

ANNUAL PHYSICAL INVENTORY

Preparing: weeks in advance

Consider running the FLAG OUTDATED DETAILS FOR DELETION on the SIX menu, at least one month before the inventory. This program reads through the Product Detail file (active items) and flags them for deletion if there is no stock, no backorders, no purchase orders, no transfers, and there has been no transaction history for the items for at least 1 year. These items will then be removed from the Product Detail File only at the next month end close depending on how your Product Parameter #2 is set

NUMBER OF DAYS BEFORE DELETING CANCELLED PRODUCT DETAILS (00-99)

The program must be run at least far enough in advance to allow these items to be removed from the system at month end, so they will not be printed on the inventory count forms.

In the weeks before the annual physical inventory it is recommended that you review any orders that have been committed or put-up on orders, but never invoiced. This can be done by printed OPR #1 Open Orders Report #4 Put-up Orders (futures and not invoiced). This report can be verified against orders held for 'will call' or 'pack and hold'. Any others should be investigated to see if they were shipped but never invoiced.

The reason these should be reviewed is that when the inventory count is taken, the items being held do not have to be counted. After the inventory is counted and entered in Harvest, when the counts are rolled into the product files, the system adds the quantity put-up for each item to the quantity counted.

This is also be good time to review customer orders and purchase orders that have not been completed and to verify that they are still valid.

Preparing: 1 week before

The SAV's (System Analysis and Verification) should be run.

A few days before the inventory, the forms should be printed. If you are not 100% sure that the forms from the previous year were cleared, then clear them first using PYE #7 Clear Inventory Count Files. Then the new forms can be generated using PYE #1 Print Inventory Count Forms.

What if the paper jams in the middle of printing the forms?

Allow the forms to continue printing, and then determine the section that did not print. You can print additional forms for this section and when the counts are entered using the new cards #'s assigned to items, the system will use these counts for the items.

What if we print by vendor (not by bin location) and a vendor is located more than one place in the warehouse?

You can print additional sheets for vendors that are located more than one place in the warehouse. After the counts are entered for each of these sheets, the system will total them when rolling the counts into the product files.

Counting the Inventory

The options on the PYE (PHYSICAL YEAR END) menu are used to do the annual inventory count. This is a top-to-bottom menu with some options being optional. Count forms are printed which allow for recording the counts and the quick easy entry of these counts into the system. The Physical Inventory Card Report can be printed to double-check the entries before they are rolled into the product files. The Physical Inventory vs. Computer Discrepancy Report can be compared for an accurate inventory analysis. Users can compare the counts entered before they are rolled against the counts that are already in the product files

1. Print Inventory Count Forms

This program prints a form for counting the inventory in the warehouse. These can be printed by vendor or by location. One or all vendors can be selected for printing, and if counting by location, starting and ending locations can be entered. The card numbers are assigned to the items as they are printed so that the counts can be entered into the system very quickly in the next program for entering cards. If a line has more than one location (warehouse, showroom, display, annex), then more than one counting form can be printed for that line. When the cards are entered in the next program, then the counts from the various sheets will be added together.

2. Enter Physical Inventory Cards

The Enter Physical Inventory Cards option is used to enter card counts for an audited physical inventory. Order lines, which are currently put-up, will be added to the counts entered here when the inventory counts are rolled. If an item was found in the warehouse that was not printed on the Card Count Forms, then it can be entered by entering the next available card number, item, and the quantity.

NOTE: it is important to enter the cards and counts slowly and to watch the screen. If the keying is done too quickly, it is very easy to make a keying mistake. Only the last card entered is displayed on the screen, so it can be difficult to backtrack a keying mistake.

3. Inventory Card Count Report

The Physical Inventory Card Report program shows the information entered for the cards, and it prints the missing cards. This report is usually used by an operator to check their work after inventory cards have been entered

4. Physical Inventory Discrepancy Report

Once the inventory has been counted and the counts have been entered on the computer, then this report can be used to print the discrepancy between the card counts and then quantities already on hand for each item. This report is optional.

5. Compare cost – Last Year to Current

This report is optional and it compares the value of items at the end of the last fiscal year to the current value of items in the product files or the value of items in the card count files.

6. Roll Card Counts Into Inventory

This program takes the counts entered on the cards and moves them into the branch's inventory file. This program should only be run once per branch after all of the inventory has been entered and the reports have been printed.

NOTE: This program will add the quantity put-up to the quantity counted for every product stocked at the branch.

7. Clear Inventory Count Files

After the inventory cards have been rolled, and before another inventory cycle is started, the cards must be cleared from the count files. Usually this is done within a few weeks after completing the inventory count. If you are not sure that the cards were cleared after the count from the previous year, then you should run this program and check the dates.

Important questions

[What if we find items on the shelf that are not on the count sheets?](#)

The counters should be instructed to write these items at the end of the sheets they are using or on a separate page, so that they are not delayed. When these sheets are turned into the office for entry there are 2 different ways to handle this. In either case these item must be set up in the product file. So if they are not in the product file, they must be entered using PMM #1 Product Maintenance.

1) When the computer generates the forms, keep track of the last card # that was assigned, enter the next card # and the product from the product file, along with the quantity. It will be rolled into inventory, just like the items that were printed on the count forms. Repeat this process for any additional items that were on the shelf, but no on the count sheets.

OR OR OR

2) After the counts have been rolled for all of the items that were on the count forms, use INC # 5 On Hand Adjustments to activate these items and enter the quantities.