Selling from stock

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A Sales Order lifecycle usually starts as Selling from Stock scenario. The exception could be if the item falls within the Other Items specified in SMT config, or if the Sales Order is created as approved and a Dropship order is created straight away.

A transaction line is being processed with *Selling from Stock* route until it is linked to a Purchase Order that reclassifies it to *Drop-Ship* or *Special Order* route.

The final document for *Selling from Stock* is an Item Fulfillment and COGS related to the transaction line. If Item Fulfillment does not have COGS, the margin calculation will stay in the estimate stage.

If the *Pick, Pack and Ship* NetSuite feature is enabled, the Item Fulfillment must be in Shipped Status to be considered as final.

Before the Item Fulfillment is reached, the calculation is in estimate stage. The purchase cost in this stage is sourced from following sources, in the following priority order:

1. Manual Cost: defined on SO lines (or sourced via formula if configured). SMT Purchase Currency line field can be used to specify currency for manual cost. If not specified, the anchor transaction currency is used. Manual cost can only be entered on SO line, it is ignored from Invoice.
2. Item Average Price (Location Specific): location must be specified on SO line and *Advanced Item Location Configuration* NetSuite feature must be enabled.
3. Item Average Price: sourced from Item record.
4. Item Last Purchase Price (Location Specific): location must be specified on SO line and *Advanced Item Location Configuration* NetSuite feature must be

enabled.

5. Item Last Purchase Price: sourced from item record.
6. Purchase Price: sourced from item record.

The cost retrieving logic continues into lower positioned source until it finds the first non-zero value.