User Manual (English)

The following are the various modules and domains offered by ERP+ from Technocom, covering a wide range of businesses. You can be a small distributor, a manufacturer, running an educational institute, or a healthcare organization. There is something for everyone.

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Module: Stock

Module: Stock

Distributors always need to be on top of their game. From procuring the products to providing after-sales support, they are an important part of the supply chain.

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1.1 Topic: Basics

1. Introduction
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3. Accounting of Inventory Stock
4. Item

1. Introduction

Distributors have a large part of their financial resources invested in the stock items they trade. With ERP+, you can always keep a bird's eye view on your stock availability, replenishment, procurement and sales.

Here's a view of stock in ERP+.

Stock Summary

Warehouse	Item	Furniture		Reserved for sale
Stores – WPL	Walnut Platform Bed Headboard - Double	0 10		Move Add
Stores – WPL	T2 Footstool/Mattress - Eco Cotton	0 9		Move Add
Stores – WPL	Oak AV Unit	0 10		Move Add
Stores – WPL	Foldaway Guest Mattress	0 9		Move Add
Stores – WPL	Dark Ash Wall Hook	0 8		Move Add
Stores – WPL	Walnut Coat Rack	0 10		Move Add
Stores – WPL	Oak Narrow 3 Shelf	0 10		Move Add
Stores – WPL	1x4 Drawer Set	0 8		Move Add
Stores – WPL	Light Oak Platform Bed - Double	0 10		Move Add
Garden State Plaza – M	T2 Footstool/Mattress - Eco Cotton	0 10		Move Add
Garden State Plaza – M	Foldaway Guest Mattress	0 10		Move Add
Muji Newbury Street – M	Dark Ash Wall Hook	0 10		Move Add
Muji Newbury Street – M	1x4 Drawer Set	0 10		Move Add
Muji Square One – M	Light Oak Platform Bed - Double	0 10		Move Add

Material Flow

There are three main types of entries:

- **Purchase Receipt**: Items received from Suppliers against Purchase Orders.
- **Stock Entry**: Items transferred from one Warehouse to another.
- **Delivery Note**: Items shipped to Customers.

More than Sales and Purchase

A distributor needs a lot more than a simple sales and purchase module for a complete and smooth operation. ERP+ provides all the modules a distributor will need.

- You track your books of accounts using the Accounts module.
- Manage payroll, leaves and claims of your support staff in the HR module.
- Attend customer's support queries better with the Support module.

A Distributor talks about ERP+ Implementation

When Tarun Gupta's security services startup Neural Integrated Services started growing, his ERP could not keep pace and was full of bugs in spite of spending a lot of money. That's when Tarun decided he wanted to move to something better and discovered ERP+.

2. Opening Stock

Opening Stock is the Stock quantity in the beginning of every accounting year of an organization. The closing Stock with the prior accounting year becomes the opening Stock with the existing accounting year.

Opening Stock can be done for serialized Items as well as non-serialized Items. To update opening stock for non-serialized Item, you should perform Stock Reconciliation. For serialized Item, you can make Stock Entry of type Material Receipt. Stock > Stock Reconciliation > New Stock Reconciliation

In both cases, you should enter "Difference/Expense Account" as Temporary Opening account. On submission of the document, system will debit Warehouse account which is an asset account and credit difference/expense account. Before making these entries, make sure you have enabled "Perpetual Inventory" by checking Stock Settings page.

If you are not making opening Stock Entry, you can select "Stock Adjustment" account in Difference/Expense Account field which is an expense account.

3. Accounting of Inventory Stock

The value of available inventory is treated as an Asset in company's Chart of Accounts. Depending on the type of items, it can be treated as Fixed Asset or Current Asset. To prepare Balance Sheet, you should make the accounting entries for those assets. There are generally two different methods of accounting for inventory:

Auto / Perpetual Inventory

In this process, for each stock transactions, the system posts relevant accounting entries to sync stock balance and accounting balance. This is the default setting in ERP+ for new accounts.

When you buy and receive items, those items are booked as the company's assets (stock-in-hand / fixed-assets). When you sell and deliver those items, an expense (cost-of-goods-sold) equal to the buying cost of the items is booked. General Ledger entries are made after every stock transaction. As a result, the value as per Stock Ledger always remains same with the relevant account balance. This improves accuracy of Balance Sheet and Profit and Loss statement.

Advantages

Perpetual Inventory system will make it easier for you to maintain accuracy of company's asset and expense values. Stock balances will always be synced with relevant account balances, so no more periodic manual entry has to be done to balance them.

In case of new back-dated stock transactions or cancellation/amendment of an existing transaction, all the future Stock Ledger entries and GL Entries will be recalculated for all items of that transaction. The same is applicable if any cost is added to the submitted Purchase Receipt, later through the Landed Cost Wizard.

Note: Perpetual Inventory totally depends upon the item valuation rate. Hence, you have to be more careful entering valuation rate while making any incoming stock transactions like Purchase Receipt, Material Receipt, or Manufacturing / Repack.

Periodic Inventory

In this method, accounting entries are manually created periodically, to sync stock balance and relevant account balance. The system does not create accounting entries automatically for assets, at the time of material purchases or sales.

In an accounting period, when you buy and receive items, an expense is booked in your accounting system. You sell and deliver some of these items.

At the end of an accounting period, the total value of items to be sold, need to be booked as the company's assets, often known as stock-in-hand.

The difference between the value of the items remaining to be sold and the previous period's stock-in-hand value can be positive or negative. If positive, this value is removed from expenses (cost-of-goods-sold) and is added to assets (stock-in-hand / fixed-assets). If negative, a reverse entry is passed.

This complete process is called Periodic Inventory.

If you are an existing user using Periodic Inventory and want to use Perpetual Inventory, you have to follow some steps to migrate.

4. Item

An Item is your company's' product or a service. The term Item is applicable to things (products or services) you sell as well as raw materials or components of products yet to be produced (before they can be sold to customers). An Item can be a physical product or a service that you buy/sell from your customers/suppliers. ERP+ allows you to manage all sorts of items like raw-materials, sub-assemblies, finished goods, item variants and service items.

ERP+ is optimized for itemized management of your sales and purchase. If you are in services, you can create an Item for each service that your offer. Completing the Item Master is very essential for successful implementation of ERP+.

Item Properties

- **Item Name:** Item name is the actual name of your product or service.
- **Item Code:** Item Code is a short-form to denote your Item. If you have very few Items, it is advisable to keep the Item Name and the Item Code same. This helps new users to recognize and update Item details in all transactions. In case you have lot of Items with long names and the list runs in hundreds, it is advisable to code.
- **Item Group:** Item Group is used to categorize an Item under various criteria like products, raw materials, services, sub-assemblies, consumables or all Item groups. Create your default Item Group list under Setup> Item Group and pre-select the option while filling your New Item details under Item Group
- **Default Unit of Measure:** This is the default measuring unit that you will use for your product. It could be in nos, kgs, meters, etc. You can store all the UOM's that your product will require under Set Up> Master Data > UOM. These can be preselected while filling New Item by using % sign to get a pop up of the UOM list.
- **Brand:** If you have more than one brand save them under Set Up> Master Data> Brand and pre-select them while filling a New Item.
- **Variant:** An Item Variant is a different version of an Item.

Upload an Image

To upload an image for your icon that will appear in all transactions, save the partially filled form. Only after your file is saved the 'upload' button will work above the Image icon. Click on this sign and upload the image.

Inventory: Warehouse and Stock Setting

In ERP+, you can select different type of Warehouses to stock your different Items. This can be selected based on Item types. It could be Fixed Asset Item, Stock Item or even Manufacturing Item.

- **Stock Item:** If you are maintaining stock of this Item in your Inventory, ERP+ will make a stock ledger entry for each transaction of this item.
- **Default Warehouse:** This is the Warehouse that is automatically selected in your transactions.
- **Allowance Percentage:** This is the percent by which you will be allowed to over-bill or over-deliver this Item. If not set, it will select from the Global Defaults.
- **Valuation Method:** There are two options to maintain valuation of stock. FIFO (first in - first out) and Moving Average. To understand this topic in detail please visit "Item Valuation, FIFO and Moving Average".

Serialized and Batched Inventory

These numbers help to track individual units or batches of Items which you sell. It also tracks warranty and returns. In case any individual Item is recalled by the supplier the number system helps to track individual Item. The numbering system also manages expiry dates. Please note that if you sell your items in thousands, and if the items are very small like pens or erasers, you need not serialize them. In ERP+, you will have to mention the serial number in some accounting entries. To create serial number you will have to manually create all the numbers in your entries. If your product is not a big consumer durable Item, if it has no warranty and has no chances of being recalled, avoid giving serial numbers.

Tip: While entering an item code in an items table, if the table requires inventory details, then depending on whether the entered item is batched or serialized, you can enter serial or batch numbers right away in a pop-up dialog.

Important: Once you mark an item as serialized or batched or neither, you cannot change it after you have made any stock entry.

Re-Ordering

Re-order level suggests the amount of stock balance in the Warehouse. Re-order Qty suggests the amount of stock to be ordered to maintain minimum stock levels. Minimum Order Qty is the minimum quantity for which a Material Request / Purchase Order must be made.

Item Tax

These settings are required only if a particular Item has a different tax rate than the rate defined in the standard tax Account. For example, if you have a tax Account, "VAT 10%" and this particular Item is exempted from tax, then you select "VAT 10%" in the first column, and set "0" as the tax rate in the second column.

Inspection

Inspection Required: If an incoming inspection (at the time of delivery from the Supplier) is mandatory for this Item, mention "Inspection Required" as "Yes". The system will ensure that a Quality Inspection will be prepared and approved before a Purchase Receipt is submitted.

Inspection Criteria: If a Quality Inspection is prepared for this Item, then this template of criteria will automatically be updated in the Quality Inspection table of the Quality Inspection. Examples of Criteria are: Weight, Length, Finish etc.

Purchase, Replenishment Details:

- **Is Purchase Item:** Checked if Item is purchased through a supplier and follows Buying Cycle.
- **Is Customer Provided Item:** Checked if Item is provided by a customer and received through Stock Entry - Material Receipt. If Checked, Customer field is Mandatory as the default customer for Material Request.
- **Lead time days:** Lead time days are the number of days required for the Item to reach the warehouse.
- **Default Expense Account:** It is the account in which cost of the Item will be debited.
- **Default Cost Centre:** It is used for tracking expense for this Item.

Supplier Details

- **Default Supplier:** Supplier from whom you generally purchase this item.

- **Manufacturer Details:** Select Manufacturer and Part No. assigned by the Manufacturer for this item.
- **Supplier Codes:** Track Item Code defined by the Suppliers for this Item. In the Purchase transactions, on selection and Supplier, Supplier Part No. will be fetched as well for the Supplier's reference.

Sales Details

- **Default Income Account:** Income account selected here will be fetched automatically in sales invoice for this item.

  *Cost Centre:** Cost center selected here will be fetched automatically in sales invoice for this item.

  *Customer Codes:** Track Item Code assigned by the Customers for this Item. This will help you in searching item while creating Sales Order based on the Item Code in the Customer's Purchase Order.

Manufacturing and Website

Learn more about Item

1. Item Price
2. Item Codification
3. Item Variants
4. Purchase Details
5. Reorder
6. Item Valuation Fifo And Moving Average

Item Price

Item Price is the record in which you can log selling and buying rate of an item. There are two ways to reach to new Item Price form. Selling/Buying/Stock > Setup > Item Price > New Item Price Or Item > Add/Edit Prices > Click on "+" > New Item Price

Following are the steps to create new Item Price.

Step 1: Select Price List

You can create multiple Price List in ERP+ to track Selling and Buying Price List of an item separately. Also, if item's selling prices id changing based on territory, or due to other criteria, you can create multiple selling Price List for it.

On selection of Price List, its currency and for selling or buying property will be fetched as well.

To have Item Price fetching in the sales or purchase transaction, you should have Price List id selected in the transaction, just above Item table.

Step 2: Select Item

Select item for which Item Price record is to be created. On selection of Item Code, Item Name and Description will be fetched as well.

Step 3: Enter Rate

Enter selling/buying rate of an item in Price List currency.

Step 4: Save Item Price

To check all Item Price together, go to: Stock > Main Report > Item-wise Price List Rate

You will find option to create new Item Price record (+) in this report as well.

Item Codification

If you already have a full-fledged business with a number of physical items, you would have probably coded your items. If you have not, you have a choice. We recommend that you should codify if you have lot of products with long or complicated names. In case you have few products with short names, it is preferable to keep the Item Code same as Item Name.

Item codification has been a sensitive topic and wars have been fought on this (not joking). In our experience, when you have items that cross a certain size, life without codification is a nightmare.

Benefits

- Standard way of naming things.
- Less likely to have duplicates.
- Explicit definition.
- Helps to quickly find if a similar item exists.
- Item names get longer and longer as more types get introduced. Codes are shorter.

Pain

- You have to remember the codes!
- Harder for new team members to pick up.
- You have to create new codes all the time.

Example

You should have a simple manual / cheat-sheet to codify your Items instead of just numbering them sequentially. Each letter should mean something. Here is an example:

If your business involves wooden furniture, then you may codify as follows:

Item Codification Summary Sheet (SAMPLE)

First letter: "Material"	Third letter: "Size"
- W - Wood	- 0 - less than 1mm
- H - Hardware	- 1 - 1mm - 5mm
- G - Glass	- 2 - 5mm - 10mm
- U - Upholstery	- 3 - 10mm - 10cm

- P - Plastic

Second Letter: "Type"

For Wood: For Hardware:

- S - Sheet   - S - Screw

- B - Bar   - N - Nut

- L - L-section   - W - Washer

- M - Molded   - B - Bracket

- R - Round

The last few letters could be sequential. So, by looking at code **WM304** - you know it's a wooden molding less than 10cm in size

Standardization

If you have more than one person naming items, the style of naming items will change for everyone. Sometimes, even for one person, he or she may forget how they had named the item and may create a duplicate name *"Wooden Sheet 3mm" or "3mm Sheet of Wood"?*

Rationalizing

It is a good practice to have minimum varieties of items so that you keep minimum stock, housekeeping is simpler etc. When you are planning a new product and you want to know if you are already purchasing a part in some other product, the item codes will help you quickly determine if you are using a similar raw material in another product.

We believe if you do this small investment, it will help you rationalize things as your business grows, though it's okay not to codify if you have less items.

Item Variants

What are Variants?
An Item Variant is a version of an Item, such as differing sizes or differing colors (like a blue t-shirt in size small rather than just a t-shirt). Without Item variants, you would have to treat

the small, medium and *l*arge versions of a t-shirt as three separate Items; Item variants let you treat the small, medium and *l*arge versions of a t-shirt as variations of the one Item 't-shirt'.

Using Variants

Variants can be based on two things

1. Item Attributes
2. Manufacturers

Variants Based on Item Attributes

To use Item Variants in ERP+, create an Item and check 'Has Variants'.

- The Item shall then be referred to as a so called 'Template'. Such a Template is not identical to a regular 'Item' any longer. For example, it (the Template) cannot be used directly in any Transactions (Sales Order, Delivery Note, Purchase Invoice) itself. Only the Variants of an Item (blue t-shirt in size small) can be practically used in such. Therefore, it would be ideal to decide whether an item 'Has Variants' or not directly when creating it.

On selecting 'Has Variants' a table shall appear. Specify the variant attributes for the Item in the table. In case the attribute has Numeric Values, you can specify the range and increment values here.

Note: You cannot make Transactions against a 'Template'

To create 'Item Variants' against a 'Template' select 'Make Variants'
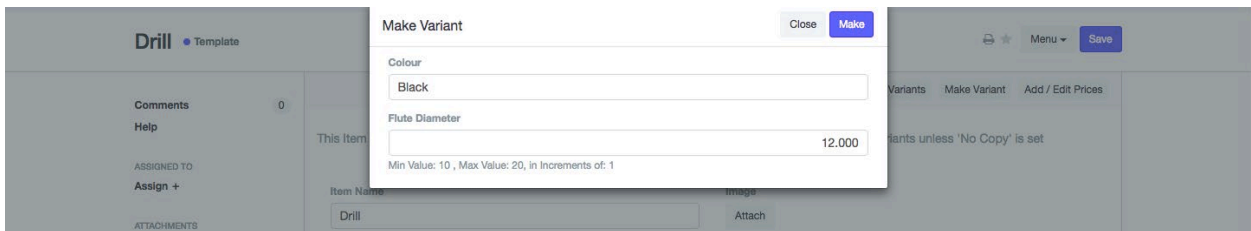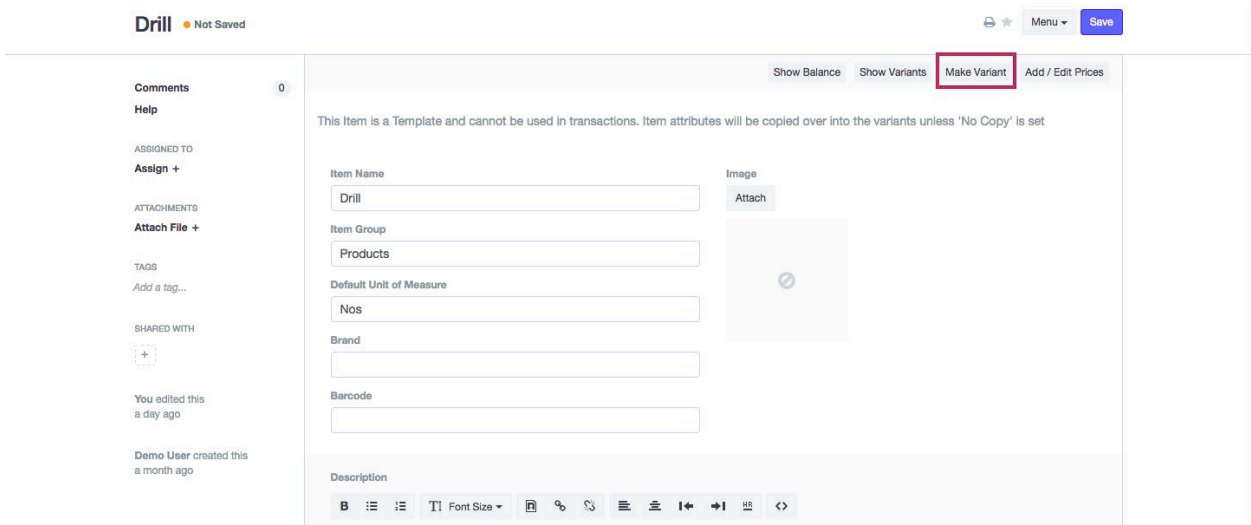
Variants Based on Manufacturers

To setup variants based on Manufacturers, in your Item template, set "Variants Based On" as "Manufacturers"
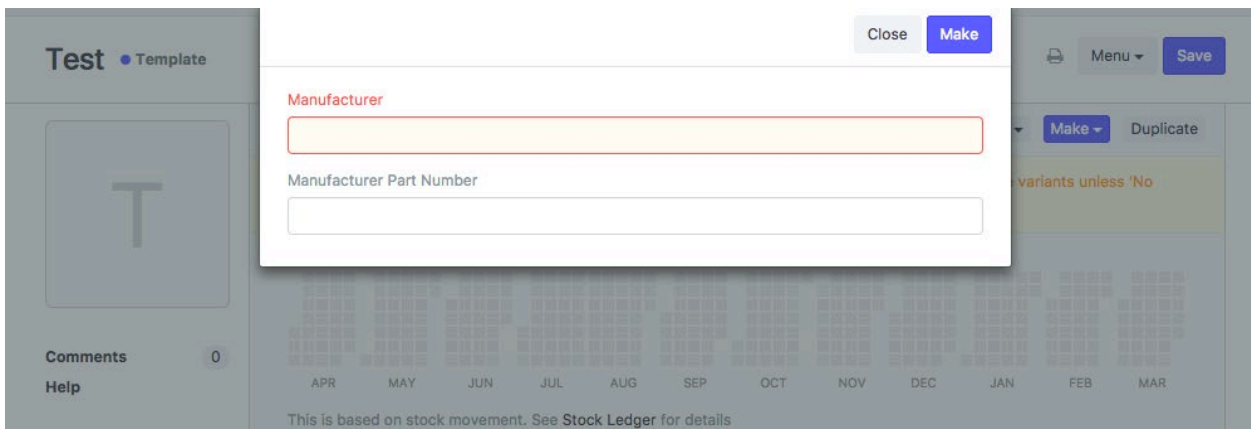
When you make a new Variant, the system will prompt you to select a Manufacturer. You can also optionally put in a Manufacturer Part Number

The naming of the variant will be the name (ID) of the template Item with a number suffix. e.g. "ITEM000" will have variant "ITEM000-1"

Update Variants Based on Template

To update the value in the variants' items from the template item, select the respective fields first in the Item Variant Settings page. After that system will update the value of that fields in the variants if that values have been changed in the template item.

To set the fields Go to Stock > Item Variant Settings

Item Warranty

To track a warranty period, it is necessary that the Item is a serialized Item. When this Item is delivered, the delivery date and the expiry period is saved in the serial number master. Through the serial number master, you can track the warranty status.

A warranty means a guarantee or a promise which provides assurance by one party to the other party which allows for a legal remedy if that promise is not true or followed. A warranty period is a time period in which a purchased product may be returned or exchanged.

Re-order Level & Re-order Qty

The Re-order Level is the point at which stock on a particular item has diminished to a point where it needs to be replenished. To order based on Re-order level can avoid shortages. Re-order level can be determined based on the lead time and the average daily consumption. You can update Re-order Level and Re-order Qty for an Item in the Auto Re-order section.

For example, you can set your reorder level of Motherboard at 10. When there are only 10 Motherboards remaining in stock, the system will either automatically create a Material Request in your ERP+ account.

Re-order quantity is the quantity to order, so that the sum of ordering cost and holding cost is at its minimum. The re-order quantity is based on the minimum order quantity specified by the supplier and many other factors.

For example, if reorder level is 100 items, your reorder quantity may not necessarily be 100 items. The Reorder quantity can be greater than or equal to reorder level. It may depend upon lead time, discount, transportation and average daily consumption.

Item Valuation Fifo And Moving Average

How are Items Valued?
One of the major features of any inventory system is that you can find out the value of any item based on its historic or average price. You can also find the value of all your items for your balance sheet.

Valuation is important because:

- The buying price may fluctuate.
- The value may change because of some process (value add).
- The value may change because of decay, loss etc.

You may encounter these terms, so let us clarify:

- Rate: Rate at which the transaction takes place.
- Valuation Rate: Rate at which the items value is set for your valuation.

There are two major ways in which ERP+ values your items.

- **FIFO (First in First Out):** In this system, ERP+ assumes that you will consume / sell those Items first which you bought first. For example, if you buy an Item at price X and then after a few days at price Y, whenever you sell your Item, ERP+ will reduce the quantity of the Item priced at X first and then Y.

- **Moving Average:** In this method, ERP+ assumes that the value of the item at any point is the average price of the units of that Item in stock. For example, if the value of an Item is X in a Warehouse with quantity Y and another quantity Y1 is added to the Warehouse at cost X1, the new value X2 would be:

New Value X2 = (X * Y + X1 * Y1) / (Y + Y1)

1.2 Topic: Setup

1. Stock Settings
2. Item Group
3. Item Attribute
4. Warehouse

1. Stock Settings

You can set default settings for your stock related transactions here.

Clean HTML Description

Usually descriptions are copy-pasted from a website or Word / PDF file and they contain a lot of embedded style. This messes up the Print view of your invoices or quotes.

To fix this, you can check "Convert Item Description to Clean HTML" in Stock Settings. This will ensure that when you save your Items, their descriptions will be cleaned up.

If you want control your description views and allow any HTML to be embedded, you can uncheck this property.

2. Item Group

Item Group is the classification category. Depending on the type of product, categorize it under its respective field. If the product is service oriented, name it under the group head - service. If the product is used as a raw-material, you have to name it under the Raw-material category. In case, your product is used only in trading, you can categorize it under Trading.
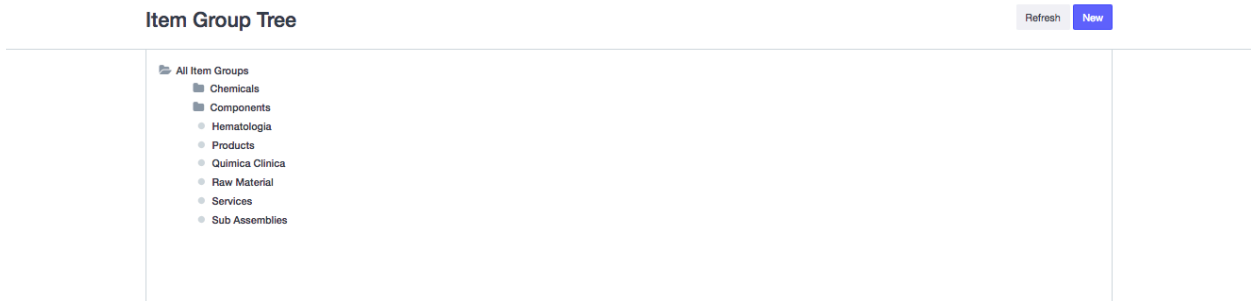
Create an Item Group

- Select an Item Group under which you wish to create the group.
- Select 'Add Child'

Delete an Item Group

- Select the Item Group you want to delete.
- Select 'delete'

3. Item Attribute

You can define Attributes and attribute values for your Item Variants here.

Non-Numeric Attributes

- For Non-Numeric Attributes, specify attributes values along with its abbreviation in the Attribute Value Table.

Numeric Attributes

- If your attribute is Numeric, select Numeric Values
- Specify the Range and the Increment Value

4. Warehouse

A warehouse is a commercial building for storage of goods. Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc. They are usually large plain buildings in industrial areas of cities, towns, and villages. They mostly have loading docks to load and unload goods from trucks.

The terminology of 'Warehouse" in ERP+ is a bit broader though and maybe can be regarded as "storage locations". For example, you can create a sub-Warehouse which practically is a shelf inside your actual location. This can become quite a detailed Tree like >Warehouse >Room >Row >Shelf >Box

To go to Warehouse, click on Stock and go to Warehouse under Setup. You could also switch to 'Tree' View or simply type warehouse tree in the awesome bar.

In ERP+, every Warehouse must belong to a specific company, to maintain company wise stock balance. In order to do so each Warehouse is linked with an Account in the Chart of Accounts (by default of the same name as the Warehouse itself) which captures the monetary equivalent of the goods or materials stored in that specific warehouse. If you have a more detailed Warehouse Tree as the one described above most likely it's a good idea to link the sub-locations (>room >row >Shelf, ...) to the account of the actual Warehouse (the root Warehouse of that Tree) as most scenarios do not require to account for value of stock items per Shelf or Box.

Warehouses are saved with their respective company's abbreviations. This facilitates identifying which Warehouse belongs to which company, at a glance.

You can include user restrictions for these Warehouses. In case you do not wish a particular user to operate on a particular Warehouse, you can refrain the user from accessing that Warehouse.

Note: ERP+ system maintains stock balance for every distinct combination of Item and Warehouse. Thus, you can get stock balance for any specific Item in a particular Warehouse on any particular date.

1.3 Topic: Stock Transactions

1. Stock Entry
2. Delivery Note
3. Purchase Receipt
4. Material Request
5. Retaining Sample Stock
6. Landed Cost Voucher

1. Stock Entry

A Stock Entry is a simple document that lets you record Item movement from a Warehouse, to a Warehouse and between Warehouses.

To make a Stock Entry you have to go to: Stock > Stock Entry > New

Stock Entries can be made for the following purposes:

- Material Issue - If the material is being issued. (Outgoing Material)
- Material Receipt - If the material is being received. (Incoming Material)
- Material Transfer - If the material is being moved from one warehouse to another.
- Material Transfer for Manufacturing - If the material being transferred is for Manufacturing Process.
- Manufacture - If the Material is being received from a Manufacturing/Production Operation.
- Repack - If the Original item/items is being repacked into new item/items.
- Subcontract - If the Material is being issued for a sub-contract activity.

In the Stock Entry you have to update the Items table with all your transactions. For each row, you must enter a "Source Warehouse" or a "Target Warehouse" or both (if you are recording a movement).

Additional Costs:

If the stock entry is an incoming entry i.e. any item is receiving at a target warehouse, you can add related additional costs (like Shipping Charges, Customs Duty, Operating Costs etc.) associated with the process. The additional costs will be considered to calculate valuation rate of the items.

To add additional costs, enter the description and amount of the cost in the Additional Costs table.

Additional Costs

	Description	Amount
1	Operating Cost as per Production Order / BOM	₹ 75.00
2	Additional Operating Cost	₹ 50.00
	Add new row	

Total Additional Costs

₹ 125.00

The added additional costs will be distributed among the receiving items (where the target warehouse mentioned) proportionately based on Basic Amount of the items. And the distributed additional cost will be added to the basic rate of the item, to calculate valuation rate.

Quantity and Rate

Basic Rate (as per Stock UOM)

600.00

UOM

Nos

Basic Amount

₹ 600.00

Conversion Factor

1

Additional Cost

₹ 125.00

Stock UOM

Nos

Amount

₹ 725.00

Qty as per Stock UOM

1

Valuation Rate

₹ 725.00

If perpetual inventory system is enabled, additional costs will be booked in "Expense Included in Valuation" account.

Sr No	Posting Date	Account	Debit	Credit	Voucher Type	Voucher No
1	10-08-2015	Expenses Included In Valuation - TC	0	125	Stock Entry	STE-00014
2	10-08-2015	Finished Goods - TC	725	0	Stock Entry	STE-00014
3	10-08-2015	Cost of Goods Sold - TC	0	600	Stock Entry	STE-00014
4		Totals	725	725		

Note: To update Stock from a spreadsheet, see Stock Reconciliation.

2. Delivery Note

A Delivery Note is made when a shipment is shipped from the company's Warehouse.

A copy of the Delivery Note is usually sent with the transporter. The Delivery Note contains the list of Items that are sent in the shipment and updates the inventory.

The entry of the Delivery Note is very similar to a Purchase Receipt. You can create a new Delivery Note from: Stock > Delivery Note > New

or from a "Submitted" Sales Order (that is not already shipped) by clicking on "Make Delivery Note".

You can also "fetch" the details from an unshipped Sales Order.

You will notice that all the information about unshipped Items and other details are carried over from your Sales Order.

Shipping Packets or Items with Product Bundle

If you are shipping Items that have a Product Bundle, ERP+ will automatically create a "Packing List" table for you based on the sub-Items in that Item.

If your Items are serialized, then for Product Bundle type of Items, you will have to update the Serial Number in the "Packing List" table.

Packing Items into Cases, for Container Shipment

If you are doing container shipment or by weight, then you can use the Packing Slip to breakup your Delivery Note into smaller units. To make a Packing Slip go to: Stock > Packing Slip > New Packing Slip

You can create multiple Packing Slips for your Delivery Note and ERP+ will ensure that the quantities in the Packing Slip do not exceed the quantities in the Delivery Note.

Q. How to Print Without Amount?

If you want to print your Delivery Note without the amount (this might be useful if you are shipping high value items), check the "Print without Amount" box in the "More Info" section.

Q. What happens when the Delivery Note is "Submitted"?

A Stock Ledger Entry is made for each Item and stock is updated. Pending Quantity in the Sales Order is updated (if applicable).

Q. How to not allow the creation of delivery notes without a sales order against it?

Go to Sales Settings > Sales Order Required, then turn this setting to YES

3. Purchase Receipt

Purchase Receipts are made when you accept material from your Supplier usually against a Purchase Order.

You can also accept Purchase Receipts directly (Set Purchase Order Required as "No" in Global Defaults).

You can make a Purchase Receipt directly from: Stock > Purchase Receipt > New Purchase Receipt

or from a "Submitted" Purchase Order, by clicking on "Make Purchase Receipt".

Rejections

In the Purchase Receipt, you are required to enter whether all the materials you receive are of acceptable quality (in case you check). If you have any rejections, update the "Rejected Quantity" column in the Items table.

If you reject, you are required to enter a "Rejected Warehouse" to indicate where you are storing the rejected Items.

Quality Inspections

If for certain Items, it is mandatory to record Quality Inspections (if you have set it in your Item master), you will need to update the "Quality Inspection No" (QA No) column. The system will only allow you to "Submit" the Purchase Receipt if you update the "Quality Inspection No".

UOM Conversions

If your Purchase Order for an Item is in a different Unit of Measure (UOM) than what you stock (Stock UOM), then you will need to update the "UOM Conversion Factor".

Currency Conversions

Since the incoming Item affects the value of your inventory, it is important to convert it into your base Currency, if you have ordered in another Currency. You will need to update the Currency Conversion Rate if applicable.

Taxes and Valuation

Some of your taxes and charges may affect your Items value. For example, a Tax may not be added to your Item's valuation, because if you sell the Item, you will have to add the tax at that time. So, make sure to mark all your taxes in the Taxes and Charges table correctly for accurate valuation.

Serial Numbers and Batches

If your Item is serialized or batched, you will have to enter Serial Number and Batch in the Item's table. You are allowed to enter multiple Serial Numbers in one row (each on a separate line) and you must enter the same number of Serial Numbers as the quantity. You must enter each Batch number on a separate line.

What happens when the Purchase Receipt is "Submitted"?

A Stock Ledger Entry is created for each Item adding the Item in the Warehouse by the "Accepted Quantity" If you have rejections, a Stock Ledger Entry is made for each Rejection. The "Pending Quantity" is updated in the Purchase Order.

Adding value to your Items post Purchase Receipt:

Sometimes, certain expenses that add value to your purchased Items are known only after a while. Common example is, if you are importing the Items, you will come to know of Customs Duty etc. only when your "Clearing Agent" sends you a bill. If you want to attribute this cost to your purchased Items, you will have to use the Landed Cost Wizard. Why "Landed Cost"? Because it represents the charges that you paid when it landed in your possession.

4. Material Request

A Material Request is a simple document identifying a requirement of a set of Items (products or services) for a particular reason.
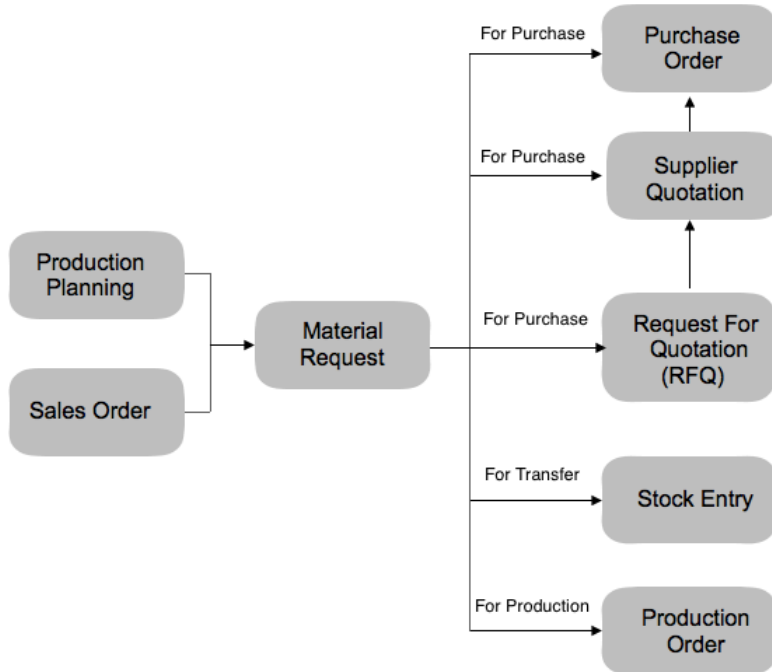
To generate a Material Request manually go to: Stock > Documents > Material Request > New

Creating Material Request

A Material Request can be generated:

- Automatically from a Sales Order.
- Automatically when the Projected Quantity of an Item in stores reaches a particular level.
- Automatically from your Bill of Materials if you use Production Plan to plan your manufacturing activities.
- If your Items are inventory items, you must also mention the Warehouse where you expect these Items to be delivered. This helps to keep track of the Projected Quantity for this Item.

A Material Request can be of type:

- Purchase - If the request material is to be purchased.
- Material Transfer - If the requested material is to be shifted from one warehouse to another.
- Material Issue - If the requested material is to be Issued.
- Manufacture - If the requested material is to be Produced.
- Customer Provided - If the requested material is to be provided by Customer.

The User can also raise a "Request for Quotation" against a Material Request. To create a "Request for Quotation" the user can click on 'Make'.

Info: Material Request is not mandatory. It is ideal if you have centralized buying so that you can collect this information from various departments.

5. Retaining Sample Stock

A sample of a batch of starting material, packaging material or finished product is stored for the purpose of being analyzed should the need arise later.

Set Sample Retention Warehouse in Stock Settings
It is advised to create a new warehouse just for retaining samples and not use it in production.

Stock Settings

TAGS	Default Warehouse
	Stores - WP
SHARED WITH	Sample Retention Warehouse
+	Test Warehouse for Sample Retention - _TC
♥ 0	
You edited this 10 hours ago	☐ Auto insert Price List rate if missing
	☐ Allow Negative Stock

Enable Retain Sample in Item master

Check Retain Sample and Maximum allowed samples in Item Master for a batch. Please note that Retain Sample is based on Batch hence Has Batch No should be enabled as well.

SERIAL NOS AND BATCHES ⌃

☑ Has Batch No   ☑ Has Serial No

☐ Automatically Create New Batch   Serial Number Series

☐ Has Expiry Date

☑ Retain Sample   Example: ABCD.##### If series is se
                                                         transactions, then automatic serial n
Max Sample Quantity   series. If you always want to explicitl
                                                         this blank.
4

Maximum sample quantity that can be retained

Stock Entry

Whenever a Stock Entry is created with the purpose as Material Receipt, for items which have Retain Sample enabled, the Sample Quantity can be set during that Stock Entry. Sample quantity cannot be more than the Maximum sample quantity set in Item Master.

On submission of this Stock Entry, button 'Make Retention Stock Entry' will be available to make another Stock Entry for the transfer of sample items from the mentioned batch to the retention warehouse set in Stock Settings. On clicking this button, it will direct you to new Stock Entry with all the information, verify the information and click Submit.

6. Landed Cost Voucher

Landed Cost is the total cost of a product to reach the product at the buyer's door. Landed costs include the original cost of the item, complete shipping costs, customs duties, taxes, insurance and currency conversion fees etc. All of these components might not be applicable in every shipment, but relevant components must be considered as a part of the landed cost.

To understand landed cost better, let's take an example based on our daily lives. You need to purchase a new washing machine for your home. Before making actual purchase, you probably do some investigation to know the best price. In this process, you often found a better deal from a store which is long away from your home. But you should also consider shipping cost while buying from that store. Total cost including transportation might be more than the price you get in your nearby store. In that case you will choose to buy from your nearest store, as landed cost of the item is cheaper in the nearest store.

Similarly, in business, identifying landed cost for a item / product is very crucial, as it helps to decide selling cost of that item and impacts company's profitability. Hence all applicable landed cost charges should be included in item's valuation rate.

According to the Third-Party Logistics Study, only 45% of the respondents stated that they use Landed Cost extensively. The main reasons of not using Landed Cost are unavailability of necessary data (49%), lack of right tools (48%), do not have sufficient time (31%) and not sure how to apply landed cost (27%).

Landed Cost via Purchase Receipt

In ERP+, you can add landed cost related charges in "Taxes and Charges" table while creating Purchase Receipt (PR). You should add those charges for "Total and Valuation" or "Valuation". Charges which are payable to the same supplier from whom you are buying the items, should be tagged as "Total and Valuation". Otherwise if applicable charges are payable to a 3rd party, it should be tagged as "Valuation". On submission of PR, system will calculate landed cost of all items, considering those charges and that landed cost will be considered to calculate item's valuation rate (based on FIFO / Moving Average method).

But in reality, while making Purchase Receipt we might not know all the charges which are applicable for landed cost. Your transporter can send the invoice after 1 month, but there is no point in waiting for booking Purchase Receipt till then. Companies who imports their products / parts, pays a huge amount as Customs Duty. And generally, they get invoices from Customs Department after a period of time. In these cases, "Landed Cost Voucher" becomes handy, as it allows you to add those additional charges on a later date, and to update landed cost of purchased items.

Landed Cost Voucher

You can update landed cost any time in the future via Landed Cost Voucher. Stock > Tools > Landed Cost Voucher

In the document, you can select multiple Purchase Receipts and fetch all items from those Purchase Receipts. Then you should add applicable charges in "Taxes and Charges" table. You can easily delete an item if the added charges are not applicable to that item. The added charges are proportionately distributed among all the items based their amount.

What happens on submission?

1. On submission of Landed Cost Voucher, the applicable landed cost charges are updated in Purchase Receipt Item table.

2. Valuation Rate of items are recalculated based on new landed cost.

3. If you are using "Perpetual Inventory", the system will post general ledger entries to correct Stock-in-Hand balance. It will debit (increase) corresponding "warehouse account" and credit (decrease) "Expense Included in Valuation" account. If items are already delivered, the Cost-of-Goods-Sold (CoGS) value has been booked as per old valuation rate. Hence, general ledger entries are reposted for all future outgoing entries of associated items, to correct CoGS value.

1.4 Topic: **Serial and Batch Number**

1. Serial Number
2. Batch
3. Installation Note

1. Serial No.

As we discussed in the Item section, if an Item is serialized, a Serial Number (Serial No) record is maintained for each quantity of that Item. This information is helpful in tracking the location of the Serial No, its warranty, and end-of-life (expiry) information.

Serial Nos are also useful to maintain fixed assets. Maintenance Schedules can also be created against serial numbers for planning and scheduling maintenance activity for these assets (if they require maintenance).

You can also track from which Supplier you purchased the Serial No and to which Customer you have sold it. The Serial No status will tell you its current inventory status.

If your Item is serialized you will have to enter the Serial Nos in the related column with each Serial No in a new line. You can maintain single units of serialized items using Serial Number.

Serial Nos and Inventory
Inventory of an Item can only be affected if the Serial No is transacted via a Stock transaction (Stock Entry, Purchase Receipt, Delivery Note, Sales Invoice). When a new Serial No is created directly, its warehouse cannot be set.

- The Status is set based on Stock Entry.
- Only Serial Numbers with status 'Available' can be delivered.
- Serial Nos can automatically be created from a Stock Entry or Purchase Receipt. If you mention Serial No in the Serial Nos column, it will automatically create those serial Nos.
- If in the Item Master, the Serial No Series is mentioned, you can leave the Serial No column blank in a Stock Entry / Purchase Receipt and Serial Nos will automatically be set from that series.

2. Batch

Batch feature in ERP+ allows you to group multiple units of an item, and assign them a unique value/number/tag called Batch No.

This is done based on the Item. If the Item is batched, then a Batch number must be mentioned in every stock transaction. Batch numbers can be maintained manually or automatically

Item Setup

To set item as a batch item, "Has Batch No" field should be checked in the Item master. If you want automatic batch creation at the time of Purchase Receipt, you must check "Create New Batches Automatically"

Creating Batches

If you have not selected "Create New Batches Automatically", you will have to make Batches Manually as you go along. To create new Batch No. master for an item, go to: Stock > Setup > Batch > New

Splitting and Moving Batches

When you open a batch, you will see all the quantities relating this that batch on the page.

To move the batch from one warehouse to another, you can click on the move button.

You can also split the batch into smaller one by clicking on "Split". This will create a new Batch based on this Batch and the quantities will be split between the batches.

Transacting Items with Batches

Batch master is created before creation of Purchase Receipt. Hence every time there is Purchase Receipt or Work Order being made for a batch item, you will first create its Batch No, and then select it in Purchase order or Production Entry.

On every stock transaction (Purchase Receipt, Delivery Note, POS Invoice) made for batch item, you should provide item's Batch No.

Note: In stock transactions, Batch IDs will be filtered based on Item Code, Warehouse, Batch Expiry Date (compared with Posting date of a transaction) and Actual Qty in Warehouse. While searching for Batch ID without value in Warehouse field, then Actual Qty filter won't be applied.

3. Installation Note

An Installation Note can be created when a product/item is being installed or set up at the customer's place. If you, for example, sell a Washing Machine, a service person generally accompanies the delivery to install the machine at the customer's place. The service person can create an "Installation Note", to track the date and details of the installation.

1.5 Topic: Tools

1. Packing Slip
2. Quality Inspection

1. Packing Slip

A packing slip is a document listing the items in a shipment. Usually attached to the goods delivered. While Shipping a product 'Draft' for Delivery Notes are created. You can make a Packing Slip from these Delivery Notes (Draft)

2. Quality Inspection

In ERP+, you can mark your incoming or outgoing products for Quality Inspection. To enable ERP+ to perform this function, go to: Stock > Quality Inspection > New

1.6 Topic: Advanced

1. Delivery Trip
2. Projected Quantity
3. Sales Return
4. Purchase Return

1. Delivery Trip

Delivery Trip is created to record Customer Deliveries in one vehicle. Multiple stops can also be added and Submitted Delivery Note can be tagged per Customer.

You can make a Delivery directly from: Stock > Delivery Trip > New Delivery Trip

Delivery

Delivery Stops

2. Projected Quantity

Projected Quantity is the level of stock that is predicted for a particular Item, based on the current stock levels and other requirements. It is the quantity of gross inventory that includes supply and demand in the past which is done as part of the planning process.

The projected inventory is used by the planning system to monitor the reorder point and to determine the reorder quantity. The projected Quantity is used by the planning engine to monitor the safety stock levels. These levels are maintained to serve unexpected demands.

Having a tight control of the projected inventory is crucial to determine shortages and to calculate the right order quantity.

Stock Projected Qty

Menu ▾ Refresh

Item Group	Brand	Warehouse	UOM	Actual Qty	Planned Qty	Requested Qty	Ordered Qty	Reserved Qty	Reserved Qt...	Projected Qty
Raw Material		Stores - WPL	Nos	2.000	0.000	82.000	0.000	9.000	56.000	19.000
Raw Material		Work In Progress...	Nos	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Raw Material		Stores - WPL	Nos	151.000	5.000	151.000	0.000	5.000	0.000	302.000
Raw Material		Stores - WPL	Nos	69.000	0.000	290.000	0.000	5.000	0.000	354.000
Raw Material		Supplier - WPL	Nos	42.000	0.000	0.000	0.000	0.000	0.000	42.000
Sub Assemblies		Stores - WPL	Nos	0.000	1.000	15.000	0.000	1.000	0.000	15.000
Raw Material		Stores - WPL	Nos	0.000	0.000	24.000	0.000	10.000	0.000	14.000
Raw Material		Stores - WPL	Nos	4.000	0.000	68.000	0.000	9.000	56.000	7.000
Raw Material		Work In Progress...	Nos	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Raw Material		Stores - WPL	Nos	0.000	0.000	34.000	0.000	20.000	0.000	14.000
Raw Material		Stores - WPL	Nos	6.000	0.000	67.000	0.000	12.000	56.000	5.000
Raw Material		Work In Progress...	Nos	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Raw Material		Stores - WPL	Nos	0.000	0.000	10.000	0.000	10.000	0.000	0.000
Raw Material		Stores - WPL	Nos	0.000	0.000	33.000	0.000	5.000	0.000	28.000

For comparative filters, start with ">" or "<" or "!", e.g. >5 or >01-02-2012 or !0
For ranges (values and dates) use ":", e.g. "5:10" (to filter values between 5 & 10)

Projected Qty = Actual Qty + Planned Qty + Requested Qty + Ordered Qty - Reserved Qty

- Actual Qty: Quantity available in the warehouse.
- Planned Qty: Quantity, for which, Work Order has been raised, but is pending to be manufactured.
- Requested Qty: Quantity requested for purchase, but not ordered.
- Ordered Qty: Quantity ordered for purchase, but not received.
- Reserved Qty: Quantity ordered for sale, but not delivered.

3. Sales Return

Goods sold being returned is quite a common practice in business. They could be returned by the customer on quality issues, non-delivery on agreed date, or any other reason.

In ERP+, you can create a Sales Return by simply making a Delivery Note / Sales Invoice with negative quantity.

First open the original Delivery Note / Sales Invoice, against which customer returned the items.

Then click on "Make Sales Return", it will open a new Delivery Note with "Is Return" checked, items and taxes with negative amount.

You can also create the return entry against original Sales Invoice, to return stock along with credit note, check "Update Stock" option in Return Sales Invoice.

On submission of Return Delivery Note / Sales Invoice, system will increase stock balance in the mentioned warehouse. To maintain correct stock valuation, stock balance will go up according to the original purchase rate of the returned items.

In case of Return Sales Invoice, Customer account will be credited and associated income and tax account will be debited.

If Perpetual Inventory enabled, system will also post accounting entry against warehouse account to sync warehouse account balance with stock balance as per Stock Ledger.

4. Purchase Return

ERP+ has an option for products that are need to be returned to the supplier. This may be on account of a number of reasons like defects in goods, quality not matching, the buyer not needing the stock, etc.

You can create a Purchase Return by simply making a Purchase Receipt with negative quantity.

First open the original Purchase Receipt, against which supplier delivered the items.

Then click on "Make Purchase Return", it will open a new Purchase Receipt with "Is Return" checked, items and taxes with negative amount.

Asiatic Solutions ● Submitted

PREC-00350   Menu ▼   Cancel

Comments	0

ASSIGNED TO
Assign +

ATTACHMENTS
Attach File +

TAGS
Add a tag...

SHARED WITH
+

You edited this
a few seconds ago

You created this
a few seconds ago

Supplier
Helios Air

Date
07-23-2015

Posting Time
06:38:14.614588

America/New_York

✔ Is Return

Return Against Purchase Receipt
PREC-00346

	Items		Qty	Rate	Amount
1	Disc Collars	Stores - WP	-3 Nos	$ 34.00	$ -102.00

Total (USD)
$ -102.00

On submission of Return Purchase Return, system will decrease item qty from the mentioned warehouse. To maintain correct stock valuation, stock balance will also go up according to the original purchase rate of the returned items.

Stock Ledger

Menu ▼   Refresh

Wind Power LLC	07-23-2015	07-23-2015	Warehouse	Item	Brand
PREC-00350					

d	Description	Warehouse	Stock UOM	Qty	Balance Qty	Incoming Rate	Valuation Rate	Balance Value
	For Upper Bearing	Stores - WP	Nos	-3	13	$ 0.00	$ 34.00	$ 442.00

If Perpetual Inventory enabled, system will also post accounting entry against warehouse account to sync warehouse account balance with stock balance as per Stock Ledger.

General Ledger

Menu ▼   Refresh

Wind Power LLC	07-23-2015	07-23-2015	Account	PREC-00350
	Party	☐ Group by Voucher	☐ Group by Account	Letter Head

Sr No	Posting Date	Account	Debit	Credit	Voucher Type	Voucher No	Against Account
1	07-23-2015	Stock Received But Not Billed - ...	102	0	Purchase Receipt	PREC-00350	Stores - WP
2	07-23-2015	Stores - WP	0	102	Purchase Receipt	PREC-00350	Stock Received B...
3		Totals	102	102			

2.1 Article: Stock Transactions

1. Allow Over Delivery Billing Against Sales Order up to Certain Limit
2. Auto Creation of Material Request
3. Delivery Note Stock Error
4. Stock Entry Purpose
5. Stock Received but Not Billed

1. Allow Over Delivery/Billing

When creating a Delivery Note, system validates if item's qty is same as in the Sales Order. If item's qty has been increased, you will get the validation message of over-delivery or receipt.

Considering the case of sales, if you want to be able to deliver more items than mentioned in the Sales Order, you should update "Allow over delivery or receipt up to this percent" in the Item master.

When creating an invoice, item's rate is also validated based on the preceding transaction like Sales Order. This also applies when creating Purchase Receipt or Purchase Invoice from Purchase Order. Updating "Allow over delivery or receipt up to this percent" will be affective in all sales and purchase transactions.

For example, if you have ordered 100 units of an item, and if item's over receipt percent is 50, then you are allowed to make Purchase Receipt for up to 150 units.

Update global value for "Allow over delivery or receipt up to this percent" from Stock Settings. Value updated here will be applicable for all the items.

1. Go to Stock > Setup > Stock Settings
2. Set Limit Percentage.
3. Save Stock Settings.

2. Auto Creation of Material Request

To prevent stockouts, you can track item's reorder level. When stock level goes below reorder level, purchase manager is notified and instructed to initiate purchase process for the item.

In ERP+, you can update item's Reorder Level and Reorder Qty in the Item master. If same item has different reorder level, you can also update warehouse-wise reorder level and reorder qty.

With reorder level, you can also define what should be the next action. Either new purchase or transfer from another warehouse. Based on setting in Item master, purpose will be updated in the Material Request as well.

When item's stock reaches reorder level, Material Request is auto-created automatically. You can enable this feature from: Stock > Setup > Stock Settings

A separate Material Request will be created for each item. User with Purchase Manager's role will receive email alert about these Material Requests.

If auto creation of Material Request is failed, User with Purchase Manager role will be informed about error message. One of the most encountered error messages is:

An error occurred for certain Items while creating Material Requests based on Re-order level.Date 01-04-2016 not in any Fiscal Year.

One of the reasons of error could be Fiscal Year as well.

3. Delivery Note Negative Stock Error

Question: When submitting a Delivery Note, receiving a message says that item's stock is insufficient, but we have item's stock available in the Warehouse.

Answer: On submission of Delivery Note, stock level is checked as on Posting Date and Posting Time of a Delivery Note. It's possible that you have stock of an Item available in the Warehouse. But if you are creating back-dated Delivery Note, and if item was not available in the warehouse on the Posting Date and Posting Time of Delivery Note, you are likely to receive an error message on the negative stock. You can refer to the Stock Ledger report to confirm the same.

If this is the case, you should edit the Posting Date and Time of a Delivery Note, and ensure that it is after the Posting Date and Time of item's receipt entry.

4. Stock Entry Purpose

Stock Entry is a stock transaction, which can be used for multiple purposes. Let's learn about each Stock Entry Purpose below.

Purpose: Material Issue

Material Issue entry create to issue item(s) from a warehouse. On submission of Material Issue, stock of item is deducted from the Source Warehouse.

Material Issue is generally made for the low value consumable items like office stationary, product consumables etc. Also, you can create Material Issue to reconcile serialized and batched item's stock.

Purpose: Material Receipt

Material Receipt entry is created to inward stock of item(s) in a warehouse. This type of stock entry can be created for updating opening balance of serialized and batched item. Also, items purchased without Purchase Order can be unwarded from Material Receipt entry.

For the stock valuation purpose, provided Item Valuation becomes a mandatory field in the Material Receipt entry.

Material Receipt • Submitted

STE-00024 | Menu ▾ | Cancel

Stock Ledger | Accounting Ledger

Comments 0

ASSIGNED TO
Assign +

ATTACHMENTS
Attach File +

TAGS
Add a tag...

SHARED WITH
+

♥ 0

You edited this
a day ago

You created this
a day ago

68MB (0%) used

Purpose
Material Receipt

Posting Date
01-01-2016

Posting Time
3:31:42

America/Adak

Default Target Warehouse
Stores - WPL

	Item	Warehouse	Qty	Amount
1	Yellow Spray Paint	Stores - WPL	20 Nos	$ 60.00 $ 3.00
2	Blue Spray Paint	Stores - WPL	20 Nos	$ 40.00 $ 2.00
3	Green Spray Paint	Stores - WPL	20 Nos	$ 80.00 $ 4.00

Purpose: Material Transfer

Material Transfer entry is created for the inter-warehouse Material Transfer.

Material Transfer • Submitted

STE-00006 | Menu ▾ | Cancel

Stock Ledger | Accounting Ledger

Comments 0

ASSIGNED TO
Assign +

ATTACHMENTS
Attach File +

TAGS
Add a tag...

SHARED WITH
+

♥ 0

You edited this
6 months ago

Purpose
Material Transfer

☐ From BOM

Posting Date
07-17-2015

Posting Time
11:53:02

America/Adak

Default Source Warehouse
Stores - WPL

Default Target Warehouse
Central Store - WPL

	Item	Warehouse	Qty	Amount
1	Ball Bearing	Stores - WPL Central Store - WPL	1 Unit	$ 4.00 $ 4.00

Purpose: Material Transfer for Manufacture

In the manufacturing process, raw-materials are issued from the stores to the production department (generally WIP warehouse). This Material Transfer entry is created from Work Order. Items in this entry are fetched from the BOM of production Item, as selected in Work Order.

Purpose: Manufacture

Manufacture is created from Work Order. In this entry, both raw-material item as well as production item are fetched from the BOM, selected in the Work Order. For the raw-material items, only Source Warehouse (generally WIP warehouse) is mentioned. For the production item, only target warehouse as mentioned in the Work Order is updated. On submission, stock of raw-material items is deducted from Source Warehouse, which indicates that raw-material items were consumed in the manufacturing process. Production Item is added to the Target Warehouse marking the completion of production cycle.

Purpose: Repack

Repack Entry is created when items purchased in bulk is repacked under smaller packs.

Purpose: Subcontract

Subcontracting transaction involves company transfer raw-material items to the sub-contractor's warehouse. This requires adding a warehouse for the sub-contractor as well. Sub-contract entry transfers stock from the companies warehouse to the sub-contractor's warehouse.

5. Purpose of Stock Received but not Billed

When purchased items are received, an account posting is done based on the value of the purchased items in the Stock-in-hand / fixed-assets account. When you sell and deliver those items, an expense (cost-of-goods-sold) is booked, equal to the buying cost of the items.

As stock balance increases through Purchase Receipt, Warehouse account is debited and an adjustment account called Stock Received but Not Billed account is credited. At the same time, the negative expense is booked in account Expense included in Valuation for the amount added for valuation purpose, to avoid double expense booking.

On receiving Bill from the supplier, you will make Purchase Invoice against a Purchase Receipt. Here Stock Received but Not Billed account is debited, hence nullifies the balance in the Stock Received but not Billed Account.

The balance in the Stock Received but not Billed account indicates the value of items for which Purchase Receipt has been made, but billing is pending.

2.2 Article: Stock Reports

1. Stock Level Reports

1. Stock Level Report

Stock Level report list stock item's quantity available in a particular warehouse.

There are multiple reports available you can check for item's stock level.

Stock Projected Quantity Report

You can access this report from Stock > Main Report > Stock Projected Quantity. This report list item wise - warehouse wise stock level of an item considering all the stock transactions. With Actual Quantity of an item, it also provides other details like:

1. Actual Qty: Quantity available in the warehouse.
2. Planned Qty: Quantity, for which, Work Order has been raised, but is pending to be manufactured.
3. Requested Qty: Quantity requested for purchase, but not ordered.
4. Ordered Qty: Quantity ordered for purchase, but not received.
5. Reserved Qty: Quantity ordered for sale, but not delivered.
6. Project Qty: Project Quantity is calculated as

Projected Qty = Actual Qty + Planned Qty + Requested Qty + Ordered Qty - Reserved Qty
The projected inventory is used by the planning system to monitor the reorder point and to determine the reorder quantity. The projected Quantity is used by the planning engine to monitor the safety stock levels. These levels are maintained to serve unexpected demands.

Having a tight control of the projected inventory is crucial to determine shortages and to calculate the right order quantity.

Stock Balance Report

Stock Ledger report helps you check stock balance of an item on a given date.

You can access this report from: Stock > Main Report > Stock Balance

This allows you to go back in time, and check what was stock level of an item in a particular warehouse in the near past.

With item's stock levels, you will also get their valuation details in this report.

Based on the date filters, this report provides item's Opening Stock on From Date, and Closing Stock on To From. It will also list the In Quantity and Out Quantity for an item between the date range.

2.3 Article: Managing Items

1. Item Valuation Transactions
2. Maintain Stock Field Frozen in Item Master
3. Managing Rejected Finished Goods Items
4. Return Rejected Item
5. Track Items Using Barcode
6. Creating Depreciation for Item

1. Item Valuation Methods and Transactions

In ERP+, Item's stock valuation is updated on the creation of one of the following transactions.

1. Purchase Receipt
2. Stock Entry of type Material Receipt
3. Stock Reconciliation made for updating stock opening balance

You can select valuation method based on which item's value will be calculated. Valuation Method can be set globally for all the items from the Stock Settings.

You can also set Valuation Method in the item master, especially when a valuation method for an item is different from the default Method.

2. Maintain Stock field Frozen in the Item master

In the item master, you might witness values in the following fields to be frozen.

1. Maintain Stock
2. Has Batch No.
3. Has Serial No.
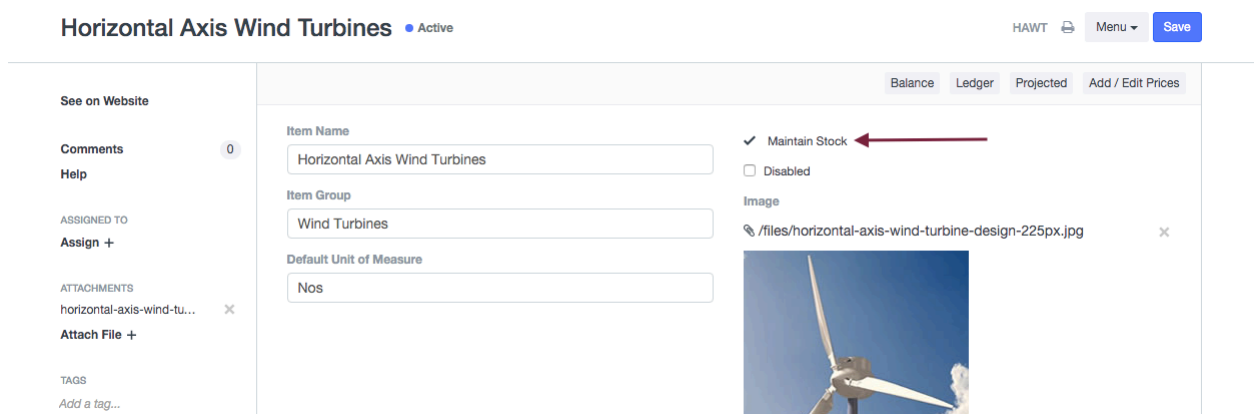
For an item, once stock ledger entry is created, values in these fields will be froze. This is to prevent user from changing value which can lead to mis-match of actual stock, and stock level in the system of an item.

For the serialized item, since its stock level is calculated based on count of available Serial Nos., setting Item as non-serialized mid-way will break the sync, and item's stock level shown in the report will not be accurate, hence Has Serial No. field is frozen.

To make these fields editable once again, you should delete all the stock transactions made for this item. For the Serialized and Batch Item, you should also delete Serial No. and Batch No. record for this item.

3. Managing Rejected Finished Goods Items

There could be manufactured Items which would not pass quality test, hence rejected.

Standard manufacturing process in ERP+ doesn't cover managing rejected items. Hence you should create finished goods entry for both accepted as well as rejected items. With this, you will have rejected items also received in the finished goods warehouse.

To move rejected items from the finished goods warehouse, you should create Material Transfer entry. Steps below to create Material Transfer entry.

Step 1: New Stock Entry
Stock > Documents > Stock Entry > New

Step 2: Purpose
Purpose = Material Transfer

Step 3: Warehouse
Source Warehouse = Finished Goods warehouse Target Warehouse = Rejected items warehouse

Step 4: Items
Select item which failed quality test, and enter total rejected items as Qty.

Step 5: Submit Stock Entry
On Saving and Submitting Stock Entry, stock of rejected items will be moved from Finished Goods Warehouse to Rejected Warehouse.

4. Return Rejected Items

In the Purchase Receipt, you can receive the Items in the Accepted or the Rejected Warehouse.

If you are creating Purchase Return for the items received in the Rejected Warehouse, then create return entry following these steps.

1. In the Purchase Receipt Item table, for the item to be returned, in the Received Qty field, enter return entry in negative.
2. In the Accepted Warehouse field, set value as zero.
3. In the Rejected Warehouse field, set the quantity to be returned in negative.

5. Track Items Using Barcode

A barcode is a value decoded into vertical spaced lines. Barcode scanners are the input medium, like Keyboard. When it scans a barcode, the data appears in the computer screens at the point of a cursor.

Item Master

To set the barcode of a particular item, you will have to open the Item record. You can also enter barcode while creating a new item.

Once barcode field is updated in item master, items can be fetched using barcode. This feature will be available in Delivery Note, Sales Invoice and Purchase Receipt transactions only.

6. Creating Depreciation Entry for Item

Question: A Fixed Asset Item has been purchased and stored in a warehouse. How to create a depreciation for a Fixed Asset Item?

Answer: You can post asset depreciation entry for the fixed asset item via Stock Reconciliation Entry.

Step 1:
In the Attachment file, fill in the appropriate columns;

- **Item Code** whose value is to be depreciated.
- **Warehouse** in which item is stored.
- **Qty (Quantity)** Leave this column blank.
- **Valuation Rate** will be item's value after depreciation.

After updating Valuation Rate for an item, come back to Stock Reconciliation and upload save .csv file.

Step 2:
Select Expense account for depreciation in Difference Account. Value booked in the depreciation account will be the difference of old and next valuation rate of the fixed asset item, which will be actually the depreciation amount.

2.4 Article: Serial and Batch Number

1. Serial Number Naming
2. Opening Stock Balance Entry for Serialized and Batch Item
3. Managing Batch Wise Inventory

1. Serial No. Naming

Serial Nos. is unique value assigned on each unit of an item. Serial no. helps in tracking item's warranty and expiry details. Generally high value items like machines, computers, costly equipment are serialized. To make item Serialized, in the Item master, check **Has Serial No**. There are two ways Serial no. can be generated in ERP+.

Serializing Purchase Items

If purchased items are received with Serial Nos. applied by OEM (original equipment manufacturer), you can follow same Serial No in ERP+ as well. While creating Purchase Receipt, you shall scan or manually enter Serial nos. for an item. On submitting Purchase Receipt, Serial Nos. will be created in the backend as per Serial Nos. provided for an item. If using OEM' Serial No., then in the Item master, Prefix should not be mentioned for serialization. As per this scenario, Prefix field should be left blank.

If received items already has its Serial No. barcoded, you can simply scan that barcode for entering Serial No. in the Purchase Receipt. On submission of Purchase Receipt or Stock entry for the serialized item, Serial Nos. will be auto-generated.

Generated Serial numbers will be updated for each item.

Serializing Manufacturing Item

To Serialize Manufacturing Item, you can define Series for Serial No. Generation in the Item master itself. Following that series, system will create Serial Nos. for Item when its Production entry is made.

Serial No. Series

When Item is set as serialized, it will allow you to mentioned Series for it.

Production Entry for Serialized Item

On submission of production entry for manufacturing item, system will automatically generate Serial Nos. following Series as specified in the Item master.

2. Opening Stock Balance Entry for Serialized and Batch Item

Items for which Serial No. and Batch No. is maintained, opening stock balance entry for them is update via Stock Entry.

Question: Why Opening Balance entry for the Serialized and Batch Item cannot be updated via Stock Reconciliation?

In the ERP+, stock level of a serialized item is derived based on the count of Serial Nos for that item. Hence, unless Serial Nos. are created for the serialized item, its stock level will not be updated. In the Stock Reconciliation Tool, you can only update opening quantity of an item, but not the Serial No. and Batch No.

Opening Balance for the Serialized Item
Following are the steps to create opening stock balance entry for the Serialized and Batch item.

Step 1: New Stock Entry
Stock > Stock Entry > New

Step 2: Select Purpose
Stock Entry Purpose should be updated as Material Receipt.

Step 3: Update Posting Date
Posting Date should be date on which you wish to update opening balance for an item.

Step 4: Update Target Warehouse
Target Warehouse will be one in which opening balance of an item will be updated.

Step 5: Select Items
Select Items for which opening balance is to be updated.

Step 6: Update Opening Qty
For the serialized item, update quantity as many Serial Nos are there.

For the serialized item, mention Serial Nos. equivalent to its Qty. Or if Serial Nos. are configured to be created based on Prefix, then no need to mention Serial Nos. manually.
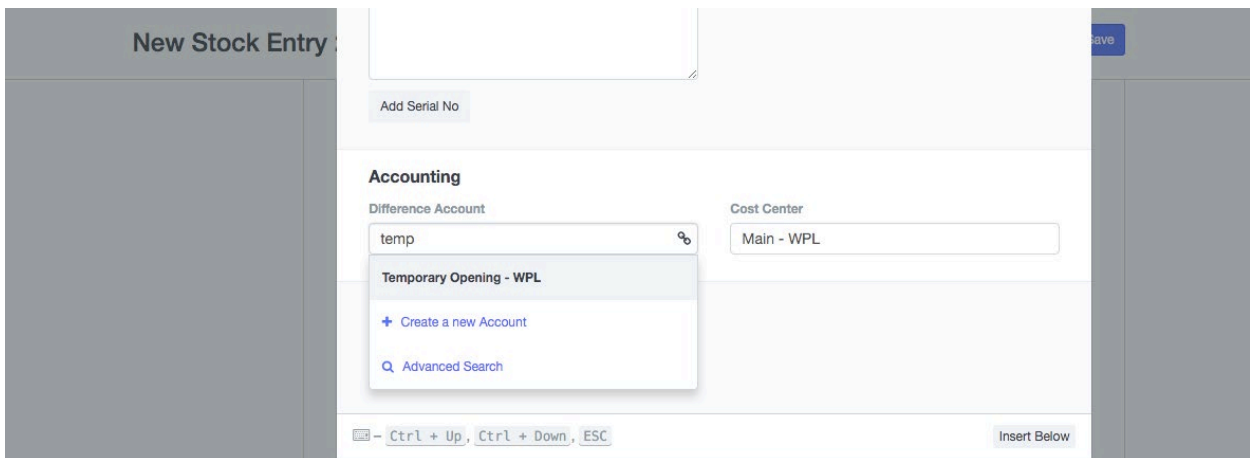
For a batch item, provide Batch ID in which opening balance will be updated. Keep batch master ready, and updated it for the Batch Item. To create new Batch, go to: Stock > Setup > Batch > New

Step 7: Update Item Valuation Rate

Update valuation rate, which will be per unit value of item. If different units of the same items having different valuation rate, they should be updated in a separate row, with different Valuation Rates.

Step 8: Difference Account

As per perpetual inventory valuation system, accounting entry is created for every stock transaction. Double entry accounting system requires Total Debit matching with Total Credit in an entry. On the submission of Stock Entry, system debits Warehouse account by total value of items. To balance the same, we use Temporary Opening account as a Difference Account.

Step 9: Save and Submit Stock Entry

On submission of Stock Entry, stock ledger posting will be posted, and opening balance will be updated for the items on a given Posting Date.

3. Managing Batch wise Inventory

Set of items which has same properties and attributes can be grouped in a single Batch. For example, pharmaceuticals items are batch, so that their manufacturing and expiry date can be tracked together.

To maintain batches against an Item you need to mention 'Has Batch No' as yes in the Item Master.

You can create a new Batch from: Stock > Documents > Batch > New

For the Batch item, updating Batch No. in the stock transactions (Purchase Receipt & Delivery Note) is mandatory.

Purchase Receipt

When creating Purchase Receipt, you should create new Batch, or select one of the existing Batch-Master. One Batch can be associated with one Batch Item.

Delivery Note

Define Batch in Delivery Note Item table. If Batch item is added under Product Bundle, you can update its Batch No. in the Packing List table as well.

Batch-wise Stock Balance Report

To check batch-wise stock balance report, go to: Stock > Standard Reports > Batch-wise Balance History

2.5 Article: Others

1. Sales Return Use Cases
2. Managing Fractions In UOM
3. Repack Entry
4. Material Transfer from Delivery Note
5. Mode of Payment

1. Sales Return Management

In an event of Sales Return, the following adjustment pertaining to stock and accounting can be handled in multiple ways. Let's check what stock and accounts posting would be posted based on the Sales Return adjustment.

Return Without Payment

If a customer request for the returns even before processing a payment, then you can simply:

1. Cancel the Sales Invoice.
2. Create a Sales Return against a Delivery Note

If your statutory laws don't allow you to cancel the Sales Invoice, you can create a Credit Note against a Sales Invoice as well.

Paid Sales Invoice - Adjustment via Credit Note

This is a scenario where the customer purchased an item from you for which Sales Invoice as submitted, and also paid.

1. Create a Credit Note against a Sales Invoice.
2. In the Sales Invoice, check field "Is Paid". Ensure that Payment Account / Mode of Payment is selected in the relevant table.
3. If you wish to also return items via Sales Invoice itself, check field "Update Stock".
4. Save and Submit Credit Note.

As per this entry, the sold items will be accepted back in your Warehouse. Also, the payment received from the Customer will be reversed.

After the Credit Note creation, the Outstanding Balance of Sales Invoice will turn negative. This will give you scope to adjust this Sales Invoice (with a negative balance) to adjust against the future outstanding Sales Invoice.

Unpaid Sales Invoice - Credit Note
In the case of Sales Return where the customer didn't process any payment, you can simply create a Credit Note. On creation of Credit Note, Outstanding of the Sales Invoice will become negative.

For the Adjustment of stock, you can create a Sales Return against Delivery Note or in the Credit Note itself, check field "Update Stock".

2. Managing Fractions in UOM

UoM stands for Unit of Measurement. Few examples of UoM are Numbers (Nos), Kgs, Liter, Meter, Box, Carton etc.

There are few UOMs which cannot have value in decimal places. For example, if we have television for an item, with Nos as its UoM, we cannot have 1.5 Nos. of television, or 3.7 Nos. of computer sets. The value of quantity for these items must be whole number.

You can configure if particular UoM can have value in decimal place or no. By default, value in decimal places will be allowed for all the UOMs. To restrict decimal places or value in fraction for any UoM, you should follow these steps.

UOM List

For UOM list, go to: Stock > Setup > UoM. From the list of UOM, select UOM for which value in decimal place is to be restricted. Let's assume that UoM is Nos.

Configure

In the UoOM master, you will find a field called "Must be whole number". Check this field to restrict user from enter value in decimal places in quantity field, for item having this UOM.

Validation

While creating transaction, if you enter value in fraction for item whose UOM has "Must be whole number" checked, you will get error message stating:

Quantity cannot be a fraction at row #
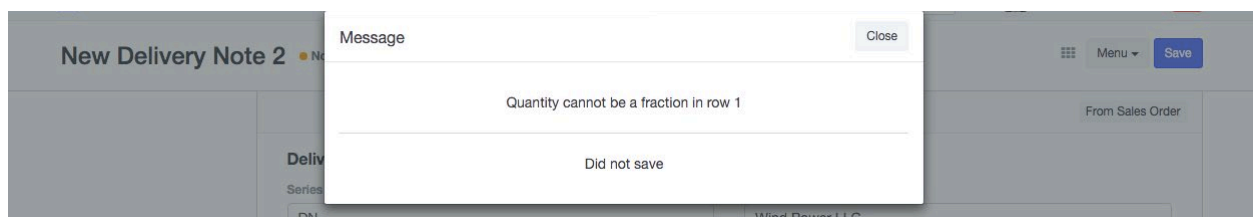
3. Repack Entry

Repack Entry is created for item bought in bulk, which is being packed into smaller packages. For example, item bought in tons can be repacked into Kgs.

Notes: 1. Purchase Item and repack will be have different Item Codes. 2. Repack entry can be made with or without BOM (Bill of Material).

In a Repack Entry, there can be one or more than one repacks items. Let's check below scenario to understand this better.

Assume we are buying boxes of spray paint of specific color (Green, Blue etc.). And later re-bundling to create packs having multiple colors of spray paint (Blue-Green, Green-Yellow etc.) in them.

1. New Stock Entry

Stock > Documents > Stock Entry > New Stock Entry

2. Enter Items

Select Purpose as 'Repack Entry'. For raw-material/input item, only Source Warehouse will be provided.

For repacked/output items, only Target Warehouse will be provided. You will have to provide valuation for the repack items.

Update Qty for all the items selected.

3. Submit Stock Entry

On submitting Stock Entry, stock of input item will be reduced from Source Warehouse, and stock of repack/output item will be added in the Target Warehouse.

4. Material Transfer from Delivery Note

In ERP+, you can create Material Transfer entry from Stock Entry document. However, there are some scenarios in the Material Transfer where it needs to be presented as a Delivery Note.

Scenarios

1. One of the examples is when you transfer a Material from your stores to project site, however, you need to present it as a Delivery Note to the client.
2. Also, there are statutory requirements where taxes are to be applied on each transfer of Material. It is easier to manage in a transaction like Delivery Note, than in the Stock Entry.

Considering these scenarios, the provision of Material Transfer has been added in the Delivery Note as well. Following are the steps to use Delivery Note for creating Material Transfer entry.
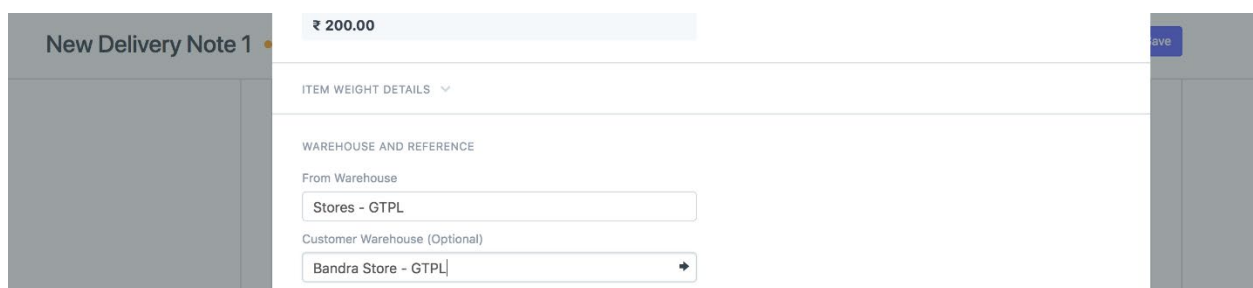
Steps

Enable Customer Warehouse
Delivery Note Item doctype as a hidden field of Customer Warehouse. You can enable it from Customize Form. Here is the quick demonstration of the same.

Select Warehouses
When creating a Delivery Note for Material Transfer, for an item select source Warehouse as From Warehouse.

In the Customer Warehouse, select a Warehouse where Material is to be transferred or select a target warehouse.

On the submission of a Delivery Note, item's stock will be deducted from "From Warehouse" and added to the "Customer Warehouse".

5. Mode of Payment

In the sales and purchase transactions, there are various options to settle the payment. We can do it in cash, via bank transfer, via promotion voucher to list a few. In ERP+, you can create Mode of Payments as per your requirement. In the Payment Entry, you can select the Mode of Payment applicable.

You can manage standard Mode of Payments and create new ones from: Accounts > Setup > Mode of Payment

In each Mode of Payment master, you can also set a default payment account. On selection of Mode of Payment, the respective payment account will be fetched automatically in the transaction.