ASICOMP.COM

Client Storage Processing Procedure

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Client Storage Processing Procedure

Overview

Storage of inventory generally falls into two inventory management categories: “Client” or “Distributor”.

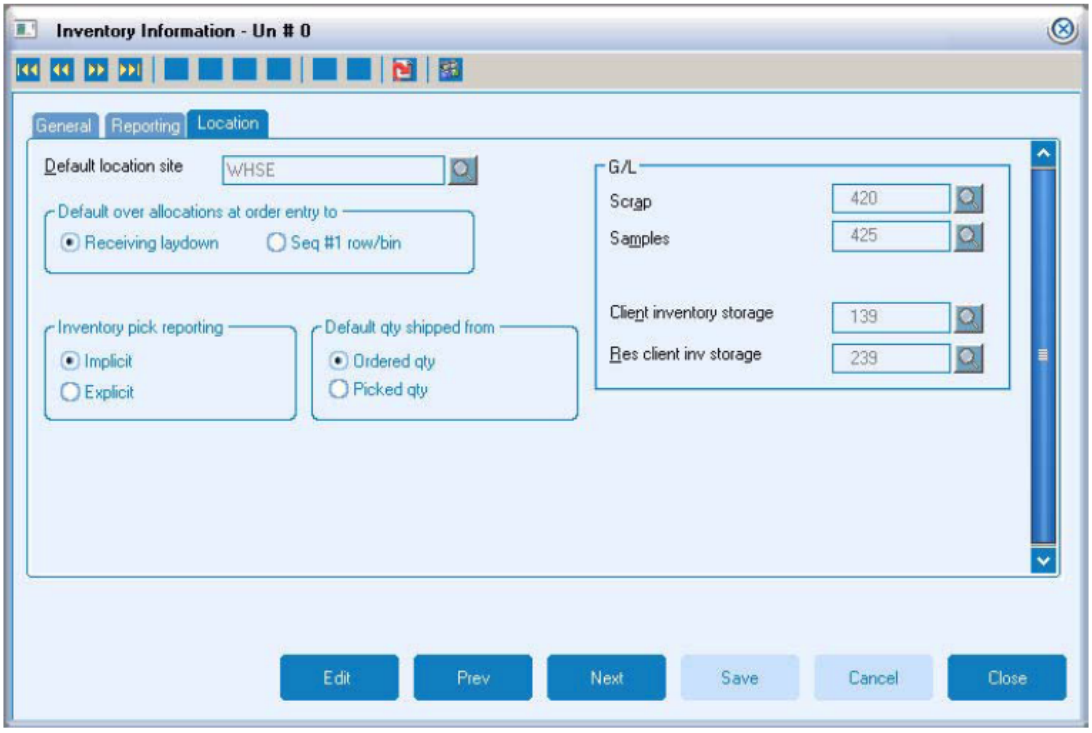
“Client” storage offers inventory management at off-site locations with usage determined by counting the forms that remain in the location “Usage by count”. Emphasis is placed on the ability to order merchandise from a supplier and ship the merchandise direct to a “Client” location.

“Distributor” storage is the more common inventory management process. Merchandise is received into a “Distributor” location and stored. Orders and Releases are then used to ship and bill the customer for the inventory and record usage at the time of shipment. “Distributor” storage may also include merchandise for which the customer has paid and you are storing in your warehouse as a service. If this merchandise is later counted at the “Client” storage location, no usage is recorded at the time of shipment.

Any item that is classified as a finished good (FG) with a method of inventory equal to variable (VA) meets the minimum requirements necessary to allow “Client” storage. An additional requirement is that the item master must contain a location that has been classified as “Client” stored.

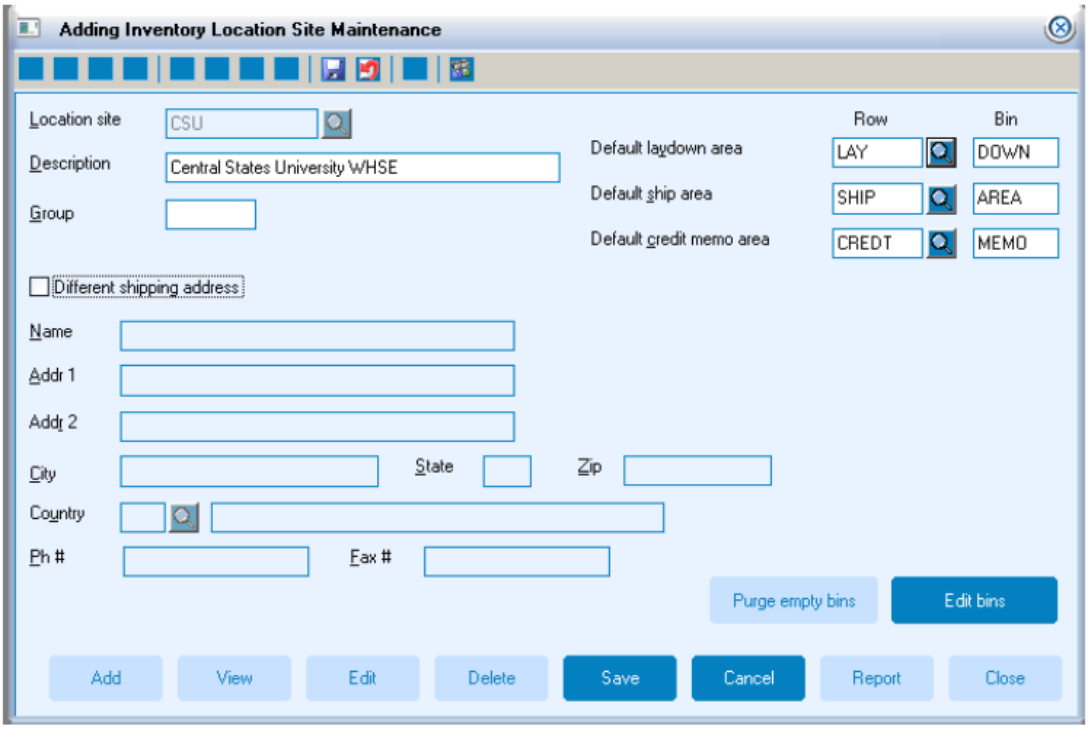
Company Info.

Two new general ledger accounts have been created to track inventory costs received into a client location. These accounts will post automatically during receiving. Both accounts are recommended to be balance sheet accounts with the “Client inventory storage” account recorded as an asset and the “Res client inv storage” account recorded as a liability. The account will operate as a contra-account (offsetting debit and credit for the same amount). The other process that will affect these accounts is “Usage by Count”.



Location Site Maintenance

A minimum of one site to track inventory at a client location is required. Optionally you may wish to create multiple sites to track each individual customer physical address location (this provides the widest range of reporting options). The “Location site” allows up to eight characters to identify the location. Description can provide additional identification. The “Group” field may be used to identify several locations that may belong to a common group for reporting purposes. The default laydown location will be the primary storage area at the client location. The other defaults (ship area) and (credit memo) are required to be filled in, but will not affect this procedure. A different shipping address may be entered, if necessary. The “Edit bins” button is provided if you wish to create a detailed map of all potential storage areas at a client location.

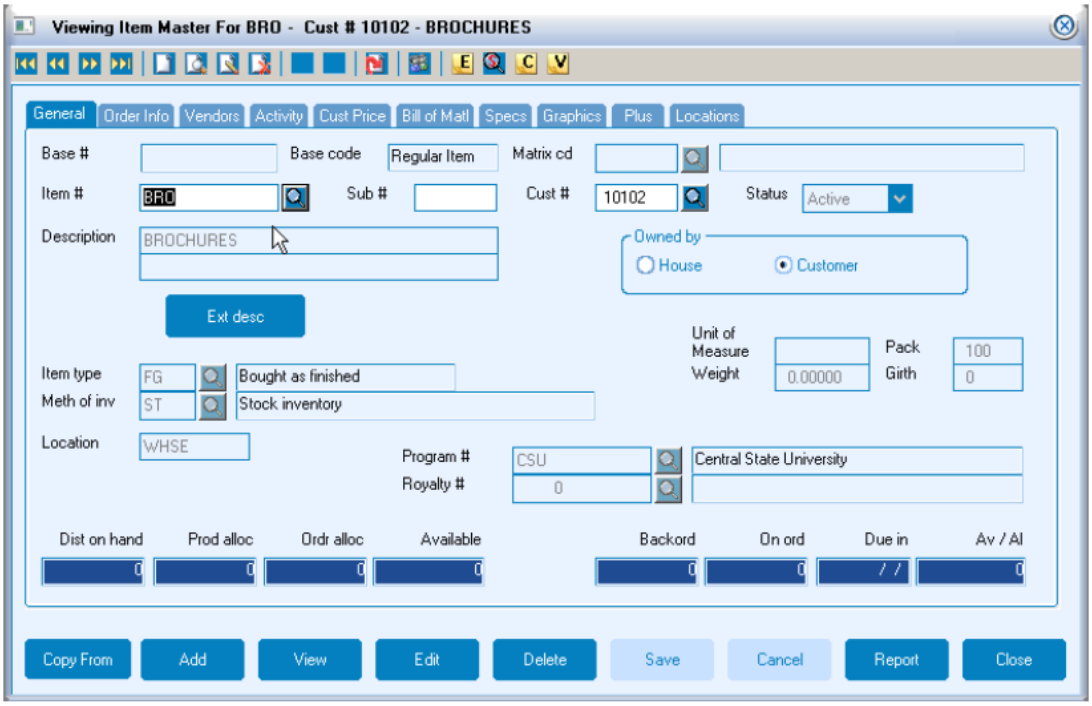


Item Maintenance

The item master contains several changes relevant to tracking inventory at a client location. Only fields or displays that have a direct impact on this procedure will be reviewed.

General

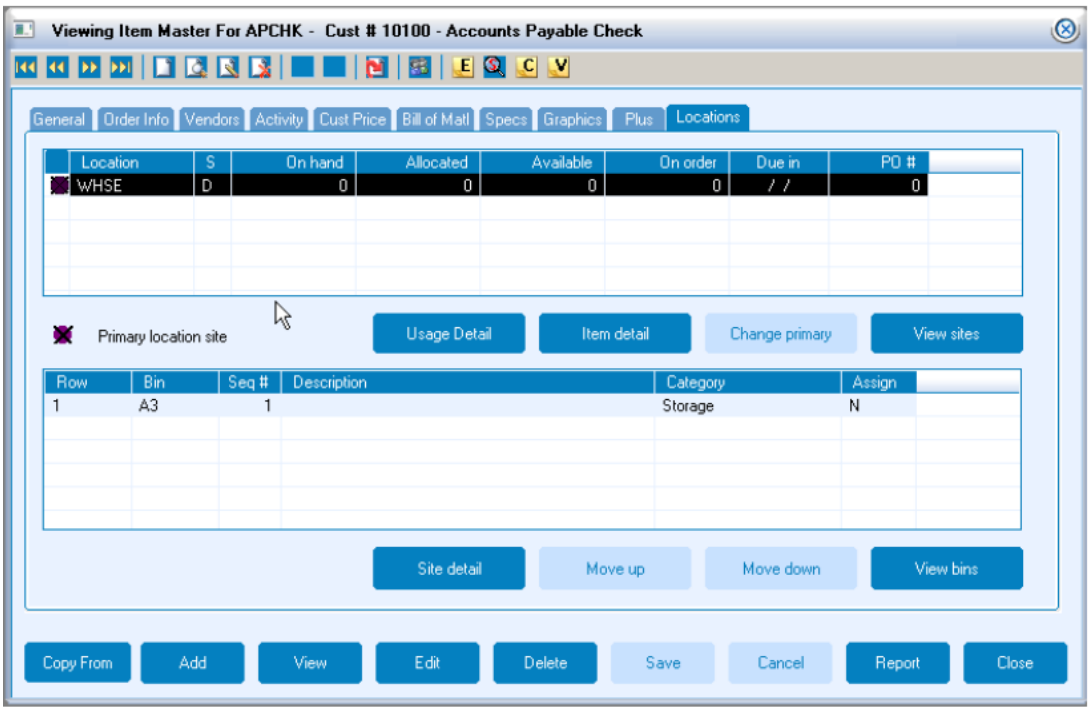
The “Item type” field must be entered as “FG” if this item will be received into a client location. “Meth of inv” must be “ST”. Other relevant fields on this screen are the inventory summary located at this bottom of the screen. “Dist on hand” will only include inventory that is available to be released from “non-client stored location”. “Available” is the accumulated distributor on hand less allocations. Allocation quantities will only include items that will be released from a “non-client stored location”. “On order” will include purchases in process that may be stored at a client and/or distributor location and the “Due in” date of the earliest purchase order. “Back ord” will only reference quantities issued as a back order for the distributor site. The last field “Av/Al” is the net total of on hand less allocations plus on order. Additional drill downs are available from the “Activity” tab.



Activity

"L/F qty" is the total on-hand for this item and will include both distributor and client-stored quantities. This quantity is then broken down into "Dist on hand" and "Client on hand". The "Available" calculation will exclude "client on hand".

Movement summary will only include activity that affected the distributor on hand.

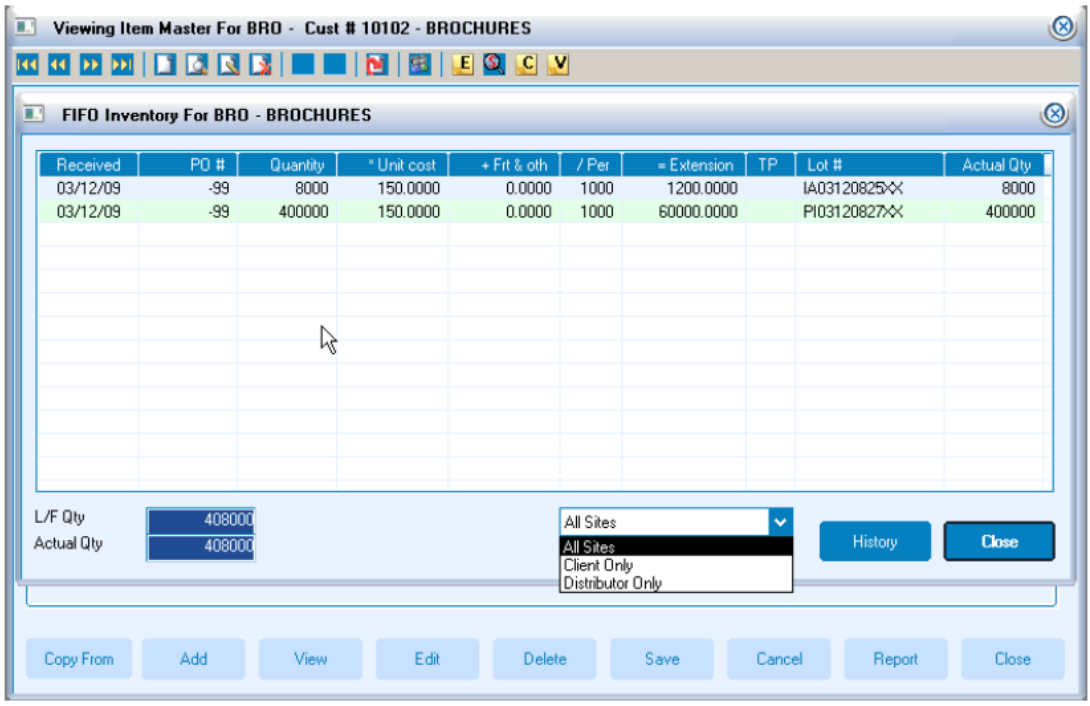


Activity (Drill Down Buttons)

Select "Inventory" to see the actual FIFO/LIFO records for on hand inventory. Initially the window will default to only display "Distributor only" sites. You may change the combo box selection to see "All sites",

“Client only” or “Distributor only” records. “Client only” records will always contain a lot number beginning with “RS” as an identifier that this record is stored at the client.

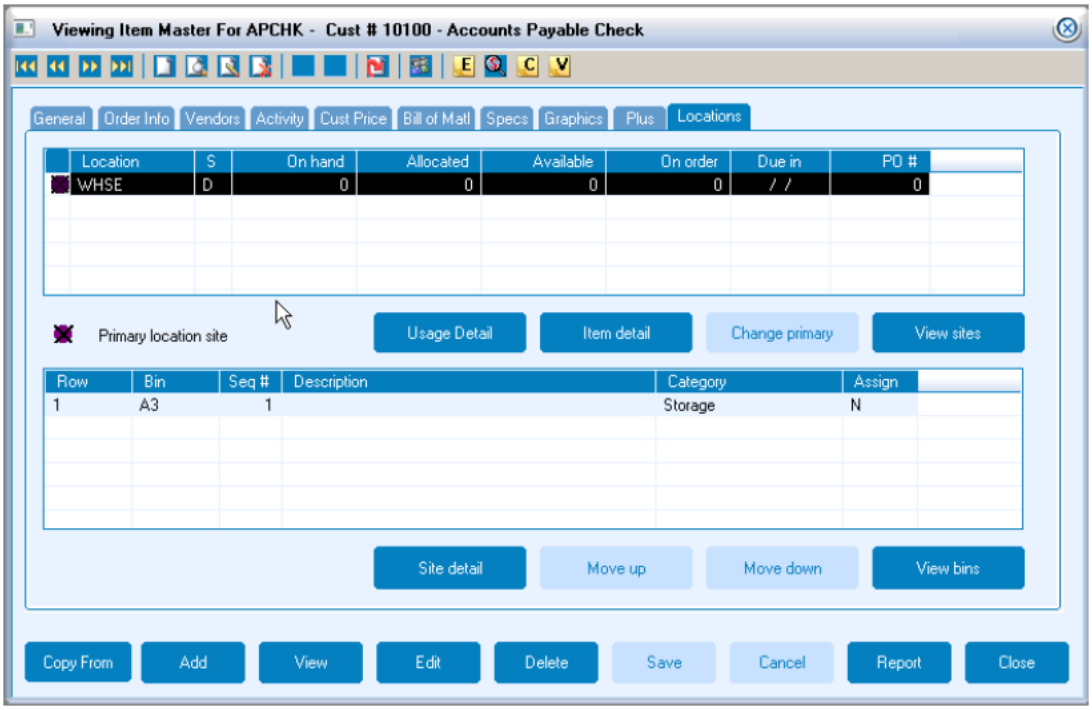
The other drill down buttons available do not display in a different manner due to inventory being stored at a client site.



Location

In the sample item being reviewed there is on hand that is stocked at the client location and stocked at the distributor site. In this example the distributor location is the primary location (will default during releases as the ship from site). The “S” column in the listview indicates the storage location; either “C”lient or “D”istributor stored. Inventory summary is provided by location and matches the summary totals on the “Activity” tab.

As each location is selected the assigned storage bins display below.

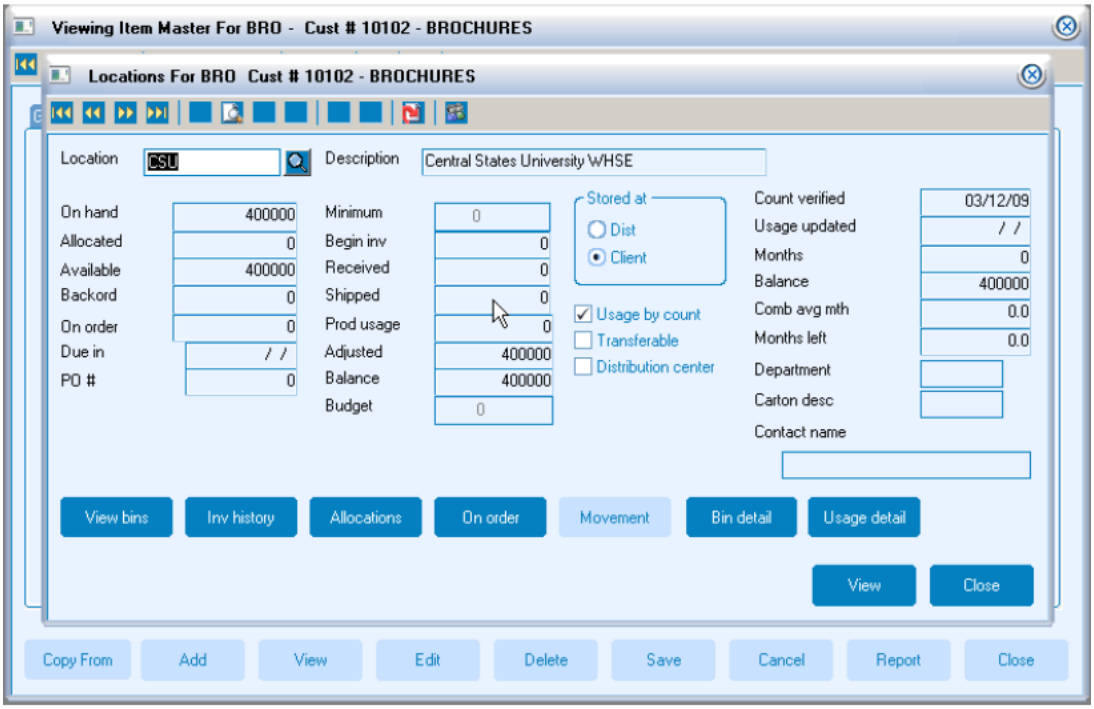


Location (Edit Site Button)

When creating a location for an item that will be “client-stored” it is critical to correctly select the appropriate “Stored at” option. Once inventory has been received into a location this option is no longer available for editing. Other selections default in based on the “Stored at” selection. For example “Usage by count” will be checked once “Stored at” is “Client”. “Distribution center” will become unchecked and disabled at the same time.

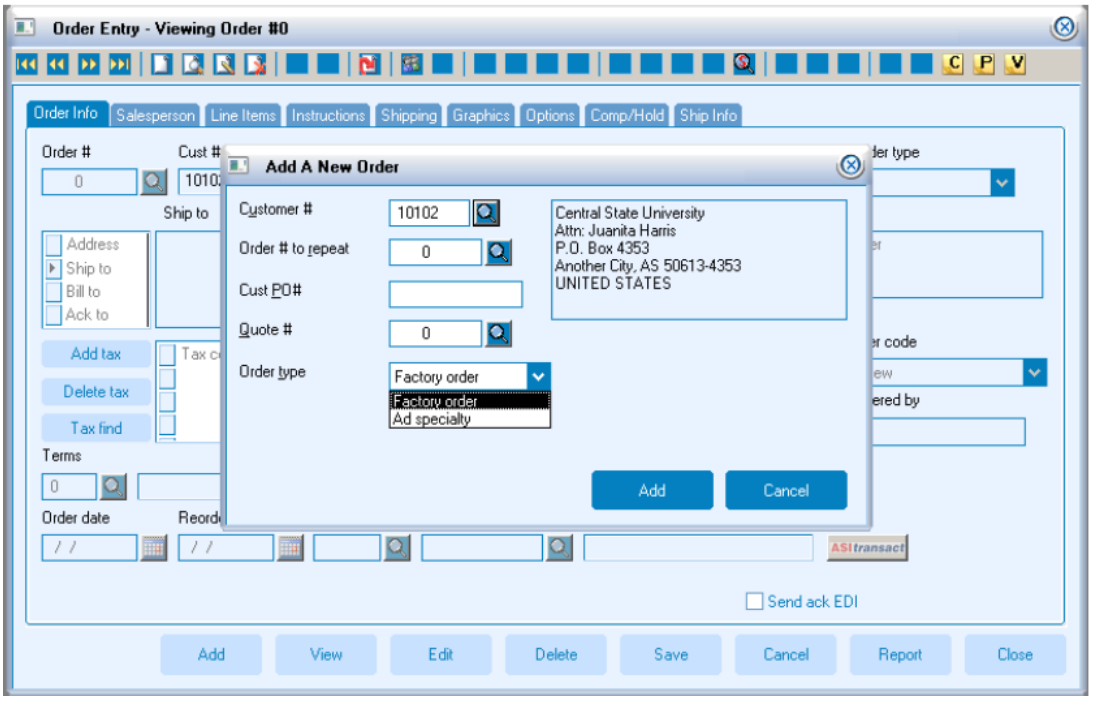
Note: A “distribution center” is a storage location for items for which usage will be counted at another location.

“Client stored” locations will have drill downs by selecting a button to review history by location, row, bin, purchase order number, order number or based on a beginning period of time since the last time these history files were purged.



Order Entry

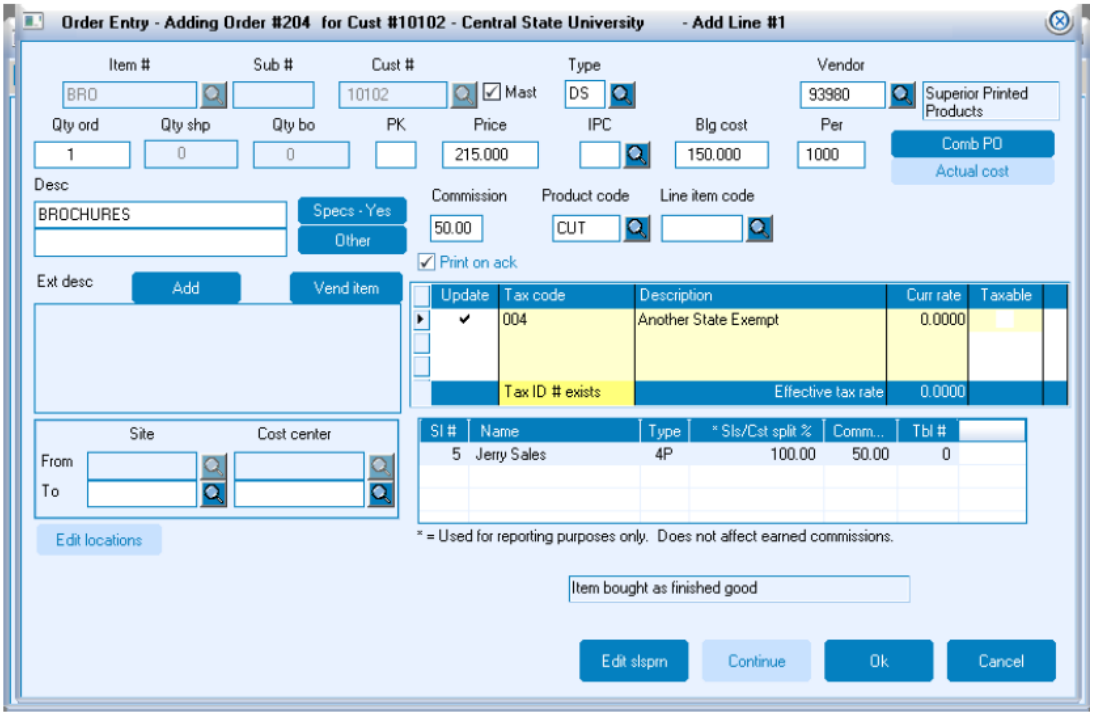
Two order types are available: “Factory Order” or “Ad Specialty."



Use “Factory Order” to purchase items that are to be received into either “Distributor” or “Client” storage. You may also include on the same order inventory items to be released from stock or drop-ship non-inventory items to your client.

The line item edit window (Fig. 8) is the next key step in this procedure. Items will update the item type field with a “DS” (dropship) to indicate that you are purchasing from a vendor. Also note that the “To site” field is enabled. In order to receive this item into inventory (either as distributor or client) you must enter the location that will be updated when the line item is created. The location allows the on order values and

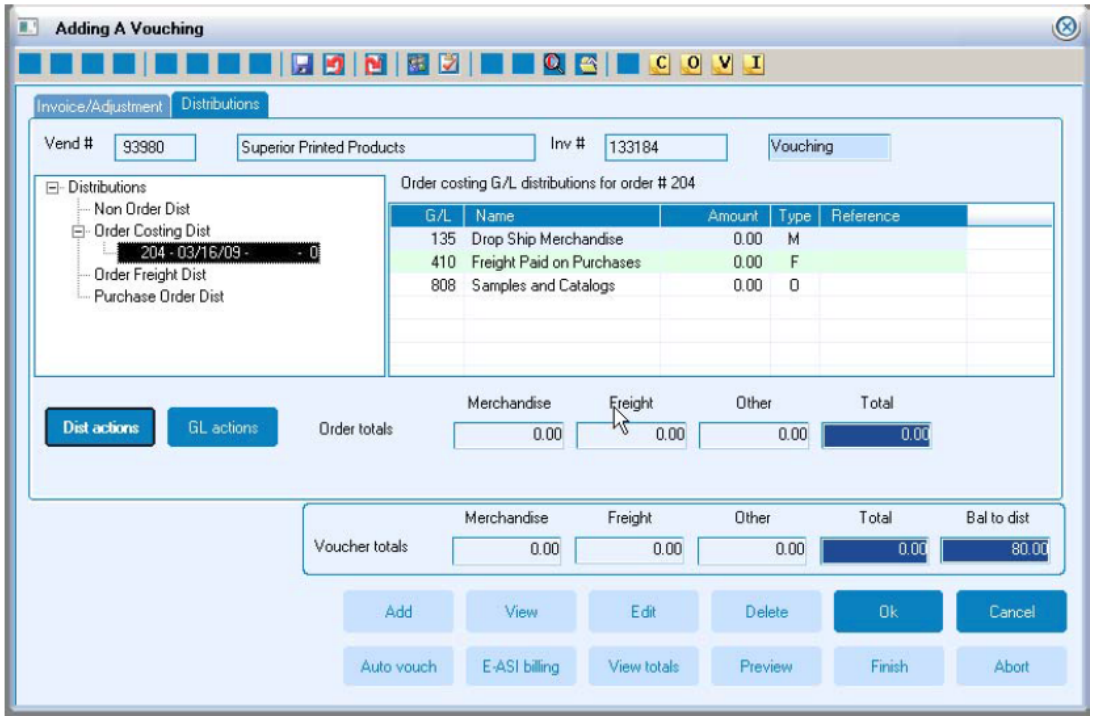
due in date in the item master to be updated.



The next requirement is to print the order. You may use “Print on demand” or may print through the usual menu option.

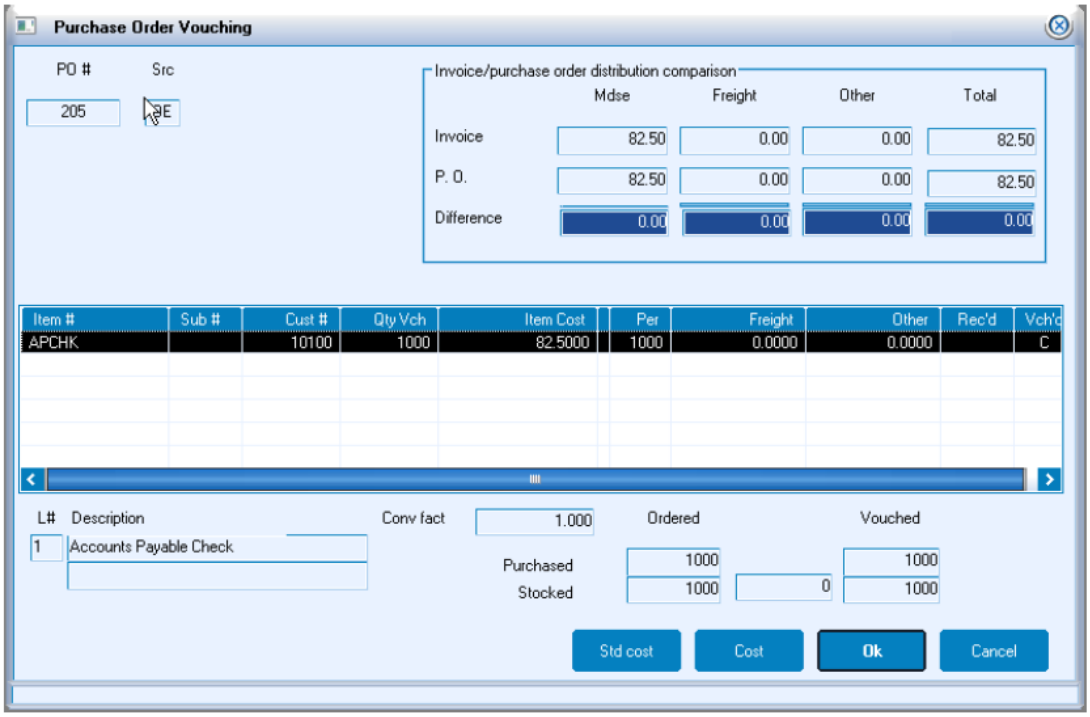
Vouching

When you receive the supplier invoice you must vouch and use the “Purchase order dist” option. This will allow you to distribute the cost of the supplier invoice to the purchase line item record. The general ledger account to be used is dependent on several possibilities. Both the program master and item master provide an over-ride for the inventory general ledger account. If used you must vouch to that account. Otherwise, the default account is “Dropship Merchandise."



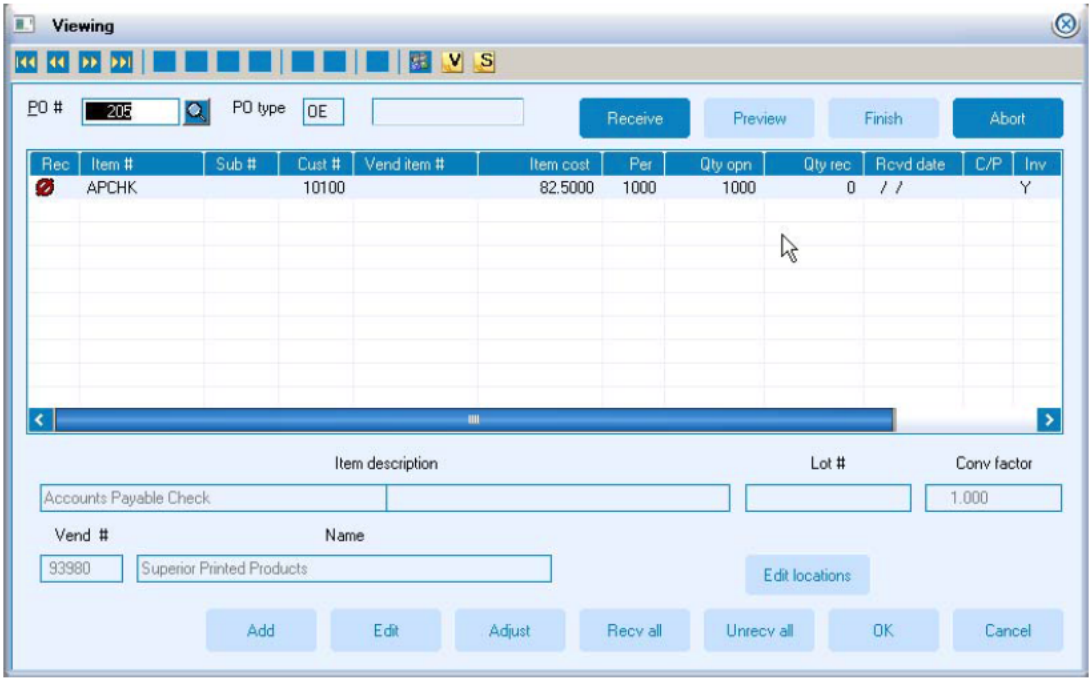
After you have completed the general ledger distribution, select the line item to update.

When the distribution to the line is complete, check to make sure all total fields are marked in blue or if red that any differences are attributed to rounding. Any other difference should be adjusted before exiting and posting the transaction.

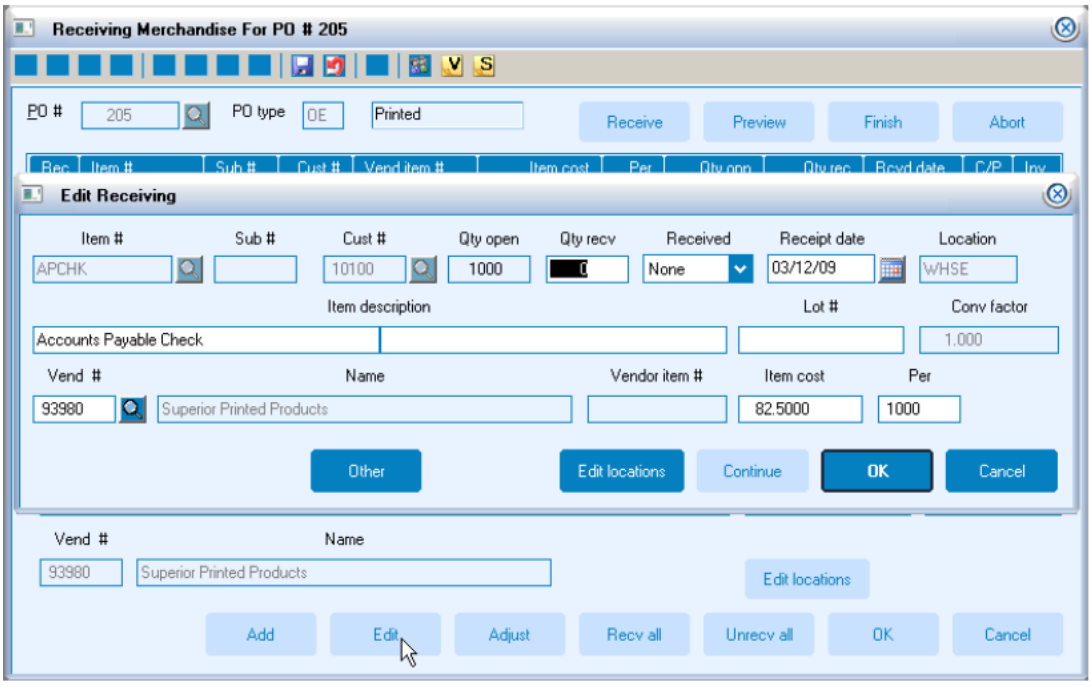


Receiving

You may use the toolbar option in “Order Entry” (preferred method) or “Receive Merchandise” in Inventory transactions to record the receiving of merchandise into the client location.



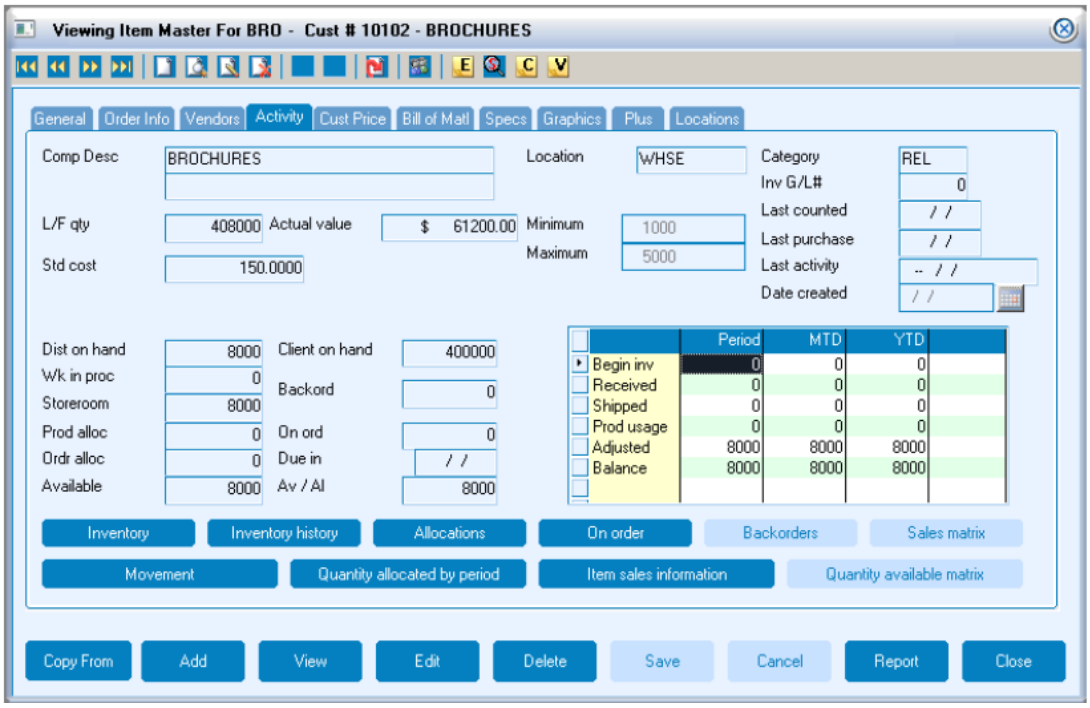
The receiving screen displays several options for receiving merchandise. In the example below, the line is being edited to allow you to review most of the details about the order.



Enter the quantity you wish to receive.

When all receivers are entered a receiving journal will print. It will report the details of the receipt including what location was affected. At this time the item master is updated with an on hand quantity and on order is reduced.

An example of the affect to the “Activity” tab of item maintenance is shown below. Again you can drill down through several other buttons to follow the activity that has occurred to either the “Client” or “Distributor” location.



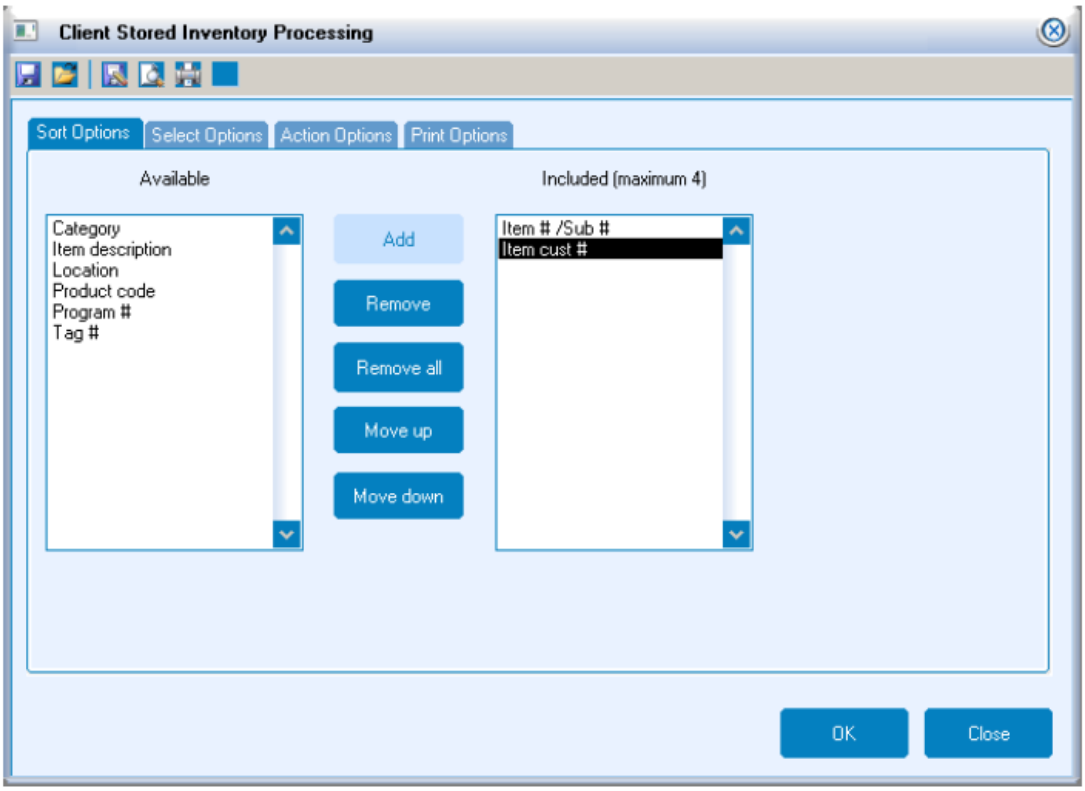
A general ledger entry to debit, client inventory storage, and credit, reserved client inventory storage, is made at the time of receiving into a client stored location.

When you receive the merchandise into a “Client” location you must continue to process the order through billing to close out the order. Another option available is receiving the merchandise into the “Distributor” location and closing the order after receiving. As releases are made from the “Distributor” location, you may use a “Factory Order” or “Fulfillment – Release” to ship and bill the order.

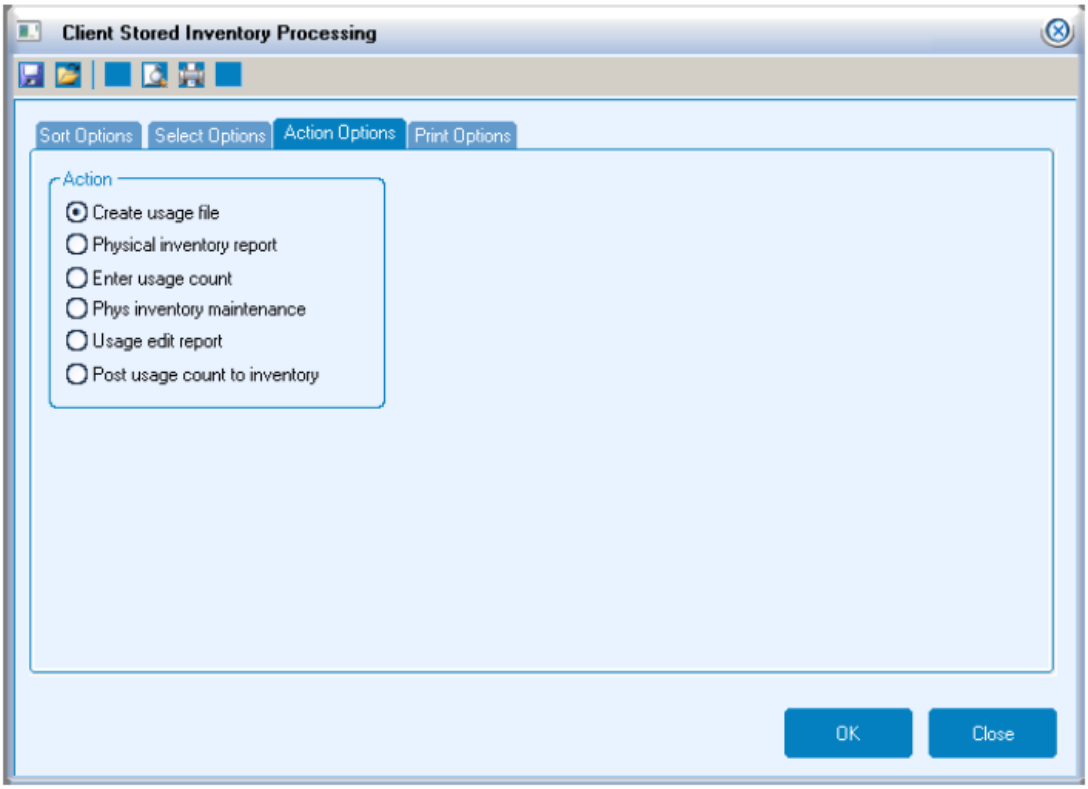
Update Usage by Count

This process is used to update usage at “Client-stored” locations by entering a physical count. The entire process from the selection of the records to posting of the count and updating usage is handled within this one option.

Both the sort and selection options offer the ability to control the selection of records to be updated.



The “Action Options” tab is used to indicate which phase of the process you are performing.



“Create usage file” creates a temporary file containing the items to be processed. Only “C”lient locations will be used to create the file.

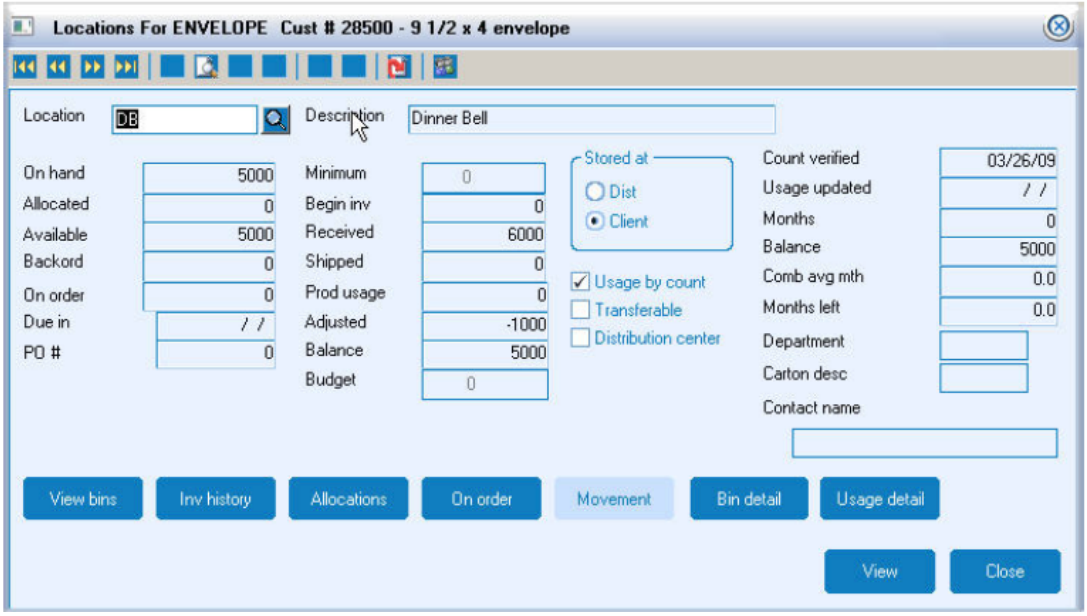
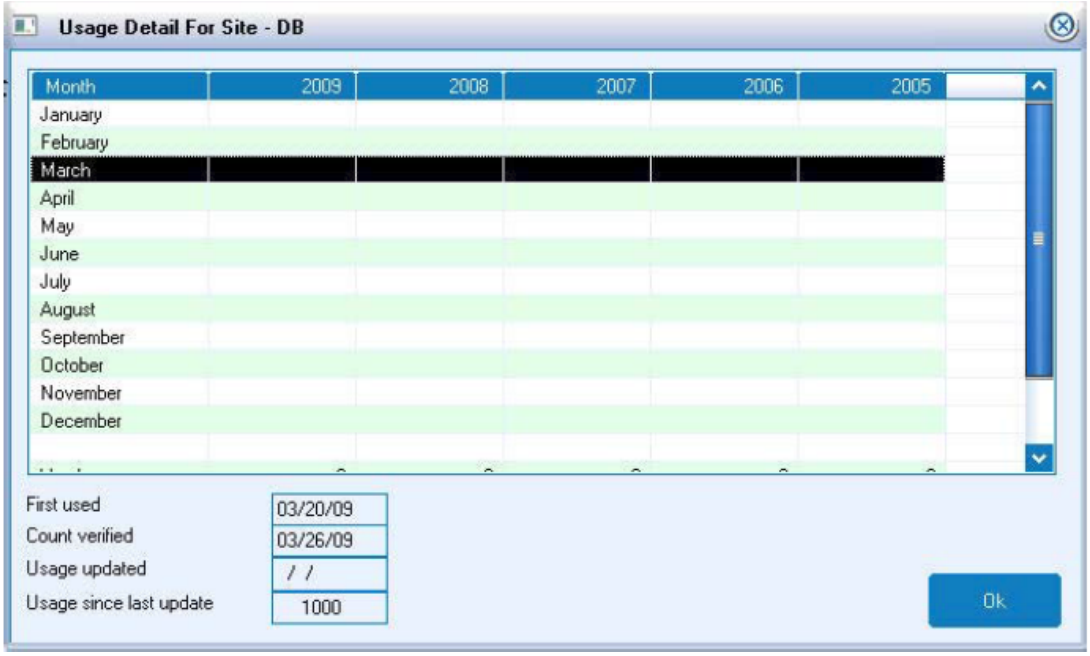
“Physical inventory report” creates a printed count sheet. Several “Form Options” are also available.

“Enter usage count” is used to input the physical count.

“Usage edit report” reviews the count data so adjustments can be made prior to posting the transactions.

“Post usage count to inventory” updates the item master and the location master with the new quantity on hand balance. Usage for the month counted is also updated to the location master for the client locations.

Following is an example of usage being reduced by 1000 pieces. After “Post usage count to inventory” has been completed the location now shows on hand of 5000 with an adjustment of 1000.



Further review shows that usage for 1000 has now been updated to the “Usage detail” summary.