



## **Outside Parts and Labor**

### **Procedures for using and reconciling Outside Parts and Labor**

Software Development  
RIMSS Business Systems Technology

Company Confidential

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## OUTSIDE PARTS AND LABOR

The Miscellaneous Charge for Outside Parts or Outside Labor is added to an Invoice or Repair Order in the following circumstances:

**Outside Labor** - Use this misc. charge when the cost of work performed by a third party will be billed to the dealership but the cost of this work and any markup, needs to be passed on to a customer. The misc. charge should be added when the final dollar amount of the charges are known. On the outside Parts and Labor pop up window, input the quantity and cost such that the Total Cost equals the amount of the bill to be received by the third party supplier.

Route the bill to the accounting department clearly marked as OUTSIDE LABOR (the accounting department may want to have a special in-box for outside parts and labor).

**Outside Parts** - Use this misc. charge to add an item to an invoice or repair order when you do not want to create an inventory master record for that item. If the part is going to be purchased and sold on a frequent basis, then a master record should be established and the misc. charge for Outside Part should not be used. Rather, the part should be inventoried and sold as you would any other item. If used, the misc. charge should be added when the final dollar amount of the charges from the supplier are known. On the outside Parts and Labor pop up window, input the quantity and cost such that the Total Cost equals the amount of the bill to be received by the third party supplier. Route the bill to the accounting department clearly marked as OUTSIDE PARTS (the accounting department may want to have a special in-box for outside parts and labor).

Complete the outside parts and labor pop up window as follows:

The screenshot shows the 'Outside Labor' pop-up window with the following fields and values:

Description: Welding	
Quantity:	2
Cost:	250.00
Total Cost:	\$500.00
List Price:	325.00
Price:	325.00
Total Sale:	\$650.00

Revenue Account: BTR-4-45000-03 (SHOP SALES - LAB..)

Supplier: Casey's Machine Shop

Supplier Ref: 56487

Margin: 23.08 %

Profit: \$150.00

Markup: 30.00 %

Buttons: F8 - OK, F9 - Cancel

**Annotations:**

- Enter Description, Quantity, and Cost so that the Total Cost equals the bill from the 3rd Party Supplier.
- Enter the Price that you want to use in selling this to your customer.
- You can change the Revenue Account if necessary. Add your 3rd Party Supplier and the Supplier Invoice number here.

When a WinNetStar document including Outside Parts or Labor is settled, the system will create the following entry (entry assumes this is a non-taxable customer and the total of the invoice is charged to the customer's account):

- Debit A/R Trade for the total of the invoice 650.00
- Credit Revenue for the total of the invoice (650.00)
- Debit Cost of Goods Sold for the Total Cost from the Outside Parts and Service pop up 500.00
- Credit Outside Parts and Labor Clearing for the Total Cost from the Outside Parts and Service pop up (500.00)

The credit to Outside Parts and Labor Clearing should match the bill from the third party supplier that was routed to accounting. The accounting dept. should review the supplier bill and match it to the amount in the Outside Parts and Labor Clearing Account and then move this credit to Accounts Payable under the correct supplier. This can be done using an IR / Bill document using a G/L line Type in the grid and selecting the outside parts and labor clearing account. This can also be done using a Journal Entry document with a debit to outside parts and labor clearing and a credit to accounts payable.

A sample IR/Bill document might look like this:

FileViewCompanyCRMSuppliersEmployeesBankingFixed AssetsInventoryServiceWholegoodsL/RPMCore TrackingReportsWeb LinksWindowsSystemHelp

RIMSS WinNetStarNew IR/Bill

SaveSave and CloseSave and NewPrintBin LabelsScan ReceiptVoid

Name:Casey's Machine Shop

Address 1:

Address 2:

City:

State:

Zip Code:

Doc. #0

Doc. TypeBill

Doc. Date3/2/2009

Pmt TermsNet 15

Due Date3/17/2009

Status

Supplier Ref. INV 8965

MemoOUTSIDE PARTS AND LABOR FROM RO 1234

Type	Number	Description	Order Type	Reference	Memo	Quantity	Unit Cost	Total	PO #
> G/L	RAC-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)				RO 1234	2.0	\$250.00	\$500.00	0
*									

The bill is now ready to be paid in the normal course of business.

Occasionally, the amount input into the pop up window for outside parts and labor will not equal the amount on the bill (when the exact amount is not known when the invoice or repair order needs to be settled). In these cases, the difference between the amounts entered on the pop up and the actual amount of the bill from the vendor will require an adjustment to the Cost of Goods Sold account. For instance, in the above example where 500.00 was input as the cost on the pop up window; if the bill from the supplier amounted to 550.00, the IR/Bill document would be as follows:

File View Company CRM Suppliers Employees Banking Fixed Assets Inventory Service Wholegoods L/R PM Core Tracking Reports Web Links Windows System Help

RIMSS WinNetStar New IR/Bill

Save Save and Close Save and New Print Bin Labels Scan Receipt Void

Name: Casey's Machine Shop Doc. # 0 Doc. Type Bill Doc. Date 3/2/2009

Address 1: Address 2: City: State: Zip Code: Pmt Terms Net 15 Due Date 3/17/2009 Status

Supplier Ref. INV 8965

Memo OUTSIDE PARTS AND LABOR FROM RO 1234

Type	Number	Description	Order Type	Reference	Memo	Quantity	Unit Cost	Total	PO #
G/L	RAC-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)				RO 1234	2.0	\$250.00	\$500.00	0
> G/L	RAC-5-10001-03 (COST OF SERVICE SALES - CUSTOMER LABOR)				RO 1234	1.0	\$50.00	\$50.00	0

Or, if the actual amount of the bill from the supplier amounted to 450.00, the IR/Bill document would be as follows:

File View Company CRM Suppliers Employees Banking Fixed Assets Inventory Service Wholegoods L/R PM Core Tracking Reports Web Links Windows System Help

RIMSS WinNetStar New IR/Bill

Save Save and Close Save and New Print Bin Labels Scan Receipt Void

Name: Casey's Machine Shop Doc. # 0 Doc. Type Bill Doc. Date 3/2/2009

Address 1: Address 2: City: State: Zip Code: Pmt Terms Net 15 Due Date 3/17/2009 Status

Supplier Ref. INV 8965

Memo OUTSIDE PARTS AND LABOR FROM RO 1234

Type	Number	Description	Order Type	Reference	Memo	Quantity	Unit Cost	Total	PO #
G/L	RAC-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)				RO 1234	2.0	\$250.00	\$500.00	0
I G/L	RAC-5-10001-03 (COST OF SERVICE SALES - CUSTOMER LABOR)				RO 1234	-1.0	\$50.00	(\$50.00)	0

Save and Refresh
Save and Finish Later
Save Finished Reconciliation
Print
Restore Layout

1. Select an account: Account: BTR-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)

2. Select statement ending date: Statement Ending Date: 5/26/2017

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

	Was Modified	Date	Amount	Reference	Doc. #	Doc. Type	Num./Ref./Inv.	Detail Memo	Header Memo
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			*					
<input type="checkbox"/>	<input type="checkbox"/>	2/20/2015	(\$987.00)	(568) ABC SUPPLY COMPANY (TEST OPL R...	10037	Service Document	10024		
<input type="checkbox"/>	<input type="checkbox"/>	4/21/2015	(\$5.00)	(317) USED STUFF CO (12345)	10052	Service Document	10033		
<input type="checkbox"/>	<input type="checkbox"/>	5/16/2017	(\$125.00)	(316) (316) WHAT DO YOU NEED INC ()	10151	Service Document	10073		
<input type="checkbox"/>	<input type="checkbox"/>	5/26/2017	(\$500.00)	(1804) (1804) Casey's Machine Shop (564...	10153	Service Document	10075		
<input type="checkbox"/>	<input type="checkbox"/>	5/2/2017	\$115.00	WHAT DO YOU NEED INC (316)	1154	IR / Bill	4657		
<input type="checkbox"/>	<input type="checkbox"/>	5/9/2017	\$500.00	Casey's Machine Shop (1804)	1153	IR / Bill	4857		
<input type="checkbox"/>	<input type="checkbox"/>	4/5/2015	\$5.00	USED STUFF CO (317)	1155	IR / Bill	6935		
<input type="checkbox"/>	<input type="checkbox"/>	2/2/2015	\$987.00	ABC SUPPLY COMPANY (568)	1156	IR / Bill	6985		

**Your Service Document will not show in this account until it is settled.**  
**You will typically see the IR/Bill dated prior to the Service document.**

**Transactions that are missing the IR/Bill or Service Document or do not match will need additional research.**

(\$10.00)

☒ Contains([Reference], ") ▼
Edit Filter

In this example, after checking all of my corresponding transactions, I have a discrepancy of \$10.00. This may be due to a keying error or that the amount was not corrected on the initial IR/Bill or Service Document prior to finalizing

RIMSS WinNetStar

Reconciliation

Save and RefreshSave and Finish LaterSave Finished ReconciliationPrintRestore Layout

1. Select an account:

Account: BTR-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)

2. Select statement ending date:

Statement Ending Date: 5/26/2017

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: (\$10.00)

Difference: \$10.00

☐ Select All

	Was Modified	Date	Amount	Reference	Doc. #	Doc. Type	Num./Ref./Inv.	Detail Memo	Header Memo
	<input type="checkbox"/>			*					
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2/20/2015	(\$987.00)	(568) ABC SUPPLY COMPANY (TEST OPL R...	10037	Service Document	10024		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4/21/2015	(\$5.00)	(317) USED STUFF CO (12345)	10052	Service Document	10033		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5/16/2017	(\$125.00)	(316) (316) WHAT DO YOU NEED INC ()	10151	Service Document	10073		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5/26/2017	(\$500.00)	(1804) (1804) Casey's Machine Shop (564...	10153	Service Document	10075		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5/2/2017	\$115.00	WHAT DO YOU NEED INC (316)	1154	IR / Bill	4657		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5/9/2017	\$500.00	Casey's Machine Shop (1804)	1153	IR / Bill	4857		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4/5/2015	\$5.00	USED STUFF CO (317)	1155	IR / Bill	6935		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2/2/2015	\$987.00	ABC SUPPLY COMPANY (568)	1156	IR / Bill	6985		

If you can still edit the IR/Bill, you can correct that document to account for the discrepancy then refresh your Reconciliation. Otherwise, you will need to create a journal entry to clear your Outside Parts and Service Clearing account to \$0.00. An example of a journal entry to correct the difference is as follows:

RIMSS WinNetStar

Reconciliation

Journal Entry - 1041

SaveSave and CloseSave and NewPrintVoidCreate Reversing EntryCopy to NewImportAdd Sales Tax Group Items

GeneralAttachments

Journal

Document Number: 1041

Journal Entry Date: 5/2/2017

Balance: \$0.00

Memo: Correction to Outside Parts and Service Clearing

☐ Reconciled

Shortcut

Shortcut ID

Amount

Reference ID

Account	Debit Amount	Credit Amount	Memo	Reference
BTR-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)	\$10.00	\$0.00	Correction to Outside Parts and Service Clearing	
BTR-5-51100-03 (CGS - PART SALES SHOP)	\$0.00	\$10.00	Correction to Outside Parts and Service Clearing	

Double-Click to Select an Account...

I made the adjustment to the Outside Parts and Service Clearing account. The offset account will vary from one dealership to the next based on how your chart of accounts has been set up and the nature of the adjustment. In this example, I am adjusting an Outside Part amount and offsetting the corresponding Part COGS account.

The Bill was less than the Outside Charge, so my adjustment is a Debit to Outside Parts and Service Clearing and a credit to my offset account.

If the bill was more than my Outside Charge, I would have credited Outside Parts and Service Clearing and debited my offset account.

Save and Refresh

Save and Finish Later

Save Finished Reconciliation

Print

Restore Layout

1. Select an account:

Account: BTR-2-37000-01 (OUTSIDE PARTS AND SERVICE CLEARING)

2. Select statement ending date: Statement Ending Date: 5/26/2017

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

On my reconciliation, I clicked "Save and Refresh" to bring in the journal entry adjustment that I just created.

After selecting this line, my reconciliation is now in balance. I click "Save Finished Reconciliation" to finalize the process.

	Was Modified	Date	Amount	Reference	Doc. #	Doc. Type	Num./Ref./Inv.	Detail Memo	Header Memo
	<input type="checkbox"/>			*					
>	<input checked="" type="checkbox"/>	5/2/2017	\$10.00		1041	Journal Entry		Correction to Out...	Correction to Out...
	<input checked="" type="checkbox"/>	2/20/2015	(\$987.00)	(568) ABC SUPPLY COMPANY (TEST OPL R...	10037	Service Document	10024		
	<input checked="" type="checkbox"/>	4/21/2015	(\$5.00)	(317) USED STUFF CO (12345)	10052	Service Document	10033		
	<input checked="" type="checkbox"/>	5/16/2017	(\$125.00)	(316) (316) WHAT DO YOU NEED INC ()	10151	Service Document	10073		
	<input checked="" type="checkbox"/>	5/26/2017	(\$500.00)	(1804) (1804) Casey's Machine Shop (564...	10153	Service Document	10075		
	<input checked="" type="checkbox"/>	5/2/2017	\$115.00	WHAT DO YOU NEED INC (316)	1154	IR / Bill	4657		
	<input checked="" type="checkbox"/>	5/9/2017	\$500.00	Casey's Machine Shop (1804)	1153	IR / Bill	4857		
	<input checked="" type="checkbox"/>	4/5/2015	\$5.00	USED STUFF CO (317)	1155	IR / Bill	6935		
	<input checked="" type="checkbox"/>	2/2/2015	\$987.00	ABC SUPPLY COMPANY (568)	1156	IR / Bill	6985		

\$0.00

☒ Contains([Reference], ") ▼

Edit Filter