



SAP Business One v10
How to Inventory Cycle Count

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1. Introduction

Inventory counting or stock taking is crucial to any company that manages inventory be it perpetual or periodic inventory system by matching the actual inventory to the quantity saved in the database.

Companies can make adjustments to existing inventory records, detect unusual or unacceptable discrepancies and improve inventory management.

Companies take various approaches to ensure the accuracy of inventory counting results. Typically, it is overwhelming to count all of the items at the same time, so you want to set up a manageable schedule to count a portion of these items at a time and over time, you will achieve a physical inventory count of all items.

2. Inventory Cycles

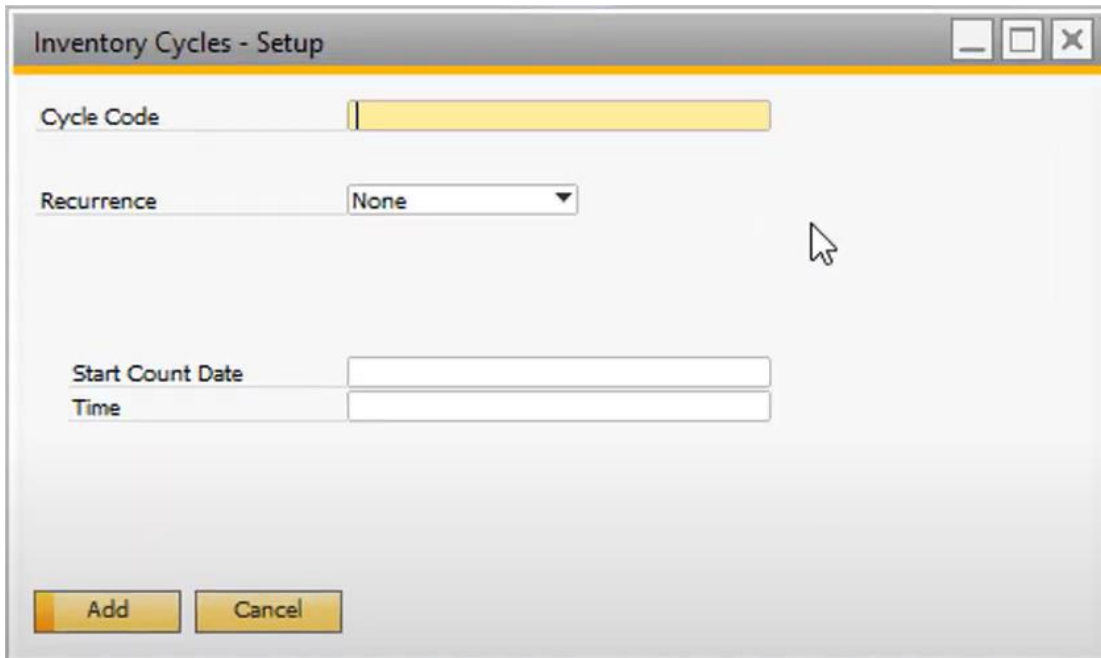
SAP Business One offers an end-to-end inventory counting process to help improve inventory accuracy. It allows the warehouse manager to determine the frequency of stocks counts based on cycle counts determination. For example, a decision might be made to count all high value “A” items monthly or lower “B” items every quarter and all lower values “C” items once a year.

Using inventory cycles setup screen, the warehouse manager can determine the frequency of cycle count.

2.1 Inventory Cycles Setup

Use this window to define cycles of inventory counts. These cycles can help you track inventory counts by issuing an alert each time a count is due.

In order to setup the inventory cycles, you will navigate to **Administration** → **Setup** → **Inventory** → **Inventory Cycles**.



Inventory Cycles - Setup

Cycle Code

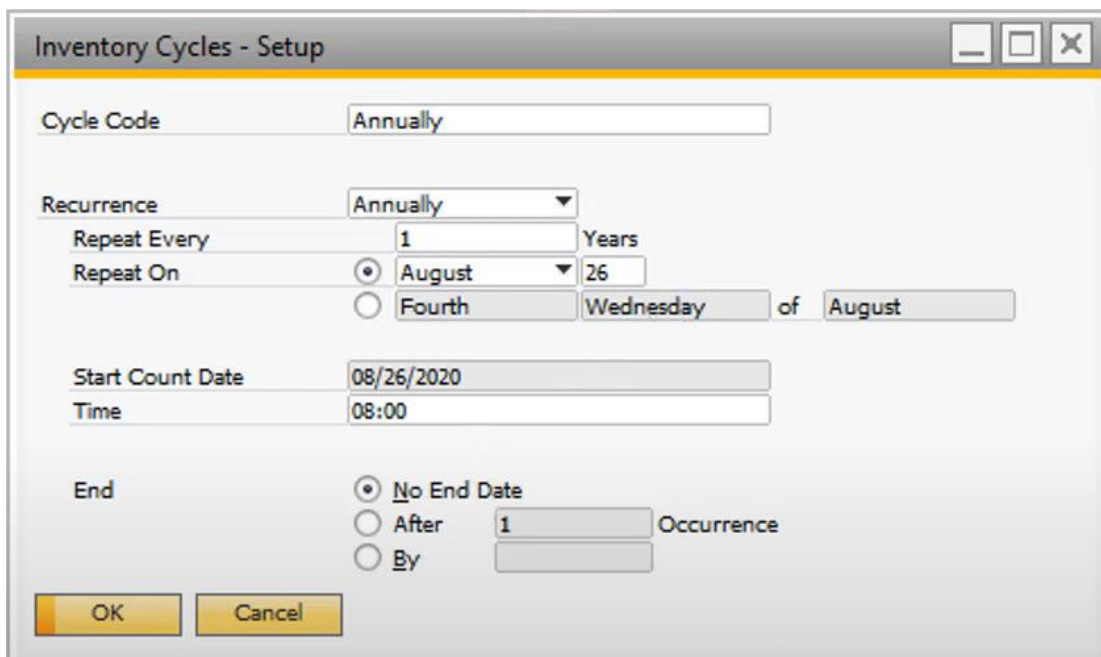
Recurrence

Start Count Date

Time

You can have different structures for Inventory Cycles, for example:

The first cycle code you have in the system is annually with an occurrence of once a year, every year. You have it to repeat on august 26 at 8:00 o'clock in the morning with no end date.



Inventory Cycles - Setup

Cycle Code

Recurrence

Repeat Every Years

Repeat On August

Fourth of

Start Count Date

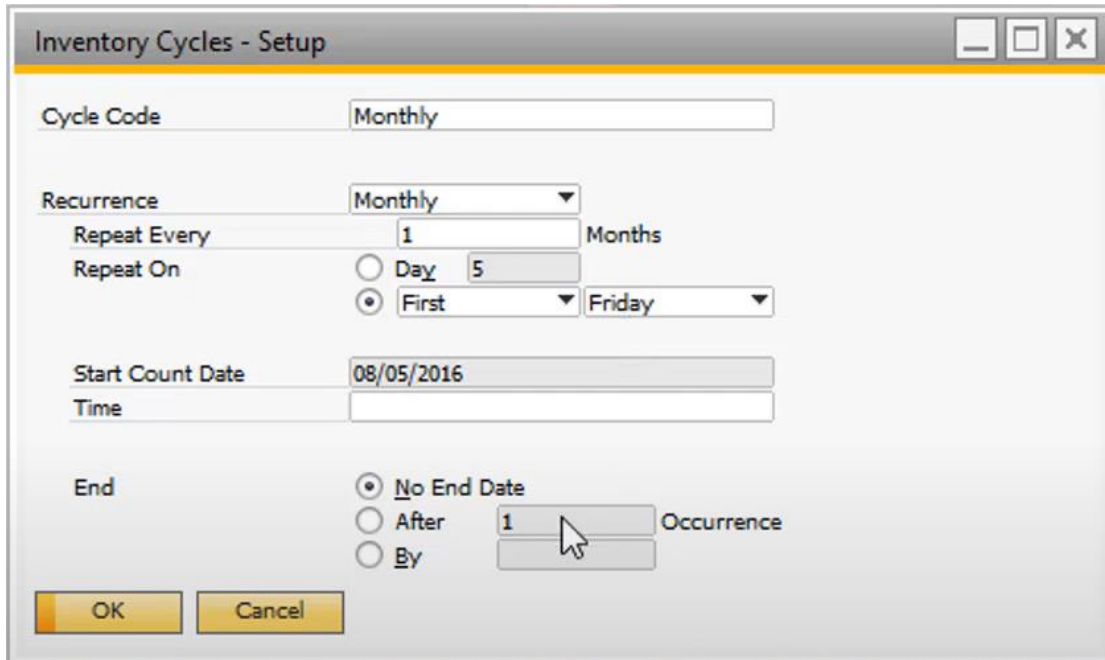
Time

End No End Date

After Occurrence

By

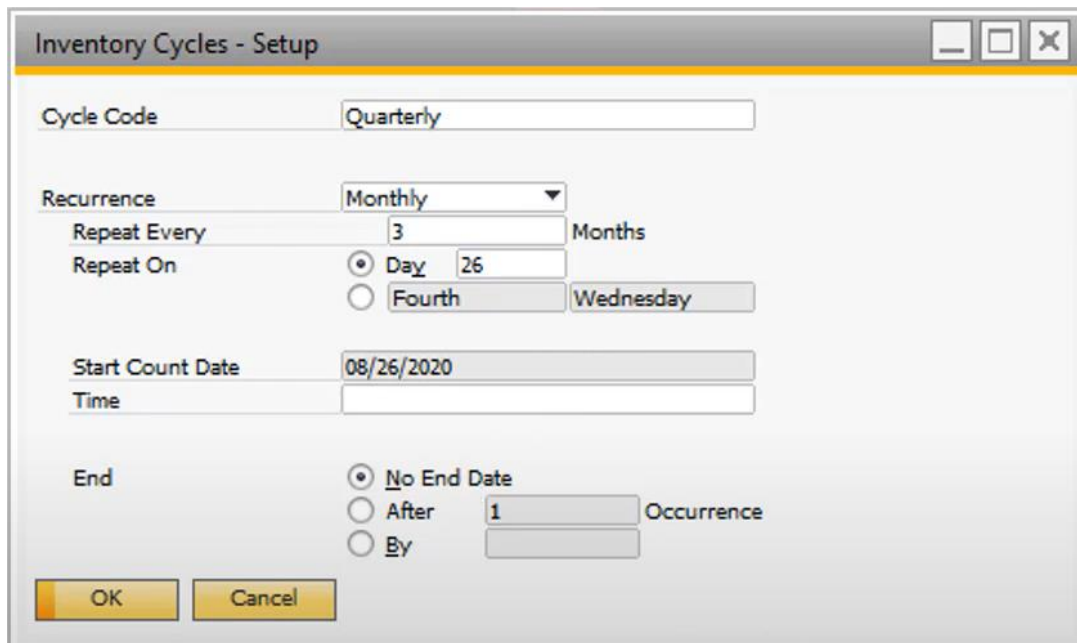
Next, you have monthly, which will be a recurrence every month. Here you have on the first Friday of set month with no specific end date.



The screenshot shows the 'Inventory Cycles - Setup' dialog box with the following configuration:

- Cycle Code:** Monthly
- Recurrence:** Monthly
- Repeat Every:** 1 Months
- Repeat On:** Day 5, First Friday
- Start Count Date:** 08/05/2016
- Time:** (empty)
- End:** No End Date, After 1 Occurrence, By

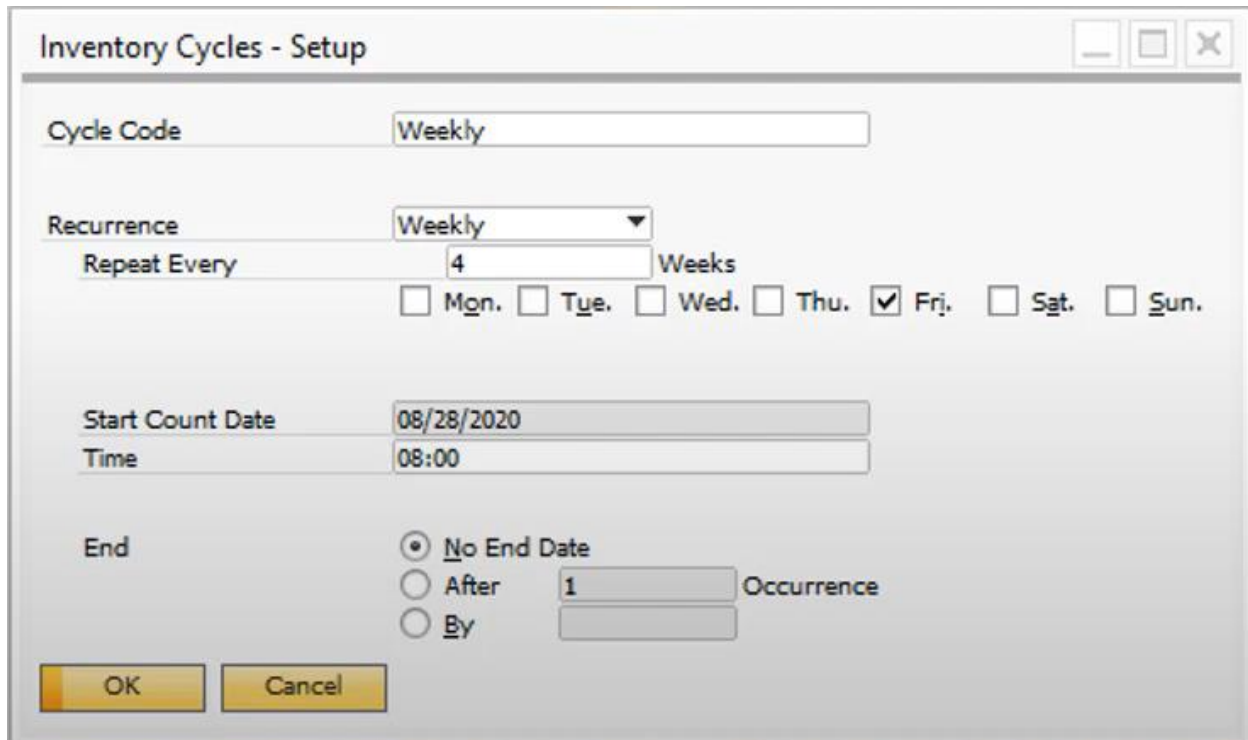
Next, you have quarterly, which is the occurrence every three months dated on the 26th of set month, with no specific end date.



The screenshot shows the 'Inventory Cycles - Setup' dialog box with the following configuration:

- Cycle Code:** Quarterly
- Recurrence:** Monthly
- Repeat Every:** 3 Months
- Repeat On:** Day 26, Fourth Wednesday
- Start Count Date:** 08/26/2020
- Time:** (empty)
- End:** No End Date, After 1 Occurrence, By

Lastly, you have a weekly, which will be every four weeks on Friday with no end date.



Inventory Cycles - Setup

Cycle Code: Weekly

Recurrence: Weekly

Repeat Every: 4 Weeks

Mon. Tue. Wed. Thu. Fri. Sat. Sun.

Start Count Date: 08/28/2020

Time: 08:00

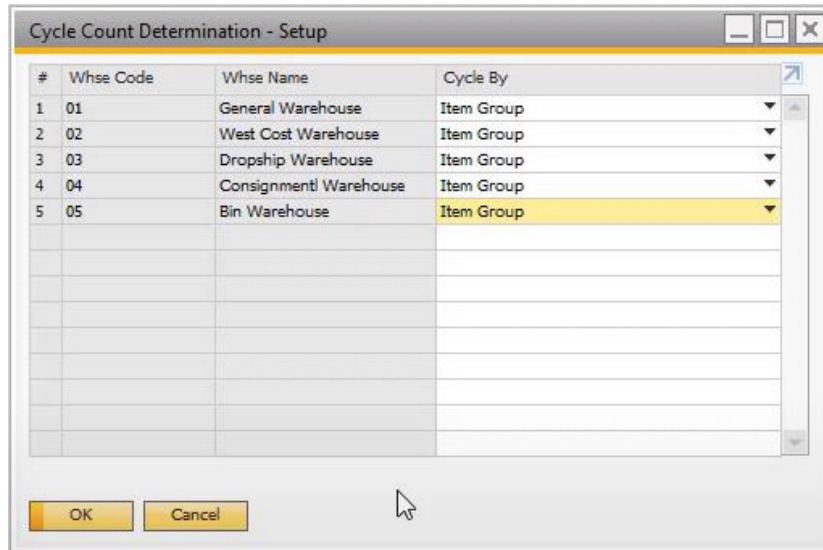
End: No End Date
 After 1 Occurrence
 By

OK Cancel

Now that you have structured our inventory cycles, let's do the same for cycle count determination.

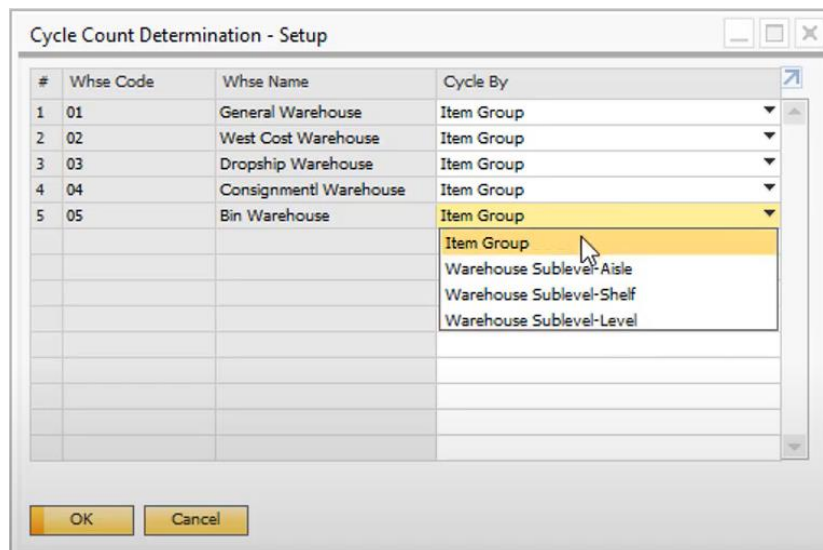
2.2 Cycle Count Determination

From the SAP Business One Main Menu, choose **Administration** → **Setup** → **Inventory** → **Cycle Count Determination**. The Cycle Count Determination – Setup window opens with a list of all non drop-ship warehouses.

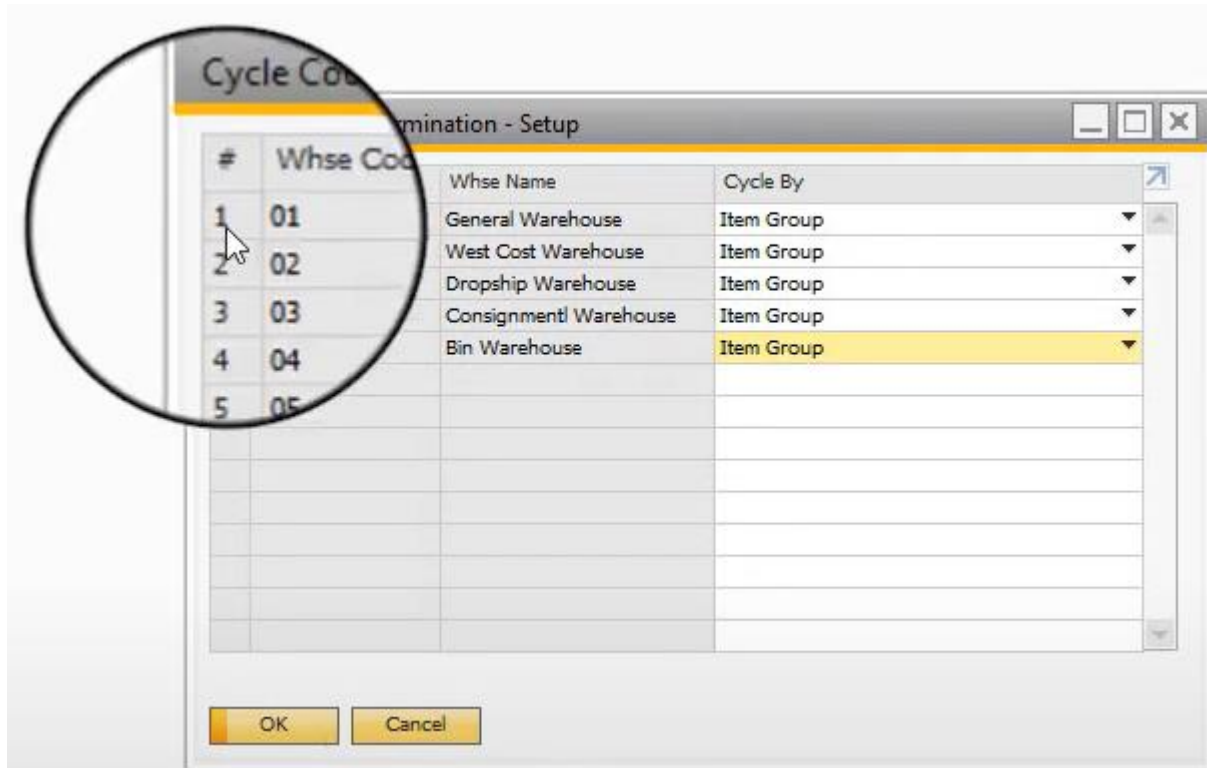


You must choose whether you want the warehouse to be cycle counted by item group or by a certain warehouse sub-level. For the example you have all by item groups.

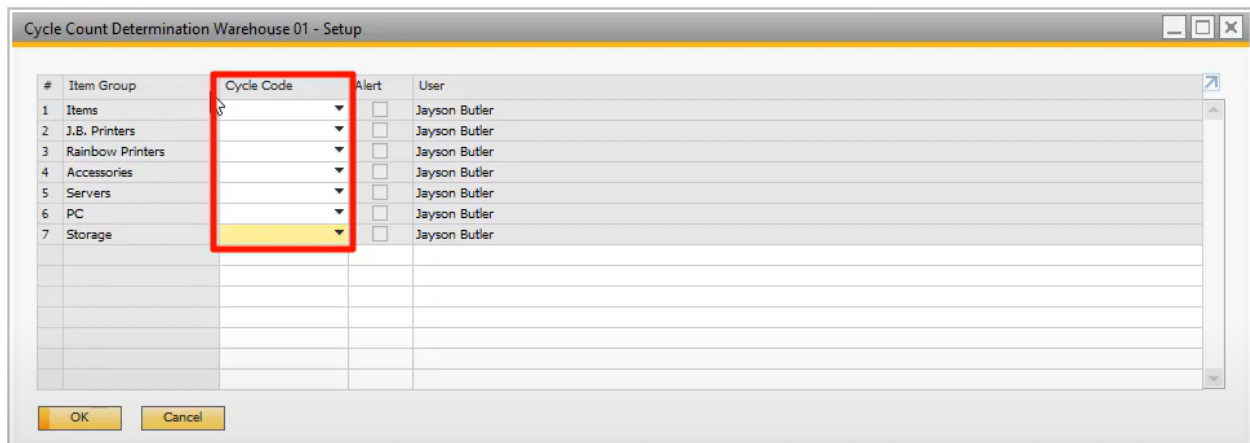
As bin warehouse is being enabled, you are also able to instead choose a sublevel if so wish.



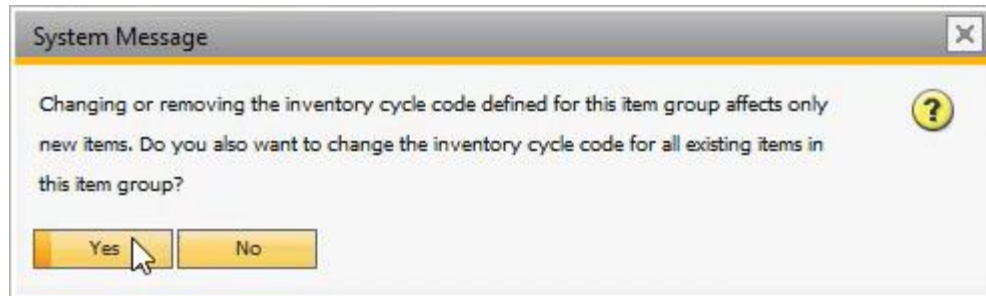
Now you have determined that each warehouse will be cycle by item groups, you will double click on the row number for each warehouse...



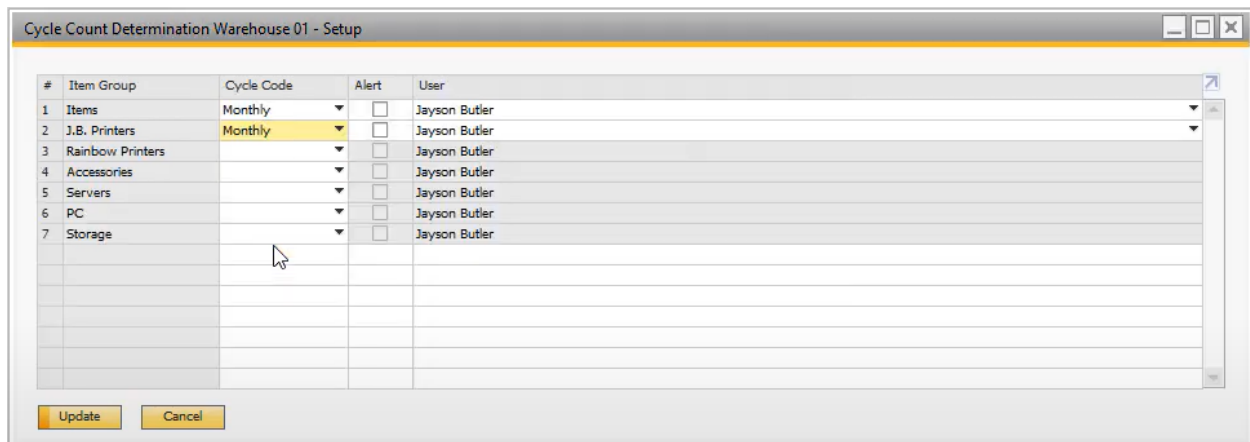
...and you are now able to select under each item group what cycle code it should have.



For items you will have monthly, for the System Message, in this case you will say yes.

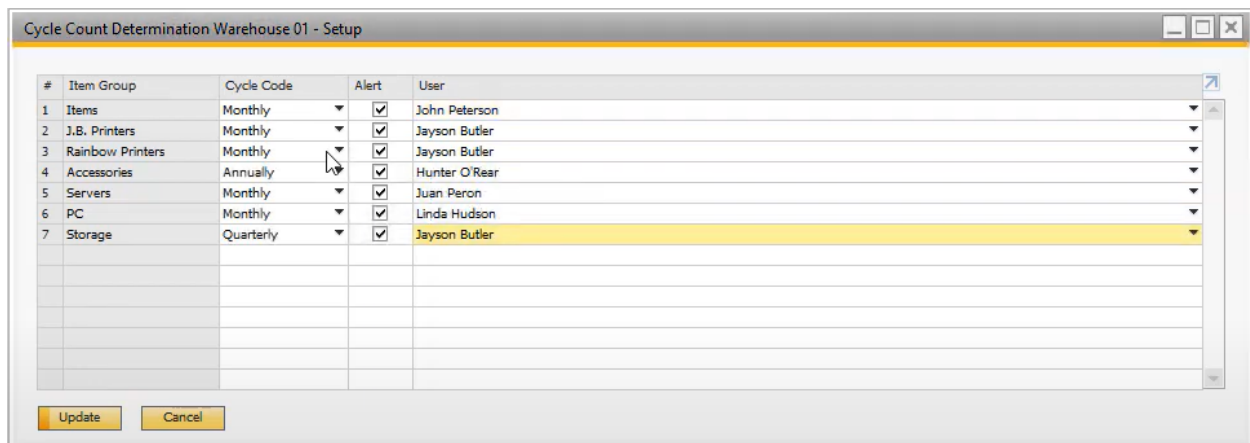


For J.B. Printers you will also choose monthly as it is a high value item.



2.3 Alerts

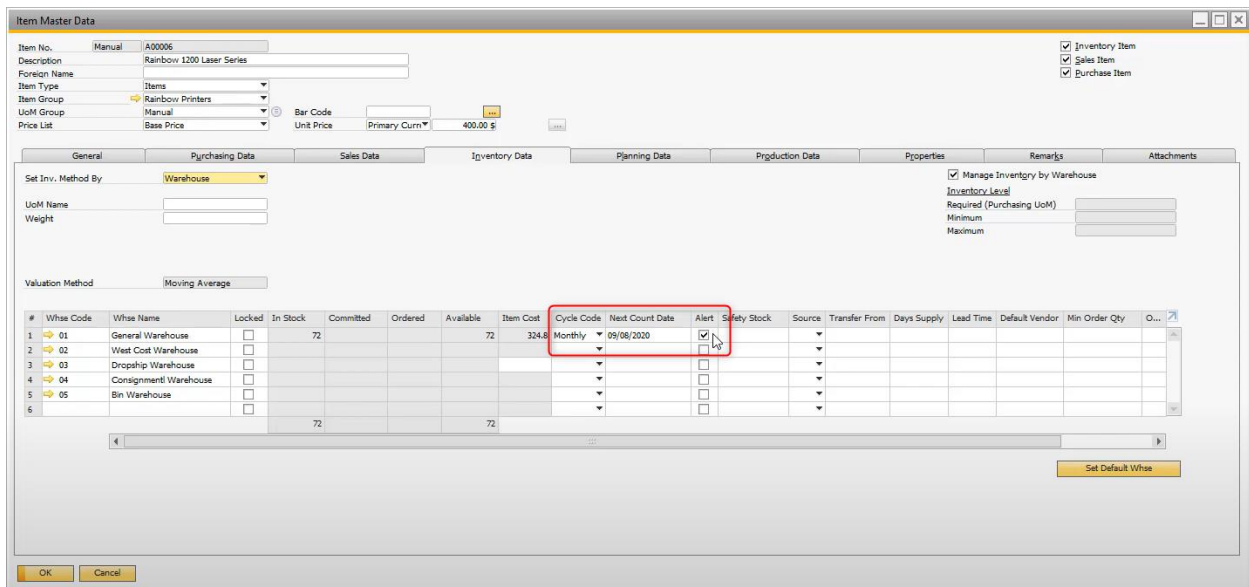
Note that alert box becomes available for selection. From a drop-down list of users you are able to select the user who will be receiving the cycle count alert per item group if you choose.



Now you have chosen the appropriate item groups cycle codes, alerts being checked and the users that will be receiving such alerts you will go ahead and click update to save information.

Now you have set up the inventory cycles in the cycle count determination, you will navigate to **Main Menu → Inventory → Item Master Data**.

Go to the Inventory Data tab. You are able to review and change, if needed, the cycle code from monthly to another cycle code that you have already previously created. Also, you are able to verify the next count date for this particular item warehouse combination and check the Alert box.



The screenshot shows the 'Item Master Data' window with the 'Inventory Data' tab selected. The 'Alert' checkbox for the first row is checked and highlighted with a red box.

#	Whse Code	Whse Name	Locked	In Stock	Committed	Ordered	Available	Item Cost	Cycle Code	Next Count Date	Alert	Safety Stock	Source	Transfer From	Days Supply	Lead Time	Default Vendor	Min Order Qty	O...	
1	01	General Warehouse	<input type="checkbox"/>	72			72	324.8	Monthly	09/08/2020	<input checked="" type="checkbox"/>									
2	02	West Cost Warehouse	<input type="checkbox"/>								<input type="checkbox"/>									
3	03	Dropship Warehouse	<input type="checkbox"/>								<input type="checkbox"/>									
4	04	Consignment Warehouse	<input type="checkbox"/>								<input type="checkbox"/>									
5	05	Bin Warehouse	<input type="checkbox"/>								<input type="checkbox"/>									
6				72			72													

The alerts will appear in the messages and alerts window and will be listed as stocktaking required.

Messages/Alerts Overview

Inbox				Outbox	Sent Messages
!	Subject	Date	Time	From	
	Stocktaking Required	09/03/2020	10:31	Server	

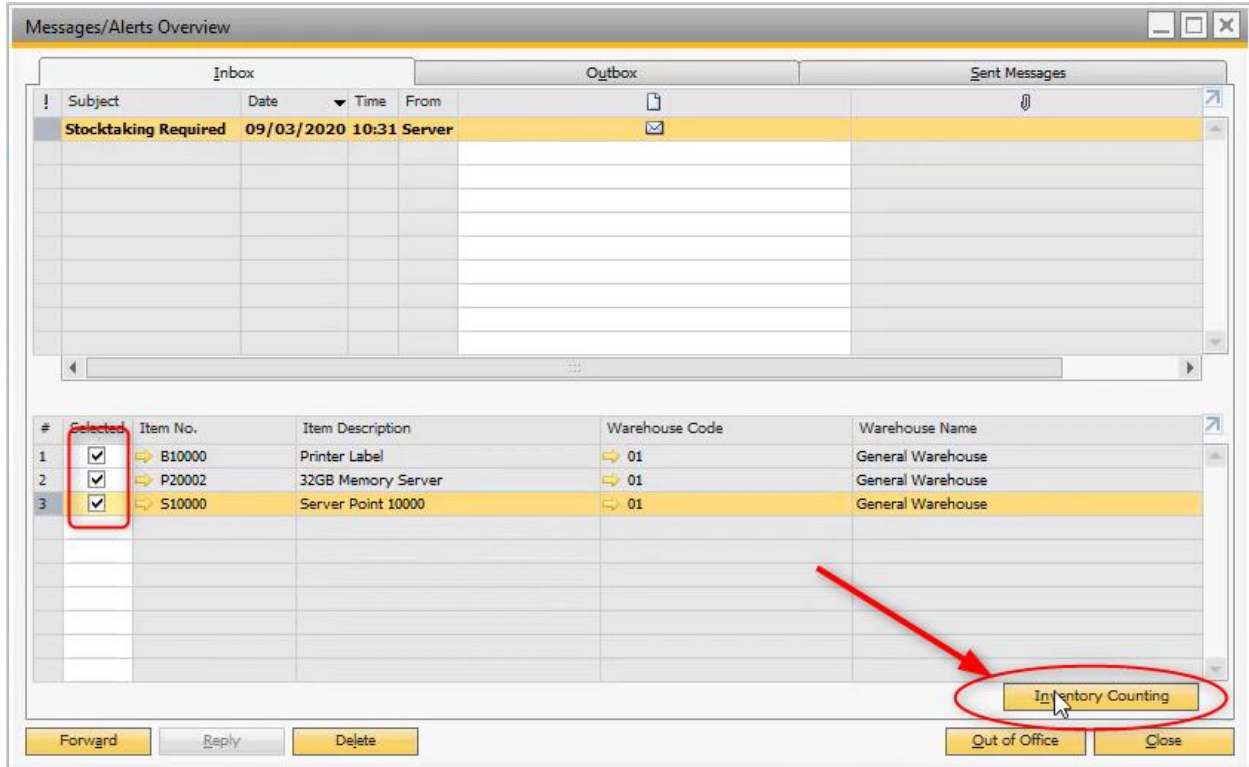
#	Selected	Item No.	Item Description	Warehouse Code	Warehouse Name
1	<input type="checkbox"/>	B10000	Printer Label	01	General Warehouse
2	<input type="checkbox"/>	P20002	32GB Memory Server	01	General Warehouse
3	<input type="checkbox"/>	S10000	Server Point 10000	01	General Warehouse

Inventory Counting

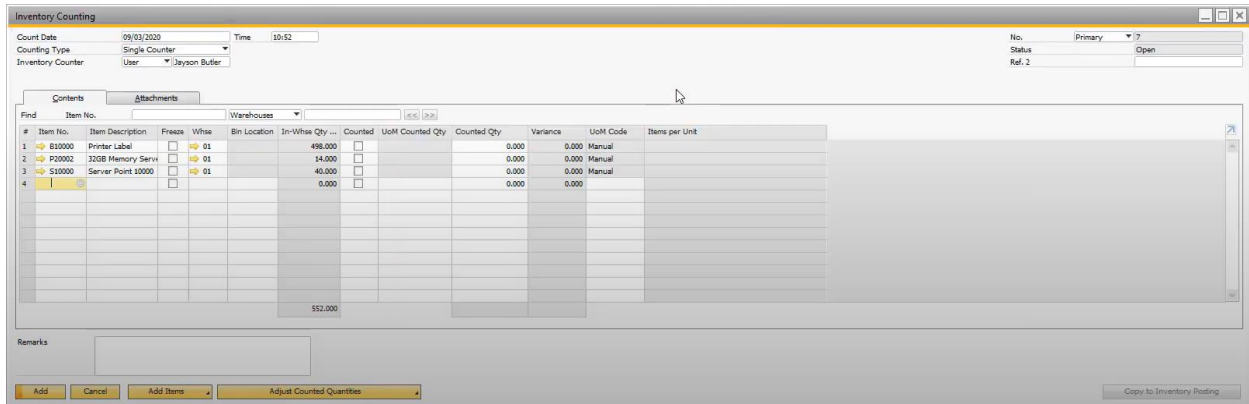
3. Inventory Counting

Within the alerts window you can select an item or items by the item number that you wish to have counted.

Simply check the box on the left side showing it selected and then click on the inventory counting.



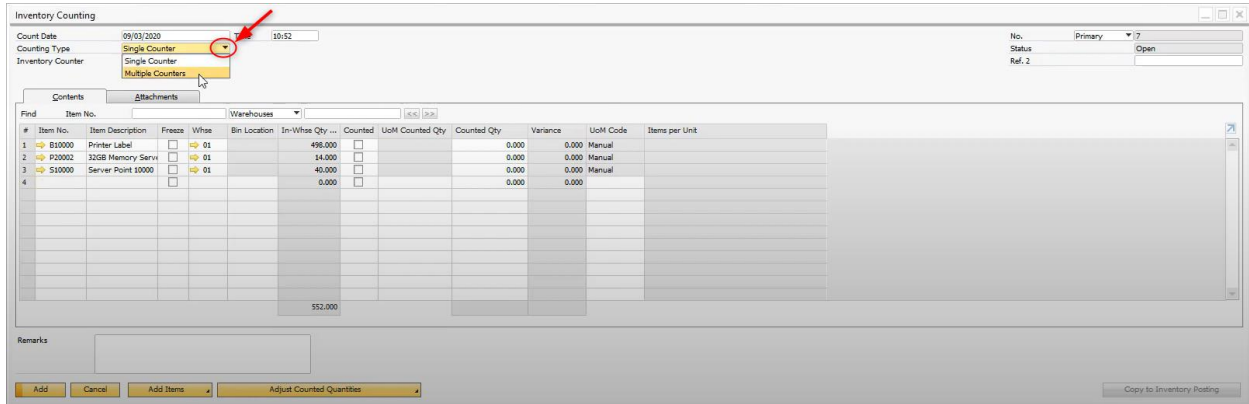
The Inventory Counting sheet is open directly.



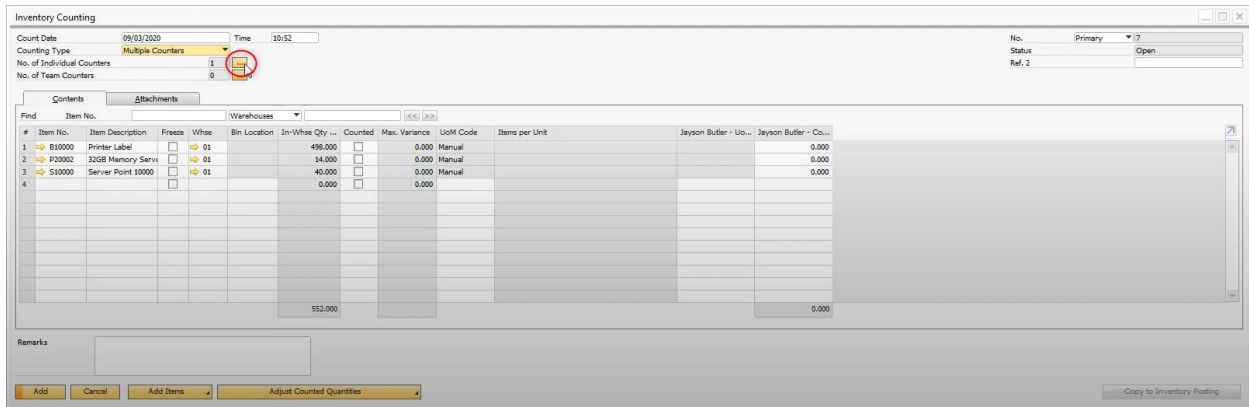
3.1 Counting Scenarios

To assist with inventory accuracy, there is the option of one or more stock counters in the same area. This allows a double check of stock accuracy.

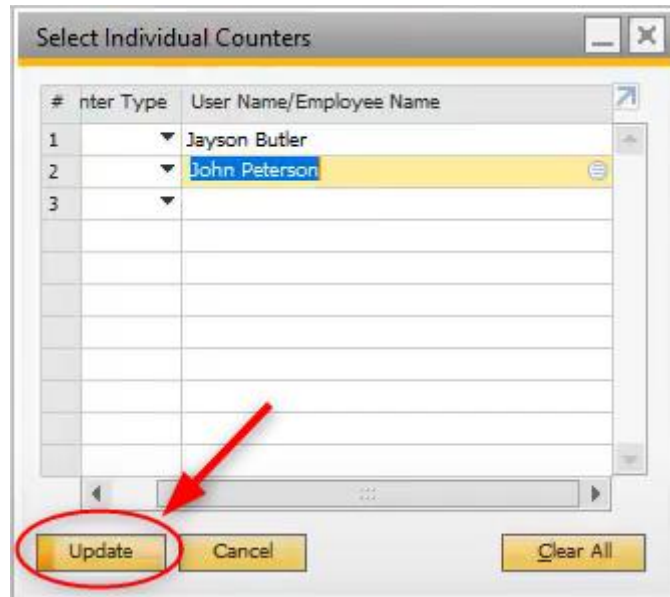
Click the drop-down menu to select one or multiple counters.



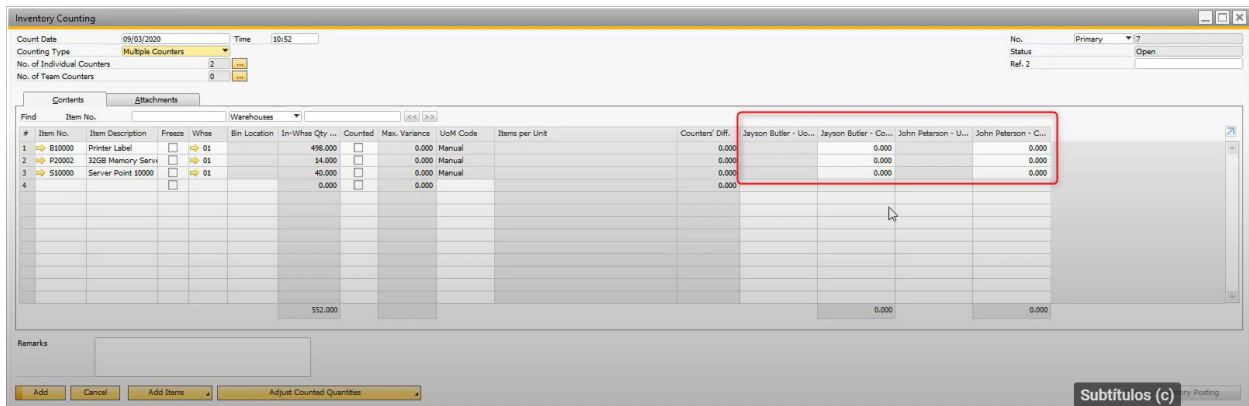
If multiple counters are selected, then the number of individuals can be selected.



By clicking the ellipses, you are able to see a list of users to choose from. You can choose one of them, and then click *Update*, and click *OK*.



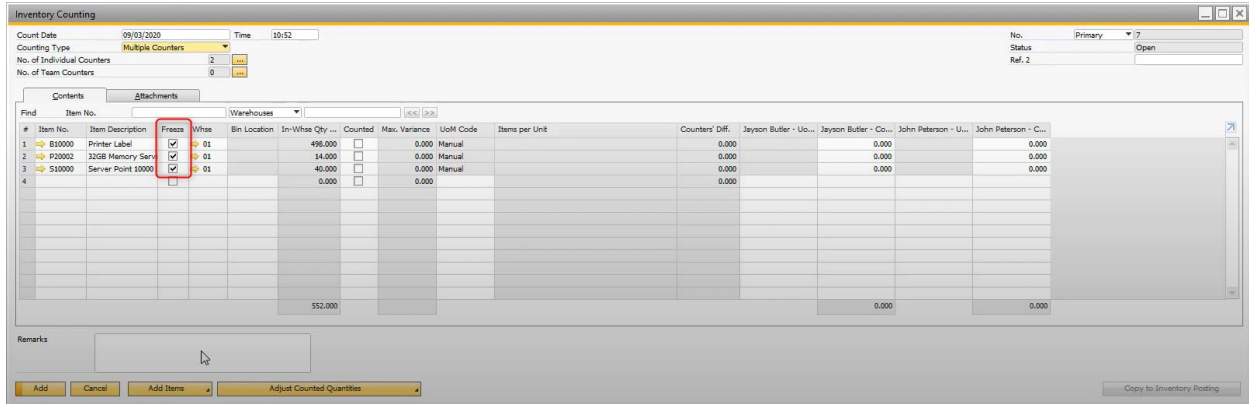
There is now a secondary count column. One for each counter.



You can add any remarks.

Prior to adding, you can choose freeze for the items to be counted. This provides the ability to freeze items being counted during the inventory taking process.

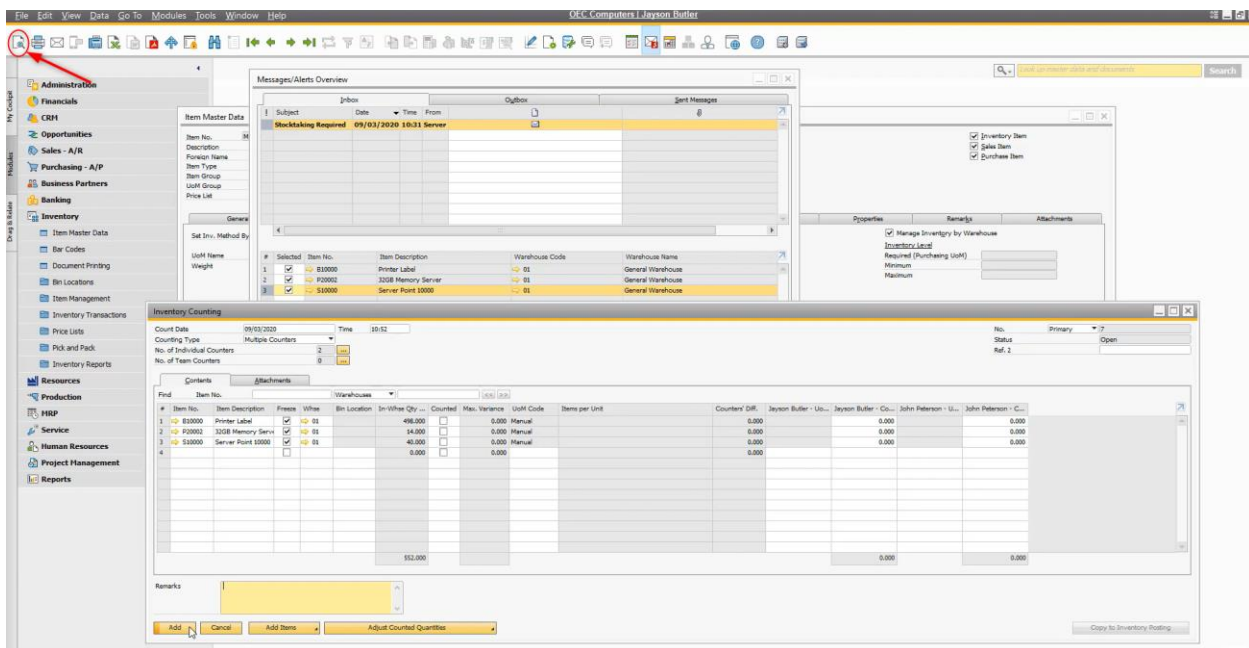
Freezing an item will prevent all transactions except inventory posting that affects the in-warehouse quantity of the item in the selected warehouse and bin if applicable.



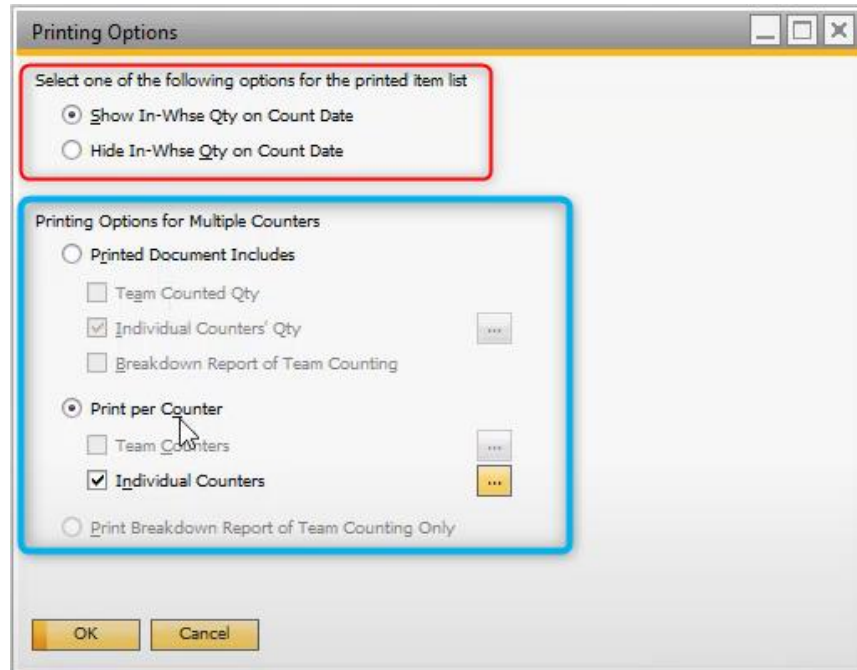
You can add the inventory count sheet to the system.

3.2 Printing Count Sheets

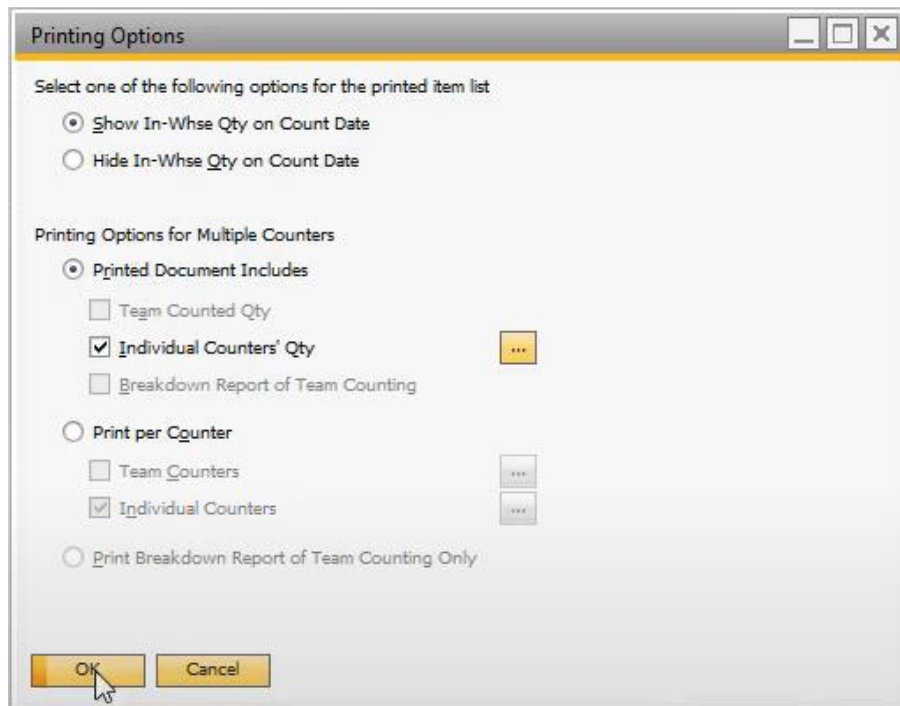
From the inventory count sheet click on *Preview*.



In the Printing Options window you will have two options: one to show or hide the inventory quantities on the sheet itself; secondly you are able to print one document for both counters or print per counter.



A) First, you are going to select inventory quantity in the document and print only one document.



In the inventory count sheet, you have the two counters. Inventory information is shown, and they have two columns to be filled in by each counter.

OEC Computers **Inventory Counting**

Count Date: 2020.09.03
 Time: 10:52
 Counting Type: Multiple Counters
 No. of Individual Counters: 2
 Displayed Counters: Jayson Butler; John Peterson;
 Inventory Counting Doc. No.: 7

Item Information	In-Whse Qty On Count Date	Jayson Butler	John Peterson
Item No.: B10000 Item Desc: Printer Label Warehouse: 01	496.000		
Item No.: P20002 Item Desc: 32GB Memory Server Warehouse: 01	14.000		
Item No.: S10000 Item Desc: Server Point 10000 Warehouse: 01	40.000		

Counted By: _____ Signature: _____ Date: _____

B) Now you are going to select *Print per Counter*.

Printing Options

Select one of the following options for the printed item list

Show In-Whse Qty on Count Date
 Hide In-Whse Qty on Count Date

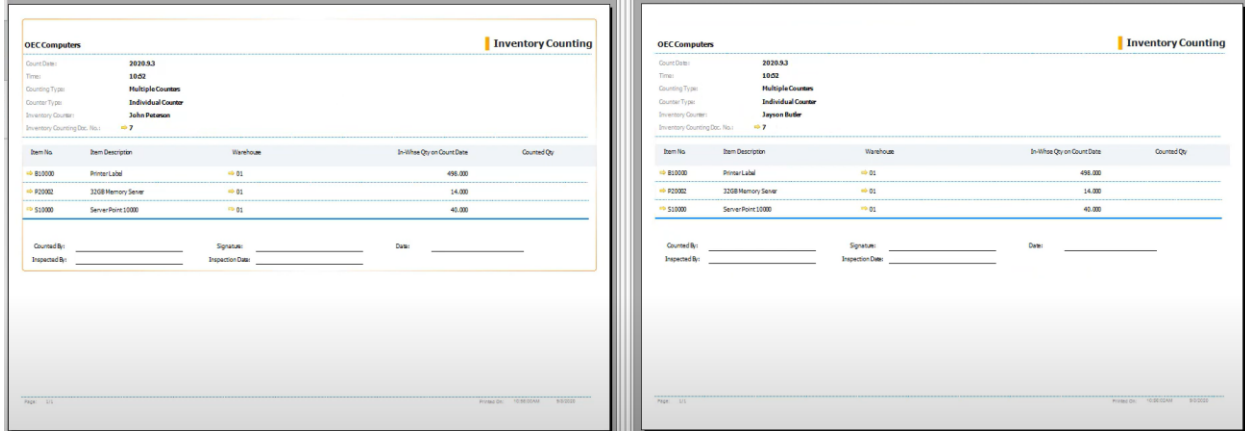
Printing Options for Multiple Counters

Printed Document Includes
 Team Counted Qty
 Individual Counters' Qty
 Breakdown Report of Team Counting

Print per Counter
 Team Counters
 Individual Counters
 Print Breakdown Report of Team Counting Only

OK Cancel

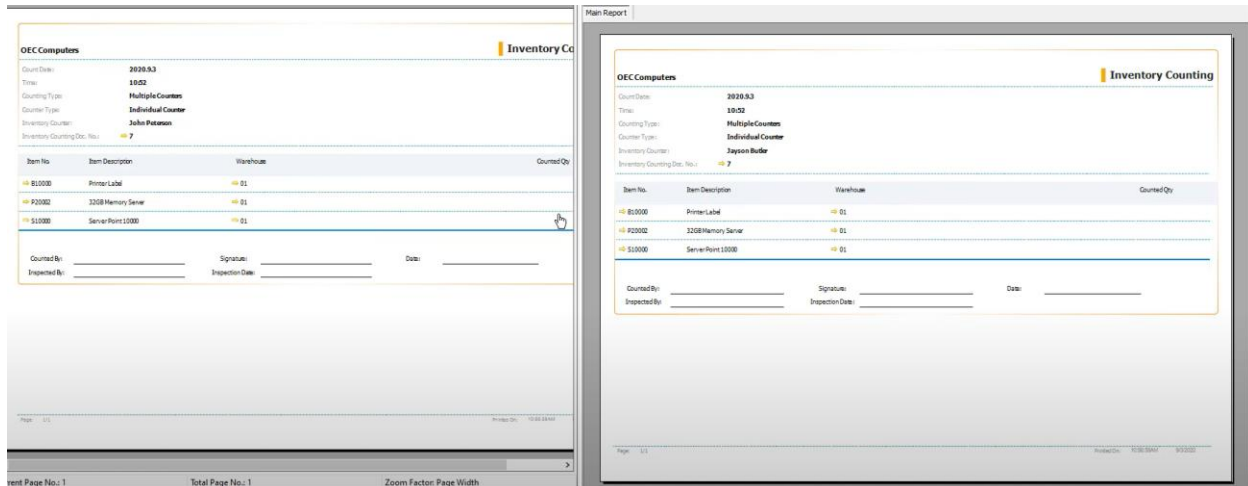
Now you have two pages, one per counter.



C) If you wouldn't like to show the inventory information for the counters, all you need to do is click on *Hide In-Whse Qty on Count Date*, and click *OK*.



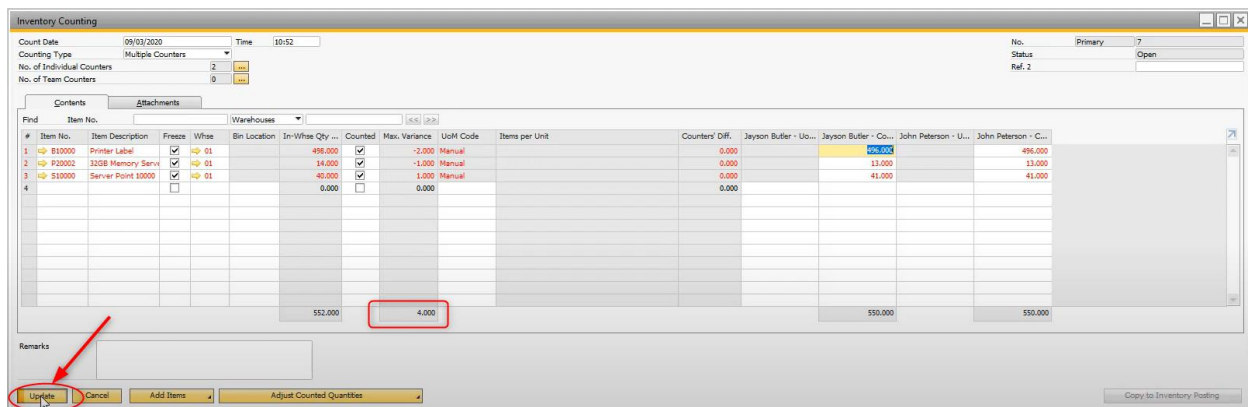
The current inventory information in the database is not going to be printed.



3.3 Inventory Count

Now you have the account information from both counters on the inventory count sheet, you are able to verify that the max variance here shown is the absolute value of the variances not the total of the column. Therefore, you have a total variance of four units.

Update the information by clicking *Update*.



Next, copy to inventory posting. At this point the system will ask you if you want the items with no counters difference or any of the counters. For our exercise let's select Jhon Peter's account.

Inventory Counting

Count Date: 09/03/2020 Time: 10:52

Counting Type: Multiple Counters

No. of Individual Counters: 2

No. of Team Counters: 0

No.: Primary 7

Status: Open

Ref. 2

#	Item No.	Item Description	Press	Whse	Bin Location	In-Whse Qty	Counted	Max. Variance	UoM Code	Items per Unit	Counters' Diff.	Jayson Butler - Uo...	Jayson Butler - Co...	John Peterson - U...	John Peterson - C...
1	B10000	Printer Label	01			498.000	496.000	-2.000	Manual		0.000	496.000	496.000		496.000
2	P20002	32GB Memory Servi	01			14.000	13.000	-1.000	Manual		0.000	13.000	13.000		13.000
3	S10000	Server Point 10000	01			40.000	41.000	1.000	Manual		0.000	41.000	41.000		41.000
4						0.000		0.000			0.000				
						552.000		4.000				550.000			550.000

Remarks:

Buttons: OK, Cancel, Add Items, Adjust Counted Quantities

Copy to Inventory Posting

3.4 Inventory Posting

- 1) In the Inventory Posting window you have the variance value in terms of percentages related to the overall quantity that originated in the count sheet.
- 2) You also have the total value of the inventory count discrepancy.
- 3) You are able to add any remarks if you like.
- 4) In order to post the inventory count, choose *Add*.

Inventory Posting

Posting Date: 09/03/2020

Count Date: 09/03/2020 Time: 10:52

Price Source: Item Cost

No.: Primary 3

Ref. 2

#	Item No.	Item Description	Whse	Bin Location	In-Whse Qty on Count Date	UoM	Counted Qty	Variance	Variance %	Price	Total	UoM Code	Items per Unit
1	B10000	Printer Label	01				496.000	-2.000	0.402	0.86 \$	-1.72 \$	Manual	
2	P20002	32GB Memory Servi	01				13.000	-1.000	7.143	2,192.38 \$	-2,192.38 \$	Manual	
3	S10000	Server Point 10000	01				41.000	1.000	2.500	1,085.81 \$	1,085.81 \$	Manual	
4							0.000	0.000	0.000				
					552.000		550.000	4.000	0.725		-1,108.29 \$		

Remarks: Based On Inventory Counting 7

Journal Remark: Inventory Posting

Buttons: Add, Cancel, Add Items, Copy from Inventory Counting

As some of these are related to batches or serial numbers, you must say to the system which ones you have in the system, if you have new items what serial or batch numbers those are, or batches or serial numbers perhaps that are no longer in the inventory, found throughout the count.

The batch difference needs to be moved to the right side of the window by clicking the right head arrow.

Batch Number Posting

Rows from Documents

#	Item No.	Item Description	Whse C...	Quantity	Total Needed	Total Selected	Total Batches	Direction	Bin Location
1	B10000	Printer Label	01	-2	-2			Out	

Available Batches

Find

#	Batch	Availabl...	Selecte...	Allocate...	Unit Cost	Shift	W..
1	B1-00067	48					
2	B1-00068	50					
3	B1-00069	50					
4	B1-00070	50					
5	B1-00071	50					
6	B1-00072	50					
7	B1-00073	50					
8	B1-00074	50					
9	B1-00075	50					
10	B1-00076	50	2				

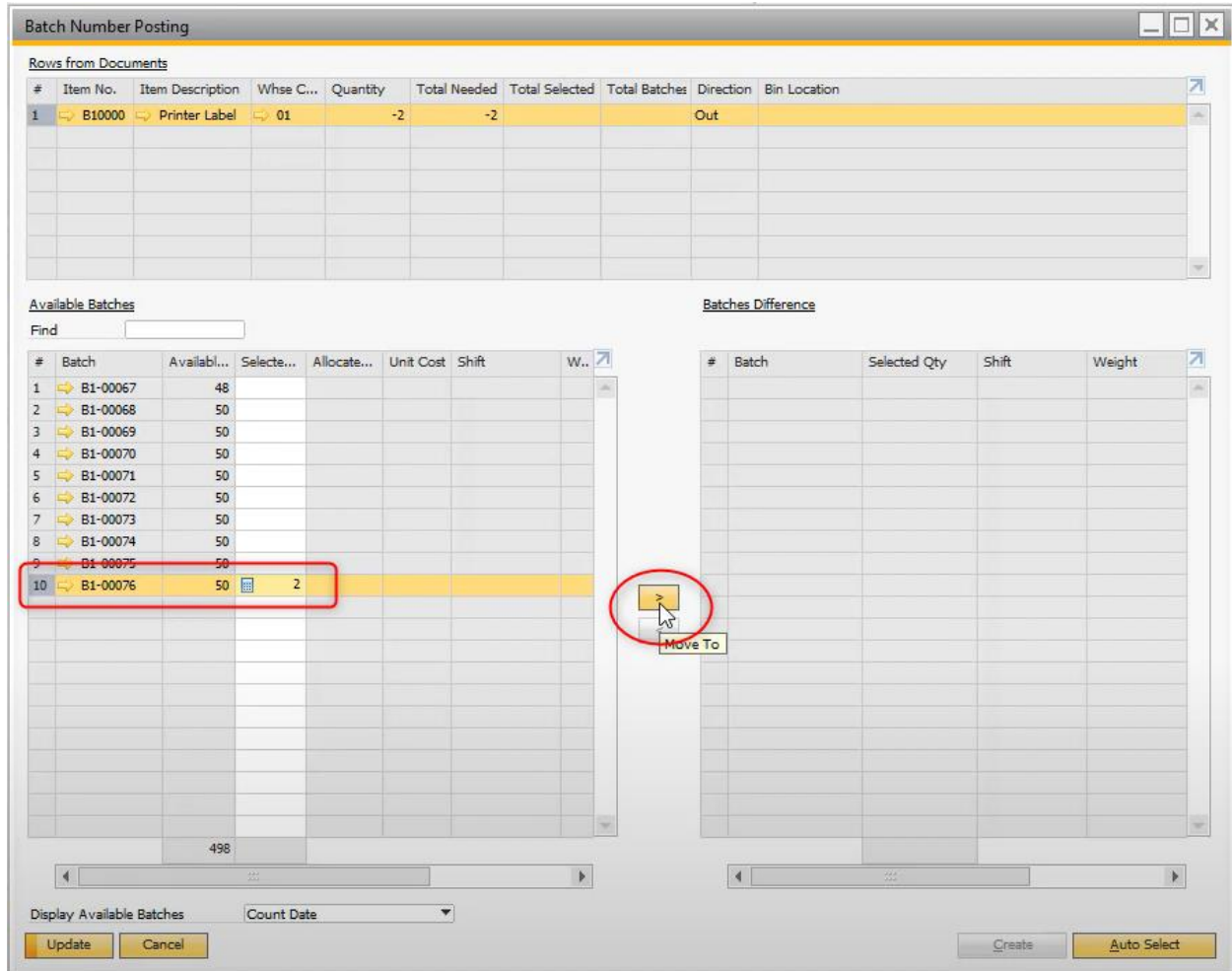
498

Batches Difference

#	Batch	Selected Qty	Shift	Weight
---	-------	--------------	-------	--------

Display Available Batches Count Date

Update Cancel Create Auto Select



Now the batch quantity has been selected, you can update and click OK.

Batch Number Posting

Rows from Documents

#	Item No.	Item Description	Whse C...	Quantity	Total Needed	Total Selected	Total Batches	Direction	Bin Location
1	B10000	Printer Label	01	-2		-2	1	Out	

Available Batches

Find

#	Batch	Availabl...	Selecte...	Allocate...	Unit Cost	Shift	W..
1	B1-00067	48					
2	B1-00068	50					
3	B1-00069	50					
4	B1-00070	50					
5	B1-00071	50					
6	B1-00072	50					
7	B1-00073	50					
8	B1-00074	50					
9	B1-00075	50					
10	B1-00076	48	0.000				

Batches Difference

#	Batch	Selected Qty	Shift	Weight
1	B1-00076	-2		

496

Count Date

Update Cancel Create Auto Select

Once selected, send the items to the available side.

Serial Number Posting

Rows from Documents

#	Item No.	Item Description	Whse Code	Quantity	Total Selected	Open Qty	Direction	Bin Location
1	S10000	Server Point 10000	01	1	-40	41	In	

Available Serial Numbers

Filter by: Serial Number

Filter:

Find:

Serial Numbers Difference

#	Serial Number	Allocated	Unit Cost	Shift	Weight	Batch Status
1	S1-000186					
2	S1-000187					
3	S1-000188					
4	S1-000189					
5	S1-000190					
6	S1-000191					
7	S1-000192					
8	S1-000193					
9	S1-000194					
10	S1-000195					
11	S1-000196					
12	S1-000197					
13	S1-000198					
14	S1-000199					
15	S1-000200					
16	S1-000201					
17	S1-000202					
18	S1-000203					
19	S1-000204					
20	S1-000205					
21	S1-000206					
22	S1-000207					
23	S1-000208					
24	S1-000209					
25	S1-000210					
26	S1-000211					
27	S1-000212					
28	S1-000213					

Available Quantity:

Display Delivered SNs: Count Date:

OK Cancel Create... Auto Select

Serial Number Posting

Rows from Documents

#	Item No.	Item Description	Whse Code	Quantity	Total Selected	Open Qty	Direction	Bin Location
1	S10000	Server Point 10000	01	1		1	In	

Available Serial Numbers

Filter by: Serial Number

Filter:

Find:

Serial Numbers Difference

#	Serial Number	Allocated	Unit Cost	Shift	Weight	Batch Status
1	S1-000186	No				
2	S1-000187	No				
3	S1-000188	No				
4	S1-000189	No				
5	S1-000190	No				
6	S1-000191	No				
7	S1-000192	No				
8	S1-000193	No				
9	S1-000194	No				
10	S1-000195	No				
11	S1-000196	No				
12	S1-000197	No				
13	S1-000198	No				
14	S1-000199	No				
15	S1-000200	No				
16	S1-000201	No				
17	S1-000202	No				
18	S1-000203	No				
19	S1-000204	No				
20	S1-000205	No				
21	S1-000206	No				
22	S1-000207	No				
23	S1-000208	No				
24	S1-000209	No				
25	S1-000210	No				
26	S1-000211	No				

Available Quantity: 49

Display Delivered SNs: Count Date:

Update Cancel Create... Auto Select

As you can see, there is still one quantity that it is needed to bring in to the inventory warehouse. Click on *Create*.

Serial Number Posting

Rows from Documents

#	Item No.	Item Description	Whse Code	Quantity	Total Selected	Open Qty	Direction	Bin Location
1	S10000	Server Point 10000	01	1	1	1	In	

Available Serial Numbers

Filter by: Serial Number

Find: []

#	Serial Number	Allocated	Unit Cost	Shift	Weight	Batch Status
1	S1-000185	No				
2	S1-000187	No				
3	S1-000188	No				
4	S1-000189	No				
5	S1-000190	No				
6	S1-000191	No				
7	S1-000192	No				
8	S1-000193	No				
9	S1-000194	No				
10	S1-000195	No				
11	S1-000196	No				
12	S1-000197	No				
13	S1-000198	No				
14	S1-000199	No				
15	S1-000200	No				
16	S1-000201	No				
17	S1-000202	No				
18	S1-000203	No				
19	S1-000204	No				
20	S1-000205	No				
21	S1-000206	No				
22	S1-000207	No				
23	S1-000208	No				
24	S1-000209	No				
25	S1-000210	No				
26	S1-000211	No				

Serial Numbers Difference

#	Serial Number	Shift	Weight	Batch Status
---	---------------	-------	--------	--------------

Available Quantity: 40

Display Delivered SNs: Count Date

Update Cancel Create... Auto Select

In the next window, you will enter the serial number details on the manufactured serial number field and serial number field. Then click *Update* and *OK*.

Serial Numbers - Setup

Rows from Documents

#	Doc. No.	Item Number	Item Description	Whse Code	Whse ...	Total Needed	Total Created	Open Qty
1	ST 3	S10000	Server Point 10000	01	Genera	1	1	

Created Serial Numbers

#	Mfr Serial No.	Serial Number	Lot Number	Expiration Date	Mfr Date	Admission Date	Mf...
1	S1-1000002	S1-1000002				09/03/2020	

Total Created: 1

Update Cancel You Can Also

In the main screen, click *Update* and *OK*.

Serial Number Posting

Rows from Documents

#	Item No.	Item Description	Whse Code	Quantity	Total Selected	Open Qty	Direction	Bin Location
1	S10000	Server Point 10000	01	1	1		In	

Available Serial Numbers

Filter by: Serial Number

Find:

#	Serial Number	Allocated	Unit Cost	Shift	Weight	Batch Status
1	S1-000186	No				
2	S1-000187	No				
3	S1-000188	No				
4	S1-000189	No				
5	S1-000190	No				
6	S1-000191	No				
7	S1-000192	No				
8	S1-000193	No				
9	S1-000194	No				
10	S1-000195	No				
11	S1-000196	No				
12	S1-000197	No				
13	S1-000198	No				
14	S1-000199	No				
15	S1-000200	No				
16	S1-000201	No				
17	S1-000202	No				
18	S1-000203	No				
19	S1-000204	No				
20	S1-000205	No				
21	S1-000206	No				
22	S1-000207	No				
23	S1-000208	No				
24	S1-000209	No				
25	S1-000210	No				
26	S1-000211	No				

Serial Numbers Difference

#	Serial Number	Shift	Weight	Batch Status
1	S1-100002		0.000	

Available Quantity: 40

Display Delivered SNs: Count Date

Buttons: Update (circled), Cancel, Create..., Auto Select

Click *Add* one more time.

Inventory Posting

Posting Date: 09/03/2020

Count Date: 09/03/2020 Time: 10:52

Price Source: Item Cost

No.: Primary 3

Ref. 2

Contents Attachments

Find: Warehouses:

#	Item No.	Item Description	Whse	Bin Location	In-Whse Qty on Count Date	UoM Counted Qty	Counted Qty	Variance	Variance %	Price	Total	UoM Code	Items per Unit
1	B10000	Printer Label	01		498.000		496.000	-2.000	0.402	0.86 \$	-1.72 \$	Manual	
2	P20002	32GB Memory Serv	01		14.000		13.000	-1.000	7.143	2,192.38 \$	-2,192.38 \$	Manual	
3	S10000	Server Point 10000	01		40.000		41.000	1.000	2.500	1,085.81 \$	1,085.81 \$	Manual	
4					0.000		0.000	0.000	0.000				
					552.000		550.000	4.000	0.725		-1,108.29 \$		

Remarks: Based On Inventory Counting 7

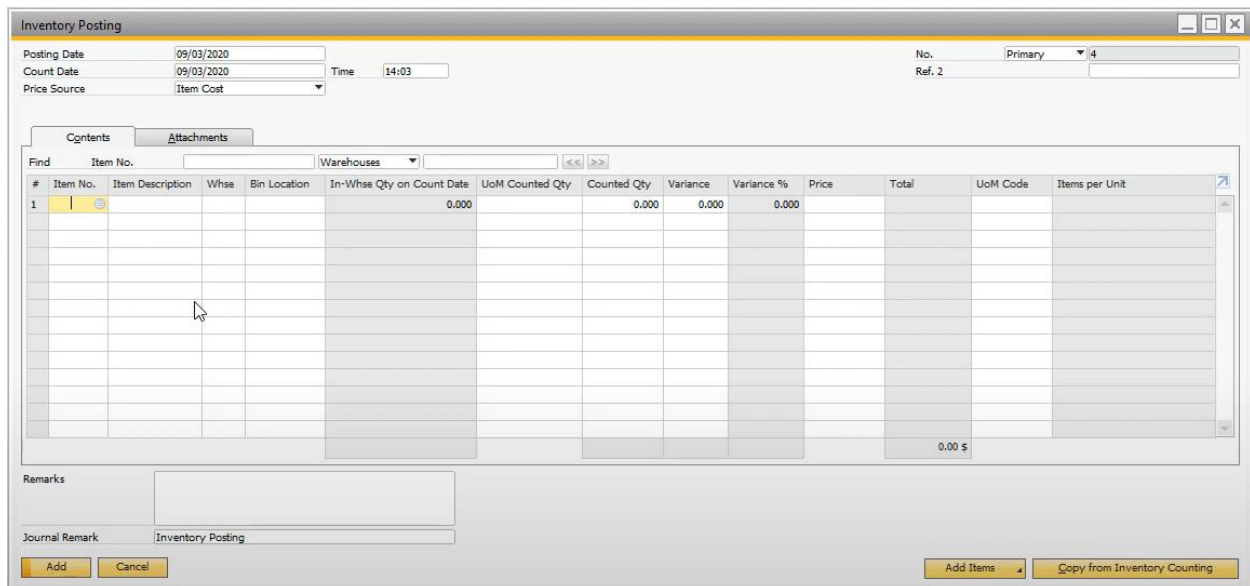
Journal Remark: Inventory Posting

Buttons: Add (circled), Cancel, Add Items, Copy from Inventory Counting

You cannot change this documents after you have added it. Click *Yes* to continue.



The inventory posting has taken place. Inventory Posting window will appear blank.



Now that the inventory account posting has been done, you are able to come back to the inventory counting sheet, click on refresh and you will see that the line items have been grayed out, freeze box was unchecked, and the inventory counting sheet itself has change the status from open to now closed.

