Average Cost in Truck Tracker

Average cost method is used when the "Costing Method" site setting is set to Average.

Average cost is recalculated when a part is received (Check-In), credited into the system (Check-Out Credit Item), or manually adjusted into or out of the system (Adjustments).

To see all transactions that affect the average cost for a part you can:
1. Open the Parts Inventory Screen.
   a. Press the Parts button on the toolbar.
   b. Highlight a Part record.
   c. Press the "Check-In" button and look at the costs for that part.
   d. Press the "Adjustments" button and look at the costs.
   e. Press the "Check-Out" button for items that were marked as "Credit Items" which have a negative total cost.

2. Run the "Parts Transaction Log" report.
   a. Go to Reports->Inventory->Parts Transaction Log.
   b. Enter a date range or leave blank for all.
   c. Enter a custom query if you wish for specific parts.
   d. Press Go and wait for the report to generate.

Sometimes you can find a transaction that has an incorrect cost for some reason, and this could be altering the average cost. Or maybe the whole transaction is invalid. In this case you would want to Change or Delete the On Hand records (creates an Adjustment) to get rid of the invalid data, and the average cost will be reflected. Be aware that if you checked-out parts after the invalid transaction occurred, it might not have the correct cost, and it won't be changed automatically. If the part was used with the wrong average cost on a work order that is now closed, you might not be able to reopen it and change the cost. If the work order is open, you can Delete the incorrect part check-out records, fix the cost, and then add the parts usage back again. See the process below.

To alter the average cost for a part you can:
1. Change or Delete the On Hand records, which automatically creates an Adjustment.
2. Delete a Check-in record, which automatically deletes the corresponding On Hand record if it hasn't been used yet. If it has been used already then you need to Delete that Usage record first to put it back into the On Hand table. Once the part is back in the On Hand table you can now perform either option 1 or 2.

For example, if you somehow received or adjusted quantity 2 at $0 and quantity 2 at $100, then it will check-out at average cost of $50 per part. If you then adjusted the cost of the 2 parts from $0 to $100, or if you removed the quantity of 2 parts at $0, then it will check-out at average cost of $100 per part again.

Hopefully you can now understand how the average cost is managed. Behind the scenes it's actually more complicated than it sounds because the system allows the same part with different quantities at difference prices, and the average cost spreads it all out equally in the end. You just have to be careful

about adjustments because if you are half way through the stock of a particular item, it hasn't been fully spread out yet, and an adjustment will wipe away the rest.

If you think there is a problem creating the adjustments or receipts, which is actually creating the problem with the average cost, then we need to focus on why that is happening and not the calculation itself. We need to reproduce the erroneous adjustment or receipts in a test environment so we can isolate the issue. In this case it might also help to have a copy of the customer database backup file.