Physical Inventory

Overview

Conducting a **Physical Inventory** consists of 4 steps:

1 - Start an Inventory
- ➢ Choose what is being inventoried

2 - Perform the Inventory
- ➢ Scan or enter items

3 – Review the Reports
- ➢ See results of inventory

4 - Reconcile & Finish
- ➢ Review and account for discrepancies
- ➢ Finish (close) the inventory

Contents

Step 1 - Start an Inventory

The **Physical Inventory Wizard** allows you to select what is being inventoried. You can do a full inventory of the entire store or a filtered inventory for selected criteria (locations, vendors, collections, categories, etc.)

Only one full inventory can be open at a time. There is no limit to the number of open filtered inventories. See **FAQ** section at end of this document for more information on running multiple inventories at once.

To start an inventory:

1. Click **Inventory > Physical Inventory > Start New Inv**. The **Physical Inventory Wizard** will appear. Click **Next** to begin.

    Physical Inventory Wizard

    Use this wizard to start a new physical inventory.

    You can choose to do a full inventory of all items in the store or a filtered inventory for specific locations, vendors, categories, etc.

    Only one full inventory can be in progress at a time.

    There is no limit to the number of filtered inventories that can be in progress at once.

    Next >   Cancel

2. Choose whether doing a **Full Inventory** or **Filtered Inventory**, then click **Next.** Only one full inventory can be open at a time. If this option is greyed out, you must finish or cancel the existing inventory. There is no limit to the number of **Filtered Inventories** you can have open at once.

3. If doing a **Filtered Inventory**, use the **Selection Criteria** drop-downs to set one or more parameters for items to be included in this inventory. Leaving a drop-down blank will automatically include all values. Choose criteria and click **Next**. If doing a **Full Inventory**, this step is skipped automatically.

    Physical Inventory Wizard

    Selection Criteria

    Locations: Case 1
    Vendor:
    Categories:
    Item Types: RING
    Collections:
    Pricing Methods:
    Inventory Types:

    < Back   Next >   Cancel

4. Enter a **Physical Inventory Name**, choose whether **Layaways** should be included, then click **Next**.

5. Click **Finish**. The inventory is now created and the **Scanning** window will appear. See **Step 2 - Perform the Inventory** for the next step in the inventory process.

Step 2 – Perform the Inventory

Upon creating a new inventory, The Edge will automatically open the **Scanning** window. This is used to inventory your items. You can manually get to this screen using **Inventory > Physical Inv > Continue Inv.**

To inventory your items:

1. In the top left, choose how you will be inputting items for inventory (e.g. barcode, item #).

2. If using locations, choose the location you are working with, then input all items. Repeat for each location.

3. Notice as you input items the activity log (second panel) updates. Any warnings or errors will display here. The bottom two panels also update to show items inventoried and outstanding.

4. You can close and continue this process later at any time. Use **Inventory > Physical Inv > Continue Inv** to resume an in progress inventory.

5. Once all items inventoried, see **Step 3 – Reconcile & Finish** for the final steps.

> **NOTE:** If you are selling **Bulk** at **POS** at the same time as performing an inventory you will be prompted to **Recount** the pieces during the **Reconciliation** process. For this reason, we recommend bulk be inventoried in isolation in as short a time as possible, perhaps while the store is closed.

Scanning Window Overview

The **Scanning** window is divided into four sections:
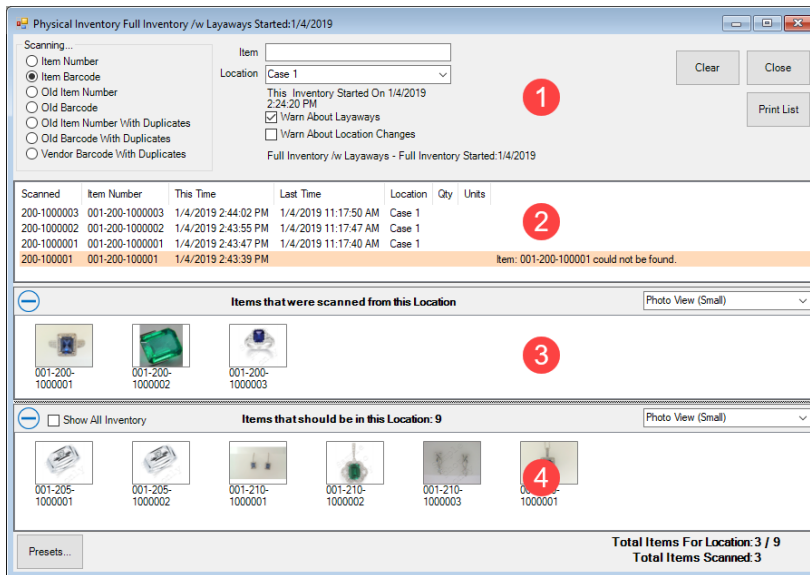
The top section lets you specify input options.
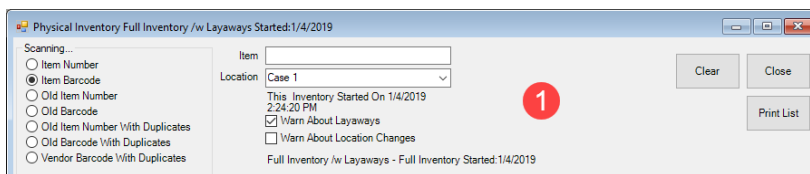
Scanning…	Choose how to input items:

Item Number	Manually key item # into Item field.
Item Barcode	Scan barcode into this screen.
Old Item Number	Manually key item # from previous software (conversion).
Old Barcode	Scan barcode from previous software (conversion).
Old Item Number with Duplicates	Manually key item # from previous software where multiple items can have same number (conversion).
Old Barcode with Duplicates	Scan barcode from previous software where multiple items can have same barcode (conversion).
Vendor Barcode with Duplicates	Scan barcode from vendor where multiple items can have same barcode.

Item	Use this field to manually key in item # or old item # (depending on **Scanning** setting).
Location	Use this drop-down to select a location. Inventorying an item will move it to this location.

Warn about Layaways	If checked, items on layaway will generate a warning when inventoried.
Warn About Location Changes	If checked, inputting an item to a location different than the one currently on file will result in a pop-up window asking you to confirm moving it to the new location.
Clear	Use this button to clear the form. It does NOT undo any inventory activity.
Close	Use this button to close the window. It does NOT undo any inventory activity nor does it finish or close the inventory.
Print List	Use this button to print either the middle or bottom lists.

The next section keeps a running log as you input items. Errors and warnings will also appear here.

The bottom two sections show items that were inventoried as well as those items that are still outstanding. By default, the outstanding items for the selected location will be shown. To see all items, check the **Show All Inventory** box. This may negatively affect performance based on the number of items in the inventory.

NOTE: You can view an item's record by double clicking on it in the window. In addition to seeing its details, this can be useful if you accidentally inventory an item as you can use **Supervisor > Remove Last Inventory Date** to un-inventory it.

Step 3 – Review the Reports

Once you have completed performing the inventory you should review the **Physical Inventory** reports.

Not Scanned

The **Not Scanned** report will show all items currently on hand in The Edge that were not inventoried. Use this report to review items that will be marked as missing at the conclusion of the inventory.

To run the report:

1. Click **Inventory > Physical Inventory > Reports > Not Scanned.**

2. Use the drop-down to select your inventory, then click **OK** to generate the report.

3. Work through the report to see if these items are truly missing. If any of these items are found, you can return to your inventory and scan them now.

4. Any items that remain on this report will be reconciled, and marked missing, during **Step 4 – Reconcile & Finish Inventory**.

Scanned

The **Scanned** report will show all items that were inventoried. If you use **Bulk** inventory, it is important to use this report to review discrepancies in bulk quantities.

To run the report:

1. Click **Inventory > Physical Inventory > Reports > Scanned.**

2. Use the drop-down to select your inventory, then uncheck **Accurate Counts** and check **Under Counts** and **Over Counts**. Click **OK** to generate the report.

3. In addition to showing all items that were inventoried, this report will also show bulk items where the quantity inventoried did not match the quantity on file.

4. Bulk items with quantity discrepancies will be reconciled during **Step 4 – Reconcile & Finish Inventory**.

Missing

The **Missing** report will show all items that have been marked missing during this inventory.

To run the report:

1. Click **Inventory > Physical Inventory > Reports > Missing**.

2. Use the drop-down to select your inventory, then click **OK** to generate the report. If you already finished reconciling, you will need to check **Show Closed Inventories**.

3. Keep this report for your records.

Errors

The **Errors** report will show all errors that occurred during the inventory process. This report is not tied to a specific inventory, but is instead date driven and will include all inventories that occurred between those dates.

To run the report:

1. Click **Inventory > Physical Inventory > Reports > Errors**.

2. Use **Error Dates** to specify your date range. This should coincide with the dates you started and finished scanning items for this inventory.

3. Click the **Options** tab.

4. Under **Group/Sort By**, check **Physical Inventory**, then click **OK** to generate the report.

Step 4 – Reconcile & Finish Inventory

The last step in the inventory process is reconciliation. This is where you review discrepancies, make any final adjustments, and then finish (close) the inventory.

To begin reconciliation:

1. Click **Inventory > Physical Inv > Finish Inv**, then **Select** the inventory you are working with. The **Inventory Reconciliation** window will appear.

2. This window will display all item discrepancies. A discrepancy indicates that the quantity inventoried does not match the quantity on file. The **Qty Diff** and **UOM Diff** (Bulk only) columns indicate the difference in number or, for UOM bulk, difference in measure (weight).

3. Review each discrepancy. Then, take the following action:

    a. If the discrepancy is <u>correct</u> (e.g. item missing), check the line and click **Accept Count**. This will mark the **Qty Diff** and **UOM Diff** (bulk only) as missing.

    b. If the discrepancy is <u>incorrect</u>, check the line and click **Recount**. For fine jewelry, this will mark the individual piece inventoried. For bulk, you will be prompted for new quantity (you can enter a **New Total** or **Add** to the existing inventoried quantity).

    c. For bulk only, if after **Recount** there is still a **Qty Diff** and/or **UOM Diff**, you must check the item and **Accept Count** to finalize and accept the change in quantity.

4. Notice each discrepancy line highlights in green as you work through the list.

5. Click the **Refresh Count** button at the bottom. If all discrepancies were successfully addressed, the screen should now be empty.

6. Click **Finish Inventory** to complete and close this inventory.

> **NOTE:** To pause reconciliation, use the **Continue Later** button to close this screen. You can resume at any time via **Inventory > Physical Inventory > Finish Inv**.

> **NOTE:** Though not typically recommended, you are not required to address all discrepancies and will still be able to close the inventory via the Finish Inventory button. You may find this useful if dealing with layaway or special order discrepancies that cannot be resolved here.

Bulk Conflicts

The **Conflicted** column on the **Inventory Reconciliation** screen will indicate **Yes** when a bulk item has had its quantity changed outside of the inventory process. Examples might include an item being sold, added, etc.
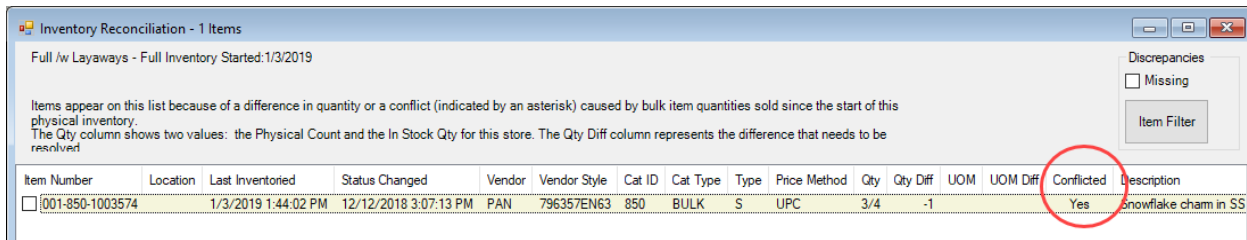
The purpose of **Conflicted** is to draw your attention to this change to ensure your count is accurate. To see what caused the changed, check the item row and click the **Show Bulk Changes** button at the bottom.

It is not necessary to do anything with these conflicts. This is simply provided as a tool to help identify potential causes of discrepancies.

Layaway & Special Orders

Items on layaway and/or special order can be included in the inventory process. However, if there is a discrepancy in quantity, it cannot be addressed from the **Inventory Reconciliation** screen because it is tied to an ongoing transaction.

To account for missing layaway or special order items:

1. Process a cancellation (Cancel Order) for the layaway or special order transaction at POS.

2. Manually mark the item missing via **Inventory > Item > Find**, **Edit** the item, then click **Supervisor > Missing**.

Canceling an Inventory without Finishing

To cancel an open inventory without finishing:

1. Click **Inventory > Physical Inv > Continue Inv** or **Finish Inv**.

2. Click on the inventory, then click the **Cancel Inventory** button in the bottom left.

Frequently Asked Questions (FAQ)

Why is the option to start a full inventory greyed out?

Only one full inventory can be performed at a time. If you are unable to start a new full inventory, it is because there is a full inventory that was not closed.

To close an inventory:

1. Click **Inventory > Physical Inventory > Finish Inv.**

2. Highlight the inventory you wish to close and click **Select Inventory**.
3. Click the **Finish Inventory** button.
4. Alternatively, you can **Cancel** the inventory instead.

How do I "un-scan" or "un-inventory" an item that I've entered by mistake?

To remove an item's last inventory date:

1. Edit the item. Note that you can do this from the **Scanning** screen by double clicking.

2. Click **Supervisor > Remove Last Inventory Date**.

3. Save your changes.

The Edge records the last 2 dates an item was inventoried. Using this option will remove the most recent date and retain the prior one. If you use this option twice it will remove all dates.

How do I cancel an inventory?

To cancel an open inventory:

1. Click **Inventory > Physical Inv > Continue** or **Finish Inv**.

2. Highlight the inventory you wish to cancel.

3. Click the **Cancel Inventory** button in the bottom left.

What happens if I run multiple physical inventories at the same time?

All physical inventories are date driven. When you create a new inventory, the software records the start date. As you scan items, the item record is updated with the scanned date. When determining if an item was inventoried, The Edge compares the item's scanned date to the inventory start date. If the scanned date is AFTER the start date, the item is counted as scanned for that inventory.

For example, let's say you start a full inventory on 12/26 and scan item 100-00001. Then, you start a filtered inventory for category 100 on 12/28. Running the scanned report for your full inventory would yield the one item; running the scanned report for your partial inventory would yield no item because the item was scanned on 12/26, but the filtered inventory was started on 12/28.

Now, as part of your filtered category 100 inventory, you scan item 100-00002 on 12/29. Because the scanned date is later than the start date for both the full and filtered inventories, the item will show as inventoried under both.

On the Finish Inv screen, what is the purpose of Recount and Accept Count?

These buttons are used to address inventory discrepancies. **Recount** can be used to inventory the item while **Accept Count** will accept the discrepancy and adjust the inventory (e.g. by marking the item missing).

For fine jewelry pieces:

- **Recount** will mark the item as inventoried.
- **Accept Count** will mark the item as missing.

For bulk pieces:

- **Recount** will open a window allowing you to adjust the quantity. You can either enter a new quantity or add to the existing.
- **Accept Count** will accept the discrepancy and adjust inventory with either the missing or found items.