

Inventory Count Script

Clip Link: http://www.priority-software.com/eshbel.com/Movie_Search/Inventory_Count.htm

Note: Yellow highlights indicate action instructions.

***HEADINGS ARE NOT MEANT TO BE READ ALOUD.**

BEFORE YOU BEGIN:

PREPARE A POWERPOINT SLIDE WITH THE FOLLOWING BULLETS:

- Preparing inventory count documents
- Recording counted quantities
- Reviewing and approving quantities
- Calculating past balances

PREPARE TWO WAREHOUSES, WITH VARIED (AND LOGICAL!) TYPES AND QUANTITIES OF INVENTORY.

PREPARE IN ADVANCE AMOUNTS FOR ONE OF THE PARTS, SO THAT IF X IS THE CALCULATED QUANTITY, AND Y IS THE COUNTED QUANTITY, X IS BIGGER THAN Y AND Z IS THE DIFFERENCE. SEE SECTION ON APPROVING COUNTED QUANTITIES.

Introduction (00:00-00:39)

Hi, I'm _____ from Priority Software.

This clip demonstrates how to prepare and record inventory counts in **Priority**. It covers the following actions **[SHOW SLIDE]**:

- Preparing and printing inventory count documents;
- After the physical count, recording counted quantities in the system;
- Reviewing variance between calculated and counted quantities and approving the count;
- And calculating past balances, which freeze inventory levels in the past and thus prevent retroactive revisions.

It is strongly recommended that you avoid recording inventory transactions in the warehouses being counted until the approval of quantities, so as to prevent errors.

Preparing the Inventory Count (00:40-03:56)

The first step is to run the program that prepares inventory count documents. Each such document displays the calculated quantities of all items in the warehouse, which will later be compared to the quantities actually counted. Run the **Prepare for Inventory Count** program from the **Inventory > Warehouse Control > Inventory Count > Prepare Count for Today (Quick)** menu [OPEN MENU BUT DON'T RUN PROGRAM]. The program quickly makes the preparations necessary for the count and doesn't interfere with ongoing work in the system. However, if your company is a manufacturing company and includes plant floor warehouses, use the program from the **Prepare Count for Past Date** menu, instead [GO BACK ONE MENU AND OPEN **Prepare Count for Past Date** MENU. HIGHLIGHT **Prepare for Inventory Count** PROGRAM IN MENU. GO BACK ONE MENU].

In this demonstration, I'll prepare a quick count, but the same instructions apply when preparing the count for a past date [OPEN **Prepare Count for Today (Quick)** MENU AND RUN **Prepare for Inventory Count**]. In the program input screen, designate the **warehouses to be counted**. To prepare the count for more than one warehouse, press **F6** and retrieve the warehouses in the **Warehouses** form [RETRIEVE THE TWO FOR WHICH INVENTORY IS DEFINED]; then return to the program by pressing **Esc**.

Flag the **Include 0 Balances** column to include items in the printed count form with a calculated quantity of zero. This way, if there are actual quantities of these items in the warehouse, the people performing the count won't forget to include them and will have a line on which to record amounts. Flag the **Select Parts** option if you plan to count inventory for selected items only [PRESS OK]. In this case, a second input screen opens in which to select the desired items [PRESS **F6** IN THE **Part Number** COLUMN TO OPEN CHOOSE LIST. SHOW, BUT LEAVE AN ASTERISK "*". PRESS OK].

[YOU CAN READ THIS WHILE THE PROGRAM RUNS] Note that an inventory count will not be recorded for warehouses flagged in the **External Control** column of the **Warehouses** form [DO NOT SHOW FORM], as well as for parts that are not subject to **Inventory Control**.

Once the program finishes, you will receive a message with the number of the inventory count documents opened [SHOW. THEN PRESS OK]. A separate document is opened for each warehouse. Let's enter the **Inventory Count** form [GO BACK ONE MENU AND OPEN FROM THERE] and retrieve by today's **Date** to see the documents that were opened by the program. These documents all have a "Draft" status [HIGHLIGHT COLUMN]. The items themselves are displayed in the **Itemized Inventory Count** sub-level form. In the **Calc. Qty (Factory)** [READ "CALCULATED QUANTITY – FACTORY". HIGHLIGHT] column, you can see the amount calculated by the system based on the inventory transactions recorded for each part.

After running the preparation program, you can print the counting forms [DO NOT CLOSE THE FORM. GO BACK TO PRIORITY MENU, SAME MENU] from the **Inventory Count Reports > Print Inventory Count Form** menu [HIGHLIGHT, THEN RUN]. In the

Document column, record the number of the inventory count document created by the preparation program. If several documents were created, **press F6 to retrieve them from the Inventory Count form by date**[RETURN TO PROGRAM WITH Esc].

In the program input screen, select the desired options:

- Choose whether or not to display calculated quantities in the printed forms[HIGHLIGHT Display Calc Qty COLUMN]. We recommend that you don't display these amounts, as they do not necessarily match actual inventory levels in the warehouse and might accidentally bias results.
- **Choose Lines Between Rows** to add gridlines that make it easier to fill out the form.
- And **add Blank Lines at End** so that there will be room to record additional items that do not appear in the form.

[PRESS OK. CHOOSE DISPLAY. DISPLAY RESULT ON SCREEN]The people performing the physical count should record amounts for single items in the **Quantity** column[HIGHLIGHT] and amounts for packaged items in the **Crate Code** and **No. Crates** columns[HIGHLIGHT]. After all forms have been completed, you can record counted quantities in the system.

Recording Counted Amounts (03:57-04:25)

To record the counted amounts, **return to the Inventory Count form**, to the new count documents, and **move to the Itemized Inventory Count sub-level form**. You can **record the amount** in either of the **Counted Quantity** columns – in factory units[HIGHLIGHT Counted Qty (Factory) COLUMN] or in buy/sell units[HIGHLIGHT Counted Qty-Buy/Sell COLUMN. RECORD FOR A FEW LINES]. Or, if the items are packaged, record the code and number of packing crates[HIGHLIGHT Packing Crate Code and Packing Crates (No) COLUMNS]. The system will automatically convert the crates into units, based on crate definitions[RECORD QUANTITIES FOR A FEW LINES IN EITHER OF THESE METHODS].

Note that although quantities have been recorded, inventory levels have not yet been updated.

Refreshing the Count (04:26-05:20)

If inventory transactions were recorded between the time the preparation program was run and counted quantities were recorded in the system, it is recommended that you recalculate inventory amounts in the system, so that any inventory transactions that took place in the interim will be taken into account. **From the Prepare Count for Today (Quick) menu, run the Prepare for Recount program.**

In the program input screen, **record the number of the original inventory count document**[PRESS F6, RETRIEVE BOTH DOCS, RETURN BY PRESSING Esc]. The result is a new inventory count document, in which calculated quantities have been updated. The

quantities recorded from the physical count are copied from the original document into the new document. Unapproved lines are deleted from the original document, which receives a "Final" status.

Let's return to the **Inventory Count** form and retrieve one of the new documents using the **Original Count Doc.** column, where the number of the original document appears[PRESS ENTER].

Approving Count Lines (05:21-07:04)

[MOVE TO THE Itemized Inventory Count SUB-LEVEL FORM]At this stage, you should examine the variance between calculated and counted amounts, in the **Variance (Factory)** column[HIGHLIGHT].

To approve the amounts recorded for the physical count, flag the **Approve Counted Qty** column for each approved line[FLAG A COLUMN WITH A VARIANCE OF 0]. When you approve a line, an inventory transaction is recorded for the variance between the calculated amount and the actual counted amount. In addition, the inventory balance of the item is revised and inventory valuations are recalculated based on counted quantities.

[GO BACK TO UPPER-LEVEL FORM]If you want to automatically approve all lines in the document, you can run the **Approve/Revoke Inventory Count** program from the list of **Direct Activations**[RUN FROM THE LINE OF THE SAME COUNT YOU DEMONSTRATED]. Choose **Approve count** in the Operation column. Leave the **Including 0 Qty's** column blank [HIGHLIGHT, MAKE SURE IT IS EMPTY] if you want to approve only those lines with a counted quantity greater than zero[PRESS OK].

When you are finished approving the count, change the **Status** of the document to "Final". Note that inventory levels are updated regardless of the document's status, immediately upon approval of individual count lines. By changing the document's status to "Final," you prevent users from making revisions to it.

Now let's open the **Audit Trail** form from the **Inventory Transactions** menu[GO BACK A FEW MENUS TO THE Inventory MENU AND OPEN Inventory Transactions MENU. OPEN FORM FROM THERE] and retrieve the inventory transactions created during the count. The easiest way is to retrieve by the count document number in the **Doc/Invoice Number** column. In this line, for example[MOVE TO LINE WITH A NEGATIVE VARIANCE], the quantity is negative. In the same line of the inventory count document[MOVE BACK TO **Inventory Count** FORM, TO SAME LINE], you can see that the calculated quantity is 8[READ THE NUMBER IN THE LINE] and the counted quantity is 5[DITTO], so that the amount recorded in the inventory transaction – the variance between them – is -3[DITTO]. This variance is added to the calculated balance in the system, so that inventory levels of the item match the actual amount in stock.

Viewing Updated Balances (07:05-07:59)

Various inventory count reports, located in **the Inventory Count Reports menu**, provide a useful tool for keeping track of inventory levels.

For instance, the **Uncounted Parts in Period** report **[HIGHLIGHT IN MENU]** displays items which haven't been counted within a specified time period. Reports in this menu not only display the variance between calculated and counted quantities, they also display the monetary value of the variance, as long as the lines were approved.

The **Count Discrepancies** report **[HIGHLIGHT IN MENU]** displays a list of items for which calculated and counted quantities do not match.

For cases in which inventory balances do not match expected results based on the physical count, you can read instructions for correcting quantities in an FAQ on the topic. **Right-click the Warehouse Control menu and select Online Help**. In the browser window that opens, **click on the question: "The balance in an inventory report differs from the recorded counted quantity"** **[SHOW THE ANSWER FOR A FEW SECONDS, THEN CLOSE BROWSER WINDOW]**.

Recording Past Balances (08:00-09:00)

At the end of the process, once you are sure the inventory balances are correct, it is recommended that you run the program that calculates past balances **[GO BACK TO Warehouse Control MENU AND OPEN Past Balances MENU. HIGHLIGHT Calculate Balance for Date PROGRAM]**. This program "locks" inventory balances up to a selected date. In other words, after running the program, no one can record an inventory transaction prior to the past balance date. That way, you can always be sure that inventory levels are accurate up to that date.

To calculate the value of the inventory saved in the past balance, run the **Costing for Past Balance Date** program. In the commercial package, run this program from the **Financials > Cost Analysis for Businesses > Part Costing** menu **[OPEN MENU AND HIGHLIGHT PROGRAM NAME IN MENU. GO BACK TO Cost Analysis for Businesses MENU. NOT TOO FAST!]**. From the same menu, you can **open the Inventory Valuation Reports** menu and run a variety of reports on the value of your inventory.

In the manufacturing package, the same actions can be performed from the **Cost Analysis for Manufacturers** menu **[HIGHLIGHT MENU NAME, UNDER Financials MENU]**.

This concludes our demonstration of how to perform an inventory count. For additional assistance, run the **Inventory Count Wizard** **[SHOW IN MENU: Inventory > Warehouse Control > Inventory Count]**.

Related Documentation

- Part Setup clip

- Customer Shipments clip
- Open a Warehouse Wizard
- Inventory Count Wizard