Sage Intacct Inventory Review

Presented by:

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Meet the Team

Inventory, OE, & PO
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110+ Years of Distribution & Supply Chain Experience Across the 4 PM Team Members

Inventory Review

In Today's session we will review Inventory basics, discuss wholesale distribution workflow and highlight common functionality that a business that has inventory may want to use within our software.

1. Who Needs Inventory?
2. Item Master Data
3. An Inventory Item's life cycle
4. Detail information about each part of the cycle
5. Maintain Inventory Valuation (MIV)
6. Q & A

Who Needs Inventory?

Who Needs Inventory?

Business Types that need Inventory

- Any business that wants to track quantity on hand for items.
  - Healthcare businesses keeping track of medical supplies
  - Not for Profit businesses that order goods for internal consumption but want to track how many they have on hand at a given time.
- A business that buys items from vendors and resells those items to customers (aka a Distribution business.)
- A Construction business that buys product to use in a construction job.
- Any business that needs to track details about the items, such as serial numbers, lot numbers, and/or expiration dates of a product.
- Any business that assembles product from components into a finished good and resells it.
- Any business that needs recommendations on when to buy more product (aka Replenishment).

Who Needs Inventory?

Key words or phrases to listen for during discovery

- Warehouse(s)
- Transfer goods between locations
- Bin or Location tracking
- Quantity on Hand
- Serial Number, Lot Number or Expiration dates on products (Tracking)
- Material Requirements (Replenishment)
- Assembly (Stockable Kits)
- Vendor, Customer or General Item Alias Numbers (Cross-Reference)
- Drop Ship
- Buy to Order
- Item Costing
- Landed Costs / Freight (adding value to an item.)
- Bundled Pricing (Kits)
- Back Orders
- Physical Count (Cycle Counts)

Item Master Data

Item Master Data

It all begins with the warehouse & item setup

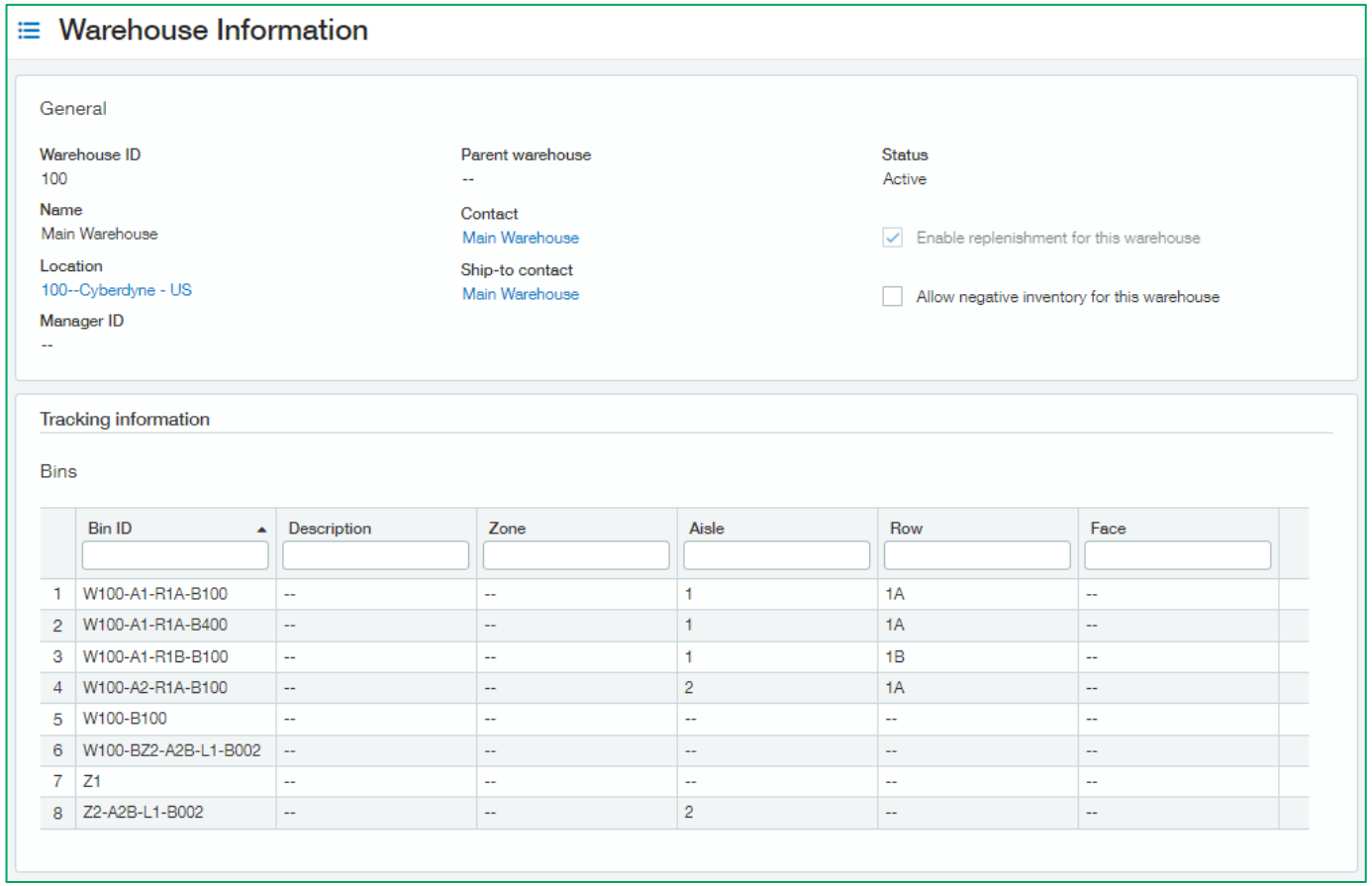
- Warehouses help us identify where the goods are.
  - They can be physical locations OR grouping areas.
  - Bins are a “subset” of a warehouse identifying specific locations where items are stored
  - Behavioral rules can be identified for a warehouse, e.g., does this warehouse allow the quantity on hand to go negative.
  - Warehouses are tied to a location/entity within the system. It is recommended all warehouses be setup at the top level.

- Items are the products that we store in a warehouse, and possibly a bin location.
- There are a lot of things that must be identified about the item:
  - Item Type (more on this later)
  - Type of Tracking (Serial, Lot, Bin, Exp Date)
  - Unit of Measure
  - Unit Cost
  - And many more
- Items may also be non-inventory items or one of two types of Kits.

Item Master Data

Warehouse – Where Items and their quantities reside

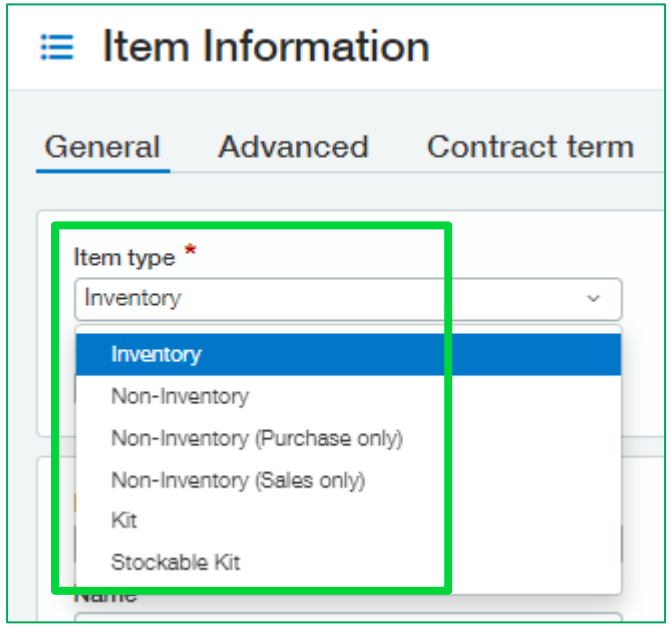
- A Warehouse can be physical or virtual.
  - Contact & Ship-to Contacts are established for address purposes.
- It's linked to an entity, which determines its currency.
- May be a "sub-warehouse" of a Parent Warehouse.
- Management of Negative inventory and Replenishment can be determined by Warehouse.
- Bin Locations are established by Warehouse.



Item Master Data

Item Types

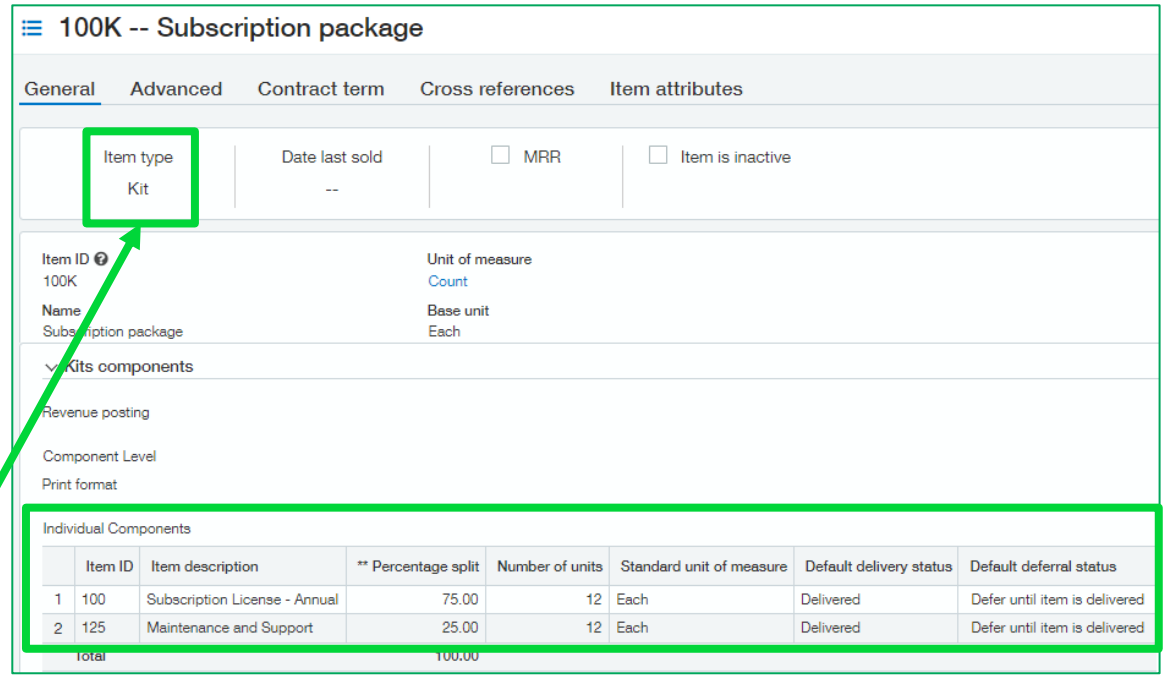
- Six (6) types of Items:
  - Inventory Item
  - Non-Inventory (can be used in IC/PO/OE)
  - Non-Inventory (Purchase only)
  - Non-Inventory (Sales only)
  - Kit
  - Stockable Kit
- Quantity on Hand is tracked only for:
  - Inventory Item
  - Stockable Kit

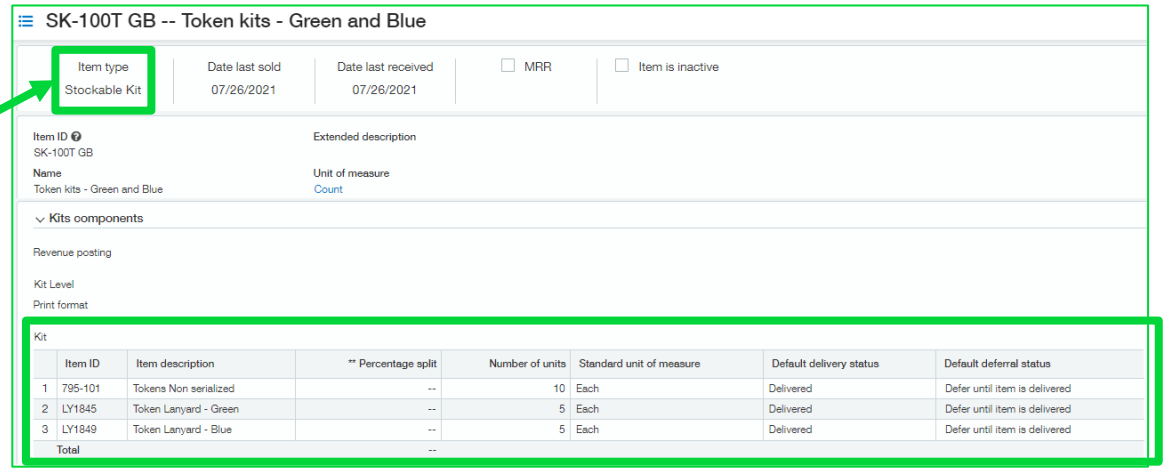


Item Master Data

Item Types

- The 3 Non-Inventory options determine where that non-inventory item can be seen within the listers. For example, a Non-Inventory (Purchase Only) item will not be visible in OE.
- Kits are a “bundle” used to create a price for a group of items. Typically, these are made up of non-inventory items.
- Stockable Kits can be built (using Build Kits) from components within inventory OR they may be ordered as a completed kit from a Vendor on a PO.

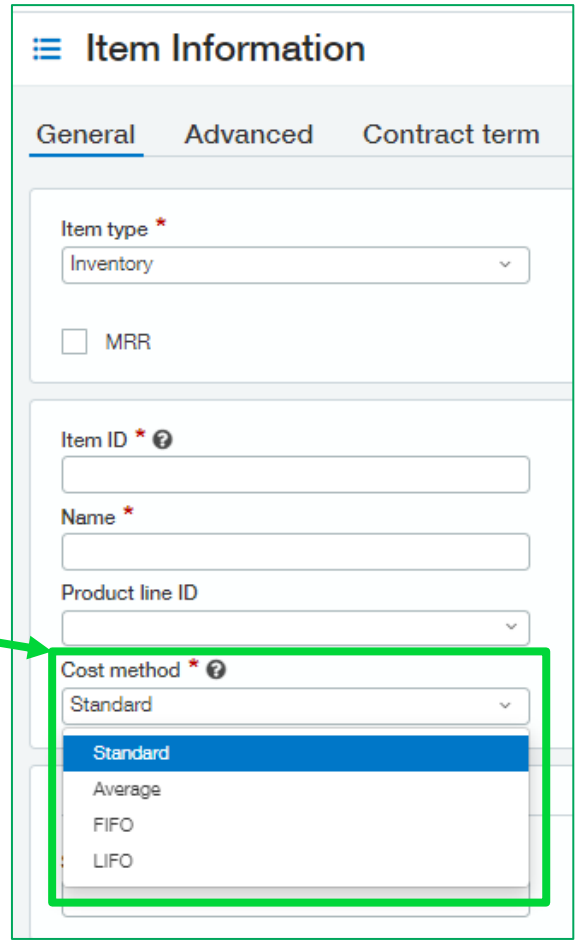




Item Master Data

Item Valuation Methods (aka Cost Method)

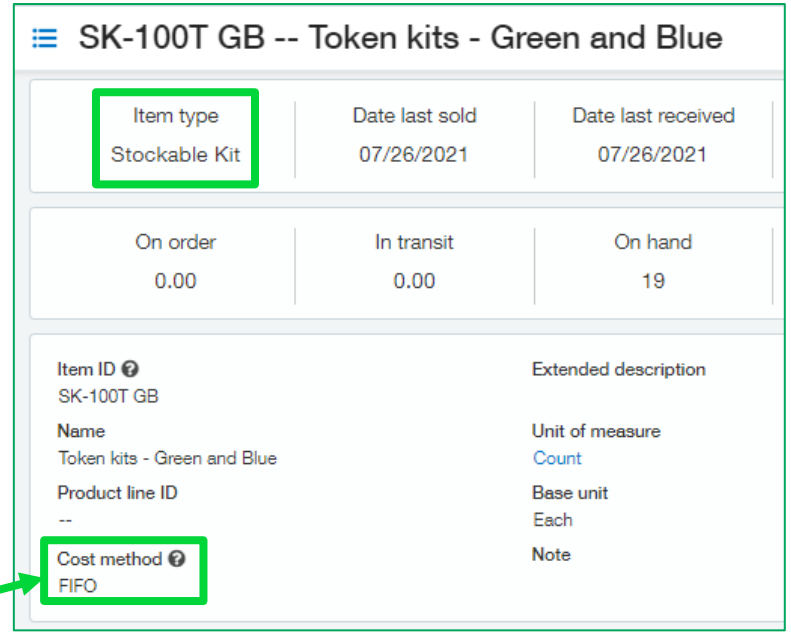
- It's critical an item's valuation method be established correct during the setup.
- Once an item is saved, the Valuation method CANNOT be changed.
- Four types of valuation methods:
  - Standard Cost
  - Average Cost
  - FIFO (First In / First Out)
  - LIFO (Last In / Last Out)

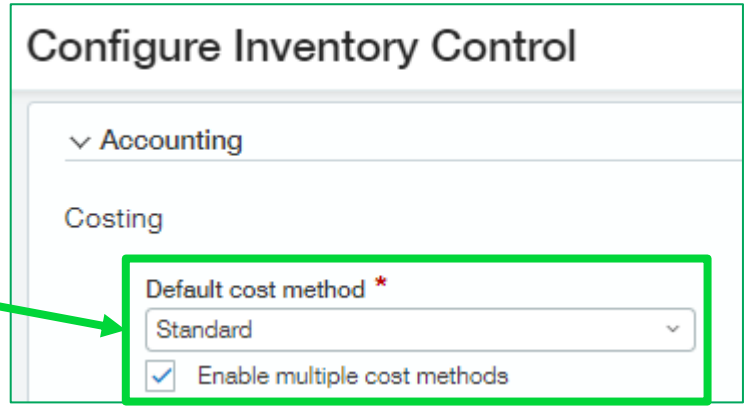


Item Master Data

Item Valuation Methods (aka Cost Method)

- Valuation Methods determine how an item is valued as it's held within the Inventory system.
- AND it determines how it is costed as it is sold or consumed.
- Stockable Kits are only allowed to be FIFO valuation method.
- Within Inventory Configuration the system may be setup to only allow one Valuation method, and what that method is. OR, Multiple Valuation Methods may be allowed.





Item Master Data

Standard Cost Example

Receiver Transaction:

- Standard Cost is set at $10 each, effective 1/1/2022.
- PO Receiver is posted as of 6/1/2022 and received at the PO qty and unit cost (Qty 15 @ $12 each.)
- Inventory is debited for $150 because that's 15 x $10/unit std cost. AP is Credited for the full $180 of the transaction, because that's what is owed to the vendor.
  The difference is the Variance.
- Inventory will always be added to at the standard unit cost in effect at the time. The difference between the standard and the transaction's unit cost is a variance.

Item Transaction / Value

Item	Whse	Trx Date	Qty	Unit Cost	Value
Hammer	100	6/1/2022	15	$10.00	$150.00

Journal Entry

Date	Acct	Desc	Debit	Credit
6/1/2022	1300	Inventory	$150.00	
6/1/2022	2000	Accounts Payable		$180.00
6/1/2022	6532	Invoice Price Variance	$30.00	

Item Master Data

Standard Cost Example (cont.)

Shipper Transaction:

- Standard Cost is set at $10 each, effective 1/1/2022.
- OE Shipper is posted as of 6/5/2022 for a quantity of 10 @ a unit price of $20 each. Remember, standard cost is $10 each.
- Inventory is credited for $100 because that's 10 x $10/unit std cost. COGS is Debited for the same $100.
- Variances are not typically booked on the outbound transactions, just on the inbound transactions.

Item Transaction / Value

Item	Whse	Trx Date	Qty	Unit Cost	Value
Hammer	100	6/5/2022	-10	$10.00	$100.00

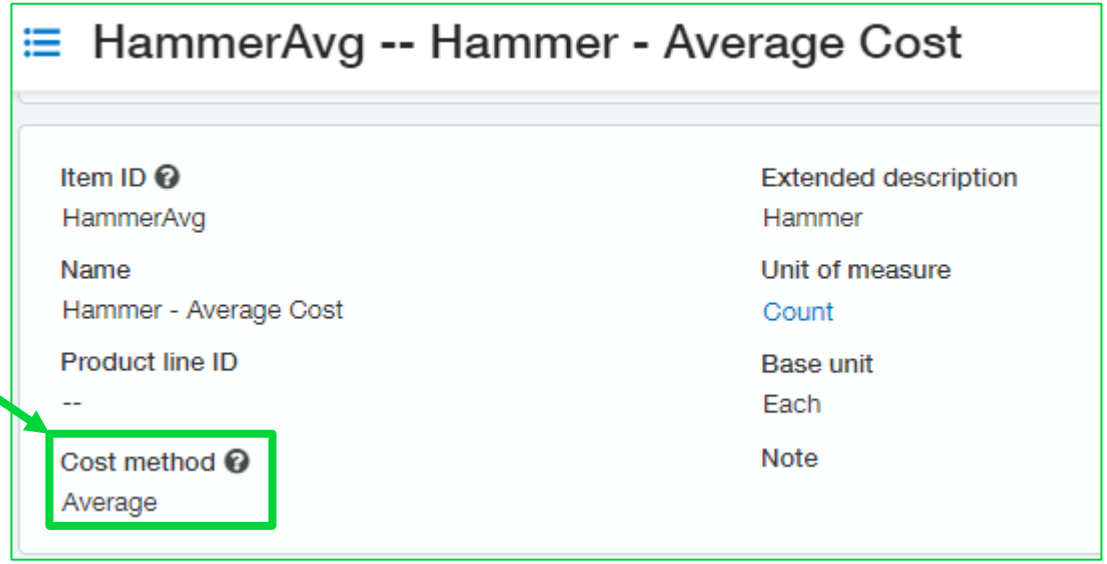
COGS Journal Entry

Date	Acct	Desc	Debit	Credit
6/5/2022	1300	Inventory		$100.00
6/5/2022	5000	Cost of Goods Sold	$100.00	

Item Master Data

Average Cost

- Average Cost is assigned to an item.
- The costing for an Average Cost item is determined based on the Total of the Inbound transaction's cost divided by the Total quantity received on those transactions.
  - The first 2 transactions are Inbound Transactions that are used to calculate the average.
- When a sale occurs, the quantity is deducted, but it's costed at the current average cost.
  - The 3rd transaction is an Outbound transaction that consumes the inventory at the current average.

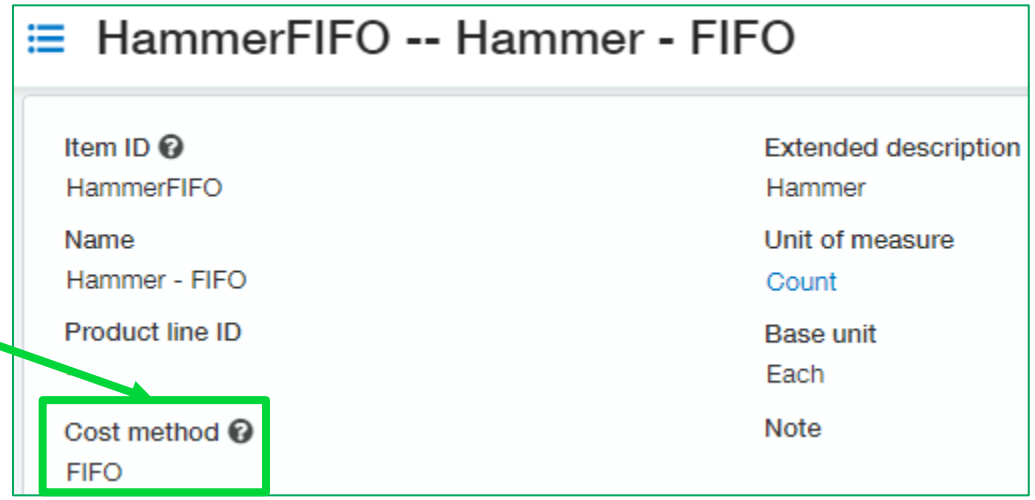


Date	Qty In/Out	Total QOH	Unit Cost	Value In/Out	Total Value	Avg Cost
6/1/2022	10	10	$10.00	$100.00	$100.00	$10.00
6/2/2022	20	30	$12.00	$240.00	$340.00	$11.33
6/5/2022	-15	15	$11.33	$-169.95	$170.05	$11.33

Item Master Data

FIFO (First In/First Out)

- FIFO is assigned to an item.
- The costing for a FIFO item is determined based on the actual unit cost & quantity of any Inbound transaction
  - The first 2 transactions are Inbound Transactions. The transaction on 6/1/2022 will be consumed first.
- When a sale occurs, the quantity is deducted, but it's costed based on the oldest layer with Qty Remaining first. If there's not enough qty left in that layer, the next layer is consumed until the entire outbound qty has been consumed.
  - The 3rd transaction is an Outbound transaction that consumes the inventory starting with the First Received record with a qty Remaining.
  - Total Cost assigned will be $160.00.



Date	Qty In/Out	Total QOH	Unit Cost	Value In/Out	Total Value	Qty Remain
6/1/2022	10	10	$10.00	$100.00	$100.00	0
6/2/2022	20	30	$12.00	$240.00	$340.00	15
6/5/2022	-15	15	(1) below	$-160.00	$180.00	

(1) This outbound layer will consume the Inbound records as follows:
6/1/2022 layer will be fully consumed. 10 @ $10 each = $100 - Qty Remaining = 0
6/2/2022 layer will be partially consumed. 5 @ 12 each = $60 - Qty Remaining = 15
Total Cost Consumed for the 15 units is $160.

Item Master Data

LIFO (Last In/First Out)

- LIFO is assigned to an item.
- The costing for a LIFO item is determined based on the actual unit cost & quantity of any Inbound transaction
  - The first 2 transactions are Inbound Transactions. The transaction on 6/2/2022 will be consumed first.
- When a sale occurs, the quantity is deducted, but it's costed based on the youngest layer with Qty Remaining first. If there's not enough qty left in that layer, the next youngest layer is consumed until the entire outbound qty has been consumed.
  - The 3rd transaction is an Outbound transaction that consumes the inventory starting with the Last Received record with a qty Remaining.
  - Total Cost assigned will be $180.00.

Date	Qty In/Out	Total QOH	Unit Cost	Value In/Out	Total Value	Qty Remain
6/1/2022	10	10	$10.00	$100.00	$100.00	10
6/2/2022	20	30	$12.00	$240.00	$340.00	5
6/5/2022	-15	15	(1) below	$-180.00	$160.00	

(1) This outbound layer will consume the Inbound records as follows:
6/2/2022 layer will be partially consumed. 15 @ 12 each = $180.00 - Qty Remaining = 5
Total Cost Consumed for the 15 units is $180.
NOTE: The 6/1/2022 layer is not consumed at all, because the 6/2 layer had enough qty.

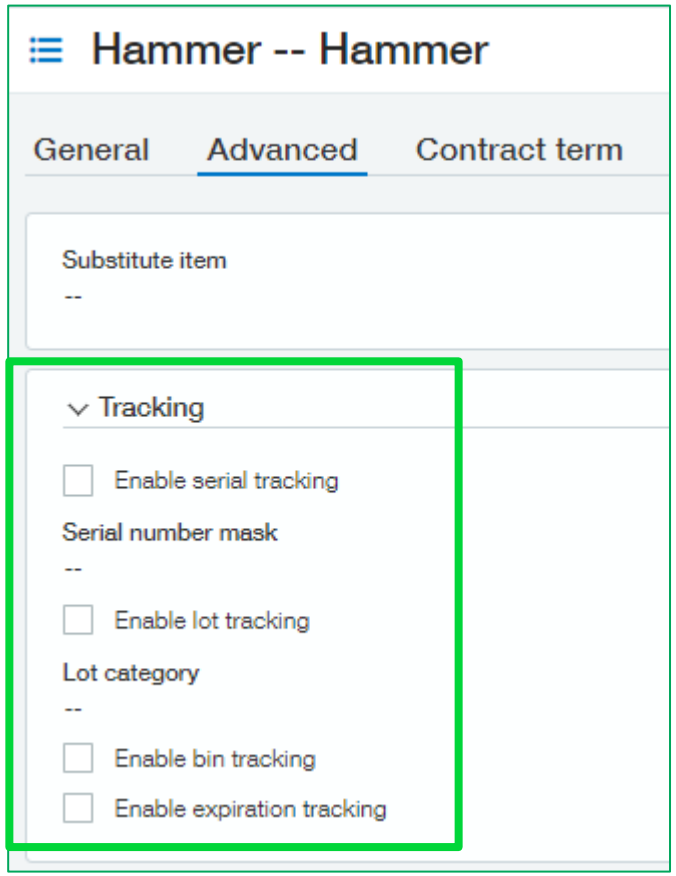
Item Master Data

Tracking

Sage Intacct uses the overall term of tracking to identify if an item's quantities need to be tracked in a group or individually.

Tracking options are:

- Serial
- Lot
- Bin
- Expiration date
  NOTE: Expiration date can only be enabled if Serial or Lot is also enabled.

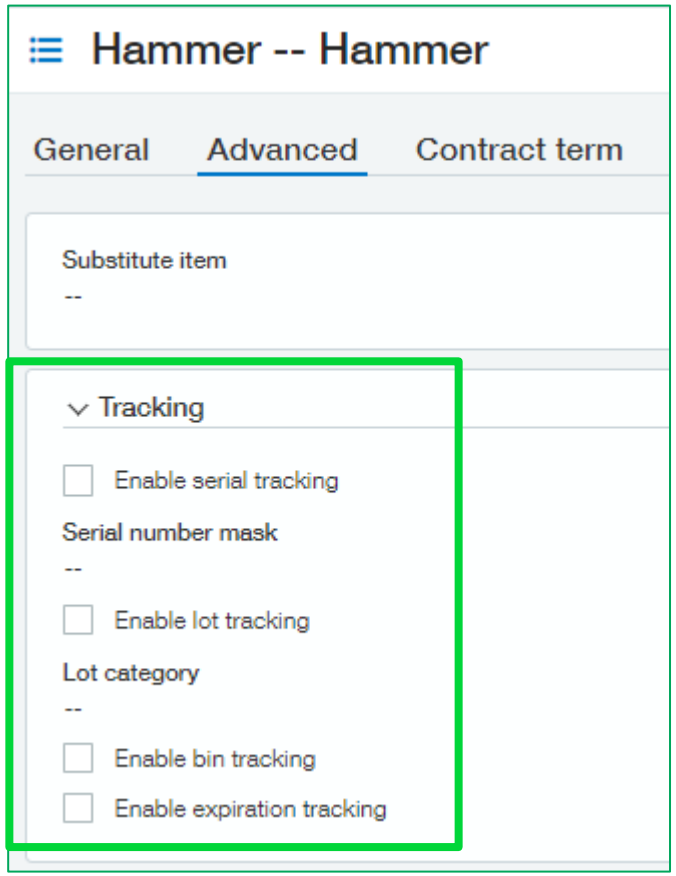


Item Master Data

Tracking

When tracking is enabled for an item, the following apply:

- It CANNOT be disabled.
- Every transaction will require the user identify not only the quantity at the line entry, but which tracking record(s) are being used for that transaction.



Item Master Data

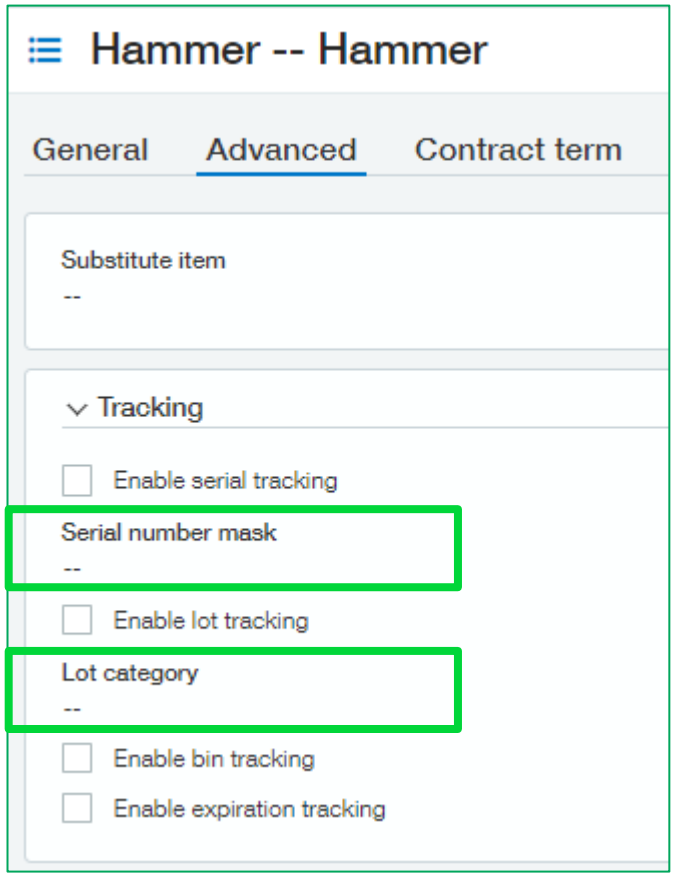
Tracking

Serial Tracking

- If a number mask is supplied within the item, all serial numbers MUST comply with that mask.
- A mask might be:
  AAANNNNN where the A's are alphabetic and the N's are numeric.

Lot Tracking

- If a Lot Category is provided, it is intended to assist with report grouping.



Item Master Data

Item Quantity Totals (Inventory Items & Stockable Kits only)

- Up to six (6) different Quantity Totals retained in the system:
- Transaction based totals:
  - On Hand – Qty currently in the warehouse
  - On Order – Qty being brought in typically from a Purchase Order
  - In Transit – Qty being brought in from an in-transit warehouse transfer
  - On Hold – Qty requested to be used on a transaction which is typically a Sales Order.
- Operational based totals:
  - Reserved – Qty spoken for within Fulfillment or Order Entry so it can't be consumed by another order.
  - Allocated – Qty that has been removed from the shelf, but not yet shipped to a customer.

Item Transaction Totals

On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted
1650.5	0.00	339.5	142.6	1847.4	0.00	3	336.5

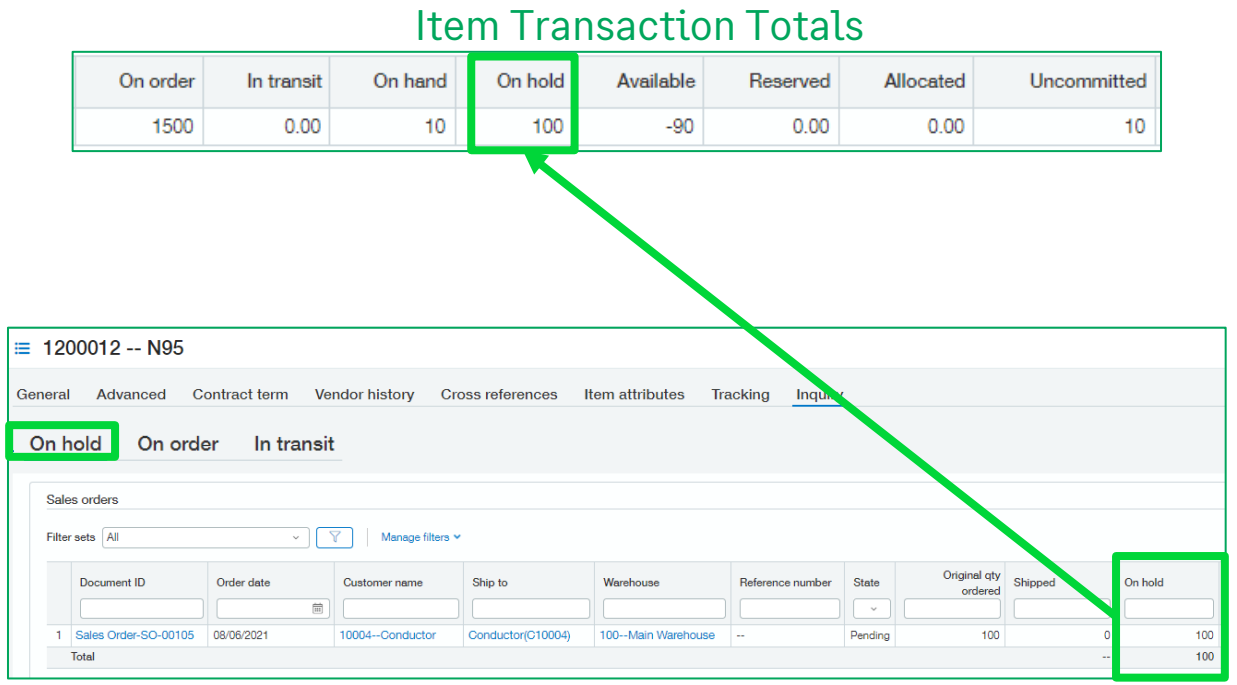
Item Operation Totals

On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted
1650.5	0.00	339.5	142.6	1847.4	0.00	3	336.5

Item Master Data

Item Quantity Totals (Inventory Items & Stockable Kits only) – Inquiry List

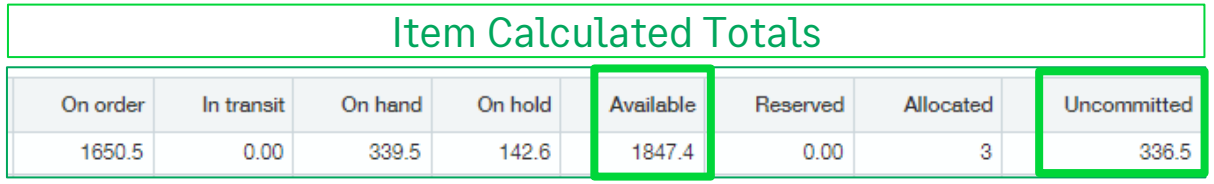
- If users want to see what makes up the On Order, On Hold or In Transit quantities, the Inquiry tab provides this information.
  - On Order – Includes all IC, PO, and OE transactions that have a current quantity within the On Order total. (Typically, these are Purchase Orders.)
  - On Hold – Includes all IC, PO, and OE transactions that have a current quantity within the On Hold total. (Typically, these are Sales Orders.)
  - In Transit – Includes all inventory In Transit Warehouse transfers that have been transferred out, but not yet transferred in, based on the Destination Warehouse.

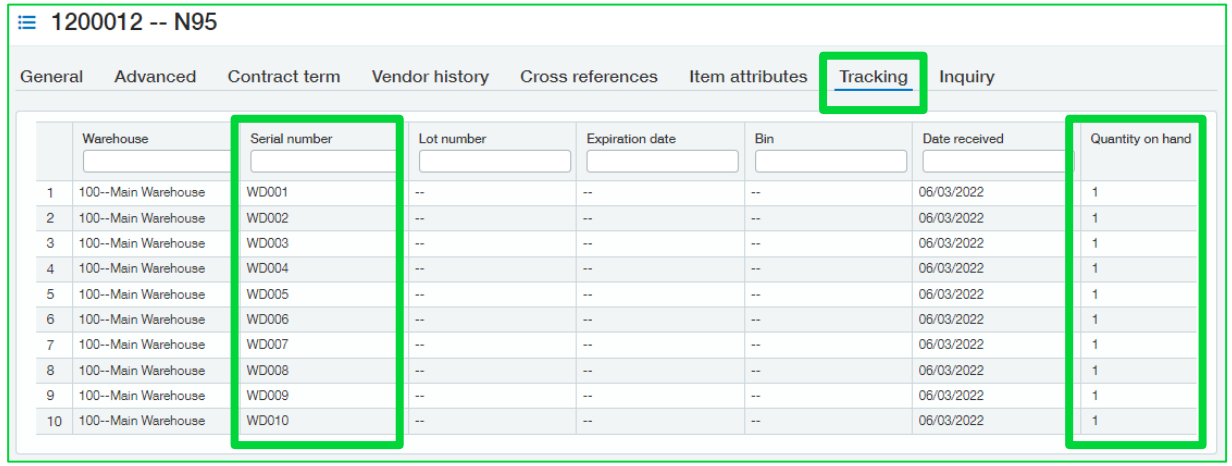


Item Master Data

Item Quantity Totals (Inventory Items & Stockable Kits only)

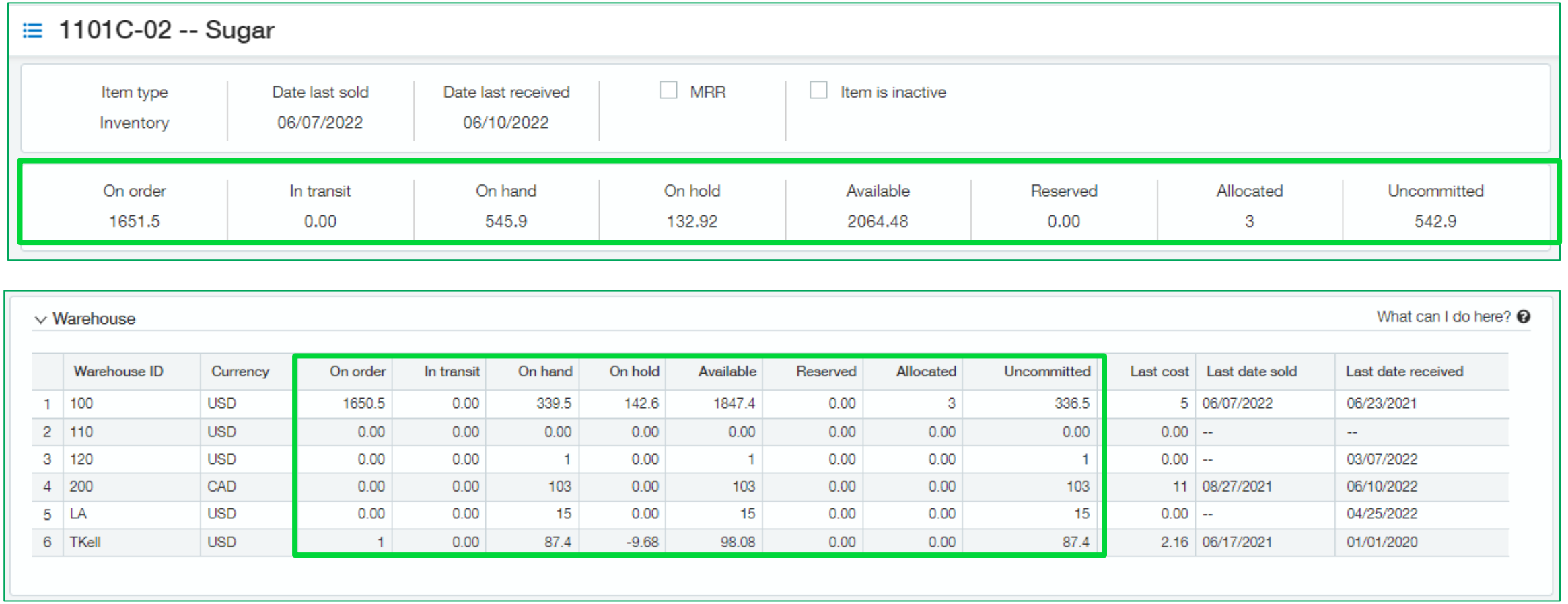
- Up to two (2) calculated Quantity Totals based on configuration and features enabled:
  - Available – Determined by settings in Inventory Configuration. Typically, it is Qty On Hand – Qty On Hold. It may have Qty On Order and/or Qty In Transit added to it.
  - Uncommitted – On Hand – Reserved – Allocated. This is the quantity still available to fulfill an order.
- Totals are managed by Item in total AND by each individual Warehouse.
- On Hand is also managed within a Tracking record.





Item Master Data

Item Quantity Totals (Inventory Items & Stockable Kits only)



1101C-02 -- Sugar

Item type	Date last sold	Date last received	MRR	Item is inactive
Inventory	06/07/2022	06/10/2022	☐	☐

On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted
1651.5	0.00	545.9	132.92	2064.48	0.00	3	542.9

Warehouse

What can I do here?

	Warehouse ID	Currency	On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted	Last cost	Last date sold	Last date received
1	100	USD	1650.5	0.00	339.5	142.6	1847.4	0.00	3	336.5	5	06/07/2022	06/23/2021
2	110	USD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	--	--
3	120	USD	0.00	0.00	1	0.00	1	0.00	0.00	1	0.00	--	03/07/2022
4	200	CAD	0.00	0.00	103	0.00	103	0.00	0.00	103	11	08/27/2021	06/10/2022
5	LA	USD	0.00	0.00	15	0.00	15	0.00	0.00	15	0.00	--	04/25/2022
6	TKell	USD	1	0.00	87.4	-9.68	98.08	0.00	0.00	87.4	2.16	06/17/2021	01/01/2020

Item Master Data

Item Quantity Available Settings

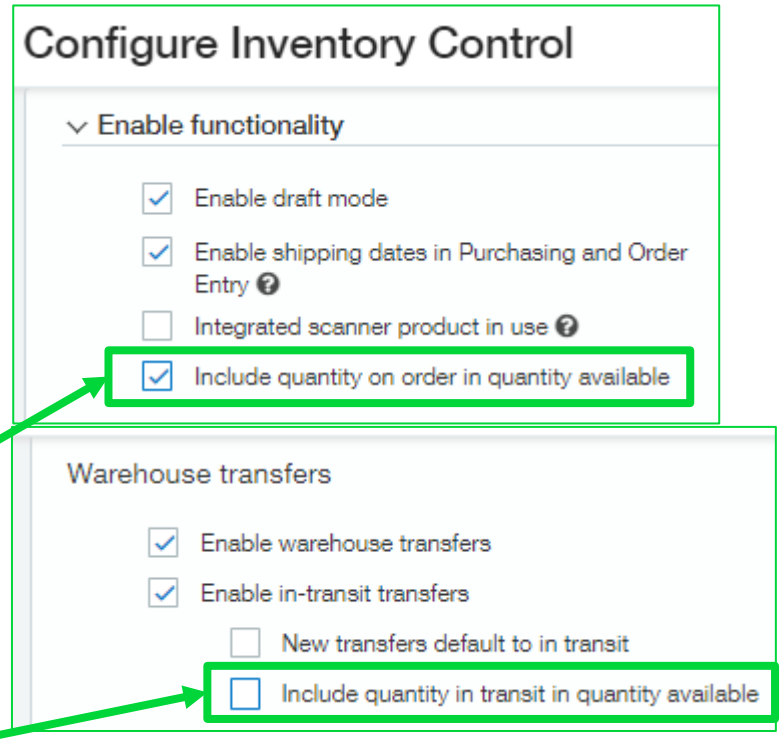
By default, Quantity Available ALWAYS calculates as:

- On Hand – On Hold

Users can choose whether On Order and In Transit is or is not included in the Quantity Available calculation.

Inventory Configuration contains these settings:

- *Include quantity on order in quantity available.*
- *Include quantity in transit in quantity available.*



Most companies won't include inbound quantities in Qty Available unless they have a quick lead time and the quantity will be received in a few days or less.

Item Master Data

Negative Item Quantity

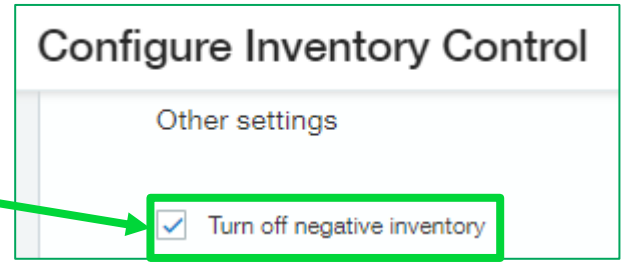
Companies may not want to allow their inventory quantity on hand to go negative.

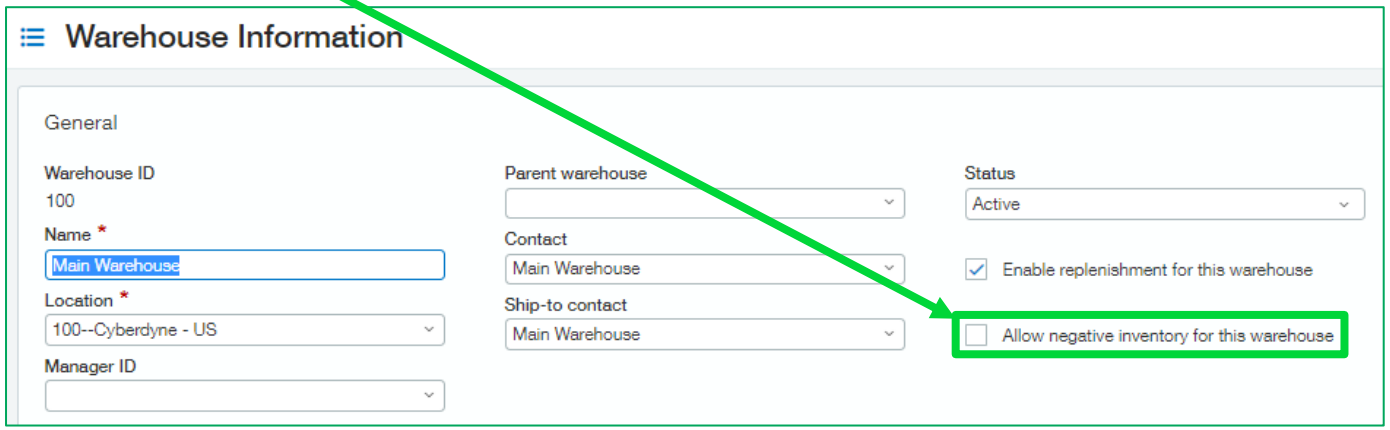
This may be managed globally in the Inventory Configuration OR

It may be managed by Warehouse, if it has been turned off globally.

NOTE: If “Turn off negative inventory, is NOT enabled in Inventory Configuration, ALL Warehouses will not be allowed to go negative.

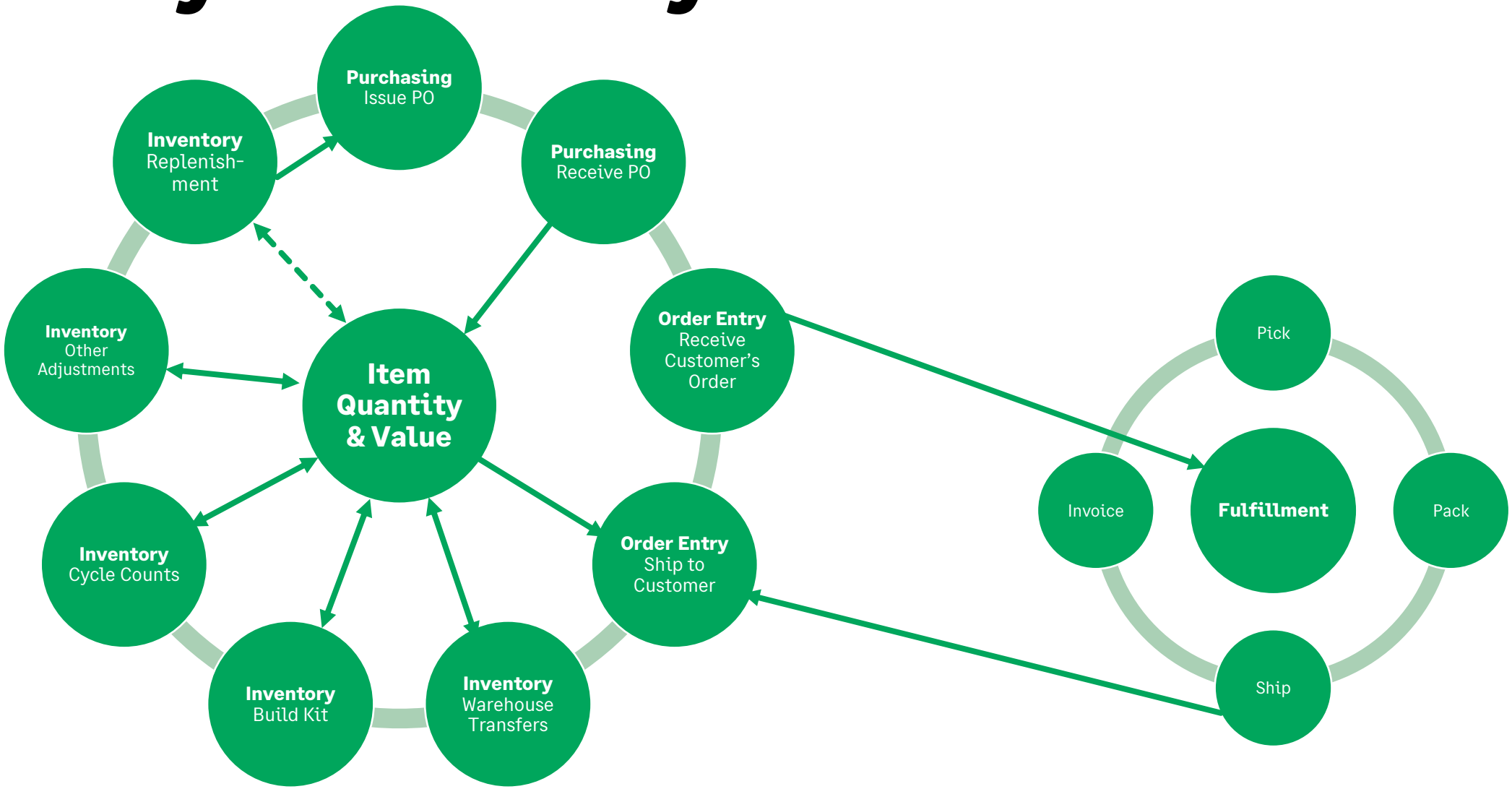
Be aware, negative quantity on hand can cause some anomalies in various situations.





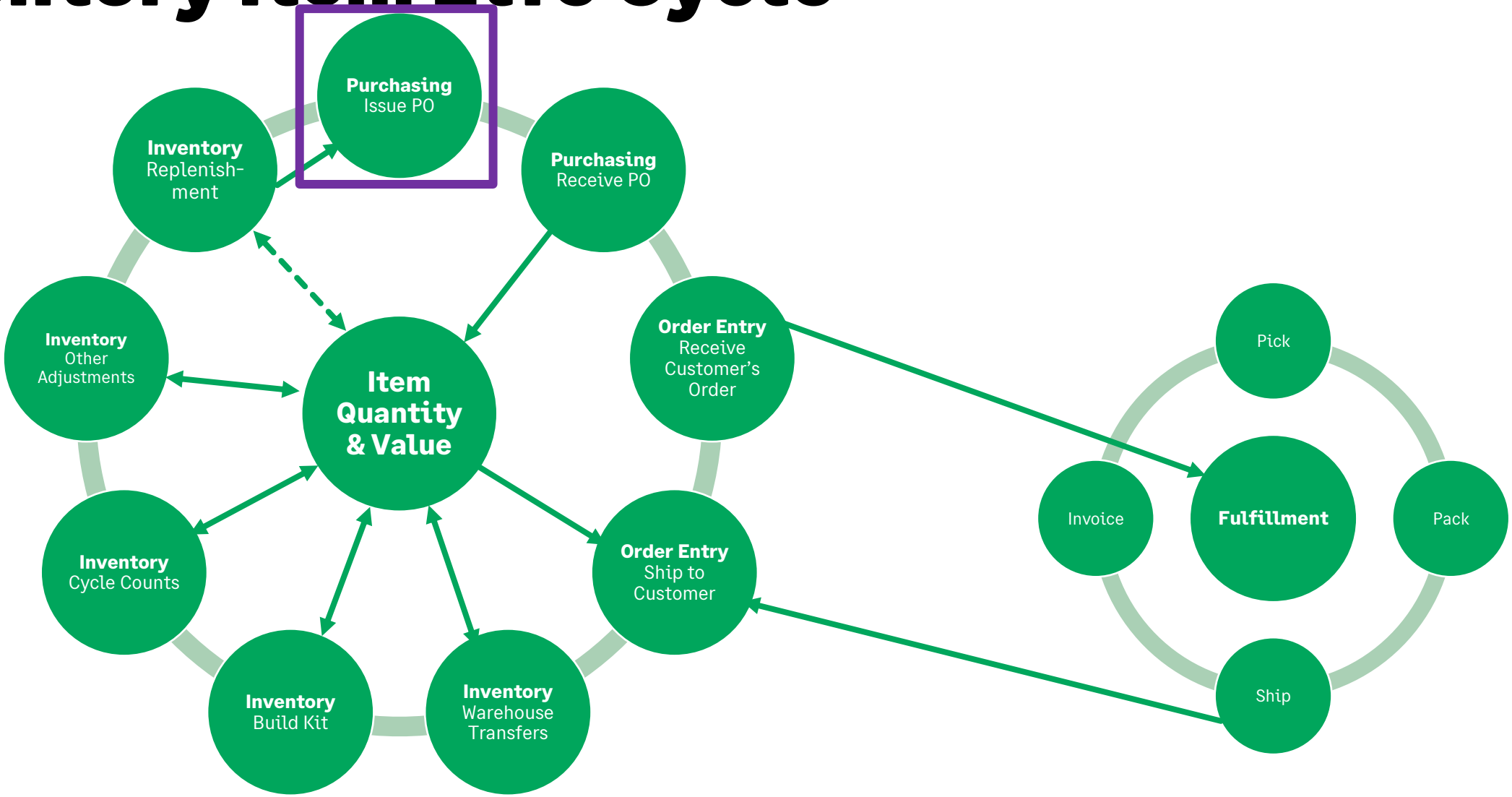
An Inventory Item’s Life Cycle

Inventory Item Life Cycle



Purchasing Transactions and Flow

Inventory Item Life Cycle



Purchasing – Issue PO

Purchasing
Issue PO

What is a Purchase Order?

Purchase Orders are a legal document issued by a company to a vendor to acquire products or services and guarantee the buyer will pay the supplier for those goods or services at a later date.

Common components of a Purchase Order:

- Name & Address of buyer, supplier, and warehouse where goods are to be shipped.
- Payment Terms and Requested Delivery Dates.
- Items and/or services with quantities, unit cost, and extended pricing.
- Terms & Conditions.

Sometimes the process starts with a Request for Quote, this is the stage PRIOR to issuing a PO.

Purchasing – Issue PO

Purchasing
Issue PO

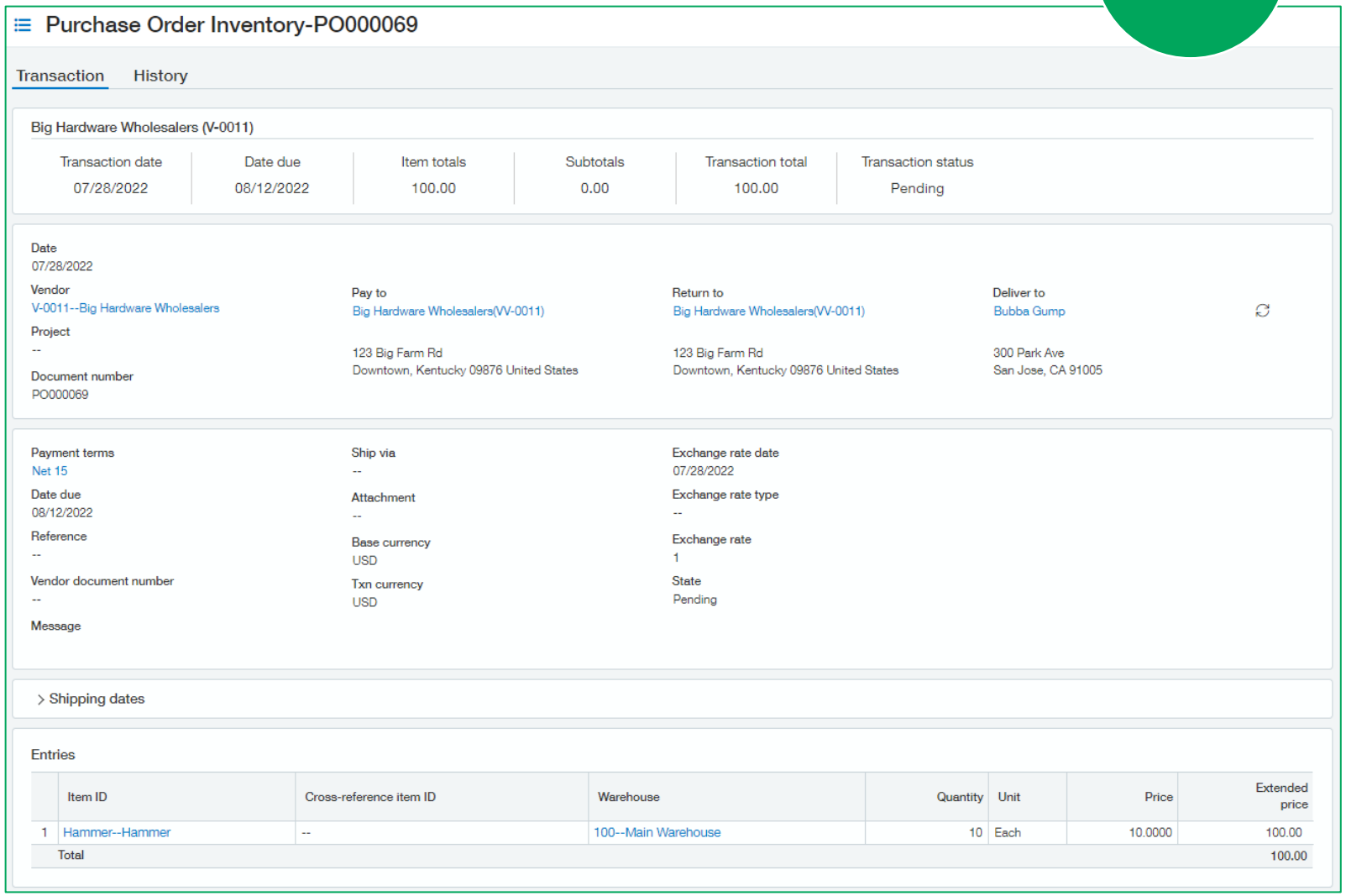
Sage Intacct Purchase Orders

A Purchase Order has no impact on actual item quantity on hand.

It typically increases the quantity On Order for a given item/warehouse.

Price Lists may be used to automate the entry of the unit cost (price).

Purchase Orders may include sub-totals for freight, discounts, and/or tax. (not shown here)



Purchasing – Issue PO

Purchasing
Issue PO

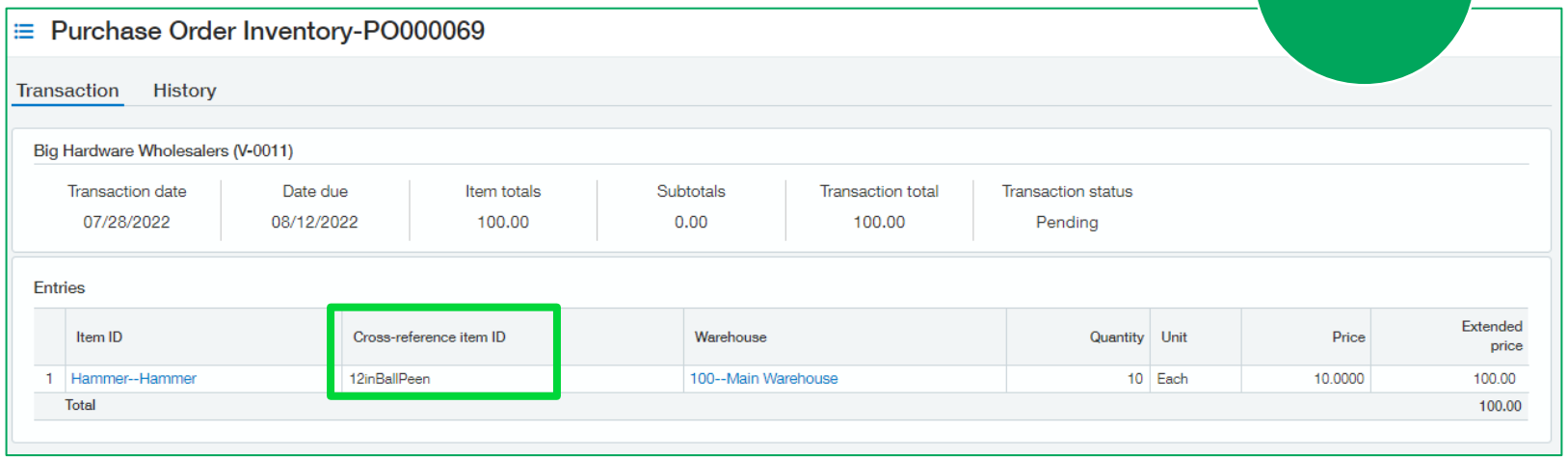
Cross-Reference Items

It helps to communicate the Vendor's part number to them on the Purchase Order.

Using the Item Cross-Reference functionality, the Purchase Order can contain both the company's Item ID AND the Vendor's Item ID.

This can be setup in the Item record OR on the Vendor record.

You MUST select the Cross-Reference item ID to have it included on the Purchase Order.


Purchase Order Inventory-PO000069

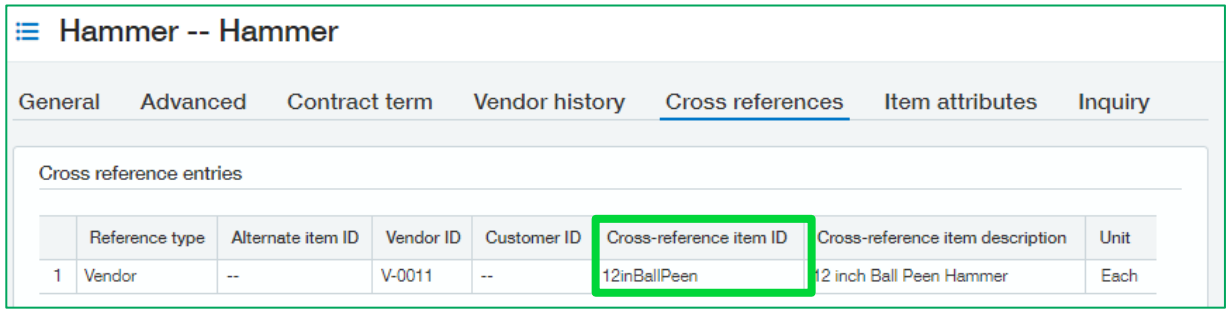
Transaction | History

Big Hardware Wholesalers (V-0011)

Transaction date	Date due	Item totals	Subtotals	Transaction total	Transaction status
07/28/2022	08/12/2022	100.00	0.00	100.00	Pending

Entries

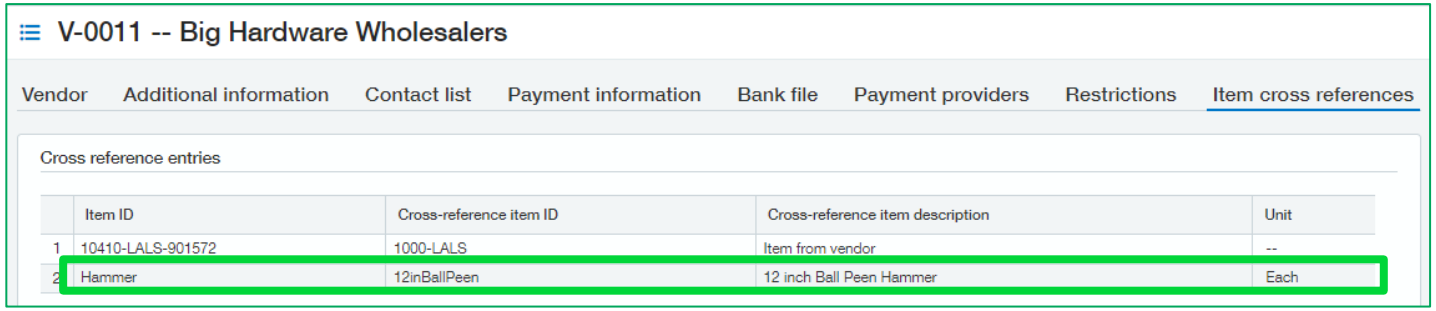
	Item ID	Cross-reference item ID	Warehouse	Quantity	Unit	Price	Extended price
1	Hammer--Hammer	12inBallPeen	100--Main Warehouse	10	Each	10.0000	100.00
	Total						100.00


Hammer -- Hammer

General | Advanced | Contract term | Vendor history | Cross references | Item attributes | Inquiry

Cross reference entries

	Reference type	Alternate item ID	Vendor ID	Customer ID	Cross-reference item ID	Cross-reference item description	Unit
1	Vendor	--	V-0011	--	12inBallPeen	12 inch Ball Peen Hammer	Each

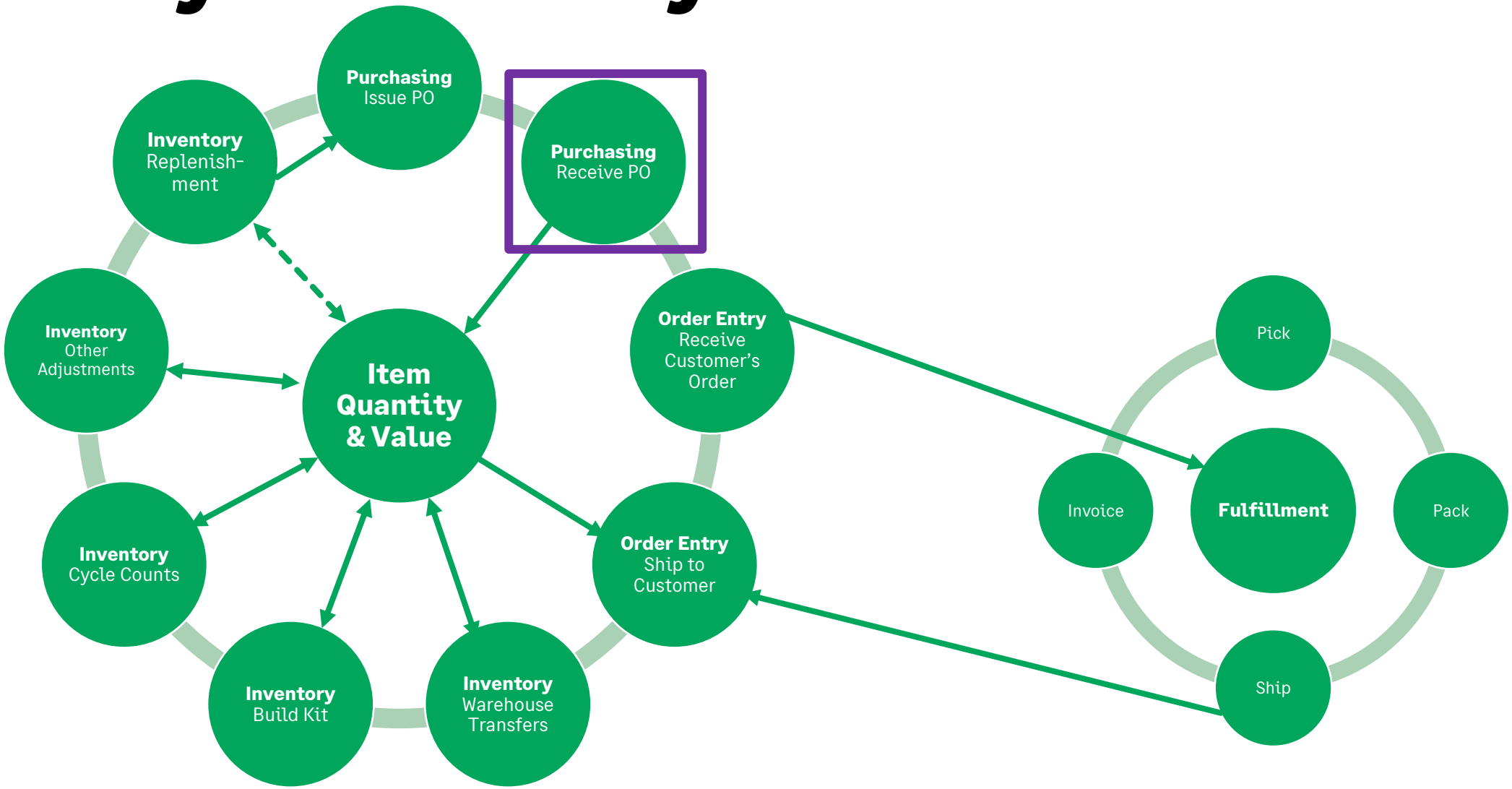

V-0011 -- Big Hardware Wholesalers

Vendor | Additional information | Contact list | Payment information | Bank file | Payment providers | Restrictions | Item cross references

Cross reference entries

	Item ID	Cross-reference item ID	Cross-reference item description	Unit
1	10410-LALS-901572	1000-LALS	Item from vendor	--
2	Hammer	12inBallPeen	12 inch Ball Peen Hammer	Each

Inventory Item Life Cycle



Purchasing – Receiving

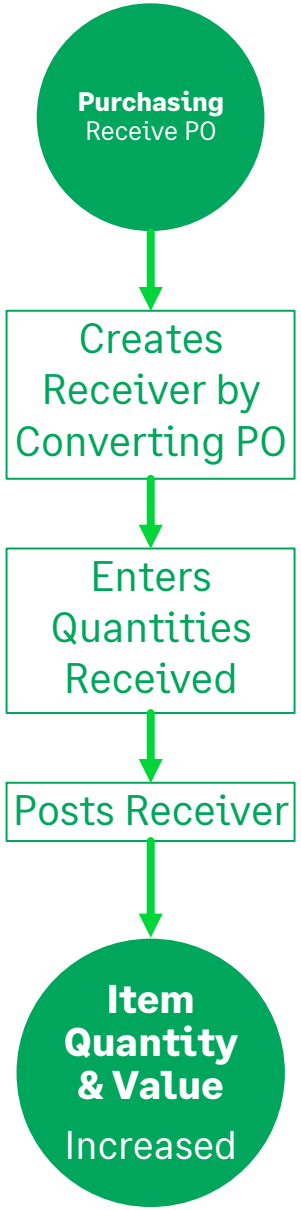
What happens when Receiving a Purchase Order?

Receiving a Purchase Order is when the inventory items (quantity & hopefully value) are added to the Inventory system when inventory items or stockable kits are included on the receiver.

No inventory impact is recorded for Non-Inventory items, since quantities and values for those items are not maintained within inventory.

Receipts might be for a quantity different than the Purchase Order. It's important the correct quantity be received to ensure Inventory quantities remain accurate.

Items or quantities not received on the receiver may be managed as back ordered items.



Purchasing – Receiving

Purchasing
Receive PO

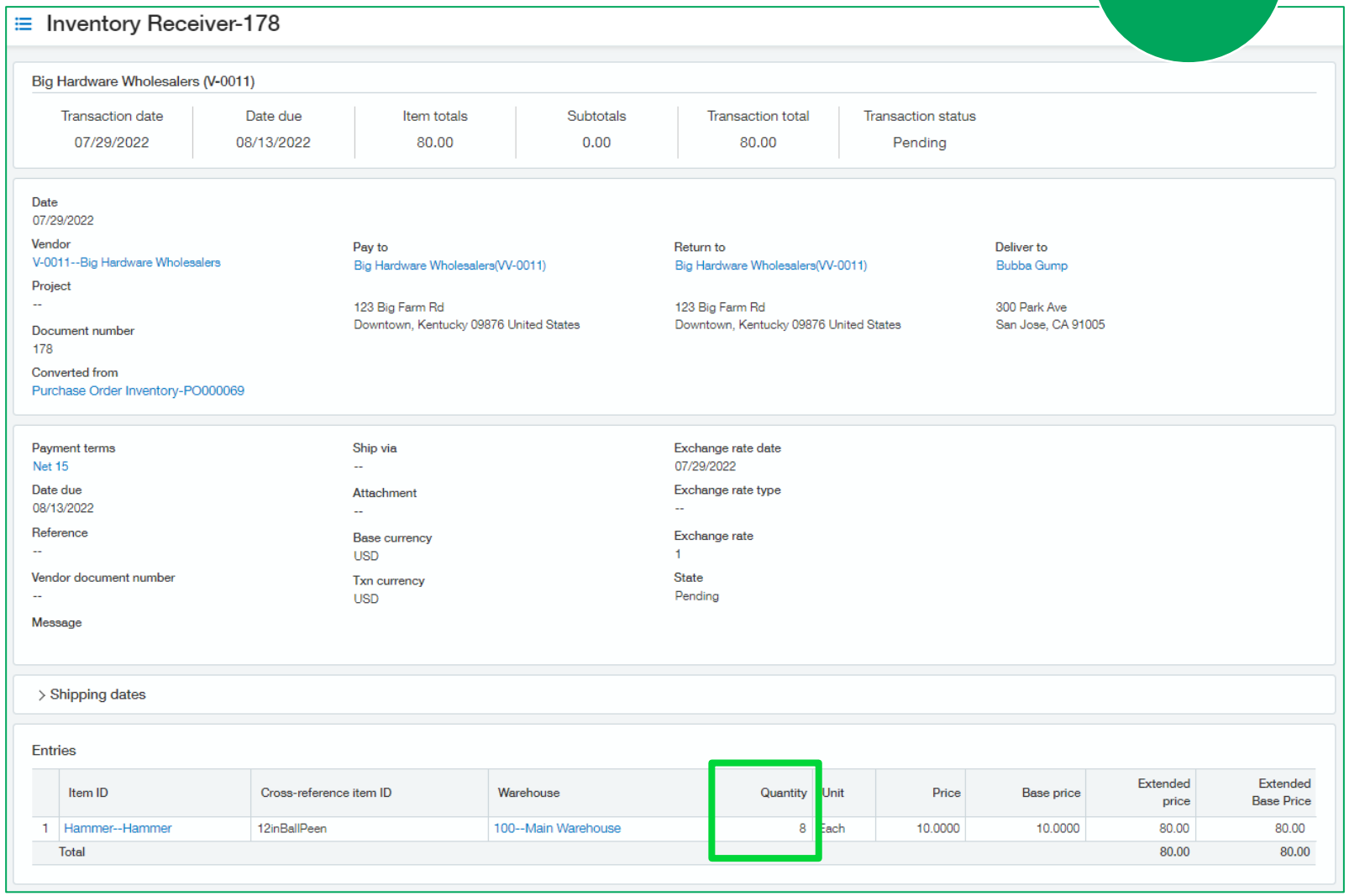
Sage Intacct PO Receivers

Start by converting the PO and choosing the correct Receiver TD.

Verify all information is accurate.

Change the quantity to show what is actually being received.

Post the Transaction.



Inventory Receiver-178

Big Hardware Wholesalers (V-0011)

Transaction date	Date due	Item totals	Subtotals	Transaction total	Transaction status
07/29/2022	08/13/2022	80.00	0.00	80.00	Pending

Date
07/29/2022

Vendor
V-0011--Big Hardware Wholesalers

Project
--

Document number
178

Converted from
Purchase Order Inventory-PO000069

Pay to
Big Hardware Wholesalers(VV-0011)
123 Big Farm Rd
Downtown, Kentucky 09876 United States

Return to
Big Hardware Wholesalers(VV-0011)
123 Big Farm Rd
Downtown, Kentucky 09876 United States

Deliver to
Bubba Gump
300 Park Ave
San Jose, CA 91005

Payment terms
Net 15

Date due
08/13/2022

Reference
--

Vendor document number
--

Message

Ship via
--

Attachment
--

Base currency
USD

Txn currency
USD

Exchange rate date
07/29/2022

Exchange rate type
--

Exchange rate
1

State
Pending

> Shipping dates

Entries

	Item ID	Cross-reference item ID	Warehouse	Quantity	Unit	Price	Base price	Extended price	Extended Base Price
1	Hammer--Hammer	12inBallPeen	100--Main Warehouse	8	Each	10.0000	10.0000	80.00	80.00
	Total							80.00	80.00

Purchasing – Receiving

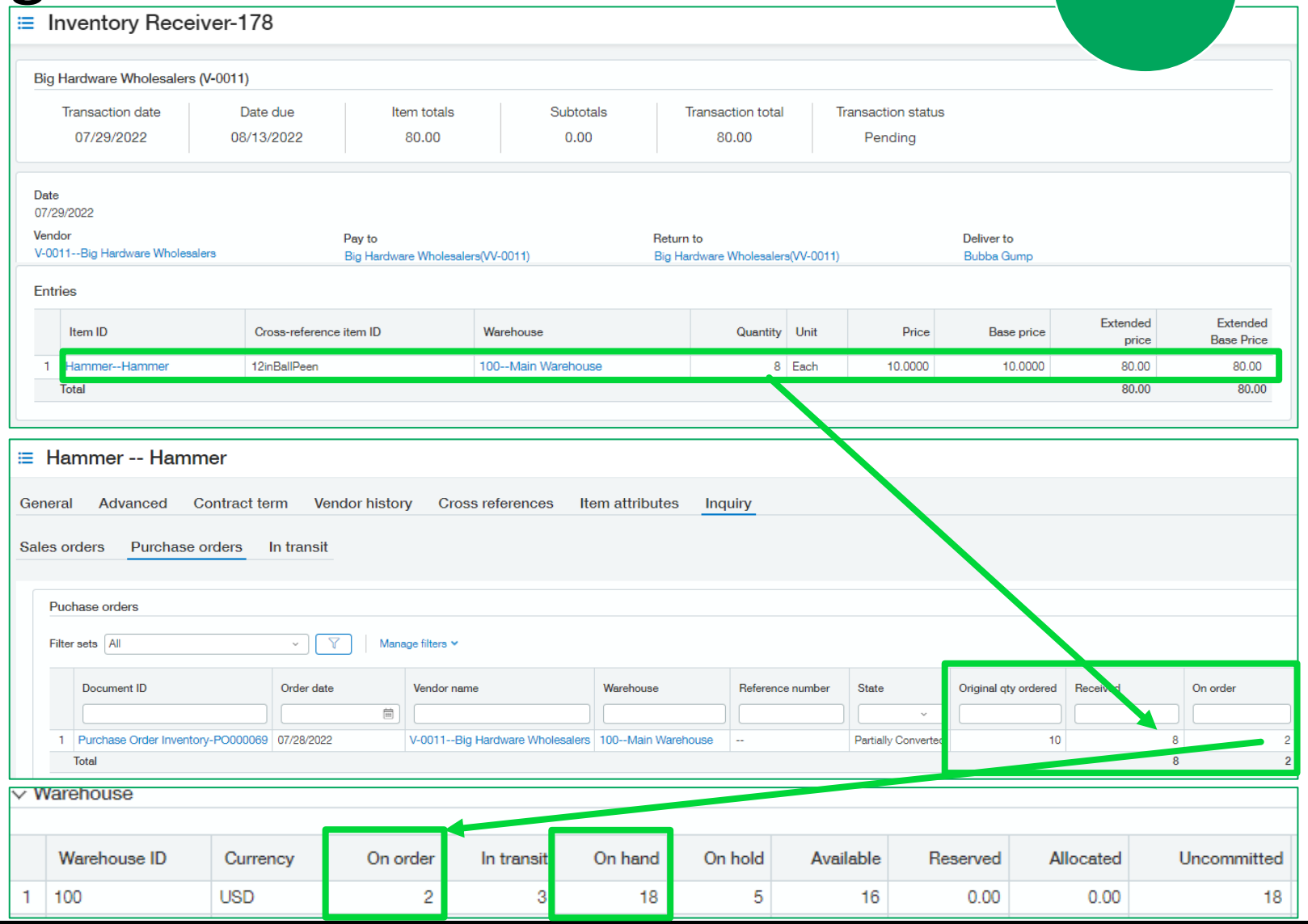
Purchasing
Receive PO

Inventory Impact

Once the Receiver is posted, the Item is updated to reflect the quantity received and the change in the On Order quantity.

Since only 8 of the 10 were received, the Item continues to show 2 on order.

Quantity on hand has been increased by 8.



Purchasing – Other Transactions

Other Purchasing Transactions

Request for Proposal

- When goods or services need to be purchased, and multiple vendors are asked to bid on supplying these goods or services.

Purchase Request

- Transaction where goods or services are requested to be purchased but need approval from someone internal prior to placing the Purchase Order.

PO Return

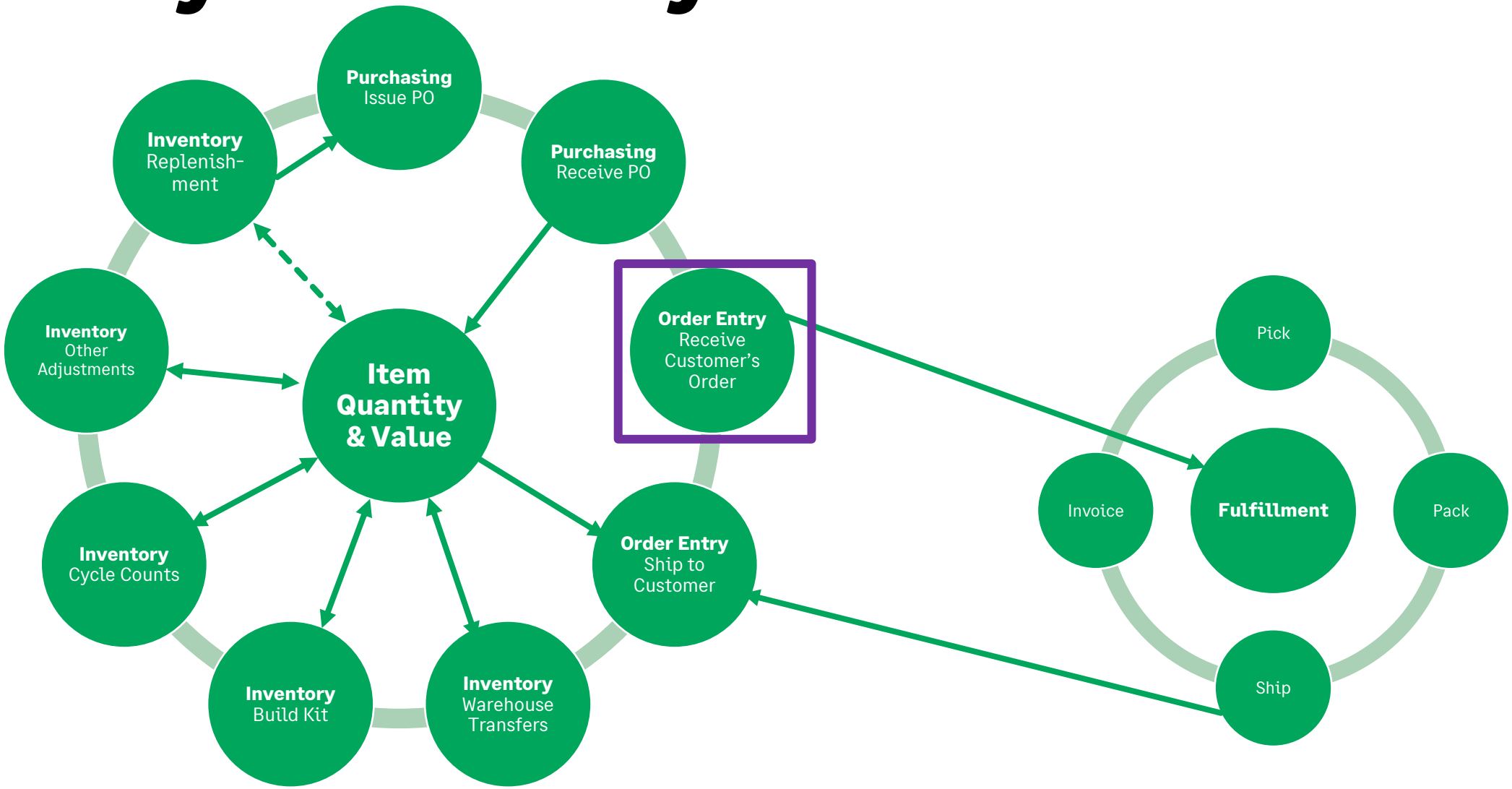
- When goods need to be returned to the Vendor.

PO Credit

- When goods are returned AND the vendor provides a credit for those items.

Order Entry Transactions and Flow

Inventory Item Life Cycle



Order Entry – Sales Order

Order Entry
Receive Customer's Order

What is a Sales Order?

Sales Orders are a commercial document issued by a company to a customer confirming the sale of goods or services involved in a given transaction. The document contains details about the sale, including quantity, quality, and price of any goods or services to be exchanged.

Common components of a Sales Order:

- Name & Address of customer, and ship-to location where goods are to be shipped.
- Payment Terms and Requested Delivery Dates.
- Items and/or services with quantities, unit cost, and extended pricing.
- Terms & Conditions.

Sometimes the process starts with a Request for Quote from the customer. This is the stage PRIOR to issuing a Sales Order.

Order Entry – Sales Order

Order Entry
Receive Customer's Order

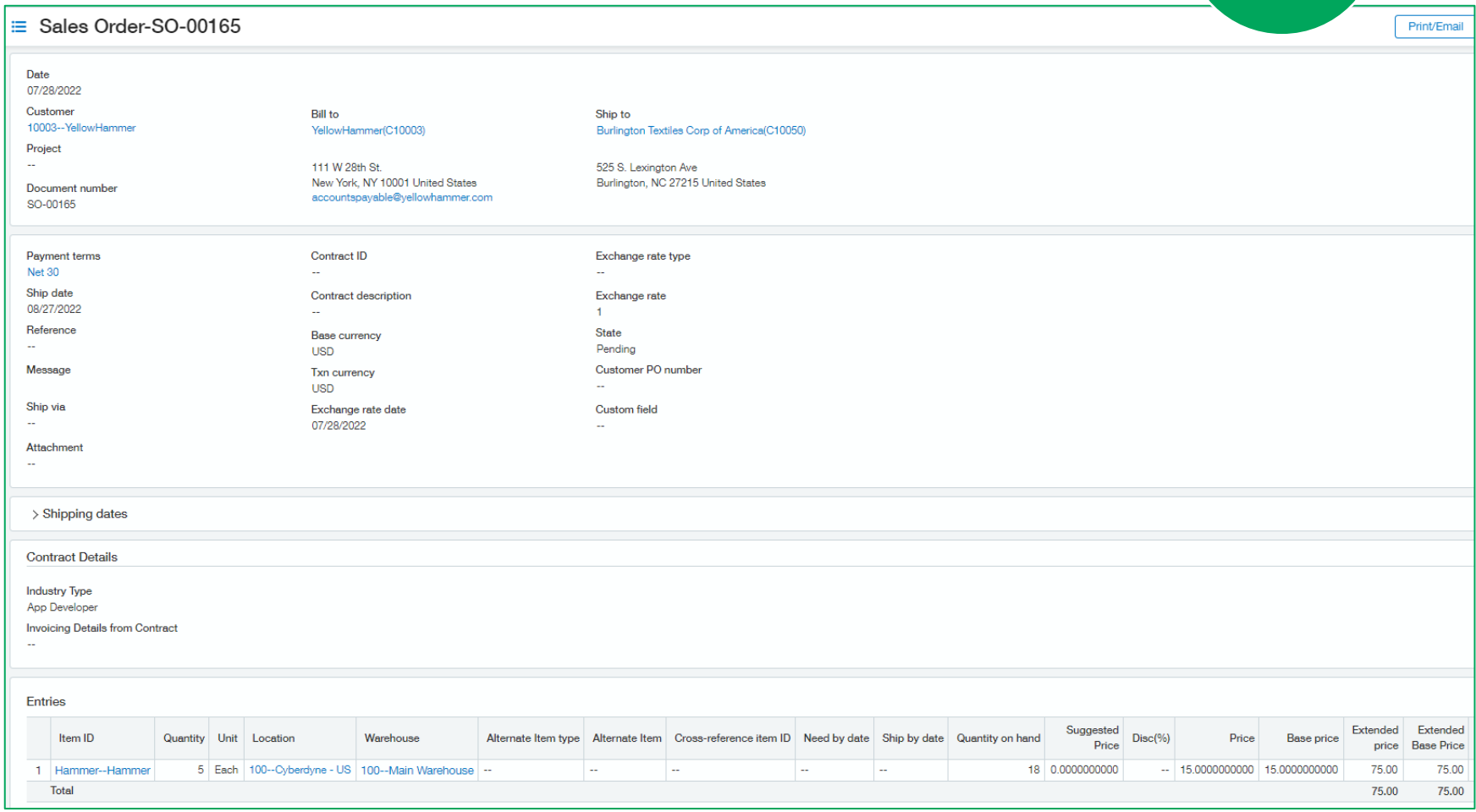
Sage Intacct Sales Orders

A Sales Order has no impact on actual item quantity on hand.

It typically increases the quantity On Hold for a given item/warehouse.

Price Lists may be used to automate the entry of the unit cost (price).

Sales Orders may include sub-totals for freight, discounts, and/or tax. (not shown here)



Order Entry – Sales Order

Purchasing
Issue PO

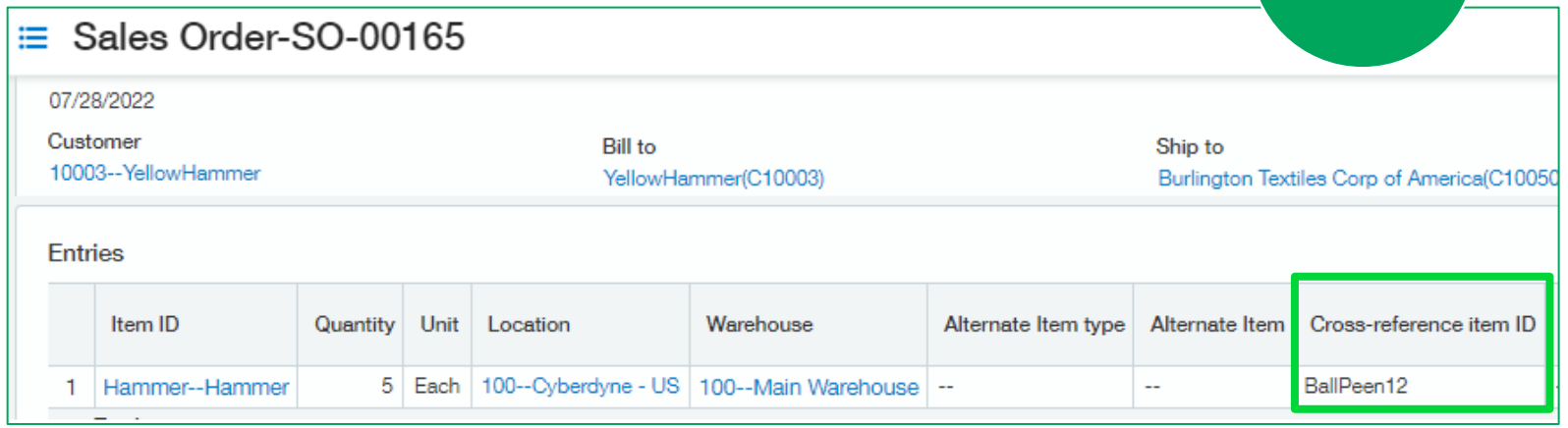
Cross-Reference Items

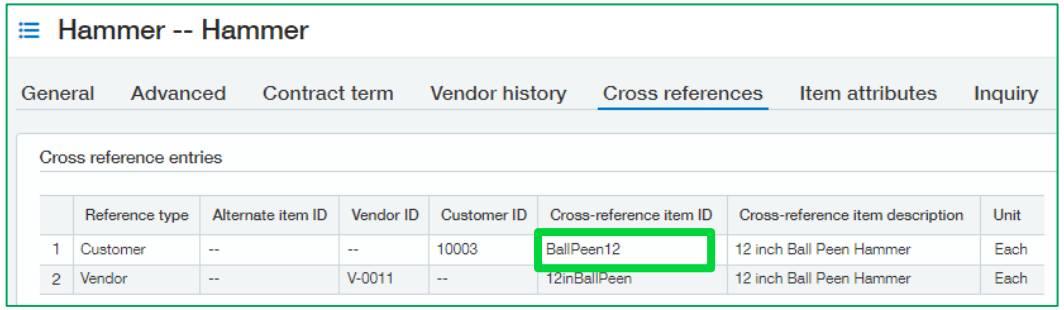
It helps to communicate the Customer's part number to them on the Sales Order.

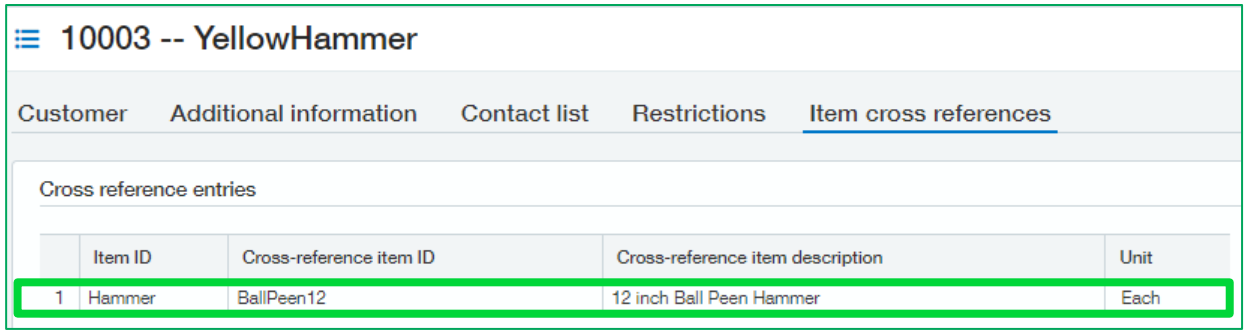
Using the Item Cross-Reference functionality, the Sales Order can contain both the company's Item ID AND the Customer's Item ID.

This can be setup in the Item record OR on the Customer record.

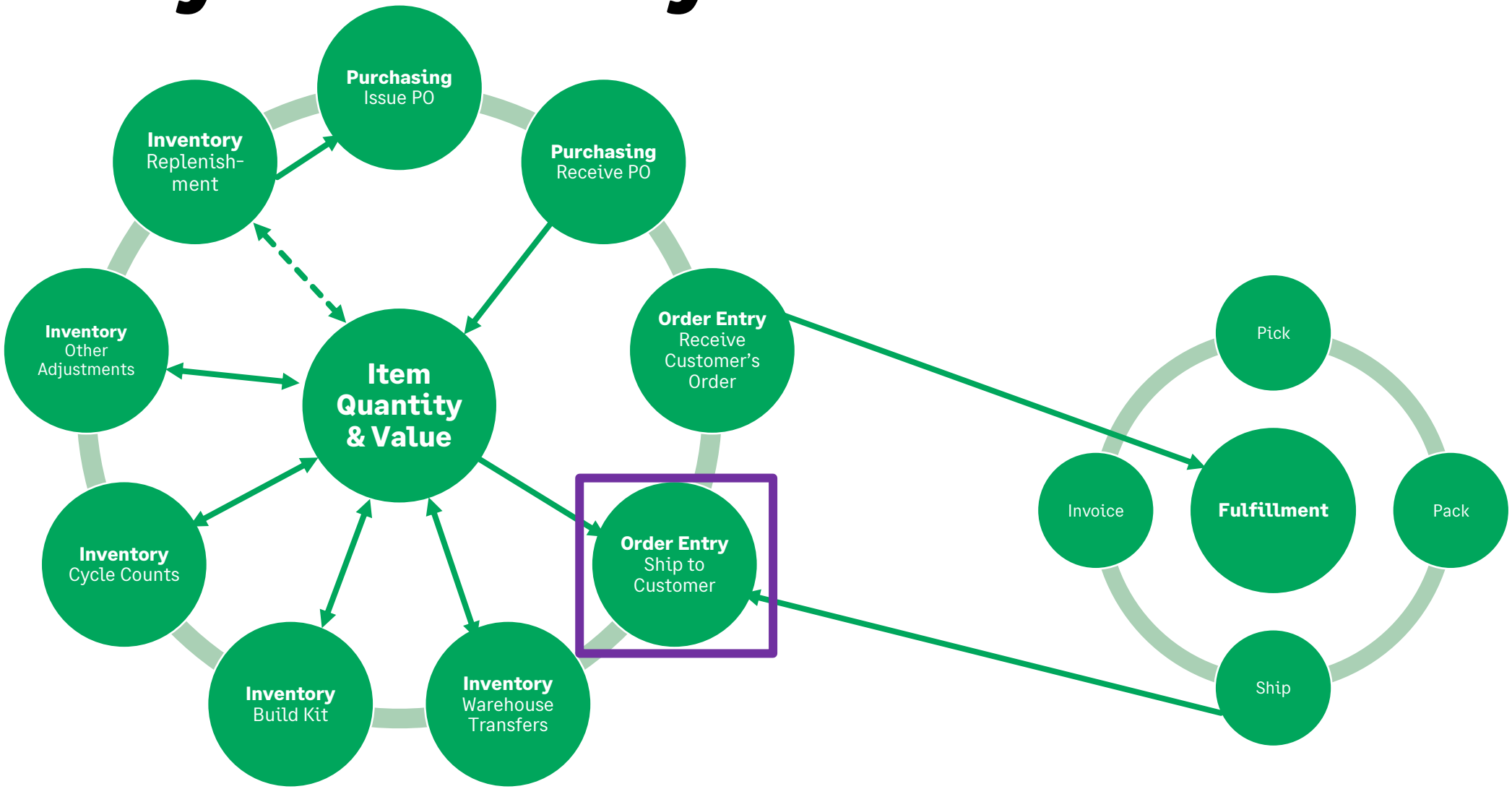
You MUST select the Cross-Reference item ID to have it included on the Sales Order.







Inventory Item Life Cycle



Order Entry – Shipping

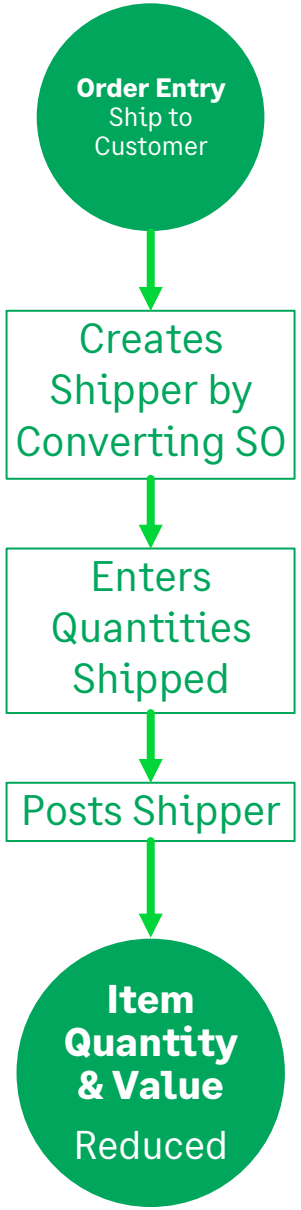
What happens when Shipping a Sales Order?

Shipping a Sales Order is when the inventory items (quantity & hopefully value) are subtracted from the Inventory system for inventory items or stockable kits that are included on the shipper.

No inventory impact is recorded for Non-Inventory items, since quantities and values for those items are not maintained within inventory.

Shippers might be for a quantity different than the Sales Order. It's important the correct quantity be shipped to ensure Inventory quantities remain accurate.

Items or quantities not shipped on the shipper may be managed as back ordered items.



Order Entry – Shipping

Order Entry
Ship to Customer

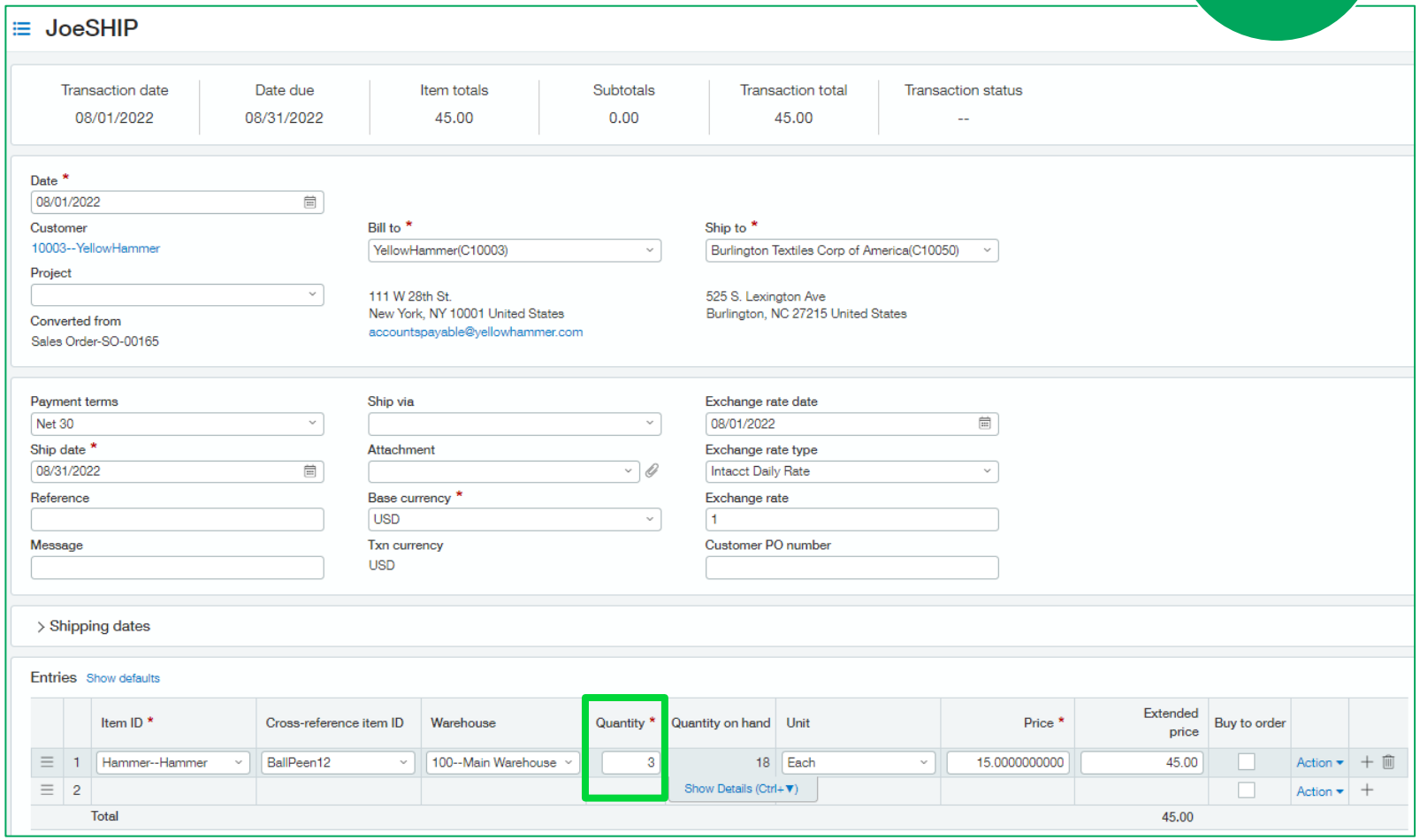
Sage Intacct OE Shipper

Start by converting the SO and choosing the correct Shipper TD.

Verify all information is accurate.

Change the quantity to show what is actually being shipped.

Post the Transaction.



Order Entry – Shipping

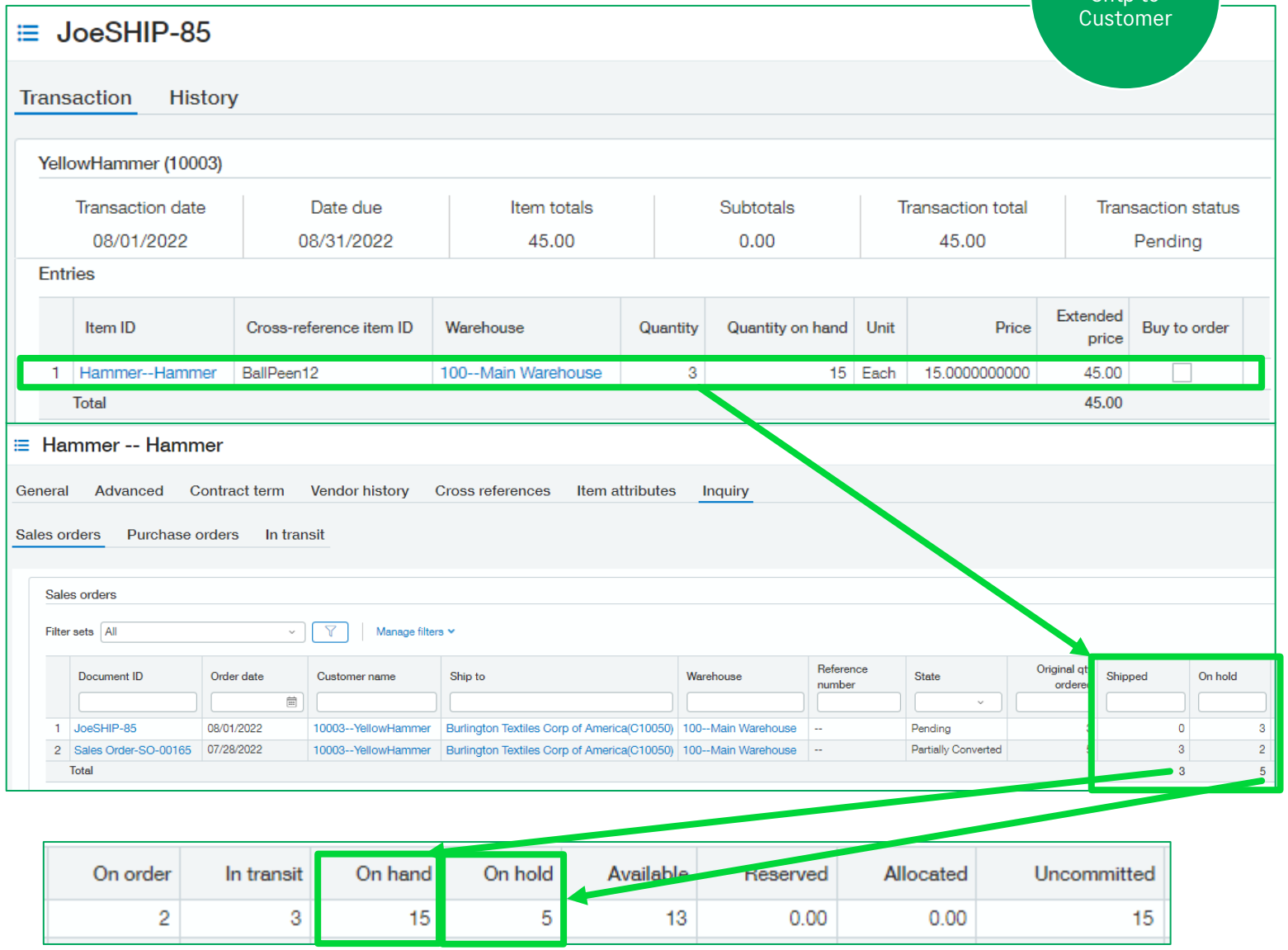
Order Entry
Ship to Customer

Inventory Impact

Once the Shipper is posted, the Item is updated to reflect the quantity shipped and the change in the On Hold quantity.

Since only 3 of the 5 were shipped, the Item continues to show 2 on hold for this order.

Quantity on hand has been decreased by 3, and now reflects a total of 15 on hand.



On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted
2	3	15	5	13	0.00	0.00	15

Order Entry – Other Transactions

Other Order Entry Transactions

Sales Quote

- When a customer just wants to get a price for goods or services they need, they may issue a Purchase Request. The response to their Purchase Request is a Sales Quote.
- A Sales Request typically has no impact on any inventory total: Quantity on Hand, nor quantity on hold.

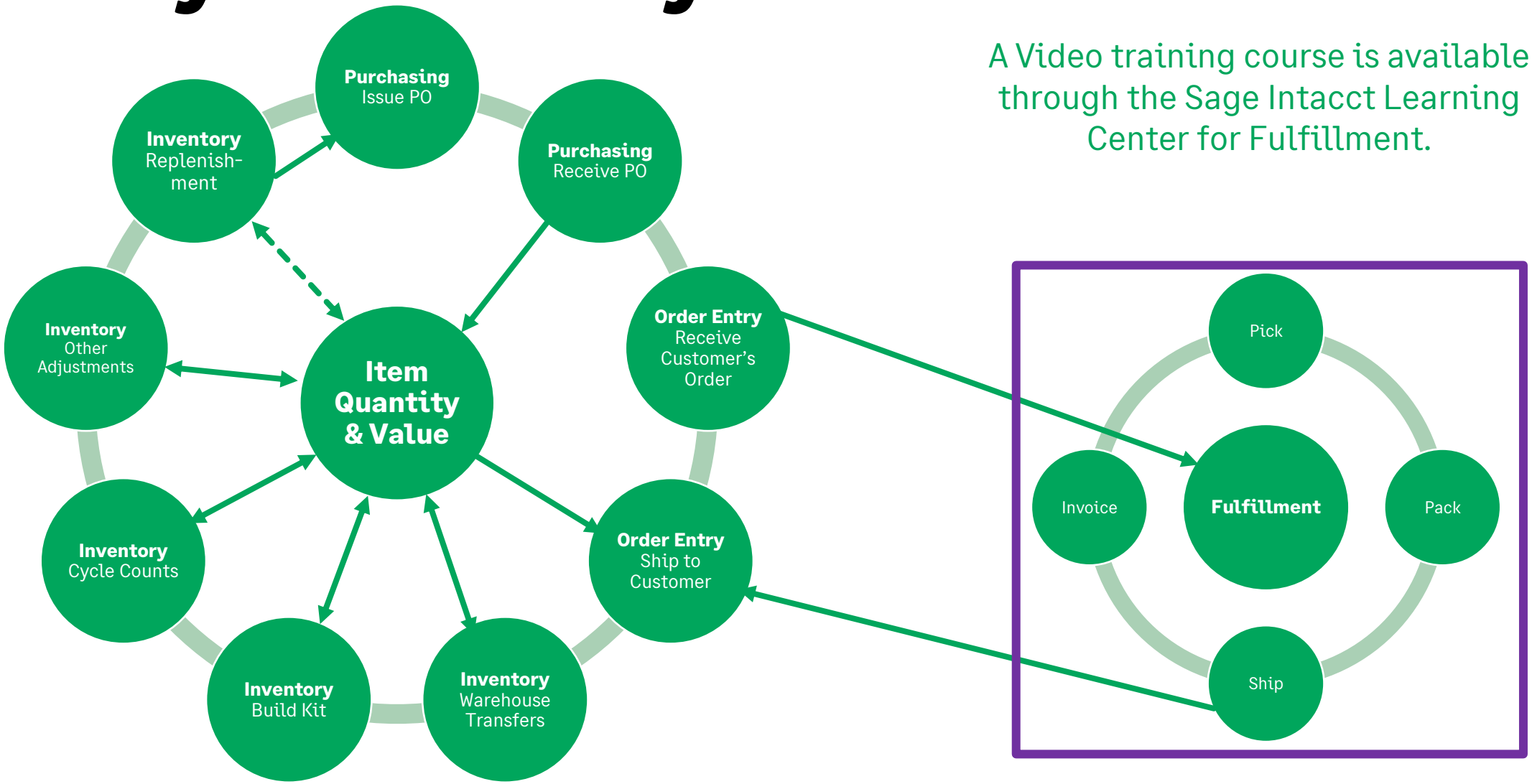
OE Return

- When goods need to be returned from the customer back to the company.

OE Credit

- When goods are returned AND the customer is given a credit for those items/services.

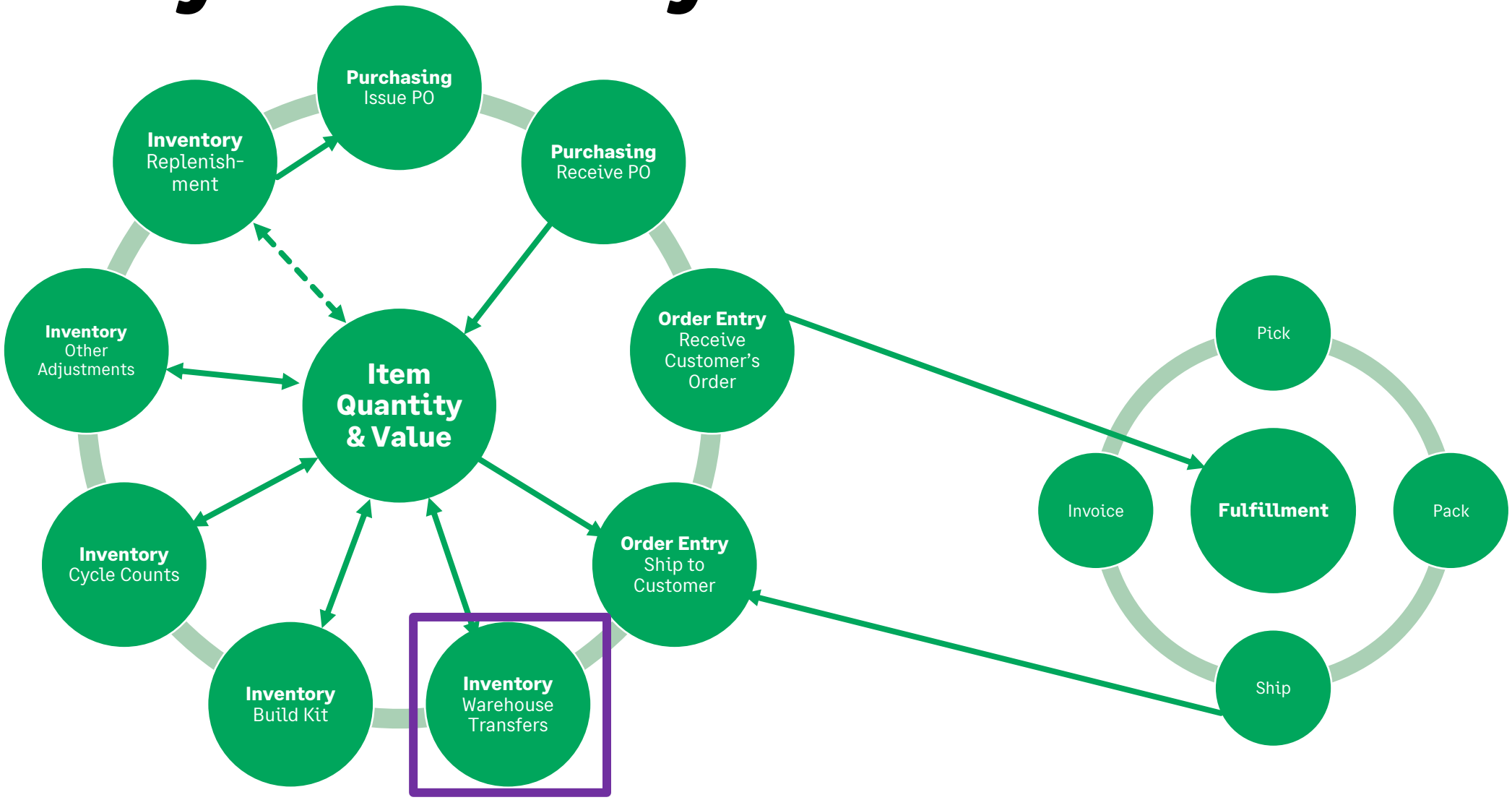
Inventory Item Life Cycle



A Video training course is available through the Sage Intacct Learning Center for Fulfillment.

Inventory Warehouse Transfers

Inventory Item Life Cycle



Inventory – Warehouse Transfers

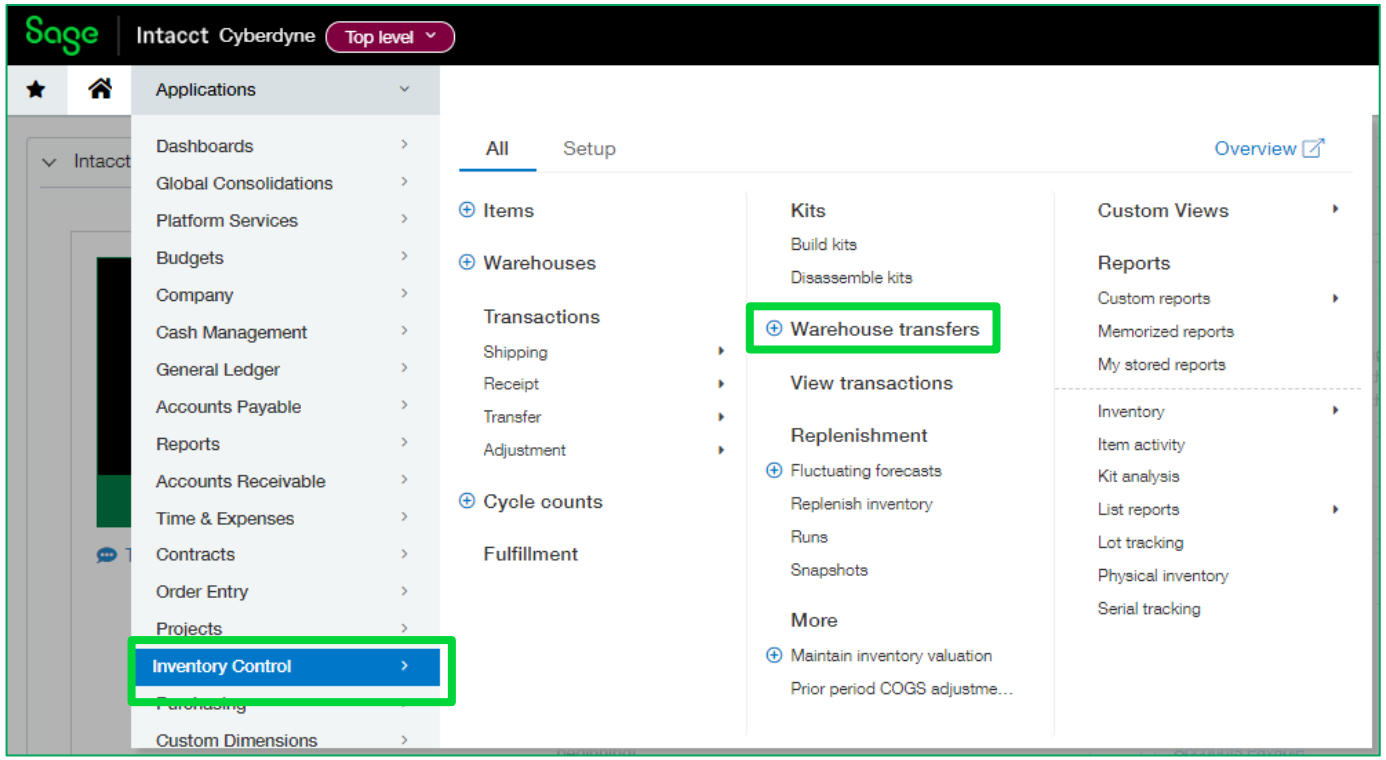
Inventory
Warehouse
Transfers

What is a Warehouse Transfer?

Many organizations have more than one warehouse. Sometimes these warehouses are virtual, but most times they are physical locations.

An organization may also be using Bins and need to transfer items between bins to keep stock counts accurate.

When one warehouse or bin is out of an item, but the other warehouse has it in stock, they may want to transfer that item.



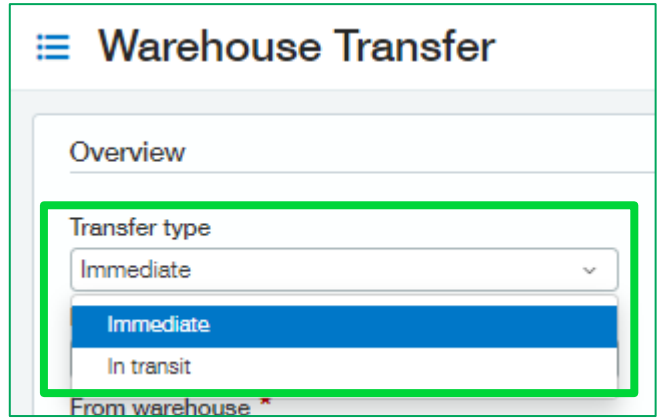
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

What is a Warehouse Transfer?

Warehouse Transfers in Sage Intacct provide the following functionality.

- Transfer of an item to a different Bin location within the same warehouse.
- Perform an immediate transfer of an item from one warehouse to another (typically when the warehouses are in the same physical location but may be virtual warehouses within the facility.)
- Perform an In Transit Transfers when the item needs to be physically moved from one warehouse to another warehouse and it will take time to get the items between the two warehouse.
    - In Transit Transfers require a date out and date in with two different warehouses identified on the transaction.



Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

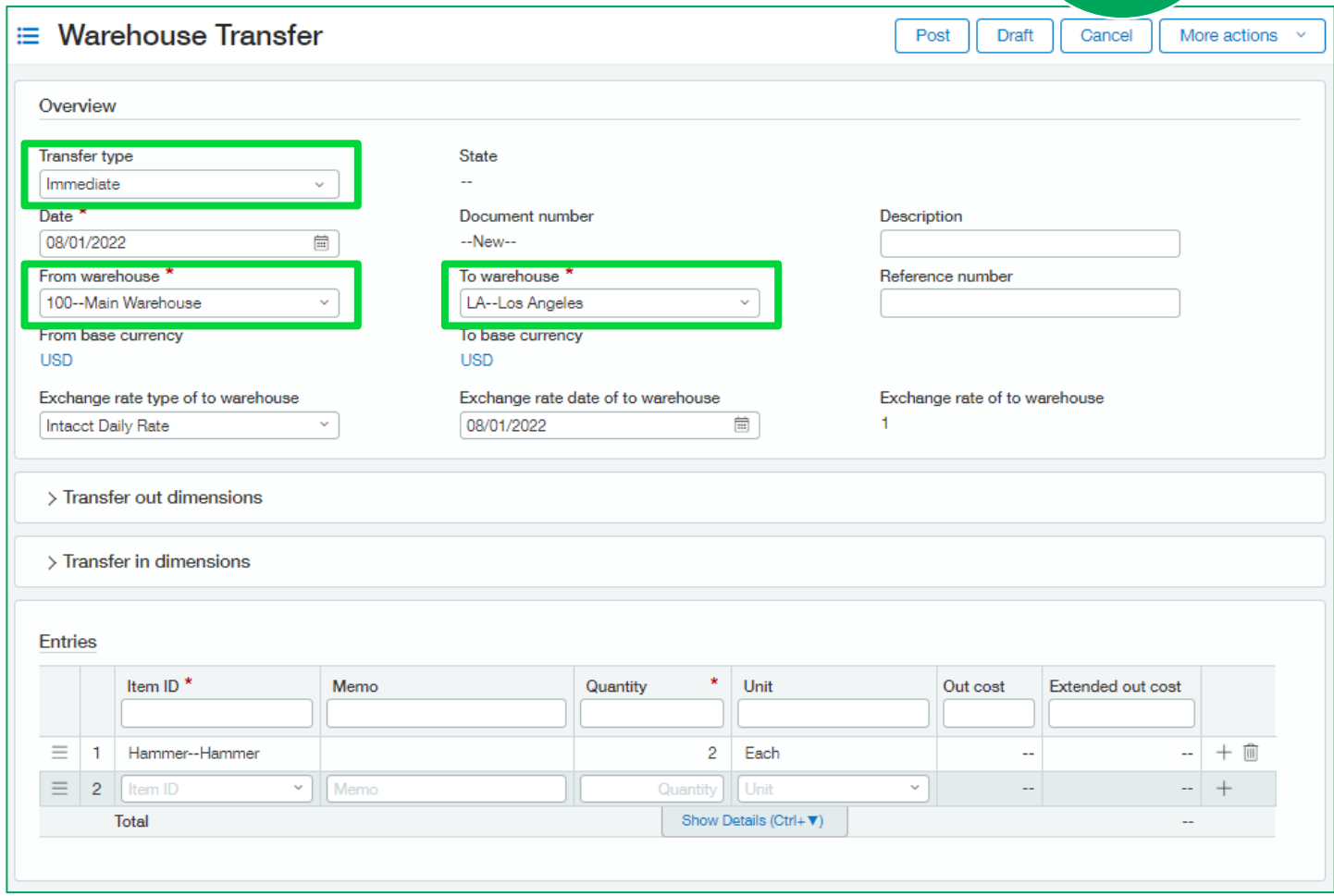
Immediate Warehouse Transfers

An Immediate Whse Transfers may have different From/To Whses.

If it's a Bin transfer, it can have the same From/To Whse.

2 types of states are available for Immediate Transfers:

- Draft – No quantity impact but saves the transaction.
- Transferred – Reduces the On Hand qty in the From Whse & increases the On Hand quantity in the To Whse.



Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

Immediate Bin Transfers

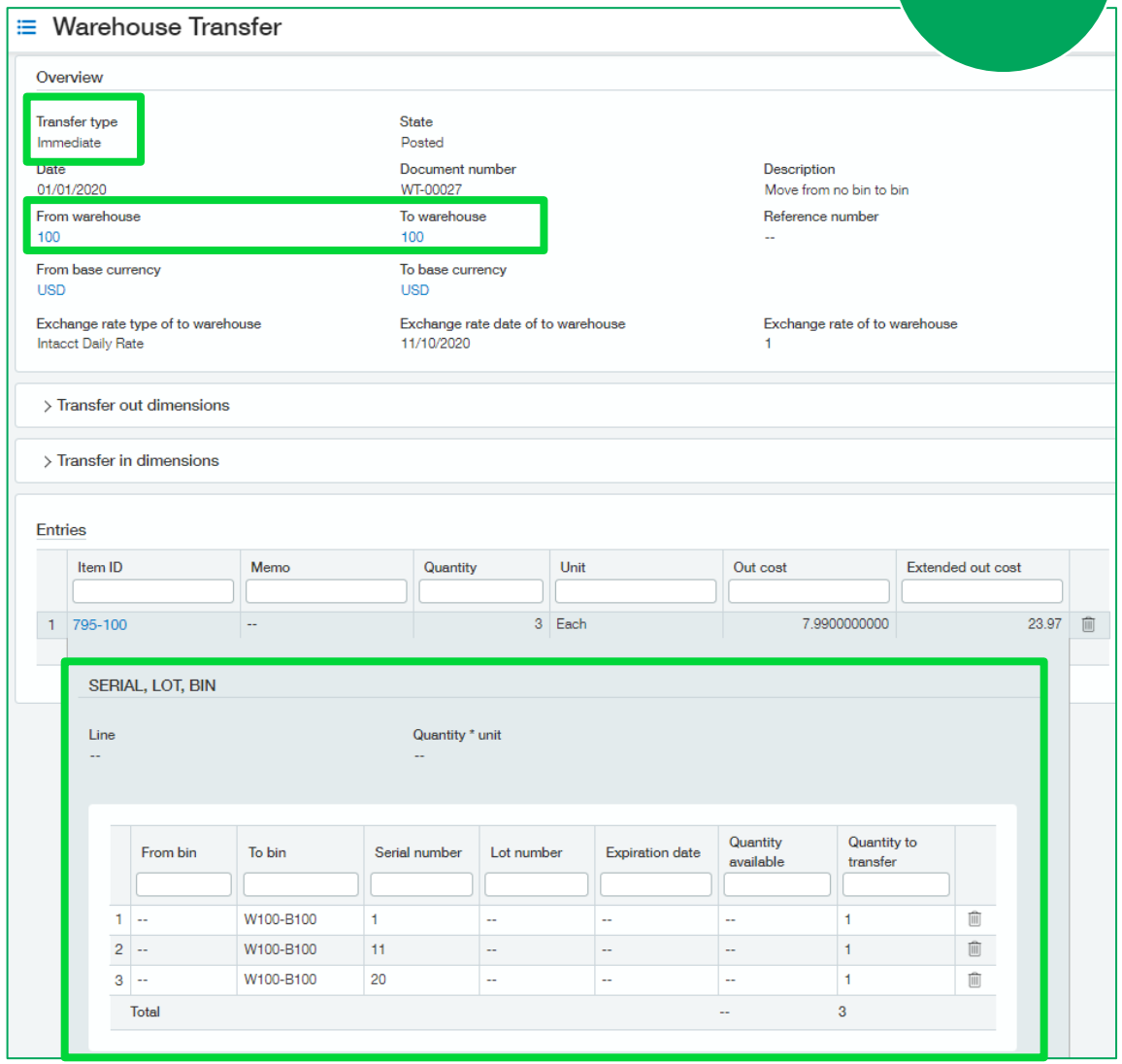
A Bin Transfer is an Immediate Transfer.

It uses the Same From/To Warehouses

Once the item and quantity have been identified in the Entries grid, open the shade to see the Tracking Grid.

Select the From & To bins and quantities to move the item from one bin to another within the same warehouse.

NOTE: If transferred between warehouses, and the item is tracked, you must identify the tracking information for the quantity being transferred.



Inventory – Warehouse Transfers

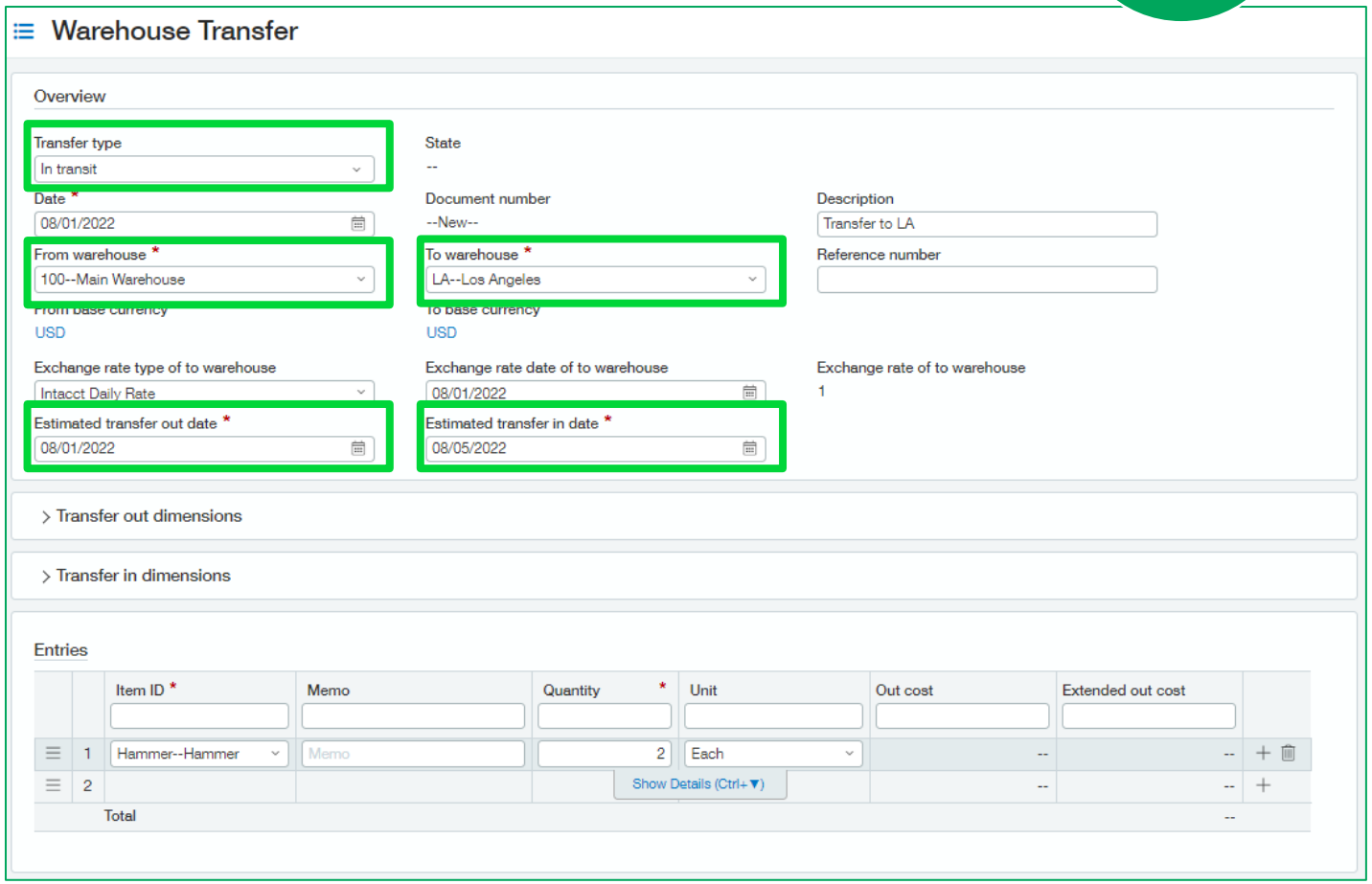
Inventory
Warehouse
Transfers

In Transit Warehouse Transfers

In Transit Transfers require different warehouses and estimated transfer out dates and in dates.

3 types of states are available for In Transit:

- Draft – No quantity impact but saves the transaction.
- Transfer Out – Reduces the On Hand qty in the From Whse & increases the In Transit quantity in the To Whse.
- Transfer In – Reduces the In Transit qty in the To Whse & increases the On Hand qty in the To Whse.



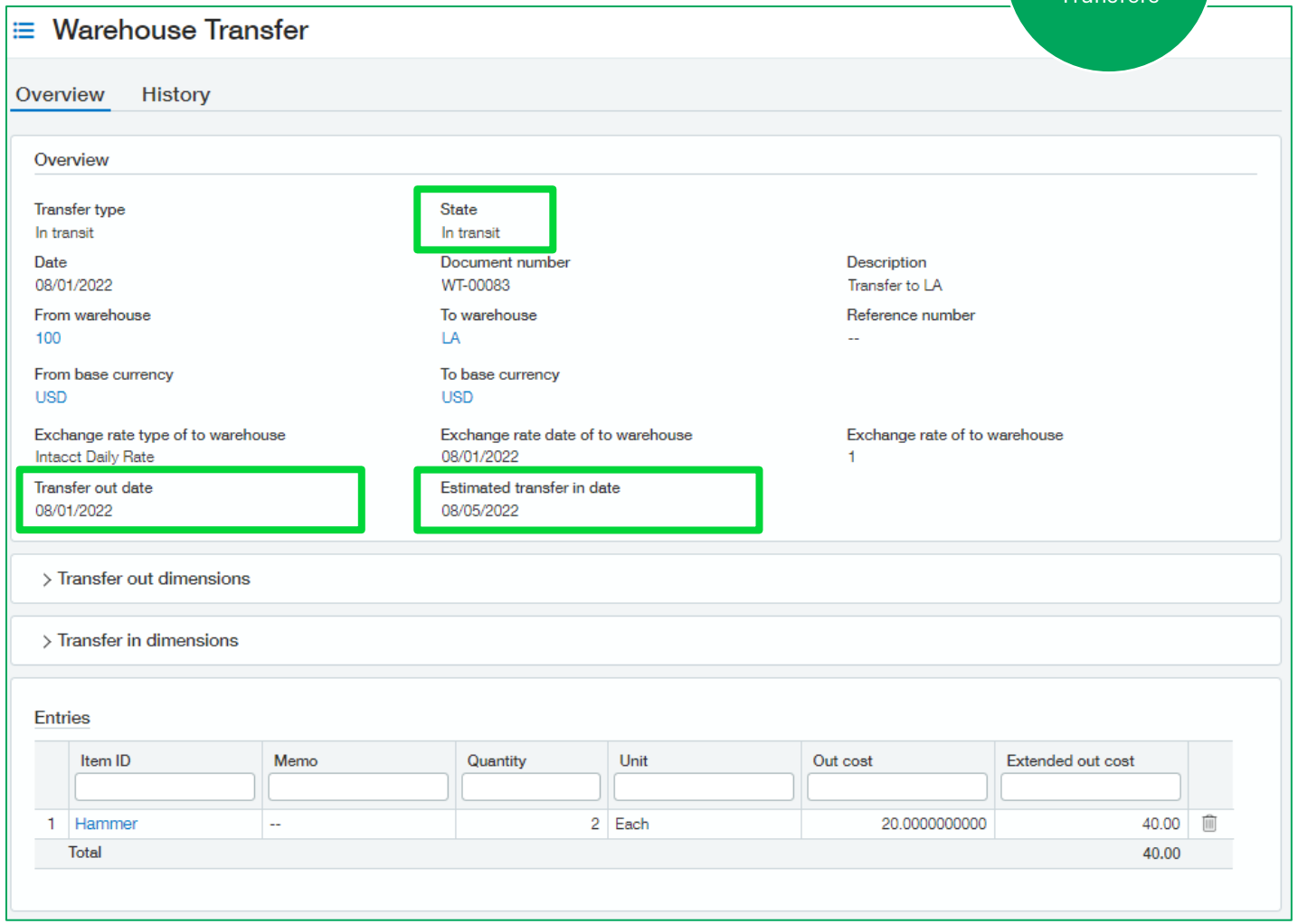
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers

Once the Transfer Out is posted, the transaction will reflect changes, based on this status:

- State – Now shows as In Transit
- Transfer Out Date – is no longer editable, since it's the date of the transfer out transaction.
- Estimated transfer in date – Can still be edited to reflect the correct estimated date of arrival into the "To warehouse".



Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers – Transfer Out Posted

When the Transfer Out is posted:

- From Warehouse – On Hand quantity – Reduced for the transferred-out quantity.
- To Warehouse – In Transit quantity is increased to show a quantity is coming into that warehouse.
- NOTE: While a quantity is "In Transit" it is NOT included on the Inventory Valuation report, since it's not currently in any warehouses' On Hand quantity.

	Warehouse ID	Currency	On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted	Last cost	Last date sold	Last date received
1	100	USD	2	3	13	5	11	0.00	0.00	13	10	08/01/2022	07/29/2022
2	120	USD	0.00	0.00	12	0.00	12	0.00	0.00	12	0.00	07/26/2022	07/28/2022
3	LA	USD	0.00	2	0.00	0.00	2	0.00	0.00	0.00	0.00	--	--

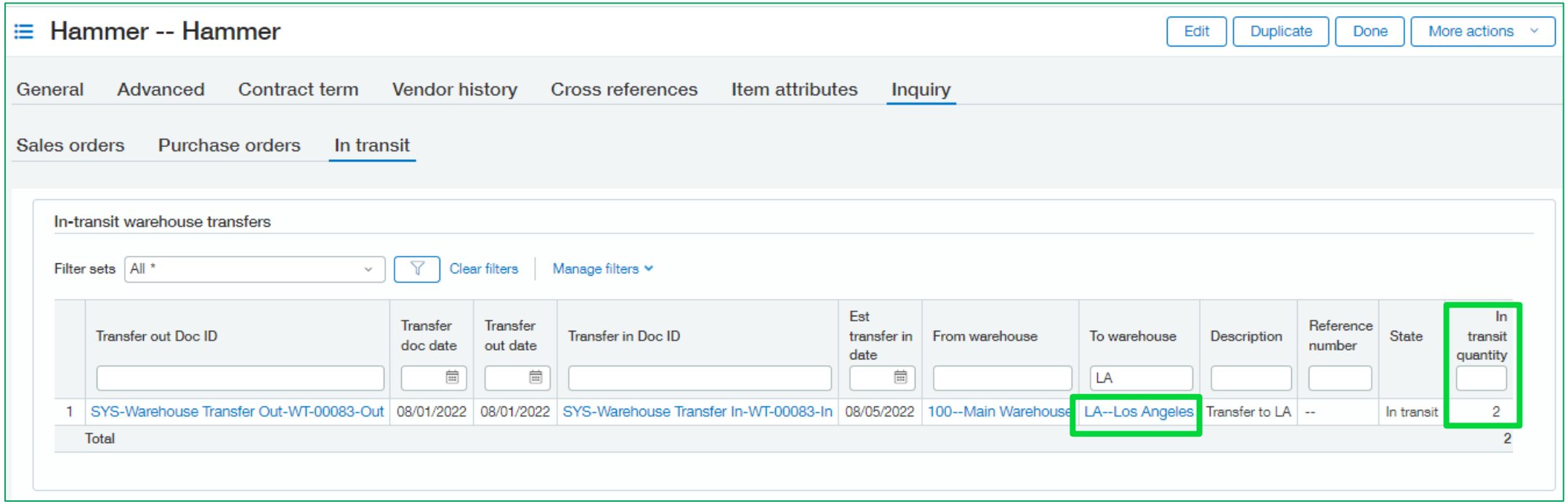
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers – Transfer Out Posted

When the Transfer Out is posted:

- The Inquiry Tab for the In-Transit list will show the In Transit Transaction.
- The Total should agree to the Item's In Transit total for that warehouse/item.



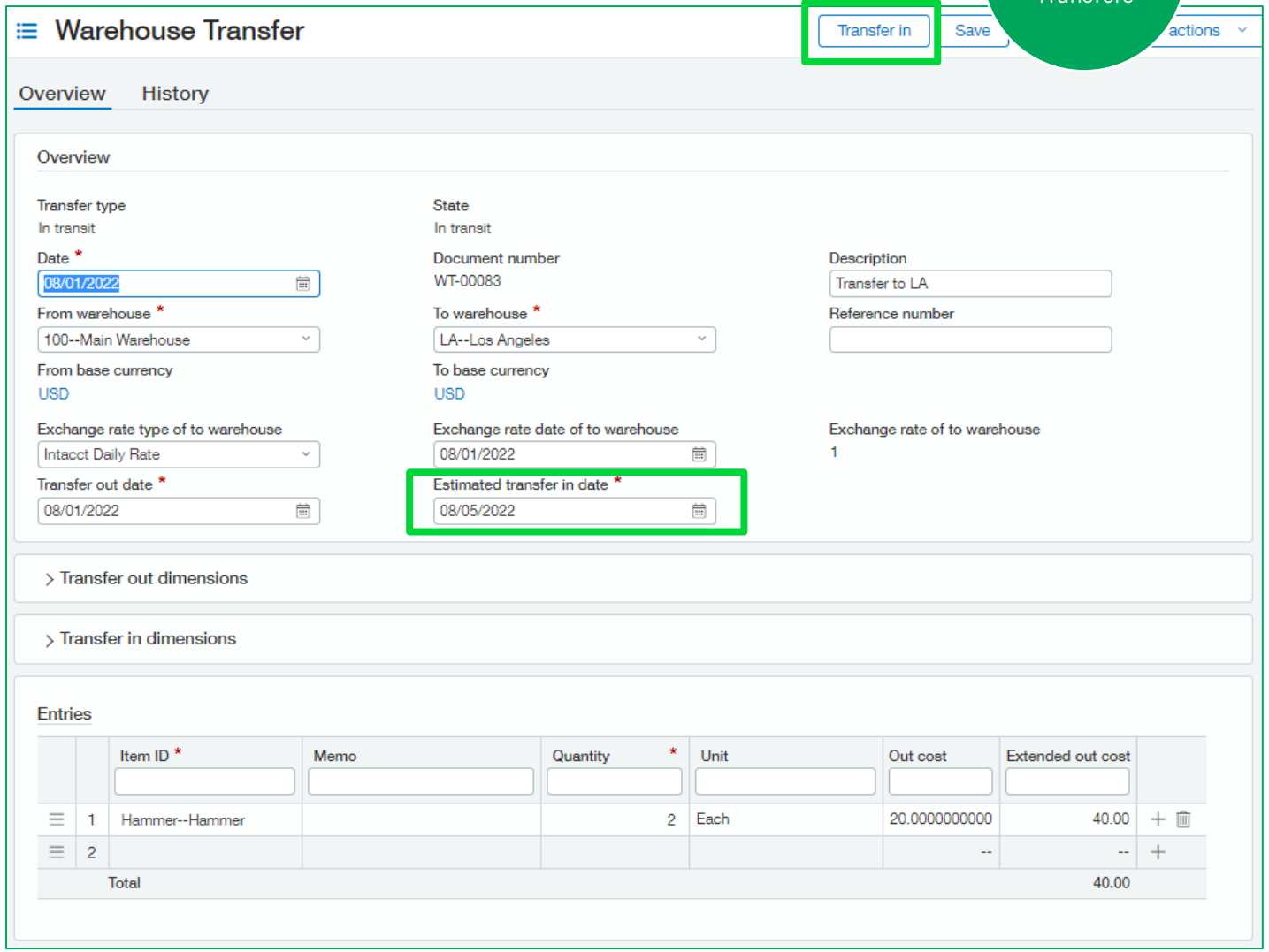
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers

To complete the In Transit Transfer, edit the Whse Transfer Transaction and select the “Transfer In” button.

- Make sure the Estimated Transfer In Date is correct, as this will be the date the inventory is received into the To Warehouse.
- Quantities cannot be edited on the Transfer In. If items are damaged or not received, they will have to be adjusted through a separate Inventory Adjustment Transaction.



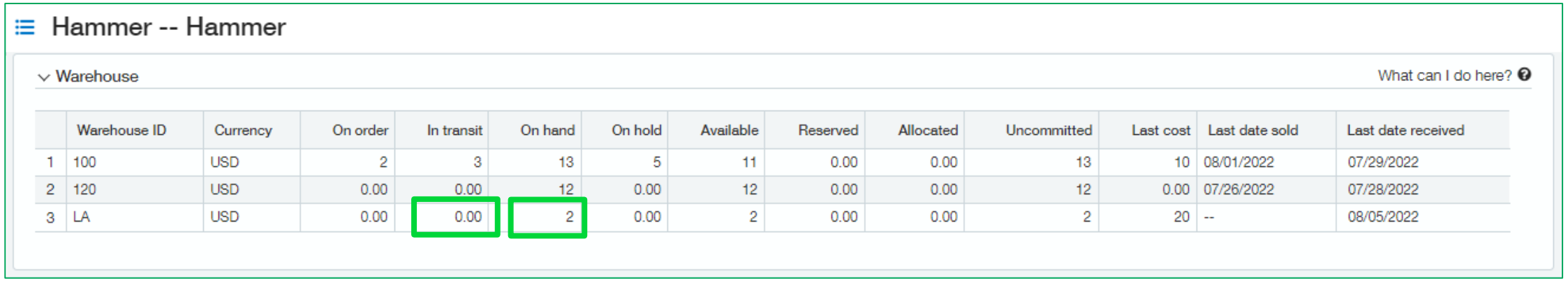
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers – Transfer In Posted

When the Transfer In is posted:

- To Warehouse – In Transit quantity is decreased by the quantity transferred In.
- On Hand – Increased by the quantity that is transferred In.



	Warehouse ID	Currency	On order	In transit	On hand	On hold	Available	Reserved	Allocated	Uncommitted	Last cost	Last date sold	Last date received
1	100	USD	2	3	13	5	11	0.00	0.00	13	10	08/01/2022	07/29/2022
2	120	USD	0.00	0.00	12	0.00	12	0.00	0.00	12	0.00	07/26/2022	07/28/2022
3	LA	USD	0.00	0.00	2	0.00	2	0.00	0.00	2	20	--	08/05/2022

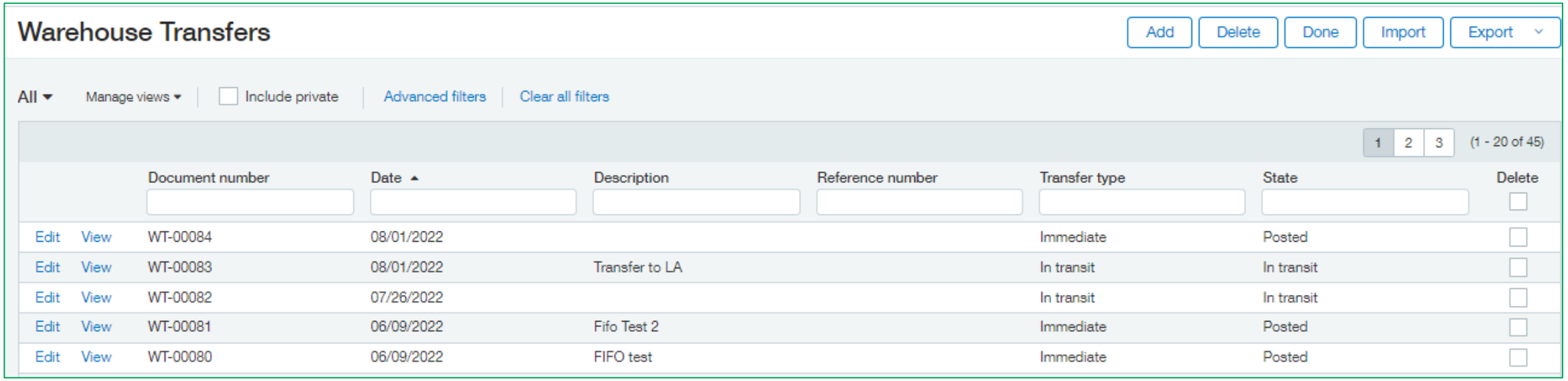
Inventory – Warehouse Transfers

Inventory
Warehouse
Transfers

In Transit Warehouse Transfers –Transactions

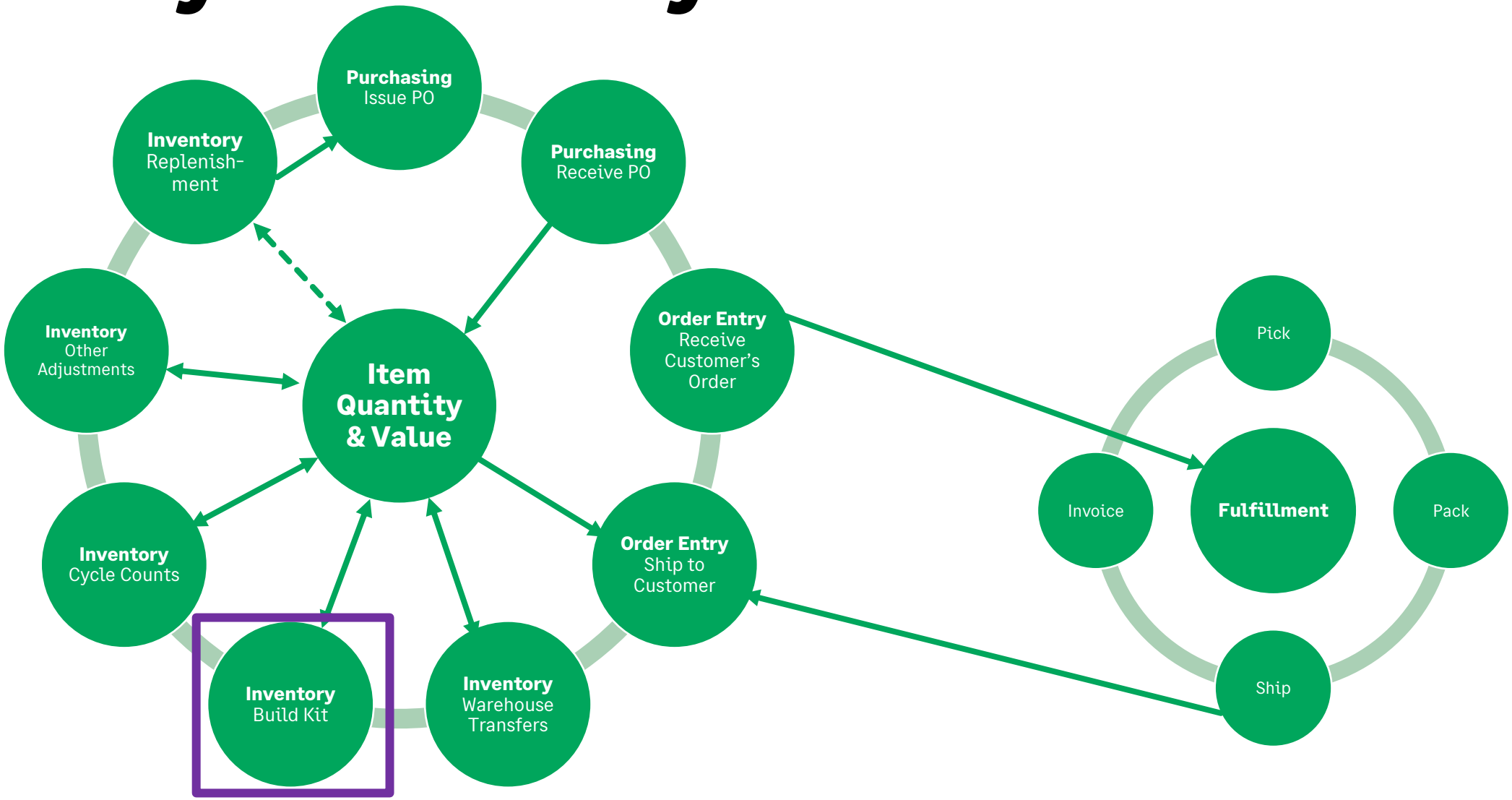
Warehouse Transfer Transactions create Inventory adjustment transactions through System Generated Transaction Definitions.

The Transfers are viewable and editable ONLY through the Warehouse Transfer screen.



Build Stockable Kits

Inventory Item Life Cycle



Inventory – Build Stockable Kits

Inventory
Build Kit

What is a Stockable Kit?

Stockable Kits are items that are assembled from other items (components) to create a “finished good” that is sold to a customer.

Stockable Kits can be built OR they can be purchased as pre-assembled items from a vendor through a Purchase Order.

A Stockable Kit is treated like any other regular inventory item with quantities on hand.

In 22 R2, Stockable Kits can now be items that have Serial, Lot and/or Expiration Date tracking (along with Bin tracking).

In 22 R2, the components used within a Stockable Kit can also be items that have Serial, Lot and/or Expiration Date tracking (along with Bin tracking).

Inventory – Build Stockable Kits

Inventory
Build Kit

What is the difference between a Stockable Kit and a Kit?

Stockable Kits	Kits
Components can be Inventory items or other Stockable Kits. Cannot have non-inventory items as components.	Components can be Inventory items, stockable kits OR any non-inventory item.
Quantity on hand is maintained.	Quantity on hand is NOT maintained.
Can be built using Build Kits.	Cannot be built using Build Kits
Can be purchased from a Vendor.	Cannot be purchased from a Vendor.
Treated as an actual item.	Is NOT treated as an actual item, but rather, just a billing SKU for bundled pricing.
Components cannot print on a sales document.	Components can print on a sales document.

Inventory – Build Stockable Kits

Inventory
Build Kits

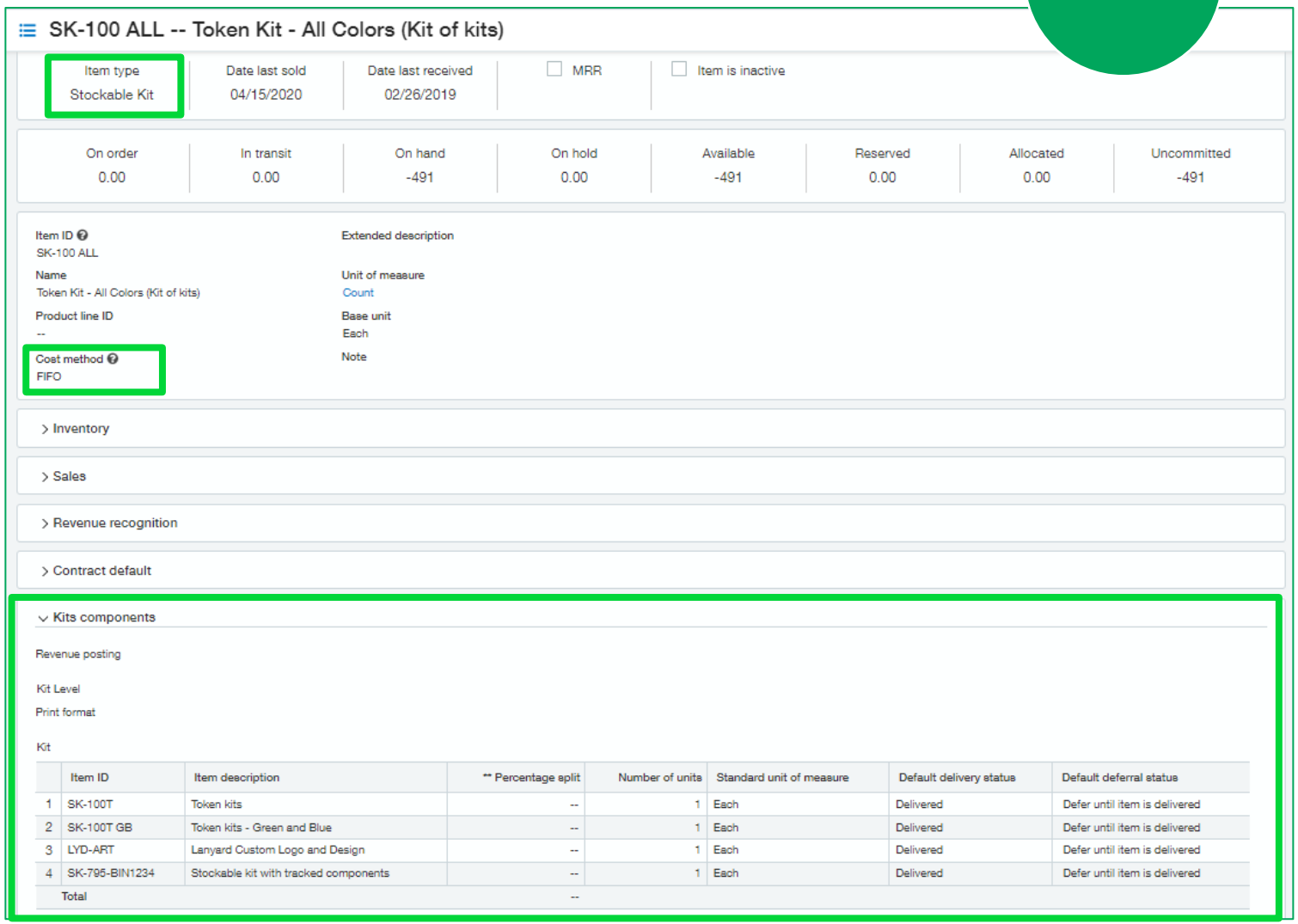
Setting Up a Stockable Kit

Item Type = Stockable Kit

Cost Method is ALWAYS FIFO, even if they do not have multiple Costing Methods configured.

Kit Components define the items that make up the kit, and how many (number of units) are required to build 1 stockable Kit.

NOTE: The percentage split, default delivery status & default deferral status are used for Kits, NOT stockable kits.



Inventory – Build Stockable Kits

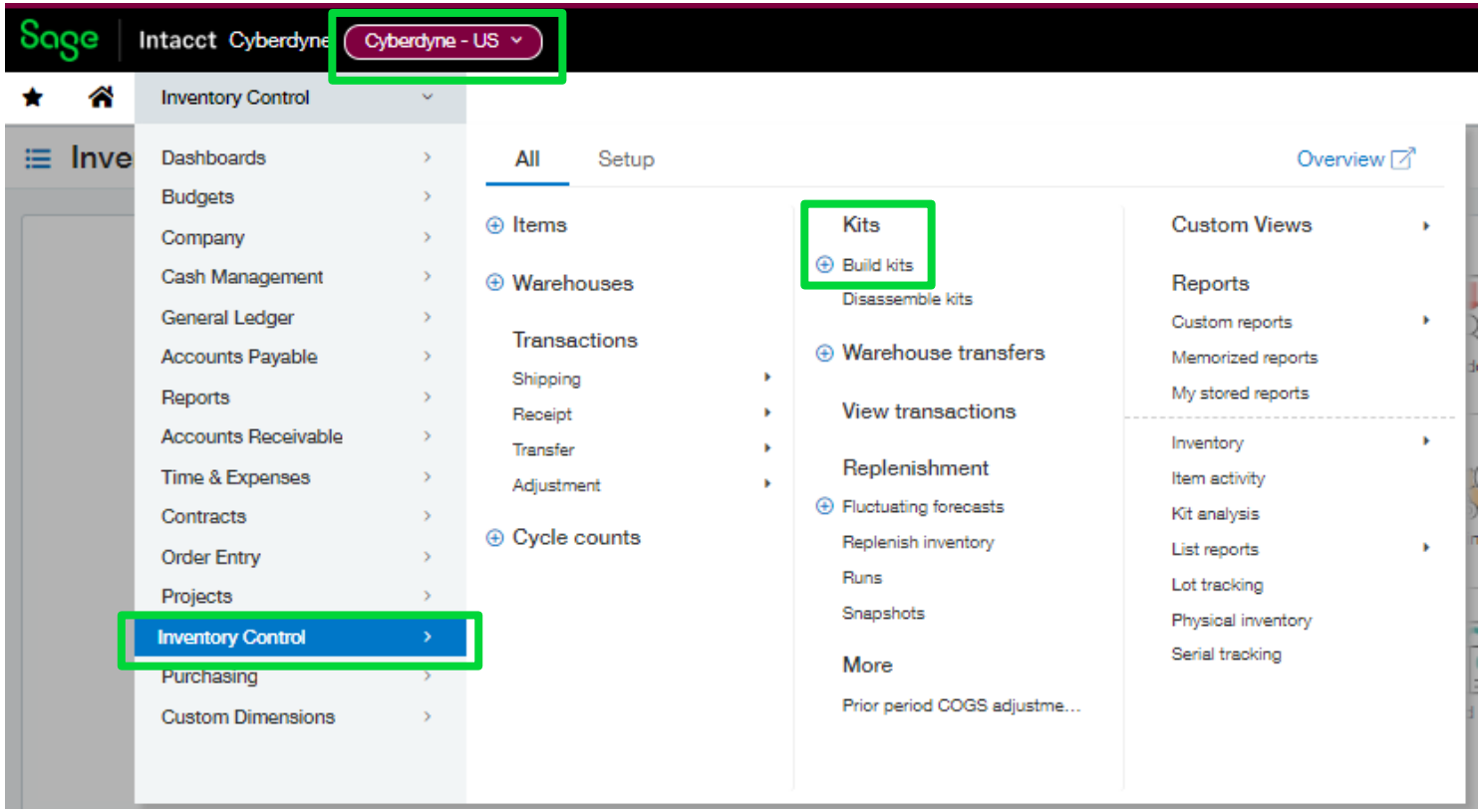
Slide I'm working on.

Inventory
Build Kits

Building a Stockable Kit

Build Kits is accessed on the Inventory Menu.

NOTE: Build kits cannot be performed at the top level. It must be performed at an entity level, if it's a multi-base currency instance.



Inventory – Build Stockable Kits

Inventory
Build Kits

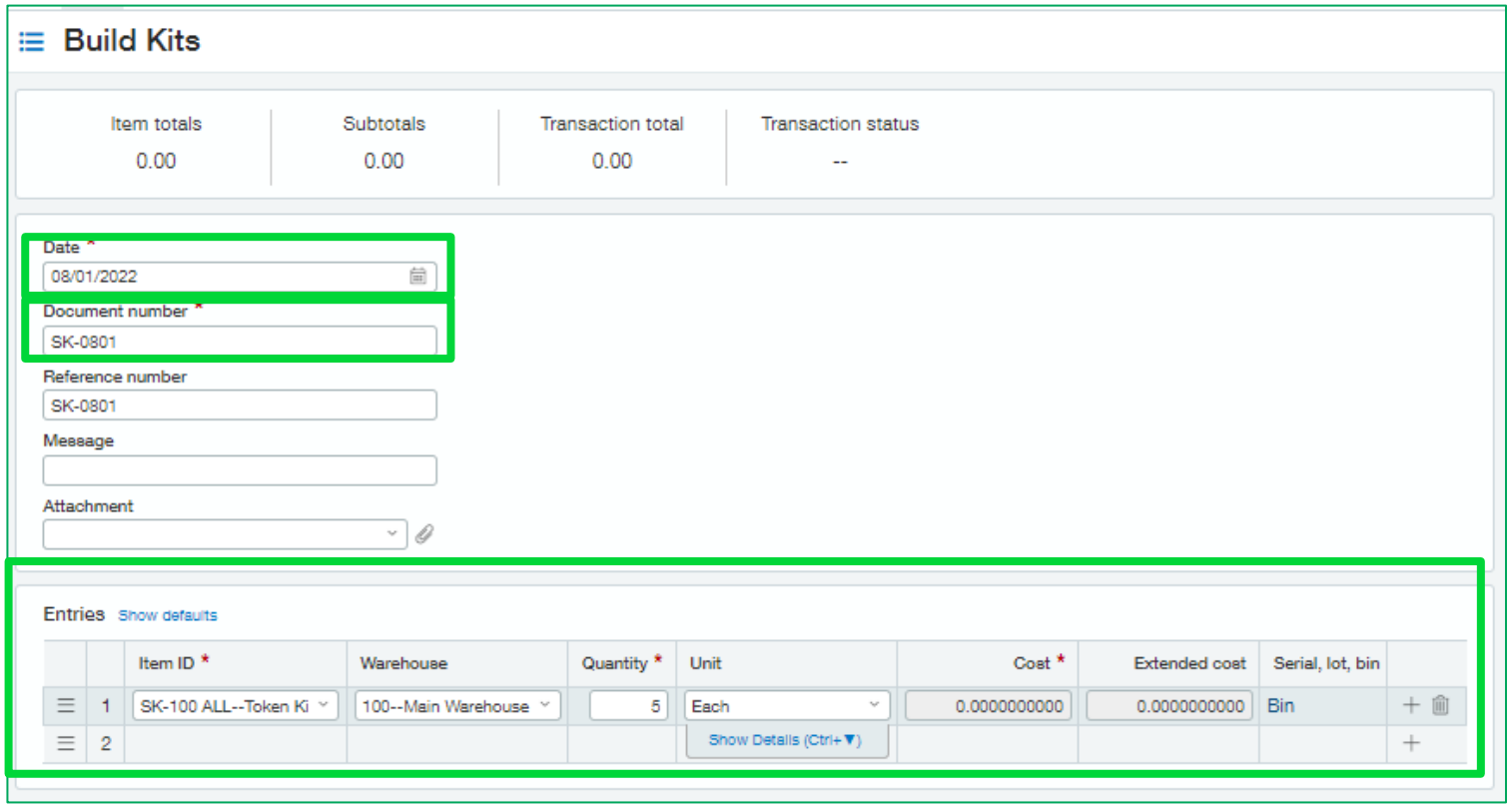
Building a Stockable Kit

Date – Date of the Build Transaction. This will be the date inventory is reduced for the components and added for the stockable kit.

Document Number – Identifies the transaction.

Entries grid – Enter the kit(s) to be built, the warehouse to place them in, and the quantity to be built.

NOTE: The Cost and Extended Cost will be calculated when the build kit transaction is posted.



Inventory – Build Stockable Kits

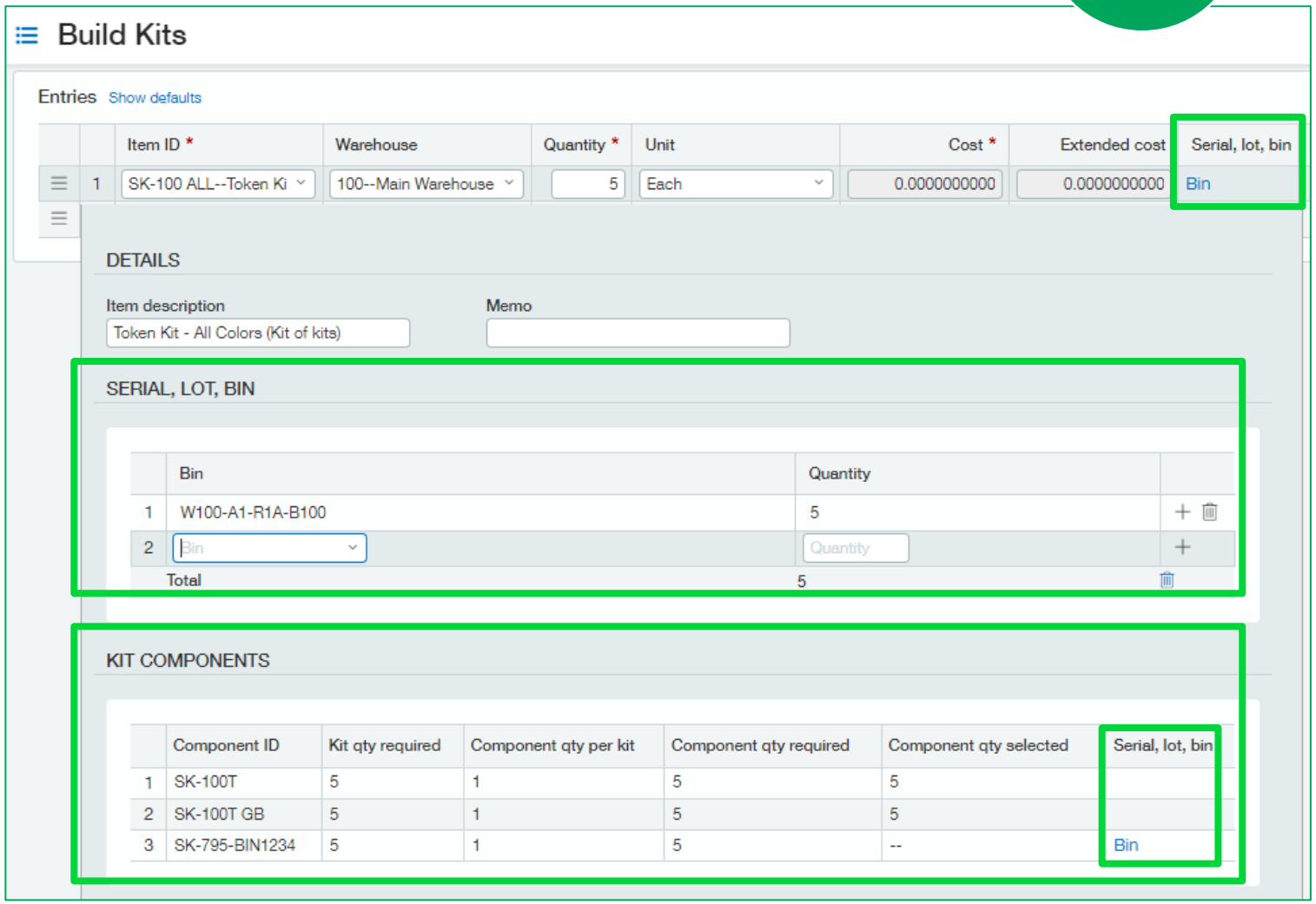
Inventory
Build Kits

Building a Stockable Kit

If the Stockable Kit is a tracked item, the tracking MUST be identified for the items being built.

All Components (not just tracked components are shown in the Kit Components grid.) – This is new as of 22 R2.

If a component is tracked, the type of tracking will show in the Serial, lot, bin column.



Inventory – Build Stockable Kits

Inventory
Build Kits

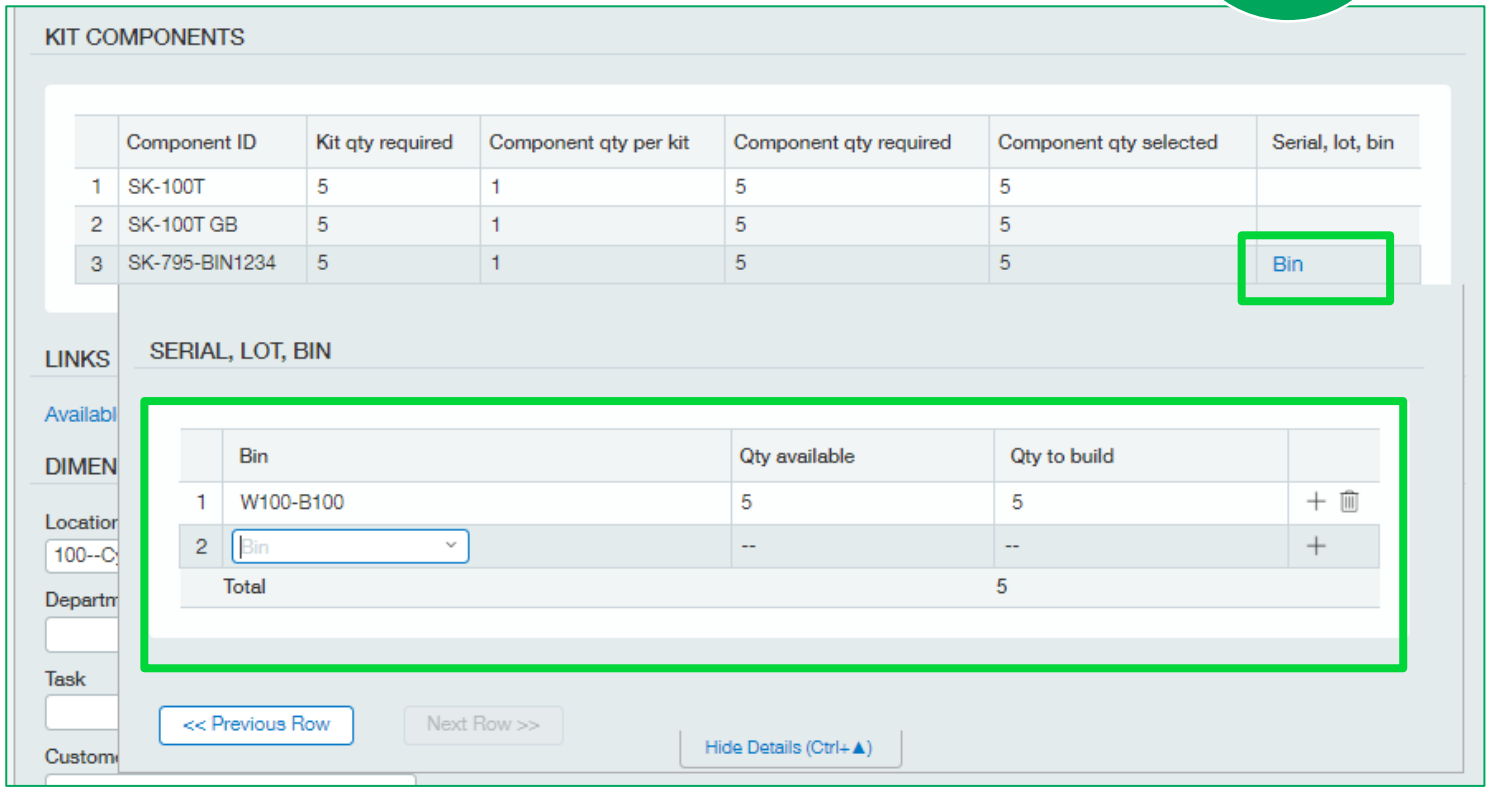
Building a Stockable Kit

If Components are tracked, the tracking records needed to build the stockable kit must be identified with quantities entered in Qty to Build.

Only component lines that are tracked will have the hyperlink in the Kit Components grid.

Components or their quantities CANNOT be changed.

All tracking data must be entered BEFORE the Build Kit transaction can be posted.



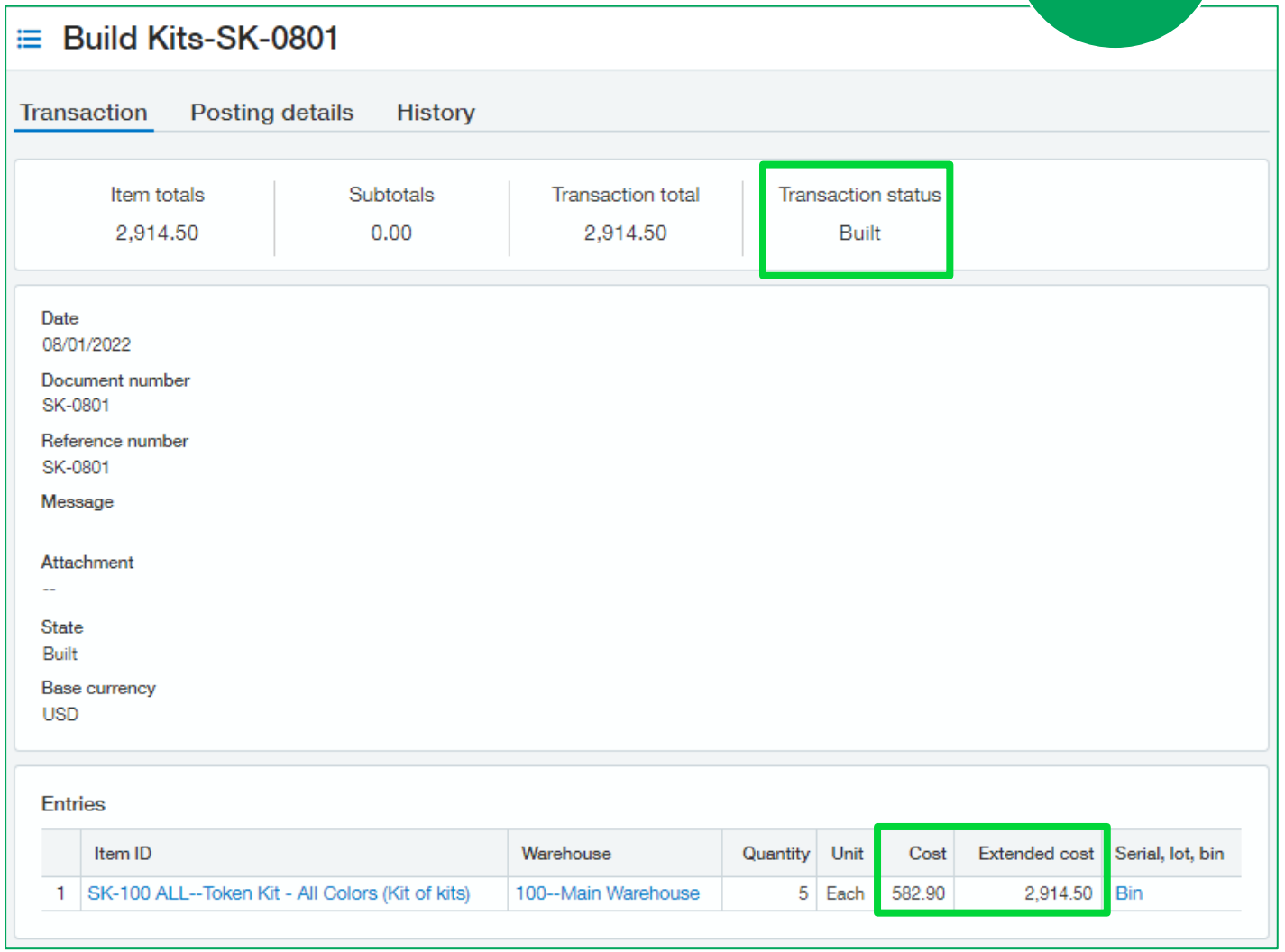
Inventory – Build Stockable Kits

Inventory
Build Kits

Building a Stockable Kit

After the Build Kit Transaction is posted…

- The transaction status is marked as “Built”
- The built unit cost and Extended cost is shown.
- You can continue to open the shade and see the components included in the build, along with the tracking details, if the stockable kit or components are tracked items.



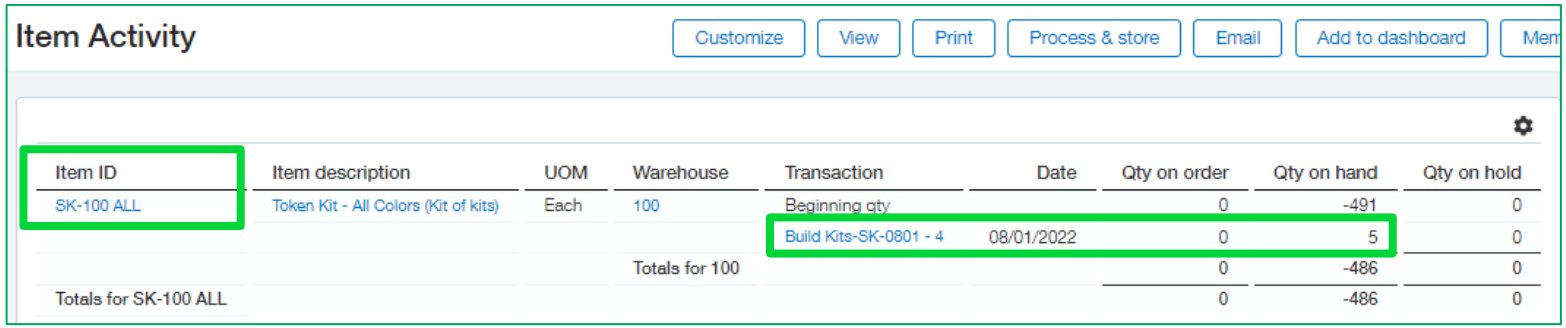
Inventory – Build Stockable Kits

Inventory
Build Kits

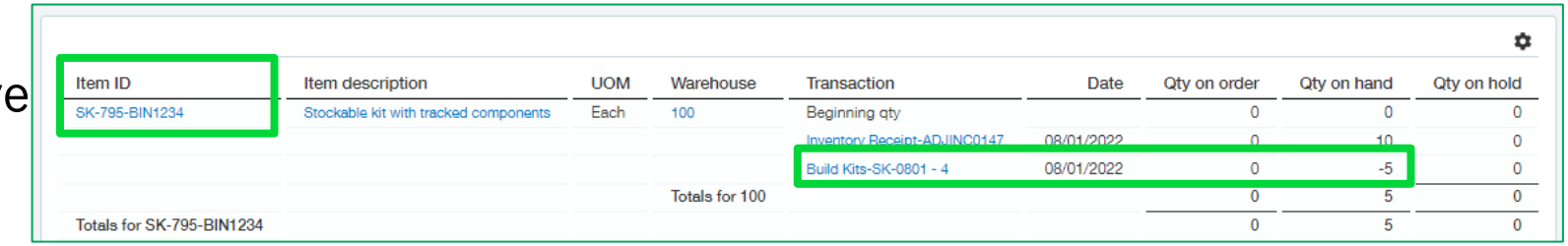
Building a Stockable Kit

Within Inventory, the following has occurred:

- The quantity built has been added to the Stocakble Kit's Qty On Hand.
- The unit cost of the stockable kit is based on the costs assigned to the components during the build.
- The quantity of the components used to build the stockable kit have been reduced from quantity on hand.



Item ID	Item description	UOM	Warehouse	Transaction	Date	Qty on order	Qty on hand	Qty on hold
SK-100 ALL	Token Kit - All Colors (Kit of kits)	Each	100	Beginning qty		0	-491	0
				Build Kits-SK-0801 - 4	08/01/2022	0	5	0
			Totals for 100			0	-486	0
Totals for SK-100 ALL						0	-486	0



Item ID	Item description	UOM	Warehouse	Transaction	Date	Qty on order	Qty on hand	Qty on hold
SK-795-BIN1234	Stockable kit with tracked components	Each	100	Beginning qty		0	0	0
				Inventory Receipt-ADJINC0147	08/01/2022	0	10	0
				Build Kits-SK-0801 - 4	08/01/2022	0	-5	0
			Totals for 100			0	5	0
Totals for SK-795-BIN1234						0	5	0

Inventory – Build Stockable Kits

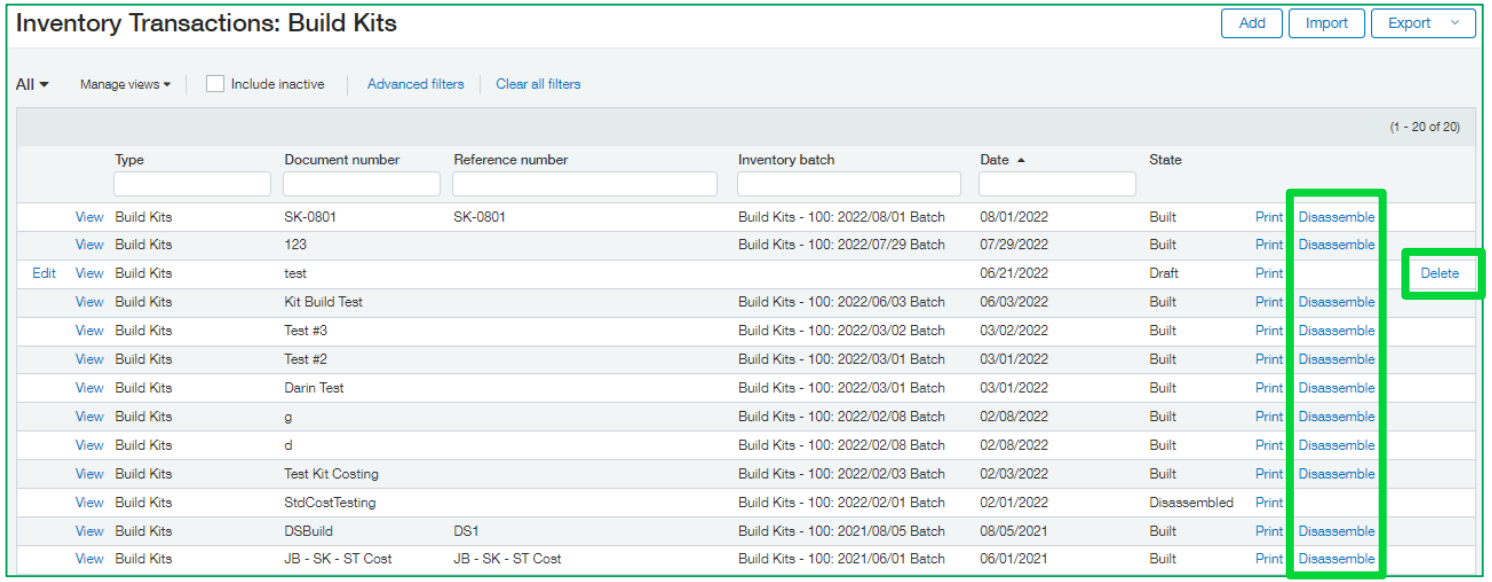
Inventory
Build Kits

Diasssemble a Stockable Kit

Stockable Kits can be disassembled and the components returned to inventory, while the stockable kit is removed from inventory.

A Build Kit transaction CANNOT be disassembled, if any of the quantity from that build has been consumed.

e.g., You build a quantity of 10 kits, then sell/ship 1 to a customer. The Build Kit transaction can no longer be disassembled.

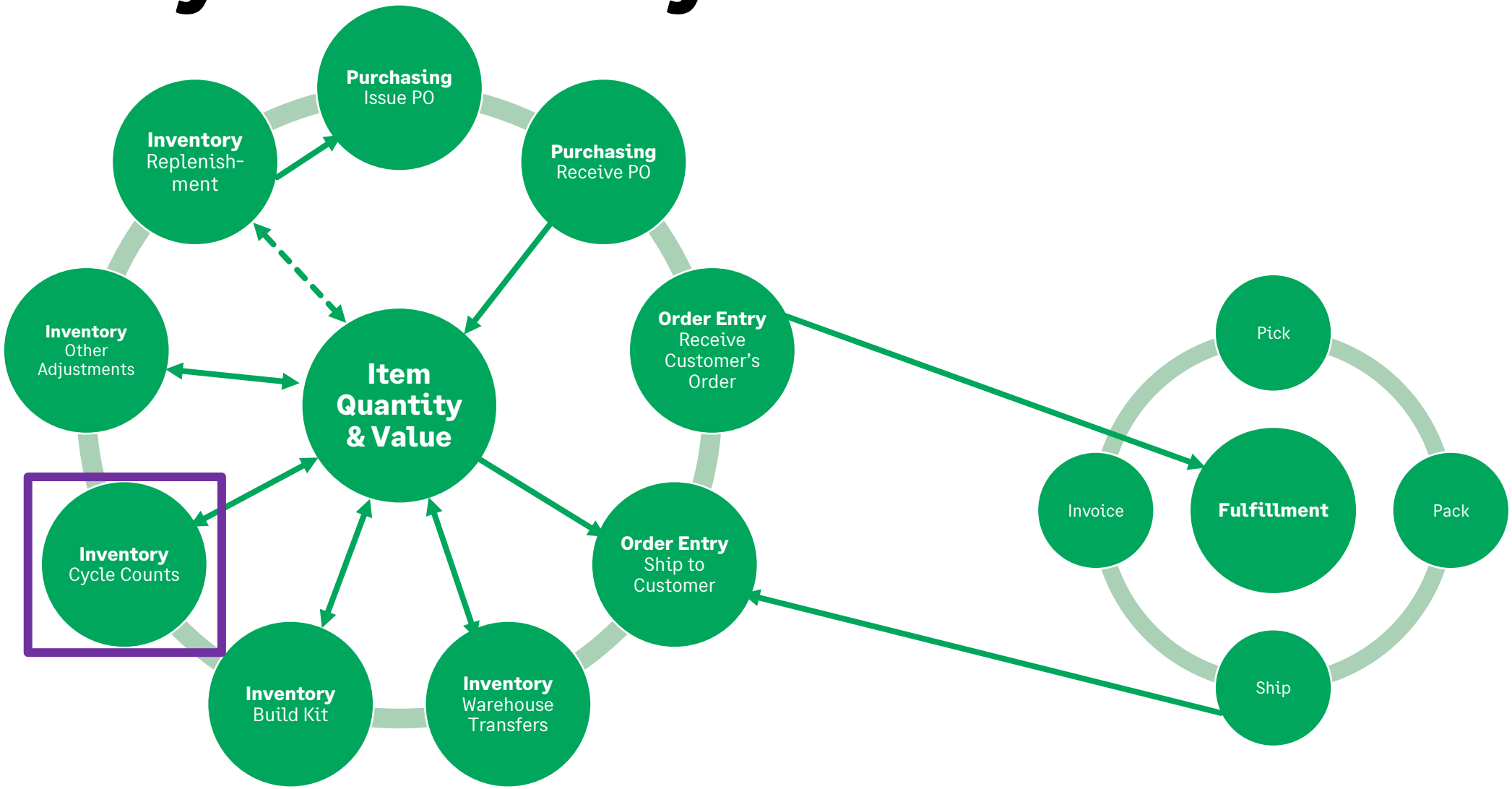


Only Build Kit transactions saved as a Draft can be deleted. Once posted, the build kit transaction would need to be disassembled, instead of deleted.

You CANNOT disassemble a Stockable Kit that was purchased from a Vendor. Only those that were created through Build Kits.

Cycle Counts

Inventory Item Life Cycle



Inventory – Cycle Counts

Inventory
Cycle Counts

What is a Cycle Count?

Cycle Counts allow a company to take a physical count of their inventory to ensure that what the system shows as quantity on hand is accurate.

Cycle Counts may include a small or large number of items.

They are unique to a single warehouse.

Cycle Counts should be properly planned for, both in the system AND on the warehouse floor.

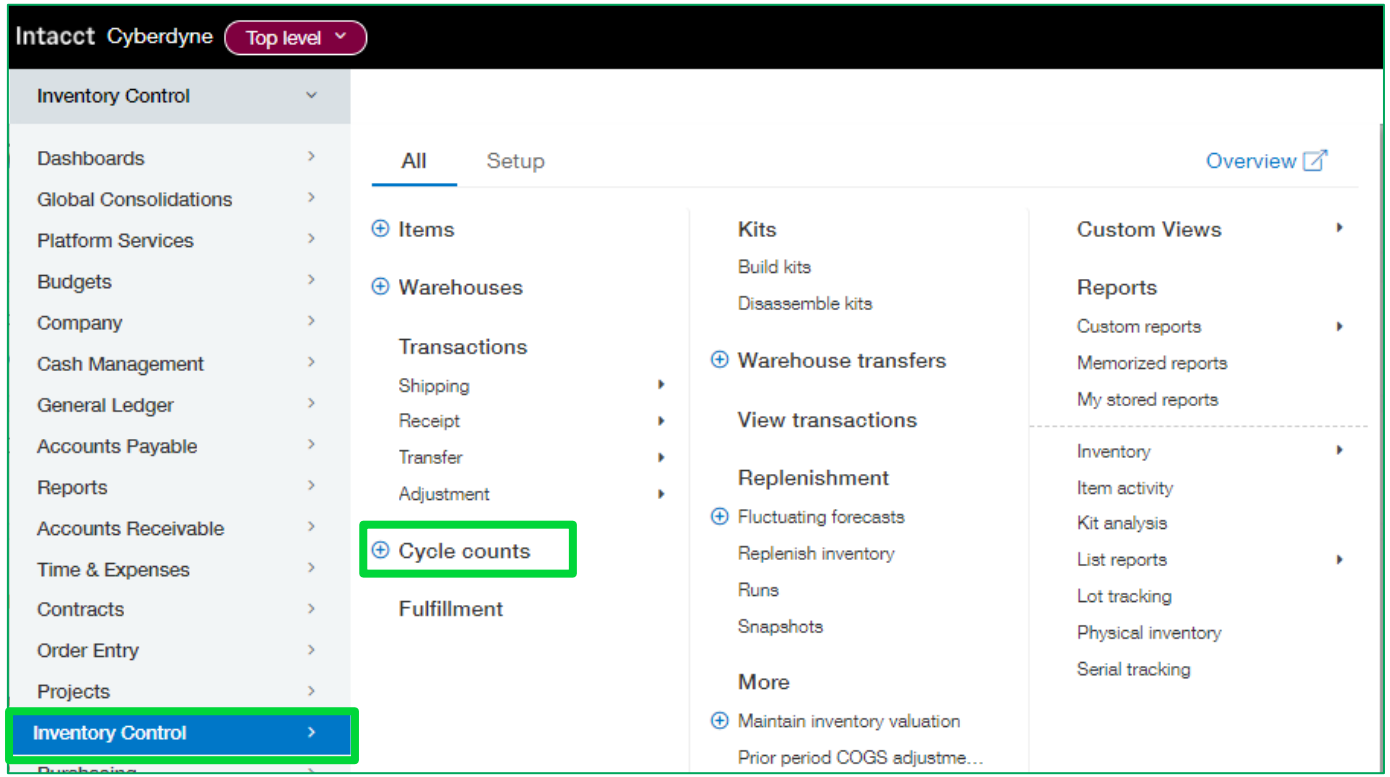
All inventory transactions that have occurred in the warehouse should be recorded in the system BEFORE the actual cycle count begins.

Inventory – Cycle Counts

Inventory
Cycle Counts

Performing a Cycle Count

Cycle counts can be performed at the top level or entity level. However, if the warehouse was created at the entity level, the cycle count MUST be performed at the entity level.



Inventory – Cycle Counts

Inventory
Cycle Counts

Performing a Cycle Count

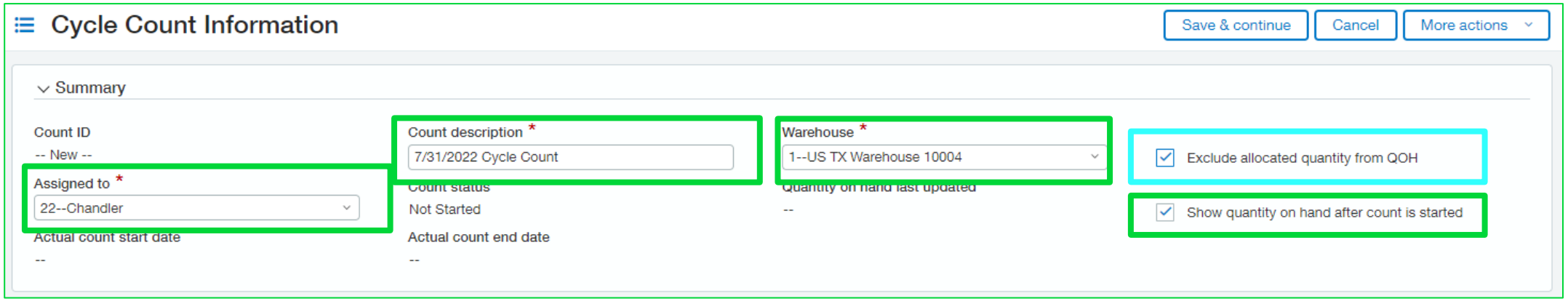
Cycle Counts must have an employee assigned to them. This is the person who will manage the cycle count.

Enter a Count Description.

Select the Warehouse to be counted.

Determine if QOH should show AFTER the count has started.

In 22 R3, there is a new option when Fulfillment is enabled to exclude allocated quantities from the QOH.



Inventory – Cycle Counts

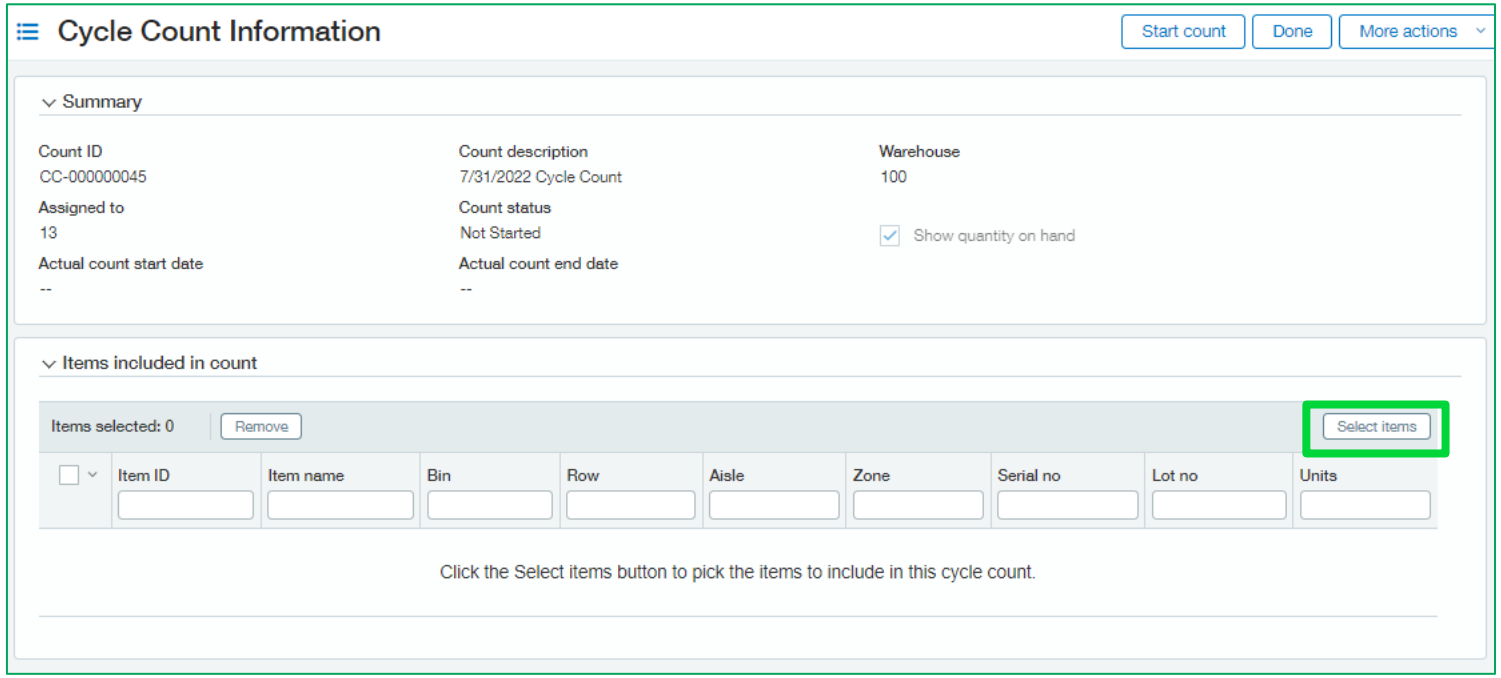
Inventory
Cycle Counts

Setting up a new Cycle Count

Once the count is saved, items must be added to the count.

In 22 R2, the ability to select items that have zero quantity on hand was added to the select items capability.

NOTE: Negative quantity on hand items can not be selected, due to a query issue that is currently being resolved.



Inventory – Cycle Counts

Inventory
Cycle Counts

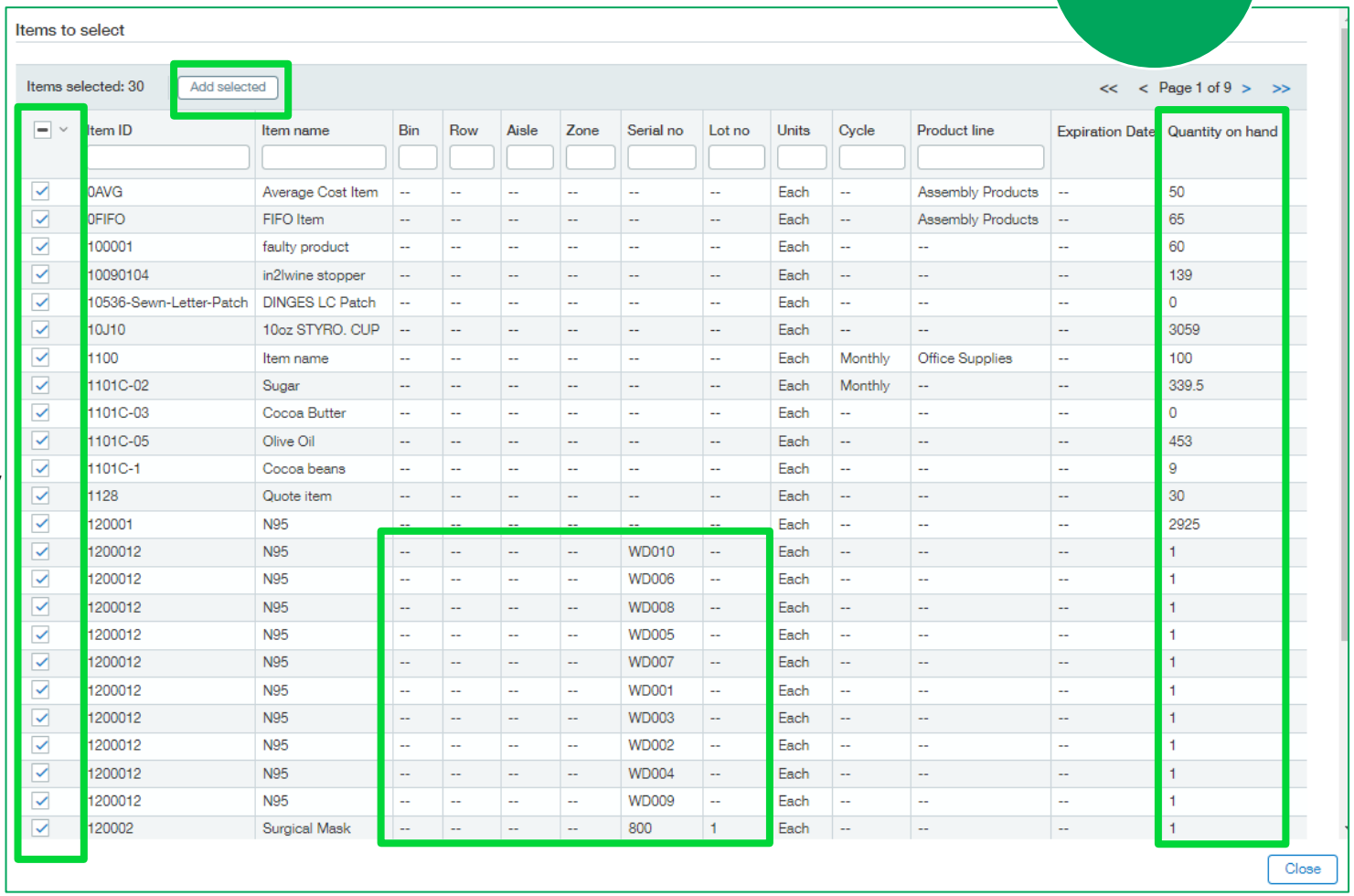
Adding items to the count

Using the column filtering capability and the check box to the left of the line, select the items that should be included in this cycle count.

The Quantity on hand displays on the Select Items screen, regardless of the “Show quantity on hand after count is started” field setting for the count.

If items are tracked items, their tracking information also shows within the select items grid.

Once the items are selected, click the Add selected button to include them in the count.



Item ID	Item name	Bin	Row	Aisle	Zone	Serial no	Lot no	Units	Cycle	Product line	Expiration Date	Quantity on hand
0AVG	Average Cost Item	--	--	--	--	--	--	Each	--	Assembly Products	--	50
0FIFO	FIFO Item	--	--	--	--	--	--	Each	--	Assembly Products	--	65
100001	faulty product	--	--	--	--	--	--	Each	--	--	--	60
10090104	in2lwine stopper	--	--	--	--	--	--	Each	--	--	--	139
10536-Sewn-Letter-Patch	DINGES LC Patch	--	--	--	--	--	--	Each	--	--	--	0
10J10	10oz STYRO. CUP	--	--	--	--	--	--	Each	--	--	--	3059
1100	Item name	--	--	--	--	--	--	Each	Monthly	Office Supplies	--	100
1101C-02	Sugar	--	--	--	--	--	--	Each	Monthly	--	--	339.5
1101C-03	Cocoa Butter	--	--	--	--	--	--	Each	--	--	--	0
1101C-05	Olive Oil	--	--	--	--	--	--	Each	--	--	--	453
1101C-1	Cocoa beans	--	--	--	--	--	--	Each	--	--	--	9
1128	Quote item	--	--	--	--	--	--	Each	--	--	--	30
120001	N95	--	--	--	--	--	--	Each	--	--	--	2925
1200012	N95	--	--	--	--	WD010	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD006	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD008	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD005	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD007	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD001	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD003	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD002	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD004	--	Each	--	--	--	1
1200012	N95	--	--	--	--	WD009	--	Each	--	--	--	1
120002	Surgical Mask	--	--	--	--	800	1	Each	--	--	--	1

Inventory – Cycle Counts

Inventory
Cycle Counts

Starting the count

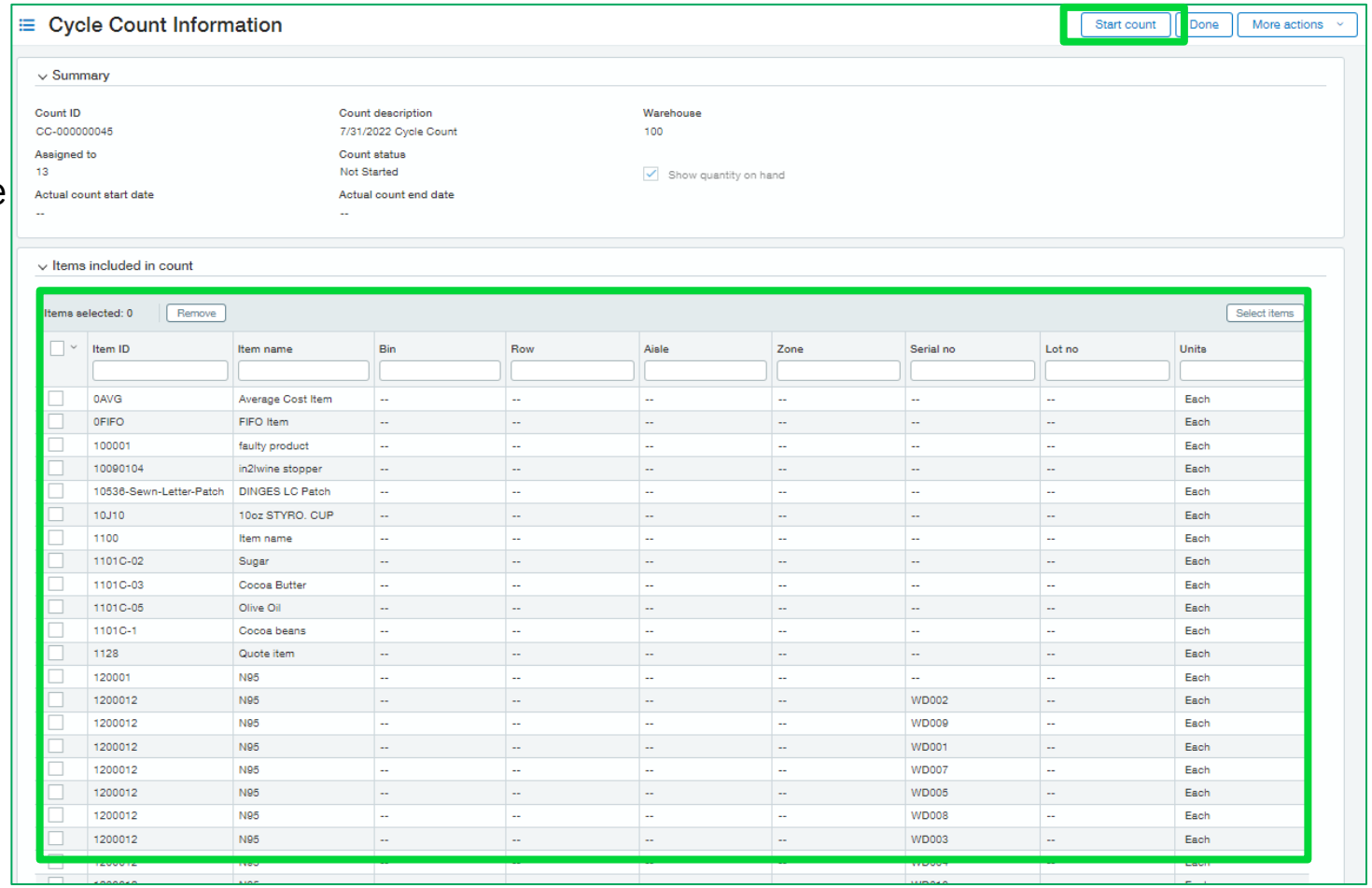
Items are then added to the cycle count.

In 22 R3, the QoH will also show on this list, even if the "Show quantity on hand after count is started" check box was not selected for the count.

The "Show quantity on hand after count is started" check box determines whether the QoH shows on the screen AFTER the count has been started.

Prior to Starting the Count, make sure all transactions have been posted within the system for what has happened on the warehouse floor.

The Quantity on Hand at the time the count is "started" will be frozen (copied) when the Count is started.



Inventory – Cycle Counts

Inventory
Cycle Counts

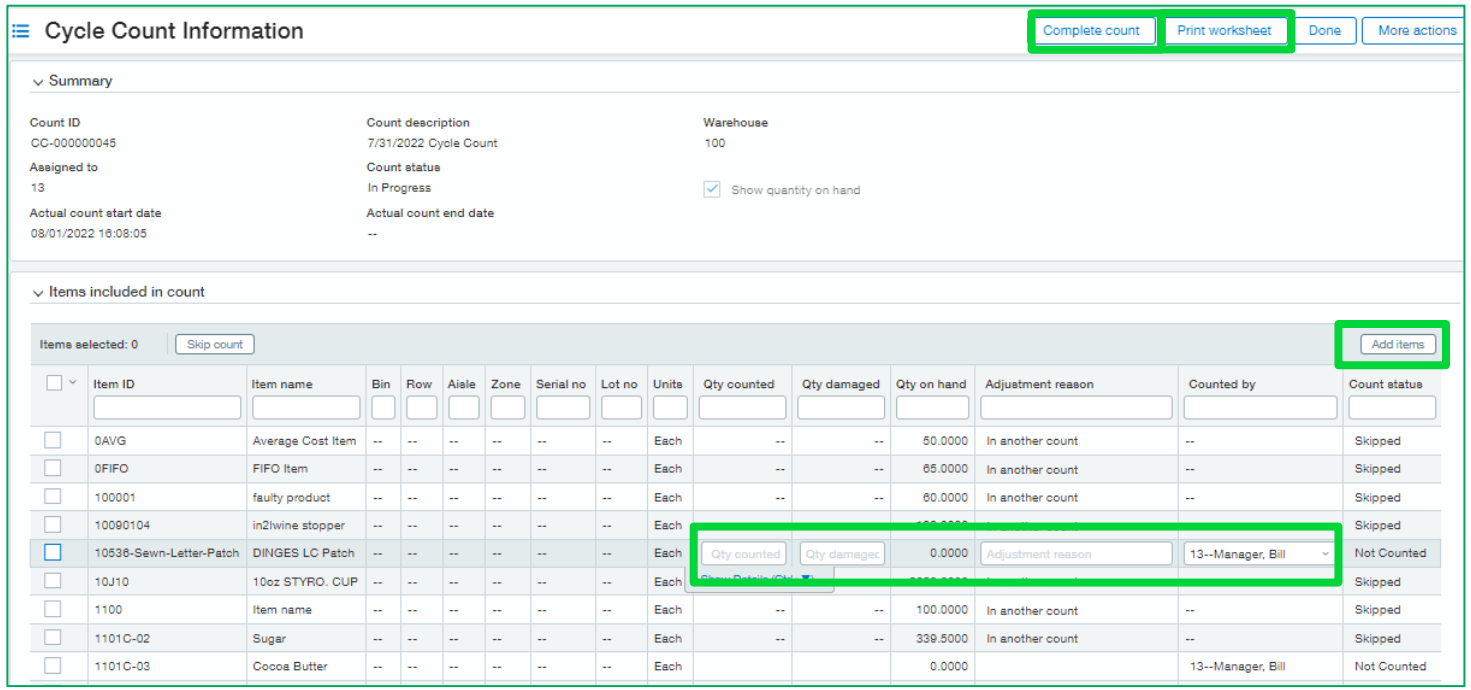
Enter the Counts & Completing it

After the Count has started, users may:

Print the Worksheet – This is an excel export of the items within the count. QoH will only export, if the Show quantity on hand is selected.

Users can enter qty counted and/or qty damaged. They can also enter an Adjustment Reason and who did the counting.

If an item is found during the count (for example, a serial number that wasn't in the system), that item can be added, by clicking the Add items button.



Once all counts are entered and everything is finalized on the warehouse floor, click the Complete Count button.

Inventory – Cycle Counts

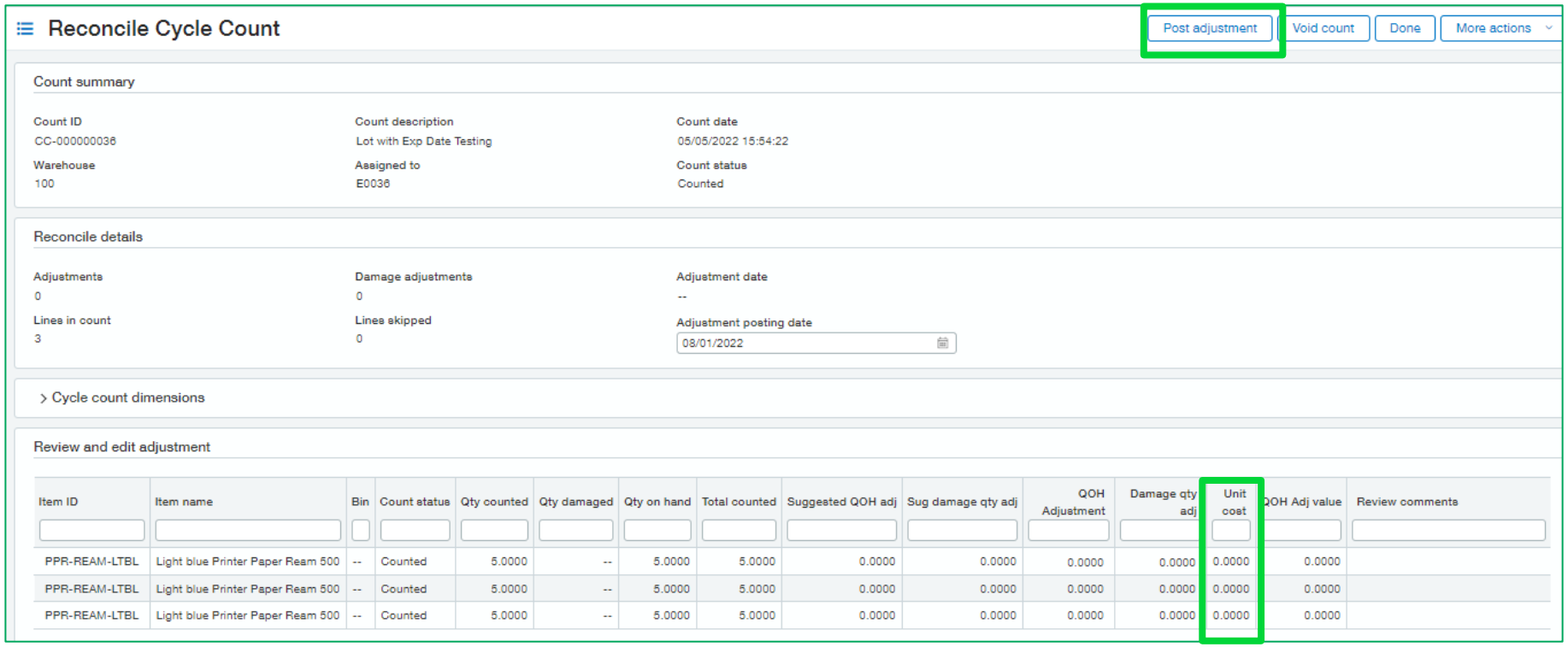
Inventory
Cycle Counts

Reconciling the Cycle Count

A controller or accounting manager will typically reconcile the count. This process is what creates the adjustments to the inventory quantities & GL.

If an item was added during the count, the item's unit cost must be entered, so the item is valued correctly.

Once the reconciliation is complete, click Post Adjustment to finalize the count.



Inventory – Cycle Counts

Inventory
Cycle Counts

Effects of a Cycle Count

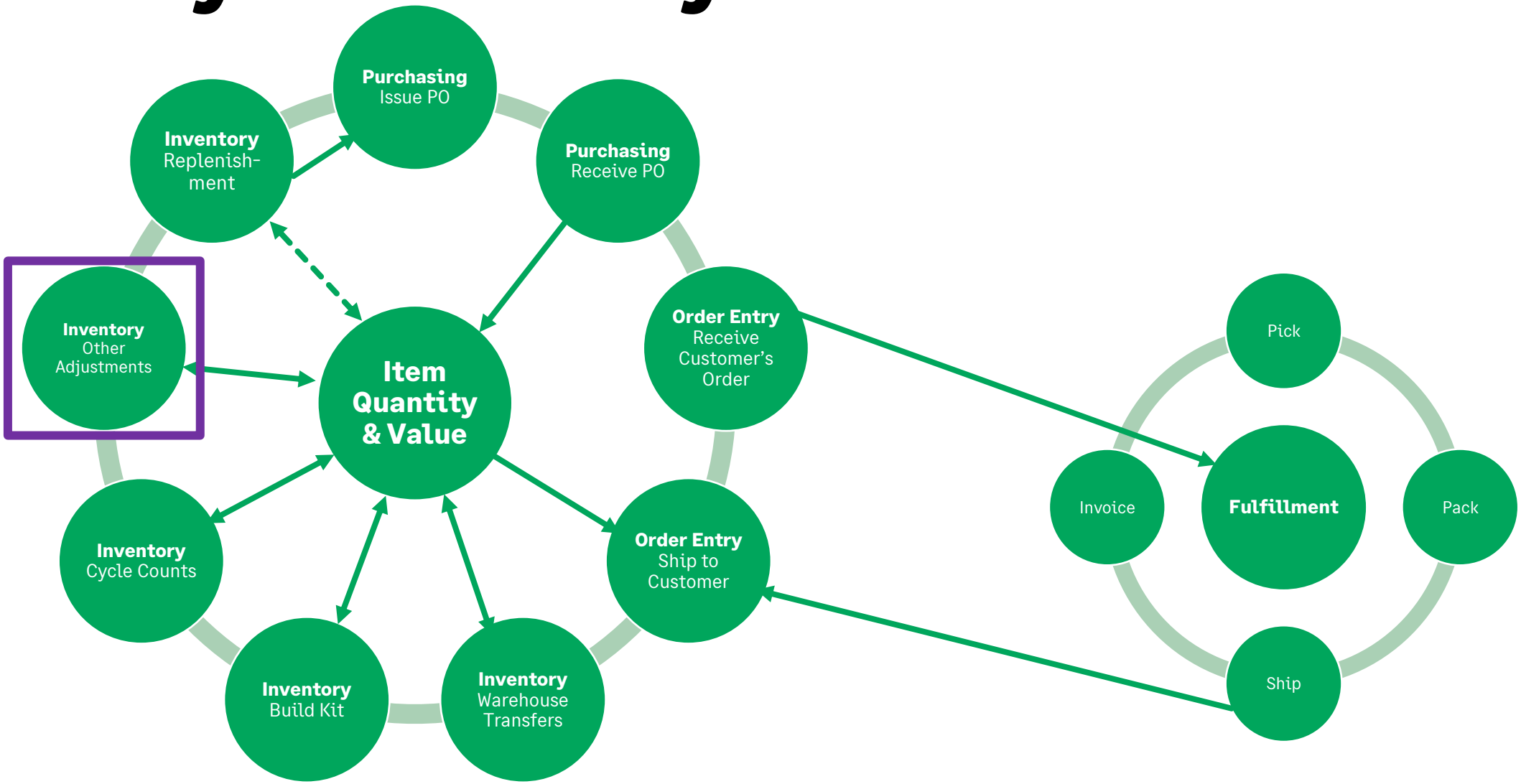
Item quantities are increased or decreased, depending on the quantity counted as compared to the Quantity on Hand that was “frozen” when the count started.

Item quantities are decreased for any quantity that is recorded as damaged.

Item quantities are increased, along with the specified value, for any item that is added to the count that wasn’t part of the frozen quantity.

Other Adjustments

Inventory Item Life Cycle



Inventory – Other Adjustments

Inventory
Other
Adjustments

What other types of adjustments can be made to item quantities & values?

Inventory Transactions for beginning balances

- Beginning balances – Similar to setting up a GL, companies have to get their beginning quantity and values into the inventory module. This is usually done without creating a journal entry, since the values are being recorded in the GL when the GL's beginning balance is recorded.
- Inventory quantity or value adjustments – To increase or decrease the quantity and/or value of items without creating a transaction from any other area.
- Linked Transactions – these transactions allow the user to create a new transaction that is linked to a previous one to change the quantity or value of the original transaction.
- Landed Cost – increasing the value of an item because a third-party (not the vendor the item was purchased from) was paid to get the item to the warehouse.

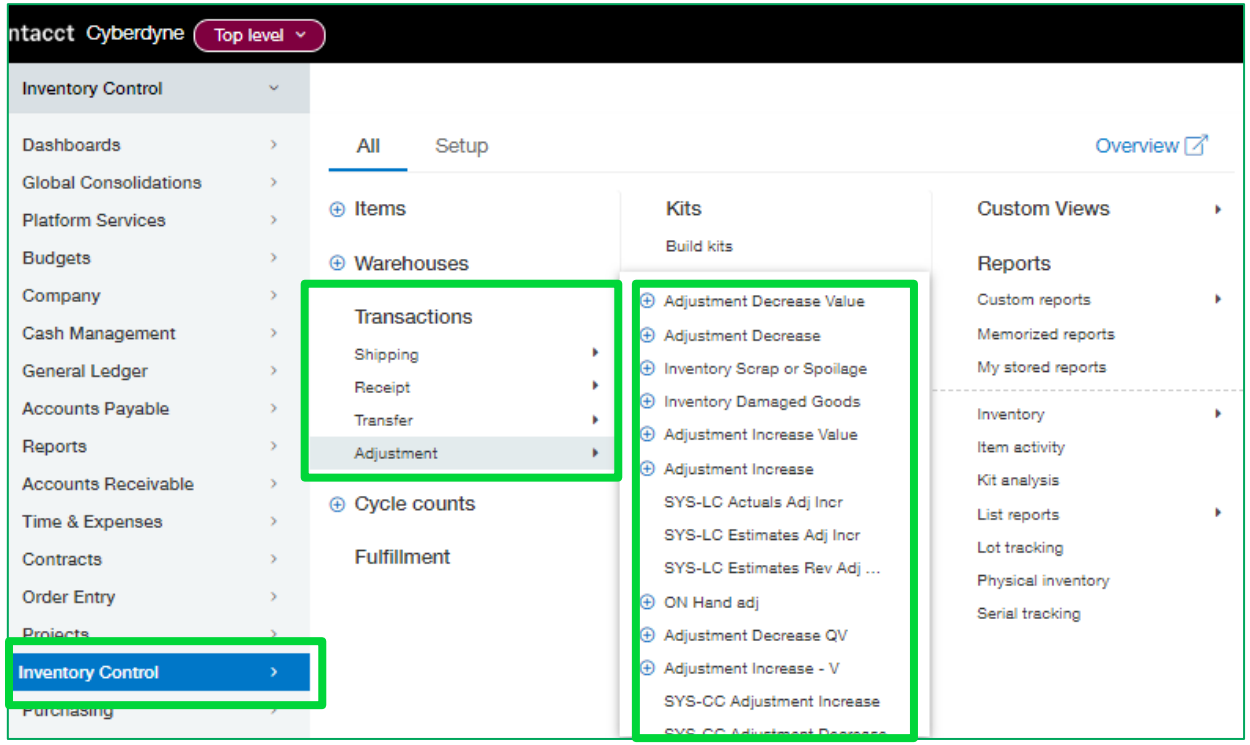
Inventory – Other Adjustments

Inventory
Other
Adjustments

Where are these inventory adjustments entered and posted?

Any of these Inventory Transactions, except Landed Cost, are posted within the Inventory module's transaction area:

- Shipping (typically decreasing inventory)
- Receipt (typically increase inventory)
- Transfer (transactions created by Whse Trsfr)
- Adjustment (increasing or decreasing inventory OR other system generated adjustment transactions.)



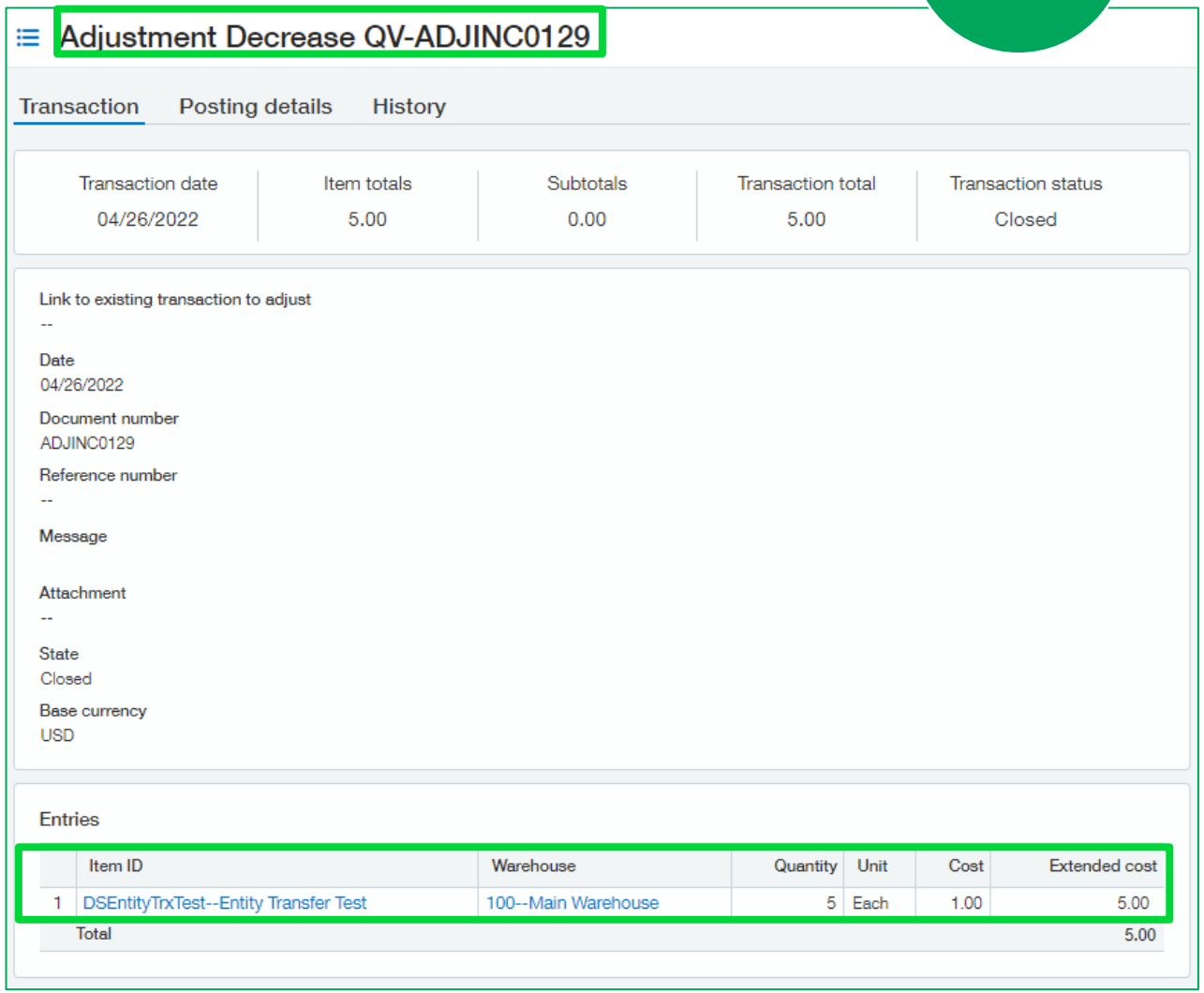
Inventory – Other Adjustments

Inventory
Other
Adjustments

Basic Increase/Decrease Adjustment

In this example, the item is being decreased for a quantity of 5 at a cost of $1.00 each.

- For Decreases, the user cannot specify the cost. The system determines the cost, based on the valuation method when the transaction is posted.
- For Increases, the user can only specify the unit cost for valuation methods other than standard.
- For any transaction on a tracked item, tracking details must be provided.



Inventory – Other Adjustments

Inventory
Other
Adjustments

Landed Cost – What is it?

The IRS and AICPA allows companies to include any costs the company expends to get an item into its warehouse, even if those costs are not paid to the vendor from which the item is purchased.

Landed Cost is that total cost it took to purchase and get the item into the company's warehouse.

Landed Costs can be estimated in advance and/or actual landed costs used.

Landed Costs are applied to an item based on an allocation method defined within the item.

Inventory – Other Adjustments

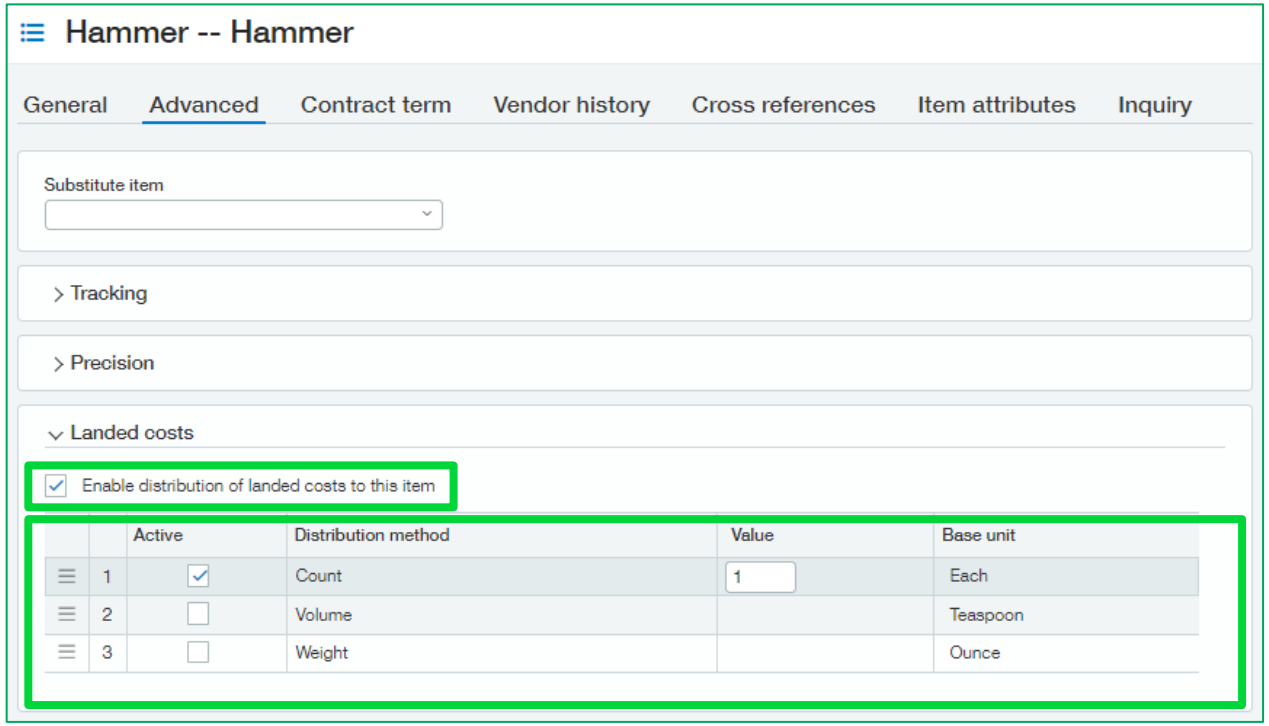
Inventory
Other
Adjustments

Landed Cost – Item Setup

An item must be enabled to “receive” Landed Costs. If it’s not enabled, it will be skipped in allocating any additional costs to the value of the item.

Landed Cost can be allocated (distributed) to the item in one of four ways:

- Count
- Volume
- Weight
- Value – (not shown, but available in Landed Cost Type settings.)

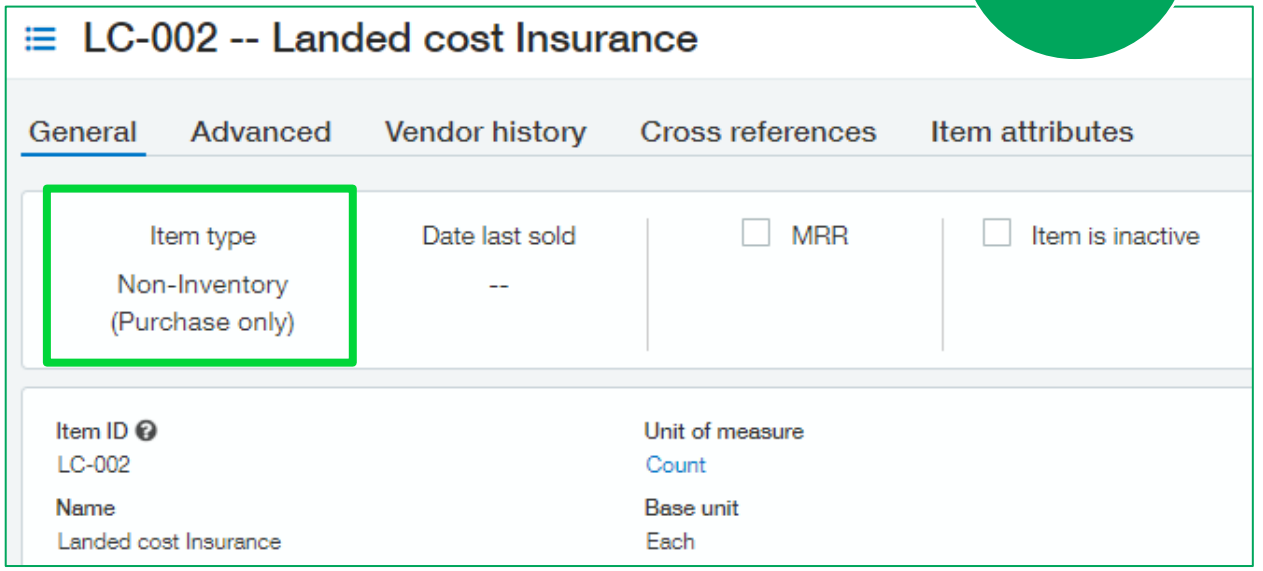


Inventory – Other Adjustments

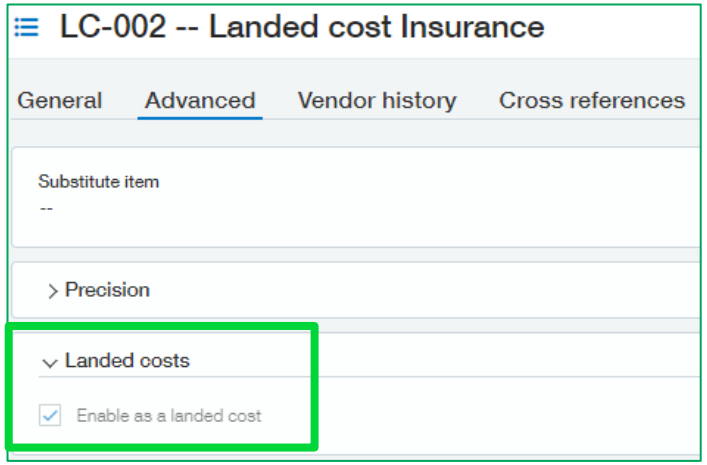
Inventory
Other
Adjustments

Landed Cost – Charge Setup

A non-inventory item (typically for Purchase only) must be setup to identify a cost that is being billed as a Landed Cost.



On the Advanced tab for the non-inventory item, the “Enable as a landed cost” option must be selected.

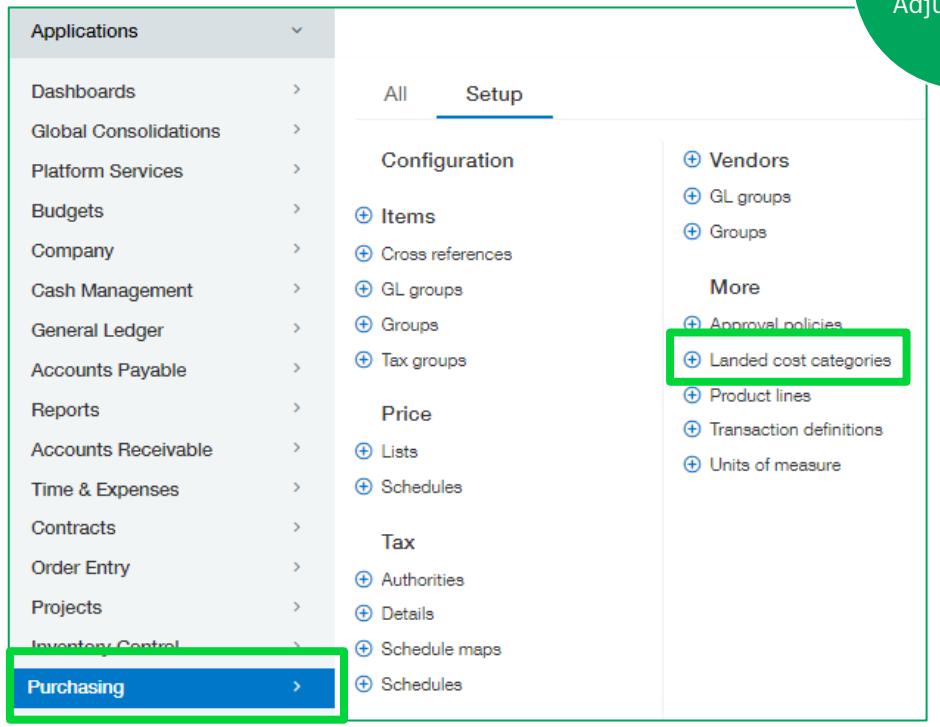


Inventory – Other Adjustments

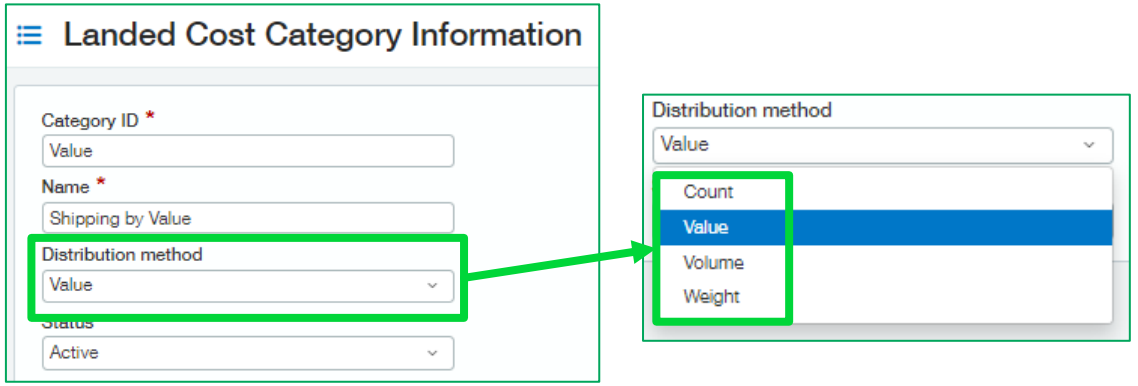
Inventory
Other
Adjustments

Landed Cost – Category Setup

Prior to being able to process a landed cost transaction, the Category must also be setup.



When setting up a Category, it's recommended to put HOW it will be distributed in the ID and/or Name. For example, here the distribution method is "Value".



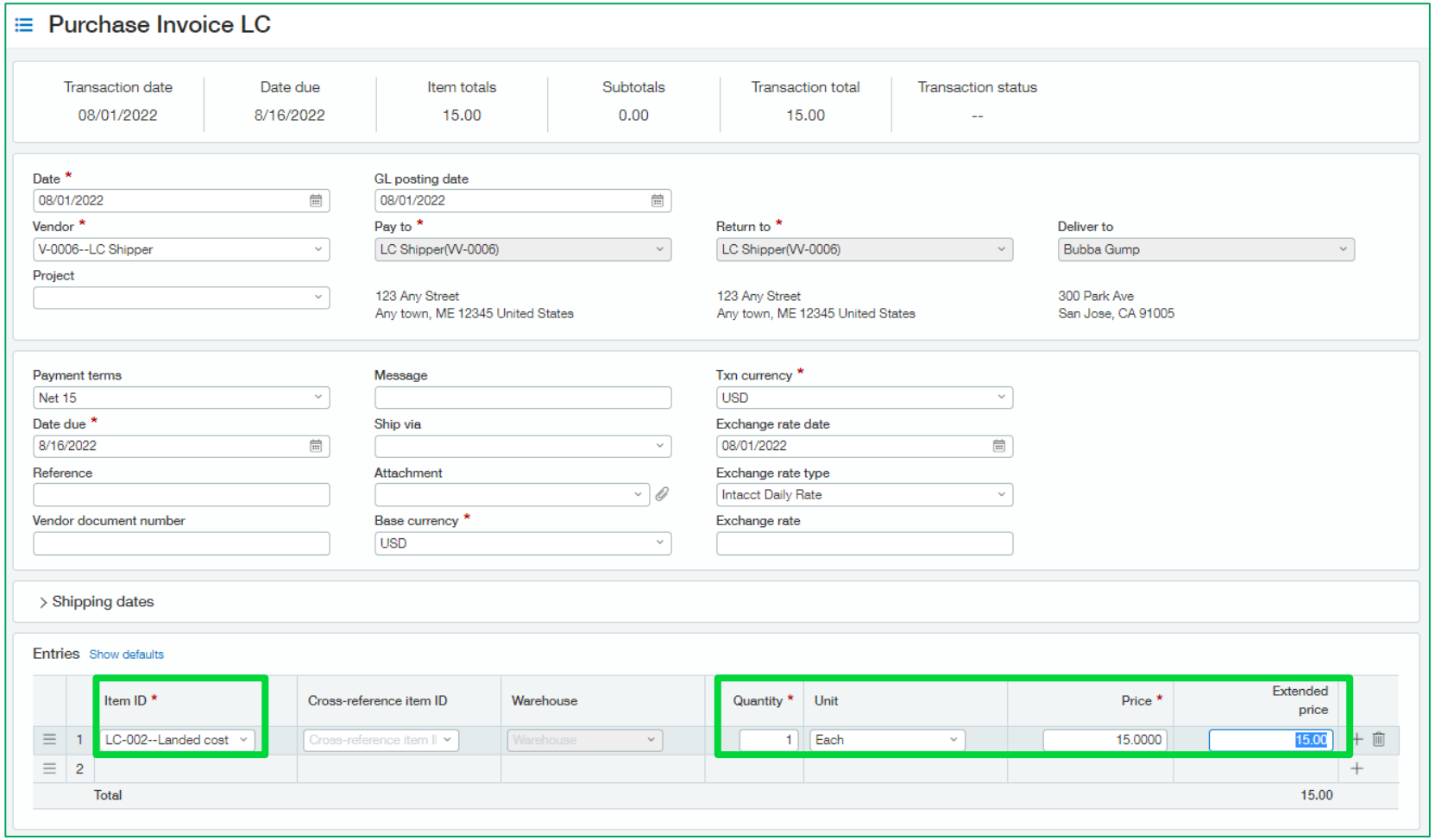
Inventory – Other Adjustments

Inventory
Other
Adjustments

Landed Cost Invoice from Third-Party

When the PO Invoice from the third-party is received, a landed cost enabled non-inventory item should be used as the Item ID.

The quantity and unit price is entered as normal.



Inventory – Other Adjustments

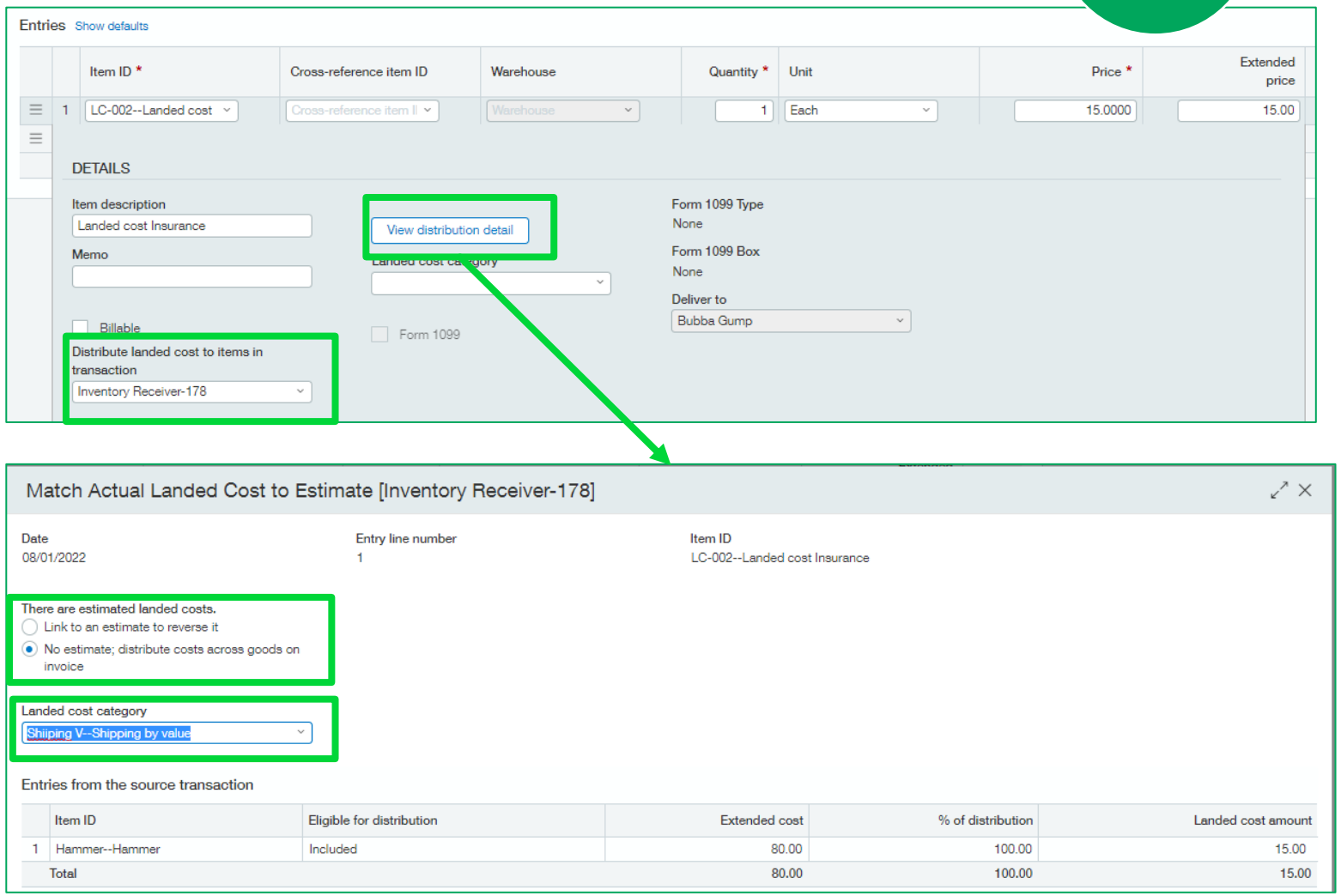
Inventory
Other
Adjustments

Landed Cost Invoice

Within the shade for that line, select the original transaction to which this landed cost should be applied.

Once the transaction is selected, the Landed Cost category must be selected.

Also determine if an estimate needs to be reversed.



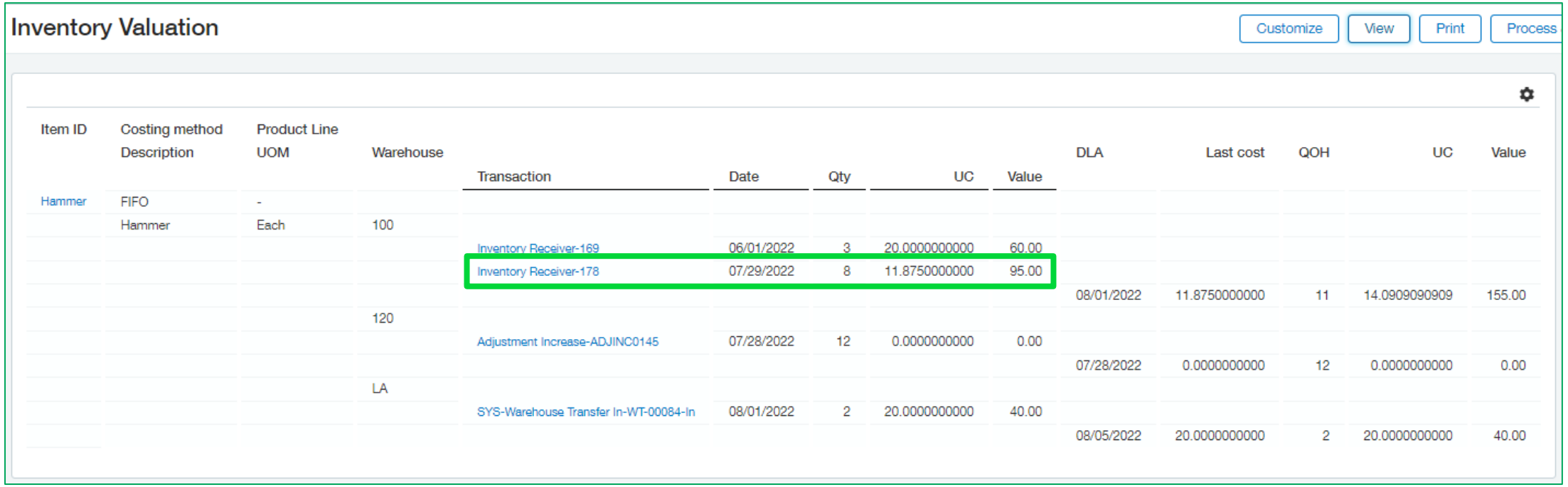
Inventory – Other Adjustments

Inventory
Other
Adjustments

Landed Cost Item Value

The landed cost value is now added to the item's value as reflected on the valuation report.

The original receipt was at $10 each. The Landed Costs was allocated and now the unit cost is $11.875 ea.



Item ID / Description	Costing method / UOM	Product Line / Warehouse	Transaction	Date	Qty	UC	Value	DLA	Last cost	QOH	UC	Value
Hammer	FIFO	-										
Hammer	Each	100										
			Inventory Receiver-169	06/01/2022	3	20.0000000000	60.00					
			Inventory Receiver-178	07/29/2022	8	11.8750000000	95.00					
								08/01/2022	11.8750000000	11	14.0909090909	155.00
		120										
			Adjustment Increase-ADJINC0145	07/28/2022	12	0.0000000000	0.00					
								07/28/2022	0.0000000000	12	0.0000000000	0.00
		LA										
			SYS-Warehouse Transfer In-WT-00084-In	08/01/2022	2	20.0000000000	40.00					
								08/05/2022	20.0000000000	2	20.0000000000	40.00

Inventory – Other Adjustments

Inventory
Other
Adjustments

Landed Cost – Estimated vs. Actual

Estimated Landed Costs can be recorded with the original receiver to better “guesstimate” the true cost of the item.

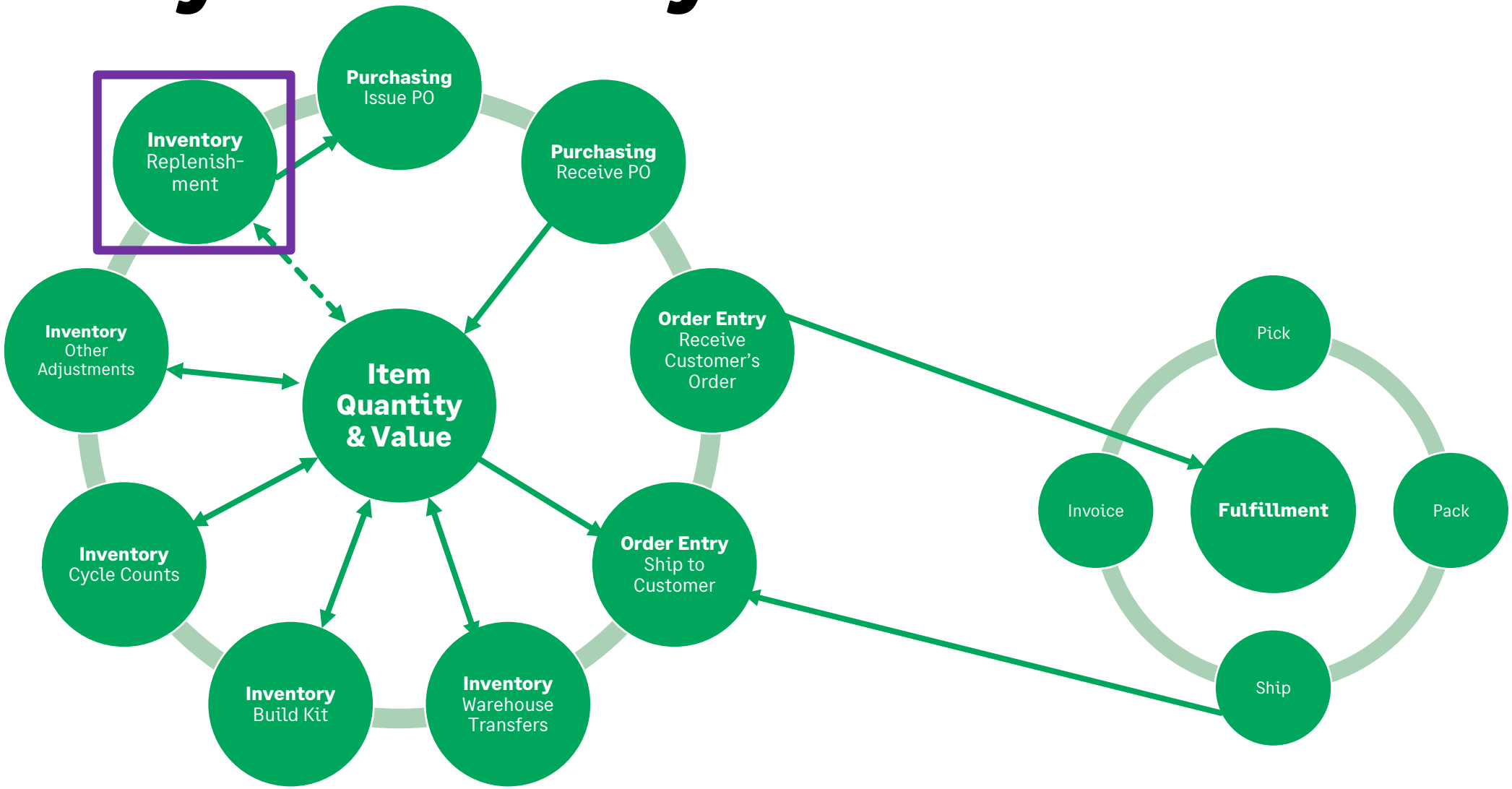
For some users, the estimated is enough and they are not worried about actual costs.

Actual Landed Costs can be applied to items with or without estimated landed costs. And, the estimates can be removed when the actuals are applied.

Typically, landed cost invoices arrive several days/weeks after the receipt of the item. The item may already be sold and costed at it’s purchase price without the landed cost added. The MIV tool will assist in recalculating the cost of goods sold to include the landed cost, once it is added.

Replenishment

Inventory Item Life Cycle



Inventory – Replenishment

Inventory
Replenishment

What is Replenishment?

With any company that has inventory, they need to know when to re-order and restock their quantities on hand. Replenishment is the feature within Sage Intacct that allows a company to perform this function.

Other terms used for something similar to Replenishment are:

- Material Requirements Planning (MRP) – This is a broader term than replenishment and typically applies to manufacturing firms.
- Inventory Requirements Planning (IRP) – Similar to replenishment, and is focused on ordering items that have demand, but not enough on hand stock to fulfill that demand.

The goal of Replenishment is to make the creation of Purchase Orders easy and accurate.

Inventory – Replenishment

Inventory
Replenishment

What pieces in Sage Intacct work together for Replenishment

Sage Intacct's Replenishment uses a lot of information to determine what should be ordered and where to order it from.

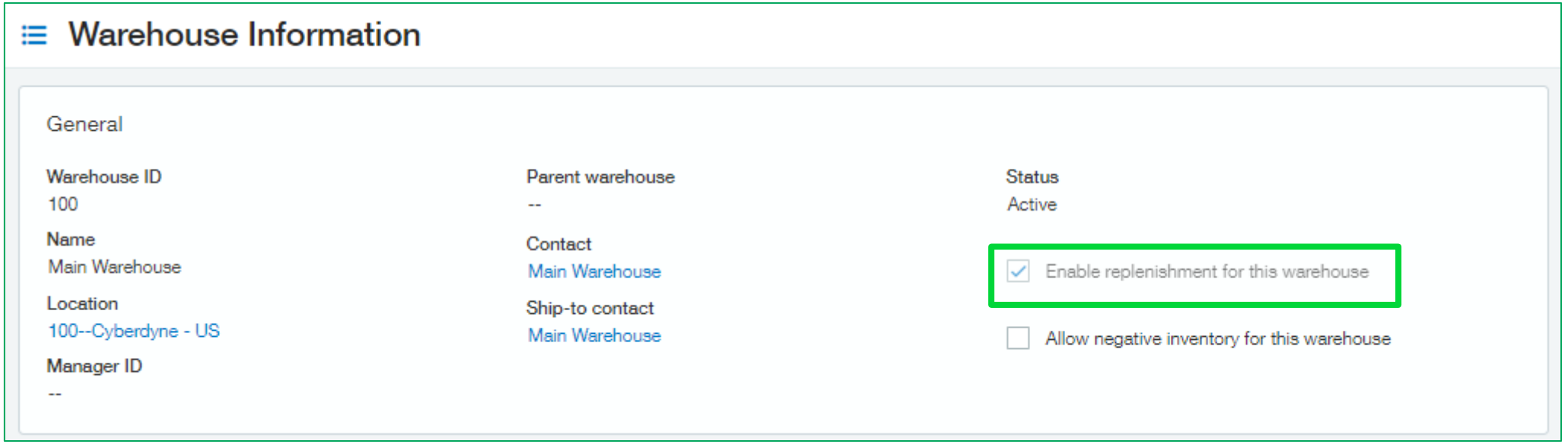
- Warehouses – Can be marked to not allow for Replenishment.
- Items – Contain the replenishment thresholds (reorder points), etc., along with the Vendor information for reording.
- Items/Warehouses – Can contain override information for specific rules for a give item/warehouse combination that differ from the item's overall reorder information.
- On Hold & On Order quantities also play a role in determining if an item needs to be ordered. For example, if you have 10 on hand, 20 on sales orders, but 50 are already ordered on PO, Replenishment won't recommend you order more, unless you're still below your reorder point.
- Stockable Kit components are evaluated to ensure you have enough on hand to build the kits for any demand for the Stockable Kit itself.

Inventory – Replenishment

Inventory
Replenishment

Warehouse

If a Warehouse is NOT enabled for Replenishment, the quantities and reorder information will not be evaluated. Therefore, PO's cannot be created to replenish any items in this warehouse.



Inventory – Replenishment

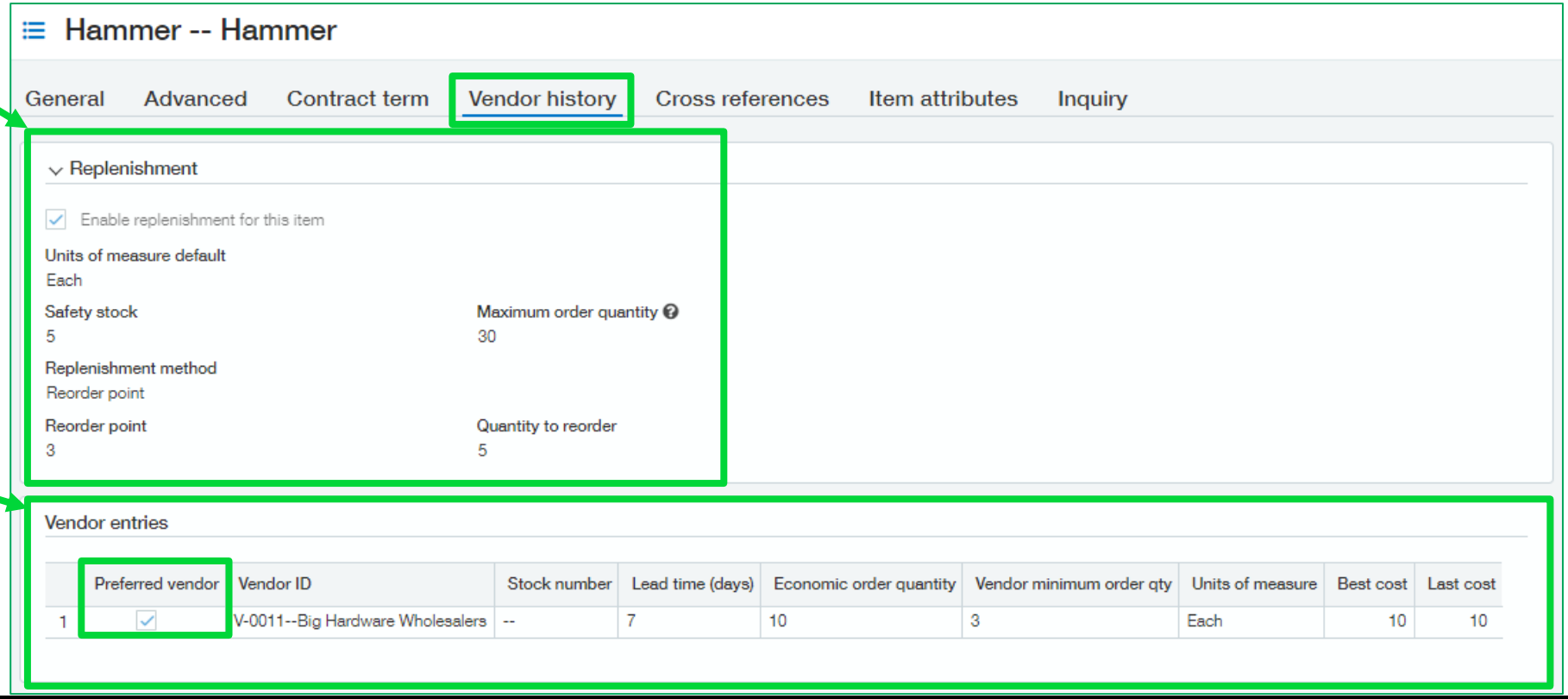
Inventory
Replenishment

Item – General Replenishment Information

The overall information for an item's replenishment is contained on the Vendor History tab. These are the global values for the item, when it is not overridden with the Item/Warehouse shade.

Vendor Entries identify the vendors, their lead times, and additional order information.

Only one vendor can be the preferred vendor.



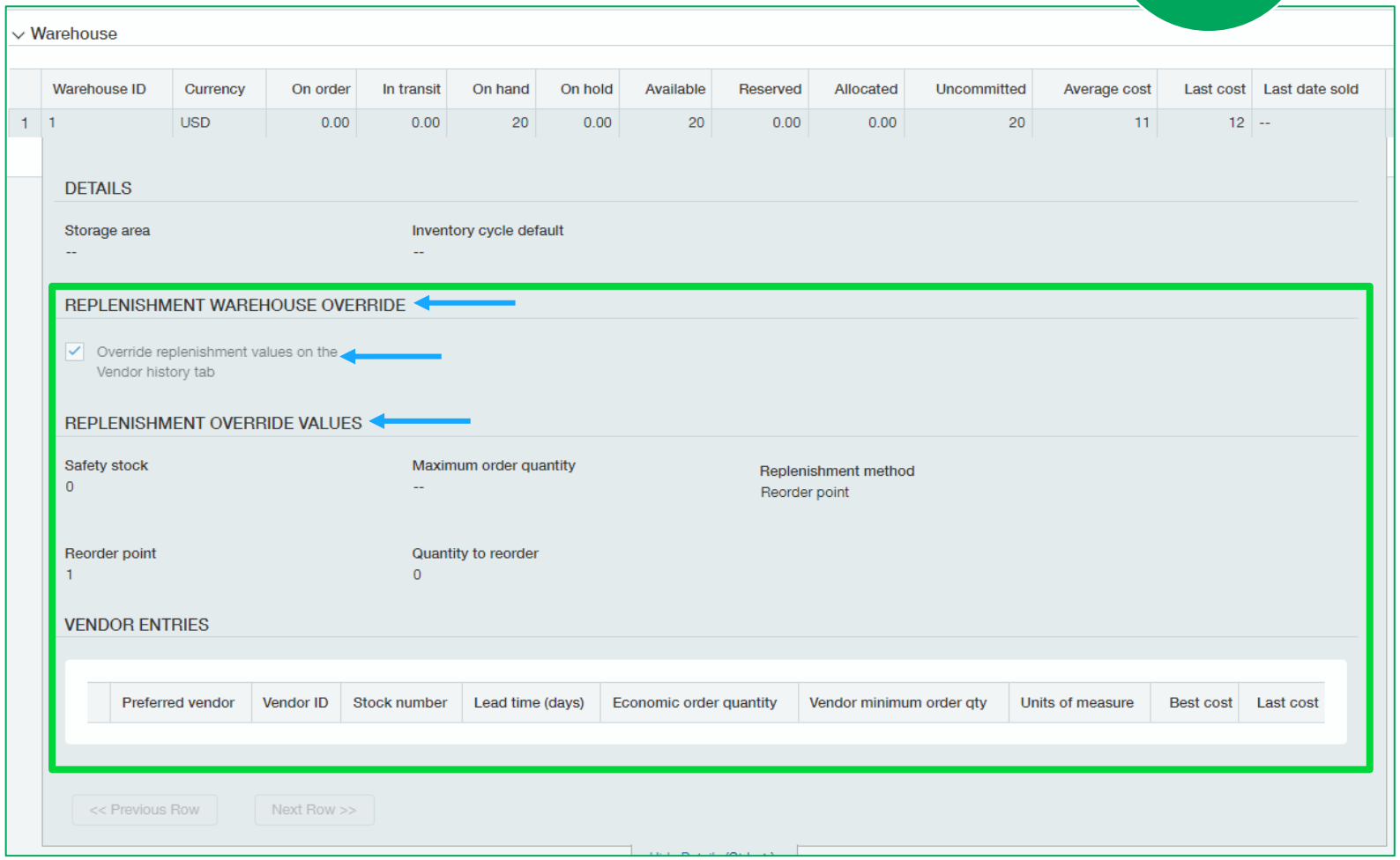
Inventory – Replenishment

Inventory
Replenishment

Item – Warehouse Override

To provide specific replenishment information for a given item AND warehouse, you must override the replenishment information in the Warehouse shade.

NOTE: In 22 R3, the labels have been updated to provide more clarity about what each option does. This is the 22 R3 screen.



Inventory – Replenishment

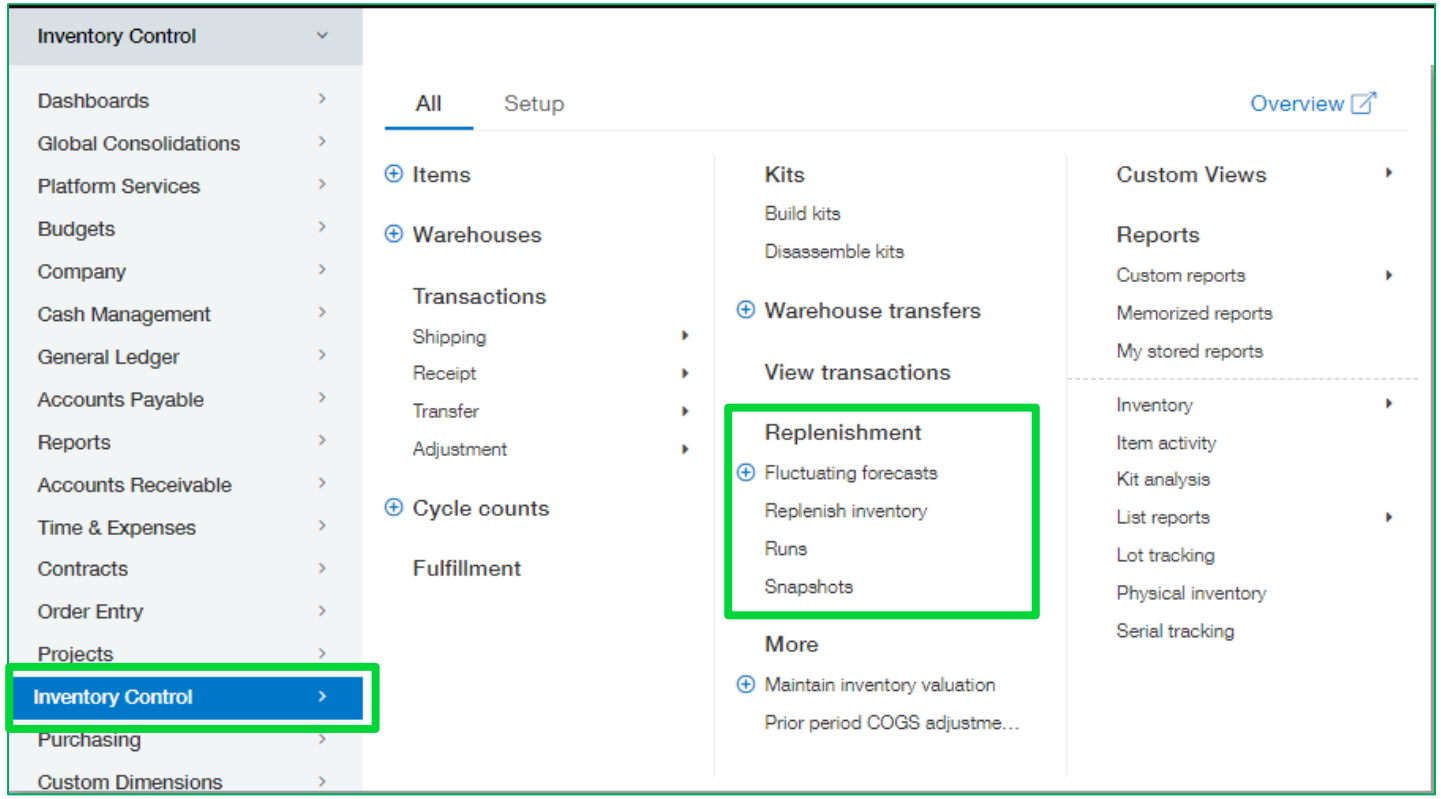
Inventory
Replenishment

Accessing Replenishment

Replenishment offers multiple models to determine what should be ordered. Details on these are provided in the help system.

Fluctuating forecasts are one method and must be maintained manually or imported.

Most users will use Reorder Point and just use the Replenish Inventory menu option.



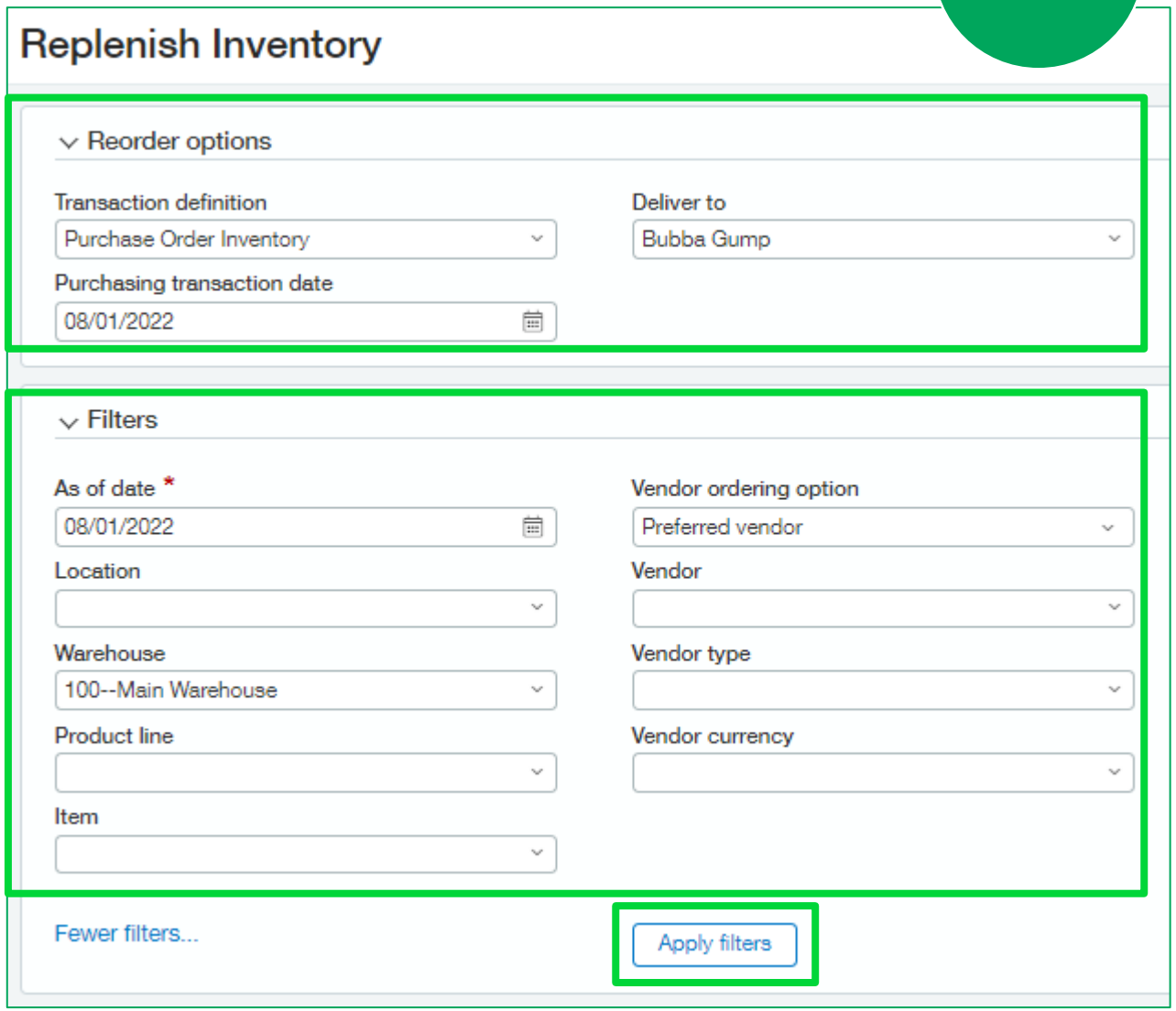
Inventory – Replenishment

Inventory
Replenishment

Replenish Inventory

When beginning a new replenishment run:

1. Ensure the Reorder options are set correctly.
2. Expand the filters section and select the information that is applicable to the items you want to analyze for replenishment.
3. Click Apply Filters when you're ready to analyze the data.

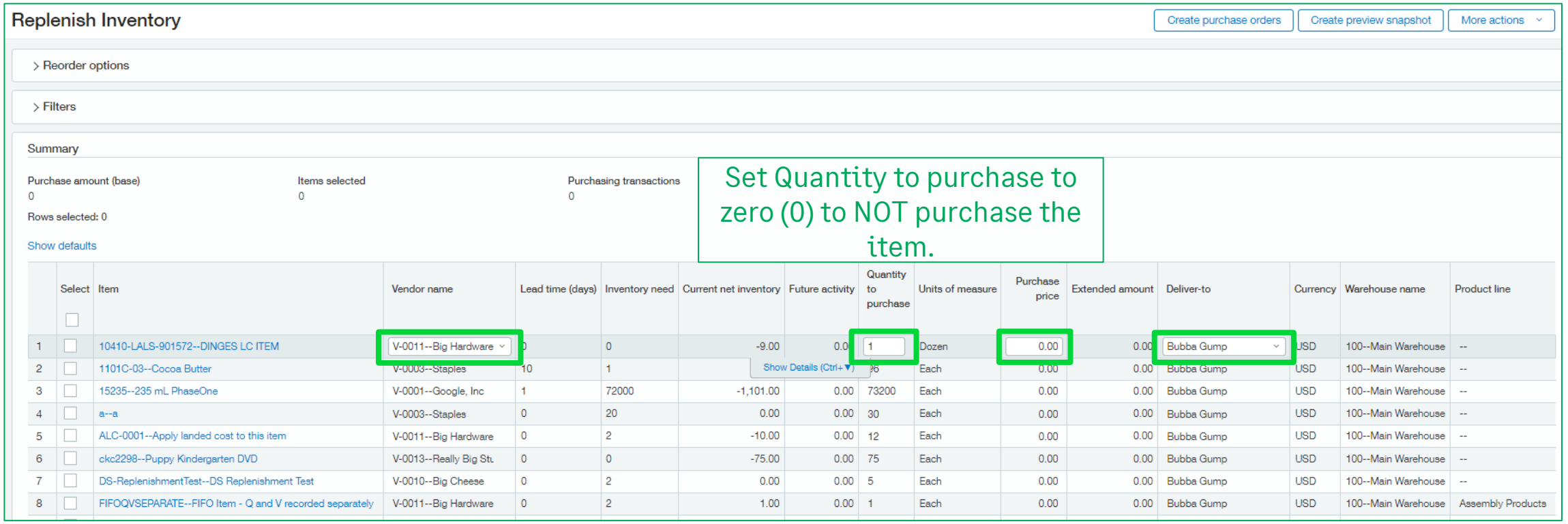


Inventory – Replenishment

Inventory
Replenishment

Replenish Inventory

The system determines the items that need to be reordered and displays them. Vendor, Qty to Purchase, Purchase Price & Deliver-to can all be edited.



	Select	Item	Vendor name	Lead time (days)	Inventory need	Current net inventory	Future activity	Quantity to purchase	Units of measure	Purchase price	Extended amount	Deliver-to	Currency	Warehouse name	Product line
1	☐	10410-LALS-901572--DINGES LC ITEM	V-0011--Big Hardware	0	0	-9.00	0.00	1	Dozen	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
2	☐	1101C-03--Cocoa Butter	V-0003--Staples	10	1			96	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
3	☐	15235--235 mL PhaseOne	V-0001--Google, Inc	1	72000	-1,101.00	0.00	73200	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
4	☐	a--a	V-0003--Staples	0	20	0.00	0.00	30	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
5	☐	ALC-0001--Apply landed cost to this item	V-0011--Big Hardware	0	2	-10.00	0.00	12	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
6	☐	ckc2298--Puppy Kindergarten DVD	V-0013--Really Big Stu	0	0	-75.00	0.00	75	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
7	☐	DS-ReplenishmentTest--DS Replenishment Test	V-0010--Big Cheese	0	2	0.00	0.00	5	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	--
8	☐	FIFOQVSEPARATE--FIFO Item - Q and V recorded separately	V-0011--Big Hardware	0	2	1.00	0.00	1	Each	0.00	0.00	Bubba Gump	USD	100--Main Warehouse	Assembly Products

Inventory – Replenishment

Inventory
Replenishment

Replenish Inventory

When finished editing, click the “Create purchase orders” button to have all of the necessary purchase orders created.

Items being ordered from the same vendor will be grouped into a single PO.

To save your work and return to it at a later time, click the “Create preview snapshot”.

NOTE: If a price list is not assigned to a vendor and/or item, the Purchase Orders will be created at a zero ($0) unit price (cost.)

Maintain Inventory Valuation (MIV)

Maintain Inventory Valuation (MIV)

What does this tool do?

Re-sequences the inbound and outbound transactions to ensure they have been processed in the correct order.

- This is important for LIFO, FIFO & Average.
- With Average, the user can choose how transactions are sequenced:
  - by Sequence Entered
  - by Transaction Date Order
    - NOTE: To reset Average Cost through MIV, the user must decrease the quantity to zero, then Run MIV with the option of “by Sequence Entered.”

If cost layers have a negative quantity remaining (have been over distributed for some reason), the MIV tool reassigns the outbound transactions to cost layers that have a quantity remaining, in the order for which the Valuation method calls for.

It then updates the cost based on the newly assigned cost layers, as well as adjusting the COGS entry for the corrected costs.

Maintain Inventory Valuation (MIV)

What does this tool do? (cont.)

Updates the COGS journal entry for the correct cost when the transaction has posted a COGS entry.

- Therefore, if the original transaction did not post to COGS, but the TD has since been changed to post one, MIV will NOT create a new COGS entry for that transaction. It will only update ones that already exist.
- It will NOT change a posting for a closed period. But it will capture that information and allow the user to choose how to deal with it.

The Overall valuation total per day is recalculated based on the cost layer adjustments made.

It can be set to run automatically on a given interval.

Maintain Inventory Valuation (MIV)

What the MIV Tool Does NOT Do

Recalculate Quantity on Hand for the Item or Item/Warehouse (or Any Item Total for that matter).

- It is NOT designed to change any quantities other than those in Cost Layers to identify the quantity remaining in each layer.
- If a customer's system seems to have the wrong QOH in the Item or Item/Warehouse, running MIV will NOT change or fix that quantity.

Fix the Item Activity report quantities.

- MIV has no impact on the Item Activity report. The information on that report is driven by the configuration of the TDs.

Recalculate any Inbound transactions:

- Inbound transactions are the foundation for the costing (except for Standard Cost). MIV will not change any of those values (including Standard Costs if it has been changed within the item.)
- It simply uses the Inbound information to determine if the Outbound transactions were costed correctly, and adjusts them, if needed.

Create COGS entries that don't already exist:

- If the original transaction did not post to COGS, but the TD has since been changed to post COGS, MIV will NOT create a new COGS entry for that transaction. It will only update ones that already exist.

Maintain Inventory Valuation (MIV)

A few Additional Tidbits…

The name of the tool is a bit misleading (in my opinion).

- It does NOT maintain the inventory value itself. Instead, it maintains the costing assigned to the outbound transactions.

Another anomaly:

- It does not respect the decimal quantity precision that is established within the Sage Intacct Configuration screens or Unit of Measure records. Instead, it uses the data field type and precision from within the database (which is a 10 decimal precision setting.)

Maintain Inventory Valuation (MIV)

MIV Example – Avg Cost item with Landed Cost added after items are sold

On 6/1/2022 – a Qty of 10 are received at $10 each.

On 6/5/2022 – a Qty of 5 are sold and costed at $10 each

On 6/15/2022 – a Landed Cost invoice is received for $10 and applied to the qty of 10 received on 6/1/2022

When the MIV tool is run on the transactions, it sequences all of the transactions and knows Landed Cost has been added to the Receiver & recosts the Shipper.

Before MIV is performed

Rec #	Trx Date	Trx #	Qty	Qty Left	Unit Cost	In/Out	Linked Rec #
100	6/1/2022	PO Recvr-15	10	5	$10.00	In	
115	6/5/2022	SO Ship-26	5	5	$10.00	Out	100
120	6/15/2022	LC Inv-22	10		$1.00	In	100

Before MIV is performed, the SO Ship-26 is now costed at the wrong unit cost of $10 each. When landed cost is added, it should be $11 each.

After MIV is performed

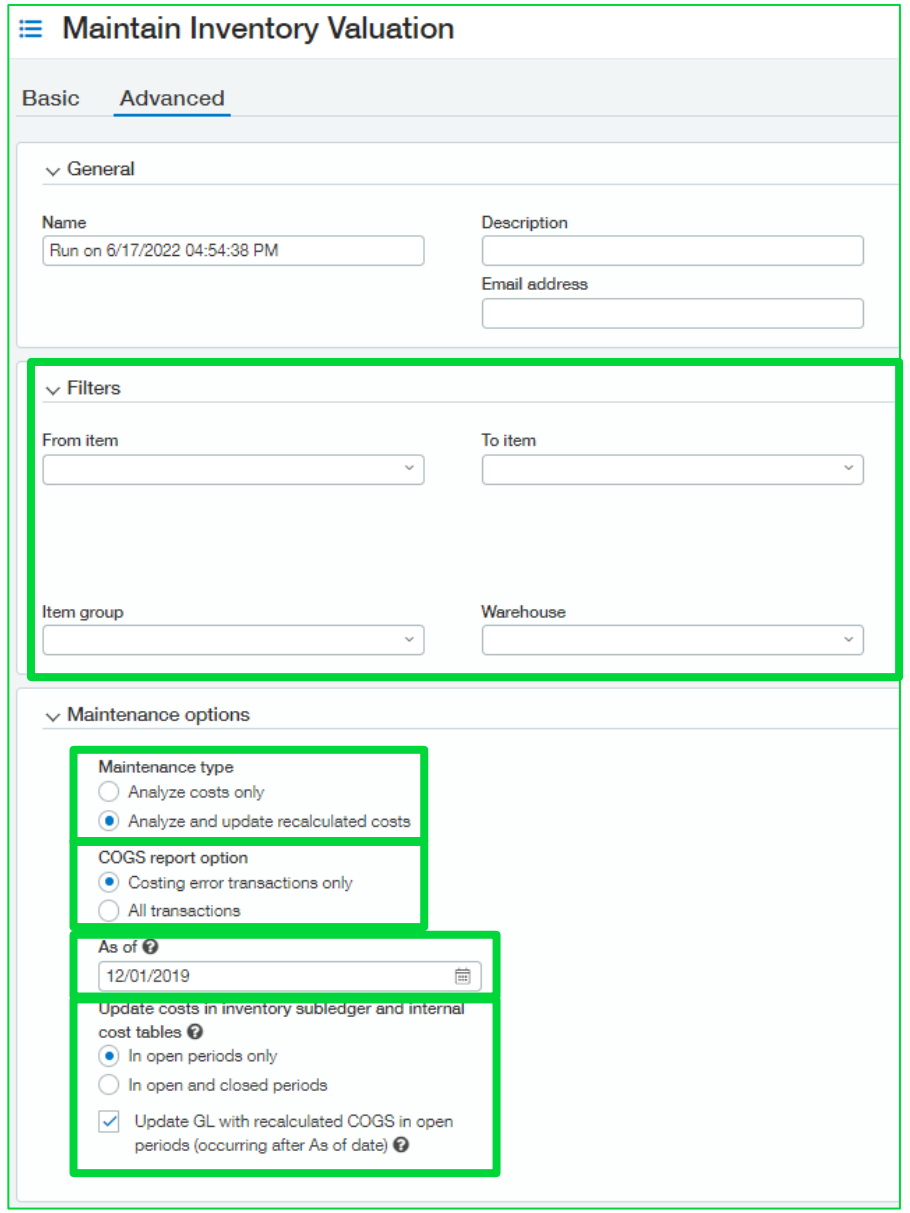
Rec #	Trx Date	Trx #	Qty	Qty Left	Unit Cost	In/Out	Linked Rec #
100	6/1/2022	PO Recvr-15	10	5	$10.00	In	
115	6/5/2022	SO Ship-26	5	5	~~$10.00~~ $11.00	Out	100
120	6/15/2022	LC Inv-22	10		$1.00	In	100

After MIV is performed, the SO Ship-26 items are costed at $11.00 each. The COGS for the transaction are updated as is the Journal Entry, assuming one was booked with the original transaction.

Maintain Inventory Valuation (MIV)

Running the Tool Manually

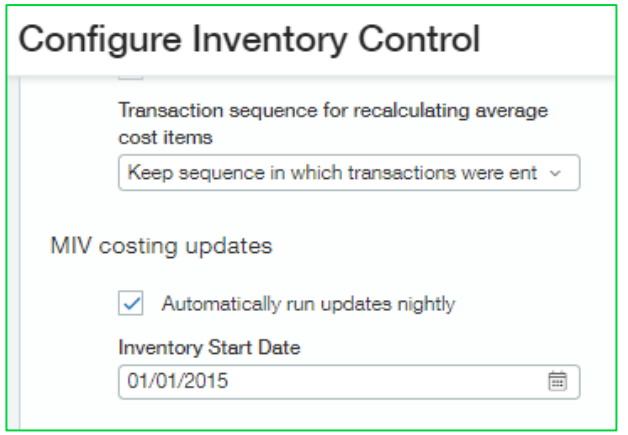
- An item or range of items can be selected, OR a specific costing method can be selected.
  - Users can also choose a single Item Group OR Warehouse.
- The Maintenance Type Is probably the most important:
  - Analyze Costs only provides the Excel spreadsheet of the changes that could be made.
  - Analyze & update recalculated costs provides the spreadsheet AND updates the COGS entries.
- The COGS Report Option determines what data is included in the Excel Export file.
- As of determines the start date of the transactions to consider.
- Update costs in Inventory subledger & internal cost table options are to determine if MIV should review Open periods only OR Open & Closed Periods.
  - Updating the GL with recalculated COGS in open periods, updates the previous COGS GL entries with the new costing.
  - Closed Periods are NEVER updated. Those are managed in the PRIOR Period COGS Adjustment screen.

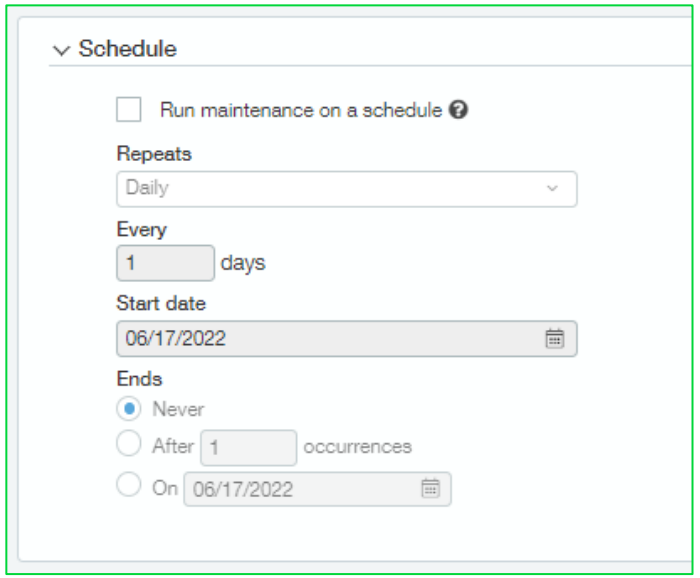


Maintain Inventory Valuation (MIV)

Setting Up a Schedule

- Within Inventory Configuration, the user can enable Automatically running MIV nightly with the start date of when transactions should be evaluated.
  - Doing this, however, doesn't allow the user to select whether it is done for ALL periods or only Open Period. It automatically selects "Open Periods" only.
- The Inventory Configuration setting for the Transaction sequencing of recalculating Average Cost determines in what order MIV analyzes the transactions.
- When manually creating an MIV job, the user can specify that the job is to run on a schedule.
  - The timing of how often it repeats, the number of days between the timing, the Start Date and if it Ends can all be set.
  - Once set and the job is performed for the first time, the MIV tool will continue to run on that frequency until it is changed or the sequence ends.
  - When using this schedule, it uses all the other settings defined within this job for its recurring jobs.

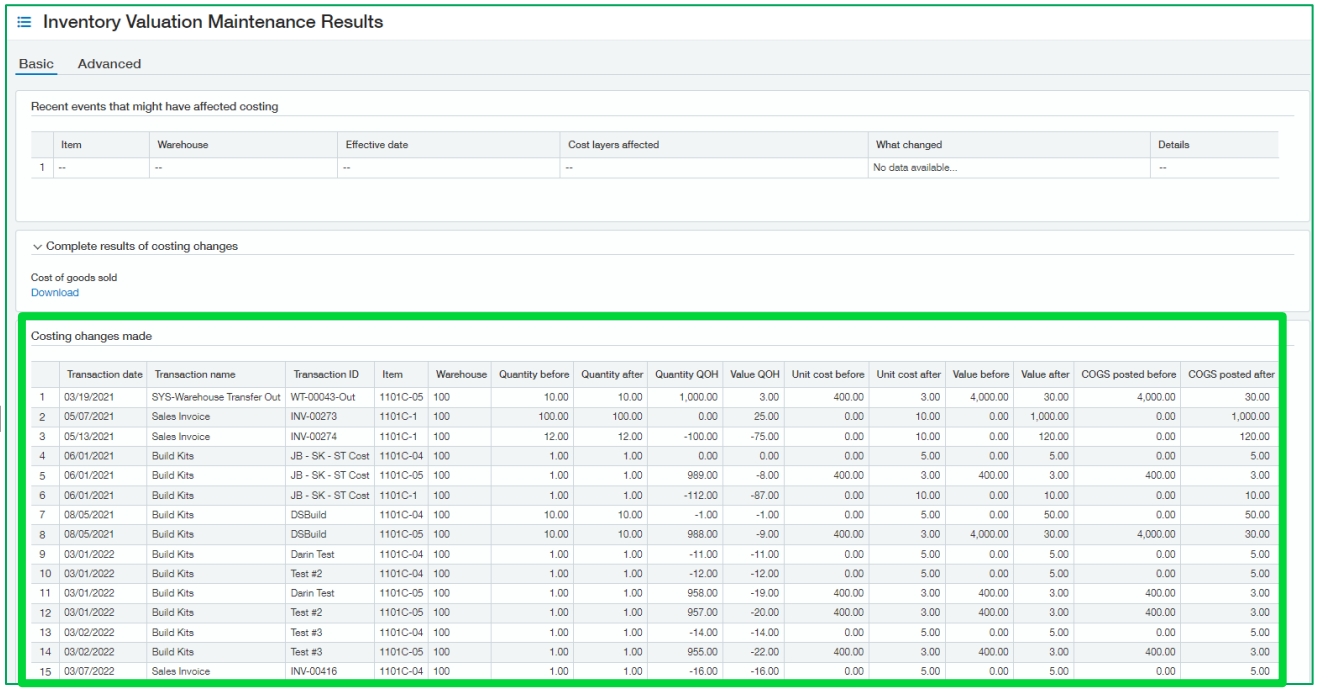




Maintain Inventory Valuation (MIV)

After MIV has been run…

- The main tab of the completed MIV job will show records that have been affected by running the tool.
  - Each Transaction Date, ID, value before & after, along with he COGS posted before & after are shown here.
  - The user doesn't need to do anything for these changes. They were made automatically, as long as the original transaction had a COGS posting to begin with.
- Download the COGS report (CSV file) and open in Excel.
  - This excel file contains all of the information that MIV used to analyze the data and it shows where changes were made.
  - More on this on the next slide…
- If it was run to include Closed Periods, the user must access the Prior Period COGS Adjustment menu option to see what things MIV found but couldn't update due to the period being closed.



Inventory Valuation Maintenance Results

Basic Advanced

Recent events that might have affected costing

	Item	Warehouse	Effective date	Cost layers affected	What changed	Details
1	--	--	--	--	No data available...	--

Complete results of costing changes

Cost of goods sold

Download

Costing changes made

	Transaction date	Transaction name	Transaction ID	Item	Warehouse	Quantity before	Quantity after	Quantity QOH	Value QOH	Unit cost before	Unit cost after	Value before	Value after	COGS posted before	COGS posted after
1	03/19/2021	SYS-Warehouse Transfer Out	WT-00043-Out	1101C-05	100	10.00	10.00	1,000.00	3.00	400.00	3.00	4,000.00	30.00	4,000.00	30.00
2	05/07/2021	Sales Invoice	INV-00273	1101C-1	100	100.00	100.00	0.00	25.00	0.00	10.00	0.00	1,000.00	0.00	1,000.00
3	05/13/2021	Sales Invoice	INV-00274	1101C-1	100	12.00	12.00	-100.00	-75.00	0.00	10.00	0.00	120.00	0.00	120.00
4	06/01/2021	Build Kits	JB - SK - ST Cost	1101C-04	100	1.00	1.00	0.00	0.00	0.00	5.00	0.00	5.00	0.00	5.00
5	06/01/2021	Build Kits	JB - SK - ST Cost	1101C-05	100	1.00	1.00	989.00	-8.00	400.00	3.00	400.00	3.00	400.00	3.00
6	06/01/2021	Build Kits	JB - SK - ST Cost	1101C-1	100	1.00	1.00	-112.00	-87.00	0.00	10.00	0.00	10.00	0.00	10.00
7	08/05/2021	Build Kits	DSBuild	1101C-04	100	10.00	10.00	-1.00	-1.00	0.00	5.00	0.00	50.00	0.00	50.00
8	08/05/2021	Build Kits	DSBuild	1101C-05	100	10.00	10.00	988.00	-9.00	400.00	3.00	4,000.00	30.00	4,000.00	30.00
9	03/01/2022	Build Kits	Darin Test	1101C-04	100	1.00	1.00	-11.00	-11.00	0.00	5.00	0.00	5.00	0.00	5.00
10	03/01/2022	Build Kits	Test #2	1101C-04	100	1.00	1.00	-12.00	-12.00	0.00	5.00	0.00	5.00	0.00	5.00
11	03/01/2022	Build Kits	Darin Test	1101C-05	100	1.00	1.00	958.00	-19.00	400.00	3.00	400.00	3.00	400.00	3.00
12	03/01/2022	Build Kits	Test #2	1101C-05	100	1.00	1.00	957.00	-20.00	400.00	3.00	400.00	3.00	400.00	3.00
13	03/02/2022	Build Kits	Test #3	1101C-04	100	1.00	1.00	-14.00	-14.00	0.00	5.00	0.00	5.00	0.00	5.00
14	03/02/2022	Build Kits	Test #3	1101C-05	100	1.00	1.00	955.00	-22.00	400.00	3.00	400.00	3.00	400.00	3.00
15	03/07/2022	Sales Invoice	INV-00416	1101C-04	100	1.00	1.00	-16.00	-16.00	0.00	5.00	0.00	5.00	0.00	5.00

Maintain Inventory Valuation (MIV)

The COGS export file (CSV)

- A CSV file is created when running MIV to capture what happened.
- The file is quite large and too much to cover in detail here. But here are some highlights of the columns to pay attention to:
  - State – This tells the user whether the costing was the Same, Deleted, or Added. Deleted means it was wrong. Added means that is what replaced the Deleted costing record.
  - Transaction – This shows what the TD associated with that transaction is set for: Type, Whether Inventory is being updated (Increased or Decreased) and whether the GL is being updated.
  - Notes – This provides all the actual Record IDs that were read & affected for transactions and related costing records. It also shows the date, Value & Qty Left in that tier after the change.
  - COGS Change Closed – This shows what COGS adjustment should have been made but couldn't because the period was closed.
  - COGS Change Open – This shows what COGS adjustment was made, since the period was open.

Q & A