Elm Manufacturing Company (ELM) is a small manufacturer of back packs located in Rochelle, Illinois. They make three different types of Backpacks:

* A small backpack made for school that is designed to hold books with compartments for school supplies and an outside compartment for a water bottle. This backpack is purchased throughout the year by bookstores, office supply stores, department stores and other specialty stores (e.g. school supply stores) (product number SP001).
* A backpack made for hiking that is designed for individuals that want to spend the day outside. It is more sturdy then the school backpack and has compartments for clothing, food, water, and other hiking supplies. It is largely purchased by camping and sporting goods stores, although it is also carried by department stores that have sporting goods sections and other specialty stores (e.g. bicycle stores) (product number HB005).
* A backpack made for camping. This backpack has a metal frame and includes compartments for various camping equipment including places to tie on a sleeping bag. It is primarily sold in specialty camping stores and sporting goods stores, but some larger department stores may carry these (product number CB008).

Some of the relevant information for these products is included below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Product  Number | Cost | Wholesale  Price | Suggested  Retail Price | Cost per case |
| School Pack | SP001 | $8.06 | $10.00 | $19.99 | $120.00 |
| Hiking Pack | HB005 | $18.76 | $23.00 | $39.99 | $276.00 |
| Camping Pack | CB008 | $65.16 | $97.00 | $149.99 | $1,164.00 |

All items are only sold by the case (12 per case)

ELM has various customers and codes the customers based on the number of stores operated. There are many customers that own only one store or have only a few stores in an area. There are a few large chains that purchase ELM products, but their orders are larger and so ELM offers them a discount. Small orders are shipped via UPS pick-up daily. Larger shipments are made by trucking companies who are scheduled as needed, usually once or twice a week.

|  |  |  |
| --- | --- | --- |
| Customer Type | Customer number | Terms |
| 1 store only | 10000 - 29999 | n/30 |
| 2 -5 stores | 30000 - 39999 | n/30 |
| 6 -10 stores | 40000 - 49999 | 2/10, n/30 |
| 11- 25 stores | 50000 - 59999 | 3/10, n/30 |
| 26-100 stores | 60000 - 69999 | 4/10, n/30 |
| More than 100 stores | 70000 - 79999 | 5/10, n/30 |

The goal for ELM is to process and ship small orders (less than 10 cases) in two business days since most of the time there is enough inventory to fill the order. Orders larger than 10 cases should be shipped within one week. Shipping costs vary by delivery type, the number of cases, and the distance being shipped. At the present time all ELM’s customers are in the United States. Another goal for ELM is to invoice all customers within two business days. Some customer pay their bills electronically and some still send in checks. Since the mail can be slow, a two day grace period is allowed if a company is taking a discount or paying on time.

**ELM Revenue Cycle Audit Information**

You are auditing ELM’s revenue cycle for the fiscal year ended 3/31/2020 and have requested the client’s sales data for the 4th quarter of the fiscal year. The client has provided you with a data set, which is a listing of all of ELM’s sales orders from the quarter. Your firm has imported the client’s data into an IDEA database and properly formatted it.

Download the required data for this assignment from the McGraw Hill Connect Website.

Click on Elm Manufacturing and select the data set called **Sales 2017 – 4th Quarter**.

The following is a data dictionary listing the column names, descriptions and field types in the **Sales 2020 – 4th Quarter** IDEA database.

|  |  |  |
| --- | --- | --- |
| **Column Name** | **Column description** | **Field type** |
| ORDERNO | Customer order number | Numeric |
| ORDERDATE | Date the customer order was received | Date  DD/MM/YYYY |
| PRODNO | Product Number | Character |
| CUSTNO | Customer Number | Numeric |
| AMT | Amount Ordered | Numeric |
| UNITPRICE | Price per case | Numeric (dollars) |
| ORDERPRICE | Total price of order | Numeric (dollars) |
| CREDAPR | Credit Approval | Character |
| SHIPDATE | Date the order was shipped | Date  DD/MM/YYYY |
| FRGHTCOST | Shipping Cost | Numeric (dollars) |
| INVAMT | Invoice Amount | Numeric (dollars) |
| INVDATE | Invoice Date | Date  DD/MM/YYYY |
| DISC | Discount provided to customer for fast payment | Numeric |
| PAYMENT | Amount of Payment Received | Numeric (dollars) |
| PAYDATE | Date of Customer Payment | Date  DD/MM/YYYY |