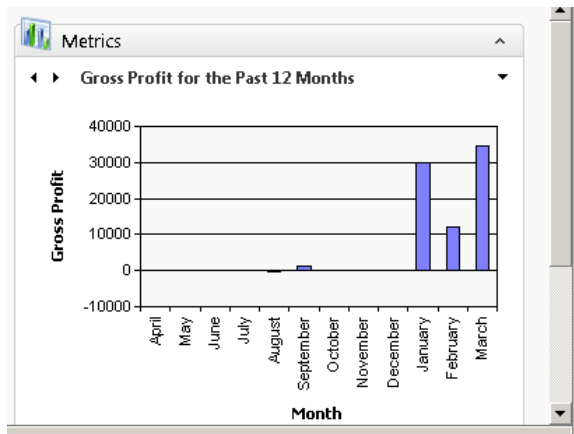


## Gross Profit for the Past 12 Months – How is this calculated in Microsoft Dynamics GP?

Since Microsoft Dynamics GP Release 9.0 and the introduction of the home page, one of the metrics available to users is “**Gross Profit for the Past 12 Months.**” Have you ever wondered how that is calculated?



It’s really quite simple. To be included in the gross profit calculation, an account must be assigned to one of 3 categories:

- **Sales**
- **Sales Returns & Discounts**
- **Cost of Goods Sold**

These are 3 of the 48 default “out of the box” categories created in a Microsoft Dynamics GP installation. A category selection is required on the account maintenance window.

## What if you don't use the default categories or change the names of the categories?

Actually, the graph isn't tied to the category names; it's tied to category numbers **31, 32 and 33**. So, it does not matter if you change the names of the default categories. The graph will be based on category numbers **31, 32 and 33**. It's important to keep that in mind if you're not using the default categories (if you create your own set) make sure the accounts you want included in the calculation of gross profit are assigned to categories with the numbers **31, 32 or 33**.

Also, keep in mind that categories are listed in numerical order during lookups, so if you create your own list of categories and properly assign the categories you want included in the gross profit calculation to numbers 31-33, they may not appear in a logical sequence in the lookup.

\*By the way, you access the category setup window via **Tools>Setup>Financial>Category**.

