

ADJUST PERPETUAL INVENTORY RECORDS

OVERVIEW

The Item Transaction Entry window is used to process and record an adjustment of perpetual inventory records to equal the physical count. After an inventory adjustment is processed, the transaction updates the perpetual inventory records in *Microsoft Dynamics GP*. Later, when the transaction is posted to the general ledger, various accounts are affected depending upon the type of transaction. For example, if the physical quantity of inventory is less than the quantity in the perpetual records, cost of goods sold or an inventory shrinkage account is debited and inventory is credited.

QUICK REFERENCE TABLE

Step	Box or Other Location	Procedure
A	Navigation Pane buttons	Click <i>Inventory</i> → <i>Transactions</i> → <i>Transaction Entry</i> .
B	Document Type	Select Variance as the document type.
C	Date	Review the default transaction date and change if necessary.
D	Default Site ID	Select the default site where the inventory is located.
E	Item Number	Select the Item Number of the inventory item being adjusted.
F	Quantity	Type the quantity adjustment for the selected inventory item.
G	Unit Cost and Site ID boxes	Move through the Unit Cost and Site ID boxes.
H	Various	Repeat steps E through G for each type of inventory item being adjusted.
I	Item Transaction Entry window	Review the Item Transaction Entry window for completeness and accuracy.
J	Post button	Post the adjustment to the perpetual inventory records.

Item Transaction Entry Window **A** *Inventory* → *Transactions* → *Transaction Entry*

I Item Transaction Entry ↗ ✕

Save Delete Post **J** AA View Go To Print Help Add Note

Actions View Go To File Help

Document Type: **B** Variance Batch ID

Number 000000000000000001 Default Site ID WAREHOUSE **D**

Date **C** 04/12/2017 WAREHOUSE **D**

Item Number	Reason Code	U of M	Quantity	Unit Cost
100XLG E		Each	F 1	G \$55.50
Green Phone				WAREHOUSE G

H {

Quantity Available ⓘ

Navigation: ⏪ ⏩ Batch ID

DETAILED INSTRUCTIONS

A. Click *Inventory* → *Transactions* → *Transaction Entry*

- ▶ Click *Inventory* → *Transactions* → *Transaction Entry* to access the *Item Transaction Entry* window.

B. Select *Variance* as the document type

- ▶ Use the *Document Type* drop-down list to select *Variance*.

C. Review the default transaction date and change if necessary

- ▶ If the date of the adjustment is different than the date shown, type the correct date.

D. Select the default site where the inventory is located

- ▶ Use the adjacent lookup button to select the default site where the inventory is located.

E. Select the *Item Number* of the inventory item being adjusted

- ▶ Use the *Item Number* lookup button to select the inventory item being adjusted.

F. Type the quantity adjustment for the selected inventory item

The *Quantity* box is used to enter the increase or decrease adjustment for the selected inventory item. To reduce perpetual records to equal the physical quantity, a minus sign must precede the quantity. For example, if the perpetual records show a quantity of 25 and the physical count is 20, you must type [-5]. To increase the perpetual records to equal the physical quantity, only the quantity needs to be typed. For example, if the perpetual records show a quantity of 42 and the physical count is 46, you must type [4].

- ▶ Type the quantity adjustment for the selected inventory item.

G. Move through the *Unit Cost* and *Site ID* boxes

The *Unit Cost* and *Site ID* boxes are already filled with the correct default information. In order to enter the *Item Number* box for the next inventory item being adjusted, however, you need to move through these two boxes.

- ▶ Press [Tab] repeatedly until the cursor reaches the next blank *Item Number* box.

H. Repeat steps E through G for each type of inventory item being adjusted

- ▶ Continue entering information for each type of inventory item being adjusted.

I. Review the *Item Transaction Entry* window for completeness and accuracy

Before the transaction is posted, most errors can be corrected by choosing the box with the error and making the correction. Certain boxes cannot be changed after they are originally

completed. Errors in these boxes can only be corrected by deleting the transaction and entering the transaction again.

- ▶ *Review the Item Transaction Entry window for completeness and accuracy. If you find an error while reviewing the window, click the box with the error and make corrections.*
- ▶ *If the box with the error cannot be accessed or changed, click the Delete button and click Delete again when asked if you are sure that you want to delete this transaction. Enter the transaction again by returning to step B.*

J. Post the adjustment to the perpetual inventory records

- ▶ *After you are satisfied with all of the data in the Item Transaction Entry window, click the Post button to post the transaction.*

TRANSACTION REVIEW

After clicking the Post button in the Item Transaction Entry window, you can determine if the transaction has been posted to the perpetual inventory records by completing the steps that follow. Recall that the transaction has not yet been posted to the general ledger.

- ▶ *Click Inventory → Inquiry → Transaction to open the Inventory Transaction Inquiry window.*
- ▶ *Select Variance as the document type.*
- ▶ *Use the Number lookup button to select the document number of the transaction you want to review.*
- ▶ *After reviewing the transaction, click the OK button or close the window.*

After an adjustment to the perpetual inventory records has been posted, you can also check the quantities on hand for the items that were adjusted by completing the following steps:

- ▶ *Click Inventory → Cards → Item to open the Item Maintenance – Main window.*
- ▶ *Use the Item Number lookup button to select the first item adjusted.*
- ▶ *Review the amount in the Quantity on Hand box in the lower-right corner. If the quantity is incorrect, take note of the quantity correction required before moving on to the next inventory item.*
- ▶ *Repeat the previous two steps for all remaining items.*
- ▶ *If there are quantity errors for any of the items, record another transaction to correct them.*

ERROR CORRECTION AFTER POSTING A TRANSACTION

If you discover an error after posting an adjustment to the perpetual inventory records, refer to Appendix A.