

## DIFFERENCES IN FREIGHT AMORTISATION FORMULA

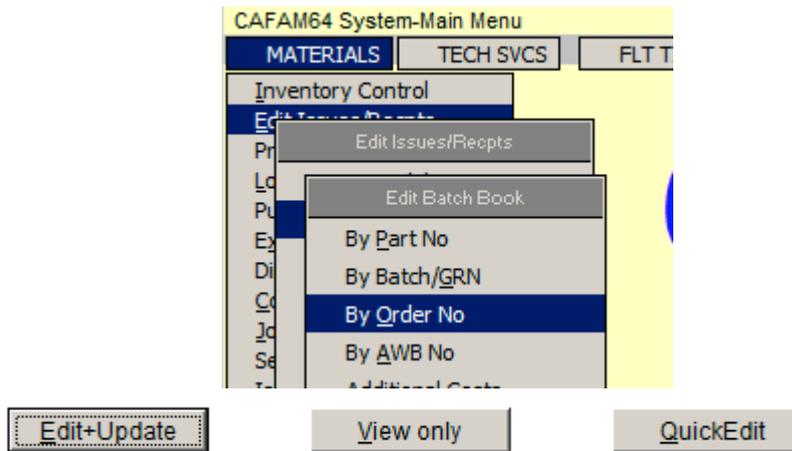
There are two possible options in amortising Freight in CAFAM:

1. By Item Value
2. By Line Count

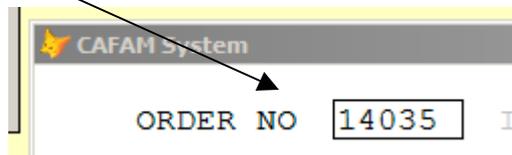
In both cases the Qty per line is also taken into account. Set out here are the two options

### 1. BY ITEM VALUE

Select the following to amortise the Freight by Item Value



ENTER ORDER NO



ENTER FREIGHT AMOUNT AND SELECT "SHOW IN FREIGHT COL"



FOLLOW THROUGH THE REMAINING PROMPTS UNTIL THE BROWSE TABLE BELOW IS SHOWN

Partno	Descr	Invoice	Qty_Rcvd	Buy Price	Freight Inv	Freig_buy	Freig_list	Freig_Sell ea	Awb
BN806-12X6,2X0,6	WASHER	AS-22-5985	20	0.21	AS PER INV	0.04	0.00	0.04	DHL 40 4922 4
D60-7806-00-01	CLAMP *	AS-22-5985	4	33.67	AS PER INV	5.84	0.00	5.84	DHL 40 4922 4
D60-7806-00-02	CLAMP *	AS-22-5985	4	28.13	AS PER INV	4.88	0.00	4.88	DHL 40 4922 4
D60-7806-00-03	EXHAUST SHE*	AS-22-5985	5	20.96	AS PER INV	3.63	0.00	3.63	DHL 40 4922 4
DIN125-A5.3-A2	WASHER *	AO-22-1833	10	0.03	AS PER INV	0.00	0.00	0.00	DHL 40 4922 4
DIN9021-B10.5-ZP	WASHER *	AO-22-1833	10	0.14	AS PER INV	0.03	0.00	0.03	DHL 40 4922 4
DIN912-M5X20-A2	SCREW *	AO-22-1833	10	0.30	AS PER INV	0.06	0.00	0.06	DHL 40 4922 4
LN9037-06016	SCREW *	AO-22-1833	4	3.90	AS PER INV	0.77	0.00	0.77	DHL 40 4922 4
LN9338-M5	NUT *	AO-22-1833	4	4.35	AS PER INV	0.86	0.00	0.86	DHL 40 4922 4
OR78X3_	O-RING *	AO-22-1833	4	9.99	AS PER INV	1.43	0.00	1.43	DHL 40 4922 4

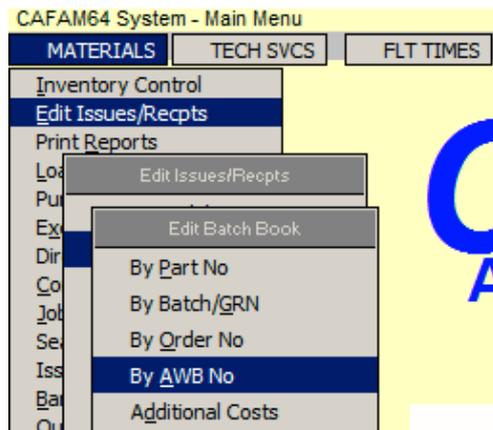
The £75 Freight that was entered above is spread into the columns for Freight as a percentage factor of the value of the Buy Price as explained below

A	B	C	D	E	F	G
PARTNO	DESCR	QTY	BUYPRC	EXT_BUY	FREIGHT	EXT_FREIGH
BN806-12X6,2X0,6	WASHER	20	0.21	4.20	0.04	0.80
D60-7806-00-01	CLAMP *	4	33.67	134.68	5.84	23.36
D60-7806-00-02	CLAMP *	4	28.13	112.52	4.88	19.52
D60-7806-00-03	EXHAUST SHE	5	20.96	104.80	3.63	18.15
DIN125-A5.3-A2	WASHER *	10	0.03	0.30	0.00	0.00
DIN9021-B10.5-ZP	WASHER *	10	0.14	1.40	0.03	0.30
DIN912-M5X20-A2	SCREW *	10	0.30	3.00	0.06	0.60
LN9037-06016	SCREW *	4	3.90	15.60	0.77	3.08
LN9338-M5	NUT *	4	4.35	17.40	0.86	3.44
OR78X3_	O-RING *	4	9.99	39.96	1.43	5.72
				<b>433.86</b>		<b>75.00</b>

1. The percentage factor is calculated as the £75 freight that was entered divided by the BuyPrc total of £433.86 = 17.35%
2. Each line is calculated by this percentage factor to create the Freight entry e.g. line 2 above (P/no D60-7806-00-01) works out as = £5.84 i.e. BuyPrc £33.67 with 17.35% Freight
3. Extreme low values e.g. P/no DIN125-A5.3-A2 at BuyPrc of 0.03 will not count

## 2. BY LINE COUNT

Select the following options to determine the Freight by Line Count



Edit+Update

View only

Only Updates Freight

ENTER THE AWB

CAFAM System

AWB No.

Freight Inv

FOLLOW THROUGH THE REMAINING PROMPTS ENTERING THE FREIGHT VALUES £75

CAFAM System

AWB No.

Freight Inv

Company

Custom Ent. No.

Custom Proc No.

Curr STG Buy  List  Sell

Editing previous Value of freight found...

UNTIL THE BROWSE SCREEN BELOW IS SEEN

Partno	Descr	Qty	Buyprc	Freight Inv	Freig_buy	Freig_list	Freig_Sell ea	Invoice	Uplift
D60-2510-65-00x02	HINGE *	1	91.88	H523934	6.82	6.82	6.82	AD-22-1451	C
BN806-12x6.2x0.6	WASHER	20	0.21	H523934	0.34	0.34	0.03	AS-22-5985	C
D60-7806-00-01	CLAMP *	4	33.67	H523934	1.70	1.70	4.84	AS-22-5985	C
D60-7806-00-02	CLAMP *	4	28.13	H523934	1.70	1.70	4.04	AS-22-5985	C
D60-7806-00-03	EXHAUST SHE*	5	20.96	H523934	1.36	1.36	3.01	AS-22-5985	C
DIN125-A5.3-A2	WASHER *	10	0.03	H523934	0.68	0.68	7.50	AD-22-1833	C
DIN9021-B10.5-ZP	WASHER *	10	0.14	H523934	0.68	0.68	0.02	AD-22-1833	C
DIN912-M5x20-A2	SCREW *	10	0.30	H523934	0.68	0.68	0.04	AD-22-1833	C
LN9037-06016	SCREW *	4	3.90	H523934	1.70	1.70	0.56	AD-22-1833	C
LN9338-M5	NUT *	4	4.35	H523934	1.70	1.70	0.62	AD-22-1833	C
OR78x3	O-RING *	4	9.99	H523934	1.70	1.70	1.43	AD-22-1833	C

Notice now the value of Freight has been calculated by the number of lines present on the AWB factored by the Qty per line on each item as follows:

1. There are a total of 11 lines on this AWB. The entered value for Freight was £75. Thus the cost set to each line for Freight is £75 divided by 11 lines = £6.82 i.e the value that you see above on the first line where the Qty = 1
2. On the second line there is Qty = 20 the value of freight has divided down i.e. £6.82 divided by Qty 20 = 0.34
3. This logic follows all the way down

4. Note that you could get an oddity where an item e.g P/no DIN125-A5.3-A2 is at a BuyPrc of 0.03 but the freight has worked out as 0.68 ie. more than the item costs. This is because the Buy Price is not used in these calculations

**FINALLY...**

Thus application of Freight by Line Count is really a way of fairly allocating the Freight Cost to the number of items received irrespective of what they cost. Consideration was given to a more accurate way of working this out by actual weight but the programming overhead, additional data entry etc made the process impractical to implement.

So whilst you have a choice of allocating Freight by item value where the higher cost item bears the greater proportion of Freight you also have the option to assign this cost purely based on the number of items received. The choice in which one to use is down to each User and using the appropriate Program Menu

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