

Long Business Systems, Inc

Management Software Solutions

We help businesses manage for success

Cleveland – Columbus – Cincinnati – Pittsburgh – South Bend



Inventory Counting

Presented by: Vicki Smith

A general overview of the Inventory Counting and Posting process

Agenda:

- General System Settings for Inventory
- Inventory Valuation Methods
- Inventory Counting
- Inventory Posting
- Inventory Reports



G/L Account Determinations

- System settings will determine how inventory transactions will affect the G/L accounts.
 - Company Details
 - General Settings

The image shows two overlapping software windows. The left window is titled 'General Settings' and has tabs for 'BP', 'Budget', 'Services', 'Display', 'Font & Bkgd', 'Path', and 'Inventory'. Under the 'Inventory' tab, there are sub-tabs for 'Items', 'Planning', and 'Reporting'. The 'Items' sub-tab is active, showing settings for 'Serial Numbers and Batches'. A red box highlights the 'Set G/L Accounts By' dropdown menu, which is set to 'Item Group'. Other settings include 'Management Method' (On Every Transaction), 'Issue Primarily By' (Serial and Batch Numbers), and 'Default Warehouse' (General Warehouse). The right window is titled 'Company Details' and has tabs for 'General', 'Accounting Data', and 'Basic Initialization'. The 'Accounting Data' tab is active, showing settings for 'Chart of Accounts Template' (US_CoA), 'Local Currency' (US Dollar), and 'System Currency' (US Dollar). A red box highlights the 'Item Groups Valuation Method' dropdown menu, which is set to 'Moving Average'. Other settings include 'Display Credit Balance with Negative Sign' (checked), 'Use Segmentation Accounts' (checked), and 'Multi-Language Support' (checked).

Document Settings – Inventory Counting

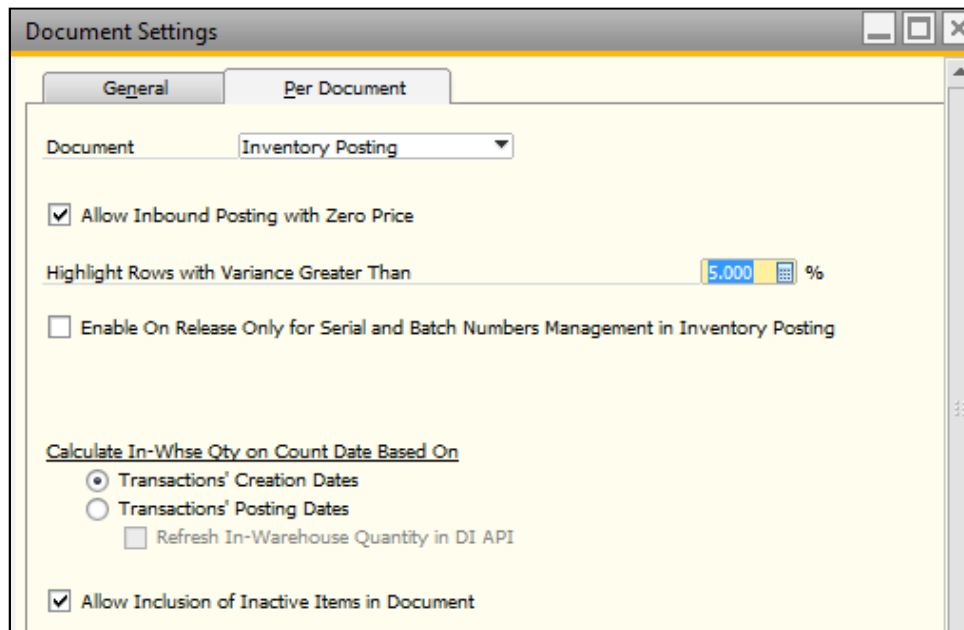
- Identify variances for differences

The screenshot shows the 'Document Settings' window with the 'Per Document' tab selected. The 'Document' dropdown is set to 'Inventory Counting'. Under the 'Counting Type Is Single Counter' section, 'Highlight Rows with Variance Greater Than' is set to 5,000%. Under the 'Counting Type Is Multiple Counters' section, 'Highlight Rows Where Counters Variance is Greater Than' is set to 0,000% and 'Highlight Rows with Counters' Difference Greater Than' is set to 5,000%. The 'When Changing from Single to Multiple Counters, Set Selected Counter As' section has 'Individual Counter' selected. The 'When Copying Inventory Counting to Inventory Posting, Close Counted Rows with Zero Diff.' checkbox is checked, with 'Without User Confirmation' unchecked. The 'Calculate In-Whse Qty on Count Date Based On' section has 'Transactions' Creation Dates' selected, with 'Transactions' Posting Dates' and 'Refresh In-Warehouse Quantity in DI API' unchecked. The 'Allow Inclusion of Inactive Items in Document' checkbox is checked.

- Go to: *Administration > System initialization > Company Details > Document Settings*

Document Settings – Inventory Posting

- Allow Inbound Posting with Zero Price
- Enter variance factor to highlight rows on counting sheets



The screenshot shows the 'Document Settings' window with the 'Per Document' tab selected. The 'Document' dropdown is set to 'Inventory Posting'. The 'Allow Inbound Posting with Zero Price' checkbox is checked. The 'Highlight Rows with Variance Greater Than' field is set to '5.000 %'. The 'Enable On Release Only for Serial and Batch Numbers Management in Inventory Posting' checkbox is unchecked. Under the 'Calculate In-Whse Qty on Count Date Based On' section, 'Transactions' Creation Dates' is selected with a radio button, and 'Transactions' Posting Dates' is unselected. There is also an unchecked checkbox for 'Refresh In-Warehouse Quantity in DI API'. At the bottom, the 'Allow Inclusion of Inactive Items in Document' checkbox is checked.

- Go to: *Administration > System initialization > Company Details > Document Settings*

Item Master Settings

- Inventory units of measure in Counting Sheets
 - Manual UoM's
 - Inventory Counting UoM's used with UoM Groups

Item Master Data	
Item No.	Manual P10004
Description	PC Set 2
Foreign Name	
Item Type	Items
Item Group	Items
UoM Group	Manual
Price List	Base Price

General	Purchasing Data	Sales Data
Set G/L Accounts By	Warehouse	
UoM Name	Each	

Item Master Data	
Item No.	Manual A00001
Description	J.B. Officeprint 1420
Foreign Name	
Item Type	Items
Item Group	J.B. Printers
UoM Group	Ea
Price List	Base Price

General	Purchasing Data	Sales Data
Set G/L Accounts By	Warehouse	
UoM Code	Each	
UoM Name	Each	
Inventory Counting UoM Code	Each	
Inventory Counting UoM Name	Each	
Items per Counting Unit	1	Each

Item Cycle Count Settings

- Identify items to be Cycle Counted

Item Master Data

Item No. Manual P10004
Description PC Set 2
Foreign Name
Item Type Items
Item Group Items
UoM Group Manual
Price List Base Price
Bar Code
Unit Price Primary Curr \$ 1,880.00

General Purchasing Data Sales Data Inventory Data

Set G/L Accounts By Warehouse
UoM Name Each
Weight
Valuation Method Moving Average

#	Whse ...	Whse Name	In Stock	Committed	Ordered	Available	Cycle Code	Next Count Date
1	01	General Warehouse	5	3	5	7	Monthly	12/15/2015
2	02	West Cost Warehouse						
3	03	Dropship Warehouse						
4	04	Consignment Warehouse						
5	05	Bin Warehouse						

Inventory Valuation Report

- If you use the FIFO costing method, run this report to populate the Last Evaluated cost to reference

Inventory Valuation Simulation - Selection Criteria

Code From [] To []
Vendor From [] To []
Item Group All
Properties Ignore

Posting Date To 12/15/2015
Project From [] To []
Calc. Method Last Evaluated Price

Display Method
 Row per Item
 Detailed Receipts/Releases
FC Exchange Rate
 Exchange Rate on Report Date
 Transaction Rate

Allow Negative Inventory
 Additional FC for Total

Location	Whse Code	Whse Name
<input checked="" type="checkbox"/> Los Angeles	02	West Cost Warehouse
<input checked="" type="checkbox"/> New York	01	General Warehouse
<input checked="" type="checkbox"/> Ohio	04	Consignment Warehouse

Expand Collapse

OK Cancel


- Go to: *Inventory > Inventory Reports > Inventory Valuation Simulation Report*

Inventory Valuation Methods

- Moving Average – Calculates the average cost for the item
- Standard – Calculates the inventory value by a fixed price which is used for all transactions
- FIFO – Calculates the inventory value by First in – First Out method.
 - Goods purchased first (or produced) are sold first
 - Each inventory receipt transaction creates a stack of quantities linked to costs.
 - Each inventory release transactions uses the quantities and costs from the top stack first
- Serial/Batch – Calculates the actual batch/serial cost for the specific batch/serial/item



Preparation for Inventory Counts

- ✓ Make sure the warehouse is clean and organized!!!
- ✓ All inventory is in its designated stock location
- ✓ All shipments are processed
- ✓ All PO Goods Receipts are processed
- ✓ All production orders are transacted to date
- ✓ All RMA items are separated from the regular inventory into a designated HOLD area.
- ✓ Make all necessary inventory adjustments to production orders or inventory.
- ✓ Stop all inventory transactions 
- ✓ Perform copy of live database to demo prior to starting count

Inventory Counting Window

- Select the Counting Type and Inventory Counters
 - One Inventory Counter – There is one inventory counter who counts item quantities in warehouses.

The screenshot shows the 'Inventory Counting' window with the following fields:

Count Date	12/15/2015	Time	08:08	No.	Primary	11
Counting Type	Single Counter	Status	Open			
Inventory Counter	User	Vicki Smith	Ref. 2			

- Multiple or Team Inventory Counters – There are multiple inventory counters or teams who count item quantities in the same warehouses.

The screenshot shows the 'Inventory Counting' window with the following fields:

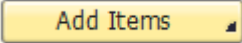
Count Date	12/15/2015	Time	08:08	No.	Primary	11
Counting Type	Multiple Counters	Status	Open			
No. of Individual Counters	2	No. of Team Counters	0	Ref. 2		

A 'Select Individual Counters' dialog box is open, showing a table of selected counters:

#	Counter Type	User Name/Employee Name
1	User	Vicki Smith
2	User	Brad Thompson

- Go to: *Inventory > Inventory Transactions > Inventory Counting Transactions*

Selecting Items to Count

- Select the Items to count 
- Click on the Add Items button at the bottom of the screen
- Create separate counting lists for specific counting teams, item groups, warehouses or bin locations

Inventory Counting - Items Selection Criteria

Items

Code From To

Preferred Vendor From To

Item Group

Warehouses

	Location	Whse Code	Whse Name
<input type="checkbox"/>	▼ New York		
<input checked="" type="checkbox"/>		→ 01	General Warehouse
<input type="checkbox"/>		→ 04	Consignment Warehouse
<input type="checkbox"/>	▼ Los Angeles		
<input type="checkbox"/>		→ 02	West Cost Warehouse
<input type="checkbox"/>	▼ Ohio		

Exclude Warehouses for Items with Zero Quantity

Inventory Counting - Bin Location Selection Criteria

Bin Location Code From To

Alternative Sort Code

Warehouse Sublevels

Aisle

Shelf

Level

Attributes

Exclude Bin Locations for Items with Zero Quantity

Inventory Counting Sheet

- Review items to be counted
- Freeze inventory if desired to prevent transactions from occurring
- Select alternate units of measure for counting

Inventory Counting

Count Date: 12/15/2015 Time: 08:35 No.: Primary 11
Counting Type: Single Counter Status: Open
Inventory Counter: User Vicki Smith Ref. 2

General

Find Item No. Warehouses

#	Item No.	Item Description	Freeze	Whse	Bin Location	In-Whse Qty ...	Counted	UoM Counted Qty	Counted ...	UoM Code	Items per Unit	Variance	Variance %
1	A00001	J.B. Officeprint 1420	<input checked="" type="checkbox"/>	01		421.000	<input type="checkbox"/>	0.000	0.000	Each	1.000	0.000	0.000
2	A00003	J.B. Officeprint 1186	<input checked="" type="checkbox"/>	01		703.000	<input type="checkbox"/>	0.000	0.000	Each	1.000	0.000	0.000
3	A00004	Rainbow Color Printer 5.0	<input checked="" type="checkbox"/>	01		395.000	<input type="checkbox"/>	0.000	0.000	Each	1.000	0.000	0.000
4	A00005	Rainbow Color Printer 7.5	<input checked="" type="checkbox"/>	01		503.000	<input type="checkbox"/>	0.000	0.000	Each	1.000	0.000	0.000
5	A00006	Rainbow 1200 Laser Series	<input checked="" type="checkbox"/>	01		26.000	<input type="checkbox"/>	0.000	0.000	Each	1.000	0.000	0.000
6			<input type="checkbox"/>			0.000	<input type="checkbox"/>		0.000			0.000	0.000
						2,048.000							

Remarks

Add Cancel Add Items Adjust Counted Quantities Copy to Inventory Posting

Print Counting Sheet

- Hide quantity on hand in warehouse if desired

Printing Options

Select one of the following options for the printed item list

Show In-Wlse Qty on Count Date

Hide In-Wlse Qty on Count Date

OK

Long Business Systems **Inventory Counting**

Count Date: **2015.12.15**

Time: **08:43**

Counting Type: **Single Counter**

Inventory Counter: **Vicki Smith**

Inventory Counting Doc. No.: **12**

Item No.	Item Description	Warehouse	Bin Location	Counted Qty
⇒ A00002	J.B. Officeprint 1111	⇒ 05	⇒ 05-A1-S2-L1	
⇒ A00003	J.B. Officeprint 1186	⇒ 05	⇒ 05-DK	
⇒ A00004	Rainbow Color Printer 5.0	⇒ 05	⇒ 05-DK	

Counted By: _____ Signature: _____ Date: _____

Record Counts

- Enter the counts in the Inventory Counting screen
 - Research items with variances and modify counts as required
 - As counts are entered, the counted box is automatically checked

Inventory Counting

Count Date: 12/15/2015 Time: 08:43 No.: Primary 12
Counting Type: Single Counter Status: Open
Inventory Counter: User Vicki Smith Ref. 2

General


Find Item No. Warehouses << >>

#	Item No.	Item Description	Freeze	Whse	Bin Location	In-Whse Qty ...	Counted	UoM Counted Qty	Counted ...	UoM Code	Items per Unit	Variance	Variance %
1	A00002	J.B. Officeprint 1111	<input checked="" type="checkbox"/>	05	05-A1-S2-L1	320.000	<input checked="" type="checkbox"/>	321.000	321.000	Each	1.000	1.000	0.313
2	A00003	J.B. Officeprint 1186	<input checked="" type="checkbox"/>	05	05-DK	100.000	<input checked="" type="checkbox"/>	100.000	100.000	Each	1.000	0.000	0.000
3	A00004	Rainbow Color Printer 5.0	<input checked="" type="checkbox"/>	05	05-DK	100.000	<input checked="" type="checkbox"/>	100.000	100.000	Each	1.000	0.000	0.000
4	Z00002	Tablet PC 64GB White	<input checked="" type="checkbox"/>	05	05-A1-S1-L2	75.000	<input checked="" type="checkbox"/>	65.000	65.000	Each	1.000	-10.000	13.333
5	Z00002	Tablet PC 64GB White	<input checked="" type="checkbox"/>	05	05-A1-S2-L1	100.000	<input checked="" type="checkbox"/>	105.000	105.000	Each	1.000	5.000	5.000
6	Z00002	Tablet PC 64GB White	<input checked="" type="checkbox"/>	05	05-A1-S3-L2	98.000	<input checked="" type="checkbox"/>	95.000	95.000	Each	1.000	-3.000	3.061
7			<input type="checkbox"/>			0.000	<input type="checkbox"/>	0.000				0.000	0.000
						793.000		786.000				19.000	2.396

Remarks

Update Cancel Add Items Adjust Counted Quantities Copy to Inventory Posting

Inventory Posting

- Copy your Inventory Counting Sheet to the Inventory Posting window
- Select correct Price Source prior to posting 

Inventory Posting

Posting Date: 12/15/2015
 Count Date: 12/15/2015 Time: 08:43
 Price Source: Item Cost

No. Primary 9
 Ref. 2

#	Item ...	Item Description	Whse	Bin Location	In-Whse Qty ...	Counted Qty	Variance	Variance %	Price	Total	UoM C...	Items per Unit	UoM Counted Qty
1	A00002	J.B. Officeprint 1111	05	05-A1-S2-L1	320.000	321.000	1.000	0.313	\$ 1.00	\$ 1.00	Each	1.000	321.000
2	Z00002	Tablet PC 64GB White	05	05-A1-S1-L2	75.000	65.000	-10.000	13.333	\$ 459.38	\$ -4,593.80	Each	1.000	65.000
3	Z00002	Tablet PC 64GB White	05	05-A1-S2-L1	100.000	105.000	5.000	5.000	\$ 459.38	\$ 2,296.90	Each	1.000	105.000
4	Z00002	Tablet PC 64GB White	05	05-A1-S3-L2	98.000	95.000	-3.000	3.061	\$ 459.38	\$ -1,378.14	Each	1.000	95.000
5	A00004	Rainbow Color Printer 5.0	05	05-A1-S2-L2	0.000	10.000	10.000	100.000	\$ 250.00	\$ 2,500.00	Each	1.000	10.000
6					0.000	0.000	0.000	0.000					
					593.000	596.000	29.000	4.890		\$ -1,174.04			

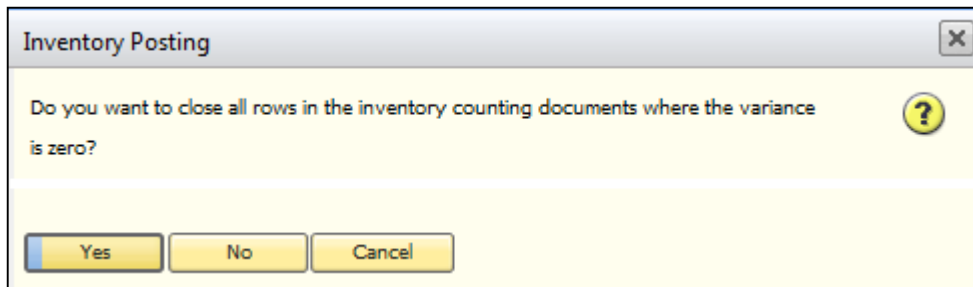
Remarks: Based On Inventory Counting 12

Journal Remark: Inventory Posting

Add Cancel Add Items Copy from Inventory Counting

After Inventory Posting

- Check that your Inventory Counting Sheets are closed
 - When adding Inventory Posting Sheet, close your inventory counting document



- Check the *Open Item List > Inventory Counting* for any open count sheets

Open Items List

Open Documents: Inventory Counting

Document Number	Count Date	Time	Counting Type	No. of Individual Cou...	No. of Team Count...	Ref. 2
7	12/16/2014	11:08	Multiple Counter	2	0	
11	12/15/2015	08:35	Single Counter			

Cycle Counting

- Select Cycle Code for counting

Inventory Cycles - Setup

Cycle Code: Monthly

Recurrence: Monthly

Repeat Every: 1 Months

Repeat On: Day 6 First Tuesday

Start Count Date: 01/06/2015

Time:

End: No End Date After 1 Occurrence By

OK Cancel

Cycle Count Recommendations - Selection Criteria

Cycle Code: From Monthly To Monthly

Items

Code: From To

Preferred Vendor: From To

Item Group: All

Item Properties: Ignore

Warehouses

	Location	Whse Code	Whse Name
<input type="checkbox"/>	▼ New York		
<input checked="" type="checkbox"/>		→ 01	General Warehouse
<input type="checkbox"/>		→ 04	Consignment Warehouse
<input type="checkbox"/>	▼ Los Angeles		
<input type="checkbox"/>		→ 02	West Cost Warehouse
<input type="checkbox"/>	▼ Ohio		

Expand Collapse

Warehouse Sublevels

Aisle:

Shelf:

Level:

OK Cancel

- Go to: Inventory > Inventory Transactions > Cycle Count Recommendations

Cycle Count Recommendations

- Initiate Inventory Counting Sheets thru Cycle Counts

Cycle Count Recommendations

#	Selected	Item No.	Item Description	Warehouse	Sublevel Code	Cycle Code	Recurrence	Date	Time	Counted
1	<input checked="" type="checkbox"/>	➔ P10004	PC Set 2	➔ 01		Monthly	Monthly	12/15/2015		<input type="checkbox"/>
2	<input checked="" type="checkbox"/>	➔ P10003	PC Set 1	➔ 01		Monthly	Monthly	12/15/2015		<input type="checkbox"/>

Generate Inventory Counting Sheets

Inventory Counting

Count Date: 12/15/2015 Time: 09:21 No.: Primary 13
 Counting Type: Single Counter Status: Open
 Inventory Counter: User Vicki Smith Ref. 2

General

Find Item No. Warehouses << >>

#	Item No.	Item Description	Freeze	Whse	Bin Location	In-Whse Qty ...	Counted	UoM Counted Qty	Counted ...	UoM Code	Items per Unit	Variance	Variance %
1	➔ P10004	PC Set 2	<input type="checkbox"/>	➔ 01		5.000	<input type="checkbox"/>		0.000	Manual		0.000	0.000
2	➔ P10003	PC Set 1	<input type="checkbox"/>	➔ 01		20.000	<input type="checkbox"/>		0.000	Manual		0.000	0.000

Post Cycle Count

- Copy Inventory Counting Sheet to the Inventory Posting window
- Set Cycle Count Recommendations to Counted
 - Check items that have been counted
 - Click on Set Count button to record in Item Master

The screenshot shows a window titled "Cycle Count Recommendations" with a table containing the following data:

#	Selected	Item No.	Item Description	Warehouse	Sublevel Code	Cycle Code	Recurrence	Date	Time	Counted
1	<input checked="" type="checkbox"/>	⇒ P10004	PC Set 2	⇒ 01		Monthly	Monthly	12/15/2015		<input checked="" type="checkbox"/>
2	<input checked="" type="checkbox"/>	⇒ P10003	PC Set 1	⇒ 01		Monthly	Monthly	12/15/2015		<input checked="" type="checkbox"/>

At the bottom of the window, there are three buttons: "OK", "Inventory Counting", and "Set to Counted". Red arrows in the original image point from the "Counted" column of the table to the "Set to Counted" button.

- Item Master record is updated for next cycle count date

Inventory Reports

- Inventory Audit report
 - only report that reconciles to the Balance Sheet
- Bin Content List & Bin Location Content List
 - Displays contents of bins and detailed batch/serial information
- Inventory Status report
 - Overview of current stock including planned receipts and withdrawals. (Hot List).
- Inventory Posting List Report
 - Details of all transaction postings in the system displayed by date and inventory balance at that date
- Inventory in Warehouse Report
 - Shows current stock status, planned receipts and withdrawals, last receipt & issue date (slow movers)



Tip of the Day

- How to run the Inventory Audit Report for large data bases
 - *Go to: Inventory > Inventory Reports > Inventory Audit Report*

Inventory Audit Report - Selection Criteria

Posting Date From 12/15/2015 To 12/15/2015

Items

Code From To

Item Group

Properties Ignore

G/L Accounts

Warehouses

	Location	Whse Code	Whse Name
<input type="checkbox"/>	▼ Los Angeles		
<input type="checkbox"/>		⇒ 02	West Cost Warehouse
<input type="checkbox"/>	▼ New York		
<input type="checkbox"/>		⇒ 01	General Warehouse
<input type="checkbox"/>		⇒ 04	Consignment Warehouse
<input checked="" type="checkbox"/>	▼ Ohio		

Expand Collapse

Display

By Items

Summarize by Accounts

Group by Warehouses

Display OB for Items/Accounts with no Transactions

Hide Items with Cumulative Quantity Zero

OK Cancel

Long Business Systems, Inc. (LBSi)

- **Next Meetings:**

- Tuesday, Jan. 12, 2016
 - 1099 Reporting
- Tuesday, Feb. 16, 2016
 - Managing Price Lists
- Tuesday, Mar. 15, 2016
 - Using Procurement Wizard



Long Business Systems, Inc

Contact Information:

Vicki Smith

Senior Consultant

email: vicki@lbsi.com

Phone: 440-846-8500 ext 22

www.lbsi.com

SAP[®] Certified
Associate



Thank you for taking time to participate in the SAP Business One User Group Meeting.

Please take a few minutes to provide us with feedback and suggestions going forward.

- We are always looking for new clients to work with. And we would like to find more clients and partners like you – companies that are engaged, smart, and focused on their future.
- Can you help us out by referring LBSi to someone who could benefit from our services?

