Physical Inventory Counts and Inventory Physical Journal

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Purpose of this document

This document outlines using the Inventory "Physical Inventory Journal", which is used to record inventory counts in Ceres.

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Purpose

The Physical Inventory Journal is used for cycle counting and full physical inventory counts. In Ceres there are two journals used for this purpose:

- Physical Inventory Journal
- Warehouse Physical Inventory Journal

Either journal can be used for cycle counting and full physical inventory. The Physical Inventory Journal is supported by the ADCS handhelds. Check with your Ceres consultant or the Service Desk for the best journal to use to support your Ship Option. The Ceres Inventory Workflow document has more information on Ship Options.

This document outlines using the Physical Inventory Journal and a separate document exists for Warehouse Physical Inventory Journal use.

Ceres object release 4.00.00 is required for the functionality documented in this procedure.

Physical Inventory Count Recommendations

Post as many Agency Orders as possible that have been shipped to more accurately reflect your inventory totals. Also, post as many Donation & Purchase Orders as possible for the product that has been received and put-away.

It is suggested that you run the Item List Report, Items on Hand Report, or Availability Status Report prior to generating a count journal. The Availability Status report generally shows you Product still to be received and/or distributed, along with Quantity on Hand. Save or Print report.

a. You will need to run this report by Location. The Physical Inventory Journal is Location-specific, so you can only view the count for a single location at a time. This will make comparing quantities easier.

b. You may also wish to filter for either Qty. Remaining >0 or Qty. on hand >0 (depending on the report) to limit the results of your report.

Note: You can run this report after your physical inventory is posted, to compare before & after totals.

A procedure titled "Year End Checklist" provides detailed recommendations for related tasks to execute prior to a full physical count.

Setup – Inventory Setup

Ceres allows the ability to perform cycle counts with items open on pick documents within certain restrictions. Complete physical inventories will require that all picks be posted or deleted prior to

beginning the physical inventory process. Cycle count inventories will proceed with open picks for the location being counted. During the physical inventory journal creation you will specify whether or not you are performing a physical or cycle count.

Once a cycle count has been initiated for one or more items, creation of picks will respect a parameter based on the inventory setup card. To access the Inventory Setup card go to Departments → Financial Management → Inventory → Administration → Setup → Inventory Setup.
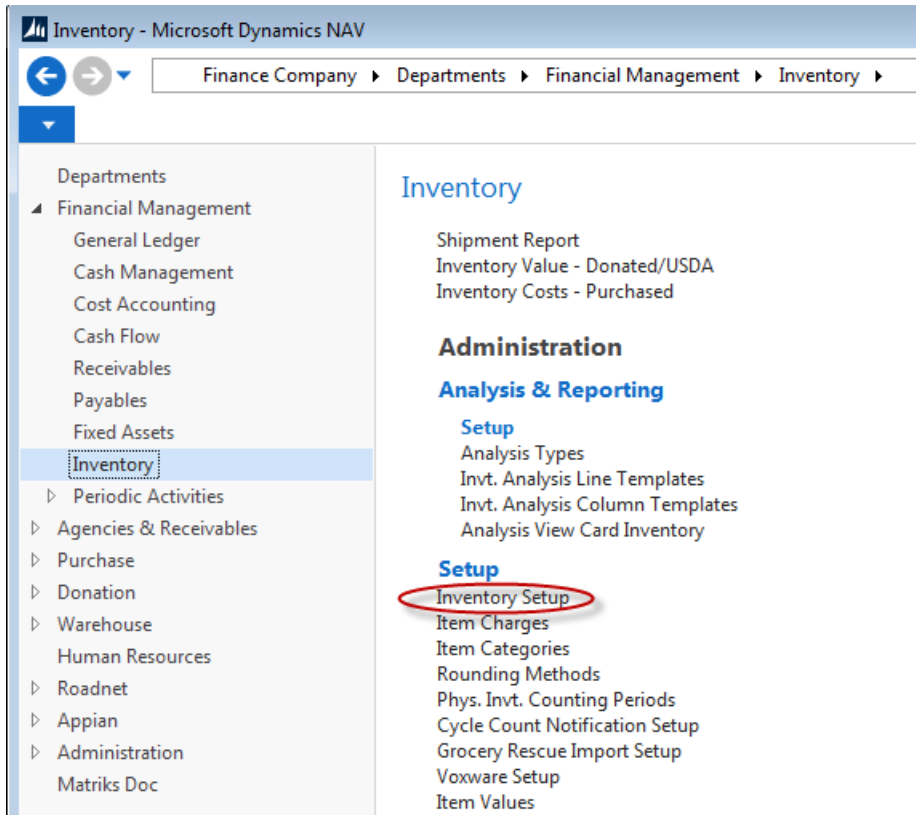
On the the ADCS FastTab you will find the Cycle Count Notification setting.
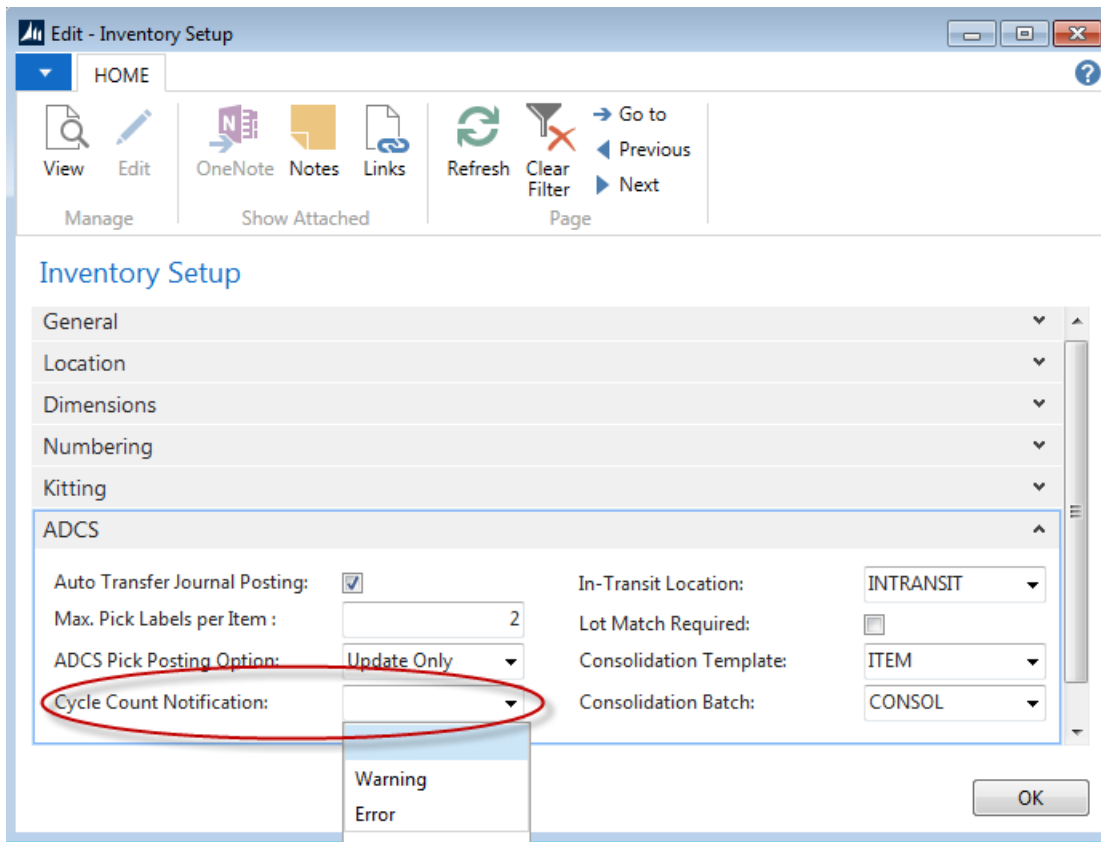
This field has three options to choose from and the pick generation process will function accordingly when if the pick that is being created contains an item on a cycle count:

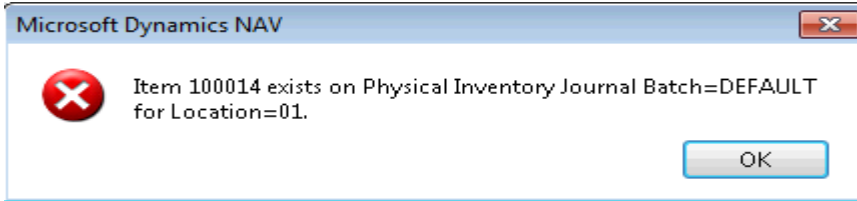**Blank** – The user receives no warning and the pick will be created.

Warning – The user will receive a warning and has the option to continue creating the pick or not.

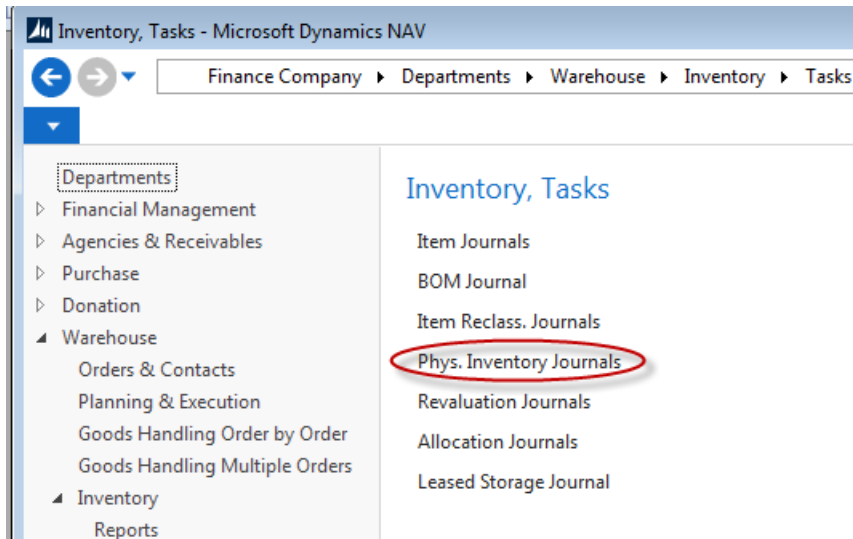**Error** – The user will receive an error and wil not be able to create the pick
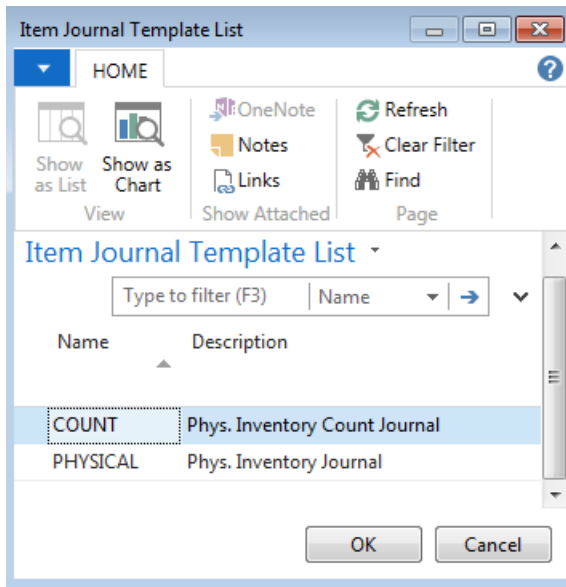
Warning message:
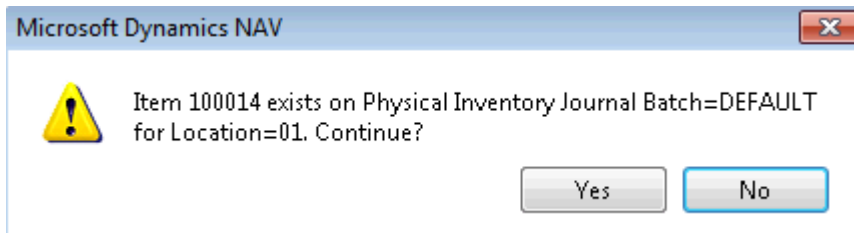
Error message:

> **Note:** ADCS and VOX will respect these warning or error setting**.**

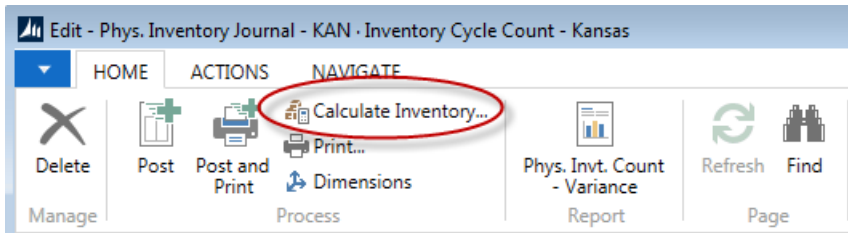## Creating and Posting Physical Inventory Journal Entries

1. The Physical Inventory Journal can be accessed from Departments → Warehouse → Inventory → Tasks → Phys. Inventory Journals.

2. Select the Item Journal Template you wish to use

3. In the Journal select the batch name from the options in the Batch Name field or create a new one

4. To populate the Physical Inventory Journal click Home → Calculate Inventory process.

5. This will bring up the Calculate Inventory Page. Select or set filters in the various fields as necessary.

Posting Date: In the field, enter the date for the posting of this physical inventory journal. Ceres automatically enters the system date in this field, but you can change it to the date to which you wish to post.

Document No: Here you can specify which document number will be entered in the document no field on the journal lines created by the batch job. Ceres automatically enters the next number from the number series that is setup on journal template, but you can manually change it.

By Dimension: Select the dimensions you want the lines to be grouped by. Note: If you are using bins in the location, Dimensions will not be posted on the physical inventory ledger entries, the item ledger entries, or on the value entries.

Calculation Method: Specify whether or you are performing a complete physical inventory or cycle count. Physicals are only allowed when all warehouse documents have been posted. Cycle Counts are allowed with open warehouse documents with certain restrictions. The inventory setup above details the options available when performing cycle counts with open warehouse documents.

Item FastTab: This is used if you want to apply filters for example by location or a range of item numbers.

6. Select OK to run the process.

7. Once the Physical Inventory Journal has been generated, print the Physical Inventory Sheet by clicking Departments → Financial Management → Reports & Analysis → Reports → Physical Inventory List.

8. Set filters as necessary.

Show Qty. (Calculated): Place a checkmark in this field if you want the report to show the quantity Ceres is showing on hand.

9. When the count is complete, you are ready to populate the physical inventory journal with the actual quantities counted. This quantity is entered in the "Qty. (Phys. Inventory)" column, NOT the "Quantity" column.

   Note: When using ADCS, the "Qty. (Physical Inventory)" will default to a value of zero when inventory is calculated. Otherwise, the field will default to the value of the "Qty. (Calculated)" field.

10. When you enter the Qty. (Phys. Inventory), the difference between the calculated quantity and quantity entered will now show in the "Quantity" column as a positive or negative number.

Note: Whatever Dimensions your inventory is counted by should be showing on this screen for verification of adjustments. As lots are required, be sure to show the Lot No. field as well. If you use Pallets, show that column.

11. When you have finished entering all of the adjustment, be sure to print a test report by going to Actions→ Test Report. The report will show you all of the adjustments.
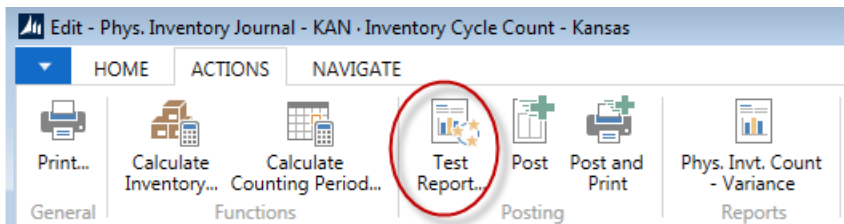
12. Please check with your Inventory Control lead to determine if multiple count passes are required for Q/A prior to posting all the adjustments.
    a. If you wish to show Dimensions, click "Show dimensions" on the Options FastTab. A second line will be inserted on the report for the dimensions.
    b. The report will show you all of the positive and negative adjustments and provide you with a total by each Entry type at the end of the report.

Inventory Posting - Test

Finance Company

| Journal Template Name | COUNT |
| Journal Batch Name | KAN |

Item Journal Line: Journal Template Name: COUNT, Journal Batch Name: KAN

Posting Date	Entry Type	Item No.	Description	Quantity	Pallet No.	Lot No.	Reason Code	Unit of Measure Code	Ext. Gross Weight	Unit Cost	Cost Amount
08/18/14	Negative A	10018	Chocolate Sryup	1	1305-00061	LOT-02554	CCK	CASE	-18	0.0144	0.01
08/18/14	Positive Ad	10018	Chocolate Sryup	2	1305-00250	LOT-02636	CCK	CASE	36	0.0144	0.03
08/18/14	Positive Ad	10018	Chocolate Sryup	0	1203-03793	LOT-455043	CCK	CASE	0	0.0144	0.00

Entry Type Totals

	Quantity		Ext. Gross Weight	Cost Amount
Positive Adjmt.	2		36	0.03
Negative Adjmt.	-1		-18	0.01
Total	**1**		**18**	**0.01**

13. Post the Journal by clicking Actions → Post or Post and Print to post the journal.
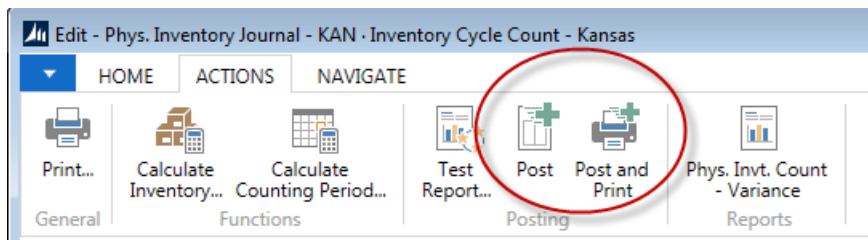
14. At this point, it is recommended that you run the report you ran in Step 1 again to compare to the report you printed previously. Now you should re-generate picks for any orders that were not picked, shipped and invoiced prior to running the physical inventory.

15. Re-create any picks that were previously deleted before starting this process.

16. You may begin receiving and distributing inventory again.

Related Topics:

1. Agency Order Review
2. Inventory Picks
3. Item Relass Journal Overview
4. Location Overview
5. Warehouse ADCS Barcode Overview
6. Warehouse Activity Plan - WAP
7. Warehouse Pallets and Lots