

Using the Inventory Count System

The count system (IN-9) can be used to do a complete count of all inventory at one time but can also be used to count inventory incrementally. By “incrementally” we mean that you can count any number of items and update the counts just for those items counted at that time. You can come back later and count other items. The advantage of this is that you can count and update those counts over a period of several days without shutting down your business (ie. You can count while still selling to customers). If you are doing an incremental count, you must be sure to count everything of each item you count (ie. Check your backstock locations).

The basic flow of counting inventory using this system is as follows:

- **BEFORE counting, all sales tickets and purchase orders from previous days must be updated (THIS IS CRITICAL).**
- **ALSO the counting process must then be completed before the next update of sales tickets or receiving of a purchase order (THIS IS CRITICAL).**
- **If this a brand new count, be sure to run IN-9-13 “CLEAR ALL COUNTS IN CONTROL FILE” before counting. Also make sure that each count file is empty by running IN-9-1-2 and check that each count file has “0 records”.**

IN-9-1 “MANAGE COUNT FILES” - Item counts are entered in one or more “Count” files. Each person counting will need their own count file. You can see and create count files in IN-9-1.

IN-9-2 “ADD COUNTS TO FILE”- Run IN-9-2 to actually count the inventory (each person using their own count file) – see the section **ENTERING THE COUNTS** (below). Items can be scanned using a bar code scanner or looked up in the standard way when entering these counts. Counts are cumulative – every entry to a count file is added to all previous entries. If a mistake is made, you can fix it by entering a negative of the wrong count quantity and then enter the correct count. Or you can just enter the DIFFERENCE (+/-) between the count entered and what the count should have been. As many people as you want can be counting at the same time with their own count files – just don't overlap the areas in which they count.

IN-9-3 “PRINT COUNT FILES” - While or after you are entering the counts, you can look at or print anyone's count file by running IN-9-3.

IN-9-4 “IMPORT COUNT FILES TO CONTROL” - After everyone is done counting, each person's count file will need to be imported to the count control file (IN-9-4). This puts all the inventory counts into one file that can be printed and used to update the counts to the Inventory file. To make sure that you've imported all count files, run IN-9-1-2 and check that each found file has “0 records”.

IN-9-5 “BRING IN SALES FROM SALES TICKETS” - this is only run if you have been selling products while you are counting. This adjusts the counts for any items that have been

sold (it checks the time of the sale vs. the time the item was counted to see if the adjustment is necessary).

IN-9-6 “BRING IN ITEMS NOT COUNTED BUT WITH QUANTITY ON HAND” - this should only be used WITH GREAT CARE. This enters a zero count for every item that has not been counted which means the non-counted items will be taken to zero in the inventory file when you update the counts (IN-9-12) – therefore, it should only be used if you have counted everything at your location in one count and you want to automatically zero everything you have NOT counted. NEVER run this if you are doing an incremental count (since you have not counted all items at your location). If you don't want to automatically zero all non-counted items, you will still have the opportunity, after you have updated your counts to Inventory, to print a report showing you the items that did not get counted (IN-9-14) – then you can manually zero them out or adjust them as needed.

IN-9-7 “PRINT COUNT VARIANCE FILE” - this is an important printout for you to run and review. This lets you see the variances between what was counted and the current count for each item in the Inventory file. If a variance seems incorrect to you, recount the item and adjust the count in IN-9-10 (described below). You can do this review and adjust process until this variance report looks correct.

IN-9-8 “PRINT ITEMS WITH ADD BACKS” - this printout lets you see the items adjusted by (IN-9-5) adjustments from sales tickets.

IN-9-9 “PRINT ITEMS WITH NO COUNTS BUT WITH QUANTITY ON HAND” - this printout lets you see the items that did not get counted.

IN-9-10 - “MANUALLY EDIT ITEM IN CONTROL FILE” - this program allows you to edit the count for any item – you would use this after reviewing the variance report (IN-9-7) and finding that a count was incorrect.

IN-9-12 “UPDATE INVENTORY (MAKE IC'S)” - this is the FINAL STEP of the counting process and should only be run after all other step have been done. Especially be sure that the variance report has been reviewed (IN-9-7) and any incorrect counts have been fixed (IN-9-10). This program takes the counts and adjusts Inventory to match. It also makes the necessary General Ledger entries for the adjusted counts.

- Call DDS Support if you have any questions.

ENTERING THE COUNTS

From the main menu go to "IN" and then 9. COUNT SYSTEM.

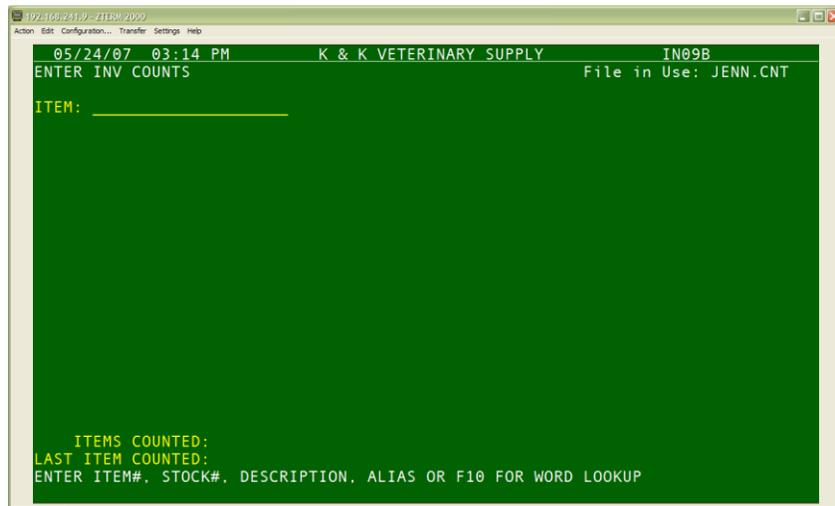
You will only need to use two program on this menu:

1. MANAGE COUNT FILES:

- Each group that will be counting needs their own file to enter counts. This file will need a name - use the name of someone in your counting group. Run IN-9-1 if you need to create a file for you to use.

2. ADD COUNTS TO FILE

- Once this is selected, you must enter a set of initials
- Next, you must select a count file to use (see above).
- Here is the actual screen to use for entering item counts:

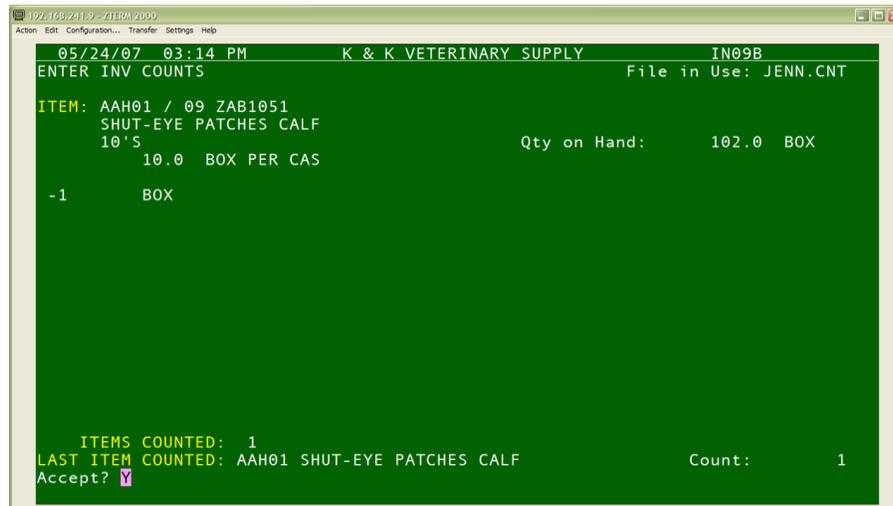


- At "ITEM:" you can scan a barcode, enter the item number, a description or F10. Regardless, it is critical to get the correct item and double-check the description even if you've scanned a barcode. **DO NOT SCAN THE SHELF BARCODE...** scan the barcode on the item itself or the item case!

- After inputting the item, you will see the following screen:



- If you make a mistake counting, there are two ways to fix the count:
 1. Input the item again. and REVERSE the original quantity put in by entering by entering the same quantity with a minus sign (as shown here):



- Now input the item again with the correct quantity as shown here:



OR

2. Enter an adjusting quantity (plus or minus). If you originally entered "1" but found another "2", input the item again and enter "2" for the quantity. In this case, the total count for this item will now be "3".
If you originally entered "5" but realize that you should have entered "4", then input the item again and enter "-1". Now the total count for the item will be "4".

NOTE: all previous counts of an item are included in the total counted quantity for the item! In other words, all your counts of an item add up.

- When you need to stop counting, please Escape back to the menu. To start counting again, just go back to "2. ADD COUNTS TO FILE" and select the file you were using again.