FitriX™

Inventory Control

User Guide

Version 5.20

Fitrix™

Inventory Control ♦ *User Guide*

Version 5.20

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Fourth Generation Software Solutions Corporate: (770) 432-7623
700 Galleria Parkway, Suite 480 Fax: (770) 432-3447
Atlanta, GA 30339E-mail: sales@fitrix.com
http://www.fitrix.com

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Introduction to Inventory

This chapter contains the following information designed to introduce you to Fitrix Inventory Control:

- Inventory Control—Highlights
- Inventory Control—Features / Functions Highlights
- Introduction to Inventory Control
- Overview of Inventory Control
- Deleting Active Inventory

Inventory Control—Highlights

One of the biggest factors in cash flow management is the effective management of inventory levels because inventory is one of the largest investments a company makes. A good software solution needs to provide you with up to date information on what's in stock, where it's located, how much of it you sell, and when you will run out. Without this information you run the risk of stock outs and overstocks which in turn can produce inferior customer service and reduced profitability due to lost sales and high carrying costs.

The Fitrix Inventory and Replenishment modules provide you with the tools to effectively manage your inventory. Your on hand quantities are updated when the purchase order is received. During order entry you can see what is on hand, what is allocated to customer orders and the order detail, what is on backorder and the order detail, and what is due to be received and the estimated receipt date. The replenishment module tracks what is being sold and how much needs to be ordered and when to avoid overstock and stock out situations. Also included is extensive reporting capabilities, maintenance programs for physical counts and adjustments, and the ability to maintain inventory in multiple distribution centers.

Inventory Control—Features / Functions Highlights

- **Modular Integration** – Direct integration with Fitrix Replenishment, Purchasing, and General Ledger.
- **Item Code Unit Of Measure** – automatically converts prices and quantities among purchasing, stocking, and selling units.
- **Item Classification** – assign an item class code to each item for reporting purposes or to group for special pricing discounts.
- **Incremental Units** – for items that you must sell or purchase in increments of 2 or more, set the incremental quantity so that purchases orders and customer orders must have quantities in these increments.
- **Serial and lot number tracking**.
- **Cost Method** – cost method can be set to average, FIFO, or LIFO.
- **Transaction History** – ability to see per item the sales and purchasing history online for each month with drill-down to document detail.
- **Item Status** – ability o drill down from the quantity on hand to see:
  - Quantity allocated to customer orders with order detail
  - Quantity on back order with order detail
  - Outstanding purchase orders and the estimated receipt date with PO detail.
- **Multiple warehouses** – a separate inventory for each item can be maintained at any number of geographical locations.
- **Warehouse Transfers** – a picking ticket is created for transfers between distribution centers, freight can be added to the transaction prior to posting so that the receiving center receives the items at a landed cost, and the option to fulfill customer backorders in the receiving center.
- **Physical Count** – inventory can be easily counted and adjusted. Count sheets are printed, variances are entered, a variance report lists quantity and valuation differences, and the post program updates the quantity on hand and General Ledger.

Reporting

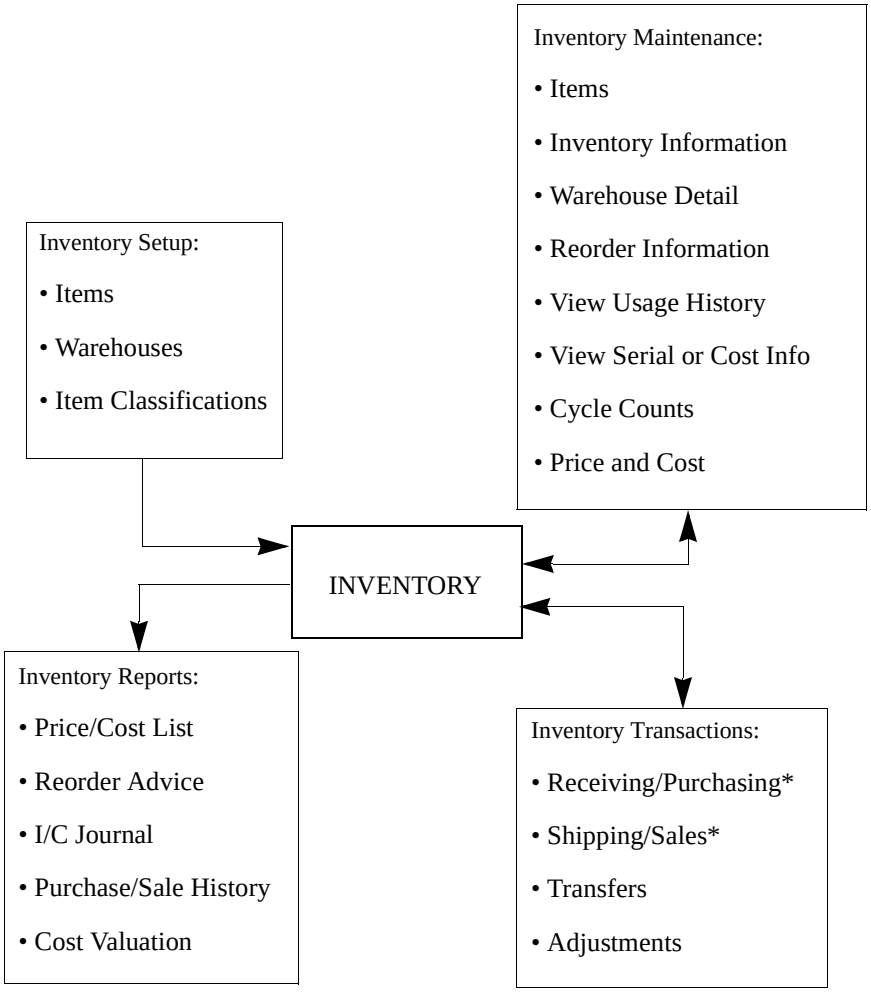
Reports available include:

- Stock List Report
- Stock Status Report
- I/C Journal By GL Account Number
- Cost Valuation
- Price/Cost List
- Reorder Advice
- Purchase/Sales History
- Inventory Status
- Physical Inventory Reports (count sheets and variance report)

Inventory Control Overview

Fitrix Inventory Control provides the functionality you need to make a team of the computer and the users. This team concept is important because in today's economy the primary goal of any company is to cut costs and still maintain a high degree of service.

There are many elements to inventory management and Fitrix Inventory Control handles these different elements via a menu-driven system that allows users easy data entry and quick access to critical information:



* These functions are handled by Fitrix Purchasing and Order Entry if installed

Setting Up Your Inventory

Inventory control begins with setting up and organizing your inventory system so you can manage it effectively. With Fitrix I/C you set up your system by defining codes and defaults. Using codes to reference detailed information and defaults to automatically enter information maximizes efficiency by minimizing the effort it takes to access information.

The first step in setting up your inventory system is to define "reference files." Reference files allow you to define codes with detailed information: the system references the detailed information whenever someone enters the code. For example, to define a warehouse, a user assigns it a unique code and then defines that code using basic information about the warehouse—description, contact, address, etc. At data entry, instead of entering detailed information the user simply enters the code, and the system looks to the reference file for the details.

Beyond the increased efficiency from defining codes that reference detailed information, users can set up defaults for the system. Setting up defaults saves users time by automatically entering information that is the same across input functions. Where necessary, users can override default entries.

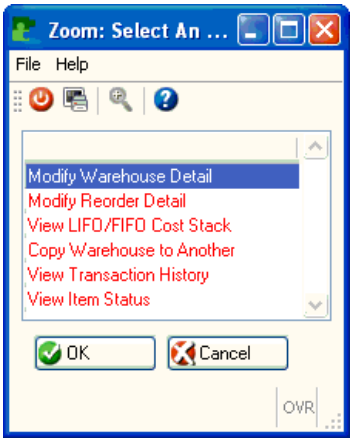
With reference files set up, users can enter codes for each inventory item. Users define inventory item codes with the following information:

- A description of the item
- An item classification (for reporting and selecting)
- Serialized and/or lot control code
- Units of measure for the item (stocking, purchasing, selling)
- Weight and volume for a stock unit of the item
- Account numbers to the item (Sales, Inventory, and Cost of Goods)

When you add an item to your system and define it as stated above, this represents the "header" information for the item, meaning this information is specific to the item and remains constant even though you may stock this item in several different warehouses; that is, this item has this description no matter where it is stored. Information that is specific to a warehouse is set up in the Item Warehouse Detail.

I/C has multiple warehouse capabilities, so you can set up a particular item in any number of the warehouses defined.

You use a "picker menu" (shown below) for updating and viewing detail information for specific items in specific warehouses. At the warehouse level, users can bring up this picker menu and select the option they need. (The options will differ depending on whether they are setting up the inventory or updating current information.)



Modify Warehouse Detail allows users to enter the following information for an item in a particular warehouse:

- Cost, Price, and Average Cost
- Inventory location by Isle, Row, and Bin
- Cycle count code
- On hand quantity (during initial setup of inventory)
- Vendor and vendor item code
- Selling information—minimum sell quantity, backorder status, tax status, commissions, and discounts

Inventory Transactions

Once your system setup is complete, you can begin processing transactions:

- Receiving
- Shipping
- Transfers
- Adjustments

Each transaction follows a three-step process: 1) Enter the transaction 2) Print an edit list; 3) Post the transaction.

If you have Fitrix Purchasing and Fitrix Order Entry installed, these modules handle the receiving and shipping functions, plus they have more tracking capabilities.

Maintaining Accurate Numbers

The next step to successful inventory management is the accurate representation of your physical inventory within the system. Users need to feel confident that the numbers they see in the system are accurate. If a salesperson sees a quantity of 20 on hand, she needs to feel confident that the 18 items her customer ordered will actually ship: she does not have to call the warehouse or worse, go and check to make sure there are really 20 in stock. Accurate inventory information is critical for making a team of the computer and the user.

Fitrix I/C provides a Cycle Count feature as a means to keep inventory quantities up to date. Cycle counts are much more effective than an annual or biannual inventory count for keeping inventory quantities accurate, because you count smaller portions of your inventory more frequently. The items included on a particular cycle count can be based on a number of selection criteria:

- Item code
- Warehouse stock location
- ABC class
- Cycle count code

You can create count sheets for two types of cycle counts: Regular cycle counts, where the system prints the quantity on hand on the count sheet, and Blind cycle count, where the system does not print the quantity on hand. Included in the cycle count capabilities is an Over/Short report so you can review discrepancies, and a count adjustment option (Update Count Sheets) so you can adjust inventory based on cycle count results.

There are options on the Maintenance menu that allow you to change the price or cost of items in a specific warehouse. You can change the price or cost of inventory either on a per item basis, where you select an item in a certain warehouse and adjust the price or cost, or you can automatically adjust the price or cost by a certain percentage for a selected group of items.

Reordering the correct quantities at the right time is another key element for controlling costs and maintaining service. Using the second option on the Warehouse Detail picker menu, a warehouse manager and/or buyer can enter the following Reorder Information for each item in a particular warehouse:

- Reorder Quantity
- Reorder Point
- Safety Stock
- Average Lead Time

When you begin to purchase inventory, the system automatically updates the quantity on hand and lead times. You utilize reorder information via Print Reorder Advice report. Whenever you run the report, the system looks at the inventory and gathers all the items that are at or below their reorder point and prints the amounts of these items you should reorder based on reorder quantity and safety stock.

Accurate inventory numbers are essential for inventory control. Utilizing the Cycle Count feature, Update Price and Update Cost features, and Reorder information, inventory managers can lower inventory costs and maintain high service levels, which is good business.

Access to Detail Information

How do users access the information they need? With Fitrix I/C, they can access information online or with printed reports. The options on the Warehouse Detail picker menu, with exception to Copy Warehouse, allow users to view the following information:

- LIFO/FIFO Cost Stack can show the purchase hierarchy, including quantity purchased, item cost, and vendor.
- Usage History allows users to see the total cost and total sales amounts for the past months of the current fiscal year, and the quantities associated with the cost and sales totals. They can Zoom to a specific line to see the transactions that occurred in that month.
- Item Status allows users to see the quantities of a specific item that are in the following stages:
    - On hand (available for sale)
    - Committed (on sales orders)
    - On backorder
    - On request via purchasing requisitions
    - On purchase order / transfer

Reports are the "snapshots" of your inventory that users can review to determine the status of the inventory. Managers use this information to make decisions about what transactions to perform, keeping in mind the objectives of reducing costs and maintaining service. Users can print, either to the screen or printer, summary and detail reports for general inventory information via print options on the Inventory Maintenance menu. They can print journal and warehouse detail information with options on the Inventory Reports menu.

Overview Summary

This overview described some of the main features of Fitrix Inventory Control. Here is a quick review and basic flow of the processes in I/C:

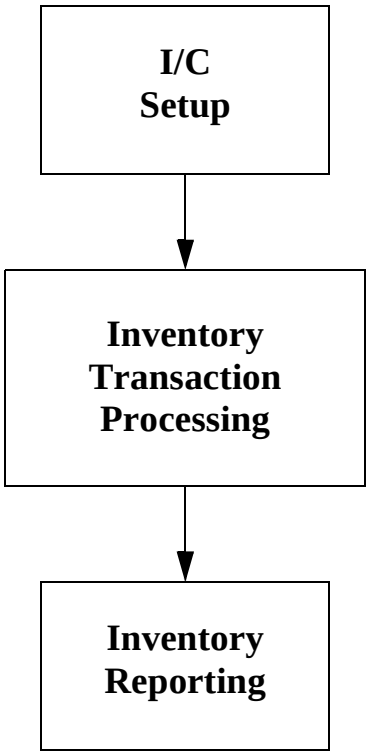
- Set up your inventory, starting with reference files and defaults; add inventory items and set them up in different warehouses.
- Once setup is complete, you can begin transaction and maintenance processes, which can include receiving, shipping, transferring, adjusting inventory. These transactions are designed for simplicity and accuracy via a three-step process (Update → Print → Post).
- Keep inventory accurate by utilizing cycle counts and price and cost updates; maintain adequate inventory level via reorder information.

- Inventory reports allow you to print out current information so you can make accurate decisions about inventory control.

All these features and processes will help you manage your inventory more efficiently, which will lower costs and help maintain a high service level.

I/C Accounting Cycle

The following diagram illustrates the basic Fitrix I/C accounting cycle, which follows the basic accounting cycle. After the Company Setup is complete, there is the module-specific I/C setup, transaction processing, and end of period activities:



General Information

Reference Files

When you first set up your Inventory system, you must set up a variety of reference files. The entries in these files are used throughout the Inventory Control system. The description of each of these reference files below includes the menu and menu option used to setup and maintain the file, and what is stored in the file.

Company Information file

Access this file with the Update Company Information option on the Setup Company Menu. This file contains your company's name and address for reports, Multilevel Tax status, and department codes and descriptions. You can use department codes to assign income and expenses to departments or divisions within your company. The use of department codes is optional and can be invoked or changed at any time.

Account Number Ranges file

Access this file with the Update Account Number Ranges option on the Setup Company Menu. This file stores the range of account numbers associated with each type of account: Asset, Liability, Income, etc.

Ledger Accounts file

Access this file with the Update Ledger Accounts option on the Setup Company Menu. Each document in this file is one of your general ledger accounts. Information stored here includes the account number, its description, an optional subtotal group, and whether or not the account is increased with a credit or debit.

Checking Accounts file

Access the Update Checking Accounts option on the Setup Company Menu. This file stores the number and description for each asset account designated to serve as a checking account.

Inventory Defaults file

Access this file with the Update Inventory Defaults option on the Setup Inventory Menu. This file stores a variety of default entries and provides default values on forms throughout the Inventory Control system.

Warehouse file

Access this file with the Update Warehouse Definitions options on the Setup Inventory Menu. Each document in this file stores a code that represents a warehouse, its description, the shipping lead time for this particular warehouse, and an optional department code, which represents the department to which the transactions involving this warehouse were posted.

Commissions file

Access this file with the Update Commission Definitions option on the Setup Inventory Menu. This file stores a commission code, its description, and a percentage rate associated with the code. Commission rates can be associated with the warehouses that stock an item. If other Fitrix Accounting modules are installed, commissions may be associated with customers, customer shipping locations, specific orders, and specific salespeople.

Item Classifications file

Access this file with the Update Item Classifications option on the Setup Inventory Menu. Each document in this file stores a code that represents a single item class and the description of this item class. Item classes are used to group inventory for reports, count physical inventory, etc.

Inventory file

Access this file with the Update Inventory Information option on the Inventory Maintenance Menu. This file is the most frequently used file of your inventory control system. You can add new inventory items, and view, update, and store extensive information pertaining to each inventory item. It contains general information for each warehouse that stocks an item, and via submenus, you can view, update, and store detailed information for each warehouse that stocks an item (price and cost structure, location and count information, vendor and selling information, movement history, etc.).

Units of Measure

Cost, price, and quantity for each inventory item are stored in the system as Stock Keeping Units (SKU's). When you purchase or sell items, the system converts the cost, price, and quantity to purchase or sell units, respectively.

This conversion process is handled automatically by the system once you have set up the conversion factors.

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Company Setup Menu

The Setup Company Menu contains the following topics:

- Setting up Company Information
- Account Number Ranges
- Ledger Account Numbers and Descriptions
- Desginating Checking Accounts

Order of Setup Steps

When you set up reference files, the order of steps is designed so that earlier steps add information that can then be accessed automatically in the course of later steps. For instance, once you have set up account number ranges, any time an account number is entered the system can automatically tell you what type of account it is (for example, whether it is an asset or liability account). Conversely, if you try to perform setup steps out of order (for example, setting up account numbers before defining account ranges) you may defeat the system's capacity to provide useful data-entry information through automatic lookups.

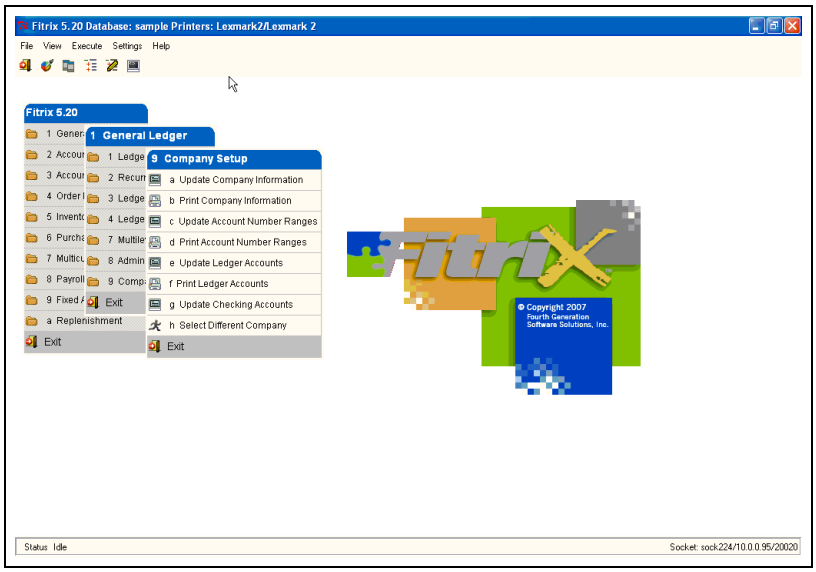
The setup steps that apply to all Fitrix modules (performed through options on menu 9, Company Setup menu) are covered in detail in *Learning Fitrix*. They are discussed here because the information they include forms the basis for later, G/L-specific setup steps.

For example, ledger accounts are typically set up for company-wide use through the Company Setup menu (menu 9), available in any Fitrix module. Account Groups, which assign a code to a certain selection of those ledger accounts for data-entry purposes, are set up through the Ledger Setup menu (menu 4) of G/L.

Reference Information Options

Options on the **Company Setup menu** are used to create the basic structures of the G/L—the Chart of Accounts and any sub-departments you choose to set up within your company.

The Setup Company Menu:



Menu options for reference file setup:

- **Update Account Number Ranges (9-c)** allows you to define the number of digits that will be the standard for your ledger accounts, and to define the limits of the numeric ranges that correspond to different account types.
- **Update Ledger Accounts (9-e)** is used to create or modify your Chart of Accounts. It is also used to specify contra accounts and to set up optional subtotal groups of accounts for reporting purposes.
- **Update Checking Accounts (9-g)** (optional) is used to designate certain cash accounts as checking accounts. This allows you to use the check reconciliation feature in Accounts Payable.

Information Checklist for Reference File Setup

- Decide on company divisions that will be assigned department codes for reporting purposes (or use the default of a single department “000”).
- If using departments, create department codes of up to three characters.
- Decide number of digits to be used in account numbers.
- Modify Account Number Ranges to correspond to account numbering.
- Create a list of account numbers and account descriptions to be added.
- Define subtotal groups (if any) to be assigned within account ranges.

Company Information

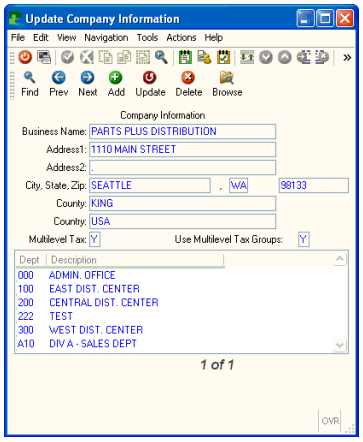
Use this program to store basic company information—your business name and address, department codes, and whether or not you will use the Multilevel Tax feature.

Multilevel Tax features are used in conjunction with Fitrix Accounts Payable and Accounts Receivable modules to track costs and prices that are subject to more than one type of tax. For information about the use of Multilevel Tax features, see *Getting Started with Fitrix*.

Update Company Information

This option is used to set up and maintain the Company file. This file stores data regarding the name and address of your company, which is used on reports. In addition, department codes—used if you intend to assign income and expenses to departments—are stored here. Refer to the definitions for departments and profit centers in Appendix B: Glossary for further information.

The Company Information screen:



When you first use the system, the company information fields have default data provided in both the sample and standard company data sets. This data is included merely as a sample, and should be modified to represent your company.

The data in the Company table is unique to each database (i.e. company). The table contains one and only one record; therefore, the commands on the command prompt, with the exception of Update and have been disabled. The name and address entered in the Company Information section appear on all reports generated by the system.

The Company Information screen contains the following fields:

1. **Business Name:**

   This alphanumeric field may be up to 30 characters in length, and contains your company's name. The entry in this field will be displayed on reports generated by the system.

2. **Address1*:***

   This is the contact address of the company. Up to 30 alphanumeric characters may be entered.

3. **Address2:**

   This field provides an additional 30-character address line for suite number or other address information.

4. **City, State, Zip:**

   Enter the city, state, and zip code for your company.

5. **County:**

   Up to 30 alphanumeric characters may be entered.

6. **Country:**

   This field may contain up to 30 alphanumeric characters.

7. **Multilevel Tax:**

   Set to Y only if using Fitrix modules that have multilevel tax capabilities (AP, AR, OE, PU). See the chapter on multilevel tax for more information.

8. **Use Multilevel Tax Groups:**

   Unless you enter a “Y” in the Multilevel Tax field, this field is skipped. See Chapter 7 - Multilevel Tax for more information.

The Department section of the form stores up to one hundred department codes. The department field is alphanumeric, allowing you to establish numeric or alphabetic (or a combination) codes. The use of department codes for tracking income and expenses is completely optional.

1. **Department Codes:**

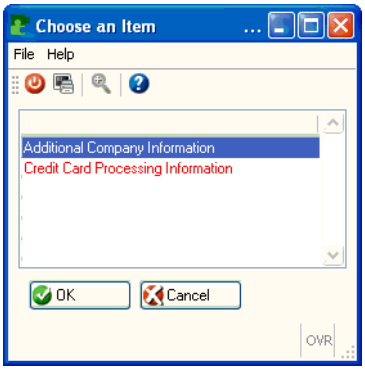
   In this column, you enter a department code that identifies a profit center, a division of the company, etc. Throughout the Fitrix *Business* modules, you have the option of posting sales and expenses to specific departments. This is a three-character field.

2. **Description:**

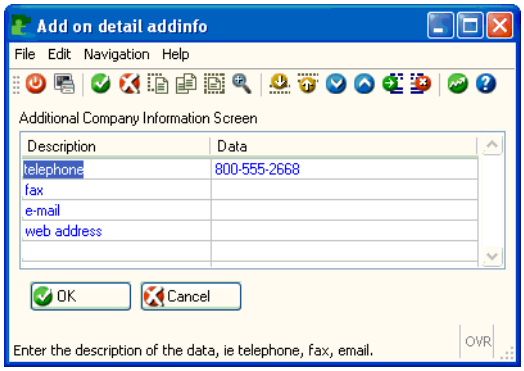
   In this column, you specify the department name associated with the department code in the same row. Your alphanumeric department name may be up to 30 characters in length. This Company Information Form is used to specify the name and address to put on your reports and the “profit centers” or “company divisions” to associate with various department codes.

Additional Company Information

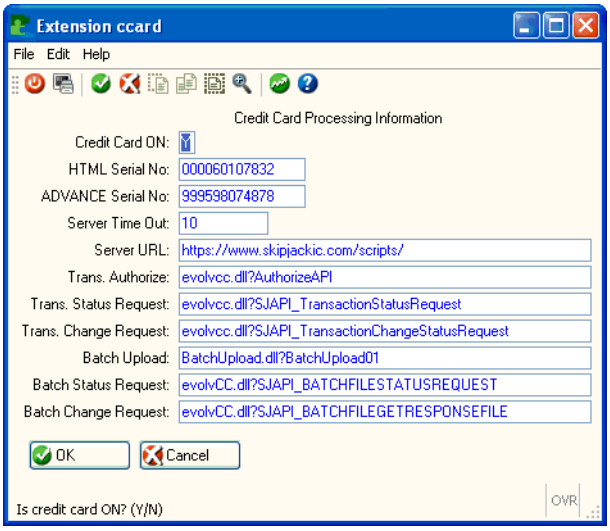
If you click on Zoom , the following screen displays:



Additional Company Information – this screen is used to store additional information such as telephone number, fax number, etc.



Credit Card Processing Information- if you are using credit card processing in Order Entry, it is in this screen that you enter the interface information. See the *Order Entry User Guide* for more information.



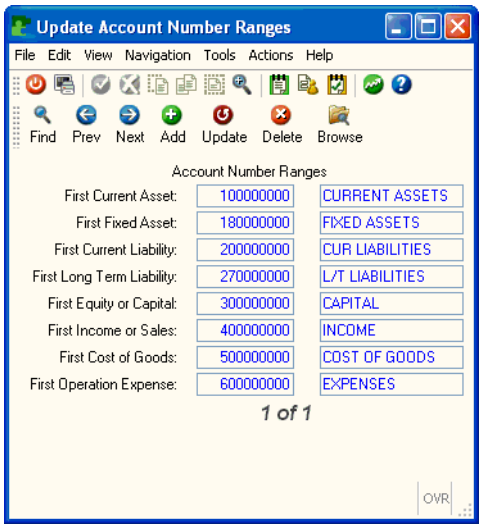
Print Company Information

This program prints a hardcopy of information entered under the Update Company Information option.

Account Number Ranges

The way that all these different types of accounts are identified to the computer system is by account numbers. After deciding upon a list of accounts, you need to assign a unique account number or "account code" to each account. In the Fitrix system, this "code" is a number that consists of up to nine digits. You assign these numbers so that the numbers of similar accounts all fall within the same numeric range. Fitrix lets you assign these ranges.

The Account Number Ranges screen:



These ranges can be changed by the user, but types of accounts always fall in this order. For example, Fixed Assets accounts always start on the number after the last Current Assets account. You do not, of course, have to actually use this number, but the posting program recognizes it as that type. Fitrix comes with a default Chart of Accounts, which you can use as a guide for assigning your own account numbers. Once you have chosen the account numbers you want to use, you can change that default list by changing, adding, or deleting the accounts used.

IMPORTANT: There is a direct connection between account number ranges and individual account numbers. The account number ranges should be set up prior to setting up individual accounts. When an account is set up, the program accesses the Account Range file to determine the type of account (more specifically, whether the account balance should be increased with a credit or debit).

If you change the account ranges, you must update or delete the affected accounts in your Chart of Accounts, because the account type is determined when the account is created or updated.

Types of Ledger Accounts

The Fitrix *Business* system recognizes eight different types of ledger accounts. Five of these account types appear on the company's balance sheet and describe its net worth.

- **Current Assets** are liquid assets such as cash or Accounts Payable.
- **Fixed Assets** are property such as furniture and real estate.
- **Current Liabilities** are debts that must be paid in the short term such as payroll or accounts payable.

- **Long Term Liabilities** are debts that must be paid over a long period of time, such as mortgages or business loans.
- **Capital accounts** are those accounts that contain the value of your business, such as stock and retained earnings.

The next three types of accounts are those that appear on the income statement (or profit and loss statement) and describe how your company performed for a given period.

- **Income accounts** show the sources of your income.
- **Cost of Goods accounts** are expense accounts that show what you paid for your merchandise. They are also called “selling expenses” because they are directly tied to making sales.
- **Expense accounts** categorize all of your other expenses such as rent, salaries, utilities, etc.

Print Account Number Ranges

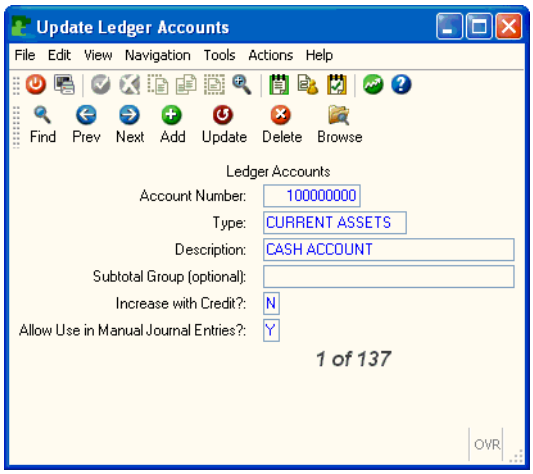
This program prints a hardcopy of information entered under the Update Account Number Ranges menu option.

Ledger Accounts

The previous step created the ranges of account numbers that correspond to account types. At this point the individual ledger accounts comprising the Chart of Accounts must be entered into the **Ledger Accounts** table, using numbers defined by these ranges.

To view examples of ledger accounts, see the sample Chart of Accounts provided with the sample database (“sample company”).

The Ledger Accounts screen:



Account Number:

Enter an account number of up to nine digits. The Type and Increase with Credit field are filled in by the system accourding to your predefined account number ranges.

Description:

Enter up to 30 characters.

Subtotoal Group (optional):

Subtotal groups (optional) are assigned for a certain range of contiguous accounts for the purpose of creating a subtotal on reports. The description prints on the report along with the subtotal for the accounts.

Increase with Credit:

The **Increase with Credit?** field displays a default of “Y” or “N” according to the standard method for increasing the balance of this type of account. For example, if the account number range for Income is 400000000 - 499999999, and the account number you type in is 410000000, when you press [ENTER] the default of “Y” for Income accounts—balance increases with a credit—displays in the Increase with Credit? field.

If you are adding an account whose purpose is to offset other entries that fall within the same Type, change the default here to indicate that this account’s balance will be increased with the opposite of the normal entry. For example, an account with a number of 420000000 for Returns and Allowances falls within the Income range of account numbers. However, the Increase with Credit? field for this account is set to “N” to define its balance as increasing with a debit.

Allow Use in Manual Journal Entries:

If this value is set to N the user will not be allowed to use this account number in the Update Journal Entries program. There are some account numbers that have their GL balance maintained by the system (Example-Trade Accounts Receivable and Trade Accounts Payable) and therefore manual journal entries to these accounts should not be allowed.

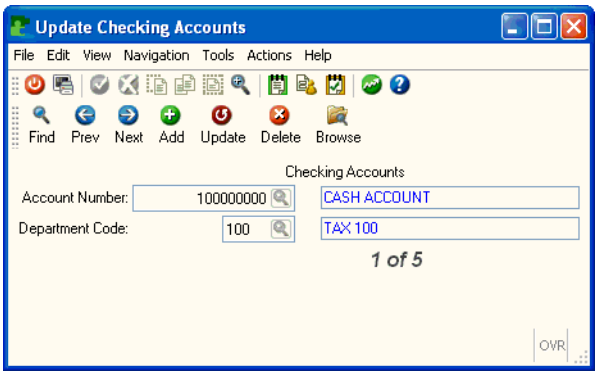
Printing Ledger Accounts

This program prints a hardcopy of information entered under the Update Ledger Accounts menu option. This report should be checked to verify data-entry accuracy.

Checking Accounts

If Fitrix Accounts Payable is installed on your system, cash accounts from which you issue checks can be set up as checking accounts. This will allow you to use the A/P check reconciliation feature. See Chapter 5 in the *Accounts Payable User Guide.*

The Checking Accounts form:



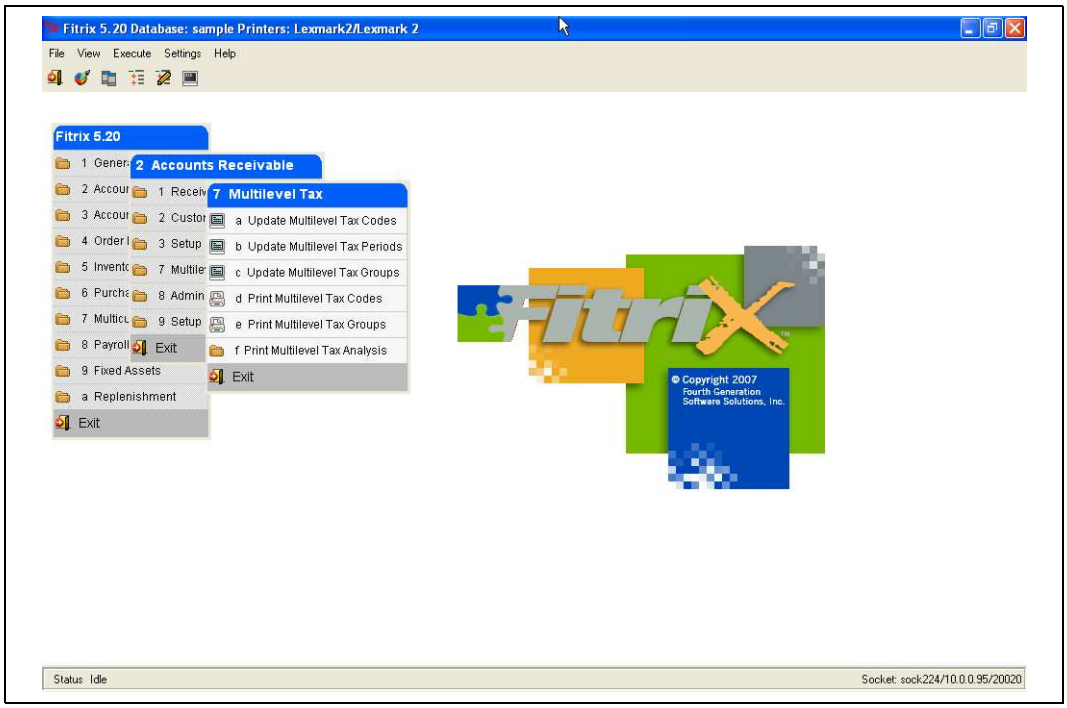
3

Multilevel Tax Menu

This menu contains options that are used only with multilevel tax. Multilevel taxes are used to assign up to four tax codes to a single line item.

Multilevel Tax Menu

The Multilevel Tax Menu:



Update Multilevel Tax Codes

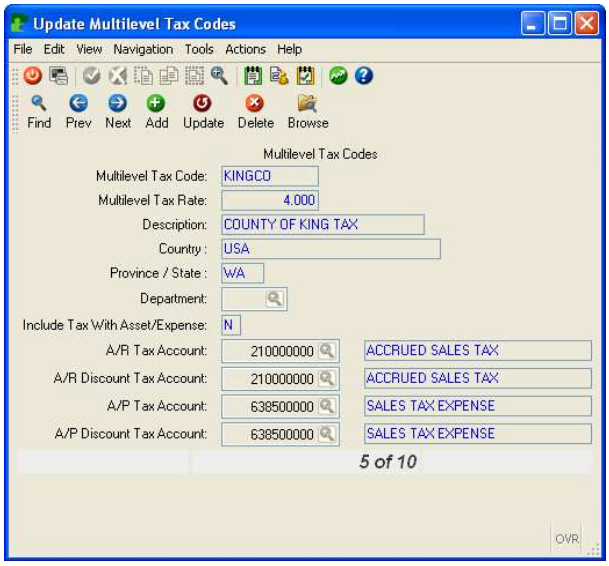
The tax codes entered here are used with the multilevel taxes feature. The multilevel tax feature is used in the Accounts Payable, Accounts Receivable, and Order Entry modules.

When you plan to switch to multilevel taxes, you need to set up your multilevel tax codes. You should perform this step *after* you set up your ledger accounts, and *before* you set up your default files.

Note

Update Multilevel Tax Codes has an "intelligent" delete function that does not allow you to delete multilevel tax codes that have activity posted to the Multilevel Tax activity file. This is similar to the intelligent delete function of Update Ledger Accounts.

The Multilevel Tax Code menu:



1. **Multilevel Tax Code:**

   This six-character field is required. It stores the code assigned to a particular tax category and rate.

2. **Multilevel Tax Rate:**

   Enter the tax rate for this multilevel tax code. Enter the tax rate in whole numbers. Example: 15% as 15 (not .15). This field is required.

3. **Description:**

   Enter the description for this tax code. This description appears when you use the Zoom feature.

4. **Country:**

   Enter the Country for this tax code. This field is not required, nor is it used by any other options.

5. **Province / State:**

   Enter the province or state for this tax code. This field is not required, nor is it used by any other options.

6. **Department:**

   This field affects the behavior of the Order Entry and Purchasing modules. You may leave it blank. Any entry must be a valid department code. If left blank, the system uses the Department Code specified for the document.

   For example, if you have a department code of 100 defined for an Order Entry invoice and you leave the Department field blank here, the tax posts to department 100. If you always want to use the same department when posting tax, enter that department in this field.

7. **Include Tax with Asset/Expense:**

   Y/N field-entry optional. This field affects the way transaction amounts from the Purchasing module post to asset or expense accounts in the General Ledger (GL). Entering Y causes tax to be included in the amount posted to the expense or asset account in the GL.

   This allows you to post the fully landed cost of inventory or assets, which is useful for US (not value added tax) and Canadian (partial value added tax) situations.

   For example, suppose your company purchases an expense item and is obligated to pay state sales tax on it. How do you want your accounting system to handle this situation? Do you want the full amount of the purchase (item plus tax) to post to the GL expense account, or just the amount of the item (purchase amount less tax)? Entering Y in this field causes the amount (item+tax) to post to the expense account in the GL.

8. **A/R Tax Account:**

   Entry Required-Zoom available. This field governs the posting of tax amounts when you are processing receivable documents (A/R invoices, credit memos, etc.) or cash receipts. Enter the ledger account to which you want to post tax amounts for these types of transactions in A/R.

9. **A/R Discount Tax Account:**

   Entry Required-Zoom available. This is the ledger account where you want to post any tax amount included in discounts allowed on customer invoices. Not all businesses track tax in this way. The setting (Y or N) of the "Calculate Tax on Cash Discounts" field (A/R Defaults form) governs the use, during the posting process, of the account number you specify in this field. If set to N, the system calculates no tax on cash discounts. In this case, the account number you enter here doesn't matter.

   However, you must enter an account here even if the "Calculate Tax on Cash Discounts" field is set to N. In this case, you should probably enter the same ledger account you used in #7 above. (Use Zoom.)

   If you set the "Calculate Tax on Cash Discounts" field (A/R Defaults form) to Y, then any discount allowed on an A/R invoice contains some tax. Keep in mind that you are defining the characteristics of a Multilevel Tax code. Suppose that, when you use this code in the future, you want to calculate tax on A/R cash discounts and account for that tax in a ledger account. In that case, you should have defined an A/R Discount Tax Account when you set up your Chart of Accounts, and you should set up the A/R Default as just described. You now enter the ledger account number for the A/R Discount Tax Account in this field.

10. **A/P Tax Account:**

Entry Required-Zoom available. This field governs the posting of tax amounts when you are processing payable documents (A/P invoices, credit memos, etc.) or Non-A/P Checks. Enter the ledger account where you want to post tax amounts for these types of transactions in A/P.

11. A/P Discount Tax Account:

Entry Required-Zoom available. This is the ledger account where you want to post any tax amount included in discounts taken on vendor invoices. Not all businesses track tax in this way.

The setting (Y or N) of the "Calculate Tax on Cash Discounts" field (A/P Defaults form) governs the use, during the posting process, of the account number you specify in this field. If set to N, the system calculates no tax on cash discounts. In this case, the account number you enter here doesn't matter.

However, you must enter an account here even if the "Calculate Tax on Cash Discounts" field is set to N. In this case, you should probably enter the same ledger account you used in the A/P Tax Account field.

If you set the "Calculate Tax on Cash Discounts" field (A/P Defaults form) to Y, then any discount allowed on an A/P invoice contains some tax. Keep in mind that you are defining the characteristics of a Multilevel Tax code. Suppose that, when you use this code in the future, you want to calculate tax on A/P cash discounts and account for that tax in a ledger account. In that case, you should have defined an A/P discount tax account when you set up your Chart of Accounts, and you should set up the A/P Default as described above. You now enter the ledger account number for the A/P discount tax account in this field.

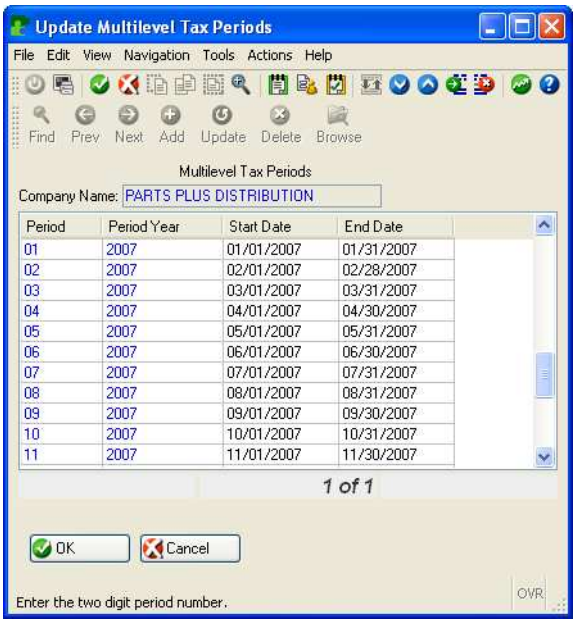
Update Multilevel Tax Periods

The periods entered with this option are used only for Multilevel Tax reports. The periods are used in the selection criteria screen displayed before the report is run. All ring menu commands have been disabled except the Update command.

Note: If you use monthly and not quarterly periods, you need to enter only the first period and the rest default correctly. If you use quarterly periods, do not accept these defaults.

The Multilevel Tax Periods menu:

.



1. **Company Name:**

   This is a system-maintained field. It is the business name of the company as entered via Update Company Defaults.

2. **Period:**

   This is the period number for this reporting period. This field is required. Once you enter a period the next period is increased to the last period plus one.

3. **Period Year:**

   This is the year of the reporting period. The default is the last period year entered.

4. **Start Date:**

   Enter the start date of this reporting period. It defaults to the day after the last end date entered.

5. **End Date:**

   Enter the end date of this reporting period. It defaults to the end of the month entered for the start date.

Update Multilevel Tax Groups

This menu option is used to enter multilevel tax groups. Tax groups handle the special cases where there are two or more taxes for a single line item. You can use up to four different tax codes and the rates associated with them in a given tax group.

Multilevel tax groups are only valid when the Use Multilevel Tax Groups field on the Company Information screen is set to Y.

Note

If there is a "Y" in the Use Multilevel Tax Groups field om the Company Information screen, you must enter a multi-level tax group code rather than a multilevel tax code for the following options:

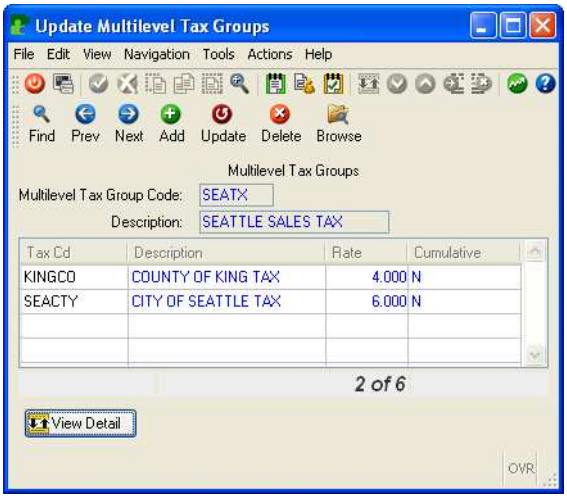
Accounts Receivable:

- Update Receivable Documents
- Update Receivable Defaults
- Update Customer Information

Accounts Payable:

- Update Payable Documents
- Update Non-A/P Checks
- Update Payable Defaults
- Update Vendor Information

The Multilevel Tax Groups form:



1. Multilevel Tax Group Code:

This is a six-character field and is required.

2. Description:

Enter a 20 character description for this tax group code. This description appears when using the Zoom feature.

3. Tax Code:

Enter a six-character multilevel tax code. The multilevel tax code must already be set up through the Update Multilevel Tax Codes program. The Zoom feature is available. When you enter the tax code, the description and rate appear for this multilevel tax code. NOTE: up to four different tax codes and the rates associated with them can be implemented within a given tax group.

4. Description:

This display only field contains the description for the multilevel tax code. The description was entered in the Update Multilevel Tax Codes option.

5. Rate:

This display only field contains the rate for the multilevel tax code. The rate was entered in the Update Multilevel Tax Codes option.

6. Cumulative:

Enter N if the tax should be calculated on the net amount (without tax) only. Enter Y if the tax should be calculated on the total of the goods amount plus the amount of tax on those goods for a tax that appears on a previous line.

For example, PST, Canada's Provincial Sales Tax, is often calculated on the price of the goods plus the amount of the federal GST (Goods and Services Tax). The tax groups are used in the following way:

Table 1: Multilevel Tax Group Code: A

Tax Code	Description	Rate	Cumulative
R	GST	.07	N
P	PST	.06	Y

The G and P tax codes must be set up in Update Multilevel Tax Codes with the appropriate rates and account numbers. For a net goods amount of $300, the following tax is calculated in invoice entry when the A tax group is used.

In this example, GST is 7% and PST is 6%:

			300.00	=	Net goods amount (without tax)
300.00	×	.07 =	21.00	=	GST
321.00	×	.06 =	19.26	=	PST
			340.26	=	Gross goods amount (with tax)

Print Multilevel Tax Codes

This program prints the information entered through Update Multilevel Tax Codes. For an example of this report.

Print Multilevel Tax Groups

This program prints the information entered through Update Multilevel Tax Groups.

Print Multilevel Tax Analysis

This menu option allows you to print a summary or a detail report.

The following Selection screen appears:

Print Analysis Summary

This report prints a summary of the multilevel tax information posted to the Multilevel Tax activity file. It prints the total debits and credits for each tax code within the ledger account, a description of the tax code, and a total of debits and credits for each account.

Print Analysis Detail

This option prints a detail report of the multilevel tax information posted to the Multilevel Tax activity file. It prints the ledger account number and description, invoice number, date, tax code, goods amount, and tax amount by account number and tax code.

The goods amount is the amount of goods sold at this tax rate. This does not include the tax. The following formula may be helpful for remembering the terminology:

Gross amount = Net amount (goods amount) + Tax amount

4

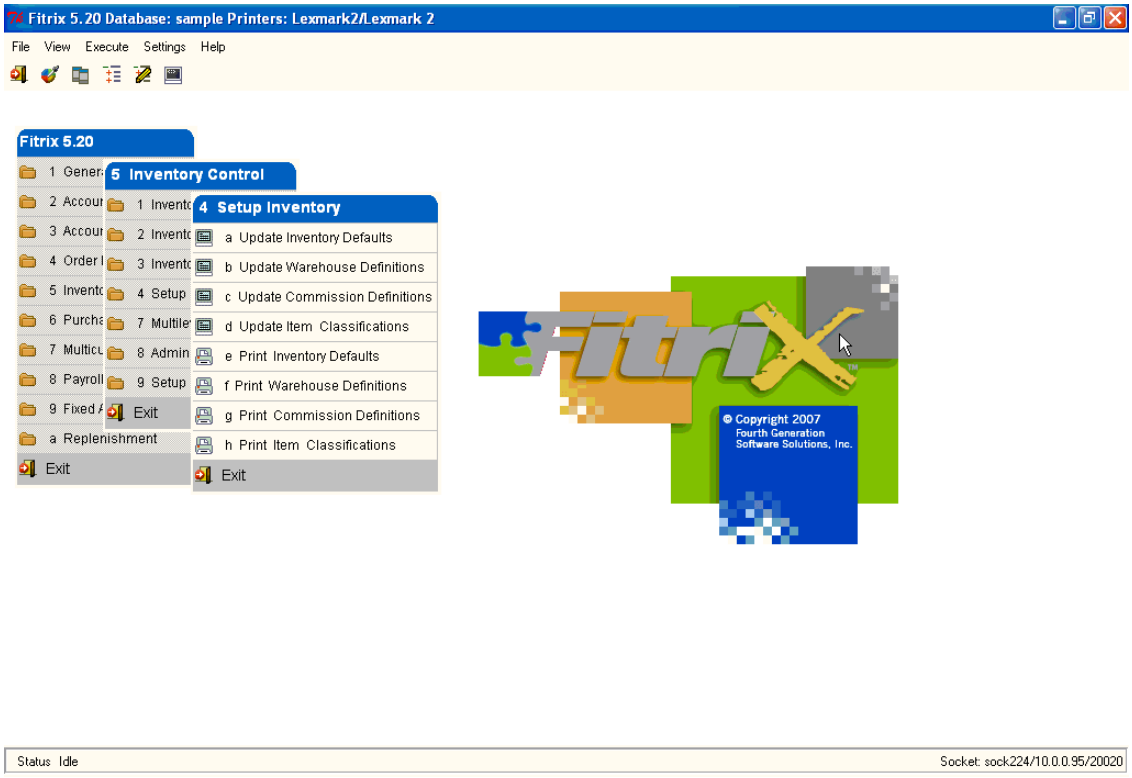
Setup Inventory

In this chapter, we describe the options, screens, and fields you use to set up I/C. You perform I/C setup after you have installed the I/C module and Company setup is complete. You must complete setup procedures before you can begin processing transactions that utilize inventory information, e.g., sales/shipping, purchases/receiving, transfers, adjustments, counts, etc. The following topics are covered in this chapter:

- Setup Inventory menu
- Inventory defaults
- Warehouse definitions
- Commission definitions
- Item classifications
- Setup complete

The Setup Inventory Menu

The options on this menu allow you to setup the reference files used throughout the Inventory Control system. “Setup” is the process by which you enter all the reference information needed before you can start recording transactions into the Inventory Control system. The Setup menu options are the first steps in preparing the system for use after installation and Company Setup is complete.



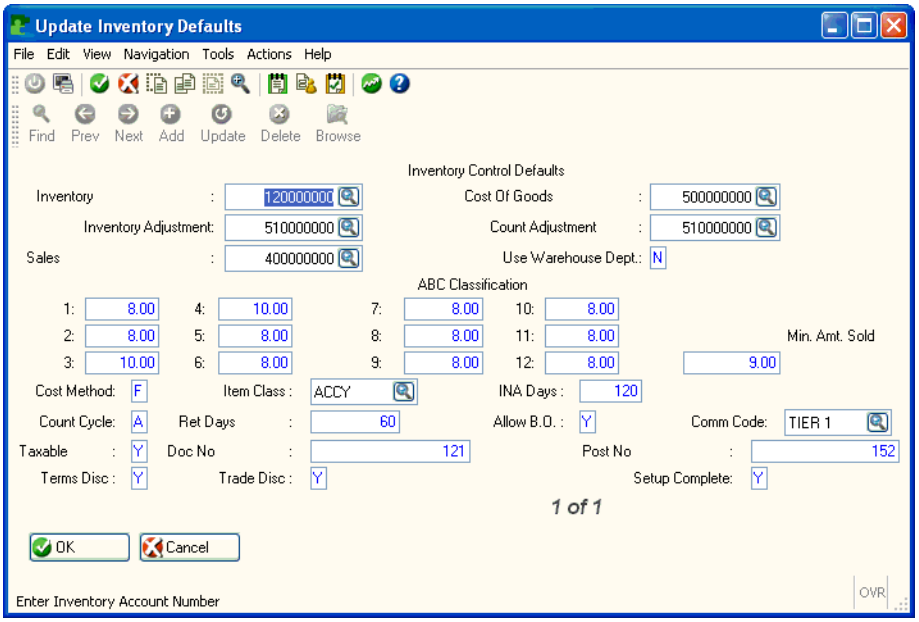
Note

Update Warehouse Definitions and Update Commission Definitions are duplicated in the Order Entry package. If you have already set these files up, it is not necessary to repeat the process for I/C.

Update Inventory Defaults

Note

Many of the defaults are based on the reference information set up for warehouses, commissions, and item classifications, along with Company information, such as ledger accounts, so you need to set these files up before you update the defaults file.



The data in the Inventory Control Defaults program is unique to each database (i.e. company). It contains only one record and therefore, the commands on the command prompt, with the exception of Update and Quit, have been disabled.

When you enter inventory items and run inventory transactions, the system automatically assigns the default values to some of the information fields. The default values may come from a number of different places, depending on the type of data. By automatically filling fields with default data, the system saves the user from retyping the same information for each transaction.

The user can overwrite default values when the transaction is entered by simply typing over the default.

Both the sample database and the standard database of the Inventory Control package come with data already entered into the default fields. You should modify this data to fit your company's application.

Below you will find a description of each field on the Inventory Defaults screen:

1. **Inventory**

   This field stores a nine-digit Inventory account number. This account is increased (debited) when you purchase inventory items and decreased (credited) when you sell inventory items. Zoom is available to select an account number from the defined ledger accounts.

2. **Cost Of Goods**

   In this field, you enter the Cost of Goods (sold) account number. As you sell inventory, this account is increased (debited). It stores the amount of the sale that represents the cost of the item. The Zoom feature is available.

3. **Inventory Adjustment**

   When you adjust quantity on hand and average cost of your inventory, the system creates a balancing transaction to the Inventory Adjustment account. That account number is stored in this field. You may use the Zoom function to select an account.

4. **Count Adjustment**

   When posting the results of your physical inventory, if there is a discrepancy between the quantity on hand stored in the computer, and the quantity counted, the system makes an adjustment to quantity on hand and a balancing transaction is made to the account number stored in this Count Adjustment field. Typically, this is the same account number as your Inventory Adjustment account. The Zoom feature is available.

5. **Sales**

   The Sales field contains the income account number to which sales of inventory are posted. This account is increased (credited) when you sell inventory items. You may use the Zoom function to select an account.

6. **Use Warehouse Dept.**

   If you are not using multiple departments, you may ignore this one-character field. This field labeled accepts a Y for "Yes" or an N for "No." It defaults to N. Y tells the system to use the departments associated with the warehouses for items when posting to the Inventory Ledger account. An N tells the system to always use the default 000 department code when posting to the Inventory account.

The ABC Classification section of the screen contains thirteen fields that allow you to classify your inventory items based on item sales or the amount of money an item moves through your inventory. It is an expanded version of the old ABC code.

These classes are then assigned to the individual item code in the Modify Reorder Detail screen. These ABC classifications are used in conjunction with the Replenishment module.

1. **Classes 1 and 2**—highest categories

   These two numeric fields make up the old A code and represent the items that move the most money through your inventory. Both of these fields default to 8.00%, which means the top 16% of your inventory will be classified as levels 1 and 2.

2. **Classes 3 and 4**—mid-level category

   These two numeric fields make up the old B code and represent those items that move moderate amounts of money through your inventory. Both of these fields default to 10.00%, i.e., 20% of your inventory will be classified as medium movers at levels 3 and 4.

3. **Classes 5 thru 12**—lowest category

   These eight numeric fields make up the old C code and represent those items that move less money through your inventory. All of these fields default to 8.00%, which means that 64% of your inventory will be classified as low money movers at levels 5 to 12, 12 being the slowest moving items.

4. **Min $ Value**

   This field holds the minimum monetary value that an item must move in a year to be assigned to one of the twelve classifications.

The lower section of the screen contains the default values the system assigns when you set up items in warehouses. Under the Inventory Maintenance Menu, using the Update Inventory Information option, you may setup one or more warehouses for each inventory item. The values entered here on the Defaults screen are the default values provided by the system when you are setting up the warehouses for an item.

Note

After setting up the first warehouse for a particular item, you can use the Copy Warehouse to Another function to copy the warehouse detail information if it is the same for both warehouses

1. Item Class

This field establishes the default item class code. Your inventory may be organized into various item categories that are useful for organizing reports, physical inventory, etc. The code entered must have previously been setup in the Item Class program. You maintain the Item Class codes via Update Product Classifications option on the Setup Inventory Menu. The Zoom feature is available.

2. **Cost Method**

This field accepts one of three different codes, each indicating a method of determining the cost of the items in your inventory. The three codes for costing methods are

- **A**— Average Cost
- **F**—FIFO (First In, First Out)
- **L**—LIFO (Last In, First Out)

Costing Methods

The I/C system must know how you cost items purchased to correctly calculate margins and post correct amounts to the ledger Cost of Goods accounts. It is quite common for you to have a single item where you purchased different quantities at different costs. In this case, how does the system know which cost to use when you sell one of these items? The cost method determines what cost the system will use.

- **Average Cost** method handles different costs by calculating the average amount paid for each item on hand. Whenever new items are purchased, the system re-calculates the average by dividing the total amount paid for all items by the total number of items.
- **FIFO (First-In First-Out**) method tracks cost by assuming that items sold or otherwise removed from inventory are the oldest; that is, first purchased, items. The system maintains a record of the number of items purchased at each different cost (the cost stack). When you sell an item, the system uses the oldest cost until the entire quantity of items purchased at that cost are sold. The next oldest cost is then used until the quantity purchased at that price is sold, and so on.
- **LIFO (Last-In First-Out)** method is, as the name implies, the opposite of the FIFO method. LIFO assumes that items sold are the most recently purchased items. The system maintains the same records for LIFO as it does for FIFO. However, when you sell an item, the cost is taken from the opposite end of the cost stack. The system uses the most recently paid cost until all items purchased at that cost are sold (unless more items are purchased at a new cost in the meantime). The value of your inventory is therefore based upon the oldest amounts you paid for any items in stock.

1. **INA Days**—inactive days

   This field is currently a reference only field, there is no functionality.

2. **Count Cycl**e—cycle count code

   In this one-character field you specify your default count cycle code. Count cycle codes provide a means of organizing the items printed on Inventory Count Sheets, which you can use to record the results of physical inventory counts. (See "Create Count Sheets" on page 5-24.)

   When you run the Create Count Sheets menu option, the system allows you select the items to include on the sheets by entering the Count Cycle and other criteria. Using count cycles allows you to designate categories of items for counting purposes. For example, you may spread your count over time: on one day, you may opt to count those items in category A and the next count day, you may count category B, and so forth.

3. **Ret Days**—retention days

   This field is currently a reference only field, there is no functionality.

4. **Allow B.O.**—allow this item to go on backorder?

   Use this field to provide a default entry for the Allow Backorder field on the Item Warehouse detail. If an item is marked Y for backorders, when someone enters an order for the item and it is out of stock, the system will create a backorder.

5. **Comm Code**—commission code

   This field stores the default code for the sales commission rate the system applies when you set up inventory items. You must have previously set the code up in the Commission program. You maintain the Commission codes with the Update Commission Definitions option on the Setup Inventory Menu. The Zoom feature is available.

6. **Taxable**

   Enter a Y or N in this field if you want the default to be either "Yes, make items taxable" or "No tax on items."

7. **Doc No**—last document number

   When initially setting up your inventory, use this field to set the starting document number you would like the first document to have. For example, if you wish the first number to be 2000, enter a value of 1999.

   As you enter transactions, this field stores the last document number the system assigned to a transaction. The system uses document numbers as a unique key to identify transactions and it assigns the number when you enter or update a transaction.

Note

Once you assign a beginning number and run transactions, it is a good idea not to change this number because if you accidently reset this number to a number preceding the original, you will get duplicate document numbers assigned.

8. **Post No**

   You use this field to set the starting number for posting reports created when you post transactions under the Inventory Transactions menu. These numbers help you to track and organize the posting reports. Once you post transactions, the system increments the number in this field to show the "last post number."

9. **Terms Disc**—subject to term discounts

   Enter Y or N for the default which means "Yes, this item is subject to any Terms Discount" or "No, this item is not subject to Terms Discount." The system applies the default you enter here to the Subject To Terms Disc. field on the Item Warehouse Detail screen when you set up an item. The Order Entry system uses this field in the process of determining whether to apply a terms discount to this item when it is sold.

10. **Trade Disc**—subject to trade discount

    Enter Y or N for the default which means "Yes, this item is subject to any Trade Discount" or "No, this item is not subject to Trade Discount." The system applies the default you enter here to the Subject To Trade Disc. field on the Item Warehouse Detail screen when you set up an item. The Order Entry system uses this setting to determine whether or not to include the item in the calculation of a trade discount at the time of sale.

11. Setup Complete

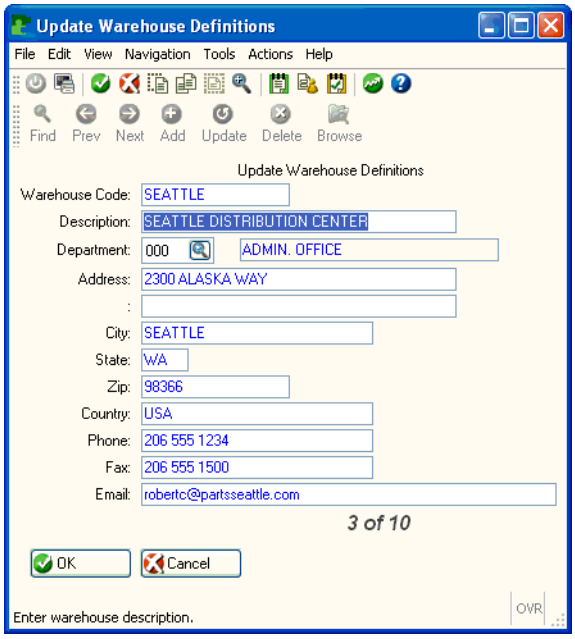
When you first install I/C, you proceed to set up your inventory, you set up the reference files and enter defaults, and actually enter inventory items into the system. During this setup phase, this field is set to N for "No I have not completed setup of my inventory." When Setup Complete is set to N, you can enter values in the Average Cost and Quantity On Hand in the fields on the Item Warehouse Detail screen, and you can enter history and cost stack information in the Usage History screen LIFO/FIFO Cost Setup screen. Once you complete the setup process and set this field to Y for "Yes setup is complete," then you can no longer update the Average Cost or Quantity On Hand: only inventory transactions (shipping, receiving, adjustments, and transfers) will cause the system to update these fields. And the Usage History and Cost Stack screens become "view only" screens.

Once all setup is completed, you will run the Valuation Report (option 3-f-a) and then enter the Inventory Grand Total value into the Inventory account in G/L. If someone changes the Setup Complete flag back to N and changes the quantity on some of the items, then the value of the inventory changes and someone will have to make the adjustment in G/L.

You can change the Setup Complete flag, but changing from a Y to N, and vice versa, only allows the user to change system maintained fields when set to N, and allows the system to post to inventory when set to Y. So if you need to make changes to system maintained fields, think about if you will need to reflect those changes in G/L, and make sure no one else on the system is trying to post to I/C.

Update Warehouse Definitions

You use this option to setup and maintain the Warehouse file which associates a code with a specific warehouse and information about that warehouse. When you select Update Warehouse Definitions (option 4-b), the system returns the Warehouse Information screen.



Each warehouse document represents one of the locations from which your company receives and ships inventory items. You can also use separate warehouses to set different cost and price information for an item.

The Update Warehouse Definitions screen contains the following fields:

1. **Warehouse Code**

   This is a unique 10-character alphanumeric code that identifies the particular warehouse.

2. **Description**—warehouse description

   This alphanumeric field stores the description of the warehouse. It may be up to 30 characters in length.

3. **Department**—department code

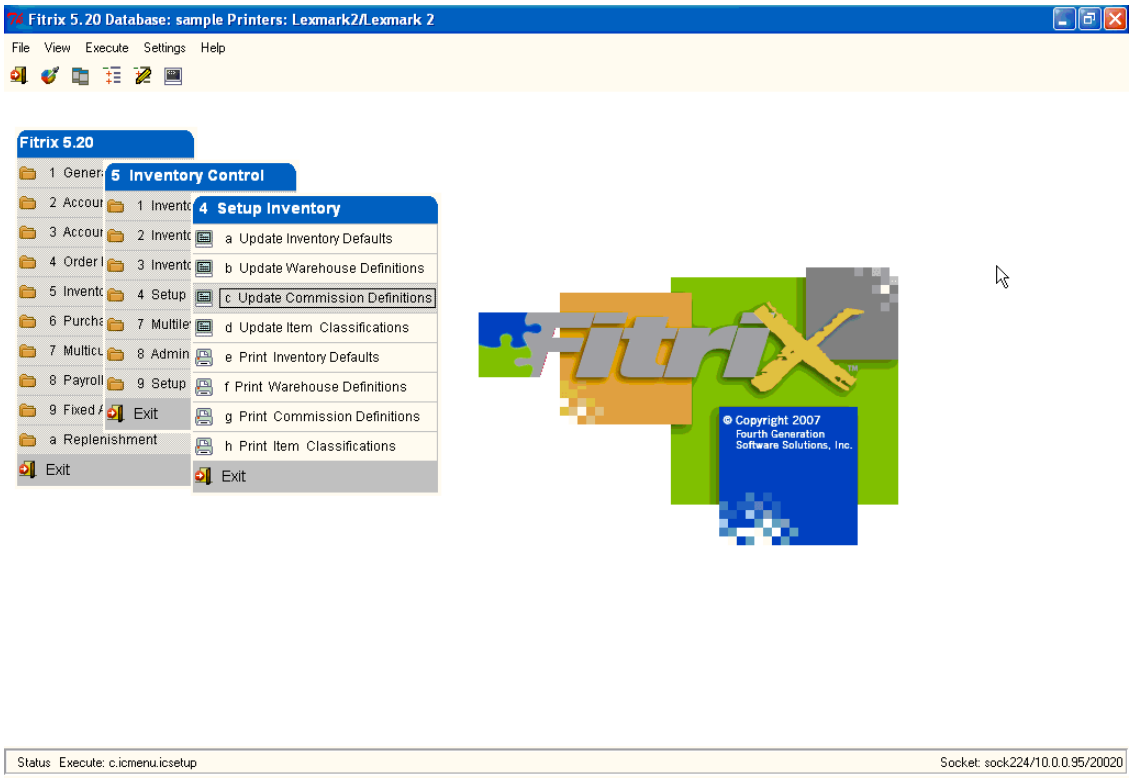
   In this field you may specify a department code. If you use different departments or profit centers, you might use this field to indicate that transactions for items shipped to and from this warehouse should post to a certain department. You must have set up department codes in the Company file prior to use here. (See *Learning Fitrix* for more details on department codes.)

4. **Address and Phone Information**

   You can enter the address and phone number for the warehouse, which will appear on different reports.

Update Commission Definitions

Through this menu option, you setup and maintain the Commission codes. Commission codes are used to associate commission rates with individual inventory items. If, in addition to Inventory Control, you are also using the Fitrix Order Entry module, you may associate commissions with specific orders, customers, or salespersons. After selecting the Update Commission Definitions menu option, the system returns the Commission Definitions screen.



The Commission Codes screen contains the following fields:

1. **Commission Code**

   This field stores the unique code which may be a maximum of six alphanumeric characters.

2. **Description**—commission description

   In this alphanumeric field you enter a brief (up to thirty characters) description of the commission code.

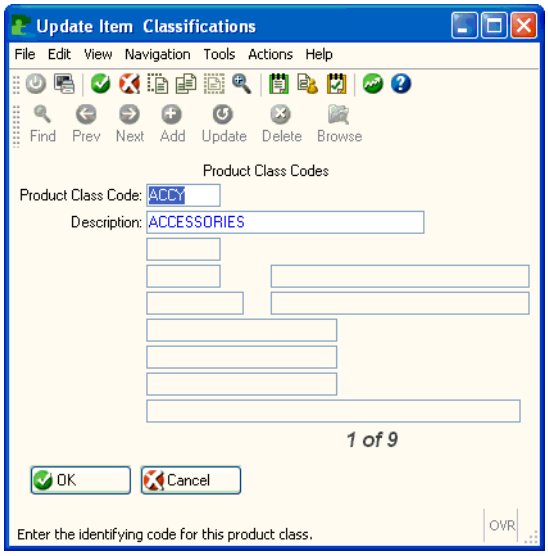
3. **Commission Rate**:

   The commission rate is a percentage applied to an order to determine commissions. The rate is entered as a percentage; e.g. 2 indicates two percent. This is a numeric field.

Update Item Classifications

Through this option you set up and maintain the Item Class codes. Item Classifications are a means of categorizing inventory items. For example, when you execute the Find command to select a set of inventory items, you may specify one or more item class codes on the Selection Criteria form. In addition, you may organize your physical inventory by item class, so you can print count sheets for one or more item classes.

The item classification codes are an optional feature of the Inventory Control system. When you select Update Item Classifications, the program returns the following screen.



The Item Class Codes screen contains the following fields:

1. **Item Class Code**:

   This field stores the unique code (up to six characters) that identifies the Item class.

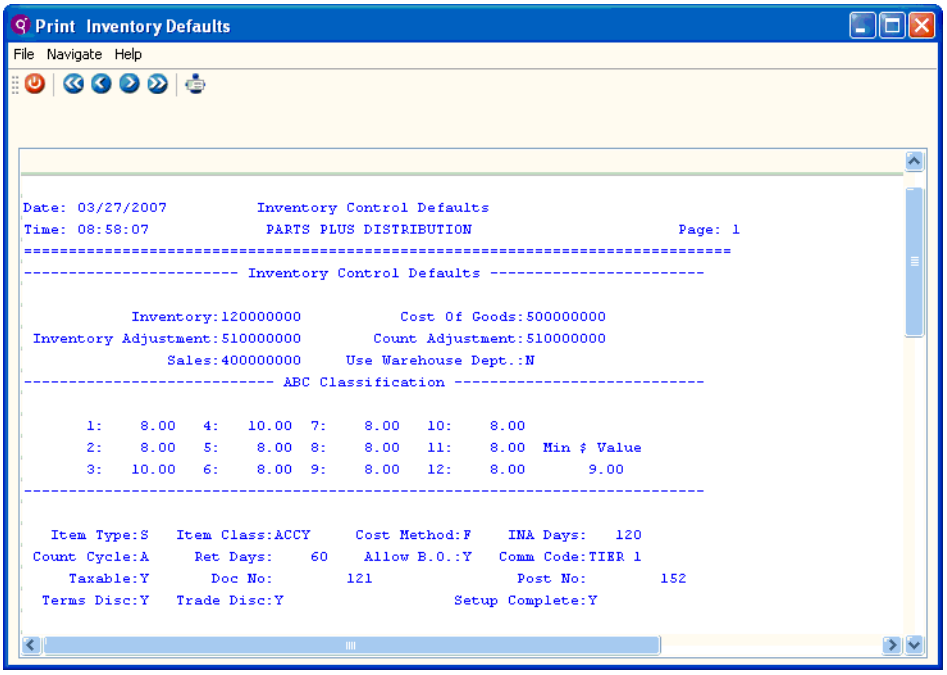
2. **Description**—item class description

   The item class description that appears on reports, and on-line when you enter this item class code, is stored in this 30-character field.

The next four options on the setup menu are print options that you can use to view or print out copies of the information you have entered with the four previous Update options. These printouts are basically to use for reference and to check the accuracy of what you entered.

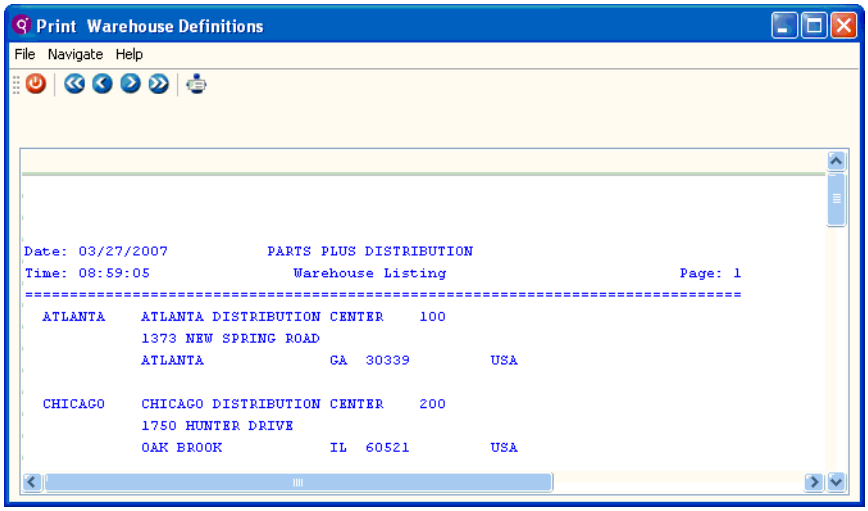
Print Inventory Defaults

After using the Update Inventory Defaults option to setup your Inventory Defaults file, you can use the Print Inventory Defaults to print a hardcopy of the defaults file.



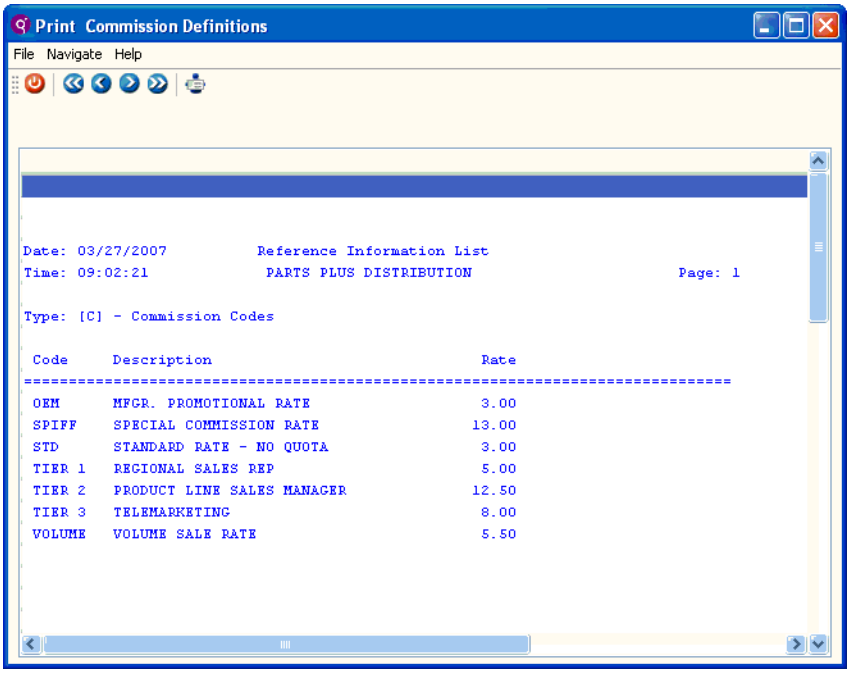
Print Warehouse Definitions

This menu option allows you to print a hardcopy of information entered with the Update Warehouse Definitions option.



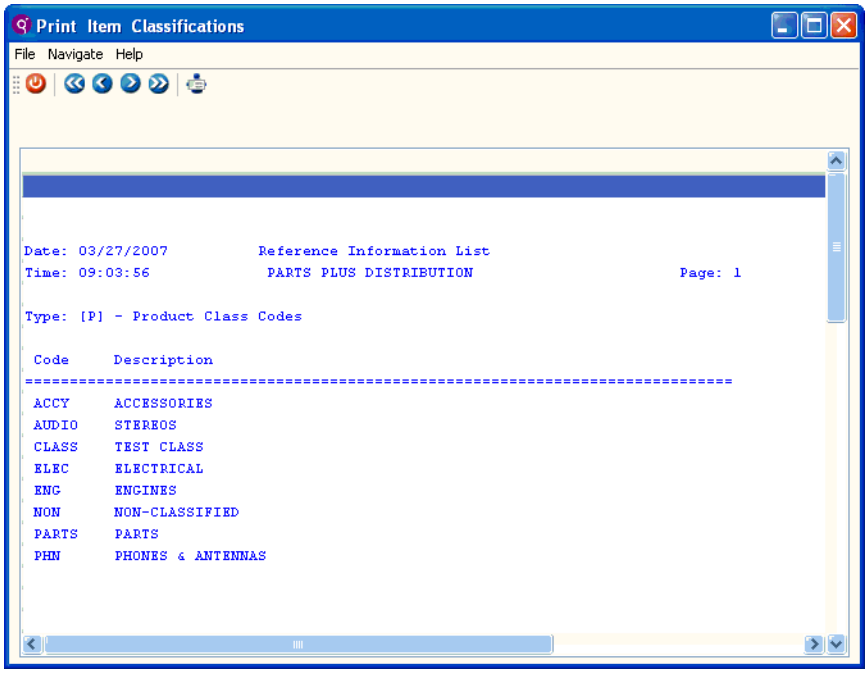
Print Commission Definitions

This option allows you to print a hardcopy record of your Commission file, as setup with the Update Commission Definitions option.



Print Item Classifications

This menu option allows you to print a hardcopy of information entered with the Update Item Classifications option.



5

Inventory Maintenance

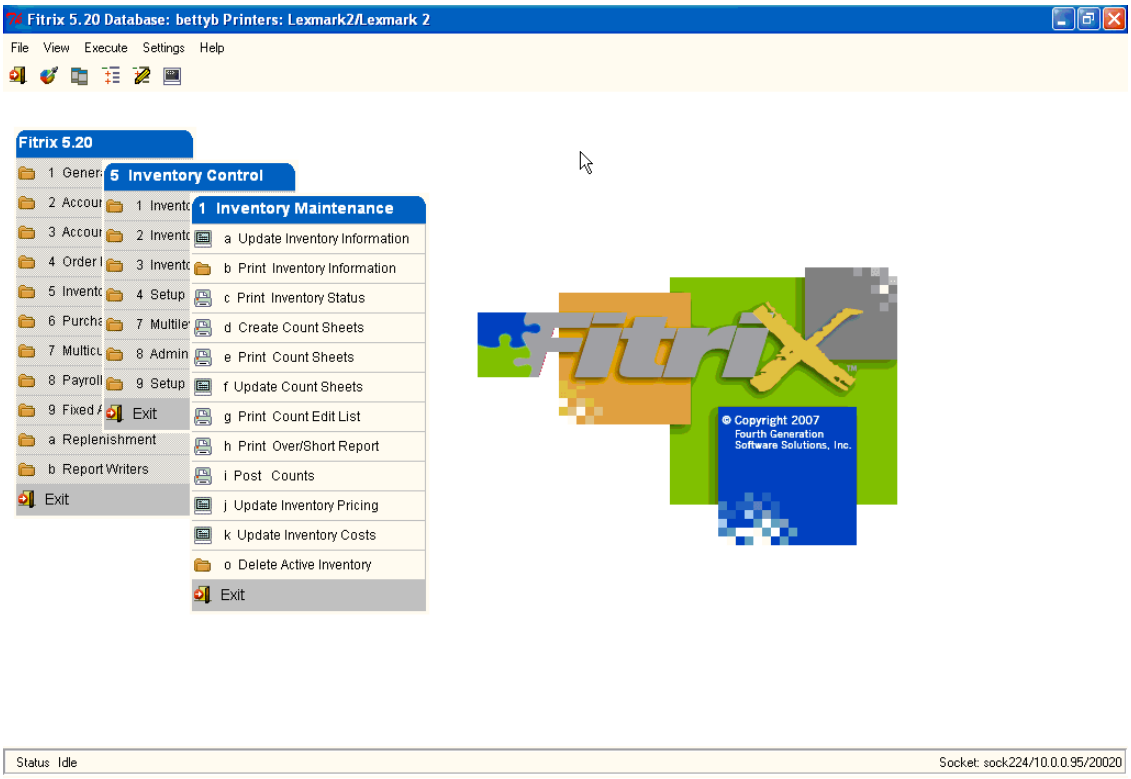
This chapter contains the following information designed to introduce you to Fitrix Inventory Maintenance:

- Setting up Inventory Items
- The Physical Inventory Cycle Count Process
- Updating List Prices and Costs
- Deleting Inventory Items and Warehouses

The Inventory Maintenance Menu

When you select Inventory Maintenance the following menu comes up

:



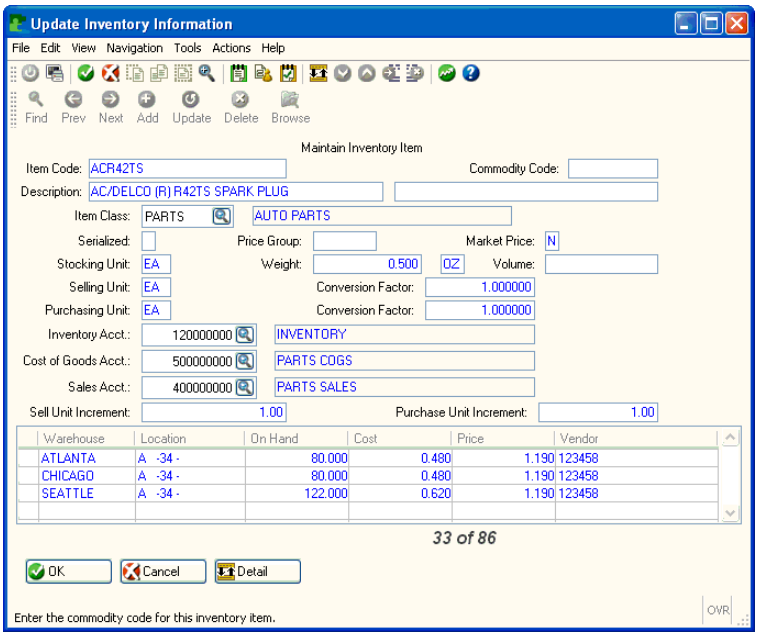
Update Inventory Information

The first menu item, Update Inventory Information, takes you directly into the Maintain Inventory Item screen. You can select items to view current inventory information, add new inventory items, delete old and inactive inventory items, or browse through the Inventory file.

The Maintain Inventory Item Header

After you select Update Inventory Information, the system returns the Maintain Inventory Item screen. You use this screen to enter, update, or display basic information about an inventory item.

The Maintain Inventory Item screen:



The header section of the Maintain Inventory Item screen contains the following fields:

1. **Item Code**—inventory item code

   This is a required field that stores a unique item code set up to identify each item in inventory. You can enter an item code up to 20 characters. Zoom is available to select from existing item codes.

2. **Commodity Code**

   This field is freeform where you can enter any code (up to 20 characters). It is designed for those businesses that use codes set forth by the Federal Government to classify and identify all types of commodities, but its function is simply reference and classification.

3. **Description**—item description

   There are two lines (up to 30 characters each) for the description. These fields are free-form, so you can enter any information you need.

4. **Item Class**—item classification

   You can enter a code in this field, up to three characters, used to categorize an inventory item: all items to which you assign the same code are in the same class. You must have defined the code in the Item Class program, which is maintained via Update Item Classifications (option 4-d). Zoom is available allowing you to select a valid Item Classification.

5. **Serialized**—serial and/or lot control flag

   This field accepts one of three flags: S for “serialized,” which indicates that each item has a serial number associated with it and is therefore under serial control; L for “lot,” which indicates this item is grouped into lots with lot numbers; or B for “both,” which indicates this item is under both serial and lot control. You can also leave the field blank, which indicates no serial or lot control so the system uses the default costing method. Serial and lot numbers provide an exact means for tracking and costing items.

6. **Price Group**—price group code

   You can enter a code so that the system groups this item with other items that have the same price group code. On a customer order, the system combines the quantities of items that have the same price group, which helps achieve volume quotas for price breaks. Say you stock pens and you give a 3% discount for ordering 1000 or more pens. In your inventory, you stock red pens and blue pens and they both have the same price group code. If customer ordered 600 blue pens and 400 red pens, the system would combine the two quantities and thereby achieve the volume discount.

7. Market Price

   In this field, enter Y or N depending on whether or not the item's price is subject to change based on the market value. If set to Y, you can change the price right up to the point of invoicing.

8. **Stocking Unit**—stock unit or stock keeping unit (sku)

   Enter a two-character abbreviation for the unit in which you stock the item (EA for eaches, BX for boxes, PT for pallets, etc.). You can enter any two character designation for this unit of measure. You define the stock unit based on conversion factors that you enter for the Purchasing units and Selling units.

9. **Weight**—inventory item weight

   You can enter the weight of 1 sku of this item up to 99999.999. When you press [ENTER], you go to an unmarked field next to the Weight field where you can enter a 2-character unit if weight (LB, KG, etc.). This field is not required.

10. **Volume**—volume of inventory item

    You can enter the volume of one sku of this item up to 99999.999. This number would represent the unit volume standard to your industry. This field is not required.

11. **Selling Unit**

    Enter a two-character designation for the unit of measure in which you sell this item (EA, CS, BX, etc.)

Note

For serialized items, all the conversion factors are 1, which is the default.

12. **Conversion Factor**—sell conversion factor

    You can enter the decimal conversion factor that converts stock units to sell units. For example, if you stock an item in cases and sell the item as eaches, and there is 6 selling units per case, then the conversion factor is 1/6 or 0.166667.

Note

The system is capable of calculating the decimal equivalents of reciprocals such as 1/6. Enter a -6 in the Conversion factor and the system will calculate .166667, enter -2 to get .500000, just as an example.

13. **Purchasing Unit**—purchase unit of measure

    Enter the two-character designation for the unit of measure in which you purchase this item (CS, EA, PT). Remember, these designations are somewhat arbitrary, because they are not defined anywhere, but it is the conversion factors that give them meaning in relation to the sku.

14. **Conversion Factor**—purchase conversion factor

    This is the numeric conversion factor that converts stock units to purchase units of measure.

15. **Inventory Acct.**—inventory account number

    The Inventory account is where the system posts financial transactions involving inventory items. This field is required and it defaults to the Inventory Account number set up in Inventory Defaults.

16. **Cost of Goods Acct.**— cost of goods account number

    The Cost of Goods account is the account the system posts the amounts of costs for inventory purchased. This field is required and it defaults to the Cost of Goods Account number set up in Inventory Defaults.

17. **Sales Acct.**—sales account number

    The Sales account is where the system posts sales of inventory items. This field is required and it defaults to the Sales Account number set up in Inventory Defaults.

18. **Sell Unit Increment** - the incremental quantity to sell.

    This quantity represents the incremental quantity you may use for orders. For example, if it is set to 2, you can only enter order quantities in increments of 2 (2,4,6,8, etc.)

19. **Purchase Unit Increment** - the incremental quantity allowed to purchase.

    This quantity represents the incremental quantity you may use for purchase orders. For example, if it is set to 12, you can only enter purchase order quantities in increments of 12 (12, 24, 36, etc.)

Maintain Inventory Item Detail

A great deal of information about the inventory item is stored at the warehouse level and the use of warehouses allows you to have multiple sets of this information for a single item.

Press [TAB] to move to the detail section and depending on the “mode” you are in when you press [TAB]–Add, Update or View–is what you will be able to do in the warehouse detail.

To enter the detail section of the screen, click on Update, and then Detail.

Each line in the detail section may represent a physically different warehouse. The columns in the detail section, which pertain to an inventory item in a specific warehouse, are display-only and represent information entered in the Item Warehouse Detail screen (discussed next).

1. **Warehouse**

   This column displays the warehouse code for each warehouse that stocks this inventory item. You set up these warehouse codes in the Warehouse program via Update Warehouse Definitions (option 4-b) on the Setup Inventory Menu.

2. **Location**

   Displays the location of the inventory item within a warehouse (aisle, row, and bin). This location prints on the picking ticket and many of the inventory reports.

3. **Vendor**—vendor code

   This code represents the vendor from which the item is purchased for the specific warehouse. If the item is purchased from multiple vendors, set this to your preferred vendor. Use the item catalog program in the Purchasing module to set up additional vendors and the price they charge.

4. **Qty. on Hand**—quantity on hand

   This column displays the quantity on hand for this item in the warehouse represented by a particular line.

5. **Cost**—purchase cost of the item

   The default cost in stock units.

6. **Price**—list price of the item

   The list price in stock units.

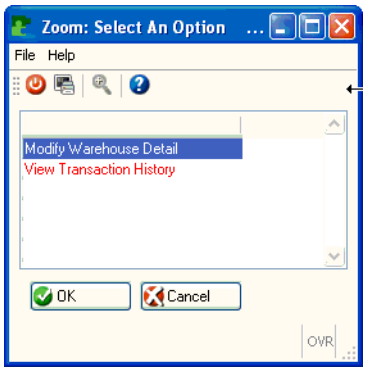
The Warehouse Detail Zoom Menu

From the detail section you can add, update, or view more specific information for an item in a specific warehouse via the Zoom function: while on the detail line for the warehouse, click Zoom, a menu of options displays.

Note

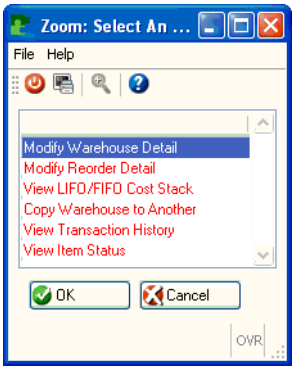
The options on the Zoom menu will change depending on the “mode” (Add, Update, or View). The Zoom feature is available on most update screens.

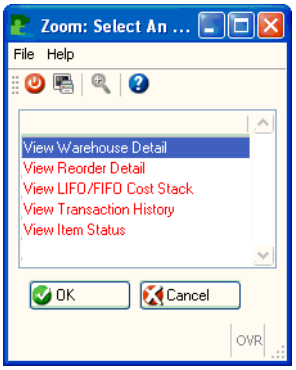
When you are adding a new item or setting up an existing item in a new warehouse, the system will only return two options on the Zoom menu.



If you are updating warehouse detail for an existing item you may see the following options:

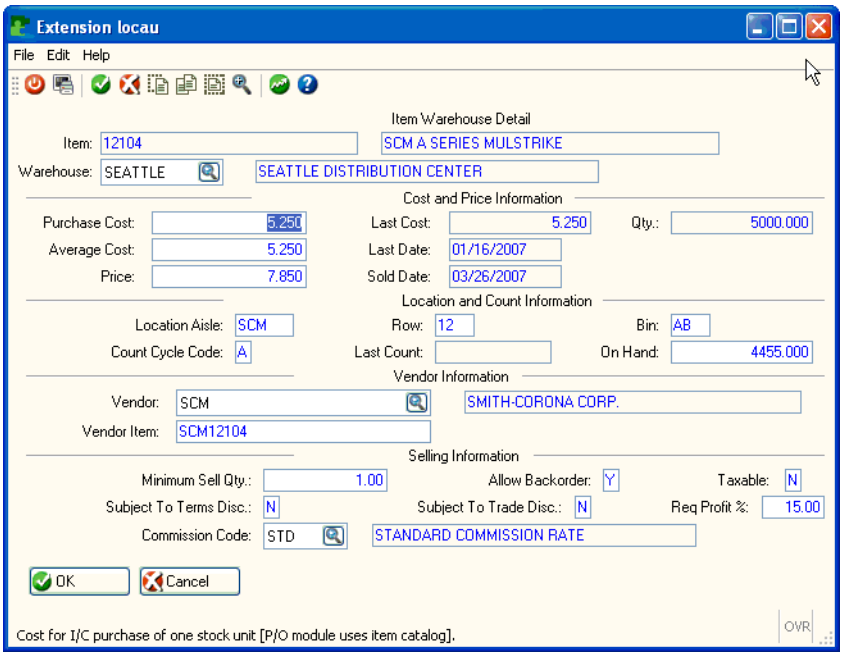
If you are not in update mode when clicking Zoom, the system will return the following options on the menu.


Zoom: Select An ...
File Help
Modify Warehouse Detail
Modify Reorder Detail
View LIFO/FIFO Cost Stack
Copy Warehouse to Another
View Transaction History
View Item Status
OK
Cancel
OVR


Zoom: Select An ...
File Help
View Warehouse Detail
View Reorder Detail
View LIFO/FIFO Cost Stack
View Transaction History
View Item Status
OK
Cancel
OVR

Modify Warehouse Detail

When you select this option, the system returns the Item Warehouse Detail screen where you enter detail information about an inventory item:



The information on this screen pertains a single warehouse. You can have multiple warehouses, and therefore, multiple sets of this information for each inventory item. All quantities, costs, and prices entered are entered in stock units.

The top section of the screen contains the following fields:

1. **Item**—item code and description

   This field holds the item code and description from the header portion of the Inventory Maintenance screen. It is a nonentry field.

2. **Warehouse**—warehouse code and description

   If you are setting the item up in a new warehouse, then you must enter a warehouse code. You can Zoom to select from existing warehouses; If you are updating warehouse detail information, this field is nonentry.

The next section holds Cost and Price Information. This section shows the cost detail for a given item on the warehouse level. All quantities and costs are in stock units:

1. **Purchase Cost**—cost per stock unit

   Enter or update the default cost for of one stock unit.

2. **Average Cost**

   You can enter an average cost for items you have on hand when you initially set up an item in a warehouse; however, the system will automatically calculate the average cost based on purchases/receipts.

3. **Price**—list selling price

   Enter or update the price at which you plan to sell this item.

4. **Last Cost**—last purchase cost

   This cost is recorded automatically during receiving/purchasing.

5. **Last Date**—last date of purchase

   This field stores the date this item was last received into inventory. It is automatically maintained by the system.

6. **Sold Date**—most recent shipment

   This field represents the date of the most recent shipment of this item. It is automatically maintained by the system.

7. **Qty.**—quantity

   This field stores the amount of inventory used to figure the average cost. It is automatically maintained by the system.

The next section is Location and Count Information, which contains the following fields:

1. **Location**

   Aisle—up to four characters

   Row—up to three characters

   Bin—up to three characters

   These are three separate fields that hold the alphanumeric references for the physical location of the item in this particular warehouse.

2. **Count Cycle Code**

   You can enter a code for an item that the system groups it with other items that have the same code. It groups them when you create count sheets and you use count cycle codes to select items to go an a count sheet. Count cycle codes can be any single character (A-Z, 0-9). You can accept the default cycle count code you set up in the Defaults file.

3. **Last Count**—date item was last counted

   The system maintains this field and updates it when a count including this item is posted.

4. **On Hand**—quantity on hand

   You cannot change the On Hand quantity in this field during normal data entry; you can only change the quantity during inventory setup. After that, it can only be changed by receiving, shipping, transferring, or adjusting this inventory item.

The Vendor Information section contains the following fields:

1. **Vendor**—vendor code

   You can enter the code for the vendor from whom you purchase a particular item. If the Accounts Payable module is installed, you should have vendor codes setup in the Accounts Payable Vendor file.

2. **Vendor Item**—vendor’s item code

   This field is for you to reference the vendor’s code for an item if it is different then yours. You can enter a code of up to fifteen characters.

The last section of the Warehouse Detail screen is labeled Selling Information, which pertains to Order Entry. All these fields have defaults that should be set up in the Inventory Defaults file:

1. **Minimum Sell Qty.**—minimum quantity

   You can enter this number up to seven digits, which indicates the minimum quantity (in stock units) that a customer must purchase on a single order line.

2. **Allow Backorder**—controls backorders

   You enter either a Y or N depending on if you will allow this item to go on backorder or not.

3. **Taxable**—controls taxation of item

   You enter either a Y or N depending on whether this item is taxable or not. If you enter and N, that tells the system not to tax the order line for this particular item even if the order as a whole is taxable.

4. **Subject To Terms Disc.**—controls terms calculation

   Enter "Y" if you want this item to be included in the calculation of a terms discount offered to a customer on an order; N if you do not want this item to be subject to terms discounts.

5. **Subject To Trade Disc.**—controls trade discounts

   Enter "Y" if you want this item subject to trade discounts as specified in O/E. Enter N if you do not want this item subject to trade discounts.

6. **Req Profit %** - required profit %.

   In Order Entry, if the difference between selling price and cost is below this percentage, the user will be notified. This is not a required field. You can also set up a global required profit % in the Update Order Entry Default program that will pertain to all item codes.

7. **Commission Code**—type of commission

   Enter a commission code that applies the commission rate for this item. You should have some commission codes setup in the Commission program via I/C Setup, so Zoom is available.

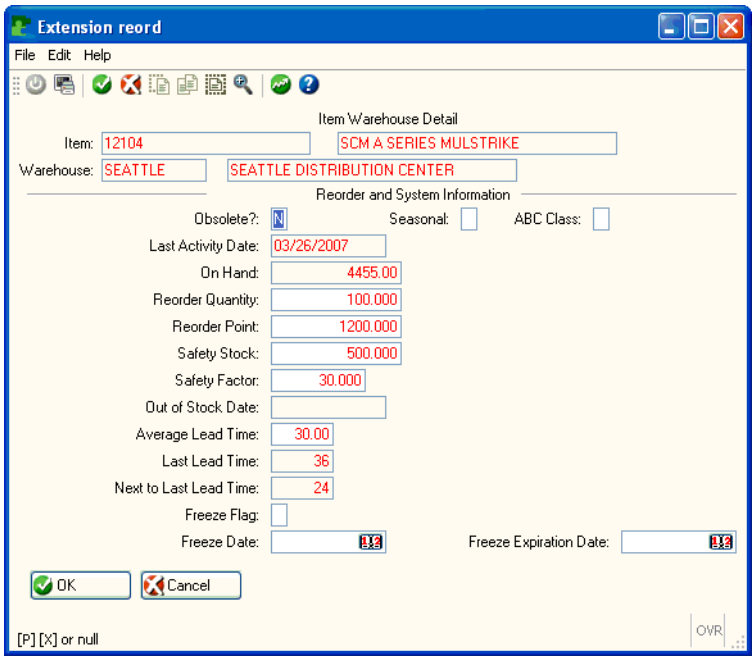
This concludes the descriptions of fields on the Item Warehouse Detail screen. As shown on page 5-6, if you are updating warehouse detail, and you Zoom on a warehouse, the next option on the Warehouse Detail Zoom menu is Modify Reorder Detail.

Modify Reorder Detail

If you want to enter or view reorder reference information, select the Modify Reorder Detail option from the Warehouse Detail Zoom menu, which brings up the following screen:

Use this screen to add, update, or view information pertaining to reorder and system information. The top portion of the form, Item Warehouse Detail, contains the item code, item description, warehouse code, and warehouse description that appear on most of the screens available on the Warehouse Detail Zoom menu. You cannot modify this information on this form.

The lower portion of this screen is labeled Reorder and System Information and contains the following fields:



1. **Obsolete?**

   This field has three possible entries: " P" means the item is obsolete and you are in the process of "Phasing it out," but there is stock available for sale; "X" means that the item is obsolete and there is none to sell. Null, no entry, means the item is not obsolete.

   If this field is marked with a "P" no purchase orders can be entered for this item.

2. **Seasonal**

   This field is currently a reference only field, meaning there is no functionality. You can enter a Y in this field to signify that this is a "seasonal item," where sales of this item are concentrated in a number of months correlating with a particular season, so you use the 6 months from the previous year to calculate usage rather then just the previous 6 months.

3. **ABC Class**—ABC classification

   You can classify items based upon an ABC classification set up in the Inventory Control Defaults file. (See page 4-4 for information on ABC classification.)

4. **Last Activity Date** (nonentry)

   The system enters the date of any transaction for the inventory item.

5. **On Hand**—item quantity on hand (nonentry)

   The system displays the on hand quantity for the item.

6. **Reorder**—reorder quantity

   Enter the quantity of the item (in stock units) you want to reorder when inventory drops to the reorder point. The amount you reorder is usually based on usage rate, lead time, and safety allowance.

7. **Reorder Point**

   Enter the quantity (in stock units) at which the system flags the item for reorder. Items appear on the Reorder Advice report when the quantity on hand reaches or drops below this point.

8. **Safety Stock**

   Enter the safety stock level (in stock units). Safety stock is the quantity below which you do not want inventory to fall for a particular item. This safety stock is your "pad" against variations in usage rates and lead times that might otherwise cause you to run out of an item.

9. **Safety Factor**

   This is a percentage of the total order that is added to the order and will be the safety stock. It is calculated based on usage.

10. **Out of Stock Date**

    This is the date that the item ran out.

11. **Average Lead Time** (in days)

    The system calculates the average lead time once you begin purchasing inventory. It is calculated as the average of the past two (2) lead time performances.

Note

The system calculates lead times based on the request date (or the PO date if no request date) and subtracts that from the receive date.

12. **Last Lead Time** (in days)

    This field is automatically updated by the system and holds the last lead time.

13. **Next to Last Lead Time** (in days)

    This field is automatically updated by the system and records the next to last lead time.

14. **Freeze Flag**

    This field is currently a reference only field, meaning there is no functionality.

15. **Freeze Date**

    This field is currently a reference only field, meaning there is no functionality.

16. **Freeze Expiration Date**

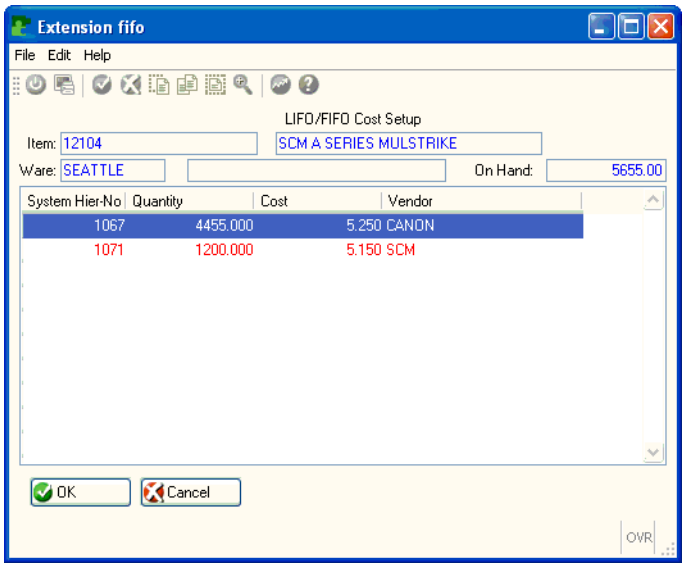
    This field is currently a reference only field, meaning there is no functionality.

This concludes the descriptions of the Modify Reorder Detail option. Again, some of the information on the Reorder and System Information screen is reference only.

The next option on the Warehouse Detail Zoom menu allows you to view costing information. The option that the system puts on the menu depends on the cost method you have set up in the Inventory Defaults file: Average cost produces no option; for LIFO or FIFO the option is "View LIFO/FIFO Cost Stack;" for Serialized inventory, no matter what the costing method, the option is "View Serial and Lot Numbers."

View FIFO/LIFO Cost Stack

You may purchase items at different costs from different vendors and the system keeps track of this information via the cost stack.



The top portion of this screen contains basic header information. The lower portion has the following columns:

1. **System Hierarchy No.**

   This is an internal number assigned by the system to the cost stack.

2. **Quantity**

   This is the number of items for a particular purchase (cost stack entry).

3. **Cost**

   The cost of one stock unit of the item for this tier of the cost stack.

4. **Vendor**

   This column identifies the vendor who sold you the inventory.

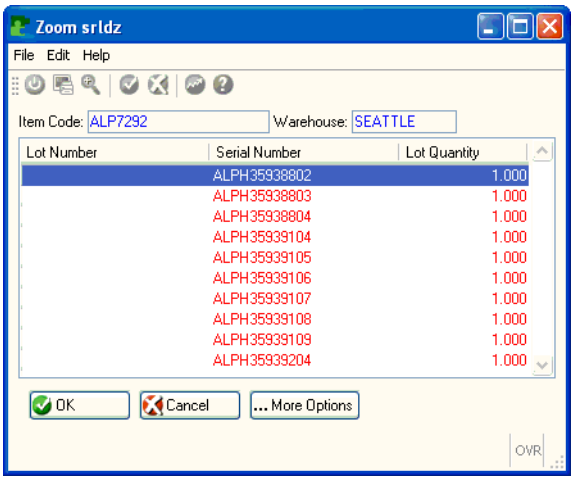
Note

This is just the View option; when you are setting up the I/C module, you can enter cost stack information via this screen.

View Serial and Lot Numbers

You can view the serial and/or lot numbers currently in your inventory

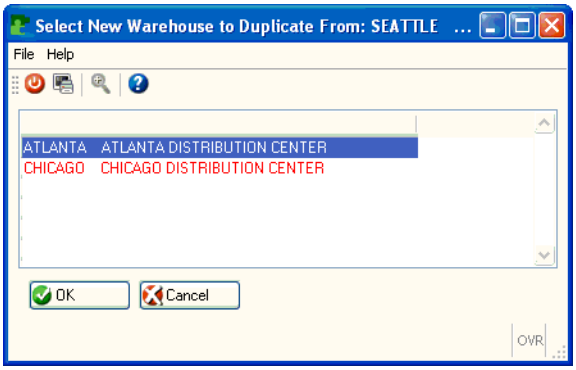
.



The top portion of this screen has the item code and warehouse code. Inventory items can have serial numbers, lot numbers, or both. For example, you may receive 100 cans of blue paint and call the shipment lot A, so the lot quantity would be 100, and all of the cans may or may not have serial numbers.

Copy Warehouse to Another

Use this option to copy warehouse detail information from a selected warehouse. If you have an item set up in all warehouses, nothing happens when you select this option; otherwise, the system returns a window for you to select the warehouse into which you want to copy the detail information.

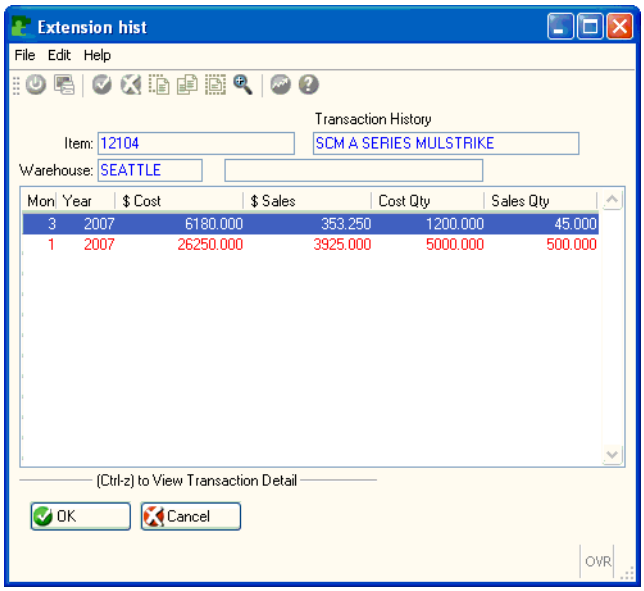


View Usage History

The Usage History screen displays the transaction history for the item in the specific warehouse.

Note

You can manually update the information on this screen when you set up your inventory; however, once setup is complete, you cannot change or add information via this screen because the system updates this information automatically.



The top portion of this screen has the basic header information. Each line in the detail section represents the current fiscal year's posting periods.

Note

To view details about a monthly total, highlight that month and click Zoom.

For each period the following information is displayed:

1. **Month**

   This number represents the month in which the system recorded the history of the item. Each row represents a specific month for which the cumulative totals in that row apply.

2. **Year**

   This is the fiscal year in which the month falls.

3. **$ Cost**—total purchase cost (cost of goods)

   Represents the cumulative costs for the item in a particular month.

4. **$ Sales—amount of sales**

   Represents the cumulative sales for the item in a particular month.

5. **Cost Qty**—quantity purchased

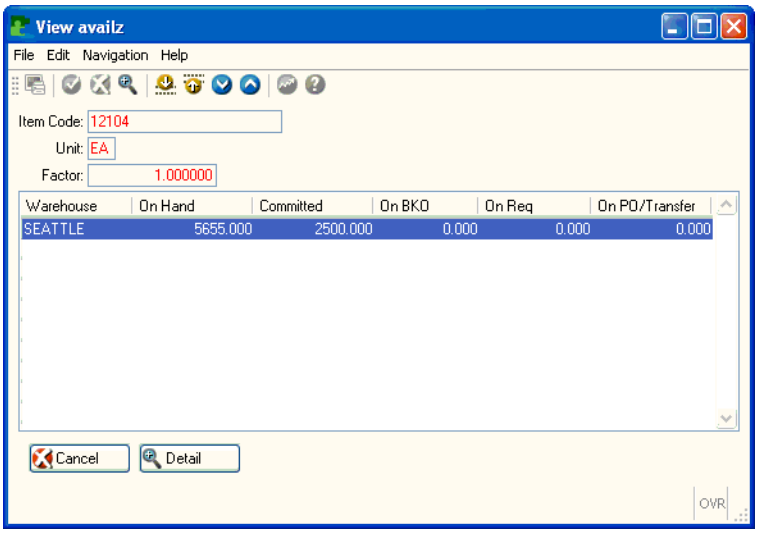
   Represents the cumulative purchase quantity, in stock units, for the item for this month.

6. **Sales Qty**: -quantity sold

   Represents the cumulative quantity sold for this item for this month in the period.

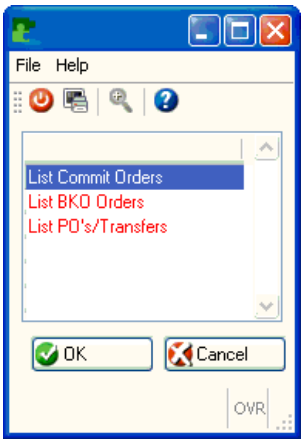
View Item Status

The Item Status screen allows you to view the status of an item in multiple warehouses, whereas the Maintain Inventory Item screen stores limited status information about an item only for one warehouse.



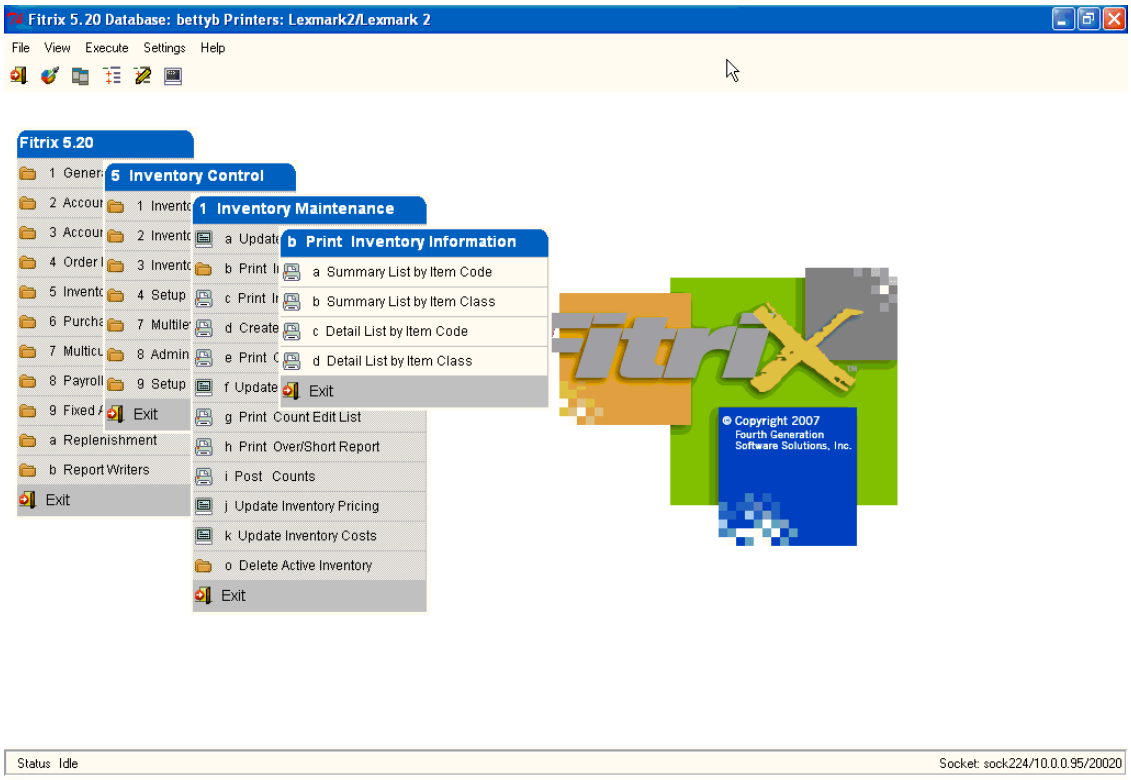
With the Item Status screen each row of the detail section represents a different warehouse that stocks the selected item. The columns show the quantity on hand, the quantity committed, the quantity on backorder, the quantity on requisition, and the quantity on purchase order for each warehouse that stocks the item. This screen is just more specific information so that a buyer or salesperson has an idea of the status of this item throughout the system.

Zoom is available so that the user can view the detail of what makes up the quantity for committed, on BKO, and on Po/Tsf.



Print Inventory Information

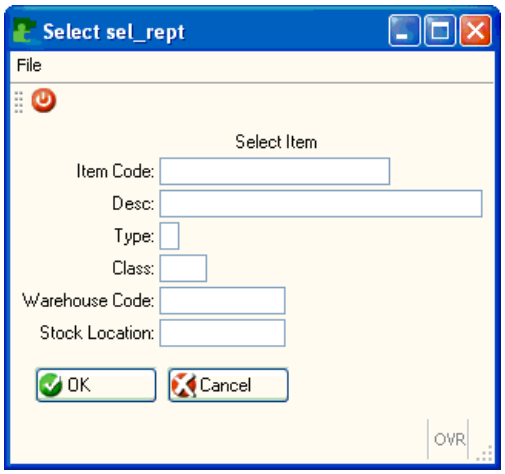
This menu item prints the inventory information entered under Update Inventory Information. Executing Print Inventory Information brings up the Print Inventory Information submenu.



This submenu allows you to print two basic reports, the Summary report and the Detail report. The Summary report shows the most basic information about each inventory item. The Detail report shows all of the item's detail, including detailed warehouse information.

When you run any of these print options, the system returns a Selection Criteria screen so you can specify the scope of the inventory to print.

The Select Item screen allows you to select the inventory records you want. Pressing *Enter* selects all inventory items. You can narrow your selection to only those items you are interested in by filling in one or more of the following fields:



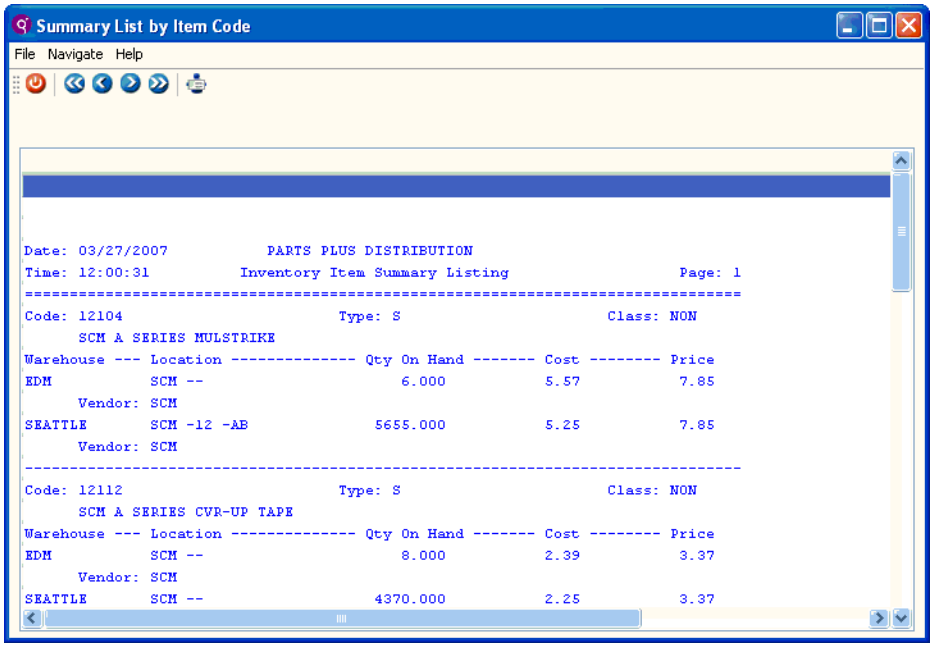
1. **Item Code**—unique item code
2. **Desc.**—item description
3. **Type**—stock or non-stock
4. **Class**—product class
5. **Warehouse Code**—unique warehouse code
6. **Stock Location**—location in warehouse

As you enter data into the form, you may use wildcards. See *Getting Started with Fitrix* on how to use print options including selection criteria.

Examples of the four inventory reports can be found in the Sample Reports chapter.

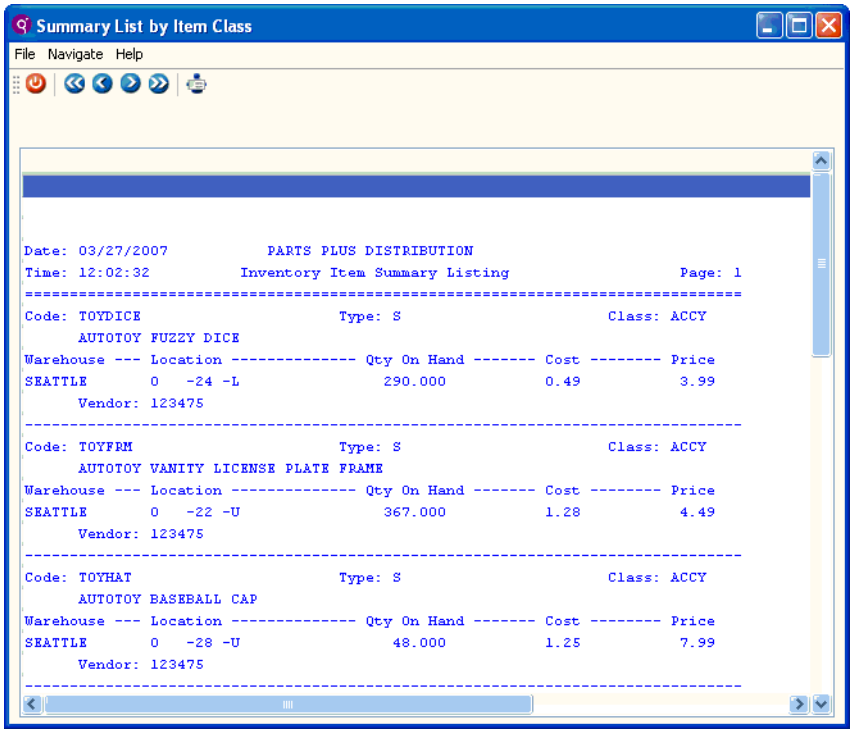
Summary List by Item Code

You can use this report to review summary information about selected inventory items organized alphabetically by item code



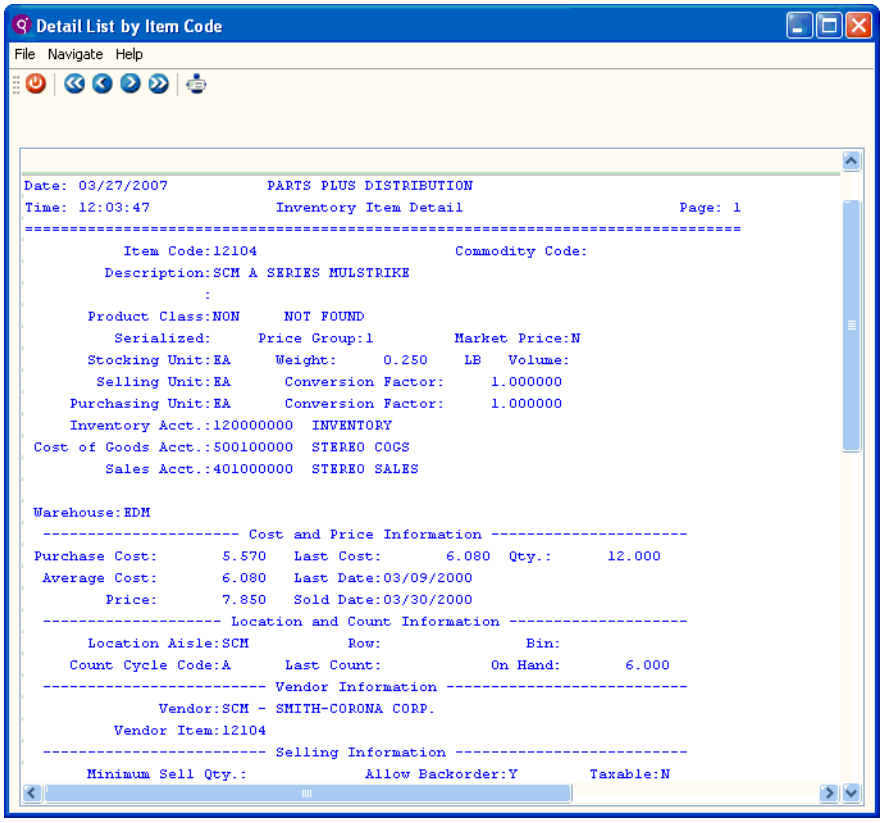
Summary List by Item Class

You can use this report to review summary information about selected inventory items organized alphabetically by item class.



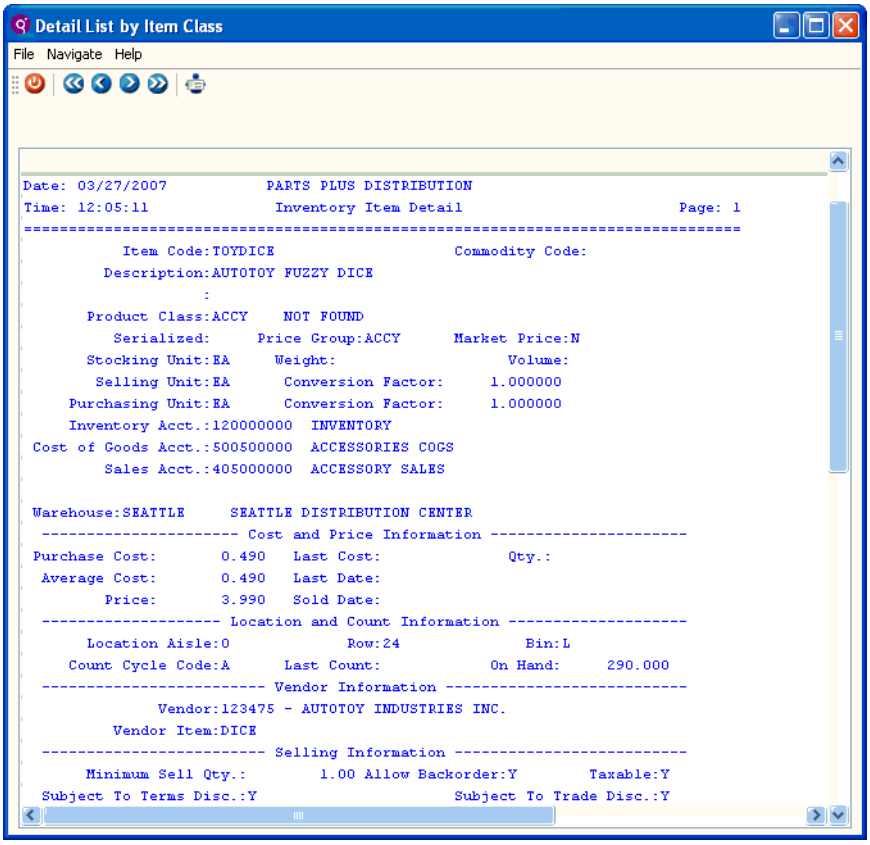
Detail List by Item Code

You can use this report to review detail information about selected inventory items organized alphabetically by item code. For each item, in addition to the warehouse detail, this report shows reorder and system information, and any usage history for each warehouse.


Detail List by Item Code
File Navigate Help
Date: 03/27/2007 PARTS PLUS DISTRIBUTION
Time: 12:03:47 Inventory Item Detail Page: 1
Item Code:12104 Commodity Code:
Description:SCM A SERIES MULSTRIKE
:
Product Class:NON NOT FOUND
Serialized: Price Group:1 Market Price:N
Stocking Unit:EA Weight: 0.250 LB Volume:
Selling Unit:EA Conversion Factor: 1.000000
Purchasing Unit:EA Conversion Factor: 1.000000
Inventory Acct.:120000000 INVENTORY
Cost of Goods Acct.:500100000 STEREO COGS
Sales Acct.:401000000 STEREO SALES
Warehouse:EDM
---------- Cost and Price Information ----------
Purchase Cost: 5.570 Last Cost: 6.080 Qty.: 12.000
Average Cost: 6.080 Last Date:03/09/2000
Price: 7.850 Sold Date:03/30/2000
---------- Location and Count Information ----------
Location Aisle:SCM Row: Bin:
Count Cycle Code:A Last Count: On Hand: 6.000
---------- Vendor Information ----------
Vendor:SCM - SMITH-CORONA CORP.
Vendor Item:12104
---------- Selling Information ----------
Minimum Sell Qty.: Allow Backorder:Y Taxable:N

Detail List by Item Class

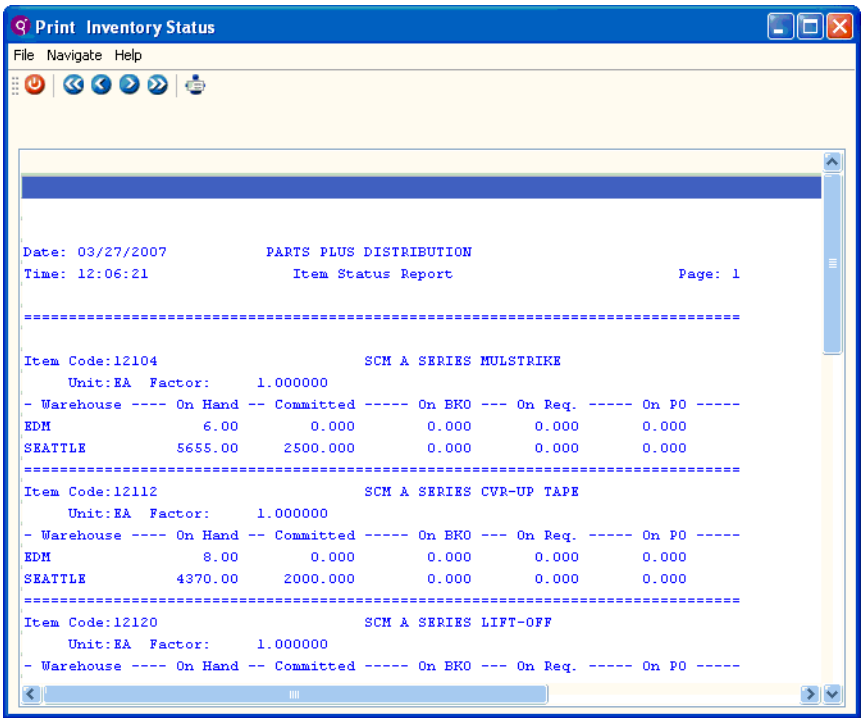
You can use this report to review detail information about selected inventory items organized alphabetically by item class. For each item, in addition to the warehouse detail, this report shows reorder and system information, and any usage history for each warehouse.



Print Inventory Status

With this report, you can review the status of inventory items for each warehouse in which the items are stocked.

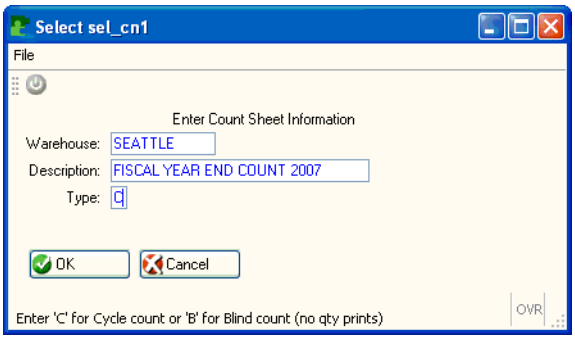
This concludes the discussion of the inventory item section of the I/C Maintenance menu. Next, we will discuss the Counts section.


Print Inventory Status
File Navigate Help
Date: 03/27/2007 PARTS PLUS DISTRIBUTION
Time: 12:06:21 Item Status Report Page: 1
Item Code:12104 SCM A SERIES MULSTRIKE
Unit:EA Factor: 1.000000
- Warehouse ---- On Hand -- Committed ----- On BKO --- On Req. ----- On PO -----
EDM 6.00 0.000 0.000 0.000 0.000
SEATTLE 5655.00 2500.000 0.000 0.000 0.000
Item Code:12112 SCM A SERIES CVR-UP TAPE
Unit:EA Factor: 1.000000
- Warehouse ---- On Hand -- Committed ----- On BKO --- On Req. ----- On PO -----
EDM 8.00 0.000 0.000 0.000 0.000
SEATTLE 4370.00 2000.000 0.000 0.000 0.000
Item Code:12120 SCM A SERIES LIFT-OFF
Unit:EA Factor: 1.000000
- Warehouse ---- On Hand -- Committed ----- On BKO --- On Req. ----- On PO -----

Create Count Sheets

Cycle counts are a way to count your inventory in blocks. You might do as many as 200 cycle counts per year where different combinations of inventory are counted, the cumulation of which will result in possibly four total inventory counts per year. The increased frequency of the cycle counts increases the accuracy of inventory numbers; annual or semi-annual inventory counts make for less accurate inventory control.

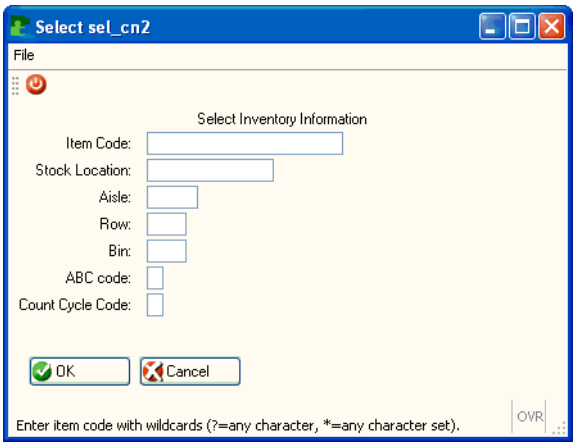
The Create Count Sheets menu item lets you produce Count Sheets used to take a physical inventory of your warehouses. When creating a count sheet, you enter information about the count in the Create Count Sheets Information screen.



Note

If you create the count sheet for a Cycle count, then the system will print the current quantity on hand on the count sheet; for a Blind count, the system will not print quantity on hand on the count sheet.

Upon entering this information, you click **OK** to bring up the Select Inventory Information screen. With this screen you select the inventory items you want on this count sheet using specific information or wildcard searches.



This screen allows you to select which items will appear on your count sheet.

1. **Item Code**—unique item code

   Allows you to select a specific item or group of items for the count sheet for a particular warehouse.

2. **Stock Location**—location in warehouse

   Allows you to put items on the count sheet that are in a particular location within the warehouse. The format for this field is the concatenation of the aisle, row, and bin designations with dashes (e.g., 22-AA-113).

   You can specify items for count sheets based on the individual locations coordinates, or a combination, based on the **Aisle**, **Row** and, **Bin** fields. For example, if you wanted all the items in a specific aisle and row to go an the count sheet, you could enter the those coordinates in the Aisle and Row fields.

3. **ABC class**—ABC classification

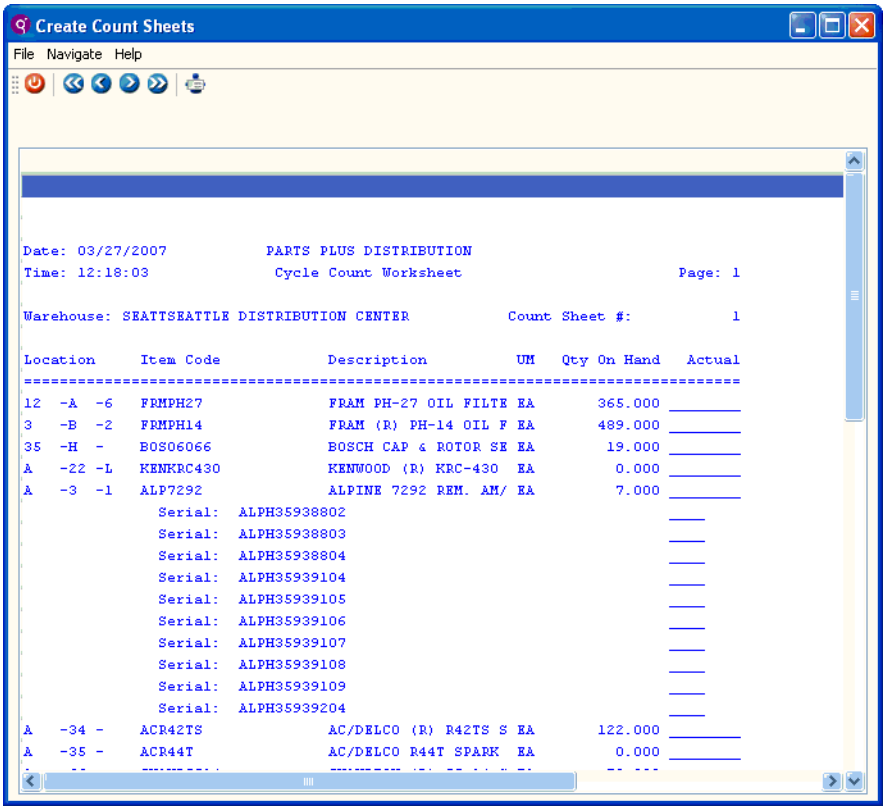
   You can select items you want for a cycle count based on their ABC classification, which are the 12 levels you set up in the Inventory Defaults file. For example, you may want to count all the Class 1 items that may represent the top 8% of your inventory in terms of cash flow.

4. **Count Cycle Code**

   The cycle count code is the single letter code that you assigned each inventory item either manually or via the default set up in the Defaults file. When you enter a code in this field, the system will find all the items that have this same code assigned to them and place them in the count sheets file.

Print Count Sheets

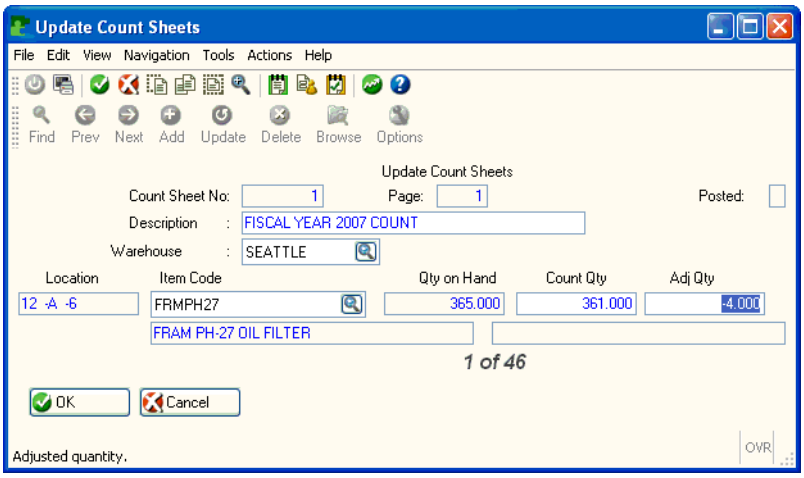
The system uses the selection criteria you enter to gather the items you want to go on a particular cycle count. The system assigns each count sheet a unique number. You use the Print Count Sheets option to view the count sheets you created and to print hard copy count sheets for personnel to record the results of the physical inventory count.



Update Count Sheets

You can use this option to enter the results of a physical inventory count based on the count sheets created in the system or you can add the results of a count directly without calling up the count sheets.

Once counters have recorded physical inventory on the actual count sheets, you can find the matching count sheet file. Using the Next, Prev., and Browse commands, you can find the items you need to update on the Update Count Sheets screen.



Note

You can enter the results of counts directly without first creating a count sheet in the system. In this case, you use the Add command and fill in the Update Count Sheets screen with the results of an inventory count.

1. **Count Sheet No.**

   This is the system-assigned number that you can use to select one or more current count sheets for which you want to enter results. When entering results directly without a count sheet, the system skips this field and assigns a number when you save the transaction.

2. **Page**—page number

   Shows the page number of the count sheet you are viewing or updating, for example, page 1 of count sheet 1008, page 2 of count sheet 1008, etc. You can use this field to select just one specific page of a count sheet.

3. **Description**—count description

   You can enter a brief description of the count (up to 30 characters).

4. **Warehouse**—warehouse code

   When you find a current count sheet to update, the system returns the warehouse code automatically. When entering results directly, without a count sheet, you want to enter the warehouse. Zoom is available.

5. **Location**—item warehouse location

   Stock location of this warehouse item by aisle, row, and bin.

6. **Item Code**—inventory item code

   If you are updating a count sheet, the item code is displayed automatically. In the Add mode, you enter the valid item code. Zoom is available in Add mode.

7. **Qty On Hand**—quantity in computer

   This is the quantity of the item (in stock units) that is suppose to be in inventory at the time of the count, and it is what shows up on cycle count sheets, but not blind count sheets. It is a display-only field.

8. **Count Qty**—count quantity

   The actual quantity counted is what you want to enter in this field. If you are recording the count results from a count sheet, you enter the amount the counter entered for the number of items they counted.

9. **Adj Qty**—adjustment quantity

   For count sheets in the system, the quantity on hand is already entered, so when you enter the count quantity, the system automatically enters the adjustment quantity. For example, if your quantity on hand is 200 and the count produces 202, the system displays 2.000 in the Adj Qty field. If the count quantity was 198, the adjustment quantity would be -2.000.

Print Count Edit List

This menu option provides two functions: first, the system verifies information internally to prepare for posting the adjustments; and second, you can print out the results of entries you made via Update Count Sheets and check for data-entry errors by comparing this edit list with your completed count sheets. The edit list only shows the items for which you made adjustments, and for each item the system displays the Item Code, Warehouse, and Adjustment Quantity.

Print Over/Short Report

The Over/Short report shows the differences between your physical count and the amount on hand in the computer. Unlike the Count Edit List, this report shows all the items on the count sheet whether they had any adjustment or not, and it gives the item code, warehouse, on hand quantity, count quantity, and adjustment quantity.

Note

If you find any discrepancies, it may be a good idea to recount any items in question. You can make changes through the Update Count Sheets option if you discover your count was incorrect. Actual adjustments are made to the inventory when you run the Post Counts option.

Post Counts

When you run this option, it prints out a report that shows the adjustments made to inventory and to inventory ledger accounts.

You can post each count individually based on the count sheet number and you do not have to complete a count sheet before you post adjustments. This way, you can adjust the inventory incrementally as the count is completed.

Before posting you should do the following:

1. Compare the Count Edit list with the original Count Sheet printouts to discover any data-entry errors.
2. Check the Over/Short report for any discrepancies.
3. If there are differences between the physical count and the systems Quantity On Hand, check inventory again to see that you have not miscounted.
4. Update any differences via Update Count Sheets and rerun the edit list.

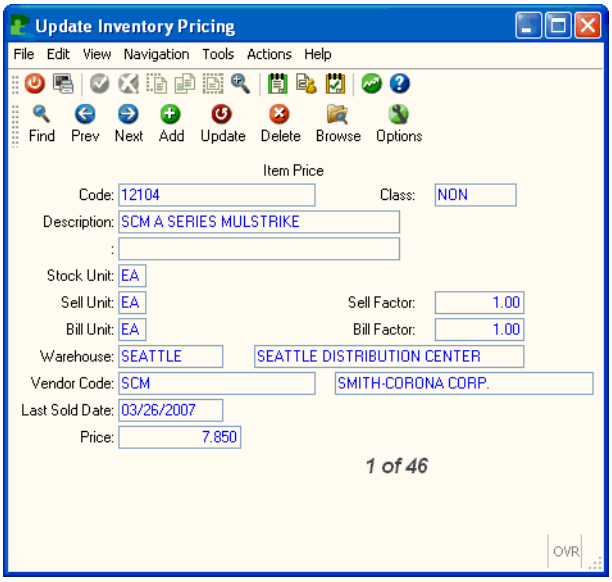
The posting process adjusts the quantity on hand in inventory and makes an adjustment to the ledger accounts. The monetary value represented by the amount an inventory item is over or short is balanced between the specific inventory item's Inventory ledger account and the Adjustment account referenced on the Count Sheet.

The system produces a posting report that shows the results of the adjustments to inventory and ledger accounts.

Update Inventory Pricing

You can use this option to make a price change to a given set of inventory items. You can change prices for a selected set of inventory items either manually (item by item) or automatically (update the entire set of items at one time).

When you select the Update Inventory Pricing option, the system displays the Item Price screen.



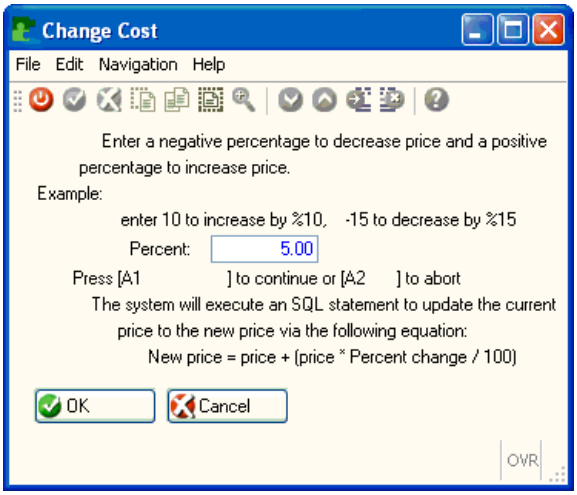
The first step in updating prices is to Find those items whose price you want to change. Once you have selected a set of inventory items, you cannot update the header section because that information is specific to the Inventory Maintenance screen.

The lower section of the screen shows the current price for each inventory item, and it is here that you can change the price manually, on a per item basis, via the Update command. Any change here changes the list price in the Price field on the Update Inventory Pricing screen (see page 1-50).

1. **Price**—inventory item price

   This numeric field (up to eight digits to left of the decimal) holds the expected selling price (in stock units) of the product before discounts.

To change the prices of a group of items, you select the Options command and then the Auto command, which brings up the Automatic price changes screen.



The system will change the prices of all of the items you selected by the percentage you enter in the Automatic price change screen, so make sure you have correctly selected only those items you wish to change. Use the Browse, Nxt, and Prv commands to look through the selected records. Again, changing the prices here will update the price in the Item Warehouse Detail screen.

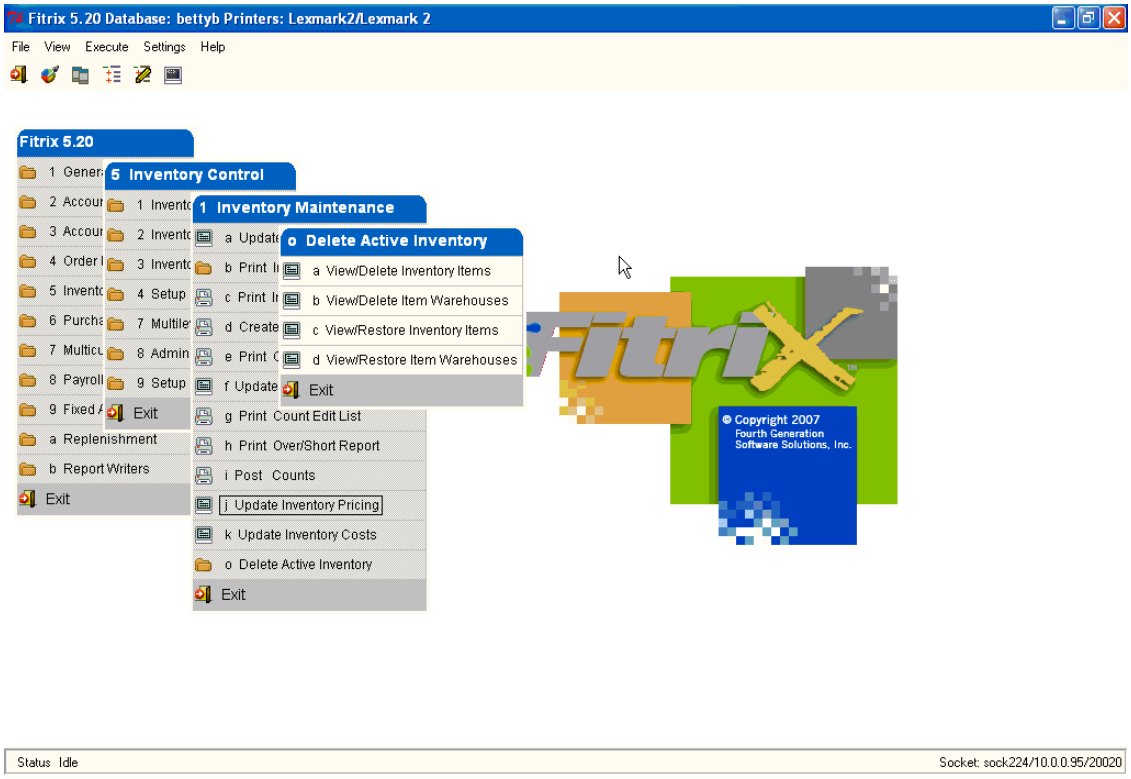
Update Inventory Costs

Updating the costs of inventory items is basically the same as updating the prices for inventory items (see "Update Inventory Pricing" on page 5-29), The main differences are that the screen says Cost and what you are updating is the item cost from the warehouse detail. You use the same screen for automatically changing the cost for a group of items in which you enter a percentage by which you want the costs of the items to change.

Delete Active Inventory

This feature gives users the ability to delete inventory items and warehouse codes regardless of previous activity.

This feature is option “O” on the Inventory Maintenance menu and the submenu is as follows:



View/Delete Inventory Items

The View delete inventory items (option a) screen program is similar to the 'Inventory Information' screen and will delete all the corresponding item/warehouse codes for the item code selected.

Items are deleted using Options via the ring menu. In order to delete the item code the item must pass three tests:

1. No open orders.
2. No open purchase orders.
3. No warehouses with quantity on hand.

View/Delete Item Warehouses

The View/Delete Item Warehouses (option b) deletes warehouses using Options via the ring menu. In order to delete the warehouse the warehouse code must pass three tests:

1. No open orders.
2. No open purchase orders or transfers.
3. No quantity on hand.

View/Restore Inventory Items

The View/Restore Inventory Items (option c) program displays deleted items and warehouses. Using options via the ring menu the user can choose to undelete items and all associated warehouses.

View/Restore Item Warehouses

The View/Restore Item Warehouses (option d) program displays deleted warehouses. Using options via the ring menu the user can choose to undelete the warehouse

6

Inventory Transactions

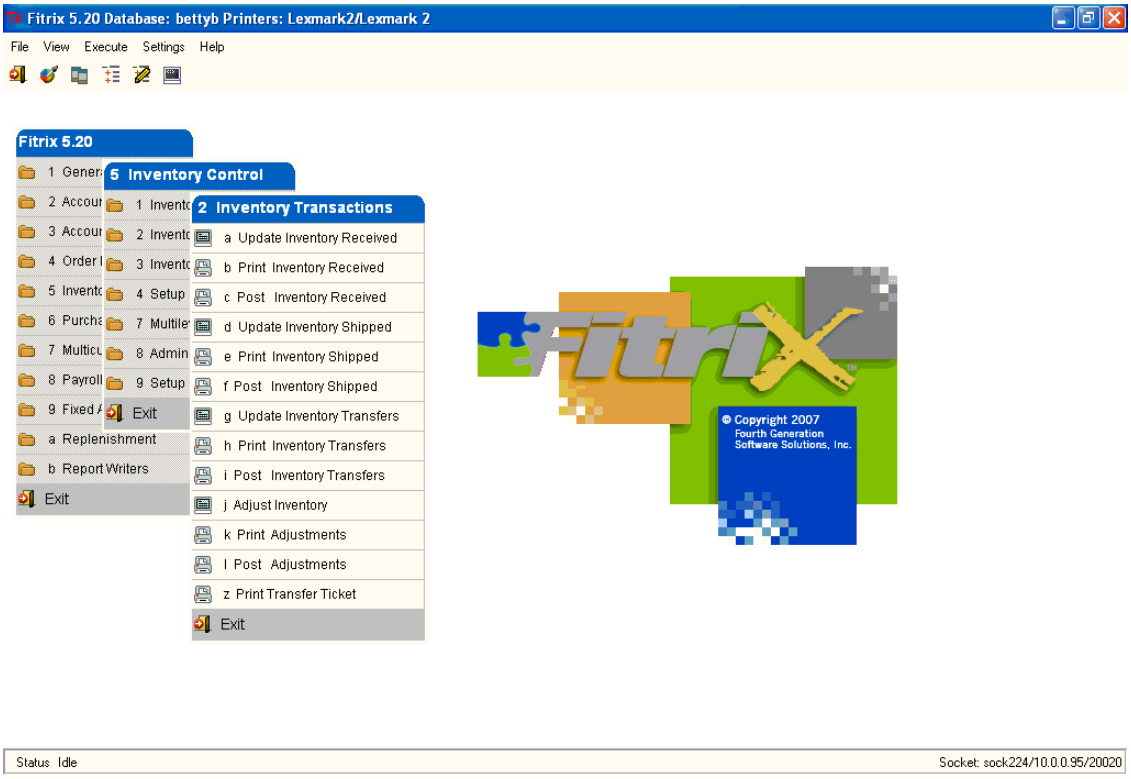
This chapter contains descriptions of the menu options, screens and fields you use to perform the following inventory transactions:

- Inventory Receipts
- Inventory Shipments
- Inventory Transfers
- Inventory Adjustments

You will find all of the transactions on the Inventory Transactions menu (option 2) on the Inventory Control Main menu.

Inventory Transactions Menu

The second menu option on the Inventory Control Main menu is the Inventory Transactions menu.



You use the options on this menu to record the different types of transactions, print edit lists to insure accuracy of data-entry for the transactions, and update the inventory via posting based on the type of transaction.

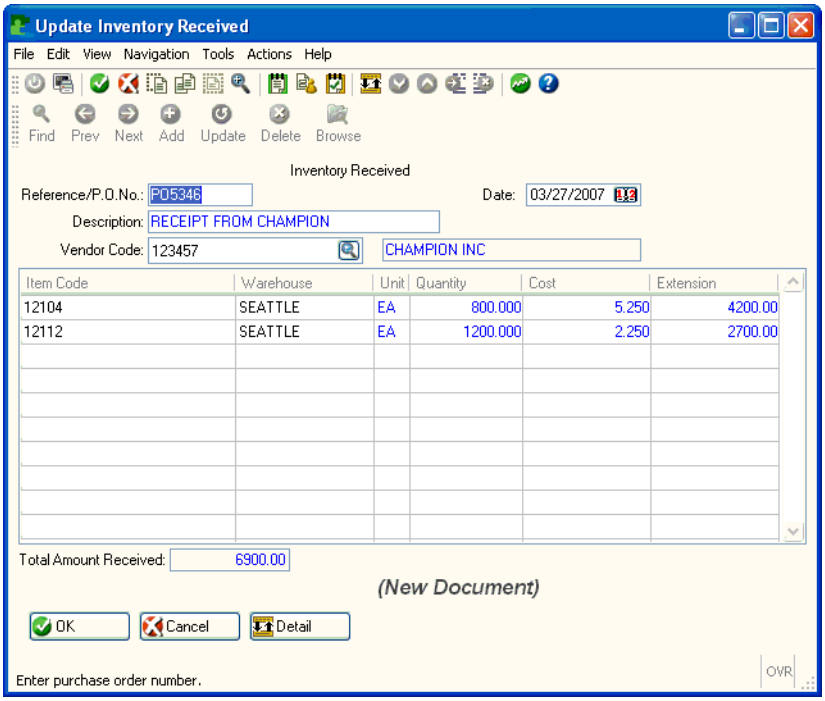
If you are using Fitrix Order Entry and/or Fitrix Purchasing, you do not need to use the Shipping or Receiving options. These functions are handled by O/E and PU. They handle not only the inventory adjustments, but they track the orders and also feed Accounts Receivable and Accounts Payable if these Fitrix modules are installed.

If you are using Fitrix Accounts Receivable and/or Fitrix Accounts Payable, but not Order Entry or Purchasing, you need to understand how A/R and A/P work in relation to inventory accounting. When you ship inventory based on a sale, the Inventory Shipped functions balance inventory against cost of goods and that is all. I/C does not perform any general ledger transactions, because there is no way for I/C to know how the customer is paying for the sale without O/E. Depending on whether the customer pays cash or you invoice the customer via A/R, you must enter a transaction in G/L or A/R to create the general ledger activity for the sale.

On the other hand, when you receive inventory you purchased, the Inventory Received functions balance inventory against payables, but you still need to enter a separate transaction in G/L or A/P to create the general ledger activity for the receipt.

Update Inventory Received

You use Update Inventory Received (option 2-a) to record the receipt of inventory.



The header section of the Inventory Received screen contains general information about the receiving document.

1. **Reference/P.O.No.**—reference or purchase order number (required)

   Use this ten-character field to enter your purchase order number or some other reference to this transaction.

2. **Date**—date received (required)

   This is the date the items were received. The default is today, but you can override the default date.

3. **Description**—description of the receipt (optional)

   This is an optional field where you can enter brief description of the receipt (up to 30 characters).

4. **Vendor Code** (optional)

   You can enter the vendor code (up to 6 characters) from whom you have purchased the items. If Accounts Payable is installed, you must enter a valid vendor code that has been previously been setup in the A/P Vendor program. The Zoom feature is available.

The detail section of the screen is used to enter the specific inventory items received. To move to it, press the [TAB] key.

1. **Item Code**—inventory item code (required)

   This is the unique item code that identifies the inventory item. Item codes you enter must have first been setup in the Update Inventory Information program. The Zoom feature is available.

2. **WH**—warehouse code

   This field is where you enter the warehouse code representing the warehouse where you are receiving the item. You must enter a valid warehouse code, so the Zoom feature is available for you to select from the list of defined warehouses.

3. **Unit**—purchase unit

   This noentry field holds the purchase unit of measure for the item.

4. **Quantity**—number of purchase units

   Enter the number of items (in purchase units) that you are receiving. After you enter a quantity, the system then multiplies the cost by the quantity and displays the total cost in the Extension column.

5. **Cost**—purchase cost per unit

   The Purchase Cost associated with an item appears in the Cost column of this screen (this value is retrieved from the Item Warehouse Detail). You can enter a cost to override the default cost for this receipt. The entry in this field is used to update the Last Purchase Cost for the item in the Item Warehouse Detail, and this cost is also used to determine the Average Cost of the inventory item.

6. **Extension**—total cost for the line

   The system calculates this total based on the quantity and the cost.

The bottom portion of the Inventory Received screen is display-only.

1. **Total Amount Received**—document total

   This field holds the sum of all the totals in the Extension column, which the system automatically calculates. It represents the total cost for this receipt.

Print Inventory Received (Edit List)

Prints an edit list of Receiving transactions. You must print an edit list before posting. You can use this list to verify the accuracy of data entry.

Post Inventory Received

The Post Inventory Received menu option updates the following data:

- Quantity On Hand is increased by the amount received
- Average Cost of each item is recalculated based upon the Cost entered during receipt.
- Last Purchase Date and Last Purchase Cost

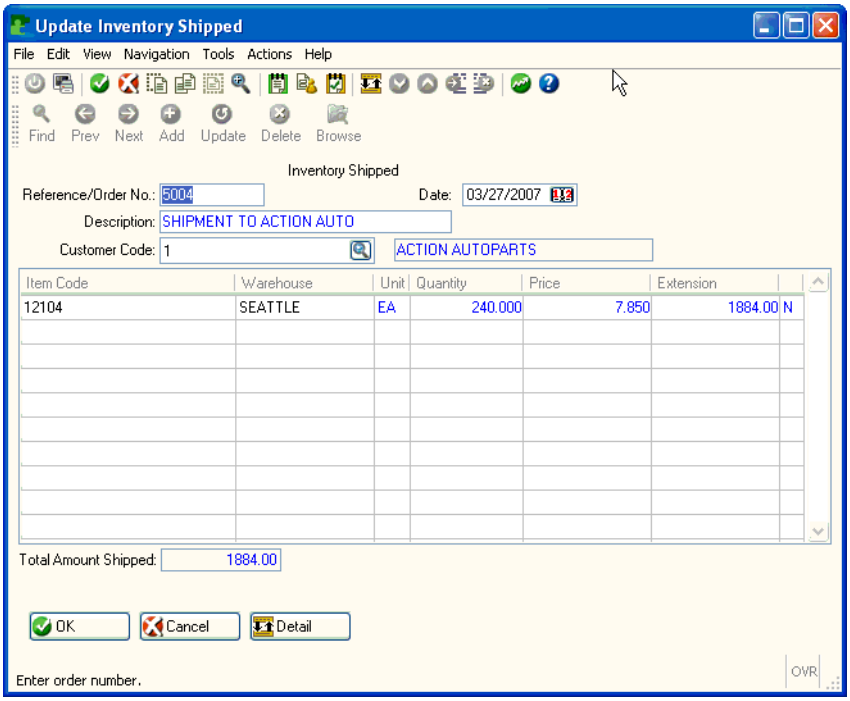
Update Inventory Shipped

You use Update Inventory Shipped (option 2-d) to record the shipment of inventory.

The header section of the screen stores basic information about the Inventory Shipped form:

1. **Reference/Order No.**—informational field

   Use this field (alphanumeric, up to ten characters) as you deem appropriate. You may enter your purchase order number or some other reference to a manual document. This is a required field.



2. **Date**—date received

   This is the date the order was shipped. Enter in mmddyy format. The entry here is used to update the Last Sold Date in the Inventory file. If no date is entered, the system defaults to today's date.

3. **Description**—description of the receipt

   This is an optional brief description of the shipment used to identify the document. It is an alphanumeric field which may hold up to thirty characters.

4. **Customer Code**

   This field stores a customer code if the shipment is recorded against a specific customer. If Order Entry or Accounts Receivable is installed, the code you enter must have previously been setup in the Update Customer Information Program. The Zoom feature is available.

The detail section of the screen is used to enter the specific inventory items shipped. To move to it, press the [TAB] key.

1. **Item Code**—inventory item code

   This is the unique item code that identifies the inventory item. All items entered must have first been setup. The Inventory items are maintained with the Update Inventory Information option on the Inventory Maintenance Menu. The Zoom feature is available.

2. **WH**—warehouse code

   This field is where you enter the warehouse code representing the warehouse from where you are shipping the item. You must enter a valid warehouse code, so Zoom feature is available for you to select from the list of defined warehouses.

3. **Unit**—sell unit

   This non-entry field holds the unit of measure in which you sell the item.

4. **Quantity**—number of sell units

   Enter the number of items that you are selling (in sell units). After you enter a quantity, the system then multiplies the price of the item by the quantity and displays the total cost in the Extension column.

5. **Price**—selling price per unit

   If there is a Selling Price associated with the item code in the Inventory file, it appears in the Price column of the form; if not, you may enter a price in this column. This numeric field reflects the price of the item in sell units. In the Add or Update mode, you can override the displayed value; however, this does not override the original price set up in the Price field of the Inventory file.

6. **Extension**—extended price

   This system automatically calculates the total line price based on the quantity and the price of the item.

7. **Recurring Usage**—does this sale represent recurring usage?

   This is the unmarked column at the end of the line in which you enter a Y or N depending on if this line represents recurring usage: A recurring usage is defined as a sale or transfer transaction that is likely to repeat. Recurring usage is used for replenishment purposes—calculating reorder points and quantity to reorder. The default is N, which tells the system that this is *not* a recurring sale.

The bottom portion of the screen is display-only.

1. **Total Amount Shipped**—document total

   The system automatically calculates the sum total of all the amounts in the Extension column.

Print Inventory Shipped (Edit List)

This process prints an edit list of shipping documents. You should check this list against the original documents, before posting, to verify the accuracy of data entry.

Post Inventory Shipped

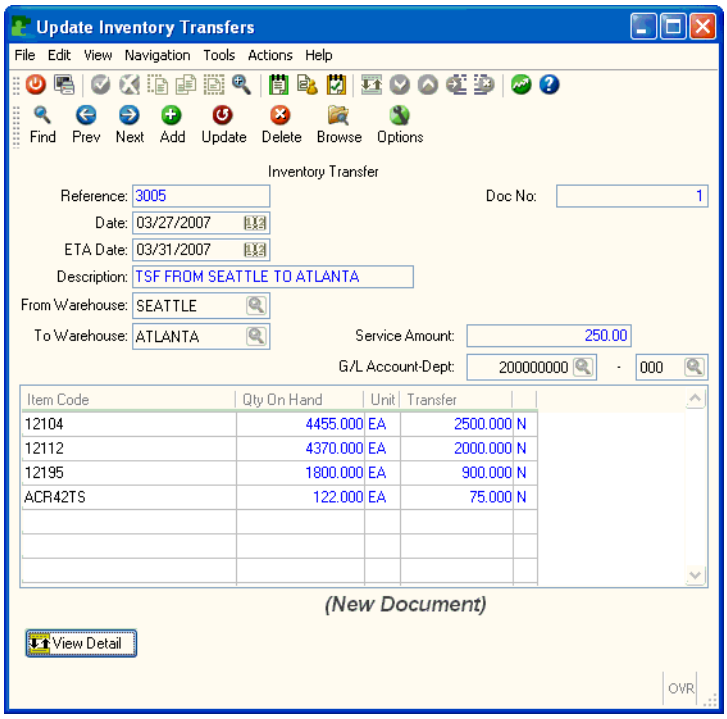
The Post Inventory shipped menu option updates the following data:

- Quantity On Hand—decreased by the amount shipped
- Last Quantity
- Last Sold date
- Last Activity date
- Recurring Usage activity—if line item is flagged for recurring usage.

Update Inventory Transfers

You use this menu option to record the transfer of inventory from one warehouse to another, thus creating a Transfer document in the system. After selecting Update Inventory Transfers, the system displays the Transfer Inventory Item screen.

The header section of the Inventory Transfer screen stores basic information about the Inventory Transfer:



1. **Reference**—reference or transfer number (required)

   Enter a number that you will use to identify this transfer transaction, the number can be up to 10 characters long. This is a required field.

2. **Doc No.** - System maintained field.

   This document number will need to be entered to post the transfer.

3. **Date**—date transferred (required)

   This is the date the transfer is to take place. The system defaults to today's date, but you can override the default.

4. **ETA Date** - estimated time to arrival

   Approximate date the transfer will be received at the "TO" warehouse.

5. **Description**—description of the transfer (optional)

   Enter a brief description of the transfer (up to 30 characters).

6. **From Warehouse** - the sending warehouse

   Enter the warehouse code for the warehouse the merchandise is being transferred from. Zoom is available allowing you to select from a list of defined warehouses.

7. **To Warehouse** - the receiving warehouse

   Enter the warehouse code for the warehouse the merchandise is being shipped to. Zoom is available allowing you to select from a list of defined warehouses.

8. **Service Amount** - cost of freight

   Enter the freight amount charged to transfer the item. When the transfer is posted, this freight amount will be added to the cost valuation of items transferred (landed cost).

9. **GL Account - Dept** -

   This will default to your AP account number. When the frieght bill is received from the carrier, it should be entered into AP using this same account number. By doing this the net result of the transfer posting and AP posting will be:

   - Debit Inventory
   - Credit Accounts Payable

The detail section of the screen is used to enter the specific inventory items transferred. Press [TAB] to move to the detail section.

1. **Item Code**—inventory item code (required)

   This is the unique item code that identifies the inventory item. All items entered must have first been setup in the Inventory file. The Inventory file is maintained with the Update Inventory Information option on the Inventory Maintenance Menu. The Zoom feature is available.

2. **Qty. On Hand**—quantity on hand in the From warehouse.

   After entering a valid item code and valid warehouse codes, the system displays the quantity on hand for that item in the From warehouse. This value is retrieved from the Inventory file, so this is a no-entry field.

3. **Unit**—unit of measure.

   This is the stocking unit of measure of the item you are transferring, which the system automatically retrieves from the Inventory file.

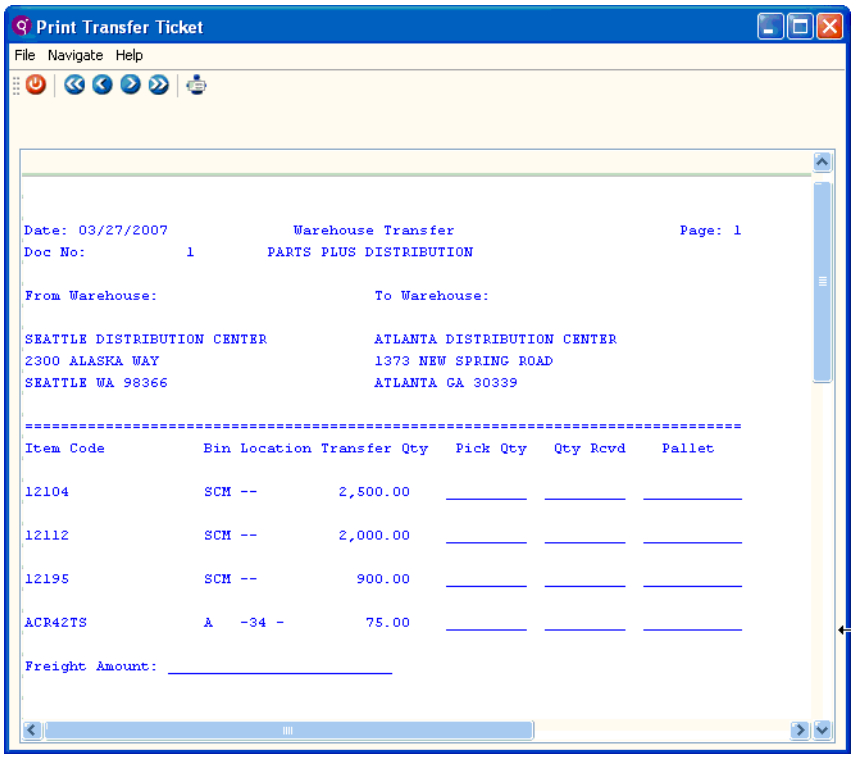
4. **Transfer**—quantity transferred.

   Enter the number of stock units you want to transfer from the From warehouse to the To warehouse.

5. **Recurring Usage**—does this transfer represent recurring usage?

   This is the unmarked column at the end of the line in which you enter a Y or N depending on if this line represents recurring usage: A recurring usage is defined as a sale or transfer transaction that is likely to repeat. Recurring usage is used for replenishment purposes—calculating reorder points and quantity to reorder. The default is N, which tells the system that this is NOT a recurring transfer.

Once the transfer is entered, you can select options from the ring menu to print to transfer ticket or you can select option Z from the Inventory transaction menu to print.



Print Inventory Transfers

The Print Inventory Transfers option prints an edit list of transfers entered into the system. You can check the edit list against the original transfer transaction entries before posting to verify data-entry accuracy. You must print an Inventory Transfer edit list before you can post transfers.

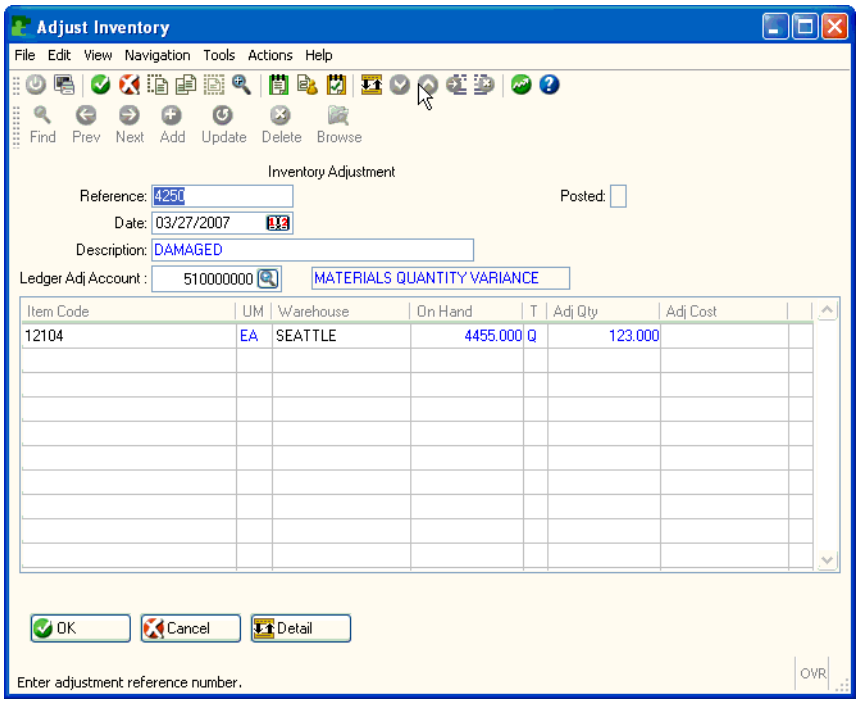
Post Inventory Transfers

When you post Inventory transfers between warehouses, the system updates the following data:

- Decreases the Quantity On Hand of items in the “From” warehouse and increased quantity on hand of items in the “To” warehouse.
- Update the Average unit cost in each of the warehouses.
- Update the Last Activity date in each of the warehouses.
- Update the Recurring Usage activity—if line item is flagged as recurring usage.
- Releases customer backorders in the “To” warehouse if you enter a "Y" when prompted “Release Customer Backorders (Y/N)” when you run the posting report.

Adjust Inventory

This menu option allows you to enter a transaction that will adjust the on-hand quantity for an inventory item and/or adjust the average cost. After selecting Adjust Inventory, the system displays the Inventory Adjustment screen.



The header section of the Inventory Adjustment screen contains basic information about the Inventory Adjustment document:

1. **Reference**—informational field (required)

   Use this alphanumeric field (up to ten characters) as you deem appropriate. You can use this field to cross-reference this computer document to any manual documents you have for this transaction.

2. **Date**—date of adjustment (required)

   The date of the adjustment is entered into this field. The format for entry is mm/dd/yy. If no date is entered, the system defaults to today's date.

3. **Description**—description of the receipt (optional)

   Use this field to enter a brief description of the adjustment. This is an alphanumeric field which holds up to 30 characters.

4. **Ledger Adj. Account**—adjustment ledger account (required)

   This field stores the nine-digit ledger account number where the system will post activity generated by this transaction. An adjustment increases or decreases the inventory value, and that change is balanced against the ledger account specified in this field. This field defaults to the inventory adjustment account number setup in the Inventory Control Defaults program. You can override the default if you need to and enter another valid account code. Zoom is available to select form a list of current ledger accounts.

Use the detail section of the screen to enter the specific inventory items you need to adjust.

1. **Item Code**—inventory item code (required)

   This is the unique item code that identifies the inventory item. All items entered must have first been setup in the Inventory program. The items are maintained with the Update Inventory Information option on the Inventory Maintenance Menu. Zoom is available.

2. **UM**—units of measure

   This non-entry field holds the stocking unit for the item you want to adjust.

3. **Warehouse**—warehouse code (required)

   This field stores the warehouse code for the warehouse in which the item is stored. It must be a valid warehouse code; that is, this code must have previously been setup in the Warehouse program. The Warehouse codes are maintained with the Update Warehouse Definitions option on the Setup Inventory Menu. In addition, this item must be setup in the specified warehouse. The Zoom feature is available.

4. **On Hand**—quantity on hand

   Once you have entered a valid item code and warehouse code, the system automatically displays the quantity on hand for the item in the warehouse.

5. **Adj. Quantity**—adjustment quantity

   This field serves two purposes: first, you can use it to simply increase or decrease the quantity on hand by entering the positive or negative value by which you want to adjust the quantity; or second, you can enter a number of items involved in an average cost adjustment, which also utilizes the Adj. Cost field discussed below.

   As an example, say Receiving entered 15 units of this item in the system as received, and then posted the receipt, but actually they only received 13 of the item. They could then enter an adjustment with an entry of -2 in the Adj. Quantity field. And in this case, they would enter nothing in the Adj. Cost field.

6. **Adj.Cost**—adjustment to cost

   To adjust the Average Cost of the item, you enter a number in the Adj. Quantity column, which must be a positive number, and then you enter in the adjusted cost that will apply to the number of items entered.

   For example, say you have a quantity on hand of 10 items and all were purchased at a cost of $100.00, giving an average cost of $100.00. Let's say that you want to adjust the cost of 5 of those items to $110.00. In the Adj. Quantity column, you enter 5. In the Adj. Cost column you enter 110. The system would remove 5 items at $100.00 each from inventory, and then add 5 items at $110.00 each back to inventory, and calculate a new weighted average cost.

Print Adjustments (Edit List)

This process prints out an edit list of Adjustment transactions. You should check this edit list against the original transactions before posting to ensure the accuracy of data-entry.

Post Adjustments

When you post adjustments, the system updates the following data depending on the kind of adjustment you do:

- for a quantity adjustment, Quantity On Hand
- for a average cost adjustment, Average Cost

What's Next

This concludes the description of the Inventory Transactions menu. Once you have entered and processed transactions, you can use Inventory Reports to study the status of your inventory, look at trends and make decisions about your inventory. Inventory Reports is the focus of the next chapter.

7

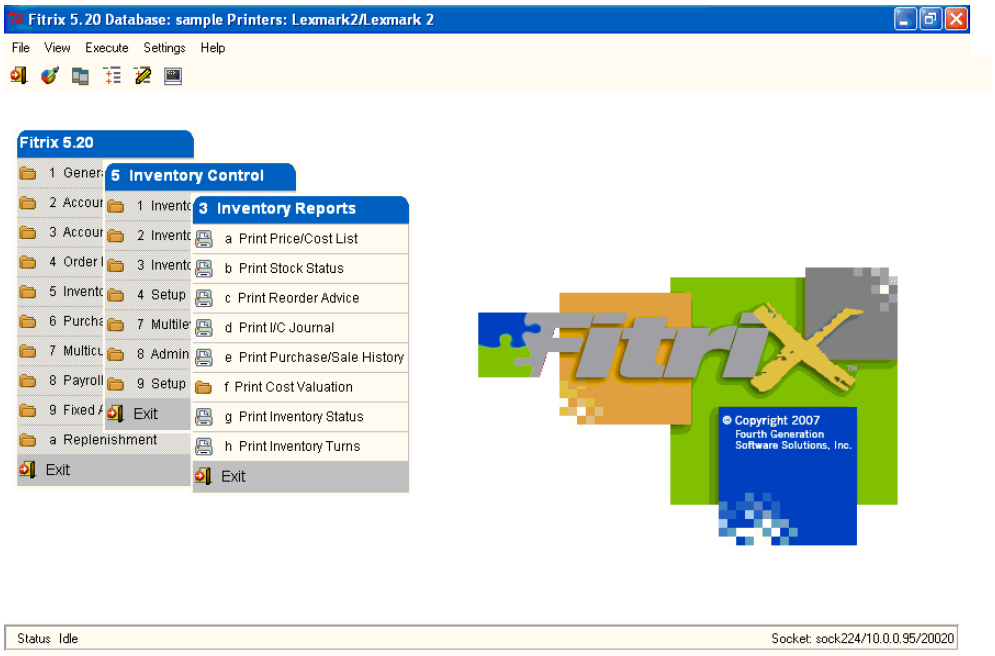
Inventory Reports

This chapter covers information about the reports available from the Inventory Reports menu (option 3) on the Inventory Control Main menu. The report information is covered in the following topics:

- The Inventory Reports menu
- Selecting report information
- Report options and descriptions
- Sample reports

Inventory Reports Menu

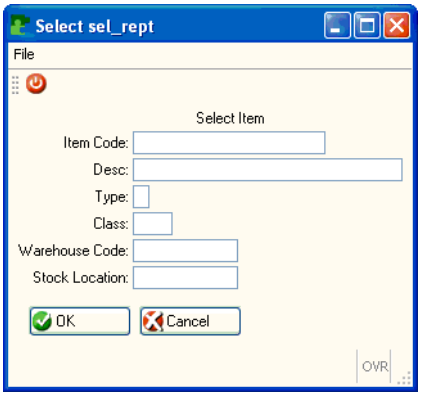
When you select Inventory Reports, the system returns the following menu:



When you select a report option, you can select specific information you want to go on the report.

Selecting Report Information

When you select any of these report options, the system returns a selection criteria screen so you can customize the information that prints on the report:

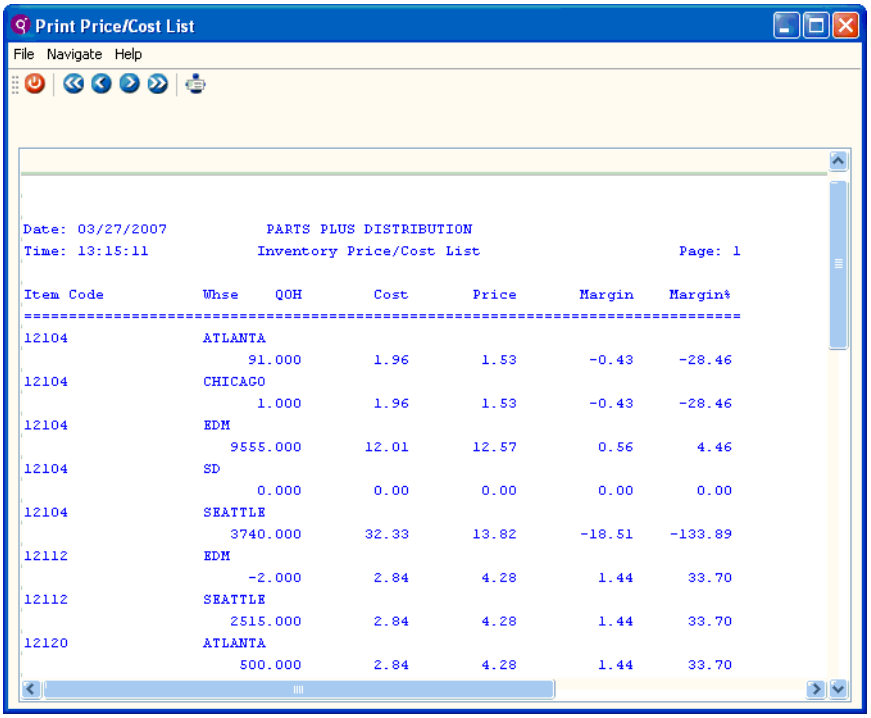


You can select specific items or groups of items based on the selection criteria you fill in the fields shown above. You can click OK, with nothing entered, to select all the inventory items for the specific report.

For discussion and examples of selection criteria see *Getting Started with Fitrix*. The following pages show samples of the reports you can print from the Inventory Reports menu.

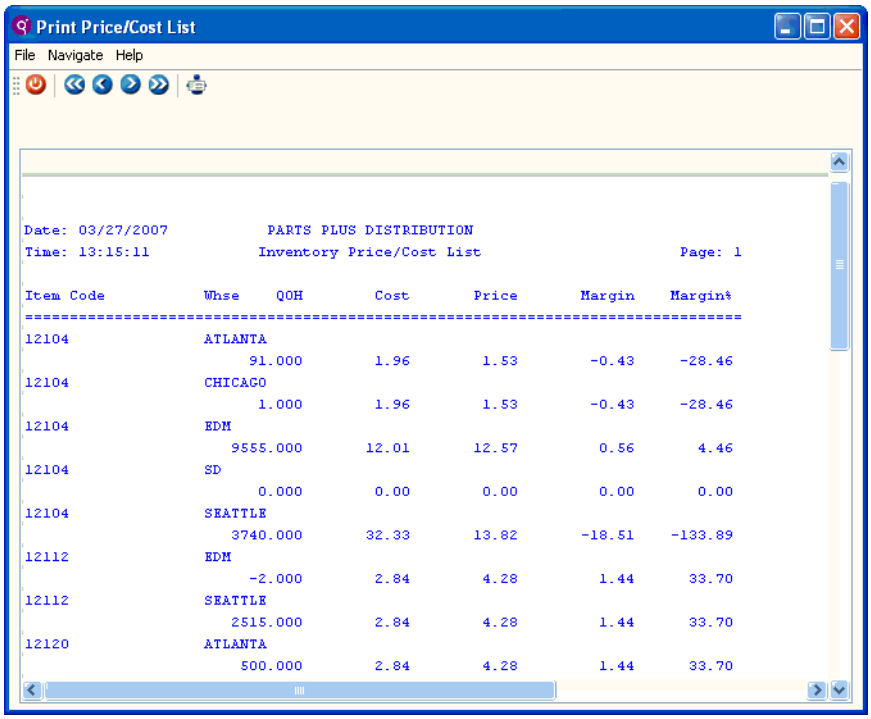
Price/Cost List

This menu option prints a profitability analysis of your inventory. The report shows each item and each warehouse it resides in, in addition to the cost and price in that warehouse. It shows the margin on that item, both as a dollar figure and as a percentage.



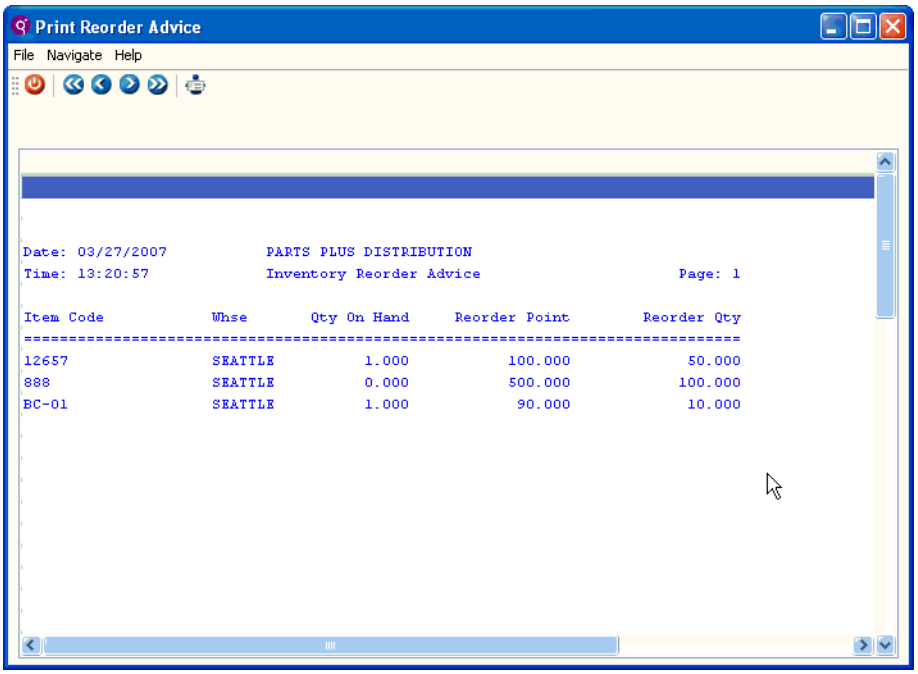
Stock Status Report

This option prints a report that shows the availability of your inventory. It shows each item with warehouses where the item is stocked, and how many of these items are on hand in a warehouse.



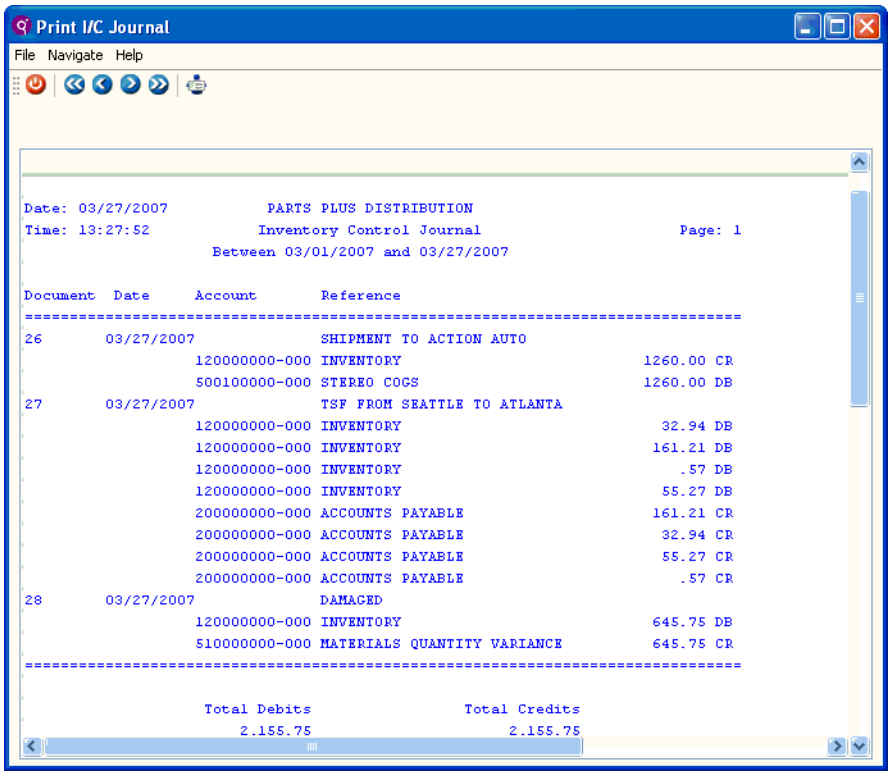
Reorder Advice Report

Use this option to print a report to assists in reordering/replenishing your inventory. The report shows each item whose quantity on hand has fallen below its reorder point. It shows the item warehouse, how much is on hand, the reorder point, and the suggested reorder quantity.



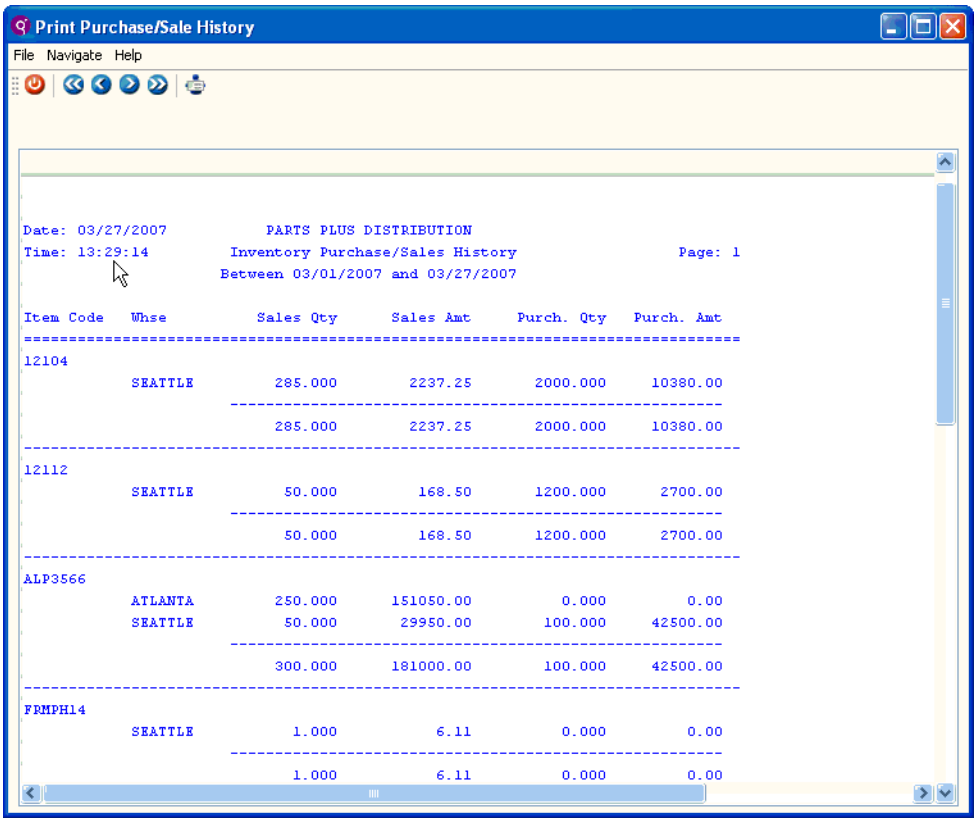
Inventory Control Journal

This option allows you to print a ledger report showing the account activity generated from transactions in I/C. This report shows all the ledger debits and credits sorted by the document number assigned to each transaction. You select a date range for which you want to report transactions.



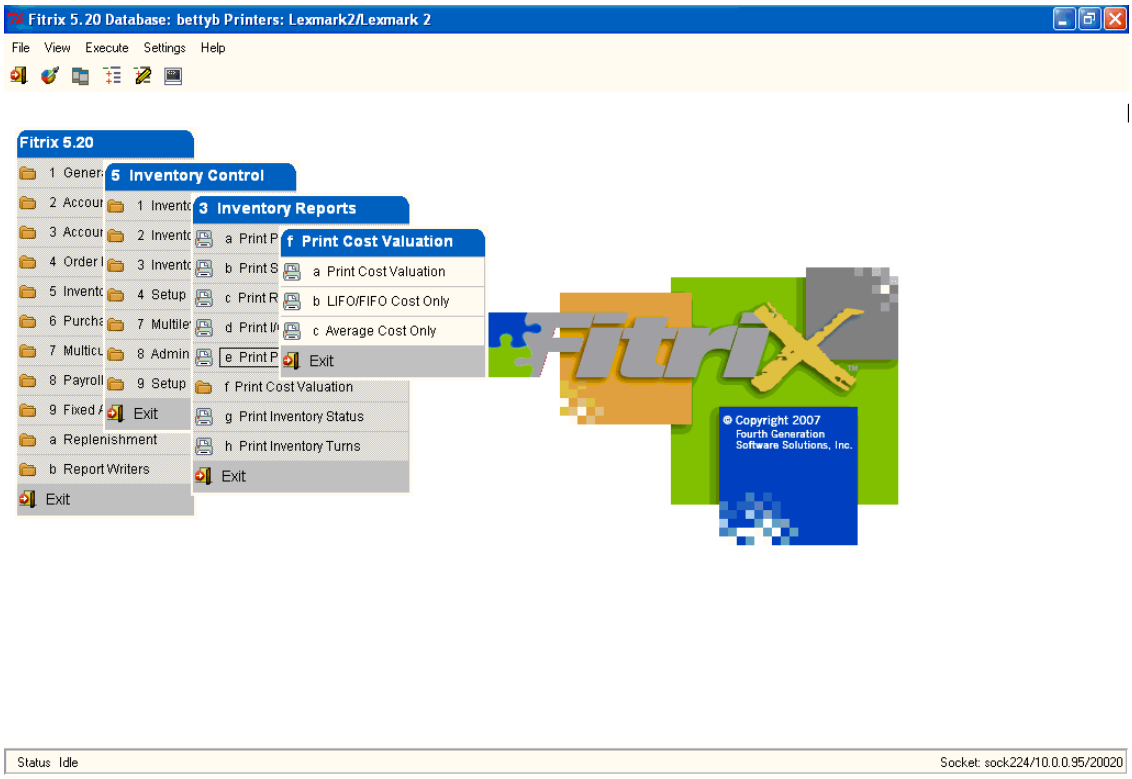
Purchase/Sale History Report

This option allows you to print an item history report. The report shows each item, each warehouse where the item is stocked, and how many of these items were purchased and sold in both dollar and unit figures. This option returns both date range and selection criteria screens.



Cost Valuation Reports

When you select the Print Cost Valuation option, the system returns the following submenu:



Print Cost Valuation

You can use this report to see the cost valuation for your inventory items at any given date with the total cost for each item in each warehouse, and at the end of the report, you have a grand total for all the items selected. In the sample report on the next page, we show the third page of the report to show examples of each item and the Grand Total cost for all items selected.

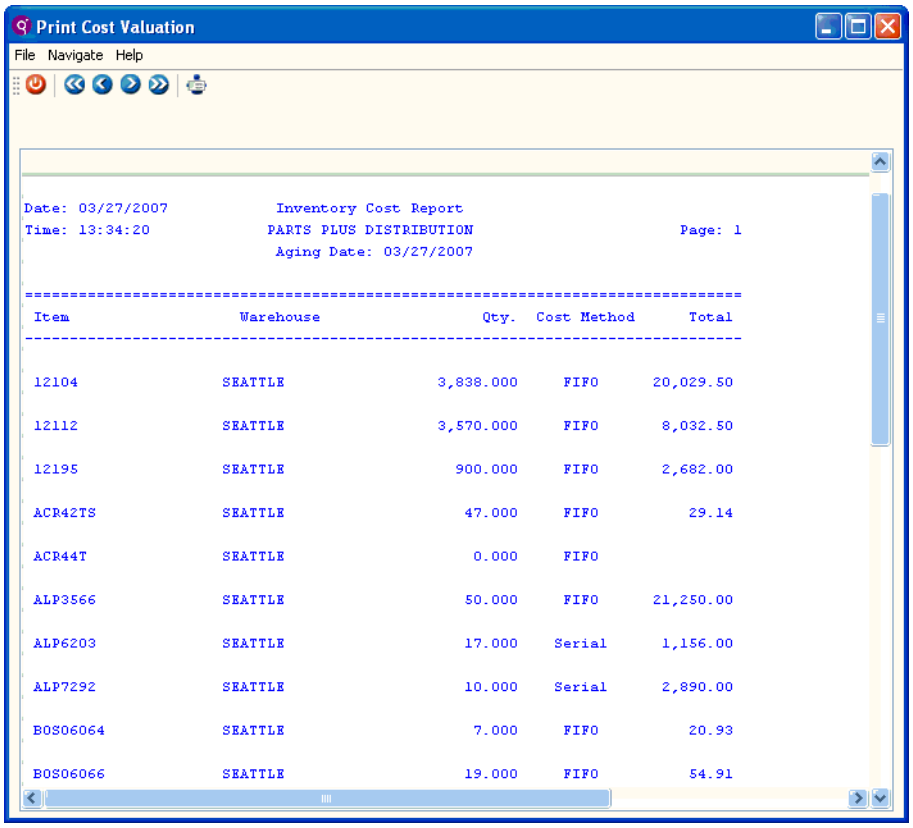
LIFO/FIFO Cost Only

This report prints FIFO (first in-first out) and LIFO (last in-first out) cost valuation information on all selected items at any given date. For each item selected, the program lists each warehouse that stocks that item along with past purchasing activity, and how the cost of the item is determined.

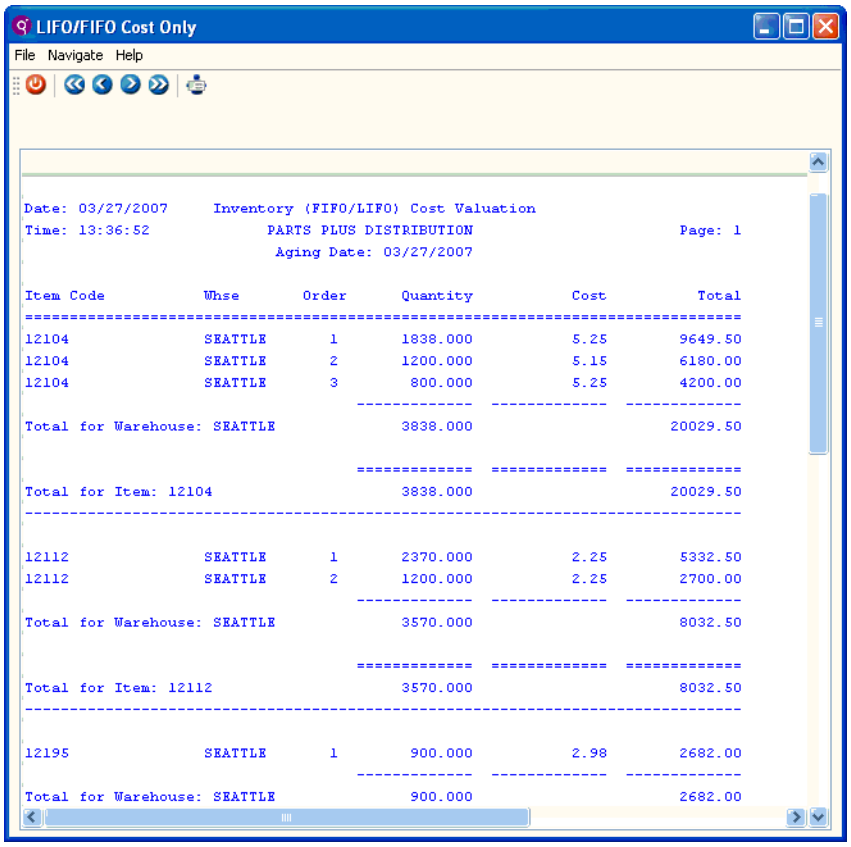
Average Cost Only

You can use this report to view the quantities, average cost, and totals for each item in each warehouse at any given date. This report also gives a Grand Total cost for all the items selected.

Cost Valuation Report

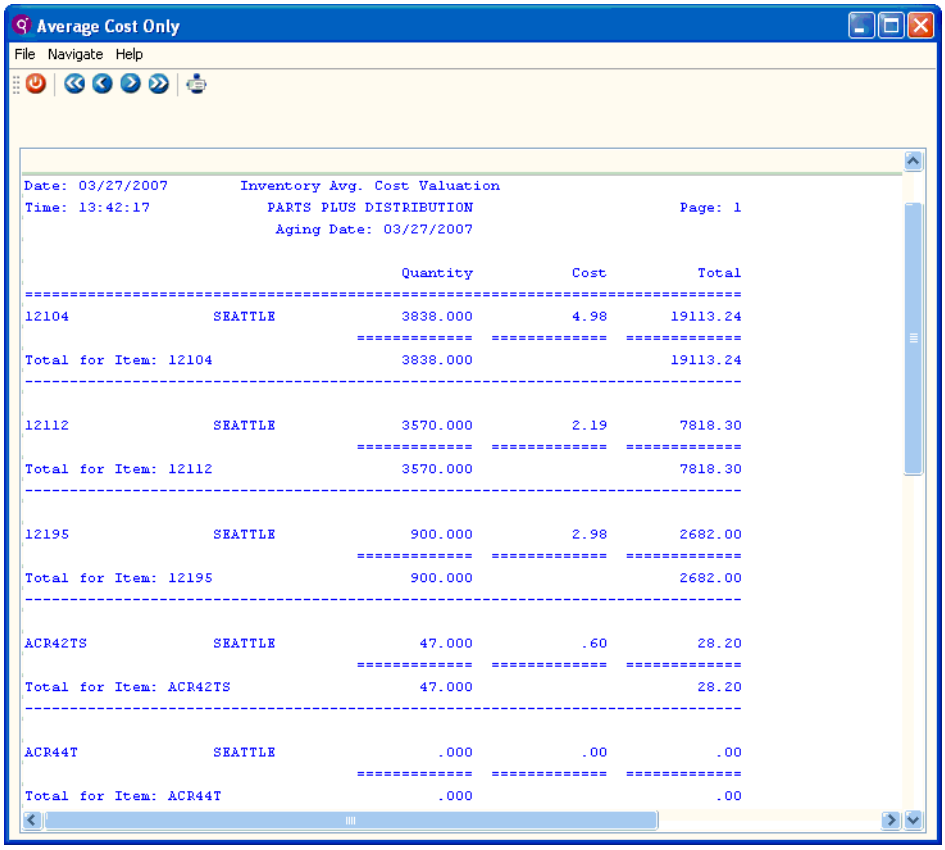


LIFO/FIFO Cost Only Report



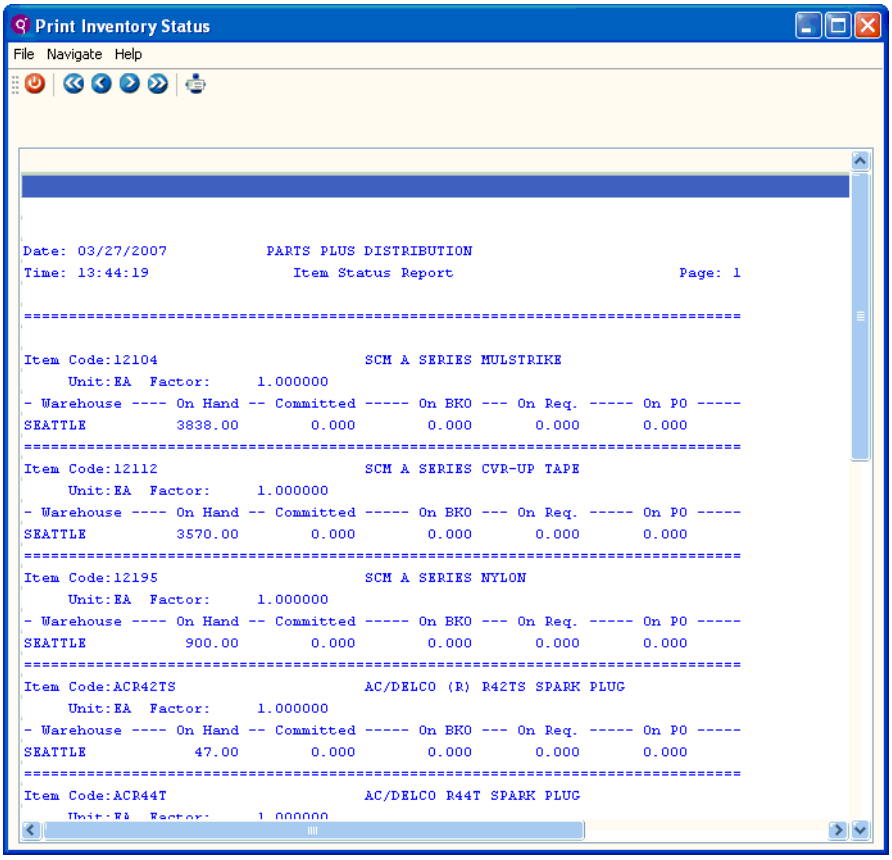

```
Date: 03/27/2007     Inventory (FIFO/LIFO) Cost Valuation
Time: 13:36:52             PARTS PLUS DISTRIBUTION                    Page: 1
                            Aging Date: 03/27/2007

Item Code           Whse       Order      Quantity          Cost          Total
================================================================================
12104               SEATTLE        1       1838.000          5.25        9649.50
12104               SEATTLE        2       1200.000          5.15        6180.00
12104               SEATTLE        3        800.000          5.25        4200.00
                                          -------------  -------------  -------------
Total for Warehouse: SEATTLE               3838.000                     20029.50

                                          =============  =============  =============
Total for Item: 12104                      3838.000                     20029.50
--------------------------------------------------------------------------------

12112               SEATTLE        1       2370.000          2.25        5332.50
12112               SEATTLE        2       1200.000          2.25        2700.00
                                          -------------  -------------  -------------
Total for Warehouse: SEATTLE               3570.000                      8032.50

                                          =============  =============  =============
Total for Item: 12112                      3570.000                      8032.50
--------------------------------------------------------------------------------

12195               SEATTLE        1        900.000          2.98        2682.00
                                          -------------  -------------  -------------
Total for Warehouse: SEATTLE                900.000                      2682.00
```

Average Cost Only Report



Inventory Status Report

This print option allows you to view the status of selected items, status being the quantity on hand, the quantity committed, quantity on backorder, quantity on requisitions, and quantity on purchase orders.

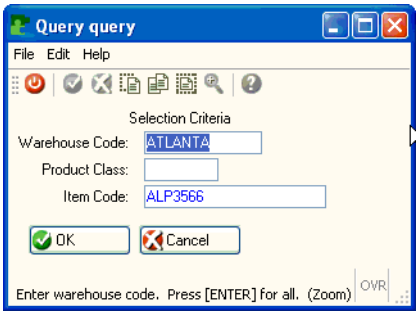


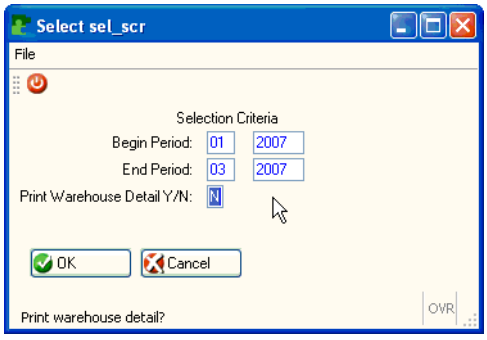
Inventory Turns Report

This reports will help you identify any slow moving items you may have by calculating the months supply you have on hand for the items selected and the number of times you "turn" the stock per year.

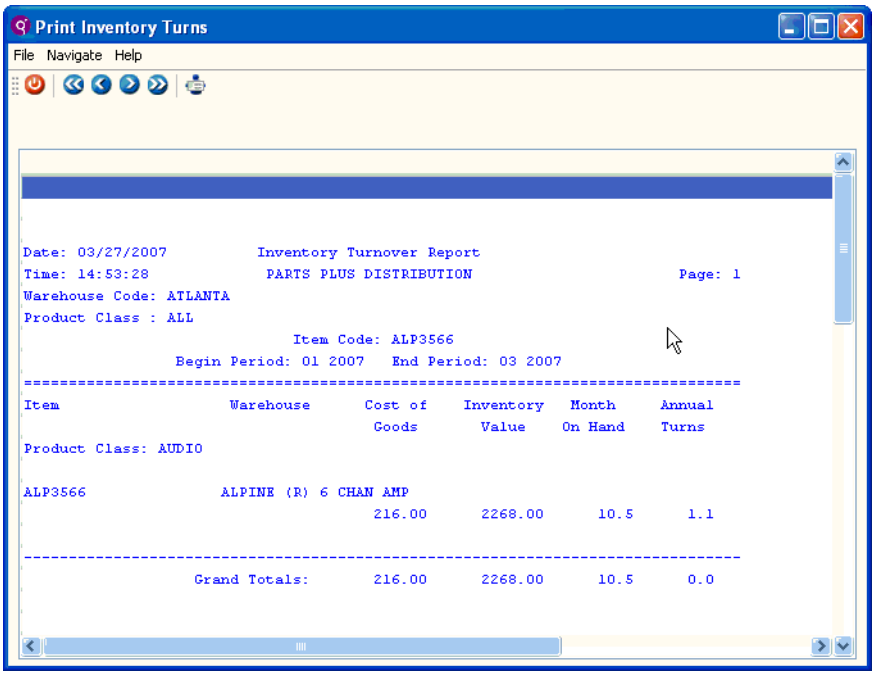
The classic method for calculating inventory turns is to determine the number of months in inventory by dividing the total inventory dollars by the average cost of sales for a certain time period defined by the user. The result is the number of months in inventory. Dividing this figure into 12 months gives the number of inventory turns per year. For example, if you have $1,000,000 in inventory and the average monthly cost of sales over the last quarter was $290,000, you have 3.5 months of inventory or 3.4 inventory turns per year.

When you select this report, the system displays selection criteria screens so you can customize the information that prints on the report.





- If you select Y to Print warehouse detail Y/N?, a separate line for each warehouse will print.
- If you select N, one line for each item code prints and it will be a summation of all warehouses.



This concludes the discussion and examples of Inventory reports.

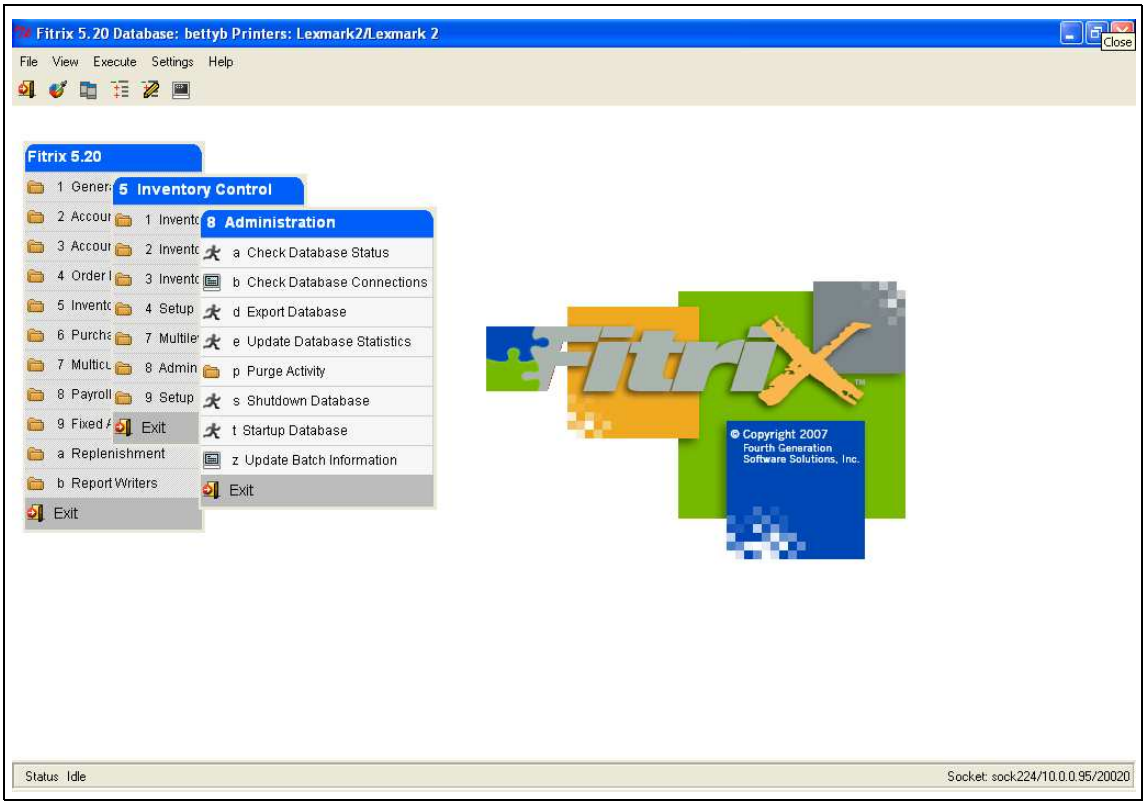
8

Administration Menu

- Check Database Status
- Check Database Connections
- Export Database
- Update Database Statistics
- Purge Activity
- Shutdown Database
- Startup Database
- Update Batch Information

Administration

The Administration Menu:



The following Options are available:

Check Database Status

Note

This function should be performed by the System Administrator. Please contact your Fitrix Representative for further information.

Check Database Status (option a). Use this option to see if the database is up and running. If the status is "Online" then the database is up and ready for connections. Shows the current status of the database such as:

- Database version
- Status- Online/Quiescent/Offline
- Number of days the database has been up
- Size of memory allocated.

Check Database Connections

Note

This function should be performed by the System Administrator. Please contact your Fitrix Representative for further information.

Check Database Connections (option b). Shows information about the current users connected to the database. There will be one line of information for each user that is currently connected to the database in the following format:

- Session ID
- SQL Statement type - Select/Insert/Update/Delete
- Database name
- Isolation Level
- Error info if any.

Export Databases

Note

This function should be performed by the System Administrator. Please contact your Fitrix Representative for further information.

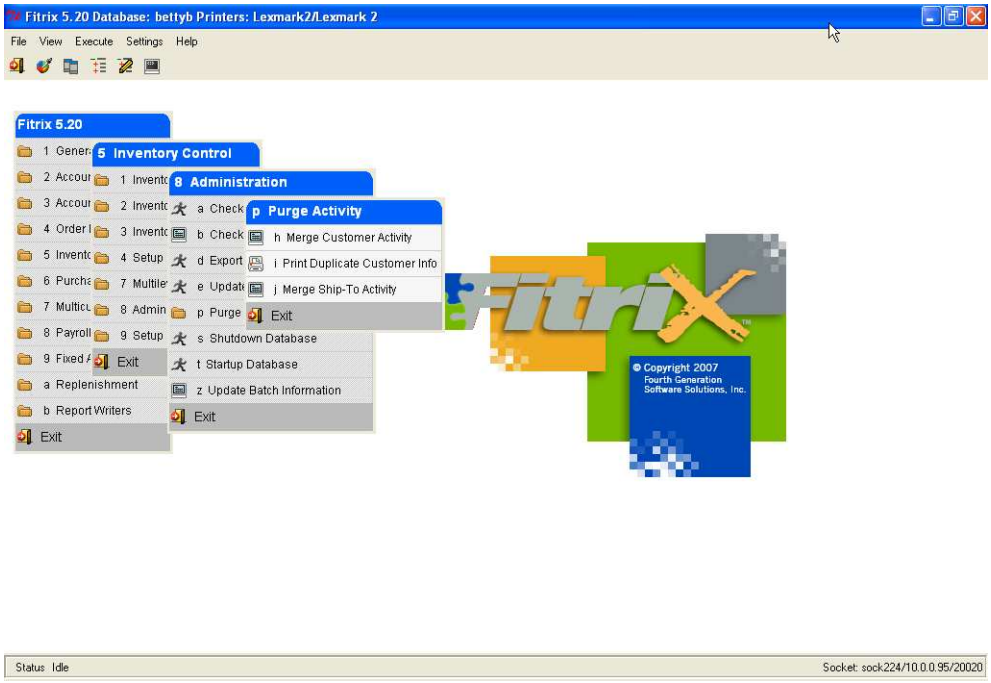
Export Databases (option d). Exports the database and schema structure into delimited text files. This is used for Backup or Migration purposes. The user must have DBA permission, and there must be no other users connected to the database in order to use this utility. The data is saved into the $fg/data folder.

Update Database

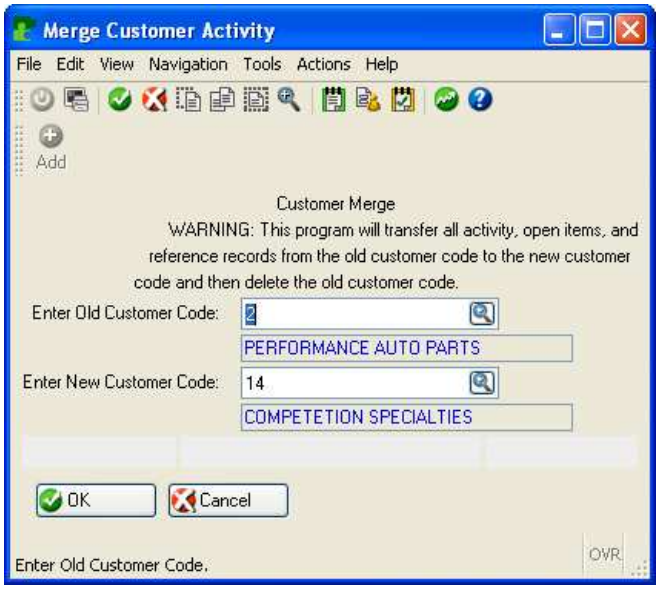
Update Database Statistics (option e). Updates the internal statistics of the database. This is done to improve performance. This should be performed on a regular basis, especially after numerous rows of data have been added to, or deleted from the database. The user must have DBA permission.

Purge Activity

Purge Activity (option p). This menu option has the following submenu:

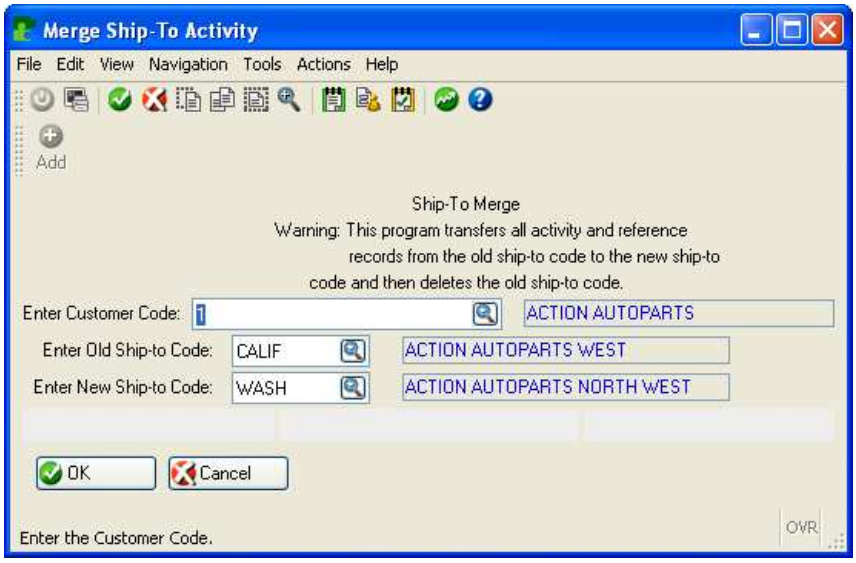


Merge Customer Activity - this program is useful when a company changes names and you want to set up a new customer code that reflects the new company name and then transfer all sales history/activity to the new code.



Print Duplicate Customer Information - this report program will list any information that could not be merged into the new customer code because it is a duplicate. For example, if old customer A has a ship-to code 01 and new customer B also has a ship-to code 01, ship-to 01 can not be merged. What you will need to do in this case is set up a new ship-to code under customer B for this shipping address.

Merge Ship To Activity - This program transfers all sales history/activity to the new code and then deletes the old code.



Shutdown Database

Note

This function should be performed by the System Administrator. Please contact your Fitrix Representative for further information.

Shutdown Database (option s). Shuts down the database engine. This will disconnect all users and stop all database processes. Once stopped, the database will be inaccessible until restarted (option t). The database engine should always be stopped before shutting down or rebooting the server hardware. The user must have DBA permission.

Startup Database

Note

This function should be performed by the System Administrator. Please contact your Fitrix Representative for further information.

Startup Database (option t). Starts the database engine. This must be done any time the database has been stopped due to option "s"above, or because of a hardware shutdown.

Update Batch Information

Update Batch Information (option z). See the chapter entitled Batch Control Maintenance in the *Getting Started With Fitrix* guide for information on this program.

9

SQL Queries

- Why SQL Queries are run
- SQL Commands - Select, Order By, Group By

Using SQL

SQL stands for Structured Query Language. It is a standard method for accessing a SQL-compatible database. This section of the manual discusses how to use SQL to gather information from the database.

SQL is used primarily to generate ad hoc reports. SQL front end tools, such as Informix ISQL, allow you to enter and run standard SQL queries with a simple set of commands. Other productivity tools allow you to link data in the SQL database to spreadsheets, word-processing documents, charts, and graphs. As the information in the database changes, the spreadsheet changes automatically.

Before you use SQL report generators or productivity tools, you must know how SQL itself works. Though a particular SQL front-end tool may differ, the basic instruction sets should work in a similar manner. This section introduces you to the basic use of these statements and gives you examples of how they are used in a variety of ways

The examples use General Ledger tables and columns. Since all accounting transactions eventually end up in the General Ledger, it is a common application for SQL queries. The point of this section, however, is to cover the basics of SQL, not to teach you how to create specific queries in individual applications.

SELECT Command

The SELECT statement gets information from the database. There are only six different clauses that control which information this SELECT retrieves. They are called clauses since they describe a part of the overall SELECT command. Only two of these clauses are required for any SQL database query. These commands or clauses are listed and described below.

SELECT: The SELECT clause is the start of all SQL queries. It is required for all information retrieval. It is used to tell the system which information categories or fields—in SQL they are called columns—you want to access.

FROM: The FROM clause is also required for all SQL Selects. It is used to tell the system from which file or table to take the data.

WHERE: The WHERE clause is optional. It lists the selection criteria for the Select statement. It allows you to describe which records you want to see.

ORDER BY: The ORDER BY clause is also optional. It allows you to tell the system in what order to put retrieved records.

GROUP BY: The GROUP BY clause is also optional. It allows you to tell the system how to group records for totals and subtotals.

HAVING: The HAVING clause is also optional. It allows you to tell the system which groups to select.

You can retrieve any type of information from a SQL database with these six clauses. In the next several sections we will cover these commands in more detail.

Using SELECT and FROM

The format for the most basic SQL query is:

```
SELECT column-names FROM table-names
```

In this statement, SQL commands are printed in all capital letters; however, most SQL tools are not case sensitive.

Column-names refers to the names of the actual columns or information categories created in the table. Table-names refers to the database tables that contain the data.

Selecting All Columns

When you don’t want to specify specific column names, you can use the asterisk (*) to indicate that you want the values in all columns. For example, suppose you want to see all information from a control table. Enter:

```
SELECT * FROM stxcntrc
```

“Stxcntrc is the name of the control table. Typically, there is only one record in this control table and, in this example, the columns in it are company name, address #1, address #2, city, state, zip, county, country, the first current asset account, the first fixed asset account, first current liability account, the first long term liability account, first capital account, the first income account, first cost of goods account, and the first expense account.

In response to this query, the system displays the values associated with each of these columns. The exact format in which this information is displayed differs from system to system.

Selecting Specific Columns

If you just want to see specific columns from a table, enter the names of the columns. For example, if you want just the name and address information from the database, enter:

```
SELECT co_name, addr1, addr2, city, state, zip, county, country
FROM stxcntrc
```

The names used are those that are part of the data dictionary. In order to select specific columns, you must know what they are named in the database. Some SQL query systems provide a display of these column and table names. Typically, however, you must work from printed table definitions. There are SQL queries that allow you to retrieve information about the names of the columns and tables in the database, but they are not covered here.

Notice that the different column names are separated by commas. This is usually required. The last column name does not have a comma after it.

Using Math in the SELECT Statement

You can also include mathematical operations within your SELECT statement. The mathematical operators recognized are:

`+` Addition

`-` Subtraction

`*` Multiplication

`/` Division

Here is an example of addition:

```
SELECT doc_no, amount, amount + 1 FROM stgactvd
```

The result of this query shows the document number, the amount of the transaction, and that amount + 1.

Here is an example of multiplication:

```
SELECT doc_no, amount, amount * .077 FROM stgactvd
```

You do not need to use literal amounts as part of your math. You can use other column names.

```
SELECT doc_no, amount, amount / doc_no FROM stgactvd
```

You can combine multiple mathematical operations (for example, you can multiply, divide, add, and subtract all in the same SELECT statement), and you may combine column names and literals in calculations.

```
SELECT doc_no, amount, doc_no + amount, amount / 2
FROM stgactvd
```

You can also use parentheses to show the order of precedence of mathematical operations.

```
SELECT doc_no, amount / (1 + 2)
FROM stgactvd
```

This expression adds 1 + 2 before dividing this sum into amount.

Selecting Specific Rows: WHERE

The simplest selection statements show all the information in a file or table. However, you may only want to see specific rows (records) that meet a given selection criteria. To make such a selection, use the WHERE clause.

The format for the WHERE clause is:

```
WHERE column-name relational-operator value
```

This may seem a little complicated, but an example should clarify how it is used. For example, Fitrix *Business* uses a table to store all of the accounting detail from the General Ledger system. If you want to see the entries for a particular original journal, use the following statement:

```
SELECT * FROM stgactvd WHERE orig_journal = "AP"
```

The asterisk causes the system to display all columns in this table. The table named stgactvd is the activity data table for the General Ledger system.

In the WHERE clause, you see the name of a column orig_journal, followed by a relational operator = and finished by a value, AP. What this statement means is: list all the columns in the table stgactvd where the column orig_journal contains AP.

In composing this query, you can use any column name in the table.

Relational operators consist of the following:

SymbolMeaning

= Equal To

<> Not Equal To

> Greater Than

< Less Than

>= Greater Than or Equal To

<= Less Than or Equal To

Matching Character Patterns

The keyword MATCHES can be used within the WHERE clause to select rows that contain certain string patterns.

The format is as follows:

```
WHERE column-name MATCHES value
```

In this case, the column name must be a character type column. This means that it must contain characters, not numbers. The value is a pattern of characters and must be enclosed in quotation marks. For example, our previous query of the general ledger activity table could have been stated using the MATCHES keyword like this:

```
SELECT * FROM stgactvd WHERE orig_journal MATCHES "AP"
```

In this example, we require an exact match, which is exactly the same as an = command. The real power of MATCHES comes into play when you use wildcards to find a meaningful character string within a longer character column.

MATCH Wildcards

There are three wildcards:

`*` This matches any set of characters or no characters

`?` This matches any single character.

`[X-Y]` This matches the range of characters indicated.

You can use these wildcards in a variety of ways to select the proper rows from a table. For example, in the General Ledger detail table, there is a column that contains the department code. Note that even though department codes typically consist of digits, it is still a character field, not a numeric field. These codes can be any character string up to three characters long. Use these codes to select line item detail in the variety of ways detailed below:

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
```

This finds any rows where the department code begins with the character 1.

```
SELECT * FROM stgactvd WHERE department MATCHES "*10*"
```

This finds any rows where the department code contains the character string 10 anywhere within it.

```
SELECT * FROM stgactvd WHERE department MATCHES "?10"
```

This finds any line item where the department contains the characters 10 preceded by any other single character. It does not find a department beginning with 10, but it finds 110, 210 and so on.

```
SELECT * FROM stgactvd WHERE department MATCHES "1[1-5]*"
```

This finds all rows containing department codes that begin with the digit 1, followed by the digits 1 through 5, and then followed by any other characters. This does not find rows where the digits 1 through 5 do not immediately follow the beginning digit 1.

Using AND and OR in the Where Clause

You can make your WHERE clause more complicated by using AND and OR as follows:

- **AND:** Makes the clause more restrictive. In order to be selected, the data must pass all tests joined by the AND clauses.
- **OR:** Makes the clause less restrictive. To be selected, the data only need pass one test or the other. The syntax for the use of AND and OR is:

  ```
  WHERE column_name relational-operator value
  AND column_name relational-operator value
  ```

  or

  ```
  WHERE column_name relational-operator value
  OR column_name relational-operator value
  ```

In the next example, the WHERE clause selects only rows in which the department code begins with the digit 1 and whose document number is greater than one hundred. Rows in which the department code begins with 1 and whose document number is less than or equal to 100 are not selected. Rows in which the document number is greater than one hundred, but in which the department code does not begin with 1 are also *not* selected.

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
AND doc_no > 100
```

In the following example, even more documents are selected. All documents in which the department code begins with 1 are selected because they pass the first test. In addition, all documents with numbers greater than one hundred are selected because they pass the second test.

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
OR doc_no > 100
```

Note

Even though some documents may pass both tests, they are only selected *once*.

Using Multiple ANDs and ORs

You can use AND and OR to join any number of phrases.

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
AND doc_no > 100
AND orig_journal = "AR"
AND amount > 1000
```

Note

Remember: adding multiple AND statements makes the test more and more restrictive; in order to be selected, the row must meet *all* of these criteria.

You can also use parentheses to group ANDs and ORs.

```
SELECT * FROM stgactvd WHERE (department MATCHES "1*"
AND doc_no > 100) OR (orig_journal = "AR"
AND amount > 1000)
```

In this test, selected records or rows must either have a department code that begins with 1* and a document number greater than 100 or they must have an original journal code of AR and an amount greater than 1000.

Improper Use of AND or OR

Remember the AND and the OR are used to join complete column_name relational-operator value phrases within the WHERE clause. It is *not* used to join separate WHERE clauses or to join values to a single column_name.

Correct:

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
OR doc_no > 100
```

Incorrect:

```
SELECT...
OR WHERE doc_no > 100
```

Correct:

```
SELECT * FROM stgactvd WHERE department MATCHES "1*"
OR department MATCHES "*1"
```

Incorrect:

```
SELECT...
OR MATCHES "*1"
```

WHERE Using LIKE

LIKE is a keyword that works almost identically to MATCHES. The major difference is that it has different wild cards. Instead of using an asterisk to match characters, a percent sign (%) is used. Instead of question marks to match a single character, an underscore is used.

```
SELECT * FROM stgactvd WHERE department LIKE "1%"
```

This finds all departments that begin with 1 and are followed by any combination of other characters. LIKE can only be used for character columns (letters or digits). The values used must be enclosed with quotation marks.

WHERE Using BETWEEN

You can use the keyword BETWEEN to indicate that you want to select a value between two other values.

```
SELECT * FROM stgactvd WHERE amount BETWEEN 10 AND 40
```

This selects all rows in which the amount column has a value from 10 and 40, inclusive.

When you use BETWEEN, you must use AND, as shown below, to indicate the second set of values.

Correct:

```
SELECT * FROM stgactvd WHERE amount BETWEEN 10 AND 40
```

Incorrect:

```
SELECT... BETWEEN 10 40
```

You also must show the values in the proper order with the smallest value first. The wrong example does not produce an error message, but no rows are selected.

Correct:

```
SELECT * FROM stgactvd WHERE amount BETWEEN 10 AND 40
```

Incorrect:

```
SELECT... BETWEEN 40 AND 10
```

You can also use BETWEEN to specify a range of dates or alphanumeric characters.

```
SELECT * FROM stgactvd WHERE orig_journal
BETWEEN "A" AND "Z"
```

This query selects all documents with an original journal code beginning with a capital letter.

WHERE Using IN

Use the keyword IN to compare the value in a column with a list of possible values. You could do the same thing using a series of ORs, but IN makes this somewhat more straight-forward.

The syntax:

```
WHERE column-name IN (list of values)
```

Here is an example of selection from a list of possible values.

```
SELECT * FROM stgactvd
WHERE orig_journal IN ("AR","AP","GJ")
```

This select statement finds any rows which contain AR, AP, or GJ in the original journal code column.

It is the same as the following SELECT statement:

```
SELECT * FROM stgactvd WHERE orig_journal = "AR"
OR orig_journal="AP"
OR orig_journal="GJ"
```

You can see the advantage of using the IN keyword.

Matching NULL Values

SQL discriminates between a column filled with spaces or zero and one filled with a NULL value. A column with a NULL value has never had any values entered into it or has had those values removed. Spaces or the value zero are not considered NULL.

You may wish to identify the values that are NULL when selecting records. For this purpose, you have IS NULL keywords for use with the WHERE clause.

The syntax:

```
WHERE column_name IS NULL
```

For example:

```
SELECT * FROM stgactvd WHERE department IS NULL.
```

This finds all records in the activity table which have no department code associated with them.

Using NOT

With many WHERE statement keywords, you can use the keyword NOT to select records that are *not* matched by your selection criteria. NOT can be used with the following keywords:

- MATCHES
- LIKE
- BETWEEN
- IN
- NULL

For example, if you wanted to find all records with a value NOT NULL in the department column, use the following:

```
SELECT * FROM stgactvd WHERE department IS NOT NULL.
```

finds all the rows with values in the department column

```
SELECT * FROM stgactvd WHERE orig_journal
NOT IN ("AR","AP","GJ")
```

selects all rows that have orig_journal codes that are not equal to AR, AP, or GJ

```
SELECT * FROM stgactvd WHERE department
NOT BETWEEN "A" AND "Z"
```

selects rows whose department codes do not begin with a capital letter

```
SELECT * FROM stgactvd WHERE department NOT MATCHES "1*"
```

selects all rows where the department code does not begin with 1

```
SELECT * FROM stgactvd WHERE department NOT LIKE "1%"
```

selects all rows where the department code does not begin with 1.

Selecting From Multiple Tables

So far, we have shown only SQL queries that take data from one table. Using the WHERE command you can also join two tables together and get related information from them.

For example, in Fitrix General Ledger, the activity table, stgactvd, contains the information about each line item that is posted to the system. It does not contain the basic information about the document, such as when it was created and a general description of the document. This information is in a general reference table for all transactions on the system. This table is called stxtranr.

To see the document date as well as the information about specific line items, select columns from both of these tables and join them together using a WHERE clause so that only the related records are selected.

The syntax for joining multiple tables is:

```
SELECT [table-name].column-name,[table-name.]column-name,...
FROM table1, table2,...
WHERE table1.column-name=table2.column-name
```

The WHERE clause causes the SELECT statement to return only those rows where the specified columns in each table are identical. The table name after the SELECT statement only needs to be used when the column name appears in both tables.

In Fitrix *Business*, the table name must always be used because when two columns carry matching data used for joins, they are named identically. You can see which columns need to be joined in the WHERE clause, by noting which columns in the two tables have the same name.

Here is an example of a query that returns a list of amounts for the individual lines that make up a transaction, selected from the general ledger activity table, along with the corresponding document date and description of the transaction from the general transaction table.

```
SELECT stxtranr.doc_no, doc_date, doc_desc, amount
FROM stxtranr, stgactvd
WHERE stxtranr.orig_journal=stgactvd.orig_journal
AND stxtranr.doc_no = stgactvd.doc_no
```

This selection produces one row for each line that was entered under the Update General Journal option. Each line contains the document number, the document date, the description of the transaction, and the amount posted for that line.

Notice that doc_no after the SELECT is preceded by the table name, stxtranr. This table name is required because doc_no is used as a column in both tables. Their contents are identical, but you need to specify in SQL which table you want to use.

Also notice that we did not have to use the table names for doc_date, doc_desc, and amount. This is because these columns only appear in one table or the other.

Joining More Than Two Tables

You can use any number of tables in a SELECT statement. If more tables are used, you simply extend the WHERE clause to equate columns within each table.

For example, in Fitrix, there is another table that holds information about a transaction. This table is stgtranr and it contains information such as the accounting period and year for the transaction. If you want to see this information for each of your activity lines, extend your query to include this third table.

```
SELECT stxtranr.doc_no, doc_date, doc_desc, acct_period, acct_year, amount
FROM stxtranr, stgactvd, stgtranr
WHERE stxtranr.orig_journal=stgactvd.orig_journal
AND stxtranr.orig_journal=stgtranr.orig_journal
AND stxtranr.doc_no = stgactvd.doc_no
AND stxtranr.doc_no = stgtranr.doc_no
```

Notice that two new columns have been added: acct_period and acct_year. No tables need to be specified for these columns because they occur only in the table stgtranr. Stgtranr has been added to the FROM clause. The AND clauses have also been duplicated to join the columns from stxtranr to the matching ones in stgtranr. The choice of stxtranr for the join in this case was arbitrary since all tables involved contain the same keys. Stgactvd could have just as easily been used. However, this may not always be the case; many joins may take place on columns that are unique to a particular table.

ORDER BY Command

Use the ORDER BY clause to sort the output. It is optional and can be used in conjunction with any other optional clauses.

The syntax:

```
ORDER BY column-name
```

Column-name must be an element in the SELECT list of columns; that is, you cannot ORDER BY a column that has not been selected. For example, to see all of the rows in the General Ledger activity table sorted by document number, use the following command:

```
SELECT * FROM stgactvd ORDER BY doc_no
```

If you want to do the same thing but select only a specific original journal, use the following command:

```
SELECT * FROM stgactvd
WHERE orig_journal = "AR" ORDER BY doc_no
```

Sorting By Multiple Columns

You can create sorts within sorts. For example, if you want to see all order lines organized by original journal, and within each original journal, organized by department number, use the following command:

```
SELECT * FROM stgactvd
ORDER BY orig_journal, doc_no
```

Using Aggregate Functions

There are a number of special functions that perform calculations among the rows selected. These are called aggregate functions because they work on a group of rows. When they are used, you do not see the individual rows themselves, but the results of the operation on all rows or groups of rows.

The aggregate keywords and their functions are:

AVG (column-name) Calculates the average of the column specified for the rows selected.

COUNT (*) Counts the number of rows retrieved by the WHERE clause.

MAX (column-name) Finds the maximum value in the column specified for the rows selected.

MIN (column-name) Finds the minimum value in the column specified for the rows selected.

SUM (column_name) Adds the column specified and totals it for the rows selected.

These aggregate functions are used like column names after the SELECT keyword. They do not subtotal unless you use the GROUP BY clause (explained in the next section).

Correct:

```
SELECT sum(amount) FROM stgactvd WHERE doc_no = 4
```

This query produces the total amount for document 4. It does not, however, show the document number itself.

Incorrect:

```
SELECT doc_no, sum(amount) FROM stgactvd
```

This produces an error requesting a GROUP BY phrase.

GROUP BY Command

This clause gives you subtotals for different groups of rows using aggregate functions. The syntax:

```
SELECT column-list, aggregate-functions FROM table-name
GROUP BY column-list
```

For example:

```
SELECT doc_no, sum(amount) FROM stgactvd
GROUP BY doc_no
```

This produces a list showing each document number and the total for that document next to it.

Note

You must have a GROUP BY clause for each column selected.

Correct:

```
SELECT doc_no, acct_no, sum(amount) FROM stgactvd
GROUP BY doc_no, acct_no
```

This produces a line for each unique combination of a document number and an account number. In other words, you get the sum for document number one, for the first account number, then the sum for document number one, for the second account number, and so on. You do *not* get the sum for a given document number alone.

Incorrect:

```
SELECT...
GROUP BY doc_no
```

This produces a GROUP BY error because you referenced acct_no in the column selection but did not repeat it in the GROUP BY column list.

Glossary

Account: An account is a classifying or summarizing device. It represents a category of transactions that a business entity has decided to track. All transactions recorded in a journal are subsequently posted to two or more accounts. A transaction is posted as a debit or credit entry to an account. The difference between the total of all debit entries and the total of all credit entries posted to a single account is referred to as the account's "balance." Depending on the type of account, an account's balance is either increased or decreased by a debit or credit entry (see Debits and Credits).

Account Number: Each account in the Chart of Accounts is identified by a unique number, up to nine digits long. Accounts of a given type usually are grouped by account number. For example, all asset accounts might begin with a "1" followed by up to eight numbers.

Example: a basic Chart of Accounts

Number	Account Description	Type
100000000	CASH ACCOUNT	ASSET
200000000	ACCOUNTS PAYABLE	LIABILITY
300000000	EQUITY	CAPITAL
400000000	PRODUCT SALES	INCOME
500000000	COST OF GOODS	EXPENSE
600000000	GENERAL EXPENSE	EXPENSE

Account Types: There are three basic types of accounts: asset, liability, and capital. Capital is also referred to as owners' equity. Income and expense accounts are a subset of retained earnings, which is a capital account.

Accounting Periods or General Ledger Periods: Each business transaction is time-sensitive. In this system, a new accounting period is created every time you close out the existing period. You are not limited to any given number of periods during the course of a year. A transaction that takes place in the current year falls into one of these possible periods.

Accrual Method: A method of accounting which records revenues and expenses in the period in which they are earned or incurred and not in the period in which they are received or paid. Compared to the cash method of accounting, the accrual method of accounting is more accurate, but tends to be more complex.

Adding a Row: Adding a row means creating a new row and adding it to the table. For example, when you add a new account to the account table, you are adding a row to that table.

Adjusting Entries: Entries that adjust the balances of ledger accounts. Adjusting entries are usually made for one of two reasons. One reason is to record unrecorded events such as revenue earned but not received. The other reason is to correct accounting errors.

Age: The number of days between the date on a particular document and the "aging date." When processing an aging report, the system prompts for the aging date; the user determines which date to use as an aging date. (See Customer Aging. See also Vendor Aging.)

Alphanumeric field: An alphanumeric field is a field whose entries can consist of any combination of letters and numbers.

Asset Account: Assets are things of value possessed by a business. Cash in a bank account is an asset, as is accounts receivable (the money owed a business by its customers). Assets need not be paid for to be considered assets. Asset accounts are increased by a debit and decreased by a credit.

Audit Trail: The ability to verify and track accounting transactions or ledger balances.

Automatic Reorder: The process of generating purchase orders for inventory items whose quantity falls below the reorder point.

Average Cost: Average cost is a method of calculating the cost of inventory items by averaging the per unit cost of all items currently in stock.

Backorder: If items are out of stock, these items can be put on back order. When the item comes in, it is usually shipped. The backorder document is a modified version of the original sales order and represents an agreement to ship the item as soon as the item becomes available.

Backup: In computer terms, backup refers to the process of copying computer files. These copies are usually made to diskette or tape. File backups are insurance against system failure.

Balance: The balance of an account is equal to the sum of the debit and credit postings to the account. Accounts are in balance if the total debits are equal to the total credits.

Balance Forward Customers: Statements for "balance forward" customers show only the transactions that affect the current period. For balance forward customers, payments are applied to the oldest invoices first. In contrast, "open item" statements show each outstanding invoice, and payments may be applied to a particular invoice.

Balance Sheet: The balance sheet shows the current financial condition of a company. The balance sheet lists assets, liabilities, and capital. It is usually totaled in two main sections. The first section totals assets. The second totals liabilities and capital. Assets must always equal liabilities plus capital.

Blanket Order: This is a large order that is split into more than one shipment, possibly to different locations.

Blanket Release: A blanket release is a document that is a subset of a larger blanket order. It represents a single shipment for an order that comprises multiple shipments.

Capital Accounts: (Also called owners' equity accounts.) These accounts record the difference between what is owned (assets) and what is owed (liabilities). They are also called proprietorship or net worth. Capital accounts are increased by a credit and decreased by a debit.

Cash Method: A method of accounting which records revenues and expenses in the period in which they are received or paid and not in the period in which they are earned or incurred. Compared to the accrual method of accounting, the cash method is less complex and often used by smaller businesses.

Cash Receipt: Money received as payment for goods or services. An A/R cash receipt is a payment that applies to an outstanding invoice. A non-A/R cash receipt is a payment that does not apply to an outstanding invoice. A non-A/R receipt may not even apply to a customer's account.

Cash Receipts Journal: The cash receipts journal is the journal into which all cash receipts activity is recorded, thus affecting the balances of accounts in the receivable ledger.

Chart of Accounts: A "chart" is a list of accounts. A chart of accounts includes all the different accounts used in summarizing the transactions and current condition of a business.

Check Journal/Cash Disbursement Journal: This is the journal into which all cash disbursements activity is recorded, thus affecting the balances of accounts in the payable ledger.

Column: A column is a category slot into which you enter information in a table. For example, if the computer puts "Enter Company:" on the form, the space following the colon is the "column" into which information is entered. This is the "Company" column.

Cost of Goods (COG) Accounts: These are expense accounts; they track the cost of the same products whose revenues are recorded in sales accounts. In other words, these accounts record the cost of those products which the company sells. This cost is recorded at the time of sale. The balance of these accounts is increased with a debit and decreased with a credit.

Count Adjustment Account: This is a balancing account that is posted to when the inventory quantity-on-hand is adjusted—in this case there is no corresponding sale or purchase of inventory.

Count Sheet: This is a list of items and their physical locations in a warehouse(s) to be used by personnel counting inventory.

Credit: The term credit can refer to two different things depending on its usage. If used in reference to ledger accounts, credit refers to an entry that increases or decreases a ledger account. Some accounts are increased by a credit while others are decreased by a credit. How a credit or debit affects the balance of an account depends on the type of account involved. If used in reference to customer accounts, a credit refers to an acknowledgment of payment. When a customer pays you, you credit that customer's account. When you pay a vendor, that vendor credits your account.

Credit Memo: If referring to customer accounts, a credit memo refers to a document notifying a customer that his account has been credited (reduced). When dealing with vendor accounts you enter a credit memo to increase the amount you owe the vendor.

Creditor: A person or company to whom you owe money. Your vendors are creditors when you owe them money.

Current Accounting Period or General Ledger Period: This is the accounting period for which you are currently posting transactions.

Current Assets: Current assets are assets that are normally used up during the operating cycle of a business (usually one year). Cash and inventory are typical examples of current assets.

Customer Accounts: Though not an account in the general ledger sense, a customer account is used to summarize what a given customer owes or is owed at a particular point in time. A customer's account is summarized by a statement.

Customer Activity: Activity refers to any transaction that affects the balance of a customer or ledger account. A summary of activity shows all transactions affecting those balances in the current period.

Customer Aging: The customer aging shows how long any open items have been on the books and how much of a customer's debt falls into various aging categories. Those aging categories reflect progressively more serious levels of overdue payment.

Customer Balance: The customer balance is the amount owed by or owed to a customer. If the customer owes you money, he is said to have a debit balance. If you owe him money, he is said to have a credit balance. A customer balance is the total of his current open items.

Customer Terms: Customer terms are the conditions under which you expect payment from the customer. Customer terms typically include the period of time within which you expect to be paid, any discounts allowed for early payment, and the time frame within which such discounts are allowed.

Database: A database is all the related information within a computer system to which you have access in one form or another.

Debit: The term debit can refer to two different things depending on its usage. If used in reference to ledger accounts, a debit refers to an entry that increases or decreases a ledger account. Some accounts are increased by debits while others are decreased by debits. How a credit or debit affects the balance of an account depends on the type of account involved. If used in reference to customer accounts, when a customer purchases goods from you, you debit that customer's account. When you purchase goods from a vendor, the vendor debits your account.

Debit Memo: If used in reference to a customer account, a debit memo refers to a document notifying the customer that his account has been debited (increased).

Debits and Credits: Each transaction entered into a journal, and eventually posted to the subsidiary and general ledgers, consists of debit and credit entries to two or more accounts. A ledger account balance is the difference between all debit postings to that account and all credit postings. Whether a debit or credit posting to an account increases or decreases the account balance depends on the type of account.

The basic accounting equation is: **assets = liabilities + capital**. Accounts (assets) on the left side of the accounting equation are increased with a debit. Those on the right side (liabilities and capital) are increased with a credit. Retained earnings is a type of capital account; revenue and expense accounts are a subset of retained earnings. Revenues increase retained earnings, and because capital accounts are increased with a credit, revenue accounts are increased with a credit. Similarly, expense accounts decrease retained earnings and capital accounts are decreased with a debit. Therefore, expense accounts are increased with a debit.

Deleting a Row: Deleting a row is the process of removing it from the computer database after it has been added or updated.

Department Code: A three-character department code identifies which "profit center" an account belongs to. If you are not using profit centers, the default department code is "000." Refer to the entry for Profit Centers for an example of the use of department codes to set up profit centers within a company.

Document: Transactions entered in the Fitrix Accounting system are referred to as "documents." Different journals (accounts receivable, accounts payable, for example) may be used to record different types of documents. Documents consist of debit and credit entries to two or more ledger accounts. In order to save a document, that document must be in balance; that is, the total of all debit entries must equal the total of all credit entries.

Drop Ship Order: This is an order that is shipped directly to your customer. The items ordered never enter your warehouse. The items go directly from your vendor to your customer.

Employee Code: Each employee in the Payroll system is identified by a unique six-character code. Although an employee's name and social security number can be used to sort and view data on an employee, the employee code is the key used throughout the Payroll system to uniquely identify an employee.

Employee Type: Each employee in the Payroll system can be associated with an employee type which is identified by a unique six-character code. The employee type provides access to default setup values for the employee, and provides a means for grouping employees.

Expense Accounts: Expense accounts are used to track the cost of doing business. They are a subset of retained earnings (a capital account). At the end of a period of time (usually a year) the difference between the total of all income account balances and the total of all expense account balances is calculated and that balance is transferred to retained earnings. After transferring this figure to retained earnings, the balance of each income and expense account is set to zero. Capital accounts are decreased with a debit. Because expenses decrease capital, expense accounts are increased with a debit.

Field: A field is a data-entry or display area on a form. A field may or may not correspond to what is actually stored in a table in the database.

FIFO: "First-In First-Out"—One of several methods of determining the value of inventory and calculating the cost of goods sold. Using the FIFO method, it is assumed that the "first inventory items in" (the oldest inventory items) are the "first inventory items out" (the first items to be shipped).

Finance Charges: Finance charges are charges made by a vendor against you, or made by you against a customer, for non-payment of an amount due. Finance charges are new charges made against the account because the payment was not made according to the established terms.

Flat Rate: A value applied on a per-payment basis. Unlike a percentage rate, which calculates a specified proportion of an amount, a flat rate ignores the exact value of the amount, treating it as a single payment to which a single unit of the "rate" value is applied. Thus the "calculated" value due to a flat rate is the same each time it is applied.

FOB: FOB stands for "free on board" or "freight on board." The FOB point determines when the title to a product changes hands; that is, it determines at what point the buyer assumes ownership of a product. FOB sometimes—but does not necessarily—affects who pays the freight charges for shipping a product. In some businesses the seller pays freight up to the FOB point and the buyer pays from the FOB point. Similarly, in some businesses the FOB point determines who pays insurance on the shipment.

Form: A form is the template into which information is entered. A form may combine information from several different tables, usually lines of information from a "header" table at the top of the form and several rows from a "detail" table at the bottom.

General Journal: The most basic type of journal in an accounting system is the general journal. It may be the only journal. Transactions which consist of a debit to at least one account and a credit to at least one (different) account are entered in such a journal. Ultimately each transaction is posted from the general journal to a general ledger account.

General Ledger: The general ledger includes each account listed in the chart of accounts, along with debit and credit transaction entries that add up to the account balance.

Income Accounts: These accounts are used to track revenues. Sales accounts, for example, are a type of income account. They are a subset of retained earnings (a capital account). At the end of a period of time (usually a year) the difference between the total of all income account balances and the total of all expense account balances is calculated and that balance is transferred to retained earnings. After transferring this figure to retained earnings, the balance of each income and expense account is set to zero. Capital accounts are increased with a credit and decreased with a debit. Because revenue increases capital, income accounts are increased with a credit.

Income/Deduction/Obligation Codes: Each type of income, deduction, and incurred employer obligation is identified by a unique six-character code. When the income, deduction, or obligation is used in a payroll entry it is referred to by this code. The code provides access to default values and basic information required to calculate the income, deduction, or obligation amount.

Income Statement: The income statement (also referred to as a "profit and loss" statement) records the changes in equity associated with business operations for a specified period of time. This statement lists the revenues and expenses and the difference between them for a period of time. The difference between revenues and expenses is referred to as a net profit or a net loss.

Inventory Account: This is the current assets account that represents the value of the goods in stock.

Inventory Adjustment Account: This is the ledger account that balances changes made to the inventory account balance that do not result from sales, returns, or purchases.

Inventory Control (I/C): This is the system for tracking goods stored for sale to customers, including calculation of costs and prices.

Inventory Item: This is a single unit of merchandise from inventory.

Item Code: An item code is a unique alphanumeric string identifying a type of inventory item.

Journal: Journals are used to sequentially record business transactions. Each transaction consists of a debit to at least one account and a credit to at least one (different) account. Journal entries are posted to ledger accounts; therefore, every entry made in a journal ultimately has an effect on the balance of two or more ledger accounts. An accounting system may include multiple journals, each used to record a specific type of transaction. The most basic type of journal is the general journal. In addition there may be an accounts receivable journal, an accounts payable journal, and so on.

Ledger: A ledger consists of a group of accounts and debit and credit entries representing transactions that affect the account balance. A group of accounts is called a ledger. The general ledger includes all accounts listed in the chart of accounts. Subsidiary ledgers comprise subsets of the chart of accounts. The accounts receivable ledger, for example, comprises all customer accounts. The total of all customer account balances equals the balance in the accounts receivable ledger account.

Liability Accounts: Liabilities are debts or anything that is owed. Liability accounts are increased by a credit and decreased by a debit.

LIFO: "Last-In First-Out" is one of several methods of calculating the cost of inventory items. With the LIFO method those inventory items "last in" (most recently purchased) are considered the "first out" (first to be sold).

Open Item Customers: Statements for open item customers show each outstanding invoice. For open item customers, payments are applied to a specific invoice. In contrast, balance forward statements show only the transactions that affect the current period. For balance forward customers, payments are applied to the oldest invoices first.

Open Items: Open items are the invoices that have been posted and contain outstanding balances. These balances represent an amount owed by the customer or due to a vendor. The document is considered an open item until that balance is paid or otherwise adjusted to zero.

Order Acknowledgment: An order acknowledgment is a hardcopy version of a sales order. Order acknowledgments may be sent to customers so that they have a record of the sales transaction.

Payable Document: There are four common types of payable documents: a vendor invoice, a cash disbursement, a vendor credit, and a vendor debit.

Payable Ledger: A payable ledger is the ledger that includes all the accounts affected by accounts payable transactions—invoices, cash disbursements, and vendor credits and debits.

Payroll Deduction: A payroll deduction is any amount withheld from an employee's check. For every deduction there is typically an employer liability incurred.

Payroll Document: A payroll document is the complete record of a payroll disbursement. This document includes an employee's gross income, deductions, net income, and employer obligations, as well as the related accounting data for the document.

Payroll Income: Payroll income comprises wages, reimbursements, and cash outlays recorded as part of a payroll entry. Payroll income normally is an operating expense.

Payroll Journal: The payroll journal is the journal into which all payroll activity—paychecks, income, deductions, and employer obligations—is recorded. When posted, this activity affects the balance of accounts in the payroll ledger.

Payroll Ledger: A payroll ledger is the ledger that includes all the accounts affected by posted payroll transactions—paychecks, income, withholding, and incurred obligations.

Payroll Obligation: A payroll obligation is an employer liability resulting from a payroll transaction. For example, when an employer withholds federal taxes from an employee's paycheck, the employer incurs a liability (an obligation) to pay the amount withheld to the federal government.

Posting: Posting is the process of transferring transactions (documents) from the journal to the ledger.

Posting Sequence Numbers: All processes which "post" entered data into a storage area for completed documents have reports that feature a posting sequence number. These numbers are used to keep track of reports that should be permanently stored in your records. Each of these reports has its own sequence of posting numbers.

Prepaid Asset: This is an asset that you have paid for, but not yet received.

Profit Center: A "profit center" identifies a part of a company for which profits can be calculated separately. Sales and expenses for that division are designated with a "sub-account" number.

Example: A Simple Chart of Accounts with Two Profit Centers (Dept.):

Number	Dept	Account Description	Type
100000000		CASH IN BANK	ASSET
200000000		ACCOUNTS PAYABLE	LIABILITY
300000000		EQUITY	CAPITAL
400000000	100	PRODUCT SALES	INCOME
400000000	200	PRODUCT SALES	INCOME
450000000	100	SERVICE SALES	INCOME
450000000	200	SERVICE SALES	INCOME
500000000	100	COST OF GOODS	EXPENSE
600000000	100	GENERAL EXPENSE	
400000000	200	PRODUCT SALES	INCOME
500000000	200	COST OF GOODS	EXPENSE
600000000	200	GENERAL EXPENSE	

Purchase Order: A purchase order represents the purchase of merchandise from a vendor.

Purchasing: The purchasing system is one of several Accounting modules. It provides an automated method for tracking purchases, tracking receiving, and projecting cash requirements.

Receivable Documents: There are four common types of receivable documents: a customer invoice, a customer cash receipt, a customer credit, and a customer debit.

Receivable Journal: The receivable journal is the journal into which all accounts receivable transactions—invoicing, credits, and debits—are recorded. When posted, these transactions affect the balance of accounts in the receivable ledger.

Receivable Ledger: A receivable ledger is the ledger that includes all the accounts affected by accounts receivable transactions—invoices, cash receipts, and customer credits and debits.

Retained Earnings: Retained earnings is the increase in equity that has resulted from profitable operations; net income to date minus dividends to date.

Row: A row is one set of specific information within a table. For example, an account table contains all the information about a single account in an account row. An account table contains as many rows as there are different accounts.

Statement: The customer statement shows the current activity for a given customer. The statement shows outstanding invoices, recent payments, credits, and debits to the customer's account.

Store or Record: Recording or storing a row is the process of saving it in the computer database after it has been added or updated.

Table: A table is where information is stored in a computer. A given table contains only a specific type of information. For example, an account table contains the different sales and expense accounts used by the system.

Transaction: A transaction is an event that is recorded in the accounting records. Typically, such an event involves the transfer of money, product, or services. Each transaction entered in the Accounting system is referred to as a "document."

Trial Balance: This is a work sheet used as a preliminary step to generating a Balance Sheet. The trial balance is a listing of every ledger account, along with its debit and credit balance. The total of all debit balances should equal the total of all credit balances.

Update: Updating a table is the process of changing rows within it. Whenever you change a description in the account table, for example, you are updating a row within that table.

Vendor Accounts: Though not an "account" in the general ledger sense, a vendor account is used to summarize what a vendor is owed at a particular point in time. A vendor's account is summarized by an aging statement.

Vendor Activity: Activity refers to any transaction involving a vendor that affects the balance of a vendor or ledger account. A summary of activity shows all transactions affecting those balances over a specified period of time.

Vendor Aging: A vendor aging report lists outstanding vendor invoices categorized by number of days from the vendor invoice date or due date. Vendor aging reports can be setup to "age" in two different ways. First, an aging report can put outstanding vendor invoices into categories, ranging from currently due to past due. With this method, the aging categories reflect ever more serious levels of overdue payment. Second, an aging report can arrange outstanding vendor invoices into categories, ranging from those currently due to those that will be due in the future. This report is a projection of cash requirements. In this case, the aging categories reflect amounts due farther in the future.

Vendor Balance: The vendor balance is the amount owed to or owed by a vendor. If you owe a vendor money, the vendor's account has a credit balance. If the vendor owes you money, the vendor's account has a debit balance. A vendor's balance is the sum of all open items pertaining to that vendor.

Vendor Terms: Vendor "terms" are the conditions under which the vendor expects payment from you. Vendor terms typically include the period of time within which you expect to pay that vendor's invoices, any discounts allowed for early payment, and the time frame within which such discounts are allowed.

A

Forms

The standard Fitrix Accounting products have been designed to work with forms manufactured by the Harland company. These forms can be ordered through the DataPRINT company, at 1-800-346-5316. Sample forms are also available.

Form Number	FormType
4GEN1	InvoiceContinuous Form
4GEN2	Statement Continuous Form
4GEN3	Picking Ticket Continuous Form
4GEN4	A/P CheckContinuous Form
4GEN5	Payroll Check Continuous form
4GEN6	Invoice Laser Form
4GEN7	Statement Laser Form
4GEN8	Picking Ticket Laser Form
4GEN9	A/P Check Laser Check
4GEN10	Payroll Check Laser Check
4GEN11	Purchase Order Continuous Form
4GEN12	Purchase OrderLaser Form
DW2	Double WindowEnvelopes
DW83	Double WindowEnvelopes
4GEN-14	A/P ChecksContinuous Form
4GEN-19	A/P ChecksLaser Form

Note

If your programs have been modified by your data processing department, Harland can design custom forms to your specifications.

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