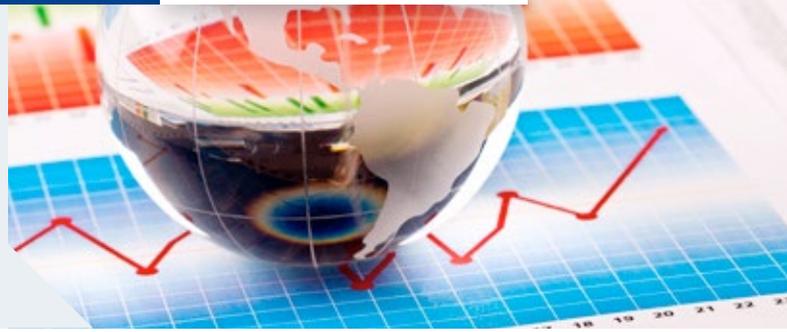


# Costing for SYSPRO



SYSPRO offers powerful costing calculations and methods to provide sound costing solutions, in detail or summarized at various inventory levels. Costs may be calculated from a simple buy-sell of traded goods, or buy-move-sell, or made up from the purchase of raw material and components, together with the manufacturing processes, resources and other supporting activities used to produce and sell the final product. Costing methods can be defined per warehouse, and the cost can be stored at warehouse, serial or lot level. Foreign currency purchases with fluctuating exchange rates can also be taken into account.

## The benefits of Costing

- Different industries use different costing methods. SYSPRO ensures that products and services are costed accurately and appropriately, to be updated on an ongoing basis. The scope of costing can be used to ensure you are holding inventory at the right value.
- Within one enterprise, different departments can use costing methods that are appropriate to them. For example, the receiving warehouse can use FIFO costing to deplete older stock first and have visibility into cost trends; the production warehouse could use standard costing to manage expected versus actual cost; and sales could use average cost to smooth out cost variances.

## Costing features

The following costing types are available.

- **Average**  
Whenever stock is received into a warehouse, the average cost gets recalculated based on the current quantity and cost on hand, as well as the new quantity and cost received.
- **Standard**  
This is normally changed only every 6 months or once a year. Companies create a standard cost to try and ensure that the total actual cost variance accumulated between the change

periods does not exceed the total standard cost that has been estimated for the periods. Standard costing is preferred by manufacturing companies.

- **Actual**  
Typically used for lot-traceable or serialized products, where the cost at which the goods are received will be the same used for the cost of sale when sold.
- **Activity-based costing**  
Products broken down into detail costing elements for:
  - Pre-Production
  - Production
  - Post Production
- **Last Cost**  
Often used for replacement cost, such as insurance provision. It is available for use in SYSPRO Requirements Planning for suggested orders
- **FIFO**  
Calculated from oldest to latest receipt cost and quantity in stock, and always issued at oldest cost.  
FIFO costing is to ensure the oldest received item is issued or sold at the oldest cost
- **LIFO**  
Calculated from newest to oldest receipt cost and quantity in stock, and always issued at newest receipt cost (not legal in some countries).  
LIFO costing is to ensure that the latest received item is issued or sold at the most recent cost
- **Landed Cost Tracking**  
Calculates expected costs based on pre-defined calculations of all landed costs of an imported product, inclusive of duties and exchange rates, and provides detail reporting on actual variances of expected to actual costs. Allows for cost apportionment rules across multiple products in a shipment