

SedonaSetup - IN - Inventory Setup

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If your company plans on tracking stock quantities for inventory parts (perpetual inventory), you must first activate the Stock Tracking feature by selecting the Use Stock Tracking option in SedonaSetup / Sedona Modules.

Each data entry field will be described below.

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Inventory Setup Field Definitions

- Warehouse – This is the default Warehouse for the company. When a new part is created, this warehouse will be the default location assigned to the part. The default Warehouse will be linked to each part regardless if the part would never be present in this warehouse.
- Transfer Account – This is the G/L Account that will be used to transfer parts between Warehouses.
- Physical Adjustment Account – The G/L Account that will be defaulted for manual stock adjustments and Physical adjustments that will record to the General Ledger when a Physical Inventory is completed. This is a COGS account type; it is highly recommended a separate G/L account be created and used for this purpose.
- Negative Quantities – This option will determine if your company will allow on hand Part quantities to become negative.
 - Do Not Allow – The system will prevent the user from completing the transaction (except for parts used on Service Tickets).
 - Warning Message – The User will receive a warning message that the transaction being processed will cause the inventory balance to be negative, but will allow the user to complete the transaction.
 - Allow – The user will be able to process the transaction without receiving a warning message.
- Add Parts to All Warehouses – If this option is selected, the application will add all Parts listed in the Company Default Warehouse to all other Warehouses. **Use caution when deciding to use this option; this would cause hundreds or thousands of parts to be linked to all Warehouses including Employee Vehicle Warehouses. If this option is selected and saved, this action cannot be reversed.**
- Asset Account – The default G/L Account Number which will be used when setting up new Warehouse records; this is the Asset Account. If Stock Tracking is activated, each Warehouse may be assigned a different Inventory Asset G/L Account Number if desired. If Stock Tracking is not activated, this G/L Account Number will be used as the Inventory Asset for all inventory transactions.

When setting up a new Warehouse, this will be the default in the Account (G/L asset account) field on the setup form.

- Default COGS – This COGS account is used when inventory parts are sold on a miscellaneous invoice.
- Invoice Item – The Invoice Item code that will be used when invoicing parts on a miscellaneous or job invoice. The

Invoice Item code determines the income account that will be used when recording a parts sale to the general ledger. When setting up a new Inventory Part, this will be the default in the Invoice Item field on the part setup form.

- Purchase Price Variance Account – This account is used when there is a variance between the received cost of a part and the amount entered on the A/P bill for the parts receipt. If your company is using the Standard Costing Method for valuing your Inventory, if a Parts are received (from a Purchase Order) into a Warehouse where the purchase cost of the part is different than the current Standard Cost, the variance will post to the Purchase Price Variance Account.

When setting up a new Inventory Part, this will be the default in the PPV Account field on the part setup form.

- Use Material Handler for Warehouse Security – If this option is selected, you must use the Material Handler setup table to define the warehouses to which employees will have access to when working with Purchase Orders. If this option is not selected, any employee creating a Purchase Order may select any warehouse on the warehouse list.
- Print Zero Quantity on Hand on Physical Count Sheets – If this option is selected, when creating a Physical Inventory and printing Count Sheets, if the warehouse on-hand count is zero, the part will still be printed on the Count Sheets. Not selecting this option, will only print Parts showing an on-hand quantity in within the warehouse.
- Default Costing Methods – Four inventory costing methods are available in SedonaOffice; Average, Standard, Serialized, and Lot costing. Select the costing method that will default into the Part Setup form when creating a new Part. The User may override the costing method if needed.
- Use Standard Cost on Direct Expense – You have the option of using the part standard cost or the actual cost of the parts entered on the purchase order. Only select this checkbox if your company wants to apply the part standard cost to all direct expensed parts purchase orders.