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Exact Globe Next | Inventory

User Guide





Exact Globe Next

Inventory

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Welcome to Exact Globe Next!

This guide provides the information you need to work effectively with Exact Globe Next. It is part of the series of user guides for Exact Globe Next. The goal of this documentation is to help you to get quickly acquainted with the product and the possibilities it offers. It will help all users, especially those without much experience with our software, to get started with and benefit

from the product straightaway. Exact Globe Next is an integrated software solution; its modules of related business processes function together in an integrated manner. Besides the user guides, there are several information sources, related to the software, available to you. You can access online help documents on Exact Globe Next functionalities while working with the software by just pressing the F1 key. The list of help document also contains release notes related to the product. They inform you of the improvements and functional additions in the various releases of the product.

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Thank you for using Exact Globe Next and this user guide!

Introduction

Inventory is among the most important process for any business. Inventory is also closely related to other business processes like the purchase process, the sales process, and the invoicing process.

The **Inventory** module of Exact Globe Next allows you to monitor and record incoming (receiving, positive stock count) and outgoing (fulfillment, negative stock count) inventory transactions, manage and keep track of the stock movement and stock levels for the respective warehouses, set up replenishment methods, implement stock valuation and adjustments, generate invoices, and facilitate reconciliation of receipts.

Being a complete ERP package, Exact Globe Next incorporates and integrates the data flow of all the business processes involved with the inventory processes. Therefore, the information presented by Exact Globe Next reflects the overall picture of the inventory processes within the business organization.

The advantages of the **Inventory** module are:

- **Flexible set-up of basic inventory and warehouse management settings**
Basic inventory business rules, such as replenishment methods, stock valuation methods and storage identification, can be set up using the **Inventory** module.
- **Efficient tracking, recording and control of stock movement**
All inventory transaction history is recorded and can be viewed per respective item. An accurate record of inventory transaction history is important because it will be used as data for auditing purposes and inventory management processes.
- **Efficient management of stock**
By setting up the basic inventory management and warehouse management methods, it is easier to manage common inventory operations like the replenishment of stock, and the fulfillment of goods. Efficient management of stock ensures that an optimal supply is available as needed, and that goods are fulfilled according to customer delivery dates.
- **Simplify calculation of complex stock valuation methods**
Stock valuation is conducted at periodic intervals to evaluate the value of current inventory and assets. The calculations are usually complex, and require a high level of accuracy. The inventory module helps simplify the stock valuation process by automating the calculation.
- **Different types of reports to assist strategic decisions and financial analysis**
Reports are available for managers to help them in strategic planning and financial analysis of inventory. Several basic reports are available, such as stock positions report, shortage report, item transactions report, flow of goods report, general ledger analysis for the item and warehouse and profit calculation report.

This manual is based on Exact Globe Next license containing **Inventory Management** and **E-Warehouse Management**.

This user manual will cover the following chapters:

- Chapter 1: Setting Up
- Chapter 2: Preparing Warehouses and Items for Use
- Chapter 3: Inventory Management
- Chapter 4: Management Information
- Chapter 5: Advanced Features

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Chapter 1

Setting Up



Setting Up

- 1.1 Inventory Settings
- 1.2 Item Data Settings
- 1.3 Purchase Settings
- 1.4 Order Settings
- 1.5 General Ledger Settings
- 1.6 Numbers Settings

1. Setting Up

Before you can use the **Inventory Management** and **E-Warehouse Management** module, you need to first set up the modules. These settings will affect the stock valuation method, authorization for internal use request and interbranch transfers, fulfillment of internal use request and interbranch transfers, and the receiving process for interbranch transfers. The settings relevant to inventory and warehouse management are as follows:

- Inventory settings
- Item data settings
- Purchase settings
- Order settings
- General ledger settings
- Numbers settings

1.1 Inventory Settings

Inventory transactions include receiving items into the warehouse, delivering items from the warehouse, and managing inventory in the warehouse. The inventory settings are defined at System → General → Settings, under **Settings** (on the left), click **Inventory settings**.

Inventory settings

Entry

Valuation method per item

Valuation method Standard cost price (Classic) ▼

Stock valuation as from last revaluation

Cost price and stock valuation per warehouse

Stock valuation: Update make item cost price.

Authorize

Internal use

Interbranch transfers

Fulfillment

Warehouse locations

Costs: Check related purchase order

Counts: Check free stock No ▼

Interbranch transfers: Check free stock No ▼

Interbranch transfers

Use intermediate warehouse

Receipt labels

Logbook Save Close

Entry section

Valuation method per item

Select the check box to enable different valuation methods for different items. Valuation method is used in the stock valuation process to assess the value of current inventory. This function allows stock valuation for an item based on the valuation method defined in item maintenance (**Valuation method** under the **Financial** tab at Inventory → Items → Maintain).

Valuation method

Select the valuation method you want to use in your stock valuation and stock revaluation. The selected valuation method will be the default method for stock valuation and stock revaluation. This box is enabled only if the **Valuation method per item** check box is not selected.

The difference between these two methods is that the option selected at **Valuation method** (all options except **Standard cost price (Classic)**) applies to all items whereas if you select **Valuation method per item**, you can specify the individual valuation method for each item separately.

Stock valuation as from last revaluation

Select the check box to use the last revaluation transaction as the starting point for stock valuation. The number of inventory transactions increases every year, and this could affect the performance of the system as when it is processing stock valuation, taking a longer time to complete the process. This option aims to improve the processing time.

In order to get an accurate stock value using this function, you should use it in the following sequence in the stock valuation procedure:

1. Register all transactions
2. Logistics reconciliation
3. Stock valuation
4. Stock revaluation
5. Close the financial period

Cost price and stock valuation per warehouse

Select the check box to value inventory per warehouse. This means the cost price for each item is valued based on the item transactions per warehouse. This function is applicable when different warehouses are accountable for their own operations. The items in different warehouses may incur different level of cost (for example insurance, transportation, and import duty) which results in different stock values across warehouses.

Stock valuation: Update make item cost price

The logic that will be applied when performing stock valuation at Inventory → Warehouse management → Stock valuation for make items when selecting or disabling the setting in combination with the **Cost price and stock valuation per warehouse** setting is summarized in the following:

- Enabling both the **Stock valuation: Update make item cost price** and the **Cost price and stock valuation per warehouse** settings will update the cost price of the item per warehouse. If the stock valuation is performed for the main warehouse, the cost price of the item will be updated instead.
- Enabling the **Stock valuation: Update make item cost price** setting but disabling the **Cost price and stock valuation per warehouse** setting will update the cost price of the item.

Note: The setting is enabled only when **Average purchase price** is selected at **Valuation method** or the **Valuation method per item** setting is enabled.

Authorize section**Internal use**

Select the check box to make authorization of internal use requests a mandatory process before the requests can be fulfilled. This function is available only if you have the **E-Internal Usage** module.

Interbranch transfers

Select the check box to make authorization of interbranch transfers a mandatory process before the transfers can be fulfilled. This function is available only if you have the **E-Warehouse Management** module.

Fulfillment section**Warehouse locations**

Select the check box to enable the use of warehouse locations in your warehouse. This function is available only if you have the **E-Warehouse Location** module.

Warehouse locations are uniquely identified locations within a warehouse. For a big warehouse, the identification is accurate to the specific building, area, rack, and storage unit. Warehouse locations can be used to identify whether a location is used for receiving or/and issuing items, and also to define the attributes of the inventory, such as pick or bulk items, and whether the location is allocated for fixed, multiple, or variable item. Before you can enable the **Warehouse locations** check box, you should ensure that the proper procedures have been implemented in the following sequence:

1. Set the stock of all items to zero by creating a stock count with the new quantity zero.
2. Select the **Warehouse locations** check box.
3. Create a stock count with the correct actual quantity per warehouse location.

Costs: Check related purchase order

Select the check box to enable the checking of linked purchase orders during the fulfillment of internal use requests which involves cost items. Cost items are items that have a profit and loss ledger linked as the stock ledger in item maintenance (under the **Financial** tab at Inventory → Items → Maintain). This function is available only if you have the **E-Internal Usage** module.

The purpose of this checking is to ensure that the linked purchase order is already printed before you can fulfill the internal use request. This is to ensure that the purchase order is approved by a higher authority and a copy is sent to the supplier, before the items requested can be delivered to fulfill the request.

If this check box is not selected, the message “Not printed: Linked purchase order” will be displayed when you attempt to fulfill an internal use request without first printing the linked purchase order.

Counts: Check free stock

Select an option at **Counts: Check free stock** to determine how the system reacts to negative free stock during stock count. The quantity to be reduced for negative stock counts is a negative value under the **Difference** column in the stock count entry screen. This setting is only available if you have the **Inventory Management** module. This setting is only applicable when the **Check stock** check box is selected at System → General → Settings, under **Order settings**. For more information on stock count, see *3.1 Stock Count*.

- If the **Counts: Check free stock** is set to **No**, upon authorizing (if authorization is mandatory) or processing a negative stock count, the quantity to be reduced will be validated against the physical stock quantity without any reference to the free stock quantity. It is then possible that the free stock is a negative amount when the quantity to be reduced is more than the free stock quantity.
- If the **Counts: Check free stock** is set to **Yes**, upon authorizing (if authorization is mandatory) or processing a negative stock count, you are only allowed to enter a quantity that is less than or the same as the free stock quantity. If you enter and save a quantity that exceeds the free stock quantity, you will see a message “Must be less than or equal to : Free stock”.
- If the **Counts: Check free stock** is set to **Show warnings**, upon authorizing (if authorization is mandatory) or processing a negative stock count, you are able to enter and save a quantity that exceeds the free stock quantity. If you enter and save a quantity that exceeds the free stock quantity, a warning message “This process will result in negative free stock. Continue?” will be displayed. You can then select to continue or cancel the operation. If you choose to continue the operation, it is then possible that the free stock is a negative amount when the quantity to be reduced is more than the free stock quantity.

Interbranch transfers: Check free stock

Select an option at **Interbranch transfers: Check free stock** to determine how the system reacts to free stock during creation, authorization and fulfillment of interbranch transfers. This setting is only available when you have both **Inventory Management** and **E-Warehouse Management** modules. This setting is only applicable when the **Check stock** check box is selected in **Order settings**.

- If the **Interbranch transfers: Check free stock** is set to **No**, the quantity to be reduced or moved will be validated against the physical stock quantity without any reference to the free stock quantity. It is then possible that the free stock is a negative amount when the quantity to be transferred is more than the free stock quantity.
- If the **Interbranch transfers: Check free stock** is set to **Yes**, you are only allowed to enter a quantity that is less than or the same as the free stock quantity. If you enter and save a quantity that exceeds the free stock, you will see a message “Must be less than or equal to: Free stock”.
- If the **Interbranch transfers: Check free stock** is set to **Show warnings**, you are able to enter and save a quantity that exceeds the free stock quantity, but a warning message “This process will result in negative free stock. Continue?” will be displayed. You can then select to continue or cancel the operation. If you choose to continue the operation, it is then possible that the free stock is a negative amount when the quantity to be transferred is more than the free stock quantity.

Interbranch transfers section

Use intermediate warehouse

Select the check box to use an intermediate warehouse for interbranch transfers. This function will only be available if you have the **E-Warehouse Management** module. When this check box is selected, Exact Globe Next will automatically create the **Transport** warehouse as the intermediate warehouse. Therefore, there is an extra step of receiving the items from an intermediate warehouse.

The purpose of having a transit warehouse is to split the fulfillment transaction in the issuing warehouse from the receiving transaction in the receiving warehouse. By doing this, you will be able to reflect the status of the item in transit between the issuing warehouse and the receiving warehouse.

Receipt labels

Select the check box to enable printing of item labels for interbranch transfer receipt. Receiving labels are used to identify the items received so that they can be properly processed and stored away. Receiving labels usually contain information, such as the item code, receipt date, order number, and the supplier.

1.2 Item Data Settings

In order to identify the inventory in your warehouse and analyze item information in reports (such as the revenue generated, ABC analysis, and customer credit balance), you can set up assortments in the item data settings. To define the item data settings, go to System → General → Settings, and then click **Item data settings**.

Assortments section

For the Inventory Management and **E-Warehouse Management** modules, only the settings in the **Assortment** section will be relevant for item data.

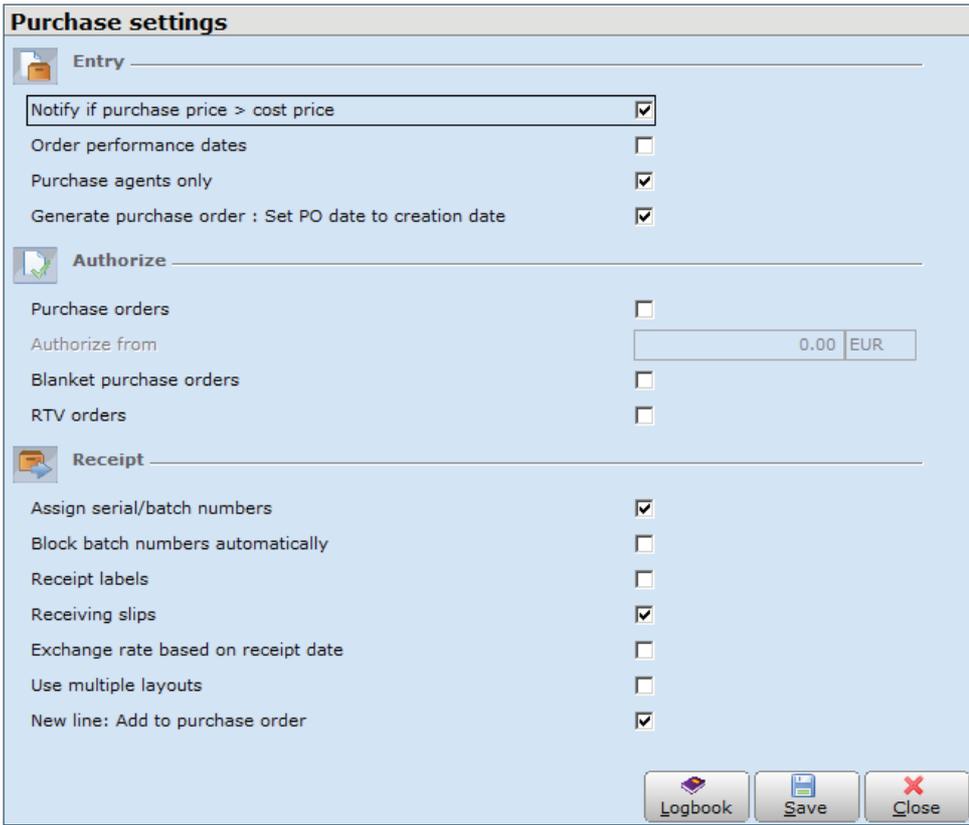
Assortments are used to categorize different types of items that share certain common properties. Assortments and its properties are user-defined. You can use assortments to classify the inventory for better item management, warehouse management, and reporting purposes. For example, in materials resource planning or stock valuation for a specific group of items, you can use assortments to select the group of items you want instead of generating the data for each item. Assortments do not have a financial impact on the item and inventory transactions.

To create assortments:

1. Click  to display the **Assortments screen**.
2. Click  **New**.
3. Type a code and description for the new assortment.
4. Click **Save** to save the new assortment. The new assortment will be displayed in the **Assortments screen**.
5. Click **Close** to exit.

1.3 Purchase Settings

Purchase settings determine how inventory is processed during the receipt of purchase orders. The settings that are related to inventory and warehouse management in purchase settings are settings for receiving of purchase orders. To define the purchase settings, go to System → General → Settings, and then click **Purchase settings**.



The screenshot shows the 'Purchase settings' dialog box with three sections: Entry, Authorize, and Receipt. Each section contains a list of settings with checkboxes and a numeric input field.

Section	Setting	Value
Entry	Notify if purchase price > cost price	<input checked="" type="checkbox"/>
	Order performance dates	<input type="checkbox"/>
	Purchase agents only	<input checked="" type="checkbox"/>
	Generate purchase order : Set PO date to creation date	<input checked="" type="checkbox"/>
Authorize	Purchase orders	<input type="checkbox"/>
	Authorize from	0.00 EUR
	Blanket purchase orders	<input type="checkbox"/>
	RTV orders	<input type="checkbox"/>
Receipt	Assign serial/batch numbers	<input checked="" type="checkbox"/>
	Block batch numbers automatically	<input type="checkbox"/>
	Receipt labels	<input type="checkbox"/>
	Receiving slips	<input checked="" type="checkbox"/>
	Exchange rate based on receipt date	<input type="checkbox"/>
	Use multiple layouts	<input type="checkbox"/>
	New line: Add to purchase order	<input checked="" type="checkbox"/>

Buttons: Logbook, Save, Close

Receipt section

The settings under this section determine whether you need to assign unique serial/batch numbers, whether you can block batch number automatically, or print receiving labels and receiving slips upon receipt of purchased items. The settings in the receipt section allow you to define the things you would want to do upon receiving the items.

Assign serial/batch numbers

Select the check box to make it mandatory for every purchase receipt to be assigned with a unique serial number. This setting is available only if you have the **E-Serie/Batch** module.

Serial and batch numbers are unique numbers assigned to items for the purpose of identification and tracking. Serial numbers are unique for one unit of item; for example item M1350 with a quantity of 10 will be assigned 10 unique serial numbers, one for each item. Batch numbers are unique for each batch quantity of items; for example, one batch of 10 screws will be assigned one unique batch number.

If you do not select this option, it is not mandatory to assign serial/batch numbers during the receipt of the items. In this case, you can assign serial/batch number later via the Item transaction card or upon the delivery of the goods. In order to be able to assign serial/batch numbers to an item, the **Serial** or **Batch** attribute must be enabled in the item maintenance under the **Inventory** tab.

The use of serial/batch items also work concurrently with the settings in **Order settings**, under the **Entry** section at **Selection: Serial/batch numbers**. If the **Selection: Serial/batch numbers** is set to **Manually** and the **Assign serial/batch numbers** check box is selected, then it is possible to reuse the existing serial numbers at the moment of receiving the items by selecting **Yes** to continue when you are prompted the message “Already exists - Continue anyway?”.

If the **Selection: Serial/batch numbers** is set to **Valid**, then it is not possible to reuse existing serial numbers and you must define unique serial numbers for the items at the moment of receipt.

If you clear the **Assign serial/batch numbers** check box, then it is possible to receive serial/batch items without assigning serial or batch number to them. You may manually assign the serial/batch numbers at a later stage during the fulfillment of the serial items in the sales process.

Block batch numbers automatically

Select the check box to automatically block batch numbers from being used during the receipt of purchase orders.

Receipt labels

Select the check box to enable the printing of receipt labels upon the receipt of purchased items. Receipts labels are stick-on labels printed with information about the item, such as bar code, product code, product name, serial numbers, and other information, that can be pasted on the items being received for easy identification.

Receiving slips

Select the check box to enable the printing of receiving slips upon the receipt of purchased items. A receiving slip is a document printed with information on what has been actually received. It serves as a proof document to acknowledge the receipt of items.

Exchange rate based on receipt date

Select the check box to enable the system to derive the receipt amount from the exchange rate on the receipt date during purchase order receipt. Otherwise, the receipt amount will be derived from the exchange rate on the purchase order date.

1.4 Order Settings

Order settings determine how inventory is processed during fulfillment and shipment of sales orders. The settings that have to be defined for inventory and warehouse management are settings for sales order fulfillment and shipment. To define the order settings, go to System → General → Settings, and then click **Order settings**.

Order settings

Quotation

Discount / Extra charges Authorize quotations

Entry

> Default warehouse: 1 Centraal magazijn	Discount / Extra charges: <input checked="" type="checkbox"/>	
Shipping via: TNT	Change of cost center: <input checked="" type="checkbox"/>	
Invoice method: Time & Material	Order performance dates: <input type="checkbox"/>	
Calculate prices: Invoice debtor	Generate project: <input type="checkbox"/>	
Selection: Serial/batch numbers: Manually	Allocation: Copy project: <input type="checkbox"/>	
Profit calculation: Margin	Representatives only: <input checked="" type="checkbox"/>	
Discount calculation: Price list discount + Line discount	Skip order header: <input checked="" type="checkbox"/>	
Credit line risk control: Final invoices	Negative margin check: <input checked="" type="checkbox"/>	
Fulfillment date basis: Working day	Logbook: <input checked="" type="checkbox"/>	
Stock check: To be received: Exclusive	Add extra receipt to sales order: <input type="checkbox"/>	Variance: 0,00 %
Stock check: Backorders (Days): 0	Drop ship: <input checked="" type="checkbox"/>	

Authorize

Sales order: <input type="checkbox"/>	Message if exceeded: <input type="checkbox"/>
RMA order: <input type="checkbox"/>	Exceeding permitted: <input checked="" type="checkbox"/>
	Blanket order: <input type="checkbox"/>

Confirm

Check credit line: <input checked="" type="checkbox"/>	RMA order: <input checked="" type="checkbox"/>
--	--

Fulfillment

Create cost price entry: Sales order debtor	Hours: <input checked="" type="checkbox"/>
Check credit line: <input checked="" type="checkbox"/>	Use multiple layouts: <input type="checkbox"/>
Use enrichment: <input type="checkbox"/>	Selection: Multiple: <input checked="" type="checkbox"/>
New line: Add to sales order: <input checked="" type="checkbox"/>	Check stock: <input checked="" type="checkbox"/>

Shipment

Generate tracking number: <input type="checkbox"/>
--

Selection codes

Logbook Save Close

Entry section

The order settings in the **Entry** section determine the settings in the sales order entry screen when you create a sales order at Order → Entries → Sales orders. For further details on the three sections in the sales order entry screen, see *2.1 Creating and Maintaining Sales Orders* in **E-Sales Order**.

Shipping via

Type or select the shipping method of the sales orders at **Shipping via**. The shipping method defined in this field will be the default whereby this method will be automatically defined at **Shipping via** in the header of sales order entry screens. It is also possible to link the shipping method to a specific debtor (defined at **Shipping via** in the debtor maintenance screen, under the **Financial** tab in the **Advanced** mode, or under the **Logistics** tab in the **Simple** mode). By default, the shipping method linked to the debtor will be filled at **Shipping via** in the sales order header. However, when creating sales orders, the shipping method can be changed. Shipping methods can be created at System → Logistics → Shipping methods.

Selection: Serial/batch numbers

Select the required option to enable the selection of serial/batch numbers when creating or fulfilling a sales order. The options available are:

- **Manually** — This option allows you to manually select the serial/batch numbers. By default, this option is selected.
- **Valid** — This option allows you to select only from a list of available serial/batch numbers linked to existing stock. Available serial/batch numbers are numbers that are not blocked or have not expired.
- **All** — This option allows you to select from all available serial/batch numbers in the system.

Fulfillment section

The order settings in the **Fulfillment** section are for sales order fulfillment (at Order → Entries → Fulfillment).

Create cost price entry

Select the type of debtor to be used in the item transaction card (at Order → Items → Cards, select the fulfilled item, click **Card**, select the sales order, and click **Our ref.**) after sales orders have been fulfilled, if the sales order debtor and the invoiced debtor are different. The options available for selection are **Sales order debtor** and **Invoice debtor**.

Check credit line

Select the check box to check the total amount of the sales order to be fulfilled against the credit limit of the invoiced debtor before the sales order can be fulfilled. If the total amount of the sales order exceeds the invoiced debtor's credit limit, the sales order cannot be fulfilled. If this check box is not selected, the sales order can be fulfilled even though the total amount of the sales order exceeds the invoiced debtor's credit limit.

Use enrichment

Select the check box to make the **Enrichment** button available at Order → Entries → Picking list. Serial/batch numbers and warehouse location of the items have to be defined prior to using the enrichment feature. For further details on enrichment, see *4.7 Allocating and Enriching Items* in the **E-Sales Order** user manual.

Hours

Select the check box to enable hour items to be fulfilled.

Use multiple layouts

Select the check box to print several layouts at the same time during the fulfillment of sales orders. Multiple layouts are available for delivery notes, order confirmation, and service slips. If this check box is selected, the System → Logistics → Layouts menu path will be available.

Selection: Multiple

Select the check box to fulfill more than one sales order at the same time. If this check box is not selected, only one sales order can be selected for fulfillment whereby the sales orders have to be fulfilled separately.

Check stock

Select the check box to check the availability of the items in the warehouse before fulfillment. Sales orders cannot be fulfilled if there is insufficient stock in the warehouse, and delivery note will not be printed. If this check box is not selected, sales orders can be fulfilled, and delivery notes will be printed even though the stock level is negative.

Shipment section**Generate tracking number**

Select the check box to generate the shipment tracking numbers.

Shipping manifest currency code

Select the currency that is used in StarShip. This information is mandatory.

Note: This setting is available if the **SE1343 - E-Shipping Manifest Integration** and **SE1200 - E-Order** modules are in the license.

1.5 General Ledger Settings

General ledger settings determine how financial transactions are managed in the system. The inventory related general ledger settings allow you to define the default general ledger (G/L) accounts and journal to be used for inventory transactions. To define the general ledger settings, go to System → General → Settings, and then click **General ledger settings**.

General ledger settings

Year-end closing process

Process balance sheet Result 0070 Profit current year
 Closing offset B/S account

General ledger

Payment differences [Details...](#) Landed costs 2760 Landed cost susp
 Calculation differences [Details...](#) Bank costs 4960 Bank cost
 > Accruals and prepayments 2400 Prepayments > Production : Costs 6000 Production costs
 > Euro calc dif (Debit) 9150 Calculation differ > Production : Revenue 8030 Incidental revenue
 > Invoices / items to be received 2500 Invoices to be received > Production : Waste 6010 Production Waste
 > Suspense account : Logistics 2750 Logistic suspense > Production : Results 8040 Production result
 > Production : WIP 3040 Production (WIP)
 Production: Scrap

Journal

> Sales invoice 60 Sales > Project (Realizations) 50 General journal
 > Cash journal (POS/Direct invoices) 10 Cash > Depreciation 50 General journal
 > Item transactions 50 General journal > Work in progress 50 General journal

Default

Tax & Discount calculation Tax calculated over net invoice amount excluding discount
 Cost center allocation method Allocate using general ledger accounts from upper level cost center
 > Payment condition : Debtor 00 COD > Payment condition : Creditor 00 COD

Aging

Debtor 30 60 90 Creditor 30 60 90

General

Allocate screen: Advanced mode
 Invoices / items to be received per item

Matching: Cash flow

Overwrite Offset account Only in open periods Create offset entry
 Retain statement analytical values Date: Offset entry Current date

Matching: Invoices

Create offset entry Date: Offset entry Current date

Logbook Save Close

General ledger section

Invoices / items to be received

Type or select the Invoices/items to be received (ITR) general ledger (G/L) account, which is used as a suspense or intermediate account at receipt of items and Invoices / items to be received purchase invoices. The ITR G/L account is used for balancing of double entry. When items received are pending invoice, the financial entry involved will be debit stock G/L account and credit the ITR G/L account. When the invoice is received subsequently, the financial entry will be to debit the ITR G/L account and credit the creditor G/L account. In addition to this, it is also used for receiving of invoice before goods. In this example, the G/L account is also called Items to be received.

Journal section

Item transactions

Type or select the journal which is used to record item transactions.

General section

Invoices / items to be received per item

Select the check box to use different invoices or items to be received (ITR) G/L accounts for different items or item groups. By default, the check box is not selected. This means only one ITR G/L account is used for all items and item groups. In this scenario, the standard ITR G/L account to be used will be based on the default ITR G/L account you have selected at **Invoices / items to be received** under the **General ledger** section.

Note: If you have selected the check box, you will see the **Invoices / items to be received** field in the item group and item maintenance screens.

1.6 Numbers Settings

Numbers settings determine how the sequential numbers for journal entries are generated. In addition, it also allows you to define the start number for various logistics-related documents, such as the delivery notes and interbranch transfer slips. Based on the start number, the subsequent sequential numbers will be assigned to the documents. To define the numbers settings, go to System → General → Settings, and then click **Numbers settings**.

Numbers settings

General
 Use external numbering

Financial

	First	Free	Last	Qty. free	
General/Cash/Bank journal	10000001	10000070	10010001	9932	
Purchase journal	20000001	20000008	20010001	9994	

Accounts
 Range: Start
 Range: End

Logistics

Quotation number	<input type="text" value="40000001"/>	<input type="checkbox"/> Order number
Sales order number	<input type="text" value="23000086"/>	
Recurring sales order number	<input type="text" value="1"/>	
Delivery note number	<input type="text" value="33000020"/>	
Interbranch transfer number	<input type="text" value="100000"/>	<input type="checkbox"/> Delivery note number
Invoice number	<input type="text" value="5"/>	
Purchase order number	<input type="text" value="50000002"/>	
Blanket purchase order number	<input type="text" value="1"/>	
Blanket sales order number	<input type="text" value="1"/>	
Production order number	<input type="text" value="PR04"/> <input type="text" value="1"/>	
RMA order number	<input type="text" value="1"/>	
RTV order number	<input type="text" value="1"/>	
Group internal use number	<input type="text" value="1"/>	
Allow change entry number		<input checked="" type="checkbox"/>

General section

Use external numbering

Select the check box to enable the external numbering functionality. This feature allows you to use the external numbers in your business documents apart from the standard numbering system based on the **Entry**, **Our reference**, and **Your reference** numbers. Once you have enabled the external numbering functionality, you can define the numbering rules and the number ranges for the external numbers. The system will then assign external numbers for the specific business transactions based on the defined numbering rules and number ranges.

Logistics section

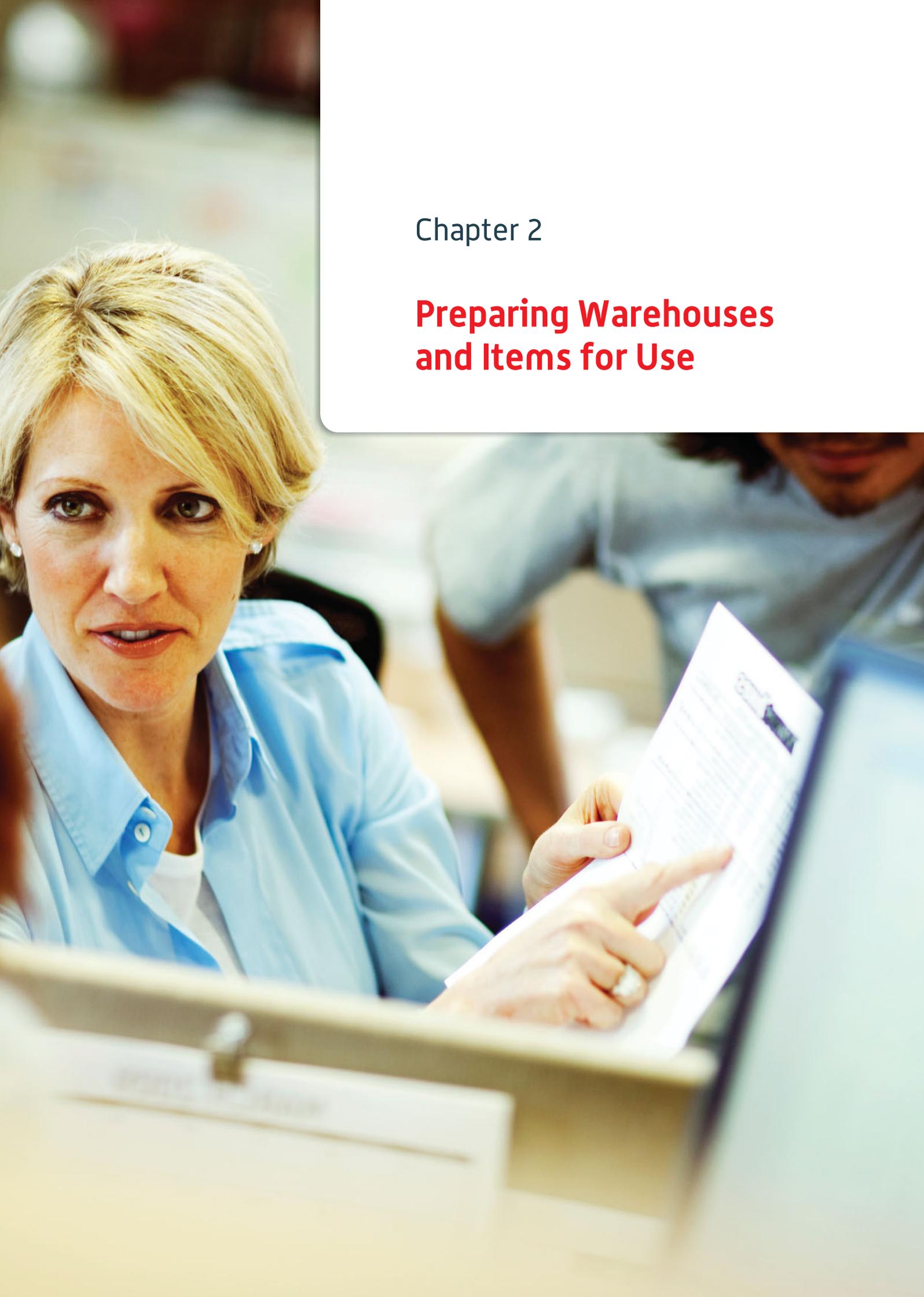
Delivery note number

Type the start delivery order number to be printed on the delivery note. An order can be delivered in several parts or at a different time. As such, there can be several deliveries per order. This number will be automatically updated whenever a delivery note is printed.

Interbranch transfer number

Type the start number to be used in the interbranch transfer. This is a running number and is automatically generated whenever a new interbranch transfer is recorded. Alternatively, you can select the **Delivery note number** check box to use the delivery note number when you record the interbranch transfer.

Note: **Interbranch transfer number** is not enabled if you select the **Delivery note number** check box.

A woman with short blonde hair, wearing a light blue button-down shirt, is looking intently at a document held in a clipboard. She is pointing at a specific section of the document with her right index finger. In the background, another person is partially visible, also looking at a document. The scene appears to be an office or a professional setting.

Chapter 2

Preparing Warehouses and Items for Use

Preparing Warehouses and Items for Use

- 2.1 Defining Warehouses
- 2.2 Defining Item Groups
- 2.3 Defining Units of Measurement
- 2.4 Defining Assortments
- 2.5 Defining Serial/Batch Numbers
- 2.6 Creating Items
- 2.7 Batch Update of Existing Items
- 2.8 Recoding Items
- 2.9 Copying Items
- 2.10 Creating and Maintaining Shipping Methods

2. Preparing Warehouses and Items for Use

Before populating Exact Globe Next with items, you should first define holding areas for your inventory. This is termed as a **Warehouse** in Exact Globe Next. A warehouse provides characteristics of your holding areas. You can specify the items to be stored in each warehouse. You can also assign different employees to different warehouses to manage it. This is useful as a control measure in your organization.

Apart from that, you should also define the characteristics of your stock items. This allows you to include various different information of the item including the price, the markup, its suppliers or purchasers, the warehouse attributed to it, and other information. Maintaining the information for all these varied characteristics ensures the item will be managed properly. For instance, you can specify whether the item is a sellable item. This ensures that when a sales invoice is created, if a non-sellable item is accidentally chosen, the system will alert you to this.

2.1 Defining Warehouses

A warehouse is used to define the location where inventory is stored. It can contain the address of the warehouse as well as assigned employees and items in a particular warehouse. Even if your organization does not have a physical warehouse, it would be beneficial to create one in Exact Globe Next in order to better reflect the way your inventory is managed. A new installation of Exact Globe Next will have one warehouse already defined.

The screenshot shows the '932 Maintain warehouses - Exact' window. The 'Warehouse code' and 'Name' fields are empty. The 'Status' is set to 'Active' and 'Drop ship' is unchecked. The 'Basics' tab is selected, showing address fields (Address 1, 2, 3), 'Postcode', 'City', 'Phone', 'Fax', 'State', 'Country' (NL), and 'Contact' (1 Caroline). The 'Invoice address' is 'Not defined'. The bottom bar contains buttons for 'Assign items', 'Item transactions', 'Counts', 'Save', 'New', and 'Close'.

To create warehouses:

1. Go to Inventory → Warehouse management → Warehouses.
2. Click **New**. The **Maintain warehouses** screen will be displayed.
3. Type a unique warehouse code and a descriptive name to identify the warehouse. This is mandatory. If **Name** is left blank, it will be automatically filled in with the same details as **Warehouse code**.
4. Select a status for the warehouse. This denotes whether the warehouse is in operation or not. Select **Active** if it is in operation and **Blocked** if it is not. There may be times when you need to block the warehouse, for instance when the warehouse/business is closed for stock taking activities or when it has received structural damage and is not fit for storing your inventory.
5. Under the **Basics** tab, type the address for the warehouse. Although optional, this is useful for differentiating storage locations later.
6. Type or select a contact person for this warehouse at **Contact**. This contact person may or may not have rights to the warehouse.
7. Click **Save** to save the information.
8. Click **Close** to exit.

Note: Items stored at this warehouse can be viewed under the **Items** tab. Once you have created your inventory items, you can assign them to each warehouse later.

The **Serial/batch** tab displays information about the inventory for serialized or batch items in a particular warehouse. When creating a new warehouse, this tab will not show any information as no item has been assigned to the warehouse yet.

Under the **Rights** tab, assign an employee to be responsible for the warehouse. This acts as a control measure for your organization since only authorized employees can make changes to the warehouse. However, you can assign employees only after you have saved other information for the warehouse.

2.2 Defining Item Groups

After creating a warehouse, you are advised to create item groups before creating items. This is to allow you to link each item to an item group in the item maintenance. The item groups enable you to categorize the items for the purpose of financial reporting. Having item groups makes it easier for specifying the general ledger accounts that will be used for recording logistics transactions, such as sales or purchase of items that belong to the respective item groups.

For instance, you may want to specify that items in the “Software” group is to be linked to “Revenue of software” account and “Cost of Goods sold software” account while items in the “Hardware” group is to be linked to the “Revenue of hardware” account and “Cost of Goods sold hardware” account. Linking each item to an item group will ensure that the appropriate financial transactions are carried out.

2.2.1 Creating item groups

To create item groups:

1. Go to System → Logistics → Item groups.
2. Click **New**. The **Item groups** screen will be displayed.
3. Type a unique number at **Item group**.
4. At **Code**, type a unique code for the item group. This is mandatory. The code can be the same as the number at **Item group**.
5. Type the description of the item group at **Description**. This is mandatory.
6. Under the **Basics** tab, type or select the appropriate accounts at **Revenue account**, **Cost of goods sold account**, and **Discount account**. These are mandatory.
7. Under the **Purchase** tab, type or select the appropriate accounts at **Stock account** and **Price differences account**. This account reflects the account whereby the financial transactions of this stock are recorded. These are mandatory.
8. Click **Save** to save the information.
9. Click **Close** to exit.

For **Cost unit** in the **Basics** tab, you may type or select the cost unit to be associated with this item group, if available. A cost unit can be a division of your organization, either geographically or departmental. This is useful when attributing the different parts of your organization to an item group which can be used for measuring performance.

For the **Purchase** tab, you can type or select the Invoices/items to be received (ITR) G/L account to be used for the item group at **Invoices / items to be received** if you have selected the **Invoices / items to be received per item** check box under the **General** section in **General ledger settings**. If you do not define a specific ITR G/L account for the item group, the default ITR G/L account as defined in the **General ledger settings** under the **General ledger** section will be used when items or purchase invoices are received. The **Price differences account** is used to record the difference in prices between the standard cost price as specified by the supplier and the purchase invoice price during the point of purchase.

For the **Extra** tab, **Price list rounding** is used to specify the appropriate rounding off method for the prices of items in this group:

- **No rounding** — This option will not round off any amount.
- **Round up** — This option will round the amount to the next higher number.
- **Round down** — This option will round the amount down to the next lower number.

This can be applied for your organization's policies in rounding off amount for a certain item group. This feature is applied only when the **Round off** button is clicked when maintaining price lists at Order → Price management → Price lists, if relevant. When a price list for a particular item is clicked, the item will be rounded off according to the price list rounding method specified here.

2.3 Defining Units of Measurement

Defining different units of measurement allows you to use them to reflect different ways your inventory is packaged. For instance, your purchase of keyboards may be in boxes containing 12 pieces in each box. And when it is sold, the keyboards are sold by piece. For this, you can record your purchases by box and sales by pieces using different units of measurement. This is for more effective inventory handling and gives a more accurate reflection of your organization's business.

2.3.1 Creating units of measurement

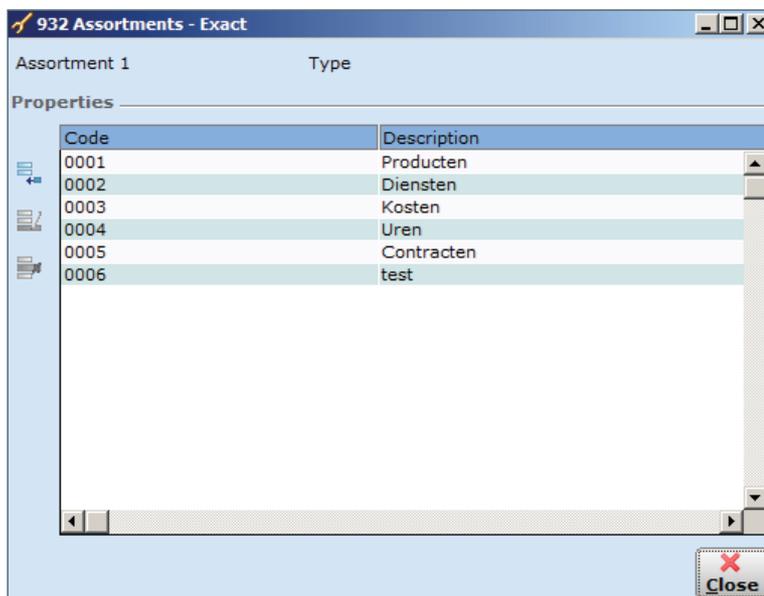
To create units of measurement:

1. Go to System → Logistics → Units.
2. Click **New**. The **Units** screen will be displayed.
3. At **Unit**, type a unique name for the unit of measurement. This is mandatory.
4. Type the description of the unit at **Description**.
5. At **Type**, select the appropriate measurement type. Select **Length**, **Time**, or **Weight** for units that measure length, time, and weight, respectively. Select **Other** for units that are not represented by any of the other options.
6. Select the **Active** check box to activate the unit of measurement. When a unit is **Active**, it can be used in your business operations. There may be times when you need to make a measurement unit inactive by clearing this check box. This is because you cannot delete an existing measurement unit if it is currently being used. If the unit is not used anymore in the future, you can make it inactive, thereby maintaining past items that use it while preventing future items from using it.
7. Click **Save** to save the information.
8. Click **Close** to exit.

2.4 Defining Assortments

Assortments are used in grouping or categorizing different types of items that have certain properties in common. The assortments and the properties are user-defined. For example, you can specify “Color” as an assortment for a car. You can then define its properties, such as “Black”, “Blue”, “Red”, and so on. Assortments can be used in reports as search criteria. This will effectively create reports based on certain assortments that you want to view.

2.4.1 Creating assortments



To create assortments:

1. Go to Inventory → Items → Assortments and type a relevant name for each assortment. You can have up to 10 different assortments.
2. Click  **Maintain: Properties** to define the assortment's properties.
3. Click  **New** to add new properties to the assortment. The **Assortments: Properties** screen will be displayed.
4. At **Code**, type a unique code for the property. This is mandatory.
5. Type the description of the assortment at **Description**.
6. Click **Save** to save the property of the assortment.
7. Click **Close** to exit.

Note: After creating properties for an assortment, you can also edit the details of a property by clicking  **Edit** or delete the property by clicking  **Delete** after selecting a property.

2.5 Defining Serial/Batch Numbers

Serial and batch numbers are used primarily for tracking purposes. These numbers are very useful especially when dealing with the quality of the item. If a complaint is received with regards to the item, the serial or batch number can be used to pinpoint its origins so that investigative steps can be taken.

A serial number is unique and is used to identify a single piece of item. A batch number identifies a group of similar items for a particular production run.

2.5.1 Creating serial numbers

To create serial numbers:

1. Go to Inventory → Serial/batch → Serial.
2. Click **New**. The **Serial/batch numbers** screen will be displayed.
3. At **Number**, type a unique serial number for the item. This is mandatory.
4. Type the description for the serial number at **Description**. To have the description in a different language, click . However, this is available only if the languages are defined at System → General → Settings, under **General settings** in the **Descriptions in list boxes** section.
5. If relevant, select the **Blocked** check box to block the serial number from being used.
6. Under the **General** tab, type or select the item for the serial number in **Item code**. This will link the serial number to the item and is mandatory.
7. At **Lot number**, type or select the lot number the serial number is associated to, if available. Lot numbers are usually batches of item that will contain a range of serial numbers.

8. At **Start date** and **End date**, type or select the dates to define the date the serial number takes effect and expires respectively. The start date is mandatory.
9. At **Supplier**, type or select the supplier that supplies the item with this serial number, if relevant.
10. At **Warehouse**, type or select the warehouse the item with this serial number is stored in. This is mandatory.
11. At **Location**, type or select the location within the warehouse the item will be stored in. This is mandatory and is available if the **Warehouse location** check box is selected at System → General → Settings, under **Inventory settings** in the **Fulfillment** section.
12. Click **Save** to save the serial number.
13. Click **Close** to exit.

Note: Click **MRP** to view additional information on the movement of the item, such as whether any new stock has been ordered or whether any stock is in transit. The **Item management: Planning** screen for the item with this serial number displays the information.

2.5.2 Copying serial numbers

To create a serial number for another item with similar information, copy the information of an existing item.

To copy serial numbers:

1. Go to Inventory → Serial/batch → Serial.
2. Select the item you want to copy the serial number details from.
3. Click **New**. The **Serial/batch numbers** screen will be displayed with the relevant information already filled in.
4. Type a unique number and description for the new serial number at **Number**.
5. Define new information or edit the existing information.
6. Click **Save** to save the new serial number.
7. Click **Close** to exit.

2.5.3 Creating batch numbers

To create batch numbers:

1. Go to Inventory → Serial/batch → Batch.
2. Click **New**. The **Serial/batch numbers** screen will be displayed.
3. Type a unique batch number for the item at **Number**. This is mandatory.
4. Type a description for the batch number at **Description**. To have the description in a different language, click . However, this is available only if the languages are defined at System → General → Settings, under **General settings** in the **Descriptions in list boxes** section.
5. Select the **Blocked** check box to block the batch number from being used.
6. Under the **General** tab, type or select the item for the batch number. This will link the batch number to the item and is mandatory.

7. Type or select the lot number the batch number is associated to, if available, at **Lot number**.
8. Type or select the start and end dates at **Start date** and **End date** to define the dates the batch number takes effect and expires respectively. The start date is mandatory.
9. Type or select the supplier that supplies the item with this batch number, if relevant, at **Supplier**.
10. Type or select the warehouse and the location the item with this serial number is stored in at **Warehouse**. This is mandatory.
11. Type or select the location within the warehouse the item will be stored in at **Location**. This is mandatory and is available if the **Warehouse location** check box is selected at System → General → Settings, under **Inventory settings** in the **Fulfillment** section.
12. Click **Save** to save the batch number.
13. Click **Close** to exit.

Note: Click **MRP** to view additional information on the movement of the item, such as whether any new stock has been ordered or whether any stock is in transit. The **Item management: Planning** screen for the item with this batch number displays the information.

2.5.4 Copying batch numbers

To create a batch number for another item with similar information, you can copy the information of an existing item.

To copy batch numbers:

1. Go to Inventory → Serial/batch → Batch.
2. Select the item you want to copy the batch number details from.
3. Click **New**. The **Serial/batch numbers** screen will be displayed with the relevant information already filled in.
4. Type a unique number and description for the new batch number at **Number** and **Description**. The **Number** field is mandatory.
5. Type new information or edit the existing information.
6. Click **Save** to save the new batch number.
7. Click **Close** to exit.

Note: In certain situations, you may need to assign multiple serial and batch numbers for the corresponding items. In order to ensure that you assign the right serial and batch numbers for the right items quickly, you can use the feature to mask serial and batch items when performing production order receipts, purchase order receipts, fulfillment of sales orders for items linked to drop ship warehouse, and when processing stock counts. With this feature, the serial and batch numbers are proposed according to a predefined mask. The masking is set up for each item by defining the necessary information at **Mask** and **Increment factor** in the **Serial/batch** tab of the item maintenance screen.

2.6 Creating Items

Items are the heart of your organization as they determine the success of your organization. For this reason, Exact Globe Next allows you to keep a lot of information related to an item.

2.6.1 Creating items

The screenshot displays the '932 Items - Exact' window. At the top, there is a menu bar (File, Edit, Actions, Help) and a toolbar. Below this, the form is divided into several sections. The top section contains 'Item code', 'Description', and 'Search code' input fields. To the right, there are dropdown menus for 'Type' (set to 'Standard'), 'Status' (set to 'Active'), and a date range 'From' (set to '23/02/2012'). A navigation bar below the form includes tabs for 'Basics', 'Purchase/ Sales', 'Financial', 'Activity', 'Inventory', 'Serial/batch', 'Manufacturing', 'Doc.', 'Analysis', 'Extra', and 'Log'. The 'Basics' tab is selected, showing fields for 'Sls. unit, Price' (0.000 EUR), 'Classification ESL', 'Sales VAT code' (0), 'Cost price' (0.000 EUR / -), 'Margin' (%), and 'Purchase price' (0.000 EUR / -). There is also a 'Picture' field. Below these are 'Assortments' (Type, Productgroep, Soort) and 'Attributes' (Text, Divisible, Text, Description NL). At the bottom, a status bar shows 'Created:23/2/2012 By:Caroline Modified:23/2/2012 By:Caroline' and a toolbar with buttons for 'Graph', 'MRP', 'Card', 'Production ord...', 'Purchase orders', 'Sales orders', 'Save', 'New', and 'Close'.

To create items:

1. Go to Inventory → Items → Maintain.
2. Click **New**. The **Items** screen will be displayed.
3. At **Item code** and **Description**, type a unique code and a description respectively for the item. These are mandatory.
4. Type a search code which is used when searching for items. If this is left blank, it will be automatically filled in with the code at **Item code**.
5. Select an appropriate type for the item at **Type**:
 - **Standard** — A **Standard** type item allows it for normal business operations where it can be purchased and sold intact.
 - **Bulk issue** — A **Bulk issue** type item is used mainly in the manufacturing process. It is purchased for the purpose of creating a final product or enhancing an existing product.

6. Select the appropriate status for the item at **Status**:
 - **Active** — Items with this status can be sold, purchased, manufactured, received, and delivered.
 - **Blocked** — Items with this status can be used in sales, stock counts, creating Bill of Materials, and budget scenarios, but cannot be used in sales and purchasing.
 - **Discontinued** — Items with this status can be used in stock counts, sales, creating Bill of Materials, and budget scenarios, but cannot be used in purchases.
 - **Inactive** — Items with this status can be used in stock counts, but cannot be used in sales, purchasing, creating Bill of Materials, and budget scenarios.
 - **Future** — Items with this status have not been made active but which your organization has details about.
7. At **From** and **to**, type or select the appropriate dates to denote the validity of the item. If the start and end dates are specified, it is active within this period only. Typically, it will only have the **From** date specified. This means the item is active from that date onwards. The end date is filled in only to discontinue the item after a certain date.
8. Under the **Basics** tab at **Sls. unit, Price**, type or select the sales unit and selling price of the item. The sales unit indicates the unit of measurement the item is sold at. For more details, see 2.3 *Defining Units of Measurement*.
9. Type or select a value-added tax code at **Sales VAT code**, where applicable. A VAT code can be defined at System → General → Countries → Tax codes.
10. Type the cost price of the item at **Cost price**. The cost price is usually lower than the sales price so that the profit margin will be positive.
11. Type or select the assortment(s) that the item is linked to. The assortments available depend on the settings defined at Inventory → Items → Assortments. For more details, see 2.4 *Defining Assortments*.
12. In the **Attributes** section, select the **Text** check box if you want the system to prompt the user to enter a longer description for the item in the **Enter text item** field during transactions involving the item, such as creation of sales or purchase orders and invoices. This allows users to add in their own remarks for the item, the result of which will be shown in the **Long description** column.
13. Select the **Divisible** check box to allow the quantity of this item to be in decimals. This check box is enabled only if the item is not a serial item.
14. In the **Text** section, you can pre-define additional description that will be displayed in the **Enter text item** field when filling up sales or purchase orders and invoices.
15. Type alternative descriptions in different languages, if applicable. This is available only if the **Descriptions in list boxes** section is defined at System → General → Settings, under **General settings**.
16. Click **Save** to create the item.
17. Click **Close** to exit.

Markup (the percentage added to the cost price to reach the sales price) or **Margin** (the difference between the cost price and the sales price in percentage) will be automatically displayed depending on the selection at **Profit calculation** at System → General → Settings, under **Order settings**. If no cost price is specified, this will be blank.

The **Purchase price** will be automatically filled in according to the price defined under the **Purchase/Sales** tab. To specify that an item is a purchase item, add a new supplier under the **Suppliers** section. After adding the supplier, the **Buy** check box will be automatically selected under the **Attributes: Purchase** section. The item is then available for purchase.

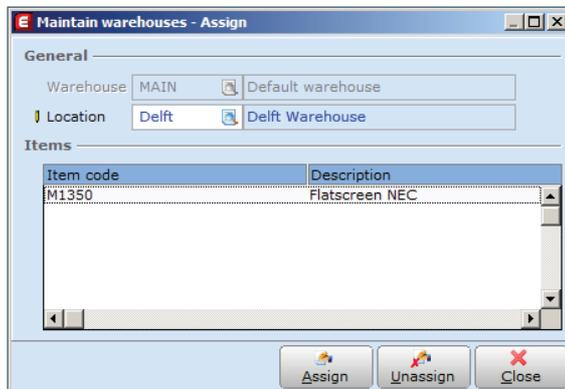
The **Financial** tab defines where inventory transactions (sale and purchase of goods) for the item are recorded in the financial ledgers. By default, the first item group in the list of item groups that are available in Exact Globe Next is automatically selected when you create an item. You can still manually change the accounts.

By default, the accounts defined in the item group will be displayed for the relevant account information under the **Financial** section. The mandatory accounts are **Revenue**, **Stock**, and **Cost of goods sold**. The **Revenue** account is the general ledger account where the sales revenue will automatically be credited when the item is sold. The **Stock** account is the general ledger account where the stock is automatically credited when the item is sold, and debited when the item is purchased. The **Cost of goods sold** account is the general ledger account where the cost of sales will automatically be debited when the item is sold.

In the **Financial** section of the **Financial** tab, you can type or select the Invoices/items to be received (ITR) G/L account to be used for the item at **Invoices / items to be received** if you have selected the **Invoices / items to be received per item** check box under the **General** section in **General ledger settings**. If you do not define a specific ITR G/L account for the item, the default ITR G/L account as defined in the **General ledger settings** under the **General ledger** section will be used when items or purchase invoices are received.

2.6.2 Assigning and Removing Assigned Items to Warehouses

After creating items, you may want to assign the items to the appropriate warehouses. This allows you to better manage your items and to effectively segregate the usage of your warehouses based on items.



To assign items to a warehouse:

1. Go to Inventory → Warehouse management → Warehouses.
2. Select a warehouse that you want to assign items to.
3. Click **Open**.
4. In the **Maintain warehouses** screen, click **Assign items**.
5. At **Location** in the **Maintain warehouses - Assign** screen, type or select the relevant location within the warehouse that you want to assign items to. This option is available if the **Warehouse locations** check box is selected under the **Fulfillment** section of **Inventory settings** at System → General → Settings. You need to define the location before you can assign items to it.
6. Click **Assign**.
7. In the **Maintain warehouses - Items** screen, select the relevant item(s) that you want to assign to the warehouse.
8. Click **Process**. In the **Maintain warehouses - Assign** screen, the selected item(s) will be displayed.
9. Click **Close** to exit.

To remove assigned items from a warehouse:

1. Go to Inventory → Warehouse management → Warehouses.
2. Select an existing warehouse that you would like to remove assigned items from.
3. Click **Open**.
4. In the **Maintain warehouses** screen, click **Assign items**.
5. In the **Maintain warehouses - Assign** screen, type or select the relevant location within the warehouse that contains the assigned items at **Location**. You need to specify the location before you can remove the item's assignment. You also need to ensure that there is no stock available for the item before you can remove the item's assignment.
6. Click **Unassign**.
7. In the **Maintain warehouses - Items** screen, select the relevant item(s) to remove their assignment.
8. Click **Process**. In the **Maintain warehouses - Assign** screen, the selected item(s) will be removed.
9. Click **Close** to exit.

2.7 Batch Update of Existing Items

Now that you have your warehouses filled with your organization's items, there may be times when you need to update the data of multiple items at the same time. This can be due to an increase in shipping charges, for example. As such, the organization decides to increase the sales price for a range of items to absorb the shipping charges. Another example would be if there is a change in company policy whereby the maximum stock level of some items needs to be reduced.

Exact Globe Next allows you to quickly update selected item information for multiple products to reflect scenarios like the ones above.

For the complete functionality of this feature, it is advisable that you have the Add-in for Microsoft Excel already installed.

2.7.1 Updating multiple items

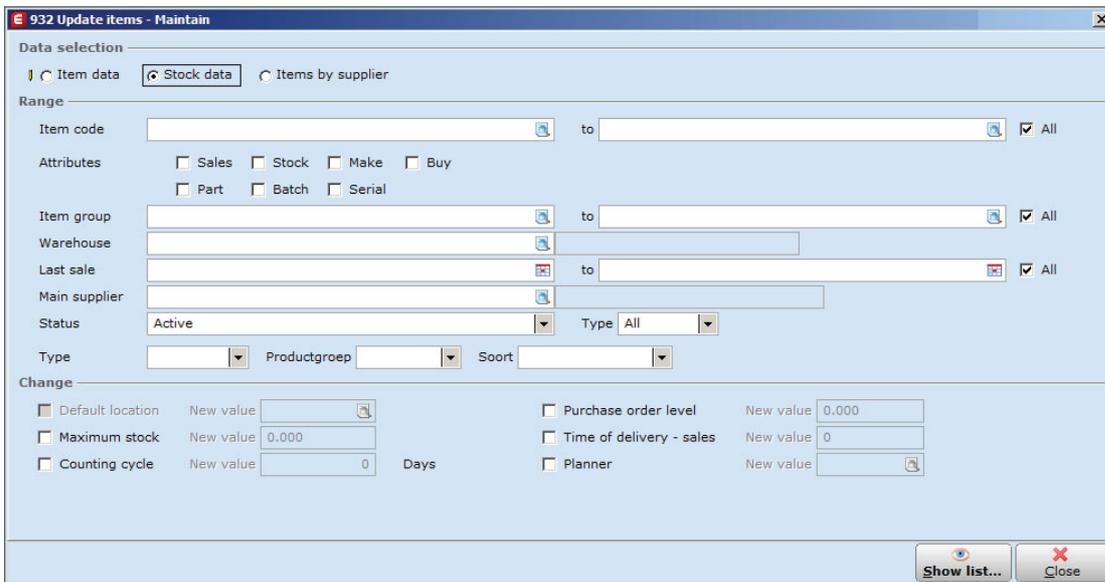
There are two types of information that can be updated for multiple items. Updating of item data will affect only the items' individual characteristics, such as the pricing and grouping of the item.

Updating of stock data will affect the stock information, such as stock levels and stock count cycle, of the items within a warehouse. A separate warehouse may have different stock information even for the same item.

To update multiple item data:

1. Go to Inventory → Items → Maintain.
2. Click **Batch updates**.
3. In the **Update items - Maintain** screen, under the **Data selection** section, select **Item data** to update information for a range of items.
4. Under the **Range** section, define the criteria relevant to the batch updating of items.
5. Under the **Change** section, select the relevant check boxes to change the item data. Select the **Cost price** check box to update the cost price of item(s) according to the selected pricing scheme. Four options are available at **New value**:
 - **Calculated cost price** — Selecting this will change the cost price to be the same as the total of the calculated cost price plus the percentage that you specify. Having a negative percentage will reduce the total while having it at 0% will cause the cost price to be the same as the calculated cost price. This is relevant if the item is made up of different parts that your organization handles, in particular, involving assembly items or Bill of Materials (BOM). The calculated cost price of an item is the total cost price of its components.
 - **Cost price** — Selecting this will change the cost price of the item according to the percentage that you specify. Having a negative percentage will reduce the cost price. For this example, your organization may decide to increase the cost price by 10%.
 - **Sales price** — Selecting this will change the cost price to be the same as the total of the sales price plus the percentage that you specify. Having a negative percentage will reduce the total while having it at 0% will cause the cost price to be the same as the sales price.
 - **Supplier's purchase price** — Selecting this will change the cost price to be the same as the total of the supplier's purchase price plus the percentage that you specify. Having a negative percentage will reduce the total while having it at 0% will cause the cost price to be the same as the supplier's purchase price.

6. Select the **Stock controlled** check box to update the item to a stock controlled item or non-stock controlled item. This option is available only if **Type** is selected.
7. Update the assortments of the items by selecting them at the bottom of the **Change** section.
8. Click **Show list** to display the old and new item data in Microsoft Excel.
9. Click  **Exact Globe Next : Update** (under the **Add-Ins** menu bar) to confirm the information changes to the items in Exact Globe Next.
10. Save and close Microsoft Excel.
11. Click **Close** in **Exact Globe Next** to exit.



932 Update items - Maintain

Data selection

Item data Stock data Items by supplier

Range

Item code: [] to [] All

Attributes: Sales Stock Make Buy
 Part Batch Serial

Item group: [] to [] All

Warehouse: []

Last sale: [] to [] All

Main supplier: []

Status: Active Type: All

Type: [] Productgroep: [] Soort: []

Change

Default location New value: [] Purchase order level New value: 0.000

Maximum stock New value: 0.000 Time of delivery - sales New value: 0

Counting cycle New value: 0 Days Planner New value: []

Show list... Close

To update stock data of multiple items:

1. Go to Inventory → Items → Maintain.
2. Click **Batch updates**.
3. In the **Update items - Maintain** screen, select **Stock data** to update the stock information of items in a particular warehouse.
4. Under the **Range** section, define the criteria relevant to the batch updating of items.
5. Under the **Change** section, select the relevant check boxes to update the stock information of items described as follows:
 - **Default location** — This is available only if you have selected the **Warehouse location** check box in the **Fulfillment** section at System → General → Settings, under **Inventory settings**. This option allows you to update the default location for placement of the item within a warehouse.
 - **Purchase order level** — This option updates the minimum purchase order level for the items.
 - **Maximum stock** — This option updates the maximum quantity allowed of this item in a warehouse.
 - **Time of delivery - sales** — This option updates the time of delivery for sales for the item.
 - **Counting cycle** — This option updates the counting cycle for the item.
 - **Planner** — This option allows you to display the old value and new value at the planner column in the Microsoft Excel report.

6. Click **Show list** to display the old and updated information in Microsoft Excel.
7. Click  **Exact Globe Next : Update** (under the **Add-Ins** menu bar) to confirm the information changes to **Exact Globe Next**.
8. Save and close Microsoft Excel.
9. Click **Close** in **Exact Globe Next** to exit.

Note: Updating of stock data can be done to either a single warehouse every time or to all warehouses. This is different from updating of item data whereby you are able to update item information for a range of warehouses.

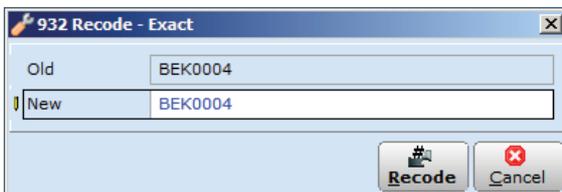
To update item group of multiple items:

1. Go to Inventory → Items → Maintain.
2. Click **Batch updates**.
3. In the **Update items - Maintain** screen, under the **Data selection** section, select **Item data** to update the information for a range of items.
4. Under the **Range** section, define the relevant criteria for batch updating.
5. Under the **Change** section, select the relevant check boxes to change the item data. Select the **Item group** check box, and type or select the new value at **New value** to update the item group of the item(s) to the selected new item group.
6. Click **Show list** to display the old and new item data in Microsoft Excel. A message “Changed: item group. Link general ledger accounts? Invoices / items to be received: Changing the account will not recode existing transactions to the new account” will be displayed. Click **No** to continue using the same invoices to be received account. If you click **Yes**, a message “Depending on the size of your company, this function may take a long time because all files will be checked. Would you like to continue?” will be displayed. From here, click **No** if you do not want to update the item group, and **Yes** to update the item group and the invoices to be received account for item(s) that will be updated with the item group’s invoices to be received account.
7. Click  **Exact Globe Next : Update** (under the **Add-Ins** menu bar) to confirm the information changes to **Exact Globe Next**. The following condition must be met:
 - The current Invoices to be received account must have zero balance per item, and all orders (purchase order, purchase return, and return to vendor (RTV)) on the current invoices to be received account must be completed. If the above condition is not met, then a message “Not updated, Some account do not have zero balance and / or still attached to some non-completed orders” will be displayed. The update process will be terminated. You must rectify the error before running the batch update successfully.
8. Save and close Microsoft Excel.
9. Click **Close** in **Exact Globe Next** to exit.

2.8 Recoding Items

Recoding items in Exact Globe Next is the changing of code numbers for your items. In a normal business process, this does not happen very often. Recoding of items is not encouraged because transactions involving your organization's items are mostly tied to the item code. Changing the code of the item will affect other transactions extensively including sales, purchases, and financial transactions.

There are also times when you need to merge similar items. This can be due to a mistake whereby two different employees created the same new item. In order to maintain just one instance of the item, both these items have to be merged. You can merge items by recoding one of the items to have the same code as the other.



To recode items:

1. Go to Inventory → Items → Maintain.
2. Select the item that you want to recode.
3. Click **Recode**. A message “This process may take some time. Continue?” will be displayed.
4. Click **Yes**. The **Recode** screen will be displayed.
5. Type a new code for the item and click **Recode**. Typing a code of an existing item will merge the two items together. All outstanding quotations, sales and/or purchase orders must be processed first before a merge can occur. A message “Completed successfully: Recode” will be displayed.
6. Click **OK** to exit.

2.9 Copying Items

In the process of recording your organization's items into Exact Globe Next, there will be times when you encounter items that have similar properties. Exact Globe Next allows you to copy an existing item's properties when creating a new item. This significantly reduces the need to retype the same information, already contained in an existing item, into a new item.

New: Item code		MAC0004
Description		Coffee table - Beige
Search code		MACCOFFEETOP
Supp. item code		MAC0004
Copy		
Attachments	<input type="checkbox"/>	
Extra description	<input type="checkbox"/>	
Suppliers	<input checked="" type="checkbox"/>	<input checked="" type="radio"/> Main <input type="radio"/> All
Warehouse	<input checked="" type="checkbox"/>	<input checked="" type="radio"/> Main <input type="radio"/> All
BOM	<input type="checkbox"/>	

To copy item properties:

1. Go to Inventory → Items → Maintain.
2. Select an item to be copied.
3. Click **Copy**. The **Copy Item** screen will be displayed.
4. At **New: Item code**, **Description**, and **Search code**, type an item code, description, and search code for the new item. These are mandatory and the new item code must be unique. The **Supp. item code** field is automatically filled in (this field is enabled only if the **Suppliers** check box under the **Copy** section is selected).
5. Under the **Copy** section, select the relevant check boxes to copy the selected information to the new item. The check boxes are enabled only if the item contains the relevant information. For example, the **Attachments** check box is enabled only if the item to be copied has an attachment.
6. Click **OK** to create the new item. The **Items** screen will be displayed.
7. Make the necessary changes for the new item.
8. Click **Save**.
9. Click **Close** to exit.

2.10 Creating and Maintaining Shipping Methods

Shipping methods are the methods or carriers that can be used to ship your orders. You can use the shipping methods that are supported by the following modules:

- **E-Shipment** — This module allows you to ship your orders using your preferred carriers. With the generated tracking number of each shipment, you can manually check the status of your shipment with the corresponding carrier.
- **E-Shipping Manifest Integration** — This module allows Exact Globe Next integrate with StarShip and vice versa. StarShip is a software that is also integrated with the software of various carriers whereby you can compare the real-time rates of various carriers, ship the yet to be fulfilled orders that you have created in Exact Globe Next, find the latest status of your shipment, and invoice the orders and shipment in Exact Globe Next. This module is available only if you have the **SE1343 - E-Shipping Manifest Integration** and **SE1200 - E-Order** licenses, and if you define the currency used in StarShip at **Shipping manifest currency code** in the **Shipment** section of **Order settings**. For more information, see the **Shipment** section of *1.4 Order Settings*.

You can define the default shipping methods to be used in a sales order at the following, whereby the setting at the debtor maintenance screen will precede the setting at **Order settings**:

- At **Shipping via** in the **Entry** section of **Order settings**. For more information, see the **Shipment** section of *1.4 Order Settings*.
- At **Shipping via** in the **Sales order - Invoice** section in the **Financial** tab of a debtor maintenance screen.

The screenshot shows a software window titled "932 Shipping methods - Exact". The window has a menu bar with "File", "Edit", and "Help". Below the menu bar is a toolbar with icons for file operations and navigation. The main area is divided into two tabs: "Shipping methods" and "Description". The "Shipping methods" tab is active and contains the following fields and options:

- Shipping via**: A text input field.
- Use shipping manifest**: A checkbox, currently unchecked.
- Description**: A text input field.
- Tracking number**: A section header.
- Shipment**: A checkbox, currently unchecked.
- Packages**: A checkbox, currently unchecked.
- Item group**: A text input field containing "0" and a dropdown menu showing "Miscellaneous".
- Supplier**: A text input field with a search icon.
- Cost price**: A text input field containing "0.000" and a dropdown menu showing "EUR".
- Unit**: A text input field with a search icon.
- Warehouse code**: A text input field with a search icon.
- Print on order**: A checkbox, currently unchecked.

At the bottom right of the window, there are three buttons: "Save", "New", and "Close".

To create shipping methods:

1. Go to System → Logistics → Shipping methods.
2. Click **New**.
3. In the header section of the **Shipping methods** tab, define the following:
 - At **Shipping via**, type a maximum of eight characters to define a code for the shipping method. This information is mandatory.
 - At **Description**, type a description for the shipping method. This information is mandatory.
 - Select the **Use shipping manifest** check box to define that the sales orders linked to this shipping method will be shipped using StarShip with **E-Shipping Manifest Integration**. Clear the check box to ship the corresponding sales orders using **E-Shipment**. Once selected, **Cost price** is set to zero and hidden, **Shipment** is hidden, and **Packages** and **Print on order** are selected but disabled.
4. In the **Tracking number** section of the **Shipping methods** tab, define the following:
 - Select the **Shipment** and/or **Packages** check boxes to issue a tracking number for every shipment and for every package shipped using this shipping method, respectively.
 - Type or select an item group at **Item group** to ship items under this item group using this shipping method.
 - At **Supplier**, type or select a supplier that will use this shipping method. This information is mandatory.
 - Type the cost price of the shipping method in the currency defined at **Default currency** in the **Standard** section of **General settings**.
 - At **Unit**, type or select the unit of measurement to be used when shipping. This information is mandatory.
 - At **Warehouse code**, type or select the warehouse that will use this shipping method. This information is mandatory.
 - Select the **Print on order** check box to print the shipping method on the order documents.
5. Click **Save** to save the shipping method.
6. Click **Close** to exit.

A man in a teal polo shirt and glasses is leaning over a woman in a red cardigan and glasses. They are both looking at a white document held by the woman. The background is a blurred office environment with a person in an orange shirt visible in the distance.

Chapter 3

Inventory Management

Inventory Management

- 3.1 Stock Count
- 3.2 Purchasing Process
- 3.3 Sales Process
- 3.4 Internal Use
- 3.5 Interbranch Transfers
- 3.6 Location Transfers
- 3.7 Inventory Costing

3. Inventory Management

Inventory management involves managing the day-to-day inventory transactions, such as stock counting, the receiving of inventory, fulfillment of inventory, internal use requests, interbranch transfers, and inventory costing. The following are business processes described in the **Inventory Management** and **E-Warehouse Management** modules:

- Stock count
- Purchasing process
- Sales process
- Internal use (Internal requisition)
- Interbranch transfer
- Location transfer
- Inventory costing

3.1 Stock Count

Stock count is the process of counting inventory on a periodic basis throughout the year so that you have accurate information on inventory. Stock count is used to check for discrepancies between the physical and recorded inventory levels, and this is done on a frequency based on the value of the items. Usually if the value of a stock is higher, the stock is counted more frequently. This is to ensure that the inventory is consistently accurate and prevent discrepancies due to damage, loss, and theft.

A counting cycle is used in Exact Globe Next to determine the frequency of stock count. The counting cycle (in days) for an item is defined per warehouse in the item maintenance (under the **Inventory** tab, double-click a warehouse in the **Warehouses** pane, and type a value at **Counting cycle**).

Counting cycles determine when an item will be counted again after the last count. For example, item A has a counting cycle of 90 days and the last count was on January 1, 2006. Thus, if you conduct a stock count on March 28, 2006, this function will check whether the item needs to be counted based on the counting cycle. It will not allow you to create a count because the next count for item A should be 90 days from January 1, 2006.

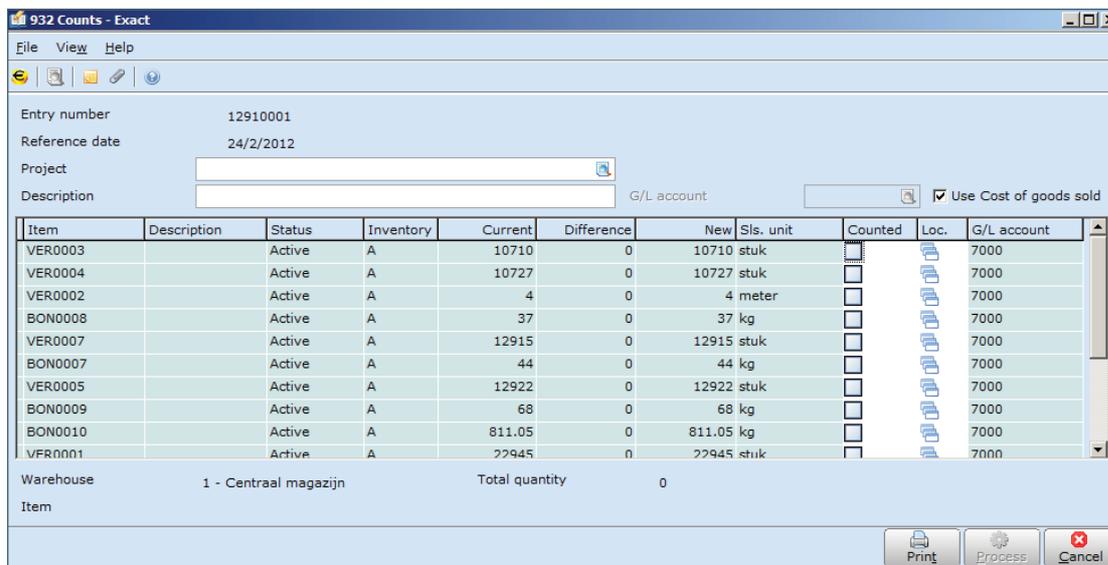
When you process a stock count, two entries are recorded on the reference dates in the stock account and the cost of goods sold account respectively. If there are discrepancies between the physical quantity and the data in the system, there will be an amount adjustment in the stock account and the cost of goods sold account. The following financial transactions are recorded in the financial ledgers for the respective scenarios:

- **Positive stock count** — This occurs when the physical quantity is more than the system quantity. Debit the stock account and credit the cost of goods sold account.
- **Negative stock count** — This occurs when the physical quantity is less than the system quantity. Credit the stock account and debit the cost of goods sold account.

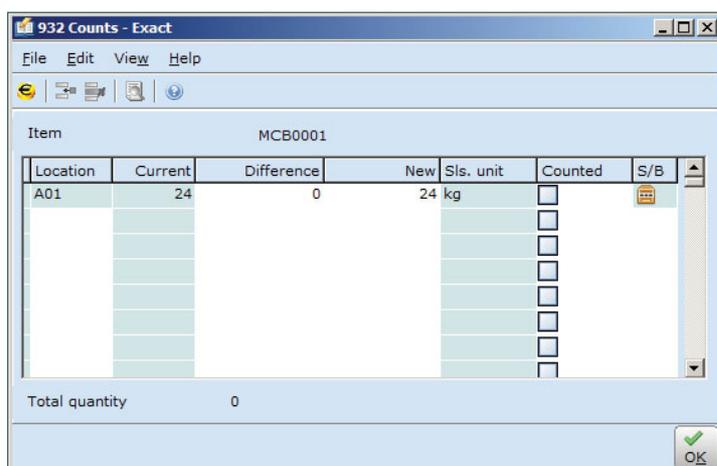
To create stock counts:

1. Go to Inventory → Warehouse Management → Counts.
2. Click **New**. The **Counts** screen will be displayed.
3. Under the **Range** section at **Warehouse**, select the warehouse where you want to conduct the stock count.
4. At **Location**, select a location of the warehouse. This is available if you have selected the **Warehouse locations** check box at System → General → Settings, under **Inventory settings**.
5. At **Item code**, type or select an item code or a range of item codes for which you want to create a stock count. To create a stock count for a group of items then you can type or select an item group or a range of item groups at **Item group**. Item groups are items with the same revenue, cost of goods sold and stock accounts.
6. Under the **Extra** section at **Reference date**, type or select the reference date when the stock count is created. By default, the current date is displayed. Select the **Use: Counting cycle** check box to include the items that are eligible for stock count only. Items are eligible for stock count if the period starting from the date the item was last counted until the current date has exceeded the counting cycle.
7. Under the **ABC analysis** section, select the **Sort by** option to sort the results of the stock count by items or warehouse locations. For additional sort options, you can define the ABC analysis to sort the items by the quantity used, sales quantity, revenue, cost of goods sold, purchase cost, and margin.

8. Select the **Use inventory class from ABC analysis** check box to enable the options for ABC analysis. For more information on ABC analysis, see 3.7 *Inventory Costing*.
9. Click **New**. The **Counts** screen will be displayed:



10. Select the **Use Cost of goods sold** check box and the financial entries will be recorded in the **Cost of goods sold** account as defined in the item maintenance (under the **Financial** tab). Alternatively, you can specify the G/L account manually if it is different from the one defined in item maintenance. Only if there are no discrepancies found during the stock count for the item, you can proceed to step 14.
11. If you have the **Warehouse locations** check box selected at System → General → Settings, under **Inventory settings**, in the **Fulfillment** section, click  under the **Loc.** column and you will see the **Counts** screen. Otherwise, proceed to step 13.



12. Define the difference in quantity counted in a particular warehouse in the **Difference** column or the new quantity in the **New** column. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to count by clicking  in the **S/B** column. Click **OK** to exit.
13. Define the difference in quantity counted in a particular warehouse in the **Difference** column or the new quantity in the **New** column. If it is a negative stock count, type the difference in quantity (it must be a negative value) in the **Difference** column or the new quantity in the **New** column. Otherwise, if it is a positive stock count, type the additional quantity in the **Difference** column or the new quantity in the **New** column. The **Counted** column will automatically be selected. If you have selected the **Warehouse locations** check box and have defined the stock count quantity in step 11, the **Difference** and **New** columns will automatically display the quantity defined earlier.
14. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to count by clicking  in the **S/B** column. If it is a negative stock count, you will see the **Serial numbers For CAS:VG01** or **Batch numbers For CAS:VG01** screen where CAS:VG01 is the item you want to count. Select the serial/batch numbers from a list of numbers available in the current stock, and then click **Select** to link the numbers to the stock count entry screen and exit automatically. Otherwise, if it is a positive stock count, you will see the **Create: Serial number** or **Create: Batch number** screen. Type the serial/batch number for the serial/batch item at **Serial number** or **Batch number**. If you are registering more than one serial item, click **Advanced**, type the number of serial numbers you want to create at **Increment factor**, then type the first serial number at **From**, and then press TAB. The last serial number in a series of running number will be displayed automatically at **To**. Click **OK** to save and exit and return to the **Counts** screen.
15. Under the **Counted** column, select the check box in the relevant lines to verify the count.
16. Click **Process** to generate the stock count. After processing is completed, the stock count transaction will be registered in the financial journals with an entry number.

In step 11, the order and inventory settings determine the stock count difference allowed for negative stock count. Stock count difference for positive stock count is not affected. If the **Check stock** check box is selected under **Order settings** and **Counts: Check free stock** is set to **Yes** under **Inventory settings**, the difference quantity entered must be less than or equal to physical stock per warehouse/warehouse location (in the **Current** column) and free stock per warehouse (in the **Free stock** column). If you enter a stock count difference that is more than the free stock in the warehouse, you will see a tooltip message “Must be less than or equal to : Free stock” and you will not be able to proceed to process the stock count.

3.2 Purchasing Process

The purchasing process is related to the inventory business process because companies need to replenish depleted stock and fulfill customer orders. Purchase orders are created and sent to suppliers to request for the required items by the purchasing representative/buyer.

Delivery of purchase orders by suppliers involves the receipt of items, processing of the attached documents, such as delivery notes and invoices, and storage of the received items in an assigned location.

An invoice is received either together with the items or separately. The invoice is then entered in the purchase journal to record the amount to be paid to the supplier for the items received. As an optional checking procedure, a reconciliation of the receipt to the invoice is done to ensure that the amount to be paid matches the amount and quantity of items received. After processing the invoice and paying the supplier, the purchase process is considered complete.

In the event that there are damaged goods or the quantity delivered is more than the purchase order quantity, the items will be removed from the warehouse and sent back to the supplier's warehouse. A return receipt is created to register the returned stock. Upon receiving the returned items, the supplier will send a credit invoice to adjust the amount that was charged in the first invoice.

During the transportation of goods from the supplier's warehouse to the customer's warehouse, additional cost, such as transportation cost, insurance cost, inspection cost, import duties, and other taxes, are incurred within the purchasing process. The additional cost is called landed cost and needs to be added to the value of the stock so that it can be included to the calculation of margin and profit.

Landed costs are not registered as a percentage or amount of the item during the purchase order or receipt entry. Therefore, the cost has to be booked directly to the purchase invoice by creating a separate landed cost invoice. The landed cost invoice is then allocated to the purchase receipt. Thus, during stock valuation, the landed cost will be considered as part of the purchase receipt and will be included when updating the cost price of outgoing items. For more details on stock valuation and the stock valuation methods, refer to the 3.7 *Inventory Costing*. The following topics are relevant to this section:

- Receiving purchased items
- Reconciliation of receipts to invoices
- Creating and allocating landed cost invoices

3.2.1 Receiving purchased items

When purchased items arrive at the warehouse, the items are first unloaded to a temporary waiting area before being processed and received. In the temporary waiting area, documents are checked against the items ordered to verify the physical item and quantity.

In Exact Globe Next, the receipt of purchased items is registered at Purchase → Entries → Receipts. This function is available only if you have the **Purchase** module. Also, a purchase order must be printed before the items can be received because the purchase order must be sent to the supplier in order for the supplier to send the items.

After the purchase receipt is created, the purchase receipt is recorded in the financial journals. If a receipt is created before the invoice then the entries are as follows:

- Debit the stock account
- Credit the invoice to be received

Otherwise, if the receipt and the invoice are created on the same date, the following entries are recorded:

- Debit the stock account
- Credit the invoice to be received
- Debit the invoice to be received
- Credit the accounts payable account

Item	Description	Item code supplier	Status	Location	Actuals	Pur. unit	Serial/batch
BON0007	Bonon Brazilian Regular	BON0007	Active	A01	10	kg	None
BON0008	Bonon Brazilian Mild	BON0008	Active	A01	10	kg	None
BON0009	Bonon Brazilian Dark	BON0009	Active	A01	10	kg	None
BON0010	Bonon Brazilian Extra Dark	BON0010	Active	A01	10	kg	None

Warehouse: 1 - Centraal magazijn Total quantity: 40
Item: Bonon Brazilian Regular Purchase unit (kg) = 1 x Sales unit (kg)

Buttons: Purchase order, Group, Set to zero, Process, Cancel

To receive purchase order items:

1. Go to Purchase → Entries → Receipts.
2. Define the relevant criteria.
3. Click **Refresh** to see a list of processed purchase orders.
4. Click **Advanced** in the **Selection** section in order to define the transaction date in the **Extra** section. At **Transaction date**, type or select a date to receive the items. The transaction date is the date the receipt will be recorded in the financial journals.
5. Select the purchase order you want to receive and click **Receipts**. You will see the **Receipts** screen. All items that are requested by the purchase order are displayed with the quantity ordered and the respective items' planned fulfillment dates.
6. At **Your ref.**, type the customer's reference (up to 30 alphanumeric characters) to register the receipt in the financial journals. This is an internal reference which will be used for invoicing purposes.
7. In the **Actuals** column, type the quantity you are receiving. By default, the actual quantity displayed is the ordered quantity. In the case of partial receipt, you can type a quantity that is less than the ordered quantity. However, you are not allowed to receive more than the ordered quantity.
8. If the item is a serial/batch item, you need to type the serial/batch number in the **Serial/batch number** column. Type a new serial/batch number for each unit of the item received. To create serial/batch numbers in a series of numbers for multiple units of the item, press F2 and you will see the **Create: Serial number** screen. Click **Advanced**, and then type the number of serial/batch numbers you want to create in addition to the first one. In the **From** field, type the serial number for the first item, then press TAB and the last number in the running series will be displayed automatically in the **To** box. Click **OK** to exit.
9. Click **Process** to process the receipt and exit.

3.2.2 Reconciliation of receipts to invoices

After receiving purchased items, reconciliation is usually carried out before payment to ensure that the correct amount is paid for the right quantity. Reconciliation is done periodically at regular intervals, for example at month-end or every quarter, to match the registered receipts with the corresponding invoices.

In Exact Globe Next, both the receipt and the invoice have to be processed before reconciliation. This is a checking measure to ensure that the invoice has the correct prices and quantities for the purchased items. If the amount on the receipt does not match the invoiced amount, then the actual amount in the processed invoice for the items received needs to be adjusted. For more details on adjusting processed invoices, see 2.5 *Correcting Processed Invoices* in the **Invoice** user manual.

Reconciliation of receipts to invoices is possible only if the following conditions are fulfilled:

- The amount and the quantity in the receipt(s) match those in the invoice(s).
- The invoice and receipt lines selected must have the same item code.
- The receipt lines selected must have the same purchase order number.
- One invoice line can be reconciled to multiple receipt lines so long as both the invoice and receipt totals are equal.
- Multiple invoice lines can be reconciled to multiple receipt lines so long as the invoices have the same **Our ref.**
- The total amount for the selected invoice lines cannot be greater than that of the selected receipt lines.

Name	Creditor number	Creditor	Postcode	City	Invoices	Receipts	Invoiced	Received
Machinefabriek Meier	60097	60097	6166	Geleen		12		463.70
Roode Pelikaan	60120	60120	4207HB	Gorinchem	20	20	200,380.00	200,380.00
TNT	60087	60087				1		0.00

	200,843.70 EUR	Received
	200,380.00 EUR	Invoiced

To reconcile receipts to invoices:

1. Go to Inventory → Warehouse management → Reconcile.
2. At **Group by**, select **Supplier** or **Item** to group the receipts and invoices according to the selected option.
3. Type or select a date or a range of dates of receipts and invoices that you want to reconcile in the **Date from** and **to** fields.
4. Click **Advanced** to define more criteria.
5. Click **Refresh**. A list of suppliers or items with the number of invoices, receipts, the invoiced amount, and the received amount will be displayed.
6. Select the supplier or item for reconciliation and click **Zoom** to view the transactions.
7. Select the receipts (and return receipts if any) and the matching invoices (and credit invoices if any), and then click **Reconcile**. Upon clicking **Reconcile**, both the receipt and invoice will be automatically removed from the **Reconcile** screen. Note that credit invoices are created manually and is thus, registered without a purchase order number. Therefore, it is advisable to use the same **Our ref.** as the original invoice to identify the original invoice during reconciliation. Click **Close** to exit.
8. Repeat steps 6 and 7 until all the receipts and invoices are reconciled. Alternatively, you can click **Automatically** to let Exact Globe Next automatically reconcile the receipts and return receipts with the corresponding invoices. However, for credit invoice reconciliation, you need to manually match it with the original invoice.
9. Click **Close** to exit.

3.2.3 Creating and allocating landed cost invoices

Landed cost is the total cost incurred when an item is transported from one location to another. Landed cost such as insurance, transportation, and import duty are incurred during the purchasing process to deliver the items from the warehouse to the customer's warehouse.

In Exact Globe Next, landed cost is added to the stock value of an item to get a more accurate cost price. This way, a more accurate cost price can be reflected in the stock value for the purpose of margin and profit calculations. Before allocating the landed cost, you need to register the landed cost invoice in the financial ledgers (purchase journal) under a profit and loss account.

932 Make purchase entry - Exact

File Edit View Help

60 Inkoop Don't display: VAT Lines
Created by: Hanneke Janssen 22/2/2011

Fulf.date	Date	Entry no.	Creditor	Your reference	Amount	Type	Description
22/02/2011	22/02/2011	11600010	60120	MAC0019	4,510.10	Purchase invoice	MAC0019

	G/L	G/L - Description	VAT	Amount	Description
1	2400		2	3,790.00	MAC0019
2	1511		2	720.10	MAC0019
3					
4					

Creditor: 60120 / Roode Pelikaan Person Invoice amount : 4,510.10
 Address: Stephensonweg 18 Cost center Entered : 4,510.10
 4207HB Gorinchem / Cost unit VAT basis : 3,790.00
 Bank account: 518.06.45.379 Item cd. Tax total : 720.10
 VAT number: Unknown (Liable to pay VAT) Difference : 0.00
 VAT / G/L / Cur. : / 2400 / EUR Project code
 Type / Status: Supplier / Active

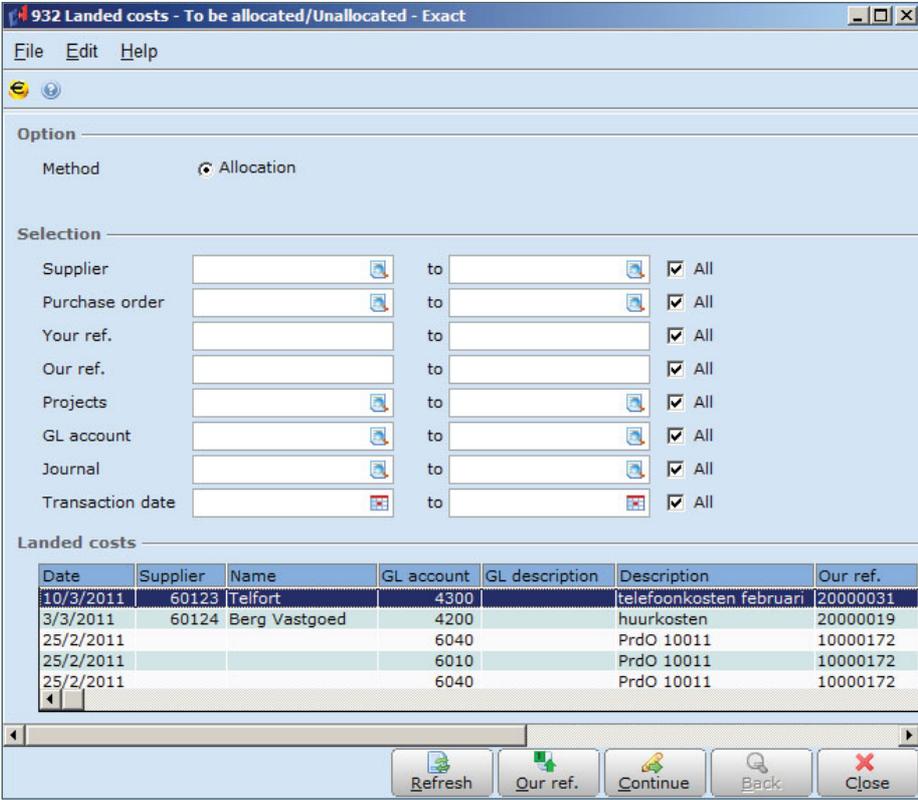
Recurring ent... G/L Card... Creditor card Creditor New creditor Match... Edit New Close

To create invoices for landed cost:

1. Go to Finance → Entries → Purchase.
2. Select the purchase journal, and then click **Zoom**.
3. Click **New** to create landed cost entries in the purchase journal. The **Make purchase entry** screen will be displayed.
4. In the **Date** column, type the date you receive the invoice for the landed cost. By default, the current date is displayed and an entry number is automatically generated by the system for the purchase journal entry. The entry number depends on the settings defined at **Purchase journal** at System → General → Settings, under **Numbers settings**.
5. Press TAB to define the information or to accept the default values. You can type or select the relevant options by pressing F2. Define the following information at the header:
 - **Creditor** — Select the creditor that you are creating the invoice for.
 - **Your reference** — Type the reference number provided in the invoice received from the supplier.
 - **Amount** — Type the total amount invoiced.
 - **Description** — You can add a description to identify the invoice.
6. Define the details of the landed cost in the entry lines. The relevant information is as follows:
 - **G/L, G/L - Description** — Type or select the general ledger account code and the corresponding description will be displayed automatically. The entry for the landed cost will be recorded in this account journal.

- **Amount** — The amount will automatically be displayed with the total quantity as entered in the invoice header. You can change the amount for that entry line to reflect the charges for the respective landed cost. If you do change this amount, the next line will automatically display the total of the invoice header amount minus the amount for that invoice entry line.
 - **Description** — You can add a description to identify the entry line.
7. Click **Close** to exit and the financial entries for the landed cost invoice will be registered at the selected general ledger accounts.

Tips: You can choose to add information by clicking  **Columns** at the toolbar and selecting the relevant check boxes.



Option

Method: Allocation

Selection

Supplier: to All

Purchase order: to All

Your ref.: to All

Our ref.: to All

Projects: to All

GL account: to All

Journal: to All

Transaction date: to All

Landed costs

Date	Supplier	Name	GL account	GL description	Description	Our ref.
10/3/2011	60123	Telfort	4300		telefoonkosten februari	20000031
3/3/2011	60124	Berg Vastgoed	4200		huurkosten	20000019
25/2/2011			6040		PrdO 10011	10000172
25/2/2011			6010		PrdO 10011	10000172
25/2/2011			6040		PrdO 10011	10000172

Refresh Our ref. Continue Back Close

To allocate landed cost:

1. Go to Inventory → Warehouse management → Landed costs. This menu path is available only if you have the **Inventory Management** module and if **Standard cost price (Classic)** is not selected at **Valuation method** at System → General → Settings, under **Inventory settings**.
2. In the **Landed costs - To be allocated/Unallocated** screen, **Allocation** is the default method. Define the relevant criteria.
3. Click **Refresh** to display a list of landed cost lines that you want to allocate. Only entries in profit and loss accounts in the purchase journal (invoices) and general journal (estimation of cost for month-end closing when no invoice is received yet) can be selected.
4. Select the landed cost line you want to allocate.
5. Click **Continue**.

6. In the **Landed cost - Receipts** screen, define the relevant criteria.
7. Click **Refresh** to display a list of receipts.
8. Select the corresponding receipt line to be allocated to the invoice and click **Allocate**. Information of the landed cost line selected earlier is displayed above the receipt lines.
9. In the **Landed costs - Allocation** screen, select an allocation method at **Method** to allocate the cost to the receipt. Four methods are available and the following are the formulas for the respective methods:
 - **Quantity** — $(\text{Quantity in sales units} / \text{total sales unit}) * \text{Amount to be allocated}$
 - **Value** — $(\text{Value in default amount} / \text{total default amount}) * \text{Amount to be allocated}$
 - **Weight** — $(\text{Quantity} * \text{weight} / \text{total weight}) * \text{Amount to be allocated}$
 - **Volume** — $(\text{Quantity} * \text{volume} / \text{total volume}) * \text{Amount to be allocated}$
10. Allocation using the quantity method uses the quantity in the allocated receipt. The value method uses the cost price of the item as defined in the item maintenance (Inventory → Items → Maintain) and is displayed in the **Value** column. You can also use the weight and volume method for non-countable items, such as items in liquid form and items that are purchased in bulk.
11. Click **Calculate** to calculate the stock value after allocation and refresh the values on the screen. You can use this function to view the calculated values in the **Costs** column whenever you change the calculation method.
12. Click **Process** and a message “Completed successfully” will be displayed. Click **OK** to exit.

3.3 Sales Process

The sales order process is closely connected to the inventory process because both processes involve the movement of stock when items that were ordered by customers are delivered from the warehouse(s). Firstly, the warehouse manager needs to identify the sales orders that are required for fulfillment on a certain date. Then, he has to ensure that there is sufficient items and stock to meet the specific sales order items and quantity.

If the warehouse has available items and sufficient quantity to meet the items requested by the sales order, then picking lists can be printed for the warehouse personnel to retrieve the items requested in the sales orders from their specific warehouse locations. Once the items are collected and packed for shipment, the sales order is ready for fulfillment.

The following topics are relevant to this section:

- Generating reports on deliverables from stock
- Printing picking lists for sales orders
- Fulfilling sales orders
- Processing sales order shipment

3.3.1 Generating reports on deliverables from stock

Before items in sales orders can be delivered to customers, the warehouse will prepare the items for delivery. The preparation includes picking, packaging, and shipment of the items by the freight forwarder. Before items in a sales order can be fulfilled, the warehouse has to check whether the items are available in stock or if there is sufficient current available stock. In Exact Globe Next, you can generate a report on deliverables from stock in order to determine the sales orders that are ready for fulfillment.

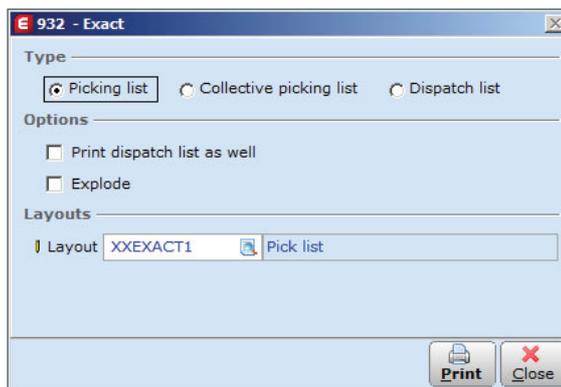
To generate reports on deliverables from stock:

1. Go to Inventory → Reports → Deliverable from stock.
2. At **Warehouse**, type or select the warehouse of the deliverable items.
3. Type or select a date at **Fulfillment date** to display the orders that are expected to be fulfilled by a specific date. By default, the current date is displayed.
4. Click **Display** and the **Deliverable from stock** screen will display the sales orders that can be fulfilled. For more information on the deliverable from stock report, see 4.3 *Deliverable from Stock*.

3.3.2 Printing picking lists for sales orders

A picking list is a list of items to be fulfilled for a sales order sorted in the order of the items' warehouse location(s). It is useful for warehouse employees so that they can pick the items at the right quantity at the respective warehouse location(s) easily and quickly.

After determining the sales orders that can be fulfilled from the deliverables from the stock report, the warehouse employees can start retrieving the items for the respective sales orders. A picking list is then printed in order to retrieve the items in an efficient manner. You can choose to print the picking list separately before the fulfillment process or during the fulfillment process. The items printed on the picking list are based on the sales orders.



To print picking lists for sales orders:

1. Go to Orders → Entries → Picking list.
2. Define the relevant criteria.
3. Click **Search**. Sales orders that match the defined criteria are then displayed.
4. Select the relevant sales order.
5. Click **Print**.
6. Under the **Type** section, **Picking list** is selected by default.
7. To include the item parts in the picking list, select the **Explode** check box under the **Options** section.
8. At **Layout**, type or select the layout for the picking list.
9. Click **Print**.

3.3.3 Fulfilling sales orders

When the items are picked and ready to be delivered, you can then proceed to fulfill the sales orders. Fulfillment of sales orders indicate that the items requested by customers have been satisfied and the items are ready for shipment and actual delivery. Fulfillment can be done only when sales orders are authorized and processed, and there is sufficient free stock for the ordered items.

In Exact Globe Next, multiple sales orders can be fulfilled at the same time if the **Selection: Multiple** check box is selected at System → General → Settings, under **Order settings**, in the **Fulfillment** section. This feature is useful if there is a huge number of sales orders to fulfill on a particular date. Partial deliveries are also allowed depending on the conditions set in the sales order.

You can print packing lists and delivery notes during fulfillment. Packing lists are used to identify the items in the sealed packages, and are used by customers to identify the orders when receiving the items. Delivery notes list all the items and quantity delivered. Customers use delivery notes to check whether all the items listed in the delivery notes are delivered as requested in the sales orders, and also to confirm that the correct items and quantity are delivered.

Sales order: 20052 - Dropship levering
 Debtor: 60101 - Chinees restaurant 'De groene draak'
 Created: 14/3/2011
 Description: Dropship levering

Your reference: Bestel.: 20052
 Representative: Sanne Klein - van Elburg
 Entry number: 12910002

Chinees restaurant 'De groene draak'
 De heer Ling
 De lange meerweg 8
 5260 Vught

Item	Description	Location	Ordered	Actuals	Unit	Add to sales	Serial/batch	Lot number	Person	Planned fulfillment date
SER0001	Bart kop espresso 12 st.		2	2	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0002	Bart kop koffie 12 st.		1	1	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0003	Bart kop cappuccino 12 st.		3	3	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0004	Bart cacaomok 12 st.		1	1	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0005	Bart schotel cacaomok 12 st.		1	1	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0006	Bart schotel espresso 12 st.		2	2	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011
SER0007	Bart schotel koffie/cappuccino		3	3	Doos	<input checked="" type="checkbox"/>			Sanne Klein	14/3/2011

Warehouse: DROP - Dropship magazijn
 Total quantity: 13
 Item: Bart kop espresso 12 st.

Buttons: Sales order, Set to zero, Fulfillment, Cancel

To fulfill a sales order:

1. Go to Inventory → Entries → Fulfillment.
2. Select **Sales order** in the **Selection** section. You can choose to display a list of sales orders that are planned for fulfillment on a specific date by typing or selecting the date at **Fulfillment date**.
3. Click **Advanced** to define the transaction date for the fulfillment at **Transaction date**. The transaction date is the date of the actual delivery and is registered in the financial ledgers while the fulfillment date is the planned fulfillment date for the sales order.
4. Click **Refresh**.
5. Select the sales order you want to fulfill.
6. Click **Fulfillment**. The **Fulfillment** screen will be displayed.
7. In the **Location** column, type or select the warehouse location (by pressing F2).
8. Type the quantity to be fulfilled in the **Actuals** column. By default, the actual quantity displayed is the ordered quantity. In the case of partial receipt, you can type a quantity that is less than the ordered quantity. Partial deliveries are allowed if you have selected the **Partial delivery allowed** check box in the conditions set in the sales order (click **Conditions** in the sales order entry screen). However, you are not allowed to receive more than the ordered quantity.
9. Type or select the serial/batch number in the **Serial/batch** column. To select a serial number, press F2, select the serial/batch number, and then click **Select**. This step is applicable only to serialized or batch items.
10. Type or select the person in charge of the item in the **Person** column.
11. Click **Fulfillment** and you will see the **Print: Sales orders** screen. Select **Final** under the **Print** section.
12. Select **None** under the **Output** section if you do not wish to print a copy of the delivery note. Otherwise, select **Printer** to print a delivery note or select **E-mail** to send the delivery note by e-mail.
13. You can have the option to generate the sales order invoice at this point. Select the **Generate invoices** check box in the **Entry data** section to generate an invoice. To print a copy of the invoice, select the **Print invoices** check box. The printed invoice is sent to the customer, along with the delivered items. To generate invoice only for the items that are fulfilled, select the **Lines** check box.
14. Select the **Packing list** check box to print the packing list for the sales order.
15. Click **Start** to process the fulfillment of the sales order, and/or print or send the delivery note. To view the delivery note before printing or sending, click **Preview**.
16. After clicking **Start**, the **Print invoices** screen will be displayed if you have selected the **Print invoices** check box under the **Entry data** section. Under the **Process** section, select the **Final** option and select a layout for the invoice document. For the final invoice, you have the option of selecting **Printer** to print the invoice or **E-mail** to send the invoice by e-mail. You can also change the due date for the invoice in the **Print invoices** screen, and it will update the invoice due date set in the sales order conditions (click **Conditions** in the sales order entry screen).
17. Click **Process** to process and print the invoice.

To fulfill multiple sales orders:

1. Go to Inventory → Entries → Fulfillment.
2. Define the relevant criteria.
3. Click **Refresh**. Take note that fulfillment of multiple of sales orders is allowed only if you have selected the **Selection: Multiple** check box at System → General → Settings, under **Order settings**, at the **Fulfillment** section.
4. Hold down CTRL and select the sales orders you want to fulfill and click **Process**.
5. In the **Print: Sales orders** screen, select **Final** in the **Print** section. In the **Output** section, select **Printer** to print the delivery notes, **E-mail** to send the notes to the customer by e-mail, or **None** if no output is required.
6. Select the **Generate invoices** check box in the **Entry data** section to generate invoices for the sales orders. Select the **Print invoices** check box to print the invoices. To generate invoices only for the items that are fulfilled, select the **Lines** check box.
7. Select the **Packing list** check box to print the packing lists for the sales orders.
8. Click **Start** to process the fulfillment of the sales orders, and/or print or send the delivery notes. To view the delivery notes before printing or sending, click **Preview**.
9. After clicking **Start**, the **Print invoices** screen will be displayed if you have selected the **Print invoices** check box under the **Entry data** section.
10. In the **Process** section, select the **Final** option and select a layout for the invoice document.
11. For the final invoice, select **Printer** to print the invoice or **E-mail** to send a copy by e-mail. You can also change the due date for the invoices in the **Print invoices** screen, which will be updated to the invoice due date defined in the sales order conditions (click **Conditions** in the sales order entry screen).
12. Click **Process** to process and print the invoices.

In step 8 of *To fulfill a sales order*, the order and inventory settings determine the quantity you are allowed to enter in the **Actuals** column. If the **Check stock** check box is selected in the **Order settings** and the **Warehouse location** check box is selected in the **Inventory settings**, the system will check the actual quantity based on the physical stock per warehouse location and the free stock per warehouse.

If the actual quantity entered is more than the physical stock in the warehouse location, you will see a tooltip message at the entry box “Must be less than or equal to: Stock”. If the actual quantity entered is more than the free stock in the warehouse, you will see a tool tip message at the entry box “Must be less than or equal to: Free stock”.

If the **Check stock** check box is selected but the **Warehouse location** check box is not selected, the system will validate the actual quantity based on free stock per warehouse and you will see a tool tip message if the actual quantity is more than the free stock per warehouse.

If an interbranch transfer is created for a sales order, the interbranch transfer stock must be received before fulfilling the sales order. This feature prevents the unwanted situation where free stock is more than the physical stock in the warehouse. For more information on interbranch transfer, see 3.5 *Interbranch Transfers*. Otherwise, you will see a message “Not received: Linked interbranch transfer” and you will not be able to proceed to fulfill the sales order.

For multiple sales orders, only the sales orders which are linked to interbranch transfer requests that are not received will not be processed. These sales orders will be identified and listed in a sales order error report. In many practical situations, the actual delivery of goods can be different from the items listed in the sales order due to reasons, such as replacing items that are out of stock and items that are measured in bulk (weight or volume). Exact Globe Next allows you to fulfill extra items based on existing sales order line or an additional new line in the sales order fulfillment screen. When you enter extra items in a new line in the fulfillment screen, the price of the items is calculated based on the price in the item maintenance. The additional line will be reflected in the sales order and invoice.

3.3.4 Processing sales order shipment

After sales orders are fulfilled, you can then process the shipment for deliveries to be made to customers. Processing of shipment is an optional step in the sales process and is used to track the shipment details, such as shipment dates, delivery cycle times, and actual customer receipt dates. These shipment details provide a benchmark to further improve existing logistics processes.

When processing shipment, you can use a tracking number to track your deliveries. The tracking number is usually provided by the freight forwarder that is in charge of transporting the items to customers. The shipping method used is defined during the creation of sales orders. You can still change the shipping method after fulfillment but it must be done before processing the sales order shipment.

You can print a receipt label for the shipment. Receipts labels are attached to the shipment so that the customer can identify the order for this receipt.

Sales order	20033	Reference	Bestel.: 20033
Debtor	60128 - Chicken Corner	Representative	Sanne Klein - van Elburg
Created	Sanne Klein - van Elburg	Shipping type	
Fulfillment date	2/2/2011	Our ref.	10000162

Item	Description	Status	Packages	Sales unit	Tracking number	Project
1	OPL Op locatie	Active	1	stuk		
2						
3						
4						
5						
6						

Item Op locatie Warehouse 1 - Centraal magazijn Net weight 16.00

Sales order Process Cancel

To process sales order shipments:

1. Go to Inventory → Entries → Shipping.
2. Define the relevant criteria.
3. Click **Refresh**.
4. Select the sales order that you want to ship.
5. Click **Shipping**. The **Shipment** screen will be displayed.
6. The shipment method you have selected during the creation of sales order is displayed by default in the **Item** column. You can change the shipping method by clicking F2 and selecting the shipment method you want (defined at System → Logistics → Shipping methods).
7. Type the number of packages to be delivered in the **Packages** column.
8. Type the tracking number of the shipment in the **Tracking number** column. This column is enabled only if the **Shipment** check box is selected in the shipping method maintenance (go to System → Logistics → Shipping methods and open the shipping method displayed in the **Item** column).
9. Click **Process**. The **Receipts label** screen will be displayed.
10. Click **Start** to print the receipt label or **Cancel** to process the shipment without printing the receipt label.

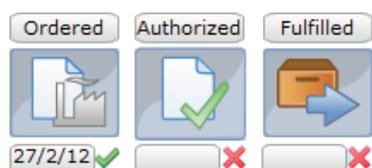
3.4 Internal Use

Internal use requests are orders made to fulfill needs within an organization, for example when an employee needs new equipment or service during the course of work or when there is a need to replenish stationery and tools at the workplace.

This function is available in Exact Globe Next only if you have the **E-Internal Usage** license. After creating the internal use request, it has to be authorized by the employee's manager before the internal request can be fulfilled. The authorization step is mandatory only if you have selected the **Internal use** check box at System → General → Settings, under the **Inventory settings**, in the **Authorize** section.

If items are not available in stock or if there is insufficient quantity, you can create purchase orders to replenish the items.

You can create a linked purchase order to meet the requirements of a particular internal use request. When the purchased item is received, you can then fulfill the internal use request. The sequence of the process flow is displayed as follows:



The following topics are relevant to this section:

- Creating and modifying internal use requests
- Authorizing internal use requests
- Creating linked purchase orders
- Fulfilling internal use requests
- Deleting internal use requests

3.4.1 Creating and modifying internal use requests

In Exact Globe Next, internal use requests can be created by the persons requesting the items or by an administrator.

User rights: You can only create, modify, or delete internal requests if you have the proper rights at System → HR & Security → Security roles. To enable the menu path for the user, you need to go to Menu → Inventory → Security roles to create a role that has the rights to authorize or add the user to an existing role.

The screenshot displays the '932 Internal use - Exact' window. At the top, there's a header with '932 Internal use - Exact'. Below it, a form is visible with several fields: 'Item, Qty., Unit, Price' (with a dropdown menu), 'Date' (24/02/2012), 'Reason', 'Note', 'Person' (Caroline), 'Cost center, Cost unit' (001CC001), and 'Project, SO'. A status bar at the bottom shows 'Ordered', 'Authorized', and 'Fulfilled' buttons, along with a 'Created: Caroline 24/2/2012 03:46 PM' timestamp. A table with columns 'G/L', 'Debit', and 'Credit' is visible. The bottom toolbar contains various icons for navigation and actions like 'Advanced', 'Our ref.', 'Fulfilled', 'Security...', 'Budget', 'Person', 'Project', 'Item', 'Transfer', 'Produce', 'Purchase', 'Authorize', 'New', and 'Close'.

To create internal use requests:

1. Go to Inventory → Entries → Internal use.
2. Click **New**. You will see the **Internal use** screen.
3. At **Item, Qty., Unit, Price**, type or select the item and define the quantity, and then press TAB. The unit price and the total cost price (unit price multiplied by the quantity) will be automatically displayed. The price displayed is the cost price of the item and is defined in the item maintenance.
4. At **Date**, type or select the expected fulfillment date. The fulfillment date is the planned date for the fulfillment of the internal request item or service. Click **Avail. stock** to check whether there is sufficient available quantity to fulfill the internal use request. Otherwise, you will have to generate a purchase order to fulfill the request. For details on how to generate a purchase order, see 3.4.3 *Creating linked purchase orders*.
5. Type additional details on the request at **Note**. If you press TAB, the creator's timestamp will be automatically displayed. This timestamp is used for tracking when the internal use request is created and when remarks are attached to the request.
6. Type or select the person who is requesting this item or service and the corresponding cost center for that person will be automatically displayed. If you prefer to record the expense to another cost center, you can type or select a cost center at **Cost center**. The creditor information is automatically displayed and it cannot be modified. The creditor is the requester by default, so that the company can reimburse a claim to the creditor account of the person during payroll processing.

7. You can tell whether an item is available at **Avail. stock**.  indicates insufficient stock and the main supplier's delivery time will be displayed next to  **MRP**.  indicates that there is sufficient stock. Click **MRP** to view the materials requirement planning for the item requested. The materials requirement planning is a schedule to determine the items required, the quantity required and the date the item needs to be delivered.
8. Click **Save** to exit.

You can specify the warehouse and warehouse location you want to use to fulfill the request. It is useful to specify a warehouse situated at an address that is convenient for the requestor to pick up the requested item. To specify the warehouse and warehouse location, click **Advanced** to define the information at **Warehouse** and **Location**. If the item requested is a serial/batch item, you can assign the serial or batch number from current available stock at **Serial number** or **Batch number**.

You can modify an internal use request as long as it is not in the authorized stage yet. If the request is already authorized, you have to remove the authorization before you can modify it. The purpose of removing the authorization is so that changes made to the internal use request has to be authorized again before proceeding to do a fulfillment.

To modify internal use requests:

1. Go to Inventory → Entries → Internal use.
2. Define the relevant criteria.
3. Click **Search**. The internal use requests that match the defined criteria are then displayed.
4. Select the internal use request you want to modify.
5. Click **Open**. You will see the **Internal use** screen with the request details.
6. Make the necessary changes.
7. Click **Save** to save your changes and exit.

3.4.2 Authorizing internal use requests

After an internal use request is created, the internal use request can be authorized. Authorization is an important step in the internal use process flow because there is a financial cost as a result of the item requested for internal use and the cost has to be approved by the management personnel. Authorization is usually done by the management personnel responsible for the department's budget and business planning.

Authorization is an optional process. It is made mandatory only if you have selected the **Internal use** check box at System → General → Settings, under **Inventory settings** at the **Authorize** section. However, you can still remove the authorization if there is a need to modify or delete an authorized internal use request.

User rights: You can only create, modify, or delete internal requests if you have the proper rights at System → HR & Security → Security roles. To enable the menu path for the user, you need to go to Menu → Inventory → Security roles to create a role that has the rights to authorize or add the user to an existing role. Note that the requester is not allowed to authorize the internal use request.

Tips: You can also authorize the internal use request by selecting the relevant request and clicking **Auth..** Alternatively, you can authorize the internal use request at **Inventory/Entries/Internal use** by opening an existing request and clicking the **Authorized** process step.

To authorize internal use requests or to remove the authorization from internal use requests:

1. Go to Inventory → Entries → Authorize.
2. Select **Internal use** in the **Selection** section.
3. Define the relevant criteria.
4. Click **Refresh**. Internal use requests that match the defined criteria are then displayed.
5. Select the internal use request you want to authorize.
6. Click **Open**.
7. Click the **Authorized** process step to authorize the internal use request.

Tips: You can also authorize the internal use request by selecting the relevant request and clicking **Auth..** Alternatively, you can authorize the internal use request at Inventory → Entries → Internal use by opening an existing request and clicking the **Authorized** process step.

3.4.3 Creating linked purchase orders

A linked purchase order is a purchase order that is generated to meet the needs of an internal use request. The reason for this could be because there is insufficient or unavailable stock for the item or service requested. By linking the purchase order to the internal use request, you can allocate the quantity to the internal use request for the materials requirements planning.

In Exact Globe Next, you need to authorize the internal use request before you can create a linked purchase order. When you create a purchase order from the internal use request, the system will automatically prompt you with an advised quantity to be purchased. The quantity advised will depend on the order policy code, stock PO level, and the supplier PO size in the item maintenance (under the **Purchase/Sales** tab and the **Inventory** tab respectively).

The order policy code determines the method by which the order requirements and stock is replenished. The order policy code available in Exact Globe Next are lot-for-lot (order controlled), fixed (stock controlled), period order (stock controlled), and reorder point (stock controlled). The stock PO level controls the minimum level of stock allowed at any point of time for an item. The supplier PO size determines the minimum quantity or a batch quantity that can be ordered from a supplier.

Supplie	Name	Item	Description	Main sup.	Req.	App	Warehouse	Selected	Requirements	Allocated	Free stock	Shortage	Unit	Factor	PO size	Advice	Unit	Days
1000	Bits & Bytes	KEYB	Keyboard	✓			MAIN	✓	1.000	0.000	31.000	0.000	-	0.00000000	1.000	0.000	-	0
1100	Exact Software	KEYB	Keyboard				MAIN		1.000	0.000	31.000	0.000	-	0.00000000	1.000	0.000	-	0
2102	Sony	KEYB	Keyboard				MAIN		1.000	0.000	31.000	0.000	-	1.00000000	1.000	0.000	-	0

To create linked purchase orders:

1. Go to Inventory → Entries → Internal use.
2. Define the relevant criteria.
3. Click **Search**. Internal requests that match the defined criteria are then displayed.
4. Select the internal use request you want to generate a purchase order for.
5. Click **Open**.
6. Click **Purchase**. The **Generate purchase orders** screen will be displayed.
7. The quantity you need to fulfill this request is automatically displayed in the **Advice** column. If the item you requested is a stock controlled item, then select the **Include: Stock controlled** check box to see the advised quantity.
8. Click **Purchase** and the **Purchase order** screen will be displayed with the purchase order details already filled out. Ensure that the appropriate purchase order creation date and the fulfillment date are filled out so that the internal request can be fulfilled by the fulfillment date.
9. Click **Close** to exit.

When you reopen the internal use request, you will be able to see the purchase order number at **Creditor, PO** (on the right). You can then track whether the purchase order items have been received from the suppliers by clicking **Purchase**.

3.4.4 Fulfilling internal use requests

If there is sufficient stock for the items requested or if the purchased items have already been received from the supplier, you can then fulfill the internal use requests. During fulfillment, you can choose to print an issue slip. The issue slip will be delivered to the requester of the item. Using the issue slip, the requester can verify item and quantity received.

The screenshot shows the '902 Internal use - Exact' window. The main area displays the following information:

- Person: Lim Tsu Teong
- Cost center: 001CC001 - Default cost center
- Warehouse: MAIN - Default warehouse
- Fulfillment date: 24/2/2012
- Entry number: 12500001

To the right, a G/L table is shown:

G/L		Debit	Credit
7020	Costs of goods sold hardw	1,000.00	
3020	Stock hardware		1,000.00

The description field contains 'New employees hired'. Below this is a table with the following data:

Date	Item	Description	Location	Stock	Free stock	# Authorized	Unit	Actuals	Serial/batch	Lot number
24/02/2012	KEYB	Keyboard		31	31	10	-	10		

At the bottom of the window, there are four buttons: 'Item', 'Picking list', 'Fulfillment', and 'Cancel'.

To fulfill internal use requests:

1. Go to Inventory → Entries → Fulfillment.
2. Select the **Internal use** option under the **Selection** section. Click **Advanced** to define more criteria.
3. Click **Refresh** to display all authorized internal use requests that have not been fulfilled.
4. Select the internal use request you want to fulfill.

Click **Fulfillment**. The **Internal use** screen will be displayed. The actual fulfillment date defined in step 2 is automatically displayed under the **Date** column. If you have selected the **Warehouse locations** check box at **System → General → Settings**, under **Inventory settings**, in the **Fulfillment** section, you will see a **Location** column. In the **Location** column, type or select (by pressing F2) the warehouse location of the items that you want to use to fulfill the internal use request. By default, the quantity you need to fulfill the internal use request is displayed in the **Actuals** column. If this is a partial fulfillment, type the partial quantity. The actual quantity should always be the same or less than the authorized quantity in the # **Authorized** column. If the item is a serial or batch item, you must specify the serial or batch number in the **Serial/batch** column.

5. To print a picking list for the item(s) requested, click **Picking list**. The picking list will contain information on the warehouse location of the items. For details on picking list, see 3.3 *Sales Process*.
6. Click **Fulfillment** to process the fulfillment of the internal use request.
7. In the **Print** screen, select a layout.
8. Click **Start** to print the issue slip, **Skip** to cancel the printing of issue slip, or **Close** to cancel the fulfillment.

In step 5 of *To fulfill internal use requests*, the order and inventory settings determine the quantity you are allowed to define in the **Actuals** column. If the **Check stock** check box is selected in the **Order settings** and the **Warehouse location** check box is selected in the **Inventory settings**, the system will check the actual quantity based on the physical stock per warehouse location and the free stock per warehouse. If the actual quantity entered is more than the authorized quantity (in the # **Authorized** column), you will see the tool tip message “Must be less than or equal to: # Authorized”.

If the actual quantity entered is more than the physical stock in the warehouse location (in the **Stock** column), you will see a tool tip message “Must be less than or equal to: Stock”. If the actual quantity entered is more than the free stock in the warehouse (in the **Free stock** column), you will see a tool tip message “Must be less than or equal to: Free stock”.

If the **Check stock** check box is selected but the **Warehouse location** check box is not selected, the system will validate the actual quantity based on free stock per warehouse and you will see a tool tip message if the actual quantity is more than the authorized quantity or the free stock per warehouse.

If an interbranch transfer is created for an internal use request, the interbranch transfer stock must be received before fulfilling the internal use request. This feature prevents the unwanted situation where free stock is more than the physical stock in the warehouse. For more information on interbranch transfers, see 3.5 *Interbranch Transfers*. Otherwise, you will see a message “Not received: Linked interbranch transfer” and you will not be able to proceed to fulfill the internal use request.

3.4.5 Deleting internal use requests

It is possible to delete internal use requests that have been created provided the requests are not authorized. If the requests are already authorized, you have to remove the authorization first before you can delete the internal use request. You can remove the authorization at Inventory → Entries → Authorize by selecting the relevant internal use request and clicking **Authorize**.

To delete internal use requests:

1. Go to Inventory → Entries → Internal use.
2. Define the relevant criteria.
3. Click **Search**. Internal requests that match the defined criteria are then displayed.
4. Select the internal use request that you want to delete.
5. Click **Delete**. A message “Delete the data selected?” is displayed.
6. Click **Yes** to delete.

3.5 Interbranch Transfers

Warehouses at different locations can be managed differently for the same organization. This could be due to factors, such as different management personnel and demand from customers and logistics business processes. Therefore, there are times when an item is stocked in one warehouse and not available in another because it has been discontinued or there is a strong demand for the item.

When certain items or quantity is needed to fulfill a sales order or an internal use request but is available at another warehouse, an interbranch transfer is done to deliver the items from the issuing warehouse (where the item is available) to the receiving warehouse (where the item is requested).

You can create an interbranch transfer to record the movement of stock from the issuing warehouse to the receiving warehouse. The interbranch transfer process flow starts from the **Ordered** step. If you have made authorization mandatory by selecting the **Interbranch transfers** check box (at the **Authorize** section at System → General → Settings, under **Inventory settings**), you need to authorize the interbranch transfer before you can fulfill the interbranch transfer. After that, you need to fulfill the interbranch transfer to record the items when the items are fulfilled by the issuing warehouse and received in the receiving warehouse. This is done in the **Fulfilled** step.

You can use an intermediate warehouse to record the movement of stock in transit between the issuing warehouse and the receiving warehouse. If you select the **Use intermediate warehouse** check box under **Inventory settings**, the **Received** step is required. This function allows you to separate the steps for fulfillment at the issuing warehouse and receiving at the receiving warehouse.

The sequence of the process flow is displayed as follows:



You also have the option to use receipt labels for interbranch transfer receipts. Receipt labels enable the receiving warehouse to identify the items and quantity received in the received package. From the receipt label, you can easily find out the item(s) and the received date.

When the interbranch transfer is received by the warehouse, a receipt label is printed by the warehouse personnel and attached to the received packaged. Receipt labels are printed when items are received. For details on the settings for transit warehouse and receipt labels for interbranch transfer, see *1.1 Inventory Settings*.

The following topics are relevant to this section:

- Creating interbranch transfers
- Authorizing interbranch transfers
- Fulfilling interbranch transfers
- Processing interbranch transfer receipts

3.5.1 Creating interbranch transfers

932 Warehouse transfers - Exact

File View Help

Our ref. 10000768

Interbranch transfer number 15003

Reference date 27/02/2012

Issuing warehouse 1 - Centraal magazijn

Fulfillment date 27/02/2012

Receiving warehouse SER1 - Service Bus1

Unit Sales unit Purchase unit

Project

Description

Item	Description	Status	Stock	Free stock	Move	Sls. unit	Loc.	Serial/batch
					0			

Warehouse 1 - Centraal magazijn

Total quantity 0

Ordered Authorized Fulfilled Received

27/2/12 ✓ ✗ ✗ ✗

Save Cancel

To create interbranch transfers:

1. Go to Inventory → Warehouse management → Interbranch transfers.
2. In the **Extra** section at **Unit**, select the unit to be used for the transfer. The **Sales unit** and **Purchase unit** for the item is defined under the **Basics** tab and **Purchase/Sales** tab respectively, in the item maintenance. The unit selected for the interbranch transfer will be used to display the transaction quantity during the creation of interbranch transfer.
3. Click **New**.
4. In the **Warehouse transfers** screen, type or select the issuing warehouse and the receiving warehouse. The issuing warehouse must be different from the receiving warehouse.
5. At **Reference date**, type or select a date the interbranch transfer is created.
6. Type or select a date the interbranch transfer is expected to be fulfilled at **Fulfillment date** and press TAB. By default, the current date is displayed. **Fulfillment date** is available only if you have selected **Use intermediate warehouse** check box at System → General → Settings, under **Inventory settings**.
7. At the **Item** column, type or select (by pressing F2) an item. If you select by pressing F2, you will see a list of items with available current free stock. Select the item and click **Select**. By default, the **Stock** column displays the quantity in stock.
8. If you have selected the **Warehouse locations** check box at System → General → Settings, under **Inventory settings**, click  in the **Loc.** column to select the destination warehouse location you are transferring the items to. The **Warehouse transfers** screen will be displayed. Otherwise, proceed to step 9. At the **Warehouse transfers** screen, type or select a location in the **Destination** column to select a location of the receiving warehouse. Then, type the interbranch transfer quantity in the **Move** column to transfer to the respective warehouse location in the receiving warehouse. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to transfer by clicking  in the **S/B** column. Click **OK** to save and return to the **Warehouse transfers** screen.
9. Type the interbranch transfer quantity in the **Move** column. If you have selected the **Warehouse locations** check box and have defined the transfer quantity in step 8, the **Move** column will automatically display the quantity defined earlier.
10. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to transfer by clicking  in the **S/B column**. You will see the **Serial numbers For CAS:VG01** or **Batch numbers For CAS:VG01** screen where CAS:VG01 is the item you want to transfer. Select the serial/batch numbers from a list of numbers available in the current stock, and then click **Select** to link the numbers to the interbranch transfer and exit automatically.
11. Click **Save**.
12. Click **Authorized**. After the interbranch transfer is authorized, it is ready for fulfillment.

3.5.2 Authorizing interbranch transfers

Interbranch transfers involve the movement of stock from one warehouse to another, and the stock value of both the issuing and receiving warehouses will change after the transfer. Therefore, it is a good practice to get the authorization of management level personnel to authorize the interbranch transfer.

Authorization is mandatory only if you have selected the **Interbranch transfer** check box at System → General → Settings, under **Inventory settings** in the **Authorize** section. Otherwise, you can proceed to fulfill the interbranch transfer without authorization.

User rights: You can only authorize interbranch transfers if you have the proper rights at System → HR & Security → User rights. To enable the menu path for the user, you need to go to Menu → Inventory → Security roles to create a role that has the rights to authorize or add the user to an existing role.

To authorize interbranch transfers:

1. Go to Inventory → Entries → Authorize.
2. Select **Interbranch transfer** in the **Selection** section.
3. Define other relevant criteria.
4. Click **Refresh**. Interbranch transfers that match the defined criteria are then displayed.
5. Select the interbranch transfer you want to authorize.
6. Click **Open**.
7. Click **Authorized** to authorize the interbranch transfer.

Tips: You can also authorize the interbranch transfer without opening the interbranch transfer by selecting the interbranch transfer, and then clicking **Auth..** Alternatively, you can authorize the interbranch transfer at Inventory → Entries → Interbranch transfer when the interbranch transfer is being created.

3.5.3 Fulfilling interbranch transfers

After creating and authorizing (if you have made it a mandatory step) the interbranch transfer, the next step is fulfilling the interbranch transfer. This step will process and register the stock transaction for the quantity leaving the issuing warehouse and the quantity received by the receiving warehouse.

932 Warehouse transfers - Exact

File View Help

Our ref. 10000768
Interbranch transfer number 15003
Issuing warehouse 1 - Centraal magazijn
Receiving warehouse SER1 - Service Bus1
Project
Description Transfer - Stock1

Item	Description	Status	Stock	Free stock	Move	Sls. unit	Loc.	Serial/batch
BEK0003	Automatenbeker 150 cc (B2AL)	Active	4	4	1	Doos		None

Warehouse 1 - Centraal magazijn
Total quantity 1

Process Cancel

932 MacBean NL Caroline (yong294651) 00000000234 Monday, 27 February, 2012

To fulfill interbranch transfers:

1. Go to Inventory → Entries → Fulfillment.
2. At the **Selection** section, select **Interbranch transfer**.
3. Click  **Advanced** to define the relevant criteria. You can choose to display a list of interbranch transfers for a specific fulfillment date by typing or selecting the date at **Fulfillment date**.
4. Click **Refresh** to display a list of authorized interbranch transfers.

5. Select the interbranch transfer you want to fulfill, and then type or select the date of the fulfillment at **Transaction date**. The date filled at **Transaction date** is the actual transaction date, whereas the fulfillment date filled at **Fulfillment date** is the planned fulfillment date defined during the creation of the interbranch transfer.
6. Click **Fulfillment**. The **Warehouse transfers** screen will be displayed.
7. If you have selected the **Warehouse locations** check box at System → General → Settings, under **Inventory settings**, in the **Fulfillment** section, click  in the **Loc.** column and you will see the details of the item location. Otherwise, proceed to step 8. Press F2 in the **Destination** column to select a location in the receiving warehouse, and then type the interbranch transfer quantity in the **Move** column. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to transfer by clicking in  the **S/B** column. Click **OK** to save and return to the **Warehouse transfers** screen.
8. Then, type the interbranch transfer quantity in the **Move** column. If you have selected the **Warehouse locations** check box and have defined the transfer quantity in step 7, the **Move** column will automatically display the quantity defined earlier.
9. If this is a serialized or batch item, you need to specify the serial or batch numbers of items you want to transfer by clicking  in the **S/B** column. You will see the **Serial numbers For CAS:VG01** or **Batch numbers For CAS:VG01** screen where CAS:VG01 is the item you want to transfer. Select the serial/batch numbers from a list of numbers available in the current stock, and then click **Select** to link the numbers to the interbranch transfer and exit automatically.
10. Click **Process** to exit and save the interbranch transfer fulfillment.
11. In the **Print** screen, select a layout and click **Start** to print the issue slip. You will see a preview of the issue slip.

In step 7 or 8 of *To fulfill interbranch transfers*, the inventory settings determine the quantity you are allowed to enter in the **Move** column. If the **Interbranch transfers: Check free stock** is set to **Yes** and the **Warehouse location** check box is selected in the **Inventory settings**, the system will check the move quantity based on the physical stock per warehouse location and the free stock per warehouse. If the move quantity entered is more than the physical stock in the warehouse location, you will see a tool tip message at the entry box “Must be less than or equal to : Stock net of enrichment”.

If the move quantity entered is more than the free stock in the warehouse, you will see a tool tip message at the entry box “Total Move Quantity Must be less than or equal to: Free stock”.

If the **Interbranch transfers: Check free stock** is set to **Yes** but the **Warehouse location** check box is not selected, the system will validate the move quantity based on the free stock per warehouse and you will see a tool tip message if the move quantity is more than the free stock per warehouse.

3.5.4 Processing interbranch transfer receipts

You can also use a different warehouse as a transit in the process of delivering the items from the issuing warehouse to the receiving warehouse. An example of this is when imported items that need customs clearance are stored in the customs warehouse before being released to the receiving warehouse.

This step is relevant in Exact Globe Next only if you select **intermediate warehouse** check box under **Inventory settings**. If you choose to use a transit warehouse, you will need to receive the transferred item into the receiving warehouse by processing the interbranch transfer receipt.

To process interbranch transfer receipts:

1. Go to Inventory → Entries → Interbranch transfer receipt.
2. At **Warehouse**, select the warehouse that will receive the interbranch transfer of items.
3. You can also type or select a fulfillment date at **Fulfillment date** to display only interbranch transfers with the planned fulfillment date.
4. Click **Refresh**. Interbranch transfers that match the defined criteria will be displayed.
5. Select the interbranch transfer that the warehouse is receiving.
6. Click **Receipts**.
7. Click  in the **Loc.** column and you will see the details of the item location. This column is available only if you have selected the **Warehouse locations** check box at System → General → Settings, under **Inventory settings**, in the **Fulfillment** section. Otherwise, proceed to step 8. Press F2 in the **Destination** column to select a location in the receiving warehouse, and then click **OK** to exit.
8. Click **Process** to save the interbranch transfer receipt.

3.6 Location transfers

In Exact Globe Next, a warehouse can have multiple warehouse locations. When you move stock from one warehouse location to another location within a warehouse, the process is called a location transfer. The location transfer function is available only if you have selected the **Warehouse locations** check box at System → General → Settings, under **Inventory settings**, in the **Fulfillment** section.

Warehouse locations are used to store, locate, and retrieve items from stock and can be as specific as the storage bin or shelf that the item is stored. Transfer of stock from one warehouse location to another is needed in some cases when the item is made obsolete and has to be removed from its current location to another to avoid mixing with the other items.

Another purpose for allocating different warehouse locations within the same warehouse is to identify the status of an item from its current warehouse location. For example, if the item is in the receiving location, then we know from the current warehouse location that the item is waiting to be received into the warehouse.

When the item is processed and has already been received, it is then transported to the appropriate warehouse location in the warehouse. Therefore, you need to do a warehouse location transfer to reflect the movement of the item and transferred quantity.

The following topic is relevant to this section:

- Creating location transfers

3.6.1 Creating location transfers

932 Location transfers - Exact

File View Help

Entry number 12910005
Transaction date 27/2/2012
Project

Item	Description	Status	Location	Location description	Stock	Move	Sls. unit	Loc.	Serial/batch
BEK0001	R.P.Take Away beker 250cc	Active	A01	A01	1	1	Doos		None

Warehouse 1 - Centraal magazijn
Item R.P.Take Away beker 250cc 1000 s
Total quantity 1

Process Cancel

To create location transfers:

1. Go to Inventory → Entries → Location transfers.
2. In the **Warehouse** section, select the warehouse and location for which you want to create the location transfer.
3. In the **Extra** section, select the unit to be used for the transfer.
4. Type or select the location transfer date at **Transaction date**. Based on the unit selected, the quantity displayed or typed during the creation of the location transfer will be in terms of that unit.
5. Click **New**. The **Location transfers** screen will be displayed.
6. Type or select an item to be transferred in the **Item** column. If you select by pressing F2, you will see a list of items with the available current free stock. Select the item and click **Select**. By default, the **Stock** column displays the quantity in stock.
7. In the **Location** column, type or select (by pressing F2) a warehouse location you want to transfer from.
8. Click in the **Loc.** column to select the destination warehouse location you are transferring the items to, and you will see the **Location transfers** screen. Type or select a location in the **Destination** column to select a location in the same warehouse. Then type the location transfer quantity in the **Move** column. If this is a serialized or batch item, you need to specify the serial or batch numbers of items that you want to transfer by clicking in the **S/B** column. You will see the **Serial numbers For GC:V200** or **Batch numbers For CAS:VG01** screen where GC:V200 is the item code you want to transfer. Select the serial/batch numbers from a list of numbers available in the current stock, and then click **Select** to link the numbers to the location transfer and exit automatically.
9. Click **OK** to exit automatically and return to the **Location transfers** screen.
10. Click **Process** to create the location transfer. You will see a preview of the location transfers details in the **Report** screen.
11. Click **Close** to exit and save the location transfer.

3.7 Inventory Costing

Inventory costing is the process of assigning the right cost to the cost of goods sold and ending inventory. Cost price fluctuates over time due to factors such as inflation, demand, and supply. Therefore, inventory costing is needed to capture the changes in the cost price and reflect the changes in the closing stock and cost of goods sold.

It is important to capture the cost price fluctuations to enable better strategic planning and strategic decision making purposes such as estimating the monetary value of inventory, the margin from sales, the cost of manufacturing, cost of operation, and the value of assets in a company. Inventory costing is usually done at periodic intervals to close a financial period.

Fluctuations of cost price in incoming transactions are reflected in the current stock value by updating the outgoing stock transactions (in the stock account) and cost of goods sold (in the profit and loss account).

To reflect the changes in cost, you need to calculate the value of your closing stock. You can then use the closing stock value to determine the cost of goods sold and current stock value. The cost of goods sold during an accounting period is determined by the opening stock, the purchased stock, and the closing stock. The following formula illustrates the relationship among the different amount:

$$C = O + P - E$$

C = Cost of goods sold

O = Opening stock

P = Purchased stock

E = Closing stock

The following methods can be used to determine the ending inventory:

- **Periodic inventory method** — This method records the opening inventory quantity but does not keep track of the quantity and cost during the buying and selling of stock. It derives the cost of goods sold using physical count of the stock at periodic intervals (for example, year-end, quarterly, month-end). This method keeps the cost of maintaining the inventory count low but inventory data is not updated (inaccuracy cannot be adjusted immediately).
- **Perpetual inventory method** — This method records the opening inventory quantity and at the same time updates the quantity and cost during the buying and selling of stock. Thus, the inventory information is constantly updated.

The stock valuation method a company uses will have an impact on the balance sheet, income statement (gross profit margin), and statement of cash flow. Stock valuation methods use incoming and outgoing stock transactions to calculate the stock value.

Incoming transactions are transactions of items coming into the warehouse, such as purchase order receipts, return receipts, positive stock counts (physical quantity is more than the system quantity) and production receipts. Outgoing transactions are transactions of items leaving the warehouse such as sales order deliveries, return deliveries, negative stock counts (the physical quantity is less than the system quantity) and production issuing. The stock valuation methods available in Exact Globe Next are as follows:

- **Standard cost price**
- **Standard cost price (Classic)**
- **Average purchase price**
- **FIFO**
- **LIFO**
- **Real time APP**

Standard cost price and Standard cost price (Classic)

The **Standard cost price** method uses a predetermined fixed cost price for the item. This method is simple to use and easy to implement. It uses a standard cost regardless of the change in the cost price of the item.

However, this method does not provide the accuracy needed by some companies to reflect the actual fluctuations in cost at a particular time or period. It is mostly used for pricing items with a stable and regulated cost price (ceiling price) like sugar, rice, and flour.

The difference between **Standard cost price** and **Standard cost price (Classic)** is that **Standard cost price** uses the cost price at the time of purchase receipt whereas **Standard cost price (Classic)** uses the fixed cost price in item maintenance.

The following is an example of stock valuation method using the **Standard cost price** method:

	Quantity	Cost per unit	Standard cost
Opening inventory	10	\$100	\$100
Buy on February 1	10	\$97.2	\$100
Buy on March 14	10	\$98.8	\$100
Sell on March 30	10	\$100	
Buy on April 24	10	\$99.6	\$100
Sales for the rest of the year	22	\$100	

Average purchase price

The **Average purchase price** method is used in determining cost prices that tend to fluctuate but where the fluctuations are not significant. This method is used to value items with minor cost fluctuations. The following formula illustrates how the cost price is derived using **Average purchase price**:

$$\text{Average purchase price} = \text{OC} + \text{PC}/\text{TQ}$$

OC = Opening inventory cost

PC = Purchased inventory cost

TQ = Total quantity

The following is an example of stock valuation using the **Average purchase price** method:

	Quantity	Cost per unit	Standard cost
Opening inventory	10	\$100	\$100
Buy on February 1	10	\$98	\$99
Buy on March 14	10	\$97	\$98.3
Buy on April 24	10	\$99	\$98.5
Sell on April 28	22	\$98.5	

FIFO

Both the **FIFO** (First-In-First-Out) and **LIFO** (Last-In-First-Out) methods use the order in which the transaction occurs to calculate stock value. The **FIFO** method assumes that the first item purchased is the first item used/sold. It takes the purchase price of the earliest incoming transaction and updates the stock value when an outflow transaction occurs.

The FIFO method is consistent with a merchandiser's operation because it is normal practice to use/sell the older stock first. Therefore, this method can provide a good indication of the closing stock value. Assuming that prices are rising, this method will result in a lower cost of goods sold since it uses the cost price of older stock, thus, raising the net income. However, the higher net income will mean that the company has to pay more taxes.

The following is an example of stock valuation using the **FIFO** method:

	Quantity	Cost per unit	Cost of goods sold
Opening inventory	10	\$90	
Buy on February 1	10	\$96	
Buy on March 14	10	\$98	
Buy on April 24	10	\$99	
Sell on April 28	22		10 units x \$90 + 10 units x \$96 + 2 units x \$98 = \$2056

LIFO

By contrast, the **LIFO** (Last-In-First-Out) method assumes that the last item purchased is the first item used/sold. It takes the purchase price of the last incoming transaction and updates the stock value when an outflow transaction occurs. Since this method assumes that newer items are used/sold first, the closing stock value will reflect the prices of older stock which could be obsolete or have already greatly depreciated. Therefore, it is not a good indicator of the closing stock value.

The following is an example of stock valuation using the **LIFO** method:

	Quantity	Cost per unit	Cost of goods sold
Opening inventory	10	\$90	
Buy on February 1	10	\$96	
Buy on March 14	10	\$98	
Buy on April 24	10	\$99	
Sell on April 28	22		10 units x \$99 + 10 units x \$98 + 2 units x \$96 = \$2162

The following topics are relevant to this section:

- Stock valuation
- Stock revaluation
- Stock value adjustment
- ABC Analysis

3.7.1 Stock valuation

Stock valuation examines incoming transactions and calculates the current stock value using a pre-specified stock valuation method. It then updates the stock value and adjusts the cost of goods sold in the outgoing transactions. Stock valuation is conducted during the closing of a financial period (for example, bi-weekly, monthly, quarterly). This is done periodically to determine the closing stock value at the end of a financial period and to update the cost of goods sold for the preparation of financial statement reports.

In Exact Globe Next, the stock valuation process involves two main steps. Firstly, the stock valuation function examines all the incoming transactions within a specific period (range of transaction or reporting dates), or of specific items (range of items, item groups, or assortments). Based on the selected stock valuation method, the stock valuation function then uses this information to derive the new cost price and thus, calculate the closing stock value.

The new cost price is then used to adjust the cost of goods sold for outgoing transactions for the specified time period or items. If you are using the **Average purchase price** method for your stock valuation, the item maintenance cost (at **Cost price** under the **Basics** tab at Inventory → Items → Maintain) is also updated during this process. The stock valuation function only processes the transactions that occurred in open financial periods.

Due to an increasingly huge amount of transactions accumulated over time, Exact Globe Next allows you to process the stock valuation within a specific period of time and/or for specific items. Thus, you will get accurate information within a relatively short time.

To process stock valuations:

1. To select a stock valuation method, go to **Inventory settings** at System → General → Settings.
2. In the **Entry** section, select the valuation method you want to use to process the stock value.
3. Go to Inventory → Warehouse management → Stock valuation. The menu path is available only if **Standard cost price (Classic)** is not selected in **Valuation method**.
4. In the **Stock valuation** screen, the valuation method you want to use is automatically selected based on the method selected in step 1. If you have selected a method different from the one defined in **Inventory settings**, you will only be able to preview the stock valuation results but not able to process the stock valuation.
5. In the **Criteria** section, you can define the transaction/reporting date(s), item groups, and items to process the stock valuation for a selected time period or item/range of items only.
6. In the **Revalue positive counts** section, you can choose to revalue positive counts (physical quantity is more than the system quantity). Select the **Zero amounts** check box to update the positive stock count with either cost price or purchase price. If you are using the **Average purchase price** method or the **Valuation method per item** at System → General → Settings, under **Inventory Settings**, you have the option to select all amounts.
7. To preview the stock valuation results before the actual processing, select **Totals only** or **Detailed information** in the **Report** section. The **Totals only** option displays the summary of the stock valuation for a list of items. The **Detailed information** displays the transactions that were processed to calculate the final stock valuation results in addition to the summary of the stock valuation for individual items.
8. After defining the relevant criteria, click **Process**.

You can choose to use the transaction date or reporting date in step 5 to further specify and limit the volume of inventory transactions for the stock valuation. You will see **Transaction date** or **Reporting date** in the **Criteria** section depending on your setting of **Check: Closed periods** in the **General settings** at System → General → Settings.

Transaction dates are the actual dates of the inventory transactions whereas reporting dates are the dates the inventory transactions are recorded in the general ledger. The transaction and reporting date can differ, for example if you receive an order of goods on January 1, 2012, and then process the receipt on January 2, 2012, the transaction date is January 1, 2012 and the reporting date is January 2, 2012.

After the stock valuation process, you can view the new cost prices in the stock positions report at Inventory → Reports → Stock positions. The stock positions report calculates the new stock quantity by summing up all the amount and quantity for incoming transactions. In addition to that, the report also calculates the new stock value based on the updated cost of goods sold reflected in the outgoing transactions. For details on the stock position report, see *4.1 Stock Position*.

3.7.2 Stock revaluation

Like stock valuation, the stock revaluation function examines incoming transactions and calculates the stock value based on the pre-specified stock valuation method. However, unlike stock valuation, it calculates the new cost by making additional adjustments to the stock and cost of goods sold transactions.

While stock valuation is done during an open period, stock revaluation is done only to capture changes in cost prices in a previously closed financial period (which can be yearly, quarterly, monthly).

During the stock revaluation process, the stock quantity is calculated and the item cost price will be determined based on the stock valuation method you have determined earlier. The difference between the calculated stock value and the actual stock value will be written off in a revaluation entry.

During the stock revaluation in Exact Globe Next, two financial journal entries are updated if there is a new cost price captured and there are adjustments to be made. The first transaction is the updating of the new stock value in the existing incoming transaction in the stock account (balance sheet account).

The account used to adjust the new stock value is adjusted in the account defined at **Stock** in item maintenance (under the **Financial** tab in Inventory → Items → Maintain). The next step is the updating of the adjustment amount in the cost of goods sold account (profit and loss account). After processing the stock revaluation, the new stock value and the respective revaluation adjustment amounts will be updated to the specified accounts.

932 Revaluation - Exact

File Edit View Help

Entry number 11910050
Transaction date 27/4/2011

Description

Item	Description	Status	Sls. unit	Stock	Value	New value	Revaluation	Profit/loss	Profit & Loss account	Purchase account	Selection
BON0001	R.P. Supremo beans	Active	kg	47	426.87	426.9	0.03	Profit	9050	3000	<input checked="" type="checkbox"/>
BON0002	R.P. Espresso Dolce.	Active	kg	79	816.32	816.31	-0.01	Loss	9050	3000	<input checked="" type="checkbox"/>
BON0006	R.P. Cafe Creme beans	Active	kg	38	411.66	411.65	-0.01	Loss	9050	3000	<input checked="" type="checkbox"/>
MCB0001	MacBean Regular	Active	kg	24	129.84	130.94	1.1	Profit	9050	3000	<input checked="" type="checkbox"/>
MCB0002	MacBean Mild	Active	kg	64	346.24	349.18	2.94	Profit	9050	3000	<input checked="" type="checkbox"/>
MCB0003	MacBean Dark	Active	kg	44	238.04	240.06	2.02	Profit	9050	3000	<input checked="" type="checkbox"/>
MCB0004	MacBean Extra Dark	Active	kg	14	75.74	76.38	0.64	Profit	9050	3000	<input checked="" type="checkbox"/>
THE0011	R.P. Thee Assorti 12x20	Active	Doos	-0	6.32	0	-6.32	Loss	9050	3000	<input checked="" type="checkbox"/>
VER0003	Etiket voor	Active	stuk	10710	2945.22	2945.25	0.03	Profit	9050	3000	<input checked="" type="checkbox"/>
VER0004	Etiket achter	Active	stuk	10727	2949.9	2949.93	0.03	Profit	9050	3000	<input checked="" type="checkbox"/>

Item Total amount 0.45 EUR Profit

Profit & Loss account

Purchase account

Select all Deselect all Export Process Cancel

To process stock revaluations:

1. Go to System → Logistics → Revaluation.
2. Define the relevant criteria in the **Range** section to include only item(s) you want to revalue.
3. In the **Extra** section, type or select the transaction/reporting date to revalue inventory transactions registered on or before the entered date.
4. After defining the relevant criteria, click **Start**. You will see the **Revaluation** screen.
5. In the **Profit & Loss account** column, specify the account in which you want to register the adjusted amount. The amount to be adjusted is automatically displayed in the **Revaluation** column. The stock (purchased items) account is displayed by default in the **Purchase account** column. This account will be used to register the new stock value as displayed in the **New value** column.
6. Click **Process** to process the revaluation and exit.

You can choose to use the transaction date or reporting date in step 3 to further specify and limit the volume of inventory transactions for the stock revaluation. You will see **Transaction date** or **Reporting date** in the **Extra** section depending on your setting at **Check: Closed periods** at System → General → Settings, under **General settings**.

Transaction dates are the actual dates of the inventory transactions whereas reporting dates are the dates the inventory transactions are recorded in the general ledger. The transaction and reporting date can differ, for example if you receive an order of goods on January 1, 2012, and then process the receipt on January 2, 2012, the transaction date is January 1, 2012 and the reporting date is January 2, 2012.

3.7.3 Stock value adjustment

A stock value adjustment is similar to a stock revaluation but unlike stock revaluation, it does not alter the existing stock quantity, nor does it adjust the cost of goods sold in the outgoing transactions. Instead, a new value is adjusted in the cost of goods sold transaction, and is used in the next stock valuation calculation to get the new item cost, current stock value, and update the cost of goods sold.

While you may use the stock value revaluation for the adjusting stock value and quantity in a closed period, you use stock value adjustment to adjust new stock value in an open period.

The stock value adjustment is used only during an open financial period. During the stock value adjustment, two transactions are made. The first is the registration of the adjustment value in the stock account (balance sheet). The second transaction is the registration of the adjustment value in the cost of goods sold account (profit and loss account). The stock value adjustment will be reflected in the item cost price, stock value, and cost of goods sold in the next stock valuation.

	Item	Description	Warehouse	Stock value	Adjustment	G/L account
1	CAC0002	cas	1	1,791.70	2,205.00	0020
2						
3						
4						
5						

To process stock value adjustments:

1. Go to Inventory → Warehouse management → Stock value adjustment.
2. In the **Stock value adjustment** screen at **Transaction date**, type or select the transaction date you want to register this adjustment.
3. At **G/L account**, type or select the stock account you want to debit the stock value adjustment with.
4. In the entry lines, type or select (by pressing F2) the item you want to adjust the stock value for in the Item column.
5. Press TAB once to define the following columns in the entry lines. You can type or select by pressing F2, to define the following details of the stock value adjustment:
 - **Warehouse** — Type or select the warehouse that is storing the item you want to adjust stock value for.
 - **Adjustment** — Type the amount for the adjustment.
 - **G/L account** — Type or select the cost of goods sold (profit and loss) account that you want to credit the stock value adjustment in.
6. Click **Process** to process the adjusted amounts and exit automatically.
7. After the stock valuation process, you can view the new cost prices in the stock positions report at Inventory → Reports → Stock positions.

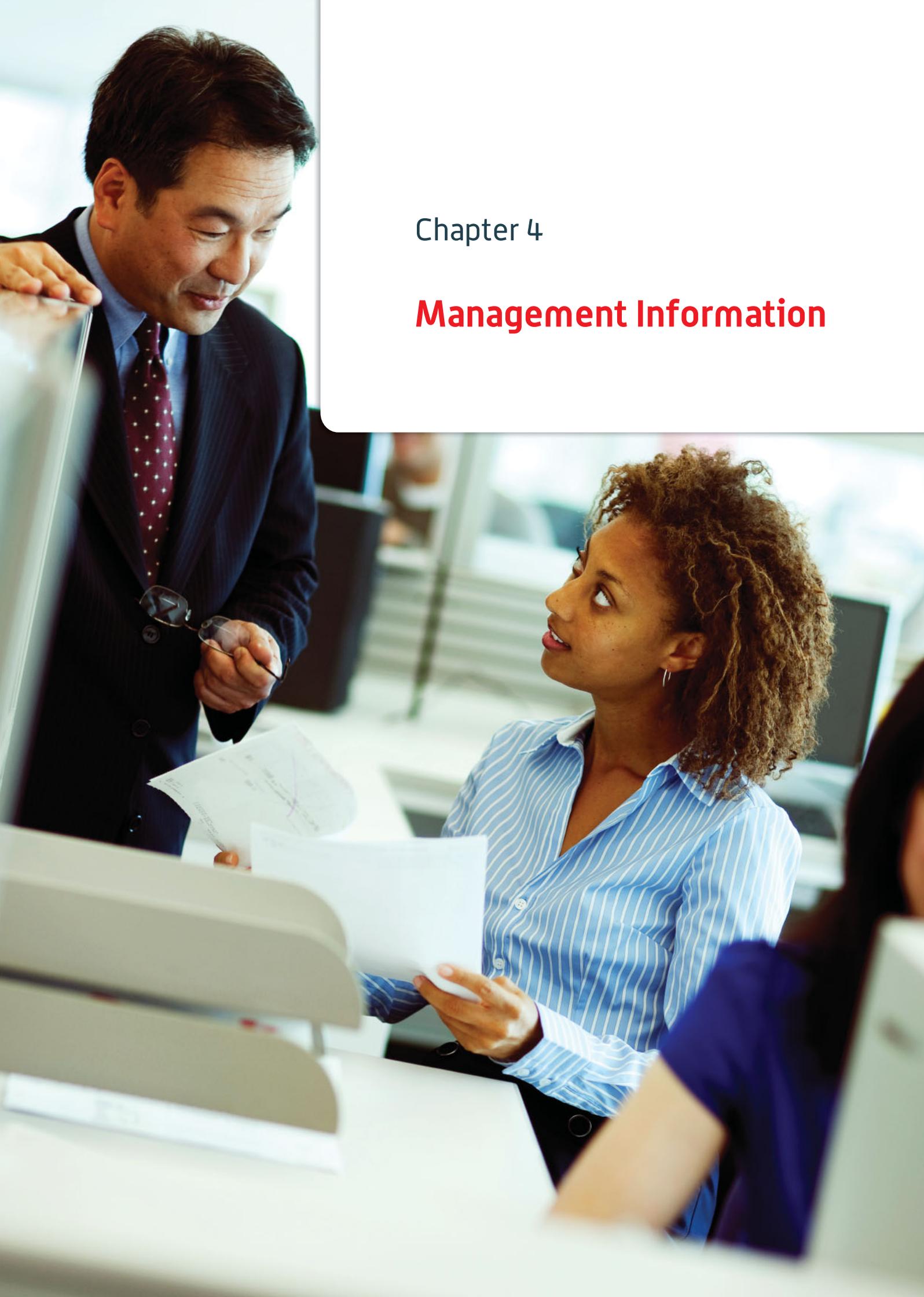
3.7.4 ABC Analysis

An ABC analysis is a classification of a group of products/items to form three categories (A, B, C) for stock control and planning purposes. After processing the stock value for the items in the warehouse, an ABC analysis is done to determine the value of an item relative to another in a warehouse, and group the items into classes that represent the item's relative values.

Criteria for the stock analysis may include the quantity used, quantity sold, revenue generated, cost of goods sold, purchase cost and profit generated. Based on the item's relative values as a result of the ABC analysis, we can determine the frequency of an item's cycle count.

To process an ABC analysis:

1. Go to Inventory → Item management → ABC analysis.
2. Define the relevant criteria in the **Range** section.
3. At **Sort by** in the **Options** section, define the sorting method to be used to present the ABC analysis report:
 - **Quantity used** — Items will be sorted in terms of the total quantity fulfilled.
 - **Sales quantity** — Items will be sorted in terms of the total quantity sold.
 - **Revenue** — Items will be sorted in terms of revenue generated by sales.
 - **Cost of goods sold** — Items will be sorted in terms of cost of goods sold.
 - **Purchase cost** — Items will be sorted in terms of the total purchase cost.
 - **Margin** — Items will be sorted in terms of the profit.
4. In the **ABC analysis** section, type the percentage of items you want to categorize the items based on the sorting method. The total of the three percentages for **A**, **B**, and **C** respectively should amount to 100.
5. Click **Start** to generate the ABC analysis in the form of data and graph in Microsoft Excel.

A photograph of two business professionals in an office setting. On the left, a man with dark hair, wearing a dark blue suit, a light blue shirt, and a maroon tie with white polka dots, is looking down at a large screen. He is holding a pair of glasses in his left hand. On the right, a woman with curly brown hair, wearing a blue and white vertically striped button-down shirt, is looking up at the screen. She is holding a white document. The background is a blurred office environment with computer monitors and desks.

Chapter 4

Management Information

Management Information

- 4.1 Stock Position
- 4.2 Shortage
- 4.3 Deliverable from Stock
- 4.4 Item Transactions
- 4.5 Flow of Goods
- 4.6 G/L Analysis - Item/Warehouse
- 4.7 Profit Calculation
- 4.8 Audit Trail
- 4.9 Assortments
- 4.10 List of Serial/batch Numbers
- 4.11 Delivered Serial/batch Numbers
- 4.12 Reserved Serial/batch Numbers
- 4.13 Expired Serial/batch Numbers

4. Management Information

Now that you have items and warehouses to store them and have conducted transactions by adding, selling, and moving your stocks, you can compile all the available information and produce certain managerial-relevant information in the format that you want to assist in the decision-making process.

Exact Globe Next provides comprehensive reporting functionalities to maximize the usage of all your information contained in the system. To effectively make decisions, you must have relevant information and the facility to present the information in the format that you want. The reports generated depend on the criteria and how you define these criteria.

You can access information such as the position of your items at any single point in time. This provides you with an overview of your organization's capability to meet current and future demands for your items.

You can also analyze the movement of items in your organization which allows you to place and manage your items in the various warehouses more efficiently. Another use is to monitor the ordered items that have not been delivered yet and this may indirectly show the level of customer service your organization is providing.

4.1 Stock Position

It is useful for organizations to know the position of their stock at any point in time. This allows managers to properly manage the organization's stocks such as ensuring that stock levels of popular items are enough for an upcoming holiday season after taking into account stocks in transit and stocks that have been reserved for orders made. For instance, a manager may want to find out the current status of all the warehouses to see whether additional quantity of items has to be replenished.

To check your stock position, go to Inventory → Reports → Stock positions. You may click **Advanced** to show additional criteria. Define the relevant criteria, and then click **Display** to generate the report.

Some criteria to note include **Show**, where you select either **Purchase units** or **Sales units**. This option determines whether the report will show the quantities in **Purchase** or **Sales** units. Depending on what you have defined for an item, the unit for purchase can be different from the one for sales. For instance, you may purchase keyboards in boxes whereby one box contains 12 keyboards while you sell one keyboard each time.

Another option is **Lines with quantity 0** where it will list existing items that have the quantity 0 when the check box is selected. The **New:Items** option lists new items that have no prior transactions and should have a quantity of 0.

The **Planner** option searches for the selected employee that is responsible for planning.

Warehouse	Item	Item description	Item group	Description	Status	Unit	Item price	PO level	Maximum	Supplier	Delivery time	Stock	Qty. to be rcvd.	Quantity to be delivered
1	BEK0001		10	Interne producten	Active	Doos	67.65	0.00	0.00	60120	2	3.00	0.00	0.00
1	BEK0002		10	Interne producten	Active	Doos	32.18	0.00	0.00	60120	2	4.00	0.00	0.00
1	BEK0003		10	Interne producten	Active	Doos	105.38	0.00	0.00	60120	2	4.00	0.00	0.00
1	BEK0004		10	Interne producten	Active	Doos	105.38	0.00	0.00	60120	2	5.00	0.00	0.00
1	BON0001		10	Interne producten	Active	Doos	20.18	0.00	0.00	60120	2	3.92	0.00	2.08
1	BON0002		10	Interne producten	Active	Doos	22.65	0.00	0.00	60120	2	6.58	0.00	0.17
1	BON0003		10	Interne producten	Active	Doos	22.65	0.00	0.00	60120	2	1.25	0.00	0.00
1	BON0004		10	Interne producten	Active	Doos	20.50	0.00	0.00	60120	2	8.25	0.00	0.00
1	BON0005		10	Interne producten	Active	Doos	23.59	0.00	0.00	60120	2	6.67	0.00	0.00
1	BON0006		10	Interne producten	Active	Doos	22.33	0.00	0.00	60120	2	3.17	0.00	0.50
1	CAC0001		10	Interne producten	Active	Doos	45.40	0.00	0.00	60120	2	23.00	0.00	0.00
1	CAC0002	caa	10	Interne producten	Active	Doos	72.98	0.00	0.00	60120	2	41.00	0.00	3.00
1	CAC0003		10	Interne producten	Active	Doos	85.16	0.00	0.00	60122	2	21.00	0.00	3.00
1	DIV0001		10	Interne producten	Active	Doos	12.69	0.00	0.00	60122	2	14.00	0.00	0.00
1	DIV0002		10	Interne producten	Active	Doos	15.23	0.00	0.00	60120	0	9.00	0.00	0.00
1	DIV0003		10	Interne producten	Active	Doos	56.84	0.00	0.00	60120	0	7.00	0.00	0.00
1	DIV0004		10	Interne producten	Active	Doos	21.32	0.00	0.00	60122	2	13.00	0.00	0.00
1	DIV0005		10	Interne producten	Active	Doos	23.34	0.00	0.00	60122	2	10.00	0.00	0.00

Essentially, the **Stock positions** report provides information on the stock level of each item in each warehouse. For management personnel, the report is useful in obtaining the current overall status of stock levels of all the organization's products. This will assist in making decisions especially on whether to replenish the stock from suppliers or whether to transfer the existing stock from another warehouse.

In the example, the **PO level** column shows the minimum recommended quantity for the item. It helps in determining the minimum quantity that should be ordered in order to maintain a safe level, as decided by your organization, of items in the warehouse. Usually, a safe level is the quantity that can still sustain sales while replenishments are made or in transit.

Other important columns include the **Quantity to be received** and **Quantity to be delivered** columns. The former shows any incoming stock while the latter shows outgoing stock. The **Available** column shows the current free stock available for that item in a particular warehouse. If the total is negative, it means that the item does not have enough quantity to meet sales already made.

You can access other information by clicking the relevant buttons. The **Totals only** button shows the total quantity in hand, and the expected inflow and outflow of the items. Selecting an item will enable other buttons. Clicking **Allocation** will display the **Allocation** screen where you can set aside stocks for other purposes such as for sales that are not delivered yet. The **Export** button allows you to export the report to Microsoft Excel.

4.2 Shortage

The **Shortage** report is useful for managers to quickly ascertain the items that have insufficient quantity to meet demands. With this knowledge in hand, they will be able to decide where and how to allocate the people in the organization. The report also takes into account items that are scheduled to be received and the expected delivery time. This allows a more accurate gauge as to how soon additional items need to be purchased.

To check your stock shortage, go to Inventory → Reports → Shortage. You may click **Advanced** to show additional filtering criteria. Define the relevant criteria, and then click **Display** to generate the report.

You can fill in a date at **Reference date** to calculate the shortage of stock based on the date defined in this field.

Some criteria to note after clicking **Advanced** include the **Report options** section where you can specify whether to display purchase orders that are unauthorized and/or not printed. This allows you to take into account purchase orders that have not been processed yet but might affect your future stock levels when the orders are processed later.

Warehouse	Item	Item description	Status	Item group	Unit	Stock	PO level	Maximum	Qty. to be rcvd.	Available	Free stock	Quantity to be delivered	Avg
1	KM		Active	Interne producten	stuk	0.000			3.000	-12.000	0.000	15.000	
1	MAC0001		Active	Interne producten	stuk	0.000			0.000	-1.000	0.000	1.000	
1	MAC0006		Active	Interne producten	stuk	0.000			0.000	-1.000	0.000	1.000	
1	MAC0009		Active	Interne producten	stuk	0.000			0.000	-1.000	0.000	1.000	
1	MAC0017		Active	Interne producten	stuk	0.000			0.000	-2.000	0.000	2.000	
1	MAC0021		Active	Interne producten	stuk	0.000			0.000	-1.000	0.000	1.000	
1	OHC01		Active		year	-5.000			0.000	-5.000	0.000	0.000	
1	OHC02		Active		year	-1.000			0.000	-1.000	0.000	0.000	
1	OND0017		Active	Interne producten	stuk	0.000			0.000	-1.000	0.000	1.000	
1	SER0008		Active	Interne producten	Doos	0.000			0.000	-7.000	0.000	7.000	

Purchase value 2.45

Totals only Warehouse location Purchase orders Sales orders Stock valuation Card Item Export Close

In this example, the **Shortage** report provides a quick view on all items that do not have sufficient stock. This is after taking into account the stock in hand and stock that is expected to arrive. This will be compared to the expected quantity ordered by customers. This is reflected in the example's first entry whereby the **Quantity to be delivered** column is 15 units. The **Qty. to be rcvd.** column shows that there are 3 units that will be arriving soon. This causes the **Available** column to be -12 units. The negative value shows that quantity is short of 12 units. This is reflected in the **Shortage** column.

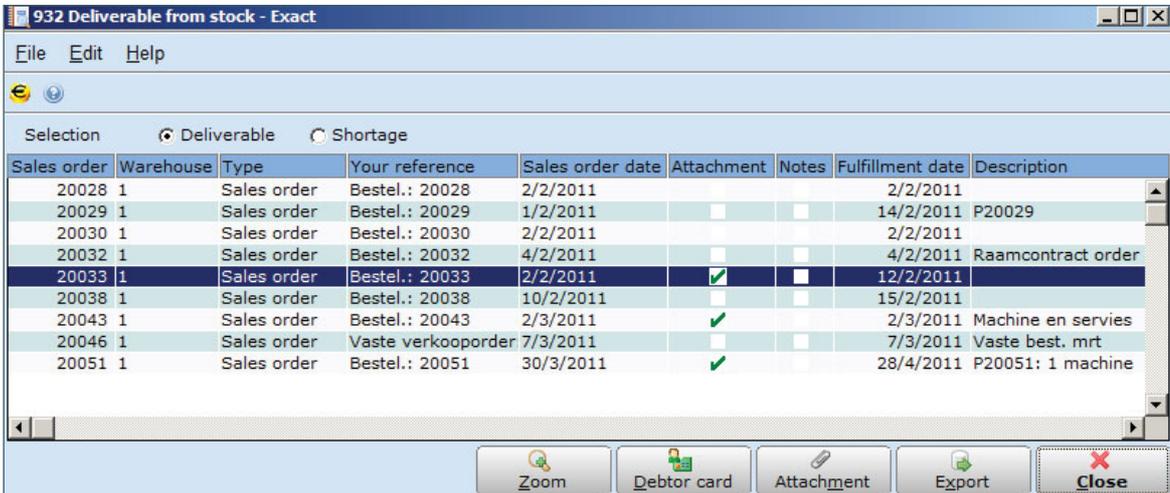
You can obtain other information by clicking the relevant buttons. The **Totals only**, **Allocation**, and **Export** buttons are explained in 4.1 *Stock Position*. The **Warehouse location** button shows the quantity of the item in each location of that warehouse. The **Card** button shows the stock movements of the selected item.

4.3 Deliverable from Stock

The **Deliverable from stock** report shows sales order for items that are scheduled to be delivered to customers but have not been done so yet. With this information, you can quickly rectify the situation and improve on your organization's customer service.

This report also helps to identify inefficiency in your organization when you compare the dates of the sales order with the current date. Usually, the longer the period is between these dates, the more inefficient your delivery methods are. Some of these inefficiencies can be due to late delivery from suppliers, delivery methods of your organization, and procedures involving the delivery of stocks.

To check sales orders that are not delivered yet, go to Inventory → Reports → Deliverable from stock. Define the appropriate criteria and click **Display**.



Selection	<input checked="" type="radio"/> Deliverable		<input type="radio"/> Shortage					
Sales order	Warehouse	Type	Your reference	Sales order date	Attachment	Notes	Fulfillment date	Description
20028	1	Sales order	Bestel.: 20028	2/2/2011			2/2/2011	
20029	1	Sales order	Bestel.: 20029	1/2/2011			14/2/2011	P20029
20030	1	Sales order	Bestel.: 20030	2/2/2011			2/2/2011	
20032	1	Sales order	Bestel.: 20032	4/2/2011			4/2/2011	Raamcontract order
20033	1	Sales order	Bestel.: 20033	2/2/2011	<input checked="" type="checkbox"/>		12/2/2011	
20038	1	Sales order	Bestel.: 20038	10/2/2011			15/2/2011	
20043	1	Sales order	Bestel.: 20043	2/3/2011	<input checked="" type="checkbox"/>		2/3/2011	Machine en servies
20046	1	Sales order	Vaste verkooporder	7/3/2011			7/3/2011	Vaste best. mrt
20051	1	Sales order	Bestel.: 20051	30/3/2011	<input checked="" type="checkbox"/>		28/4/2011	P20051: 1 machine

In the **Deliverable from stock** screen, you can select to view the sales orders based on the stock deliverable or stock shortage. Select **Deliverable** to list sales orders that you can deliver with enough stock but not delivered yet. Select **Shortage** to list sales orders that you are unable to deliver due to insufficient stock.

Selecting a sales order and clicking **Zoom** will display the **Sales orders** screen with the details of the order. If you click **Debtor card**, you will see more information with regards to the transaction or the customer. This report can be exported to Microsoft Excel by clicking **Export**.

4.4 Item Transactions

The **Item transactions** report lists all transactions that are related to your organization's items. This allows you to effectively view all the item's movements from a single screen.

To view your items' transactions, go to Inventory → Reports → Item transactions. You may click **Advanced** to show additional criteria. Define the appropriate criteria and click **Display** to view the report.

Item	Warehouse	Status	Item description	Unit	Previous balance	Received	Fulfilled	Balance	Stock
BEK0001	1	Active		Doos		4.000	-1.000	3.000	3.000
BEK0002	1	Active		Doos		4.000		4.000	4.000
BEK0003	TRAN	Active		Doos		2.000		2.000	2.000
BEK0003	1	Active		Doos		6.000	-2.000	4.000	4.000
BEK0004	1	Active		Doos		5.000		5.000	5.000
BON0001	1	Active		kg		159.000	-112.000	47.000	47.000
BON0002	1	Active		kg		111.000	-32.000	79.000	79.000
BON0003	1	Active		kg		25.000	-10.000	15.000	15.000
BON0004	1	Active		kg		66.000		66.000	66.000
BON0005	1	Active		kg		80.000		80.000	80.000

The **Stock transactions** report provides information on the movement of your organization's items. The **Received** and **Fulfilled** columns show the items that have been received and delivered within the specified transaction dates. The **Balance** column shows the balance of stock left after taking into account the quantity received and delivered while the **Stock** column shows the balance of stock after taking into account the opening balance of the items. Click **Export** to view the report in Microsoft Excel.

4.5 Flow of Goods

The **Flow of goods** report shows the inflow and outflow of your organization's items. It allows you to closely monitor the movements of your items. If required, you can also use it to verify a sales or purchase order by comparing the order to the report on information such as the warehouse, item, and number of units involved.

To view the report, go to Inventory → Reports → Flow of goods. You may click **Advanced** to show more criteria including the classification of customers. Define the appropriate criteria and click **Display** to view the report.

The screenshot shows a window titled "902 Inventory - Exact" with a menu bar (File, Edit, Help) and a toolbar. The main area contains a table with the following data:

Order	Warehouse	Item code	Debtor	Debtor name	Supplier	Supplier name	Description	Fulfilled	Fulfilled (EUR)	Re
23000000	MAIN	IPAQ	1100	Hard & Soft				1	700.00	
23000003	MAIN	IPAQ	1000	Flopshop BV			Ass 1c	9	6,300.00	
23000004	MAIN	IPAQ	1100	Hard & Soft			SN-SONY-MONITOR	1	0.00	
23000005	MAIN	MOTOR VEHICLE	1000	Flopshop BV			MV4201-#2389-009	1	0.00	
23000011	MAIN	IPAQ	1100	Hard & Soft			copy inv	1	700.00	
23000011	MAIN	IPAQ	1100	Hard & Soft			copy inv	1	700.00	
23000012	MAIN	IPAQ	1100	Hard & Soft			test auth. IV	1	700.00	
23000022	MAIN	M1350	1210	Jevans Technic				1	600.00	
23000023	MAIN	M1350	1230	BACH Software			BACH order	5	3,000.00	
23000023	MAIN	KEYB	1230	BACH Software			BACH order	5	500.00	
23000024	MAIN	M1350	1220	Kiwanah Resorts			Kiwanah order	10	6,000.00	
23000025	MAIN	M1350	1210	Jevans Technic			Jevans order	2	1,200.00	

At the bottom right of the window, a summary box displays the following totals:

Received	4 Items
Received	2,560.00 EUR
Fulfilled	60 Items
Fulfilled	26,700.00 EUR

The bottom of the window features a toolbar with buttons for: Export, Note, Attachment, Debtor card, Address, Item card, Order, and Close.

The report records the items' flow in the relevant **Fulfilled** or **Received** columns. Depending on how you choose to group the report (**Warehouse**, **Item**, or **Fulfillment**), the report will group the purchase and sales orders based on your selection. If the report is not grouped, you will see the purchase and sales orders specified in the **Order** column, and each line tells you the debtor or creditor that was involved as well as the item and quantity of that transaction and whether it was a receipt or a delivery. If it is grouped, you will need to click the **Zoom** button to see this.

The total received and fulfilled amount will also be displayed at the bottom right of the report.

4.6 G/L Analysis - Item/Warehouse

The **G/L analysis - item/warehouse** report provides information on the financial transactions for every transaction. From this report, you can view, at a single place, the general ledger (G/L) accounts involved for each transaction.

To view the **G/L analysis - item/warehouse** report, go to Inventory → Reports → G/L analysis – item / warehouse. You may click **Advanced** to show more criteria. Define the appropriate criteria and click Display to view the report. You can choose to sort the report by item or G/L account by selecting the relevant option under the **General** section.

Warehouse	Item code	Description:Item code	G/L	Description:GL account	Balance
MAIN	IPAQ	Standard IPAQ	0150	Computers	3800.00
MAIN	IPAQ	Standard IPAQ	0155	Accumulated depreciator	-2041.76
MAIN	IPAQ	Standard IPAQ	1750	VAT to be paid	-456.00
MAIN	IPAQ	Standard IPAQ	2010	Suspense account gener	-7000.00
MAIN	IPAQ	Standard IPAQ	2500	Invoices to be received	-2560.00
MAIN	IPAQ	Standard IPAQ	3020	Stock hardware	-240.00
MAIN	IPAQ	Standard IPAQ	4550	Depreciation costs comp	2041.76
MAIN	IPAQ	Standard IPAQ	7020	Costs of goods sold harc	9800.00
MAIN	IPAQ	Standard IPAQ	8020	Revenue of hardware	-16500.00

The relevant account code reflected in the **G/L** column has been defined earlier for each item. This is specified in the item maintenance card accessible via Inventory → Items → Maintain, under the **Financial** tab.

The **Balance** column shows the total amount for all transactions related to the item for that particular G/L account. Sometimes it is possible for the **Balance** column to have a negative figure. This shows that either the account is a credit balance account or the transactions resulted in a negative balance. This report can be exported to Microsoft Excel by clicking **Export**. You can then view and save the Microsoft Excel file for future reference.

4.7 Profit calculation

To view the profitability of items sold, you can use the **Profit calculation** report. The profit calculation for each item is displayed in amount and percentage. This report only includes items that have been actually delivered to maintain the accuracy of the report and not to be distorted by including items that are not delivered yet.

The report also includes non-physical items and is thus, useful for viewing items sold based on hours such as services.

To view the profit calculation report, go to Inventory → Item management → Profit calculation, define the relevant criteria and click **Refresh**.

Item	Description	Sold	Average price EUR	Cost price EUR	Purchase price EUR	Margin	Margin %
iPAQ	Standard iPAQ	15	1,180.000	700.000	640.000	480.00	41
KEYB	Keyboard	19	61.579	100.000	0.000	-38.42	-62
M1350	Flatscreen NEC	25	56.000	600.000	0.000	-544.00	-971
MOTOR VEHICLE	Motor Vehicle	1	20,000.000	0.000	0.000	20,000.00	0
SET	ipaq + keyb	5	1,500.000	850.000	0.000	650.00	43

Revenue 47,770.01 EUR Cost price 31,650.000 EUR Purchase price 26,310.000 EUR Margin 16,120.01 EUR Margin % 34

The **Average price** column is derived from the average sales price calculated from all the items sold. This is because sales prices are not necessarily the same when we sell to different customers and when sold at different times due to different pricing and discount structures that are applied according to your organization's policies.

The **Margin** column is derived from the average price less the purchase price for that item. A negative value means the item is not profitable whereby the purchase price is higher than the average sales price. The **Margin %** column is the percentage of margin over the purchase price. This shows the profitability of the item in percentage.

At the bottom of the screen are totals of the corresponding information. These totals will give an overview of the profitability of sold items for the organization as a whole.

4.8 Audit Trail

There may be times when you need to find out the status of internal use requests for items or services. Internal use requests are requests made by your employees to use your organization's products and services. This can be items such as stationery or new computers. The status of internal use requests can be retrieved from the **Audit trail** report.

This report provides information on the status of each internal use request made. The information is useful in determining the efficiency of fulfilling internal use requests of your organization and can be used to improve the process, where possible.

The report can also inform you of any pending internal use requests that have not been fulfilled, processed, or awaiting replenishment of stock so decisions can be made if these requests need to be expedited.

To view the audit trail of internal use requests, go to Inventory → Item management → Audit trail, define the relevant criteria and click **Display**. If you select the **Incomplete** check box under the **Show all** section, the report will include the following internal use requests:

- Internal use requests without purchase orders.
- Internal use requests with purchase orders but without purchase invoices.
- Internal use requests with purchase orders where the purchase invoice amount is not the same as the internal use request amount.

Our ref.	Item code	Project	Request	Request EUR	Purchase	Purchased	Purchased EUR	Receipt	Received	Received EUR	Invoice
10000070	KEYB	10000070	10	1,000	50000002	10	900				

Rows: 1 Requests 1,000 Purchased 900 Receipts 0 Invoiced

Buttons: Refresh, Export, Our ref., PO, Request, Receipts, Close

In the example, the transaction required replenishment of stock so purchase order was created. This is reflected in the quantities being displayed in the **Purchased** column.

The **Purchase**, **Receipt**, and **Invoice** columns are relevant only if the item needs to be replenished before it can fulfill the internal use request. Also, in the event that there are expense claims, the **Invoice** columns will be filled out with the relevant details. When the requester finally receives the item, the corresponding information will be filled out in the **Issue** column. The totals of all the transactions are displayed at the bottom of the screen.

To obtain further information about each transaction, click the relevant buttons at the bottom of the screen that allow you to view the following:

- **Our ref.** — The financial transactions involved.
- **PO** — The related purchase order, if available.
- **Request** — The related internal use request.
- **Receipts** — The related receipt of the item, if available.

4.9 Assortments

The **Assortments** report displays details of assortments linked to items in your organization. It lists information, such as the item, its sales and cost prices, the markup or margin, and its type. This report can be used to give a quick overview of your organization's categorization of items based on assortments and their respective properties. One item can be linked to more than one assortment. This reflects the possible combinations of properties an item can have in your organization.

You can obtain the **Assortments** report at Inventory → Item management → Assortments. Define the relevant criteria and click **Start** to generate the report. The **Reference date** option allows you to provide a specific date in which the report should be based on. Depending on your data, different dates may produce a report with different data.

Assortments					
User	yong294651	Company	902 Compshop	Report	00000000723
Default currency	EUR	Reference date	27-February-2012		
Assortment 1					
Miscellaneous					
Item code	Description	Sales price	Cost price	Margin	Type
IPAQ	Standard IPAQ	1,200.00	700.00	41.67%	Standard
Assortment 2					
Disney					
Item code	Description	Sales price	Cost price	Margin	Type
IPAQ	Standard IPAQ	1,200.00	700.00	41.67%	Standard
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The report lists the assortments and their corresponding items. It also lists the price lists that are linked to that assortment as specified in Order → Price management → Price lists.

The **Margin** column as shown in the example can be changed to show the markup of the item. This is defined in System → General → Settings, under **Order settings**, at the **Profit calculation** option in the **Entry** section.

The **Type** column shows the type of the item. An item with the type **Phantom** means it is not a physical item or parts used to manufacture an item. However, phantom items are accounted for because it can be part of a business process. Exact Globe Next handles this scenario by categorizing these items as phantom items. In the example, the price list attached to the assortment is of type **Phantom**. Other forms of phantom items include extra charges, payment conditions, and shipping methods.

Other item types that can be displayed in this column include **Labor hour** and **Machine hour**. Labor and machine hours are used in managing the productivity of these items. For instance, labor hours are related to the effectiveness of the people in your organization while machine hour relates to your organization's machine resources. These item types can be placed into separate assortments for improved classification.

4.10 List of Serial/batch Numbers

The serial and batch number report is a list of serial or batch numbers that are available in the system. You can use this list to keep track of all your serial and batch numbers and related information such as the validity period and the current status of the number.

Serial numbers are used to uniquely identify individual units of the same or different item. Items with serial numbers are usually items that have a high value or have a service warranty as part of a sales or purchase contract. Batch numbers are used to uniquely identify a large quantity of items that were manufactured in a single production run. The batch numbers are usually used to identify all the final products of the same batch for quality control purposes. If the material or parts used in the production is defective, you can trace other items that may be similarly defective by using the batch numbers.

To view a list of all existing serial and batch numbers in the system, go to Inventory → Serial/batch → List. You can limit your list of serial or batch numbers by specifying a range of numbers, a range of items, a specific period of time for which the numbers are valid starting on the dates, or range of lot numbers in the **Range** section.

You can sort the order of the list of serial and batch numbers by selecting the relevant option at **Sort by** to sort by date, serial/batch numbers in ascending order, and an alphabetical order of the items. You can further limit the serial/batch numbers that will be displayed in the report based on the status by selecting **Active** or **Blocked** at **Status**.

You can also choose whether to display the lot numbers for the respective serial/batch numbers. Lot numbers identify items that share the same production and resultant characteristics, for example the same physical properties, evaluated at the same production costs or quality. Lot numbers can be used to identify serial/batch numbers that originated from the specific lot of the same production batch.

Serial numbers							
User	yong294651		Company	932 MacBean NL		Report	0000000506
Serial number	All				Lot number	All	
Item	All				Sort by	Date	
Start date	All				Status	All	
End date	All						
Serial number	Description	Item	Description	Start	End	Status	
219FV1J	DELL Latitude D620	INVENTARIS		30/9/2010	1/6/2011	Active	
219FV8J	DELL Latitude D620	INVENTARIS		30/9/2010	1/6/2011	Active	
54GWF2J	Dell OptiPlex GX520	INVENTARIS		30/9/2010	1/5/2013	Active	
5FLCH1J	Dell OptiPlex GX620	INVENTARIS		30/9/2010	1/6/2014	Active	
6V6502J	Dell OptiPlex GX620	INVENTARIS		30/9/2010	1/6/2014	Active	
83GWF2J	Dell OptiPlex GX520	INVENTARIS		30/9/2010	1/5/2013	Active	
9FTSZ2J	DELL Latitude D630	INVENTARIS		30/9/2010	28/12/2010	Active	
BDQ452J	DELL OPTIPLEX GX520	INVENTARIS		30/9/2010	1/8/2012	Active	
123452	123452	MAC0001		30/9/2010		Active	
M3862732	MAC002 - 20003	MAC0002		30/9/2010		Active	
125567	125567	MAC0003		30/9/2010		Active	
126889	126889	MAC0004	Coffee table - Beige	30/9/2010		Active	
200900104	Roode Pelikaan Omega F21LM	MACHINES	Machines	30/9/2010	1/2/2015	Active	
201000321	DEMO: Schaerer Volano 2 stolpen 400V	MACHINES	Machines	30/9/2010	1/11/2014	Active	
201000457	DEMO: Roode Pelikaan Bergamo 6412	MACHINES	Machines	30/9/2010	1/2/2011	Active	
201001683	DEMO: Roode Pelikaan Fiore 3-groeps	MACHINES	Machines	30/9/2010	1/2/2015	Active	
MAALMACHINE	Maalmachine koffie	MACHINES	Machines	30/9/2010		Active	
VERPAKKINGSMACHINE	Verpakkingsmachine koffie	MACHINES	Machines	30/9/2010		Active	
58-BX-SN	VW Caddy	WAGENPARK		30/9/2010	1/2/2011	Active	
80-LPS-8	VW Transporter	WAGENPARK		30/9/2010	1/4/2014	Active	
82-BP-3	VW Passat	WAGENPARK		30/9/2010	1/5/2015	Active	
RS-RF-78	VW Transporter	WAGENPARK		30/9/2010	1/12/2011	Active	
123849	123849	MAC0001		15/10/2010		Active	
1 BF5E ED12	Grand cafe de Zeven Heuvels	OHC02		18/10/2010	18/10/2011	Active	

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4.11 Delivered Serial/batch Numbers

The delivered serial/batch number report displays a list of serial or batch numbers for items used in the fulfillment of requests such as sales orders, internal use requests, warehouse transfers, and production orders. You can use the delivered serial/batch number report to track the items that have been delivered from your inventory.

The serial/batch numbers are recorded for quality control, marketing, and customer service purposes. For example, if you receive a complaint on a defective car brake and the cause of the defect is a part or the raw material that might be present in other units of the same item, you can then track, retrieve, and replace the other units with the same batch numbers. Serial numbers can be used for recording customer complaints for items like computers where after-sales services are provided free of charge within the period of warranty.

To generate the delivered serial/batch number report, go to Inventory → Serial/batch → Delivered. The number of delivered of serial/batch numbers that are delivered over a long period of time may be considerably large. You can choose to display a specific set of serial/batch numbers by selecting the relevant criteria, such as the warehouse it was delivered from, the request types fulfilled by the serial/batch numbers, the serial/batch numbers by a specific supplier, the serial/batch numbers that were sent to a specific person, requests that were fulfilled on a specific date, a range of items or items from a specific lot.

The delivered serial/batch number report contains information about the delivered serial/batch numbers, such as the item, lot number, the serial validity period, the warehouse the item was stored in and delivered from, the types of requests that were fulfilled, and the request number.

Delivered								
User	yong294651	Company	932 MacBean NL	Report	00000000440			
Warehouse	All	Fulfillment date	All	Serial number	All			
Sales order type	All	Supplier	All	Debtor	All			
Debtor	All	Person	All	Item	All			
Lot number	All							
MAC0001								
Serial number	Description	Start	End	Reference	Wrh.	SO no.	Type	Quantity Unit
123452	MX 3	30/9/2010		Cafe Hout	1	20020	Sales order	1.000 stuk
123849	Installatie P20003	15/10/2010		Grand cafe de Zeven Heuve	1	20003	Sales order	1.000 stuk
M110236	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
M110237	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
M110238	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
M110239	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
M110240	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
M110241	P20023 - 6 machines	22/1/2011		Chicken Corner (region zuid 1		20023	Sales order	1.000 stuk
Total								8.000 stuk
MAC0002								
Serial number	Description	Start	End	Reference	Wrh.	SO no.	Type	Quantity Unit
M3862732		30/9/2010		Cafe de Lantaarn	1	20001	Sales order	1.000 stuk
Total								1.000 stuk
MAC0003								
Serial number	Description	Start	End	Reference	Wrh.	SO no.	Type	Quantity Unit
125567	Koppenwarmer	30/9/2010		Chinees restaurant 'De groe	1	20012	Sales order	1.000 stuk
Total								1.000 stuk
MAC0004, Coffee table - Beige								
Serial number	Description	Start	End	Reference	Wrh.	SO no.	Type	Quantity Unit
126889		30/9/2010		Kaffee und Kuchen	1	20015	Sales order	1.000 stuk
Total								1.000 stuk
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4.12 Reserved Serial/batch Numbers

You can use the reserved serial/batch numbers report to display information on serial/batch numbers that have been reserved by existing open requests. This report contains information on reserved serial/batch numbers, such as the sales order debtor, warehouse the serial number item is stored, sales order number, and the expected fulfillment date.

This report is useful to identify the serial/batch numbers in your inventory that are already reserved and the items and the requests the serial/batch numbers are reserved for so that you can accurately plan the allocation of limited stock.

You can then use this information to plan for fulfillment in case of shortage of stock and to avoid allocating reserved serial numbers to other open orders.

To generate the reserved serial/batch number report, go to Inventory → Serial/batch → Reservations. You can use the report criteria to target specific serial/batch numbers and reduce the volume of serial/batch numbers that will be displayed in the report.

You can choose to display the reserved serial/batch numbers that are specific to a warehouse or a range of warehouses, a debtor or a range of debtors, sales orders within a range of expected fulfillment dates, an item or a range of items, and a lot number or a range of lot numbers. You can also display the lot number (if any) for the respective serial/batch numbers in the report by selecting the **Lot number** check box.

Reserved									
User	leow181225		Company	000 Vikings Computers (E-Training)			Report	00000000441	
Warehouse	All		Item	All					
Debtor	All		Lot number	All					
Fulfillment date	All								
WIRE-RESERVE, reserved wire									
Serial number	Description	End	Reference	Wrh.	SO no.	Type	Fulf.date	Quantity	Unit
VER 100001			003, Agathae Business Solutio	01	20000038	Sales order	11-01-06	1-	
VER 100002			004, Telio Properties Sdn Bhd	01	20000107	Sales order	09-05-07	1-	

4.13 Expired Serial/batch Numbers

The expired serial/batch numbers report can be used to display the serial/batch numbers that are no longer valid for use. Expired serial/batch numbers are numbers that have an end date that is earlier than the current date in the system.

You can use this report to identify expired serial/batch numbers and view the expiry details of active serial/batch numbers. The expired serial/batch numbers report contains information about the serial/batch numbers, such as the end date (if any), the number of days before the serial/batch numbers expire or the number of days after expiry, the quantity, reserved quantity, and the quantity fulfilled. This is useful so that you can avoid fulfilling expired serial/batch numbers to customers.

To generate the expired serial/batch number report, go to Inventory → Serial/batch → Expiry date. You can use the report criteria to display the specific expired serial/batch numbers and reduce the volume of serial/batch numbers that will be displayed in the report.

You can choose to display the expiry information for the serial/batch numbers that are specific to a warehouse or a range of warehouses, a debtor or a range of debtors, a date or a range of dates after which the serial/batch numbers are considered invalid, an item or a range of items, and a lot number or a range of lot numbers. You can display only the serial/batch numbers that are still valid by clicking the **Expired** check box. You can also display the lot number (if any) for the respective serial/batch numbers in the report by selecting the **Lot number** check box.

Expiry date							
User	leow181225	Company	900 Vikings Computers (E-Training)		Report	00000000444	
Warehouse	All	Item	All				
Supplier	All	Lot number	All				
Reference date	08-08-07	Expired	Yes				
Serial number	All						
GC: V200, Game Console Model 200							
Serial number	Description	End	Expires	Quantity	Reserved	Used	Free Slz. pck.
10002	lot#1	01-01-06	-521 Days	1,000	0,000	0,000	1,000 Set
10003	lot#1	01-01-06	-521 Days	1,000	0,000	0,000	1,000 Set
10004	lot#1	02-01-06	-520 Days	1,000	0,000	0,000	1,000 Set
10006	intel	03-01-06	-519 Days	1,000	0,000	0,000	1,000 Set



Chapter 5

Advanced Features

Advanced Features

5.1 Using External Numbering

5. Advanced Features

Besides the basic features, Exact Globe Next also provides advanced features to handle additional functions for inventory management. In this chapter, the external numbering functionality is explained from the setting up stage up to its applications in the inventory operations.

5.1 Using External Numbering

External numbering is a functionality offered by Exact Globe Next to provide you the flexibility to use the external numbers in your business documents apart from the standard numbering system based on the **Entry**, **Our reference**, and **Your reference** numbers. In addition, the external numbering functionality caters to users in some countries where the legislations require businesses to use a numbering system, in which documents generated from different business transaction types are to use different sets of numbers.

In certain countries, these numbers must meet specific format requirements, such as to include prefixes and masks. For these reasons, you can now choose to enable the external numbering functionality in your system to cater to the additional needs of your business. In line with the external numbering functionality, you can define the numbering rules and the number ranges for the external numbers. The system will then assign external numbers for the specific business transactions based on the defined numbering rules and number ranges. Meanwhile, the external number will be printed on the final printed documents if you have added the external number field in the document layout.

5.1.1 Setting up external numbering functionality

Before you can use the external numbering functionality, you need to enable this functionality in Exact Globe Next. After you have enabled the functionality, you will then be able to see two new menu paths, namely System → Logistics → External numbering → Numbering rules and System → Logistics → External numbering → External numbers.

To set up the external number functionality:

1. Go to System → General → Settings.
2. Click **Numbers settings** under the **Settings** section.
3. Under the **General** section, select the **Use external numbering** check box.
4. Click **Save**. The message “Changes will only take effect after restarting the software” will be displayed.
5. Click **OK**.
6. Click **Close** on the main menu to exit the software, and then restart the software.

5.1.2 Creating numbering rules

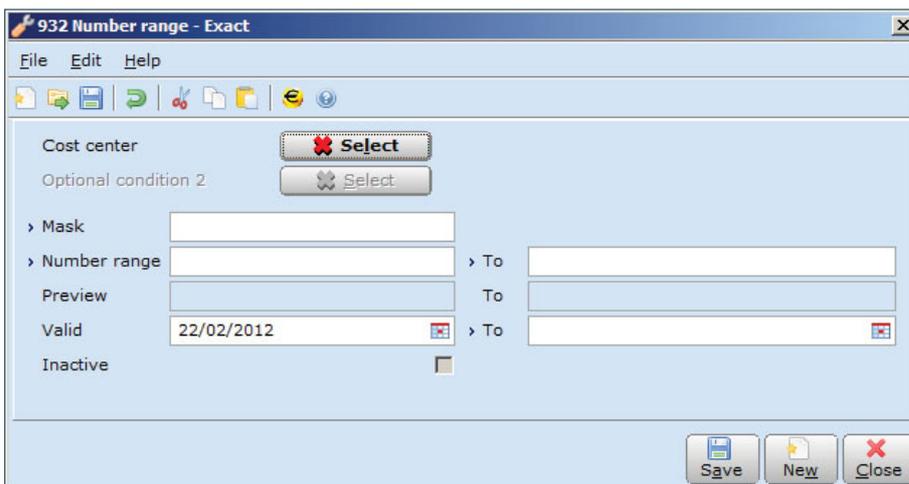
After you have enabled the external numbering setting, you can create the numbering rules which will determine the external numbers to be generated. By creating the numbering rules, you can define the transaction types, optional conditions, and number ranges to be used to generate the external numbers. The system will refer to these criteria when assigning the external numbers to your business documents.

The screenshot shows a software window titled "932 External numbering - Exact". It has a menu bar with "File", "Edit", and "Help". Below the menu bar is a toolbar with various icons. The main area is divided into sections. At the top, there are two input fields: "Numbering rule code" and "Description". To the right of the "Numbering rule code" field is a checkbox labeled "Inactive". Below these fields are two tabs: "Basics" and "Number ranges". The "Basics" tab is selected. Underneath, there is a section titled "Transactions" which is further divided into "Available" and "Selected". The "Available" section contains a list box with the following items: "Cash receipt", "Collection processing", "Commission invoice", "Direct credit note", "Direct invoice", "Interbranch transfer fulfillment", "Internal fulfillment", "Internal return", "Letter of credit", "Payment", and "Production disassemble fulfill...". Between the "Available" and "Selected" list boxes are two buttons: ">>" and "<<". The "Selected" section is currently empty. Below the "Transactions" section is the "Optional conditions" section, which includes a radio button group for "Number of optional conditions" with options "None" (selected), "one", and "two". There are also two dropdown menus labeled "Optional condition 1" and "Optional condition 2". At the bottom right of the window are three buttons: "Save", "New", and "Close".

To create numbering rules:

1. Go to System → Logistics → External numbering → Numbering rules.
2. Click **New**.
3. Type a code for the new numbering rule at **Numbering rule code**. This is mandatory.
4. At **Description**, type a description for the new numbering rule. This is mandatory. Click  to type the description in foreign languages which have been defined in the **Descriptions in list boxes** section at **General settings**.
5. Under the **Basics** tab in the **Transactions** section, the **Available** box lists all available transaction types which you can select for use in the numbering rule. Select the transaction type(s), and then click  to move the selected transaction type(s) to the **Selected** box. By doing this, you are selecting the transaction type(s) to be used in the numbering rule. To move any of the transaction types from the **Selected** box to the **Available** box, select the transaction type(s) in the **Selected** box, and then click . By doing this, you can delete the transaction type(s) selected earlier to be used in the numbering rule.

6. At **Number of optional conditions** in the **Optional conditions** section, you can select **None**, **one**, or **two** to define the number of optional conditions you want to use in the numbering rule. Use optional conditions to further define the conditions of every numbering rule. These optional conditions are important while generating the external numbers within a number range and at the same time, these conditions help to speed up data retrieval in reports.
7. Based on the **Number of optional conditions** you have defined, you can select the optional conditions to be used at **Optional condition 1** and **Optional condition 2**. If you select **None** at **Number of optional conditions**, the **Optional condition 1** and **Optional condition 2** fields will not be enabled. If you select **one**, only **Optional condition 1** will be enabled. If you select **two** at **Number of optional conditions**, both fields will be enabled. The options available for selection are **Cost center**, **Person**, or **Warehouse**. For an existing numbering rule which is linked to number ranges, the **Optional conditions** section will be disabled.
8. Click **Save** to save the numbering rule. By default, a newly-created numbering rule will be activated. As such, when you are creating a numbering rule, the **Inactive** check box will be disabled. The check box will only be enabled after you have clicked **Save** to save the new numbering rule.
9. Under the **Number ranges** tab, click  **New** to create number ranges for the numbering rule. You will see the **Number range** screen, as displayed in the following:



10. **Optional condition 1** and **Optional condition 2** will be disabled if you have selected **None** at **Number of optional conditions** in the **Optional conditions** section. If you have defined to use one or two optional conditions and selected the optional conditions in the **Optional conditions** section, the label of the **Optional condition 1** and **Optional condition 2** fields will be named according to the optional conditions you have selected. For example, if you have selected to use **Cost center** as the optional condition 1 in the **Optional conditions** section, the **Optional condition 1** field will be shown as **Cost center**.
11. Next, click  to select the optional condition values to be used to generate the external numbers if you are using the optional conditions. For example, if you have selected to use **Cost center** as the optional condition 1, click **Select** to select the cost center(s) to use the number ranges for transactions involving the selected cost center(s). In this example, you will see the **Optional condition** screen displaying all the active cost centers in the system. Select the cost center(s) and click **Select** to select the cost center(s) that the number ranges will be created for. A green check mark will be displayed under the **Select** column to indicate that the cost center(s) has been selected. Click **Deselect all** to clear the selection of all the selected cost centers. To clear the selection of a specific selected cost center, double-click the selected cost center or click **Select** again. Click **Close** to exit. By doing this, you can create different number ranges for transactions involving different cost centers or one number range for use by multiple cost centers.

12. At **Mask**, type the mask for the number range. This information is mandatory. You can type up to 30 characters in this field. The mask is case-sensitive and it can contain a separator as well as any symbol, except “#” and “↵” (ENTER key on the keyboard) when you define a prefix for the mask. A <space> is allowed in between the mask; however it cannot be placed before or after the mask as all spaces will be trimmed by the system during the numbers generation. In addition, the mask must represent the running number format which is indicated by the “#” symbol. For example, to create a mask with prefix “ABC” and the running number to contain three digits, you can type “SALEINVOICE-###” at **Mask**. You should type at least one “#” at **Mask** to represent the running number format in the number range.
13. Type the start and end numbers for the number range at **Number range** and **To**. This information is mandatory. The maximum number of digits allowed will depend on the mask you have defined. For example, if you have typed “SALEINVOICE-###” at **Mask**, the maximum number of digits that you can type as the start and end numbers in the number range will be three as indicated by the three “#” symbols in the mask. The start and end numbers must not be equal to “0” and the start number must be a smaller number than the end number in the number range. For example, you type “1” at **Number range** and “999” at **To**. The resulting number range will start from “SALEINVOICE-001” to “SALEINVOICE-999” as shown at **Preview**.
14. At **Valid and To**, type or select the validity date range for the number range. This determines the life cycle of the number range. By default, the start date of the validity period will show the current date when you create a number range. The start date is mandatory. However, you can leave the **To** field empty. You may want to do this to use the number range for as long as you desire, and only enter an end date when your business requires so. Once an external number from the number range has been used, you cannot change the start date of the number range. In addition, the validity period of the number range cannot overlap with the validity period of other existing number ranges in the numbering rule. For example, you have an existing number range with the validity period from 01/01/2007 to 31/12/2007. If you create a number range now with a validity period from 01/06/2007 to an undefined end date, you will see this message “This range is overlapping with one of the existing number range’s criteria: Life cycle” once you click **Save** to save the new number range.
15. Click **OK** to close the message, and then change the start date so that it will not overlap with the existing number range.
16. Click **Save** to save the number range.

Note: When you create a number range, by default, the **Inactive** check box is disabled. This means the status of a new number range is automatically set to **Active**. The check box will be enabled only when you edit an existing active number range. Select the check box to deactivate the number range. Once you have selected the check box, the message “Set to inactive?” will be displayed. Click **Yes** to deactivate the number range, and then type the reason for deactivating the number range at **Note**. Click **Save** to save the note. Once you have deactivated a number range, you are not allowed to activate that number range. The system will delete all the unused external numbers in the number range and update the end number of the number range to equal to the last assigned number. If the number range has not been used, the deactivation process will reset the start and end numbers of the number range to “0”.

5.1.3 External numbering in interbranch transfer

External numbering in interbranch transfer is applied at the following menu paths:

- Inventory → Warehouse management → Interbranch transfers.
- Inventory → Entries → Fulfillment, and then the **Interbranch transfer** option in the **Selection** section.
- Inventory → Entries → Interbranch transfer receipt.

The external numbering depends on the **Use intermediate warehouse** setting under the **Interbranch transfers** section in **Inventory settings** at System → General → Settings:

- If the **Use intermediate warehouse** check box is not selected, then the fulfillment process will refer to the transaction type **Interbranch transfer fulfillment** in the external numbering rule.
- If the **Use intermediate warehouse** check box is selected, then the fulfillment process will refer to the transaction type **Interbranch transfer fulfillment** in the external numbering rule. The receiving process will refer to the transaction type **Interbranch transfer receipt** in the external numbering rule.

Note: When the **Use external numbering** check box in the **General** section at System → General → Settings, under Numbers settings is selected, and the interbranch transfer is linked to an active numbering rule with matching optional condition values, the external number will be assigned to the issuing and/or receiving slips. An attachment will always be generated regardless of whether the transactions and range definitions match.

This feature allows saving of the interbranch transfer transaction documents into the system. To enable this, two document types which are **IBT (Interbranch Transfer) issuing slip** and **IBT (Interbranch Transfer) receiving slip** have been added at System → General → CRM → Document types. The documents printed will be saved based on the **Use intermediate warehouse** setting under the **Interbranch transfers** section in **Inventory settings** at System → General → Settings:

- If the **Use intermediate warehouse** check box is not selected, then the interbranch transfer documents will be saved under the **IBT issuing slip** document type.
- If **Use intermediate warehouse** check box is selected, then the following applies:
 - If the document is generated from an issuing process, then the document will be saved under the **IBT issuing slip** document type.
 - If the document is generated from a receiving process, then the document will be saved under the **IBT receiving slip** document type.

Note: The printed documents can be reprinted from the documents entry at CRM → Entries → Documents, under the **IBT issuing slip** and **IBT receiving slip** document types respectively.

5.1.4 External numbering in stock count

The external numbering in interbranch transfer is applied at Inventory → Warehouse management → Counts. The stock count refers to the **Stock count** transaction type in the external numbering rule.

Note: When the **Use external numbering** check box under the **General** section at System → General → Settings, under **Numbers settings** is selected, and the stock count is linked to an active numbering rule with matching optional condition values, the external number will be assigned to the stock count document. If there is no stock movement where quantity = '0', then an external number will not be assigned to the transaction. If an error occurs during the stock count processing, the transaction will not be rolled back but it will be registered in the system with an external number without an attachment. The status of the linked external number will be set to **Void**.

5.1.5 External numbering in internal use

External numbering in internal use is applied at the following menu paths:

- Inventory → Entries → Internal use.
- Inventory → Entries → Fulfillment, and then the **Internal use** option under the **Selection** section.

Internal use refers to the **Internal fulfillment** and **Internal return** transaction types in the external numbering rule.

Note: When the **Use external numbering** check box under the **General** section at System → General → Settings, under **Number settings** is selected, and the internal use transaction is linked to an active numbering rule with matching optional condition values, the external number will be assigned to the issuing or return slip. If the internal use transaction meets the range definition in the external numbering rule, then an attachment with an external number will be generated regardless of whether the printout is required. If the internal use transaction does not meet the range definition in the external numbering rule, and the print option is selected, then an attachment without the external number will be generated. If the print option is not selected, then the attachment will not be generated.

This feature allows you to save the internal use transaction documents into the system. To enable this, the **Internal use** document type has been added in **Document types** at System → General → CRM.

Note: The printed documents can be reprinted from the document entries at CRM → Entries → Documents, under the **Internal use** document type.

If the **Use external numbering** check box under the **General** section at System → General → Settings, under Number settings is selected, and there is an active numbering rule defined for internal fulfillment or internal return, then the multiple selection feature for multiple fulfillment of internal use will be disabled.

Note: Multiple selection feature is where you can select more than one line of internal use in the results section at Inventory → Entries → Fulfillment, and then the **Internal Use** option under the **Selection** section. You can press the **Shift** key, and then select the internal use lines simultaneously. For random selection of multiple lines, you can press the **Ctrl** key, and then select the internal use lines simultaneously.

5.1.6 External numbering in overviews and search criteria

When you are using the external numbering feature in your inventory application, the external number field or column will be added in the following overview, search, and report screens:

To view external numbers in item transactions:

1. Go to Inventory → Warehouse management → Warehouses.
2. Select a warehouse.
3. Click **Open**. The **Maintain warehouses** screen will be displayed.
4. Click **Item transactions**. The **Item transactions** screen will be displayed.
5. Next, type or select an item code at **Item**. This information is mandatory.
6. Type or select a range of transaction dates at **Transaction date** to display the transactions of items with the corresponding dates selected or select the **All** check box to display all transactions of items regardless of dates.
7. Click **Edit** to display the item transactions.
8. In the **Item transactions** screen, the **External number** column displays the external numbers for all types of item transactions, such as **Receipt**, **Fulfillment**, **Count**, and **Returns**.
9. Click **Close** to exit.

To view external numbers in overview of warehouse cards:

1. Go to Inventory → Warehouse management → Cards.
2. Select a warehouse.
3. Click **Card**. The **Card: Warehouse location screen will be displayed**.
4. Click **Filter** to expand the search criteria.
5. In the search criteria, define the external number at **External number** to search for financial transactions of the warehouse that correspond with the defined external number.
6. Click **Refresh** to display the financial transactions of the warehouse.
7. In the results section, the **External number** column displays the external number that corresponds with each financial transaction of the warehouse.
8. Click **Close** to exit.

To view external numbers in logistics reconciliations:

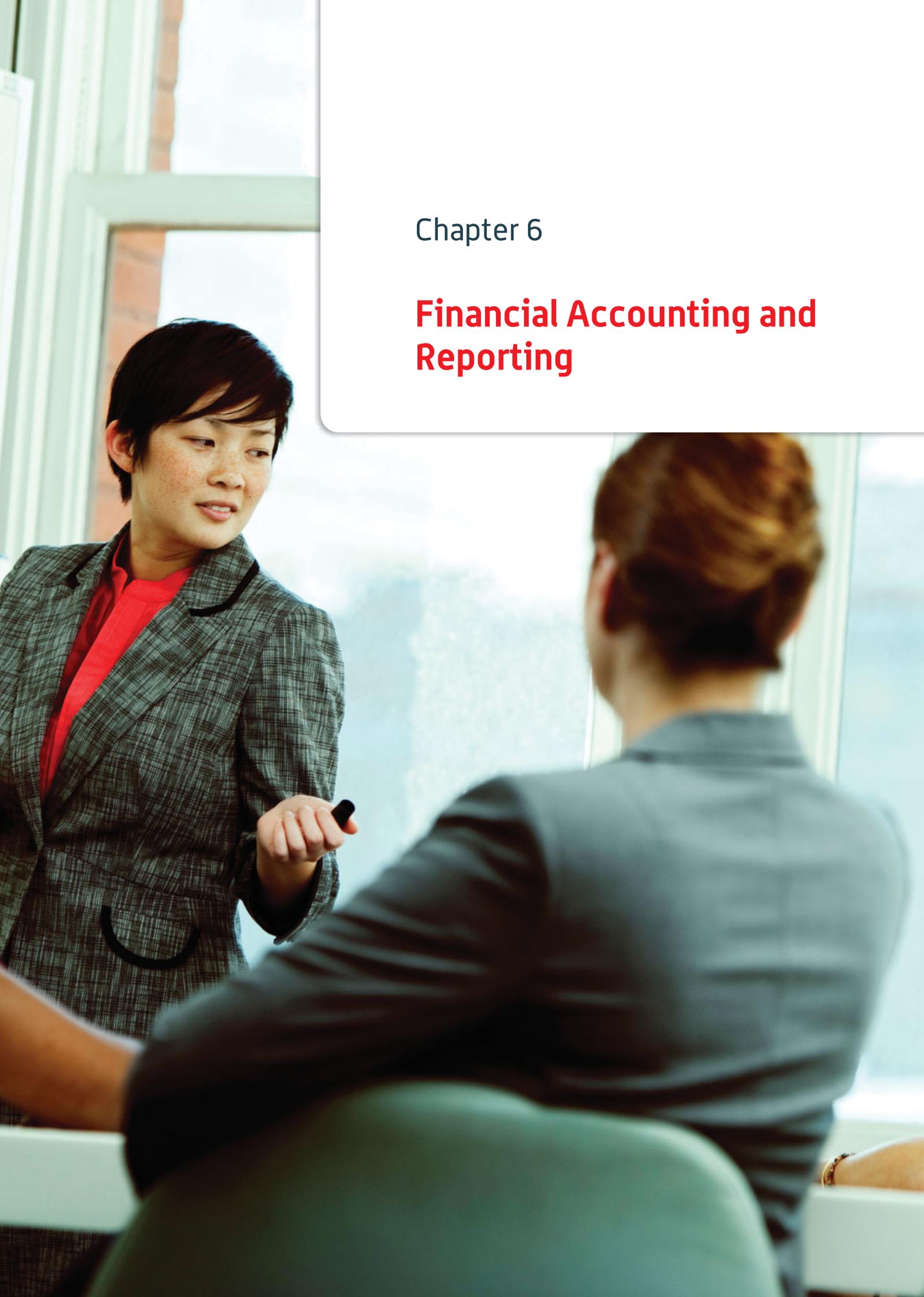
1. Go to Inventory → Warehouse management → Reconcile.
2. Click **Advanced**.
3. Type an external number or a range of external numbers at **External number**, or select the **All** check box to display the logistics transactions that correspond with the defined external number(s).
4. Click **Zoom** to display the logistics transactions in the **Reconcile** screen. The logistics transactions of items, such as receipts and invoices that correspond with the external number(s) filled in, are displayed under the **External number** column.
5. Click **Export** to export the displayed data to Microsoft Excel. In the Microsoft Excel report, the external numbers will be displayed under the **External number** column.
6. Select an item transaction in the **Reconcile** screen and click **Edit** to make changes to the item transaction.
7. The **Change: data** screen will display the corresponding external number for each of the item transactions under the **External number** column.

To view external numbers in inventory transactions report:

1. Go to Inventory → Reports → Transactions.
2. In the search criteria, type an external number at **External number**.
3. Click **Search** to display the corresponding inventory transactions. The **External number** column in the inventory transaction report will display the corresponding external number for each inventory transaction.
4. Click **Print** to print the inventory transactions report.

To view external numbers in item cards:

1. Go to any one of the following menu paths:
 - Inventory → Items → Cards
 - Invoice → Items → Cards
 - Order → Items → Cards
 - POS → Items → Cards
 - Purchase → Items → Cards
 - Project → Items → Cards
2. Select an item and click **Card**. The **Item transaction card** screen will be displayed.
3. Click **Zoom** for a detailed view of the item transaction.
4. Click **Filter**, and then type an external number at **External number**.
5. Click **Refresh** to display the corresponding financial transactions of the item.
6. In the results section, the **External number** column displays the external number for each financial transaction of the item.
7. Click **Export** to export the displayed data to Microsoft Excel. In the Microsoft Excel report, the **External number** column displays the external number for each financial transaction of the item. Save the report, if required.
8. Click **Close** to close the **Items transaction card** screen and return to the previous screen.
9. Select an item at any one of the menu paths listed above and click **Print** to print the financial transaction report.
10. In the **Item card** screen, define the relevant criteria and click **Start** to generate a financial transaction report for the selected item.
11. In the **Report** screen, the **External number** field displays the corresponding external number for each financial transaction.

A woman with short dark hair, wearing a grey plaid blazer over a red top, stands and holds a black marker. She is looking towards a man whose back is to the camera. The man has short brown hair and is wearing a blue suit jacket. They are in a meeting room with large windows in the background. The scene is brightly lit, suggesting a professional setting.

Chapter 6

Financial Accounting and Reporting

6. Appendix 1 - Product Update Changes

Product Update	Chapter
404	2.5.1, 4.2
403	All chapters

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