

LIFOPro Software



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Table of Contents

Section	Slide(s)
Features & Benefits	3 – 4
How it Works	5 – 9
LIFOPro Software Reports	10
Pricing & Terms	11
Service Organization Control (SOC) Report	12
How to Get Started	13



Features

- Complete LIFO calculation & documentation/reporting automation
- **Automates both aspects of the LIFO calculation, including:**
 - Inflation calculation (front end)
 - LIFO reserve calculation, including LIFO layer history, LIFO inventory, reserve & expense (income) calculation
- **Internal index module includes a complete range of features & settings, including:**
 - Double-extension (current vs. base year cost comparison) or link-chain (current vs. prior year cost comparison)
 - New item treatment, including new item cost reconstruction
 - Outliers & exceptions identification & treatment
 - Analysis & statistics reports, including inflation index calculation breakouts by product hierarchy (class)
 - Loading multiple data input files and/or sheets
 - Single or multiple pool calculation
- **External index module (IPIC module) includes a complete range of features & settings, including:**
 - BLS table type (CPI or PPI)
 - Current & prior year appropriate month selection
 - Preliminary or final indexes
 - 10% method or non 10% method groupings
 - IPIC method or non-IPIC pooling method
 - Current vs. prior year balances by BLS category comparator report
 - Automated interim estimates using year to date inflation & prior year balances by BLS category



Benefits

- Minimize time spent in-house managing LIFO calculation
- Guarantee calculation accuracy & eliminate errors
- Eliminate error-prone spreadsheet formulas & Excel schedules & replace them with comprehensive, user-friendly reports
- Simplify calculation policies/procedures & reporting
- Increase reporting transparency & understandability
- Easily & quickly make interim estimates & ad-hoc projections
- Reduce reliance on IT department



How it Works: First-time Setup

Documentation Import

Company sends prior period calculation documentation to LIFOPro

LIFOPro imports LIFO calculation documentation into software to create company's database files

Setup & Install

LIFOPro emails software installation resources & database files

Company downloads /installs LIFOPro software & saves database files



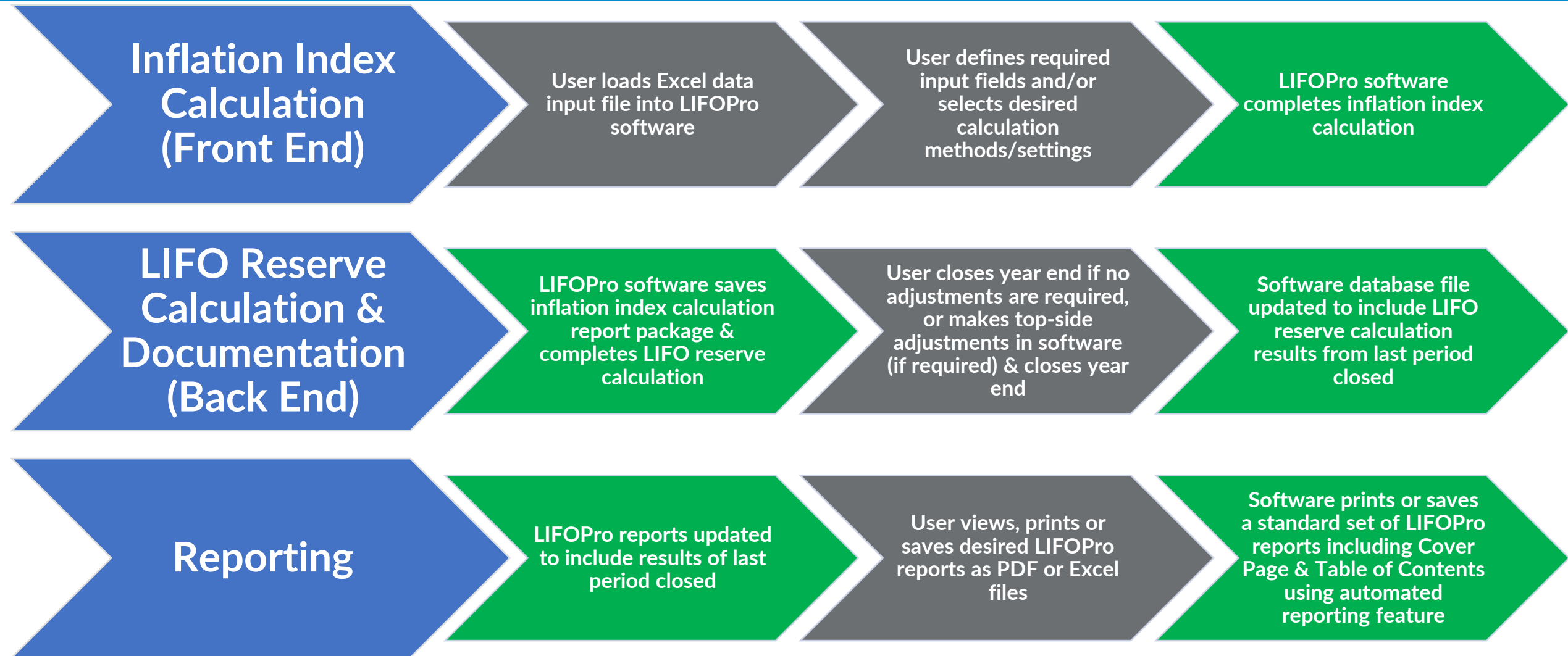
Completed by User



Completed by Software/LIFOPro



How it Works: Calculation & Reporting



Completed by User



Completed by Software/LIFOPro



How it Works: Internal Index Module

Data Input Sheet Preparation

User exports inventory data from accounting information system to Excel file(s)

Excel data input file (s) prepared containing fields required by LIFOPro software to complete inflation calculation

User prepares multi file/sheet specifications Excel sheet if there are multiple inflation calculation data input files/sheets

Inflation calculation

User loads Excel data input file(s) into LIFOPro software, defines input data columns & selects desired calculation settings

LIFOPro software completes inflation calculation & LIFO reserve calculation

LIFOPro software saves internal index inflation calculation report package to Excel



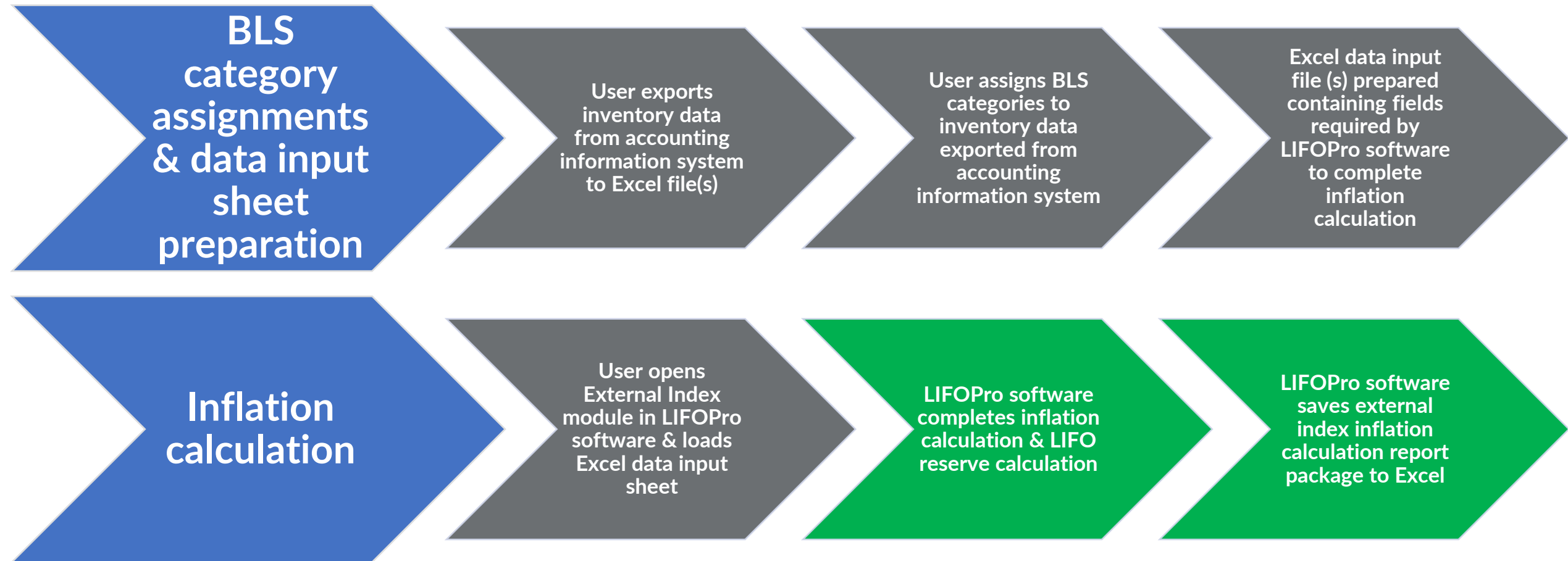
Completed by User



Completed by Software/LIFOPro



How it Works: External Index Module (IPIC Module)



Completed by User



Completed by Software/LIFOPro



How it Works: Reporting Module

Front End Reports (Inflation Calculation)

Contains documentation of the current year inflation calculation made in the LIFOPro software

LIFOPro software automatically saves inflation calculation report package following completion of calculation

Inflation calculation summary report also includes current period LIFO reserve balances by pool & in total

Back End Reports (LIFO reserve calculation)

Contains summary & detailed documentation of the LIFO reserve calculation made in the LIFOPro software

Reports are built from LIFOPro software database file containing historical calculation documentation

Multiple report formats available, including current period only & all years. Reports can be saved or



LIFOPro Software Reports

- **Inflation index calculation (front-end reports)**
 - **Internal Indexes**
 - Current year index calculation summary (Report 27)
 - Current year index calculation detail (Reports 27a & 27b)
 - Missing item cost exceptions detail (Report 28a)
 - Price change outliers detail (Report 28b)
 - Data input statistics (Report 29)
 - Inflation by product hierarchy (Report 30)
 - **External Indexes (IPIC CPI/PPI)**
 - Current year index calculation summary (Report 23S)
 - Current year index calculation detail (Report 23)
 - Category inflation index calculation detail (Report 24)
 - Discontinued/replaced BLS categories (Report 25)
 - IPIC pooling method 5% test proof (Report 26)
- **LIFO reserve calculation (back-end reports)**
 - Current year LIFO calculation summary (Report 18)
 - Current year LIFO reserve calculation proof (Report 18a)
 - LIFO inventory history summary (Report 16)
 - LIFO layer history proof (Report 16a)
 - LIFO inventory history detail (Report 17)
 - LIFO expense components (Report 19)
 - LIFO reserve by layer (Report 15)
- **Supplemental reports**
 - Projections (Report 1)
 - Consolidated reports for multiple entities
 - Reports including Sec. 263A UNICAP costs
 - IPIC CPI/PPI comparator report



Pricing & Terms

- Software license leased for a one year period with optional annual renewal
- Price based on value in-use, calculation modules enabled (internal index, external index or both) & annual license costs starts at \$250/year
- Includes LIFOPro building your company's software database file containing historical LIFO calculation documentation
- Includes the option to outsource your next LIFO calculation to LIFOPro at no additional cost in the first year of your software license to provide users extra time to do any the following:
 - Complete current period calculations ahead of reporting/filing deadline without having to rely on manual procedures presently employed in-house
 - Make parallel calculations to compare your company's in-house vs. LIFOPro software's results
 - Allow IT department time to test and/or approve software usage
 - Become familiarized with LIFOPro software's reports
 - Implement new procedures related to using the software to complete LIFO calculations
 - Install the software on user's PCs
 - Learn usage steps & receive any training needed from LIFOPro
- Comes with the assurance of a Service Organization Control Report (SOC) issued to LIFOPro by independent CPA firm
- Includes unlimited phone, email or in-person support & training
- Includes LIFOPro reviewing calculations for reasonableness
- Can be installed on-premise or accessed on LIFOPro's private cloud
- **Operating System Requirements:**
 - Both on-premise & cloud versions work on all PCs with Windows 7 or Windows 10
 - Minimal operating system requirements for both versions & minimal storage space requirements for on-premise (no storage requirements for private cloud)

LIFOPro Software Annual License Fee Range

Inventory Balance on LIFO	Internal Index	External Index (IPIC CPI/PPI)
< \$1 million	\$250	\$250
\$1M - \$19M	\$250 - \$1,000	\$250 - \$1,250
\$20M - \$99M	\$500 - \$2,500	\$1,250 - \$5,000
\$100M - \$499M	\$2,500 - \$4,000	\$2,500 - \$5,000
\$500M - \$999M	\$3,000 - \$5,000	\$3,000 - \$7,500
\$1B or more	\$4,000 - \$10,000	\$4,000 - \$15,000



Service Organization Control (SOC) Report

- Independent CPA firm issues SOC 1 Type 2 report to LIFO-PRO annually (formerly known as SAS 70 Report)
- Prepared in accordance with AT-C section 320, *Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting*
- Report on the fairness of the presentation of management's description of the service organization's system and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives included in the description throughout a specified period
- Provides clients & their CPA firms our independent auditor's annual report on controls & service procedures in place & software used by LIFOPro
- Providing auditors with this report could reduce substantive testing related to LIFO calculation
- Copy of this report is available to LIFOPro clients & their auditors/CPA firms



How to Get Started

- Use one of the two options to receive fee quote or complimentary software trial
 - Submit request form online at LIFOPro's website: [LIFOPro Software Fee Quote & Trial Request Form](#)
 - **Send the following required documentation to LIFOPro to receive fee quote or complimentary software trial:**
 - LIFO layer history schedule from the last two periods closed (aka LIFO carryforward schedule)
 - Inflation index calculation documentation from last period closed (aka item detail, stock status or inventory valuation report)
 - See our documentation request listing here: [LIFOPro Software Fee Quote & Software Trial Document Request](#)
 - Send to lifopro@lifopro.com or upload here: <https://spaces.hightail.com/uplink/LIFO-PRO>
- LIFOPro will email you fee quote within 2-3 business days of receiving above documentation
- LIFOPro will also email a sample set of LIFOPro reports using the results of your company's last period closed
- If requested, LIFOPro will also send you software database files to trial the software using your company's actual historical calculation data

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