

## Inventory Physical Count Process

**Note** - Before you start update all registers that effect inventory. Sales Order Sales Journal, Purchase Order Receipt of Goods, Purchase Order Receipt of Invoice and Inventory Transaction Journals.

### FIFO & LIFO Valuation Items:

Run the **Inventory Negative Tier Report** from the Period End Menu. This report will show any costing tier that has a negative quantity. A Negative (Over-distributed Tier) is created when an item is Invoiced or adjusted when there is no quantity on hand.

### Inventory Negative Tier Report

ABC Distribution and Service Corp. (ABC)

Item Code/Description	Warehouse	Quantity On Hand	Cost Tier	Product Line	Unit Of Measure	Tier Quantity
1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK	001	990.00	OVERDIST	WF&A	EACH	8.00-
ARS-9101 ART SPECIALTY WALNUT CNDL LAMP	001	1.00-	OVERDIST	WF&A	EACH	1.00-
ARS-9201 ART SPECIALTY GINGER JAR LAMP	001	17.00-	OVERDIST	WF&A	EACH	17.00-
ARS-9401 ART SPECIALTY EMP CANDLE LAMP	001	1.00-	OVERDIST	WF&A	EACH	1.00-
D1000 DESK 72" X 30"	001	350.00-	OVERDIST	WF&A	EACH	350.00-
D1000-BBw/LIGHT BOOK BIN w/FLUORESCENT LIGHT	001	1.00-	OVERDIST	WF&A	EACH	1.00-

Run the **Inventory Negative Tier Adjustment Register** – this will post the negative tiers against any positive tiers in the system.

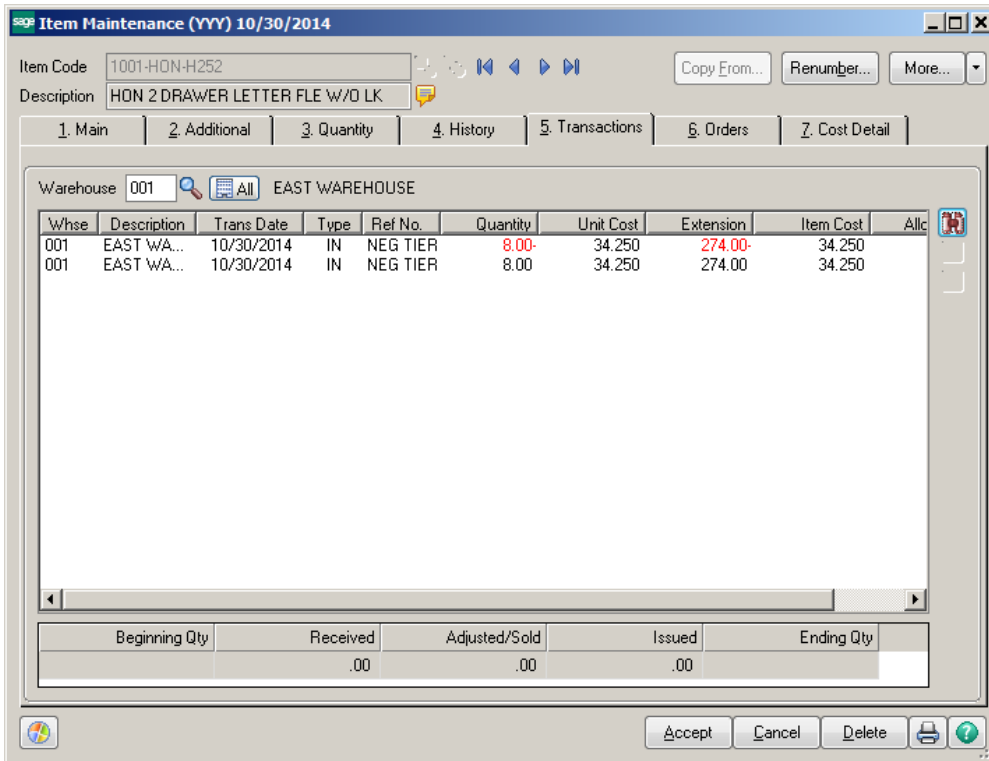
**Note** – if a positive tier does not exist, you will have to adjust the negative tiers out manually using Inventory Transaction Entry\Adjustments.

Inventory Negative Tier Adjustment Register  
 Journal Posting Date: 10/30/2014  
 Register Number: IN-000002

Copy of ABC (YYY)

Product Line: WF&A WORKSTATION FURN & ACCESS

Item Code/Description			Negative Cost Tiers				Adjusted Cost Tiers			
U/M	Whse	Cost Tier	Quantity	Unit Cost	Cost Tier	Quantity	Unit Cost	Adjustment		
1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK										
EACH	001	OVERDIST	8.00-	34.250	5/1/2010	00000008	8.00	34.250	0.00	
									Item 1001-HON-H252 Total:	
									0.00	
									Product Line WF&A Total:	
									0.00	
									Report Total:	
									0.00	

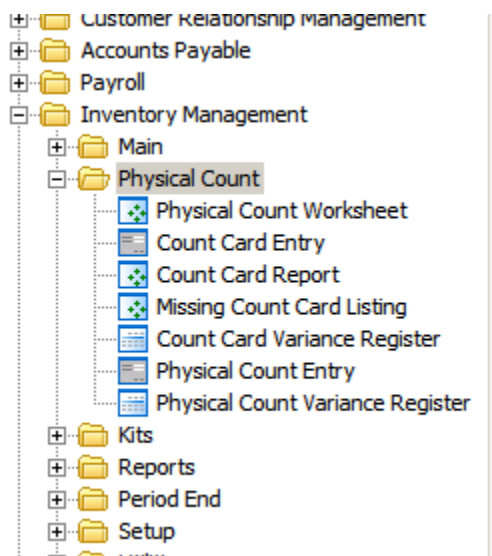


- Items needed to Process Physical Count:**
- Physical Count Worksheets or Count Cards**
  - Inventory Valuation Report**
  - Employees that can count**
  - Caffeine – coffee or soda of choice**

- Two Methods:
- Physical Count Worksheet
  - Card Count w/Physical Count

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**PHYSICAL COUNT WORKSHEET METHOD** – To print the Physical Count Worksheet, click on Inventory Management -> Physical Count -> Physical Count Worksheet.



Report Options:

- Print Worksheets Only – prints the Inventory Count sheets, it does NOT freeze the inventory count
- Print Worksheet and Freeze Items – prints the Inventory Count sheets and also freezes the current qty on hand count.
- Freeze Items Only – freezes the current qty on hand count, it does NOT print the worksheets.
- Clear Frozen Items – clears the previously frozen inventory counts. **Note – if you have entered your physical count, these amounts will be lost!**

**sage Physical Count Worksheet (ABC) 11/1/2013** \_ □ X

Report Setting: STANDARD Save ▾

Description: Physical Count Worksheet

Setting Options

Type: Public ▾    Print Report Settings:     Number of Copies: 1

Default Report:     Three Hole Punch:     Collated:

Sort Report By: Item Code ▾    Double Space:

Options

Report Options: Print Worksheet Only ▾    Print Quantity on Hand:

Product Types to Print

All Types:     Materials:     Discontinued:     Kits:

Procurement Types to Print

All Types:     Make:     Buy:     Subcontract:

Physical Count Entry

Default Quantity Counted to Quantity on Hand:

Selections

Select Field	Operand	Value
Item Code	All ▾	
Bin Location	All ▾	
Item Description	All ▾	
Warehouse	All ▾	
Inventory Cycle	All ▾	

HP LaserJet P2055d UPD PCL 6 ▾    Keep Window Open After: Print  Preview     Print    Preview    Setup    ?

New Fields:

- Print Quantity on Hand – will print the current quantity on hand on the Physical Count Worksheets.
- Default Quantity Counted to Quantity on Hand – they system will automatically assign the qty on hand to the quantity counted.

Report Setting: STANDARD

Description: Physical Count Worksheet

Setting Options

Type: Public

Print Report Settings:

Number of Copies: 1

Default Report:

Three Hole Punch:

Collated:

Sort Report By: Item Code

Double Space:

Options

Report Options: Print Worksheet and Freeze Items

Print Quantity on Hand:

Product Types to Print

All Types:  Finished Goods:  Raw Materials:  Discontinued:  Kits:

Procurement Types to Print

All Types:  Make:  Buy:  Subcontract:

Physical Count Entry

Default Quantity Counted to Quantity on Hand:

Selections

Select Field	Operand	Value
Item Code	All	
Bin Location	All	
Item Description	All	
Warehouse	All	
Inventory Cycle	All	

HP LaserJet P2055d UPD PCL 6

Keep Window Open After

Print:  Preview:  Setup:

Print Quantity on Hand

**Physical Count Worksheet**  
Sorted by Item Code

ABC Distribution and Service Corp. (ABC)

Warehouse: 000 CENTRAL WAREHOUSE

Item Code	Bin Location	Description Product Line	Product Type	Inventory Cycle	Unit of Measure	Quantity On Hand	Quantity Counted	Initials	
1001-HON-H252	E-300-10	HON 2 DRAWER LETTER FLE W/O LK WF&A	FinishedGood	B	EACH	2,675.00			
1001-HON-H252LK	E-300-20	HON 2 DRAWER LETTER FLE W/LCK WF&A	FinishedGood		EACH	73.00			
1001-HON-H254	E-300-30	HON 4 DRAWER LETTER FLE W/O LK WF&A	FinishedGood		EACH	86.00			
1001-HON-H254LK	E-300-40	HON 4 DRAWER LETTER FLE W/LCK WF&A	FinishedGood		EACH	52.00			
2480-8-50	C-100-10	DESK FILE 8" CAP 50 FD&A	FinishedGood		EACH	11,079.00			
						Lot Number: 101	9,704.00		
						Lot Number: 10210	200.00		
						Lot Number: JAN10	325.00		
						Lot Number: MAR10	850.00		
Lot Number:									

Default Quantity Counted to Quantity on Hand

sage Physical Count Entry (ABC) 11/1/2013

Warehouse: 000 CENTRAL WAREHOUSE

Description: CENTRAL WAREHOUSE

1. Header | 2. Lines

Quick Row: 1

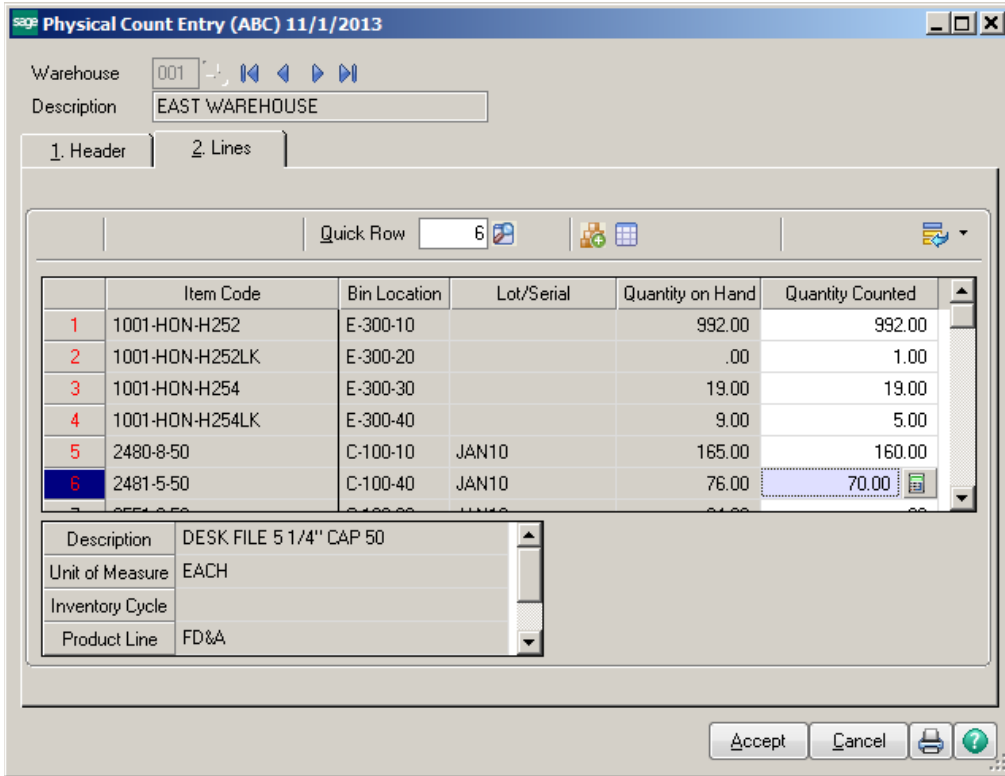
	Item Code	Bin Location	Lot/Serial	Quantity on Hand	Quantity Counted
1	1001-HON-H252	E-300-10		2,675.00	2,675.00
2	1001-HON-H252LK	E-300-20		73.00	73.00
3	1001-HON-H254	E-300-30		86.00	86.00
4	1001-HON-H254LK	E-300-40		52.00	52.00
5	2480-8-50	C-100-10	101	9,704.00	9,704.00
6	2480-8-50	C-100-10	10210	200.00	200.00

Description: HON 2 DRAWER LETTER FLE W/O LK  
Unit of Measure: EACH  
Inventory Cycle: B  
Product Line: WF&A

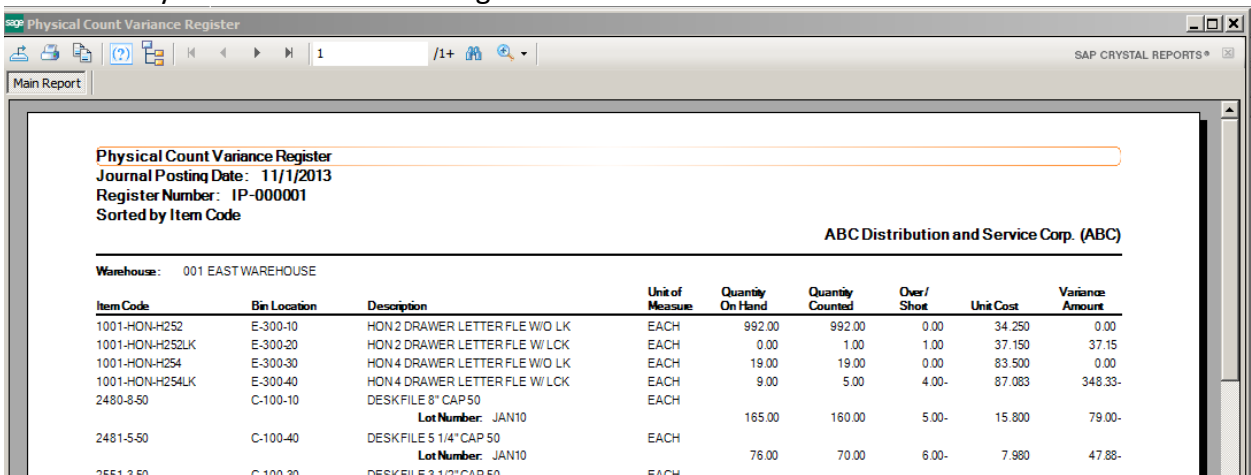
Accept Cancel

**Recommended Steps:**

1. Print Physical Count Worksheets and Freeze inventory items. Sheets can be printed/frozen for ALL items and Warehouses or you can select specific items or warehouses. Also, if you Cycle count, you can print the worksheets for the Cycle you want to count.
2. Go into Physical Count Entry, enter your counts from the sheets



3. Print the Physical Count Variance Register.



**DO NOT UPDATE** the Physical Count Variance Register until you are comfortable with the variances. Once you are sure that your numbers are correct update, print the Inventory Valuation Report. Use this report to compare to the General Ledger. Make any additional adjustments that need to be made to the ledger.



Inventory Valuation Report

Sorted by Item Code

ABC Distribution and Service Corp. (ABC)

Item Code Product Line	Item Description	Unit of Measure	Whse	Lot/Serial Number	Receipt Number	Receipt Date	Quantity On Hand	Unit Cost	Inventory Value
VOG-CM-CB	PRINTOUT CATCHER BASKET								
WF&A	Finished Good	FIFO	EACH	002	RC-0387	3/15/2010	2.00	28.250	56.50
					RC-0391	3/15/2010	8.00	28.250	226.00
					TRANSFR	5/7/2010	41.00	27.950	1,145.95
					<b>Item Warehouse 002 Total</b>		51.00	28.009	1,428.45
					<b>Item VOG-CM-CB Total</b>		438.00	28.222	12,361.20
VOG-CM-MP-B	MODESTYPANEL								
WF&A	Finished Good	FIFO	EACH	000	RC-0407	3/15/2010	7.00	26.750	187.25
					G001001	5/31/2010	100.00	26.750	2,675.00
					REC0531	5/31/2010	25.00	26.750	668.75
					<b>Item Warehouse 000 Total</b>		132.00	26.750	3,531.00
				001	TR-0205	2/24/2010	7.00	27.500	192.50
					G001001	5/31/2010	50.00	26.750	1,337.50
					<b>Item Warehouse 001 Total</b>		57.00	26.842	1,530.00
				002	TRANSFR	5/3/2010	2.00	26.857	53.71
					TRANSFR	5/7/2010	2.00	26.750	53.50
					<b>Item Warehouse 002 Total</b>		4.00	26.803	107.21
					<b>Item VOG-CM-MP-B Total</b>		193.00	26.778	5,168.21
VOG-CM-MS-C	STORAGE CUBE								
WF&A	Finished Good	FIFO	EACH	000	RC-721	5/1/2010	2.00	144.770	289.54
					REC0531	5/31/2010	25.00	144.770	3,619.25
					<b>Item Warehouse 000 Total</b>		27.00	144.770	3,908.79

## CARD COUNT METHOD

Freeze the inventory by selecting Physical Count -> Physical Count Worksheet. Choose to Freeze Items Only, then click Print.

Physical Count Worksheet (ABC) 11/1/2013

Report Setting: STANDARD [Save]

Description: Physical Count Worksheet

Setting Options:

- Type: Public
- Print Report Settings:
- Number of Copies: 1
- Default Report:
- Three Hole Punch:
- Collated:

Sort Report By: Item Code Double Space:

Options:

- Report Options: Freeze Items Only
- Print Quantity on Hand:

Product Types to Print:

- All Types:
- Finished Goods:
- Raw Materials:
- Discontinued:
- Kits:

Procurement Types to Print:

- All Types:
- Make:
- Buy:
- Subcontract:

Physical Count Entry:

- Default Quantity Counted to Quantity on Hand:

Selections:

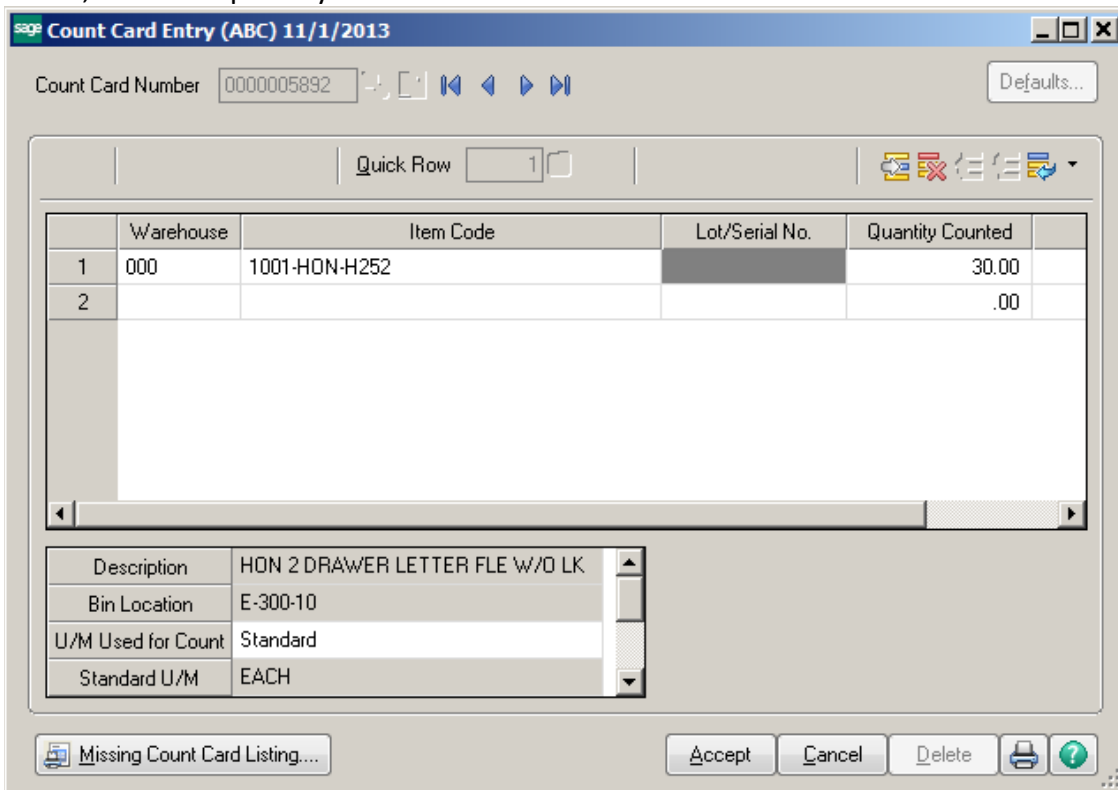
Select Field	Operand	Value
Item Code	All	
Bin Location	All	
Item Description	All	
Warehouse	All	
Inventory Cycle	All	

HP LaserJet P2055d UPD PCL 6 Keep Window Open After Print:  Preview:  [Print] [Preview] [Setup]

Purchase inventory count tags. These are numbered tags and can be multi-part. You will use one tag per item.



Collect and enter the count information. Select Physical Count -> Count Card Entry. Enter the Count Card Number, item and quantity counted.



Print the Missing Count Card Listing. This report will show you if there are any cards missing.

The screenshot shows the 'Missing Count Card Listing (ABC) 11/1/2013' window. It features a 'Selections' table with the following data:

Select Field	Operand	Value
Count Card No.	Range	0000005892 0000009999
Exclude Count Card No.	Not Equal to	

At the bottom, there is a printer selection dropdown set to 'HP LaserJet P2055d UPD PCL 6' and buttons for 'Print', 'Preview', and 'Setup'.

The screenshot shows the 'Missing Count Card Listing' report output. The title is 'Missing Count Card Listing' with a subtitle 'Count Card Range: From: 0000005892 To: 0000005899'. Below the title, a horizontal line separates the header from the data. The data consists of four count card numbers: 0000005895, 0000005897, 0000005898, and 0000005899.

Print the Count Card Report.

The screenshot shows the 'Count Card Report (ABC) 11/1/2013' configuration window. It includes several sections for report settings:

- Report Setting:** STANDARD
- Description:** Count Card Report
- Setting Options:**
  - Type: Public
  - Print Report Settings:
  - Number of Copies: 1
  - Default Report:
  - Three Hole Punch:
  - Collated:
- Sort Report By:** Count Card Number
- Options:**
  - Print Summary Report:
  - Cost to Print: None
  - Print Comments: None
- Product Types to Print:**
  - All Types:
  - Finished Goods:
  - Raw Materials:
  - Discontinued:
  - Kits:
- Procurement Types to Print:**
  - All Types:
  - Make:
  - Buy:
  - Subcontract:
- Selections Table:**

Select Field	Operand	Value
Count Card Number	All	
Item Code	All	
Bin Location	All	
Item Description	All	
Warehouse	All	
Inventory Cycle	All	

At the bottom, there is a printer selection dropdown set to 'HP LaserJet P2055d UPD PCL 6', a 'Keep Window Open After' section with 'Print'  and 'Preview'  options, and buttons for 'Print', 'Preview', and 'Setup'.

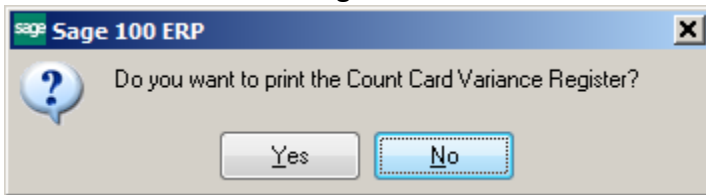
SAP Crystal Reports - Count Card Report

Count Card Report  
Sorted by Count Card Number

Demo Company (DMO)

Count Card Number	Warehouse	Item Code	Lot Serial Number	Unit of Measure	Quantity Counted
0000005892	001	1001-HON-H252		EACH	992.00
0000005893	001	1001-HON-H252LK		EACH	1.00
0000005894	001	1001-HON-H254		EACH	20.00
0000005896	001	2480-8-50	JAN10	EACH	1.00

Print the Count Card Variance Register.



SAP Crystal Reports - Count Card Variance Register

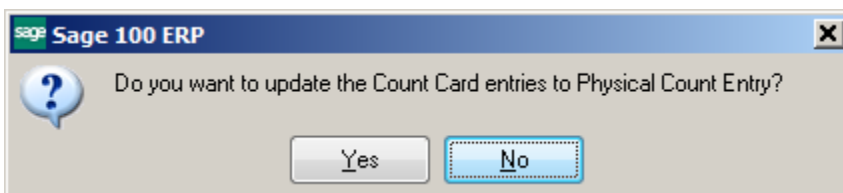
Count Card Variance Register  
Sorted by Item Code

Demo Company (DMO)

Warehouse: 001 EAST WAREHOUSE

Item Code	Bin Location	Description	Unit of Measure	Quantity On Hand	Quantity Counted	Over / Short	Unit Cost	Variance Amount	
1001-HON-H252	E-300-10	HON 2 DRAWER LETTER FLE W/O LK	EACH	992.00	992.00	0.00	34.250	0.00	
1001-HON-H252LK	E-300-20	HON 2 DRAWER LETTER FLE W/ LCK	EACH	0.00	1.00	1.00	37.150	37.15	
1001-HON-H254	E-300-30	HON 4 DRAWER LETTER FLE W/O LK	EACH	19.00	20.00	1.00	83.500	83.50	
2480-8-50	C-100-10	DESKFILE 8" CAP 50	EACH						
				Lot Number: JAN10	165.00	1.00	164.00-	15.453	2,534.29-
<b>Warehouse 001 Total:</b>					1,176.00	1,014.00-			2,413.84-
<b>Register Total:</b>					1,176.00	1,014.00			2,413.84-

After printing the Count Card Variance Register the system will prompt to Update the Card Count Entries to Physical Count Entry. If you need to make adjustments, click No and go back into Card Count Entry.



Once you click Yes, the entries will be posted to **Physical Count Entry**. Adjustments may be made in Physical Count Entry before posting. Run the Physical Count Variance Register and Update. Then run the **Inventory Valuation** report to compare the total to the ledger.