PURCHASING & INVENTORY

Landed Costs

Roll a shipping fee into the real cost of each product. You choose how it spreads.

THREE WAYS TO SPREAD A FEE

1

No distribution

Keep the fee as its own line, booked to an expense account.

Freight stays separate

2

By quantity

Split the freight evenly across every unit on the order.

Freight costs divided by Number of items shipped

3

By subtotal

Weight the freight by each line's share of the dollars.

Freight costs divided by subtotal

Add a fee in 4 steps

1. On the purchase order, click **Add fee or discount**.
2. Keep it on **Fee**, name it (Shipping), enter the amount.
3. Under **Distribute landed cost**, pick By quantity or By subtotal.
4. Click **Add fee**, then carry the order through to paid.

On the ledger

Freight lands in Inventory

The whole cost is capitalized to **Inventory (1400)** against Accounts Payable, not booked as a separate freight expense. The order total is the same whichever method you pick.

Same shipment, same total: the method only changes how much of the freight lands on each product, which shapes how profitable it looks and how you price it. Pick what matches how your store thinks about cost.