

Physical Inventory Overview

Last Modified on 01/10/2023 12:10 pm EST

Taking a physical inventory is typically a major event for most companies. It requires precise planning and execution to obtain and record an accurate count of your inventory parts.

The physical inventory process in SedonaOffice locks a warehouse on a particular date in time. During the time the warehouse is locked, no transactions may be performed to move inventory in or out of the warehouse. It is crucial that count and variance reconciliation is completed in a reasonably short period of time to have the least impact on your normal business operations.

Important Note:

- 1. After an inventory is reconciled and released, any new inventory transactions processed must be dated after the date the inventory was posted and released. If a User performs a transaction and enters a date on or prior to the release date of the physical inventory, your current on-hand quantities and values will be distorted.**
- 2. If you are not able to complete the physical inventory reconciliation in a reasonable amount of time, you may discard the physical inventory and schedule a count for another date.**

Below is a checklist of things to consider when preparing for a physical inventory.

- Plan carefully in advance; establish cut-off dates/times for all pre-inventory transactions to be completed.
- Make certain all staff members understand the impact of an accurate count.
- Make certain truck stock is ready to be counted.
- Make certain all PO's have been received for parts that arrived prior to the count date.
- Process all open Service Tickets that used parts.
- Process all job part issues and returns to stock.
- For parts out for repair, make certain you have a list of those items to include in your counts.
- Process all Vendor part returns.
- Perform miscellaneous issue transactions for parts being scrapped.

Early Counting

If your company has a very large inventory with many parts where no movement is expected in or out of the warehouse, you may print a Stock Status report a few days before the actual count, and record counts on the report, then later use this for data entry when entering the rest of the counts from the count sheets. This will allow your staff time to pre-count parts and save time on the actual day of the physical count.

Listed below are the basic process steps of a SedonaOffice Physical Inventory.

- Create the Physical Inventory record(s) for the warehouse(s)
- Print Count Sheets
- Count Parts
- Enter Part Counts
- Review Variances Report

- Perform Part Re-counts if necessary
- Enter any count changes from re-count
- Review Variances Report
- Release and Post the Inventory

Click on the link below for instructions on how to perform a Physical Inventory.

[Performing a Physical Inventory](#)