



Buckingham Commons
3503 York Road
Furlong, PA 18925

Part of How-To Series:
Items Out of Balance

For further information on Integrated Management Solutions and our **FoodConnex** software and services, call **1-800-366-3836** ext **18**, email sales@foodconnex.com, or visit our website www.foodconnex.com

Food Connex Inventory Procedures Out Of Balance Stock Situations

What does an Out of Balance Stock Situation mean?

An out of balance stock situation means that historical inventory transactions do not add up to the item in stock counts for cases, eaches or pounds.

The system allows the user to keep inventory transaction history, and users are generally trained to use the Inventory History option.

An historical inventory transaction record will be created every time the user runs a process that affects how much inventory is in stock. These transactions include:

- Zeroing our inventory balances
- Running a Physical Inventory Post
- Receiving Inventory using the Purchase Management system
- Receiving Inventory using the Inventory Receive option
- Making Inventory Adjustments
- Transferring Inventory
- Selling Inventory
- Returning Inventory to stock using Order Entry Credits

Each of the above transactions will record an historical inventory transaction whenever a post is run. The history will include how many cases, eaches and pounds were affected by each transaction.

If the sum of the historical transactions since your last physical count, or the last time you cleared inventory counts for an item, does not match the in stock quantities, the item is **Out of Balance** with itself.

How does an out of balance situation happen?

These situations generally occur when one of the following occurs:

A user illogically exits the order entry line item screen during order entry, fill and ship or while invoicing an order.

A user illogically exits the purchase order entry line item screen during Purchase Order Entry or while receiving the order.

A user illogically exits any of the Inventory Processing Options while entering transactions (Receipts, Transfers, Adjustments or Physical Counts)

A user illogically exits any of the following Posts:

- Order Entry Invoice Post
- Purchase Order Receipt Post
- Inventory Receipt Post
- Inventory Transfer Post
- Inventory Adjustment Post
- Inventory Physical Count Post

Food Connex Inventory Procedures Out Of Balance Stock Situations

An **Illogical Exit** will happen if any of the following situations occur:
Pressing the Ctrl C key combination

If using a Windows PC, closing the Multiview session using the AX@ in the upper right-hand corner of the window

Disconnecting a user from the database who is running any of the above processes.

Shutting down the system while a user is running any of the above processes.

How do I know that an item is out of balance?

A report is available on the system that will automatically calculate out of balance situations. This report is called the **Inventory Exception Report** and is found on the **Inventory Reports** menu.

This report will perform the following calculations:

It will accumulate the cases, each and pounds for every historical inventory transactions since the last physical OR since the first transaction took place as follows:

Transaction	Plus or Minus
Receive	Plus
Adjust	Plus or Minus
Transfer In	Plus
Transfer Out	Minus
Physical Count	Plus / Minus
Sales	Minus
Sales Return	Plus

It will accumulate the cases, each and pounds for every unposted transaction that will affect inventory. The counts will be done as listed in the above table.

The system will then add together the unposted transactions and the historical transactions, and compare the counts to the item in stock count. If they do not match, the item will be reflected on the Inventory Exception Report as follows:

Item	Trans Date	Src	Quantity	Trans Type	From Loc	To Loc	Invoice Number	Reference

LOCATION ID:		WHSE	MAIN WAREHOUSE					
APPLE	APPLES							
	STOCK UOM:		CS	CASES		EACHES	LBS	
UN POSTED TRANS:			3.00		3.00	3.00	60.00	
TRANS HIST TOTAL:			92.00		92.00	92.00	1,840.00	
LOCATION TOTAL:			96.00		96.00	96.00	1,920.00	
DIFFERENCE:			1.00		1.00	1.00	20.00	

In the above example, the location total (96 CS) does not match the sum of the Un Posted Transaction Total and the Transaction History Total (95 CS).

Food Connex Inventory Procedures Out Of Balance Stock Situations

What is the best way to get an item back into balance?

The easiest, fastest way to put an item back into balance is to do the following:

Take a physical count of the item. Just go out to the warehouse and count it.

Using the **Clear Inventory Balances** option, zero out the count for this item. This option is available on the **Inventory Misc** menu -> **Re Calculate Balances** menu -> **Clear Inventory Balances**.

Before this option is used, make sure that all outstanding transactions for this item are posted!

Using the Inventory Adjustments option, adjust the correct counts back into stock and post.

Food Connex Inventory Procedures Out Of Balance Stock Situations

What other tools are available to help me if the item is not in balance or my counts do not match the computer counts?

There is a report and two inquiry screens that will help you see what happened to that item since a specific point in time.

Inventory Movement

The ***Inventory Movement Inquiry*** and the ***Inventory Movement Report*** both reflect historical transactions for an item you select.

As well as selecting a *starting* and *ending date* for the inventory movement, you may also opt to look at one transaction type (Receipts or Adjustments or Sales, etc) or you may view all transaction types.

The report/inquiry will reflect the *beginning balance* of the item (this is the balance of the item prior to the transactions that will be printed).

You will then see all of the receipts, transfers, adjustments, and sales for that item, in the order in which they were posted.

Finally, you will see the balance of the item as of the end of the time period you selected.

Please remember that only posted transactions will be reflected on this report or inquiry, so if you are trying to balance to a current inventory count, please make sure that all of your transactions for this item are posted.

It is also important to note that the sequence of the transactions you are seeing is based on the posting sequence. The report and inquiry will work best for you if you post inventory transactions, purchase receipts and sales orders on a daily basis. This will keep the historical transactions synchronized with the sequence in which they actually occurred.

In order to use this report or inquiry effectively, find a starting point where you are sure that the count was correct. This will most often be the last time that you did a physical count on the item. It may also be a point in time where you know the count hit zero before you received more of the product into your warehouse.

You can now review all of the transactions as they were entered into the system. You may then be able to see, by viewing the posted transactions, where the problem exists in your data.

Food Connex Inventory Procedures Out Of Balance Stock Situations

What other tools are available to help me if the item is not in balance or my counts do not match the computer counts?

continued

Inventory Reconciliation

The inventory reconciliation inquiry screen allows you to see data similar to the Inventory Movement routines, with a few added features.

You may select a date range, or you may view all transactions since the last time you zeroed the inventory count for this item (using the Physical Count routine or the Inventory Re-calc routine).

In addition to showing you the **posted** movement of an item through your warehouse, you will also have the option of seeing unposted transactions. You may toggle between showing unposted transactions on the inquiry screen.

The system will reflect a flag on any transaction where the catch weight of an item falls outside of the acceptable weight deviations that you set up for each item. This may help you find a situation where an invalid weight was entered by the user and has thrown your counts off.

You will have the ability to see a **Totals** screen that will show you the total Receipts, Adjustments, Transfers, Sales and Zero transaction types.

What if I still cannot reconcile the numbers?

If you still cannot reconcile the computer count with your warehouse count, or you see a problem but you do not know why the problem occurred, it is time to call Integrated Management's Food Connex support team for assistance. They can assist by finding illogical exits from processing that may have caused a problem, or help explain the data you are looking at and point you in the direction of finding the problem.

If your not a Food Connex customer and would like to learn more about Food Connex features and capabilities, please contact our sales team at 1-800-366-3836 ext. 18 for further information.