0		0	N/A	136777

WinNetStar provides for an option to mark up your core charges. In this example we are selling an inventory item with a manufacturer core charge of \$150.00 that has been marked up through the pricing source to \$180.00.

	Available Items and Drop Ships			Back Orders			Total		
	Taxable	Non-Tax.	Total	Taxable	Non-Tax.	Total	Taxable	Non-Tax.	Total
<b>Sub Total</b>	\$354.43	\$0.00	\$354.43	\$0.00	\$0.00	\$0.00	\$354.43	\$0.00	\$354.43
<b>Tax</b>	\$24.81		\$24.81	\$0.00		\$0.00	\$24.81		\$24.81
<b>Total</b>	\$379.24	\$0.00	\$379.24	\$0.00	\$0.00	\$0.00	\$379.24	\$0.00	\$379.24

Tax Group TX MARTIN COUNTY Rate 7.000 % SubTotal

Customer Deposit	
Original Deposit	\$0.00
Deposit Applied	\$0.00
Unused Deposit	\$0.00

RIMSS.WinNetStar v7.0.0.750 Enterprise:The Enterprise Company:RIMSS Training Company (2) Location:HOBBITON (3)

File View Company CRM Suppliers Employees Payroll Banking Fixed Assets Inventory Service Wholegoods Rental Reports Web Links Windows Scheduling Help

RIMSS WinNetStar New Sales Order Transaction Detail Report

Refresh Print Restore Layout Layouts

Location: HOBBITON Document Type: POS Document GL Account Type: BANK, ACCOUNTS REC... GL Account: All Document Ref ID: 136778 Reference: Name:

Period: Today Custom Date Range: From: 1/19/2012 To: 1/19/2012 Fetch

Drag a column header here to group by that column

Location Name	Document Date	Document Type	Document Reference	Complete Account Number	Account Description	GL Account Type	Referenced Account Description	Amount Debit	Amount Credit	Last Modified By	Last Modified
HOBBITON	1/19/2012	POS Document	136778	HOB-5-54000-02	C/S - PARTS COUNTER - TRUCK	COGS	ZZRW 1073X-166-NAVISTR	\$253.56		SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136778	HOB-1-12001-01	UNDEPOSITED FUNDS	BANK	Cash	\$379.24		SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136778	HOB-2-12000-01	SALES TAX PAYABLE	SALES TAX PAYABLE	Tax		\$24.81	SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136778	HOB-4-34000-02	SALES - PARTS COUNTER - TRUCK	REVENUE	ZZRW 1073X-166-NAVISTR		\$174.43	SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136778	HOB-4-34000-02	SALES - PARTS COUNTER - TRUCK	REVENUE	ZZRW 1073X-166-NAVISTR		\$180.00	SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136778	HOB-1-30000-01	ITEM INVENTORY	ITEM INVENTORY	ZZRW 1073X-166-NAVISTR	\$253.56		SuperUser	1/19/2012

Sum=\$652.00 Sum=\$652.00

[Is Voided] = 'False'

User: SuperUser Role: Administrator Workstation: DALE-PC Server: V3TRAIN Database: WinNetStarApp Key Stroke Entry

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The Transaction Detail Report (Reports>Financial>Transaction Detail Report) shows the accounting entries associated with this invoice. We can see that the sale of a core produces a credit to the revenue account associated with the respective Inventory Item. The debit to COGS in the amount of \$253.56 includes the \$150.00 cost of the core so there is a profit of \$30.00 related to the core. If the customer never returns the dirty core, the accounting for this transaction is complete. The following screen shots illustrate the accounting associated with the return of the core by the customer and the processes associated with sending dirty cores back to the manufacturer for credit.

File View Company CRM Suppliers Employees Payroll

RIMSS WinNetStar Transaction Detail Report New Invoice

Save Save and Close Save and New Print Void

General Attachments Print History

Document Type: Invoice Document #: 0  
Status: Open Customer PO#: 1234  
Memo:

Customer Name and Address  
Name: CALVIN ROBERTS  
Address 1: PO BOX 246  
Address 2:  
City: SIMS  
State: TX Zip Code: 27880  
Primary Contact:

The process for return of a core at point of sale is as follows:

- 1 – Open a new Invoice and select the Customer
- 2 – Click on Apply Core Credits (or hit the F5 key on your keyboard) to produce the Eligible Cores pop up. This pop up will display all cores eligible to be returned by the customer selected.
- 3 – Click in the box on the left margin of the pop up for all cores being returned and click on the OK button. This will add the core credits to the Invoice and, when the Invoice is settled, will remove the core from the Eligible Core list for this customer. See next page.

Show Customer Information (F9)

Item Number (Ctrl-N):

F2-Find Customer F3-Add Misc. Charges F4-Item Search F5-Apply Core Credits F6-Collections Payment

A... P...	Type	Item Number	Description	Bin	Quantity	List Price	Price	Amount

	Available Items and Drop Ships			Back Orders			Total	
	Taxable	Non-Tax.	Total	Taxable	Non-Tax.	Total	Taxable	Non-Tax.
Sub Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tax	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Tax Group TX MARTIN COUNTY Rate 7.000 % SubTotal

Eligible Cores

Using the check box, select the Cores being returned by the customer. If you wish to buy back cores that do not appear on the list, you can manually add those below.

Drag a column header here to group by that column

	Location	Item #	Description	Inv #	Inv Date	Exp Date	Amt Rec'd
<input checked="" type="checkbox"/>	HOBBITON	ZZRW10...	WATER PU	121408	1/19/2012	4/18/2012	\$180.00

Item #	Description	Qty	Price	Total
*				

OK Cancel

Document Type: Invoice Document #: 0 Invoice #: 0 Document Date: 1/19/2012  
 Status: Open Customer PO #: 1234 Salesman: BENJI WARD CC Auth. #:  
 Memo:

Customer Name and Address Shipping Information  
 Name: CALVIN ROBERTS Ship To:  Shipping Method:  
 Address 1: PO BOX 246 Shipment Date: 1/19/2012  
 Address 2: Address 1:  
 City: SIMS Address 2:  
 State: TX Zip Code: 27880 City:  
 Primary Contact: Zip Code:

Show Customer Information (F9)

Item Number (Ctrl-N): F2-Find Customer F3-Add Misc. Charges F4-Item Search F5-Apply Core Credits F6-Collect Payment F10-Apply Discount

A...	Type	Item Number	Description	Bin	Quantity	List Price	Price	Amount	Subtotal	Discount	Total	Tax Group	Sales Tax	Back Order	Drop Ship	Drop Ship	Quantity Sold	Status
>	Core Ret.	ZZRW1073X-166-NAVISTR	WATER PU (Core Return)		-1.0	\$180.00	\$180.00	(\$180.00)	(\$180.00)	0.00 %	(\$180.00)	TX MARTIN CO...	\$0.00	0.0	0.0		0	N/A

The core now shows as a credit on the customer's invoice. See next page for related accounting entries that occur when this transaction is finalized.

	Available Items and Drop Ships			Back Orders			Total		
	Taxable	Non-Tax.	Total	Taxable	Non-Tax.	Total	Taxable	Non-Tax.	Total
<b>Sub Total</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Tax</b>	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00
<b>Total</b>	\$0.00	\$0.00	<b>\$0.00</b>	\$0.00	\$0.00	<b>\$0.00</b>	\$0.00	\$0.00	<b>\$0.00</b>

Tax Group TX MARTIN COUNTY Rate 7.000 % SubTotal

Customer Deposit	
Original Deposit	\$0.00
Deposit Applied	\$0.00
Unused Deposit	\$0.00

RIMSS.WinNetStar v7.0.0.750 Enterprise:The Enterprise Company:RIMSS Training Company (2) Location:HOBBITON (3)

File View Company CRM Suppliers Employees Payroll Banking Fixed Assets Inventory Service Wholegoods Rental Reports Web Links Windows Scheduling Help

RIMSS WinNetStar Transaction Detail Report

Refresh Print Restore Layout Layouts

Location: HOBBITON Document Type: POS Document GL Account Type: BANK, ACCOUNTS REC... GL Account: All Document Ref ID: 136779 Reference: Name:

Period: Today Custom Date Range: From: 1/19/2012 To: 1/19/2012 Fetch

Drag a column header here to group by that column

Location Name	Document Date	Document Type	Document Reference	Complete Account Number	Account Description	GL Account Type	Referenced Account Description	Amount Debit	Amount Credit	Last Modified By	Last Modified
HOBBITON	1/19/2012	POS Document	136779	HOB-2-12000-01	SALES TAX PAYABLE	SALES TAX PAYABLE	Tax	\$12.60		SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136779	HOB-1-30100-01	DIRTY CORE INVENTORY	ITEM INVENTORY	ZZRW1073X-166-NAVISTR	\$150.00		SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136779	HOB-4-34000-02	SALES - PARTS COUNTER - TRUCK	REVENUE	ZZRW1073X-166-NAVISTR	\$180.00		SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136779	HOB-5-54000-02	C/S - PARTS COUNTER - TRUCK	COGS	ZZRW1073X-166-NAVISTR		\$150.00	SuperUser	1/19/2012
HOBBITON	1/19/2012	POS Document	136779	HOB-1-20000-01	A/R - TRADE	ACCOUNTS RECEIVABLE	CALVIN ROBERTS (13042)		\$192.60	SuperUser	1/19/2012

SUM=\$342.60 SUM=\$342.60

[Is Voided] = 'False'

User: SuperUser Role: Administrator Workstation: DALE-PC Server: V3TRAIN Database: WinNetStarApp Key Stroke Entry

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The Transaction Detail Report displays the accounting entries associated with the return of the core. The original revenue amount of \$180.00 is reversed with a debit. The original cost of goods sold amount of \$150.00 is reversed with a credit. And the \$150.00 cost of the dirty core is recorded in the Dirty Core Inventory account.

Drag a column header here to group by that column

Location Name	Account Number	Account Description	Account Type	Amount
HOBBITON	HOB-1-13001-01	CREDIT CARD CLEARING	BANK	\$72,632.79
HOBBITON	HOB-1-20000-00	ACCOUNTS RECEIVABLE - CONTROL	ACCOUNTS RECEIVABLE	\$0.00
HOBBITON	HOB-1-20000-01	A/R - TRADE	ACCOUNTS RECEIVABLE	\$2,327,130.01
HOBBITON	HOB-1-10801-01	WARR-REC - NAVISTAR	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-10802-01	WARR-REC - CASE	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-10804-01	WARR-REC - CATERPILLAR	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-10805-01	WARR-REC - CUMMINS	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-10807-01	WARR-REC - OTHER	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-10810-01	WARR-FREIGHT & SHORTAGES	WARRANTY RECEIVABLE	\$0.00
HOBBITON	HOB-1-30000-00	ITEM INVENTORY - CONTROL	ITEM INVENTORY	\$0.00
HOBBITON	HOB-1-30000-01	ITEM INVENTORY	ITEM INVENTORY	\$1,738,034.91
HOBBITON	HOB-1-30100-01	DIRTY CORE INVENTORY	ITEM INVENTORY	\$259,136.32
HOBBITON	HOB-1-12000-01	NEW TRUCK & TRAILER	WHOLEGOODS INVENTORY	\$2,101,870.39
HOBBITON	HOB-1-12100-01	NEW AG	WHOLEGOODS INVENTORY	\$1,260,396.71
HOBBITON	HOB-1-12101-01	RESERVE F		\$0.00
HOBBITON	HOB-1-12150-01	RES FOR		(\$5,000.00)
HOBBITON	HOB-1-12700-01	SEC 263 C		\$6,150.00
HOBBITON	HOB-1-13000-01	USED TRU		\$898,117.55
HOBBITON	HOB-1-13100-01	USED AG		\$491,166.92
HOBBITON	HOB-1-35000-00	WHOLE G		\$0.00
HOBBITON	HOB-1-36000-01	WHOLE GOODS INVENTORY - NEW	WHOLEGOODS INVENTORY	\$3,010.70
HOBBITON	HOB-1-37000-01	WHOLE GOODS INVENTORY - USED	WHOLEGOODS INVENTORY	\$0.00
HOBBITON	HOB-1-10310-01	ACCOUNTS PAYABLE IN DISPUTE	OTHER CURRENT ASSET	\$0.00
HOBBITON	HOB-1-10325-01	ACCTS RECEIVABLE - MACHINES	OTHER CURRENT ASSET	\$0.00
HOBBITON	HOB-1-10350-01	RETURNED CHECKS	OTHER CURRENT ASSET	\$605.70
HOBBITON	HOB-1-10410-01	NOTES RECEIVABLE - ROC MOUNT	OTHER CURRENT ASSET	\$11,968.01
HOBBITON	HOB-1-10600-01	CONTRACTS IN TRANSIT	OTHER CURRENT ASSET	\$375,018.64
HOBBITON	HOB-1-10700-01	CONTRACTS IN TRANSIT - WMSTON	OTHER CURRENT ASSET	\$0.00
HOBBITON	HOB-1-10900-01	ALLOWANCES & SPA'S	OTHER CURRENT ASSET	\$14,842.51
				\$9,330,520.91

The Dirty Core Inventory account is used by the system when cores are purchased back from customers. Double click on this line in your Chart of Accounts to open the Transaction Register for this account. See next page.

Refresh Print Restore Layout

**Period** **Custom Date Range**  
 This Week From: 1/15/2012 To: 1/21/2012 Fetch

Drag a column header here to group by that column

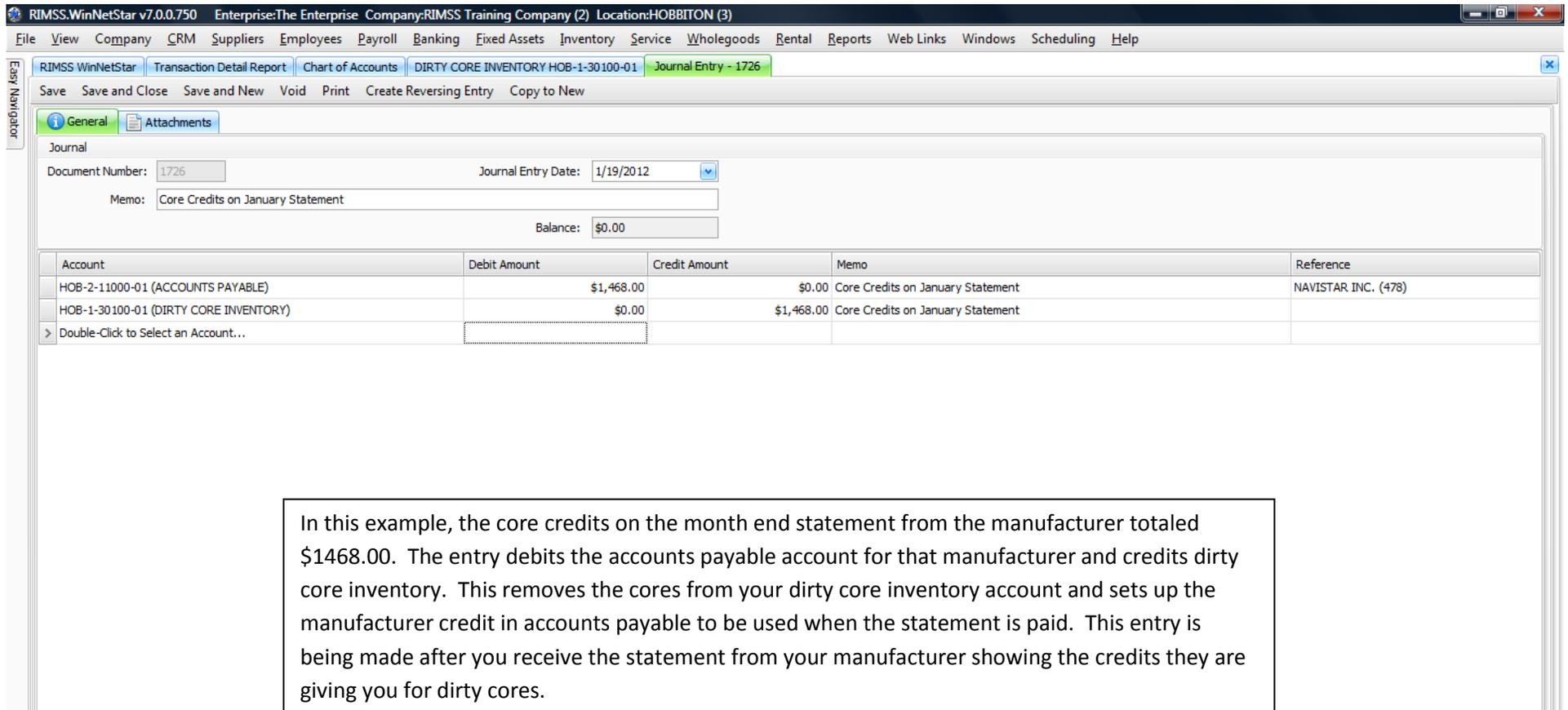
Date	Type	Document No.	Check #	Amount	Location	Balance	Reference	Header Memo	Detail Memo	Reconciled
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,683.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,698.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,713.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,728.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,743.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,758.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,773.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	HOBBITON	\$257,788.32	4515Q-4008-899			False
1/16/2012	POS Document	136713		\$15.00	HOBBITON	\$257,803.32	47070-4008-899			False
1/16/2012	POS Document	136713		\$15.00	HOBBITON	\$257,818.32	47070-4008-899			False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,838.32				False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,858.32				False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,878.32				False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,898.32				False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,918.32	631571C91-198			False
1/16/2012	POS Document	136726		\$20.00	HOBBITON	\$257,938.32	631571C91-198			False
1/16/2012	POS Document	136727		\$20.00	HOBBITON	\$257,958.32	384395R94R-198			False
1/16/2012	POS Document	136727		\$10.00	HOBBITON	\$257,968.32	405300R92R-198			False
1/16/2012	POS Document	136727		\$10.00	HOBBITON	\$257,978.32	388616R91R-198			False
1/16/2012	POS Document	136727		\$10.00	HOBBITON	\$257,988.32	388625R93R-198			False
1/16/2012	POS Document	136740		\$24.00	HOBBITON	\$258,012.32	XK2124707QPMB-152-NAVISTR			False
1/16/2012	POS Document	136740		\$24.00	HOBBITON	\$258,036.32	XK2124707QPMB-152-NAVISTR			False
1/16/2012	Service Document	12586		\$950.00	HOBBITON	\$258,986.32	C29514624RMCR-474-NAVISTR			False
1/19/2012	POS Document	136779		\$150.00	HOBBITON	\$259,136.32	ZZRW1073X-166-NAVISTR			False

The last line shows the debit for \$150.00 for the core purchased in our example. Note that the part number is included in the reference column.

Dirty Cores are then periodically shipped back to the manufacturer for credit. There are two options from this point forward on the accounting for this process. For purposes of this illustration we will call one the **Simple Method** and the other **Specific Identification Method**.

The Simple Method will leave the cost of the dirty cores in the Dirty Core Inventory account until credit is received from the manufacturer, at which time a Journal Entry is made to Debit Accounts Payable and Credit Dirty Core Inventory.

### SIMPLE METHOD STEP 1



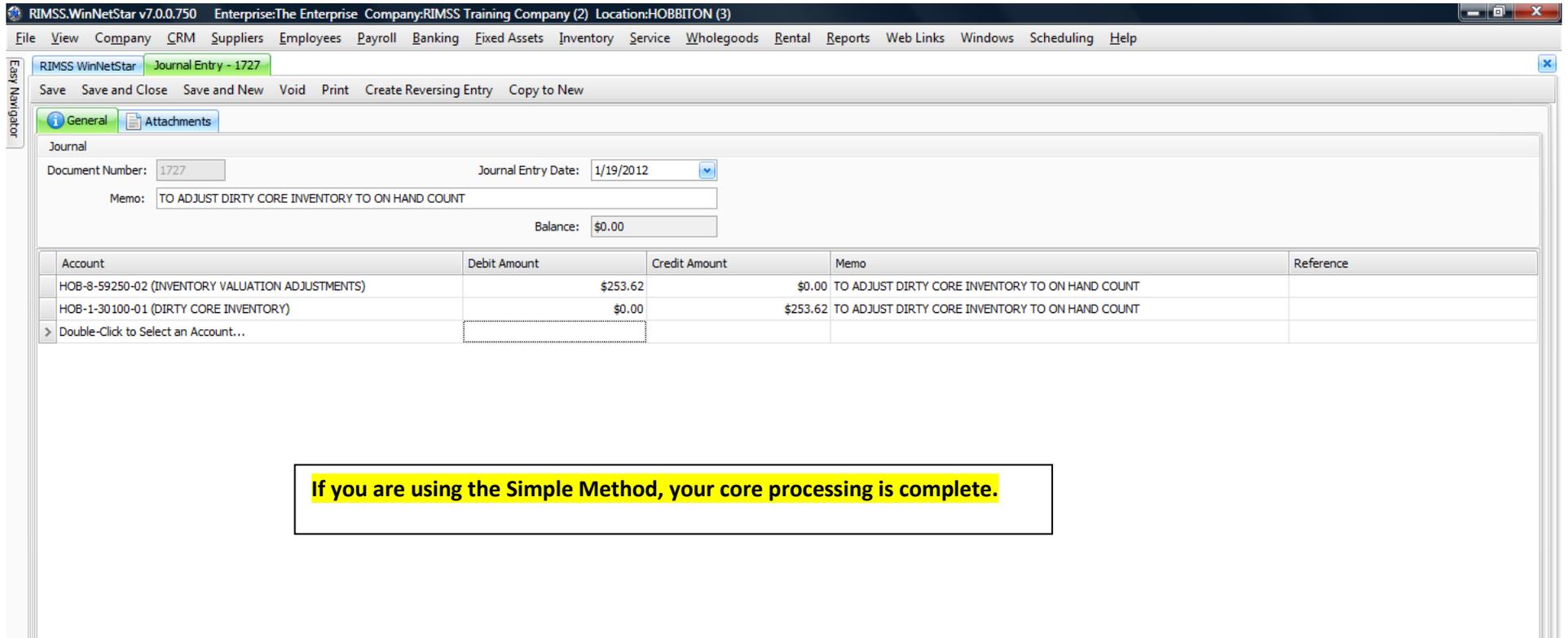
The screenshot shows the RIMSS WinNetStar v7.0.0.750 interface. The main window displays a Journal Entry for document number 1726, dated 1/19/2012. The memo is "Core Credits on January Statement" and the balance is \$0.00. The journal entry table is as follows:

Account	Debit Amount	Credit Amount	Memo	Reference
HOB-2-11000-01 (ACCOUNTS PAYABLE)	\$1,468.00	\$0.00	Core Credits on January Statement	NAVISTAR INC. (478)
HOB-1-30100-01 (DIRTY CORE INVENTORY)	\$0.00	\$1,468.00	Core Credits on January Statement	

In this example, the core credits on the month end statement from the manufacturer totaled \$1468.00. The entry debits the accounts payable account for that manufacturer and credits dirty core inventory. This removes the cores from your dirty core inventory account and sets up the manufacturer credit in accounts payable to be used when the statement is paid. This entry is being made after you receive the statement from your manufacturer showing the credits they are giving you for dirty cores.

There are sometimes differences between the dollar value of the core recorded in your dirty core inventory account and the dollar value of the credit issued by the manufacturer. Because of this difference, the Simple Method requires that the Dirty Cores on hand be periodically counted and an adjustment made to the Dirty Core Inventory account to reflect the actual value of dirty cores on hand. This can be done at whatever frequency is deemed appropriate based on the volume of core transactions at your dealership, however, should be performed at least once per year in conjunction with your fiscal year end count of inventory. This adjustment might look like the following:

## SIMPLE METHOD STEP 2



RIMSS WinNetStar v7.0.0.750 Enterprise: The Enterprise Company: RIMSS Training Company (2) Location: HOBBITON (3)

File View Company CRM Suppliers Employees Payroll Banking Fixed Assets Inventory Service Wholegoods Rental Reports Web Links Windows Scheduling Help

RIMSS WinNetStar Journal Entry - 1727

Save Save and Close Save and New Void Print Create Reversing Entry Copy to New

General Attachments

Journal

Document Number: 1727 Journal Entry Date: 1/19/2012

Memo: TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT

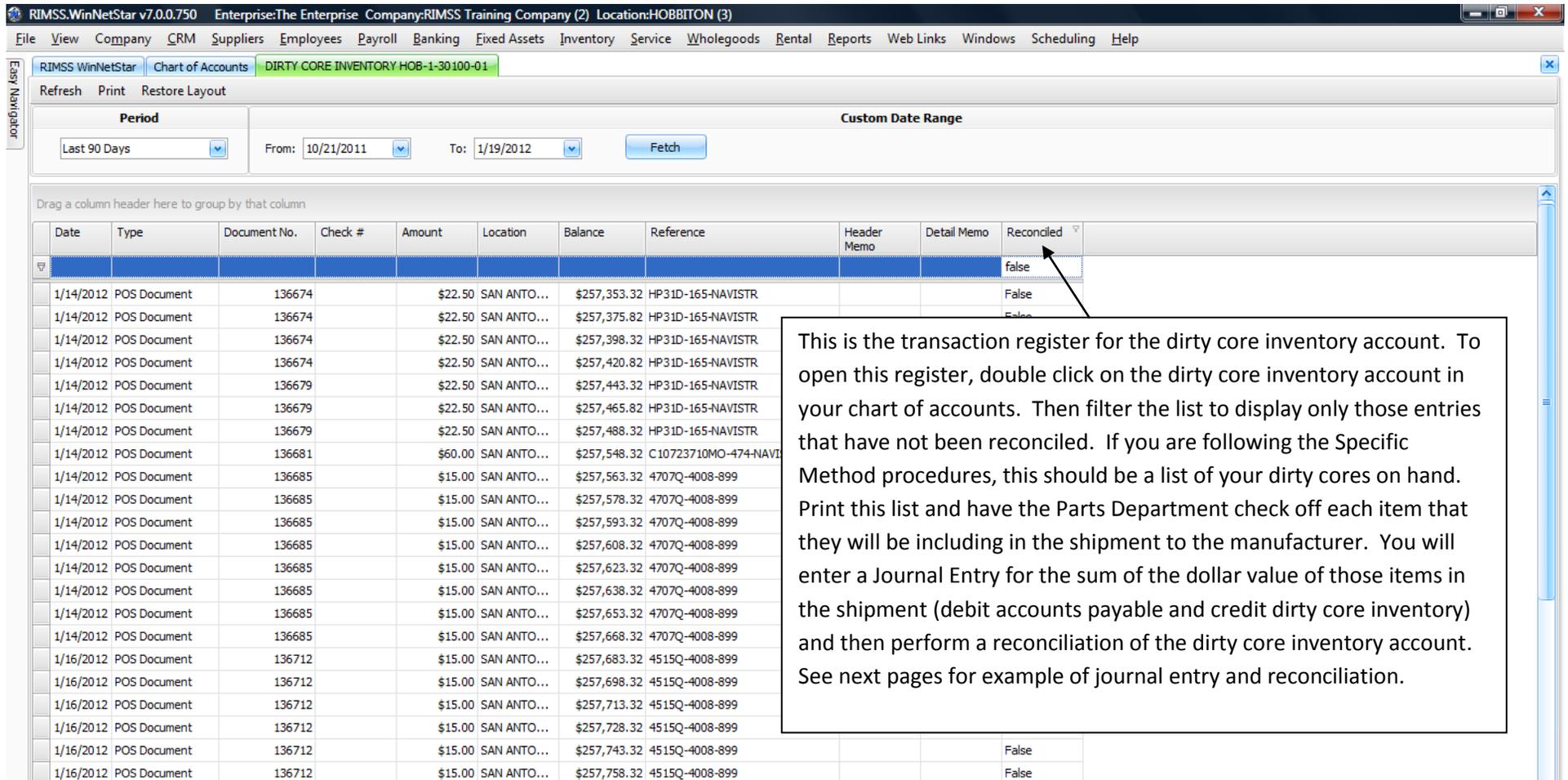
Balance: \$0.00

Account	Debit Amount	Credit Amount	Memo	Reference
HOB-8-59250-02 (INVENTORY VALUATION ADJUSTMENTS)	\$253.62	\$0.00	TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT	
HOB-1-30100-01 (DIRTY CORE INVENTORY)	\$0.00	\$253.62	TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT	
> Double-Click to Select an Account...				

**If you are using the Simple Method, your core processing is complete.**

Using the Specific Identification Method requires a few additional steps related to performing a reconciliation of the Dirty Core Inventory account with each shipment of dirty cores back to the manufacturer. The main benefit of this process is the ability to produce a detail list of your on hand dirty core inventory at any given time. In this method, the Parts Department will provide the accounting department with a list of cores sent back to the manufacturer. A complete list of dirty cores on hand can be printed from the transaction register and provided to the Parts Department so they can check off those cores that are being shipped. To print the list of dirty cores on hand (which is only available if you are using the Specific Identification Method) you will produce a filtered list of all un-reconciled dirty core entries in the dirty core inventory account as follows:

### SPECIFIC IDENTIFICATION MEHTOD STEP 1



The screenshot shows the RIMSS WinNetStar v7.0.0.750 interface. The title bar indicates the user is logged in as 'JobNavigator'. The main window title is 'RIMSS WinNetStar v7.0.0.750 Enterprise: The Enterprise Company: RIMSS Training Company (2) Location: HOBBITON (3)'. The menu bar includes File, View, Company, CRM, Suppliers, Employees, Payroll, Banking, Fixed Assets, Inventory, Service, Whologoods, Rental, Reports, Web Links, Windows, Scheduling, and Help. The toolbar contains Refresh, Print, and Restore Layout. The 'Custom Date Range' section shows 'From: 10/21/2011' and 'To: 1/19/2012'. The table below is a transaction register for the 'DIRTY CORE INVENTORY HOB-1-30100-01' account.

Date	Type	Document No.	Check #	Amount	Location	Balance	Reference	Header Memo	Detail Memo	Reconciled
1/14/2012	POS Document	136674		\$22.50	SAN ANTO...	\$257,353.32	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136674		\$22.50	SAN ANTO...	\$257,375.82	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136674		\$22.50	SAN ANTO...	\$257,398.32	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136674		\$22.50	SAN ANTO...	\$257,420.82	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136679		\$22.50	SAN ANTO...	\$257,443.32	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136679		\$22.50	SAN ANTO...	\$257,465.82	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136679		\$22.50	SAN ANTO...	\$257,488.32	HP31D-165-NAVISTR			False
1/14/2012	POS Document	136681		\$60.00	SAN ANTO...	\$257,548.32	C10723710MO-474-NAVI			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,563.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,578.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,593.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,608.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,623.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,638.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,653.32	4707Q-4008-899			False
1/14/2012	POS Document	136685		\$15.00	SAN ANTO...	\$257,668.32	4707Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,683.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,698.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,713.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,728.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,743.32	4515Q-4008-899			False
1/16/2012	POS Document	136712		\$15.00	SAN ANTO...	\$257,758.32	4515Q-4008-899			False

## SPECIFIC IDENTIFICATION MEHTOD STEP 2

The screenshot displays the RIMSS WinNetStar v7.0.0.750 interface. The main window is titled 'Journal Entry - 1728'. The 'Journal' section shows the following details:

- Document Number: 1728
- Journal Entry Date: 1/19/2012
- Memo: DIRTY CORE SHIPMENT TO NAVISTAR - SUM OF DETAIL PROVIDED BY PARTS DEPT
- Balance: \$0.00

The journal entry table is as follows:

Account	Debit Amount	Credit Amount	Memo	Reference
HOB-2-11000-01 (ACCOUNTS PAYABLE)	\$1,631.50	\$0.00	DIRTY CORE SHIPMENT TO NAVISTAR - SUM OF DETAIL PROVIDED BY PARTS DEPT	NAVISTAR INC. (478)
HOB-1-30100-01 (DIRTY CORE INVENTORY)	\$0.00	\$1,631.50	DIRTY CORE SHIPMENT TO NAVISTAR - SUM OF DETAIL PROVIDED BY PARTS DEPT	
Double-Click to Select an Account...				

At the bottom of the journal entry grid, the total debit amount is \$1,631.50 and the total credit amount is \$1,631.50.

In this example, the sum of the dirty cores included in the shipment, as provided by the parts department, totals \$1,631.50. Just like in the Simple Method, we will make an entry to set up the manufacturer credit in accounts payable and relieve our dirty core inventory account. The main difference here is that this entry is being made at the time of the shipment based on a list provided by the parts department. If you wish, you can scan the list from the parts department and attach the image to this JE so that you have supporting documentation for this entry to be used for comparison to the actual credit issued by the manufacturer on the monthly statement.

The bottom status bar shows: User: SuperUser, Role: Administrator, Workstation: DALE-PC, Server: V3TRAIN, Database: WinNetStarApp, Key Stroke Entry.

### SPECIFIC IDENTIFICATION MEHTOD STEP 3

RIMSS WinNetStar v7.0.0.750 Enterprise: The Enterprise Company: RIMSS Training Company (2) Location: HOBBITON (3)

File View Company CRM Suppliers Employees Payroll Banking Fixed Assets Inventory Service Wholegoods Rental Reports Web Links Windows Scheduling Help

RIMSS WinNetStar Chart of Accounts DIRTY CORE INVENTORY HOB-1-30100-01 Reconciliation

Save and Finish Later Save Finished Reconciliation Refresh Print

1. Select an account: Account: HOB-1-30100-01 (DIRTY CORE INVENTORY)

2. Select statement ending date: Statement Ending Date: 1/19/2012

3. Enter a beginning and ending statement balance: Beginning Balance: \$0.00 Ending Balance: \$0.00

4. Select items from the list below that show up on your statement. When you have selected all the items from your statement, the Difference between the Net Statement Activity and your Selected Items should be zero.

Net Statement Activity: \$0.00 Selected Items: \$0.00 Difference: \$0.00

Select All

	Date	Reference	Doc. #	Doc. Type	Pay to the Order of	Pmt. Type	Num./Ref.	Memo	Amount
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	631571C91-198	136726	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	XK2124707QPMB-152-NAVISTR	136740	POS Document					\$24.00
<input checked="" type="checkbox"/>	1/16/2012	XK2124707QPMB-152-NAVISTR	136740	POS Document					\$24.00
<input checked="" type="checkbox"/>	1/16/2012	384395R94R-198	136727	POS Document					\$20.00
<input checked="" type="checkbox"/>	1/16/2012	405300R92R-198	136727	POS Document					\$10.00
<input checked="" type="checkbox"/>	1/16/2012	388616R91R-198	136727	POS Document					\$10.00
<input checked="" type="checkbox"/>	1/16/2012	388625R93R-198	136727	POS Document					\$10.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4515Q-4008-899	136712	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4707Q-4008-899	136713	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/16/2012	4707Q-4008-899	136713	POS Document					\$15.00
<input checked="" type="checkbox"/>	1/19/2012		1728	Journal Entry					(\$1,631.50)
<input type="checkbox"/>	1/19/2012	ZZRW1073X-166-NAVISTR	136779	POS Document					\$150.00

After each shipment and resulting Journal Entry, you will perform a reconciliation of the Dirty Core Inventory Account. Navigate to Banking>New>Reconciliation. On the account drop down, select the appropriate Dirty Core Inventory account for your location. Check all the boxes in the left hand margin corresponding to all of the dirty cores included in the shipment and check the box corresponding to the Journal Entry related to that shipment. The sum of the Net Activity in the top section of this screen will equal zero when you have all appropriate items checked. You can then click on Save Finished Reconciliation.

User: SuperUser Role: Administrator Workstation: DALE-PC Server: V3TRAIN Database: WinNetStarApp Key Stroke Entry

Inbox - Microsoft O... Course Outline.doc... Where Can I See th... Where Can I get Pr... Core Charges.docx ... RIMSS.WinNetStar ... RIMSS.WinNetStar ... 11:51 AM

#### SPECIFIC IDENTIFICATION MEHTOD STEP 4

If you are using the Specific Identification Method, the expected credit that you set up from the manufacturer may ultimately be different than the actual credit provided by the manufacturer so you will need to reconcile those when you receive your statement and make any necessary adjustments to those credits. If you have attached a scanned image of the detail of items shipped to each shipment Journal Entry (as suggested in Step 2 above), this reconciliation process will be much easier.

#### SPECIFIC IDENTIFICATION MEHTOD STEP 5

Using the Specific Identification Method still requires the periodic verification of on hand quantities compared to system quantities. But if you are using this method, you can print a detail list of on hand quantities (like we did in step 1 above) to facilitate the counting process.

Journal Entry - 1727

Document Number: 1727      Journal Entry Date: 1/19/2012

Memo: TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT

Balance: \$0.00

Account	Debit Amount	Credit Amount	Memo	Reference
HOB-8-59250-02 (INVENTORY VALUATION ADJUSTMENTS)		\$253.62	\$0.00 TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT	
HOB-1-30100-01 (DIRTY CORE INVENTORY)		\$0.00	\$253.62 TO ADJUST DIRTY CORE INVENTORY TO ON HAND COUNT	
> Double-Click to Select an Account...				

Variations found in the count can be adjusted using a Journal Entry as seen above. If you are writing down your dirty core inventory account due to missing cores, you should immediately perform another reconciliation within the system (as we did in step 3) to check off this Journal Entry and the corresponding missing cores so that you will be able to produce an accurate list of cores on hand as we did in step 1.

This concludes the Specific Identification Method.