Inventory Control

Tracking Inventory Quantities

March 2019

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March 2019

Training Videos
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Overview
This document is intended to detail the setup and operational requirements to track inventory quantities through the Ascente – Inventory module based on operations from all these Ascente modules:

- Purchasing
- Service Dispatch
- Job Cost
- Inventory
- Physical Inventory

I will attempt to explain how all the inventory transactions from these modules affect the OnHand quantities of every Inventory Location and how you can monitor and manage your tracked inventory quantities. I will not go into complete details of inventory setup. There are online video’s detailing the other inventory setup and processing. I will only be detailing the setup relating to quantity tracking.

Assumptions

- You already have your part records setup using the Ascente / Inventory / Maintenance / Part records for every part that you want to track quantities for.
- All parts tracked, must have a Part Type set to ‘Stocked’.
- You already have your inventory locations setup using the Ascente / Inventory / Maintenance / Locations must be added for every inventory location that inventory records will be tracked at.
- Every tracked part is assigned an inventory location (shop or truck).
- Every movement of inventory will include the:
  - Part Number
  - Location
  - Quantity
  - Unit Cost (PO Receipts)
- These inventory movements include:
  - Purchasing
  - Receiving
  - Billing Entry
    - Service
    - Job Cost
  - Inventory to Job Transfers
  - Restocking
  - Inventory Adjustments & Transfers
  - Physical Inventories
- Inventory quantities are not tracked in Ascente for transactions originating in Traverse.
- You will see Allocation counts referenced multiple times. Just know that allocated counts are just counts of parts that have been entered, but not been invoiced yet. Allocated counts are increased by adding parts prior to the parts being invoiced and then reduced by invoicing.
Inventory Setup for Tracking Quantities

Inventory Control – Options & Interfaces
Ascente / Inventory / Maintenance / Options & Interfaces (Inventory)

Figure 1: Inventory - Options & Interfaces

Costing Method
This needs to be set to ‘Average Cost’ if you are trying to balance your inventory value to your financial statement.

Default Inventory Account Code
Select the Inventory GL Account Code to use for non-stock parts

Track Qty
You MUST check this box if you want the Inventory system to track quantities for your parts. If not checked, the system will not track the ins & outs of parts.

GL Account Code
Ascente / Inventory / Maintenance / GL Account Code

Figure 3: GL Account Code Maintenance

Inventory Account
This determines the Inventory GL Asset Account that inventory will go in and out of for inventoried parts.

Product Line
Ascente / Inventory / Maintenance / Product Line

Figure 4: Product Line Setup

Bill Type
This needs to reference the correct Bill Type to be used in service billing for this

GL Account Code
This needs to reference the GL Account Code to be used for all parts with this Product Line. Most companies only have one or two of these.
**Part**

Ascente / Inventory / Maintenance / Part

Only part records setup in Ascente can have quantities tracked.

---

**Locations**

Ascente / Inventory / Maintenance / Locations

Parts are assigned to locations in order to track quantities for the parts for each location. Every movement of inventory in or out will reference an inventory location.
Part Location
Ascente / Inventory / Maintenance / Part Location
This program has two purposes:

• Use this program to track the current OnHand, On Order and Allocated levels for a specific part at all locations that part is stocked at. Allocated indicates quantities for a part on a work order that has not been updated through the Prebill process.

• Maintain the following values for the part at each location:
  o GL Account Code
  o Set Targeted Quantity Levels used by the Inventory - Stock Status Report:
    ▪ Safety Stock
    ▪ Order Point
    ▪ Max On Hand
    ▪ Min on Hand
    ▪ Order Qty
  o Bin Number

On Hand, On Order & Allocated
These counts will be updated based on operations in Ascente.

---

Figure 7: Part Location File Maintenance. Note the On Hand, On Order and Allocated count fields. These counts will be updated based on operations. The other fields to the right are manually updated and used for the Stock Status Report.

Figure 8: Inventory / Reports / Stock Status Report using targeted quantity levels.
Example Data
I am going create a new part and location for the purpose of showing you how Ascente tracks quantities. After every transaction, I will show you the following to see how operations are affecting the quantity tracking totals and the running count totals:

- Part Location
- Inventory Transaction Report

The following Part, Location and Part Location records will be used for the examples provided. You will see how operations change these records.

**Part**

![Part ABS4000](image)

Figure 9: Part ABS4000 will be used for this presentation. You will see how the *Average Cost* and *Last Cost* are affected by PO receipts.
**Location**

Figure 10: Location 205 Jim will be the location used for this presentation

**Part Location**

Figure 11: This is the Part Location record added. Please note the required quantity levels entered. Please note that there are no On Hand, On Order or Allocated totals for this new part. You will see how operations affect the count totals. Please note that I have attempted to print the *Inventory Transaction Report* for the part ‘ABS4000’ and there are no records yet.

Figure 12: Please note that there are no existing Inventory Transactions for this part ‘ABS4000’. You will see how operations affect this report in the following examples.
Operations

Purchasing

Purchase Order Form
Along with all the controls and advantages that the Purchasing module provides, this processing is required to:

- Order Parts
  - Add On Order Quantities
- PO Receipts
  - Reduce On Order count and move to On Hand or Allocated count
  - Recalculate the parts Average Cost and update the parts Last Cost

There are two Ascente programs that can be used to create and maintain purchase orders:

- Purchase Order
  - PO for Inventory
  - PO for a Service – Work Order
  - PO for a Job Cost - Job
- Work Order
  - PO for a Service – Work Order

**PO - Order for Inventory**

In this transaction I will order 6 parts for inventory/stock on location 205 Jim.

![Purchase Order Entry](image)

*Figure 13: Note this order was entered 2/1/19 for location '205 Jim'*
Figure 14: Note that 6 are ordered to 'Inventory' at a unit cost of $65

Results

Figure 15: Note that there is now an 'On Order' total of 6 now on the Part Location screen

Figure 16: Note that the Inventory Transaction Report now has one record for the PO of 6 and none On Hand.

**PO - Receipt to Inventory**

In this transaction I will receive the 6 ordered parts for inventory/stock on location 205 Jim. This will reduce the On Order count and increase the On Hand count.
Figure 17: Note that the PO line was received for all 6 that were ordered.

Receipt Results

Figure 18: Note that the Part Location screen now indicated 6 On Hand and none On Order.

Figure 19: Note that the On Hand count is increased by the receipt.
Figure 20: Note that the Average Cost and Last Cost have changed based on these purchase order receipts.
**PO - Order Part for Work Order**

In this transaction from the Purchase Order Entry form, I will order the 2 parts for a work order on location 205 Jim. This will increase the On Order count and have no effect on the On Hand count.

![Purchase Order Entry Form]

Figure 21: This PO is for a Work Order and at a unit cost of $70.

**Results**

![Part Location Maintenance Form]

Figure 22: Note the On Order value of 2 now.

![Inventory Transactions Form]

Figure 23: Note the third record for the PO toward the WO of 2. Note that the On Hand total was not changed.
This is the work order line record that was created by the purchase order above (0001022). You can see that because it has not been received, the Backorder Qty is 2 and the Bill Qty is 0.

Figure 24: Note that the work order that the part was ordered for by PO: 0001022, has an Order and Backorder Qty of 2, the Bill Qty is 0.

**PO - Receipt of Order for Work Order**

When a PO is created using the Purchase Order program, as opposed to doing it using the Work Order program, receiving the PO line is a separate step as noted below.

Figure 25: Note the received quantity of 2 for the PO line linked to a work order P1800142.

**Results**

Figure 26: Note that the On Order Qty if reduced by the 2 received and the Allocated is not changed because the item was purchased and did not come out of inventory.
Work Order

Service - Order for Work Order – Add Part to a PO

From a Work Order you can add a part on and then indicate that it was the result of a purchase order. The part will automatically be received and will not affect the On Hand quantity count. Note that you will not be able to edit the unit cost.

Results

Figure 27: Note that the PO – On Order quantity is reduced by 2 and the On Hand quantity is not affected.

Figure 28: Step #1 - Add the part to the work order.

Figure 29: Note that the Allocation quantity is increased to 1
Service - Order for Work Order – Assign Part to a Purchase Order

- Select the line of the part to be assigned to a PO
- Click on the [PO Info] button
- Select the Vendor
- Click on the [OK] button
- You can now edit the unit cost to be what the vendor charged.

Figure 31: This process is also referred to as a Quick PO.
### Results

![Image of Inventory Control](inventory_control.png)

Figure 32: Note that the Allocated quantity is now set to zero because the part was purchased and did not come out of inventory.

![Image of Test Company On New Server](test_company_on_new_server.png)

Figure 33: Note the reduction to the Allocated count.

![Image of Part Maintenance](part_maintenance.png)

Figure 34: Note that the Average Cost and Last Cost were not changed as a result of the Work Order/PO because the purchase never went into inventory (On Hand).
**PO - Order Part for Job Cost - Job**

In this transaction from the Purchase Order Entry form, I will order the 10 parts for a Job Cost module – Job using location 205 Jim. This will increase the *On Order* count and have no effect on the *On Hand* count.

![Purchase Order Entry Form](image)

Figure 35: Note that this was for a Job and a quantity of 10 at a unit price of $55.

**Results**

![Part Location Maintenance](image)

Figure 36: Note that the PO was not received. The PO for a Job Cost - Job will increase the *On Order* and *Allocated* quantity counts to 10. The vendor price entered was $55.

![Test Company On New Server](image)

Figure 37: Note the PO/Job transaction for a quantity of 10. On Order and Allocated were increased by a quantity of 10.
PO - Receive Part for Job Cost - Job

In this transaction from the Purchase Order Entry form, I will receive the 10 parts for a Job Cost module – Job using location 205 Jim. This will increase the On Order count and have no effect on the On Hand count.

![Figure 38: Note that this PO line is being received for all 10 ordered and at the unit cost of $55](image)

Results

![Figure 39: Note that this PO for a job was received for all 10 of the quantity ordered. This reduced the Allocated and On Order quantities but did not change the On Hand quantity since the purchase order never went into inventory (On Hand).](image)

![Figure 40: Note the Rcpt/Job for a quantity of 10 at a unit cost of $55](image)
Figure 41: Note that as a result of purchasing the part for a job, the Average Cost and Last Cost did not change because the quantity went to a job and did not affect the On Hand quantity.

**Service Dispatch**

**Work Order**

**Service – Enter Parts Used**

All inventory transactions entered in the service module, originate in either:

- The Ascente – Mobile units and then get updated to a work order
  - The quantity counts in Ascente will not reflect the parts entered on the mobile units until those work orders have been sent back to Ascente.
- Are entered in Ascente using the Work Orders program directly to a work order.

Entered parts will add quantities to the Allocated quantity count. Only when the Service Order & Work Order combination is invoiced using the Prebill program will the Allocated quantity be reduced and the On Hand quantity also be reduced.

- Order Parts
  - This was reviewed in the Service - Order for Work Order (Work Order) section above.
- Parts used on a work order
  - Enter the parts used for the service order/work order
Figure 42: Note that here we entered a quantity of 3 the part from location 205 Jim. This will result in a quantity of 3 being added to the *Allocated* quantity total.

**Results**

Figure 43: Note the *Allocated* count increase of 3.

Figure 44: Here is the Inventory Transact History record for this *Allocation* entry of 3 to work order P1800144
Prebill

Service – Process Invoice

When a service order and work order is updated using the Prebill process, the inventory transactions will be created to relieve the Allocated quantity and On Hand quantity.

Figure 45: Note the Prebill Register indicated the Location 205 Jim used and the quantity of 3.

Results

Figure 46: Note that as a result of the invoicing of the service order and the quantity of 3 of the part, the Allocated and On Hand quantities at the location 205 Jim were both reduced by 3.
Figure 47: Here is the inventory transaction history record that was created for the Bill/Alloc transaction of 3.
Note that the On Hand and the Running Total were reduced by 3.
Work Order Restock Register

Parts Entry
The Work Order Restock Register makes it possible to restock all tracked parts on a work order. This is very advantageous when there are many parts used on the work order. For this example, I will create a service order and work order and add 2 of the part and then use the Work Order Restock Register to restock the inventory Location - 205 Jim with the 2 parts that were used.

Figure 48: Note the Bill Qty of 2 of the ABS4000 part that was used from Location 2015 Jim

Results

Figure 49: Note the 2 added to the Allocated count and no change to the On Hand count of 3
Work Order Restock Register

This will select service orders that are ready to be invoiced, and when selected and updated, will restock the parts that do not have a Restock Date. This will transfer parts to the location that was parts were taken from (Alloc & Bill/Alloc).

Figure 50: Here you will see the Allocation for the 2 quantities added to the Inventory Transaction History

Figure 51: This is the Work Order Restock Register and the runtime selection options
Figure 52: Note that the part is selected with a quantity of 2 to be restocked. A transfer from location 1 California to location 205 Jim.

Figure 53: When the update button is clicked, you will be prompted for the Restock Date.

Results

Figure 54: Note that the On Hand for the Location 1 California Shop that the 2 quantities were transferred from, had its On Hand quantity reduced for the 2 and the location being restocked 205 Jim had the On Hand quantity increased for the 2. Note that the Allocation quantity of 2 for location 205 Jim.
Figure 55: Note the results from the Work Order Restock Register. The Inventory Location – 1 California Shop to restock from is determined by the Branch record used on the service order.

**Job Cost**

**Purchase Order**

**Enter a Purchase Order for a Job**

This purchase order line #1 will show how a PO is entered directly to a job.

Figure 56: PO applied to a Job Cost - Job. Note the Ordered Qty of 15, Unit Cost of $50 and the Location of 205 Jim
Results

Figure 57: Note that the 15 ordered for the Job at Location - 205 Jim, increased the On Order and Allocated by the 15 Ordered.

Figure 58: Note the PO/Job Transaction History record of 15 for Location – 205 Jim for this Job PO Order.

Enter a Purchase Order Receipt for a Job

This transaction will show how a PO receipt for a job will reduce the On Order and Allocated counts.

Figure 59: Note this PO receipt of 15 toward the Job – PO
Results

Figure 60: Note that the receipt reduced the *On Order* and *Allocated* totals by the 15 that were received.

Figure 61: Note the inventory transaction history for the *Rcpt/Job* receipt of the job PO. There is no change to the On Hand Qty because the quantity went to the job.

**Inventory to Job Transfer**

*Transfer Inventory to a Job: Entry*

This process is used to transfer inventory quantities from an Inventory Location to a Job Cost – Job. This is done using the Inventory to Job Entry program. This will reduce the On Hand quantities from the source inventory location.
Figure 62: This Inventory to Job Transfer transaction once registered and updated will generate the following count changes

Results: Entry

Figure 63: Note that the Allocated count for the Location - 205 Jim was increased by one for Inventory to Job Entry prior to being updated.

Transfer Inventory to a Job: Register Update

Figure 64: Inventory to Job Register runtime options

Figure 65: Inventory to Job Register
Results: Register Update

Figure 66: After updating the Inventory to Job transaction, you can see that the Allocation and On Hand counts are reduced by the 1 quantity that was transferred out of Location - 205 Jim to the Job Cost – Job

Figure 67: Note that the entry increased the Allocation count and the update reduced the Allocation and On Hand count. The net result is that the On Hand quantity is reduced by 1
Inventory
All the previously listed modules interface with the Inventory module for quantity tracking, reporting and part costs and sales. You can enter inventory transactions in using the Inventory – Inventory Transaction program for all movements and adjustments of inventory levels.

The common transactions done in the inventory module are transfers to move tracked inventory parts between inventory Locations.

Transfer Inventory Quantities

Inventory Transactions

Available Inventory Transaction Codes
Below is a chart of all the available Inventory Transaction Codes that can be used. The chart indicates how the counts for On Hand, On Order and Allocated are affected by each of the transaction codes. It also indicates how the Average Cost and Last Cost will be affected.

- ‘+’ in the ‘Average Cost’ column indicates that the Average Cost in the Part record will be recalculated.
- ‘R’ indicates that the Last Cost in the Part record will be replaced.

<table>
<thead>
<tr>
<th>Transaction Code</th>
<th>Description</th>
<th>On Hand</th>
<th>On Order</th>
<th>Allocated</th>
<th>Average Cost</th>
<th>Last Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alloc</td>
<td>Allocate Stock</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bill/Alloc</td>
<td>Bill from Allocation</td>
<td>-</td>
<td>-</td>
<td>+</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DirectBill</td>
<td>Direct Bill</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DropBill</td>
<td>Drop ship bill</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PO</td>
<td>Purchase</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RptFromAP</td>
<td>AP Receipt</td>
<td>+</td>
<td>+</td>
<td>R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipt</td>
<td>PO Receipt</td>
<td>+</td>
<td>-</td>
<td>+</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Xfer</td>
<td>Transfer to Another Location</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj Alloc</td>
<td>Adjust Allocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj On Ord</td>
<td>Adjust on Order</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj Onhand</td>
<td>Adjust on Hand</td>
<td>+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical Inv Adj</td>
<td>Physical Inventory Adjustment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 68: Inventory Transaction Listing. These transactions are created based on operations through the various modules or by manually entering an inventory transaction.

In this example we will transfer 3 quantities of part ABS4000 from location 205 Jim to location 1 California Shop.

Figure 69: Note this transfer (Xfer) of 3 quantities from location 205 Jim to 1 California Shop of part ABS4000
Results

Figure 70: Note that the On Hand counts not indicate the results of the transfer from location 205 Jim to location 1 California Shop.

Figure 71: Inventory Transaction Report showing the results of transferring a quantity of 3 from location 205 Jim to 1 California Shop.

Physical Inventory
The Physical Inventory module allows you a way to systematically load inventory counts and optionally create a GL journal for any variance amount. Without this module, you would have to do all this manually and enter many manual inventory transactions for each part and location combination.

Freeze Inventory
This does not affect inventory counts.
Count Sheet
This does not affect inventory counts.

Figure 72: Here is the Count Sheet for part ABS4000 at location 205 Jim. Note that the Frozen quantity is the same as the On Hand count of 1

Count Entry
This does not affect inventory counts.

Figure 73: This is where the new counts are entered. This not affect the On Hand quantity yet.

Physical Inventory Register
This will print the Physical Inventory Variance Report for your review. This report should be saved. You can check the Post GL Variance so that when updated, a GL journal will be created for the variance amount. This will create a Physical Inv Adjust Inventory Transaction History record and will increase or reduce the On Hand count accordingly.

Figure 74: Verify the runtime options before clicking on the [Register] button. Click the Update Counts box and the Post GL Variance box if you want to create a GL journal for the variance amount. Make sure the Transaction Date is correct because the GL journal will use that date as the posting date. The Register will not create and inventory count changes or GL postings. The [Update] button will do that.
Physical Invoice Variance Detail Report - Register

Figure 75: Review this report and if correct, click the [Update] button. You should save this report.

Physical Invoice Variance Report - Update

Figure 76: You will see this screen when the [Update] button is clicked. The Update will create and inventory count changes and GL postings if the Post GL Variance box is checked.

Results

Part Location

Figure 77: Note that the On Hand count for location 205 Jim has increased to 11 now because of the physical inventory count of 11 that was entered less the 1 that was there resulted in a Physical Inv Adjust of 10.

Inventory Transactions Report
<table>
<thead>
<tr>
<th>Location</th>
<th>Part AS 4000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/25/2019</td>
<td>Xfer From 200</td>
</tr>
<tr>
<td>2/27/2019</td>
<td>Xfer To 3.00</td>
</tr>
</tbody>
</table>

Part AS 4000 Totals: Records: 2

1 California Shop Totals:

<table>
<thead>
<tr>
<th>Location</th>
<th>Part AS 4000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/25/2019</td>
<td>Xfer From 200</td>
</tr>
<tr>
<td>2/27/2019</td>
<td>Xfer To 3.00</td>
</tr>
</tbody>
</table>

Part AS 4000 Totals: Records: 2

265 Jan Totals:

<table>
<thead>
<tr>
<th>Allow</th>
<th>BI/Invoice</th>
<th>K to Job</th>
<th>Physical Inv</th>
<th>PO</th>
<th>PO Out</th>
<th>Req/Jkt</th>
<th>Req/Ret</th>
<th>Xfer From</th>
<th>Xfer To</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.00</td>
<td>3.00</td>
<td>1.00</td>
<td>10.00</td>
<td>9.00</td>
<td>23.00</td>
<td>25.00</td>
<td>6.00</td>
<td>3.00</td>
<td>2.00</td>
</tr>
</tbody>
</table>

Figure 78: Note the new Physical Inv Adjust of 10 that resulted in the On Hand count going from 1 to 11.
Conclusions

- Inventory quantity tracking requires a lot of detail processing for every tracked part.
- All ins and outs must be processed through the system. Specifically: purchasing, receipts, invoicing order entry, restocking & physical inventories.
- All inventory movements must reference a part, location and quantity and correct purchase cost for PO receipts.
- Use the Part Location program to do spot checks of part quantities by location.
- Use the Inventory Transaction Report to audit the detail transactions for every part by location.
- You must monitor the inventory movements and counts regularly to verify that all operations are being done correctly.
- Physical Inventories are the best way to verify that the counts are being processed correctly and if the counts are correct in the system.

Related Resource Links

- Ascente Inventory Control & Creating Parts
- Ascente Inventory Control & Creating Parts (PDF)
- Ascente Physical Inventory
- Ascente Physical Inventory (PDF)
- Ascente - Inventory - Should I Be Tracking Quantities
- Ascente - Inventory - Should I Be Tracking Quantities (PDF)