INVENTORY

INTRODUCTION TO WAREHOUSES

Warehouses[1] and bins[2] are set up in the system to contain stock[3]. Various configurations can be set up, depending on your company requirements.

BPO uses the warehouse configuration to ensure that items are not placed in the incorrect warehouse. For example, you cannot place a serialised stock item[4] into an asset warehouse without first completing the Assets - Convert Stock to Asset transfer process.

For all transactions that move stock in and out of these warehouses, a general ledger account code is required for the one leg of the underlying financial posting where the relevant account driver configuration is set to use the Item Target Account. This should be set to the Stock Control Account for Stock Warehouses (7700 in this example database) and the Fixed Asset Control Account for the Asset Warehouse (6600 in this example database). See the Financial Transactions topic for more information.

Warehouses are configured depending on the type of items they will contain.

Important Notes:

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[1] A warehouse is a place where goods (inventory parts / items) are stored ready for selling, transferring (to another warehouse) or issuing out.

[2] A warehouse bin is the smallest amount of storage space within a warehouse. A bin defines a certain position within the warehouse where goods can be stored. As well as a physical container, a bin can also be a coordinate or 'address' within a warehouse.

[3] Stock items are finished goods available in the stock warehouse ready to sell to the end customer.

[4] A serialised stock item is an item in store, ready to be sold, without a rental or service agreement. It is not an asset, it only becomes an asset when converted from a stock item.

- There can be *multiple* warehouses in a site but each warehouse needs a **unique name**, even if it's in a *different* site.
- There needs to be **at least one bin** in each warehouse, but you can have as many bins as required within standard stock warehouses.
- There must only be one "Default Bin" on page 3 location set up per site, within a stock warehouse.
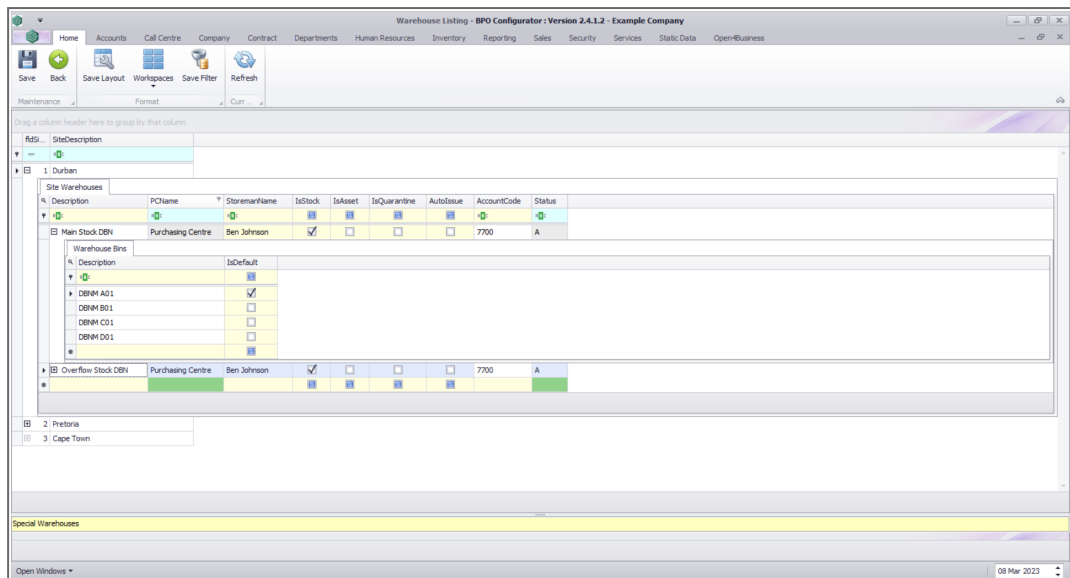- Warehousing configuration must be set up for the system to process transactions correctly.

Different warehouse types can be set up, as noted below:

1. **Stock Warehouse**: This will only contain **stock items**[1] – **serialised**[2] or **non-serialised**[3]. This type of warehouse is used for standard stock transactions, and can have multiple bins.
   - Is Stock = 'Yes'
   - Is Asset = 'No'
   - Is Quarantine = 'No'
   - Auto Issue = 'No'

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[1]Stock items are finished goods available in the stock warehouse ready to sell to the end customer.

[2]A serialised stock item is an item in store, ready to be sold, without a rental or service agreement. It is not an asset, it only becomes an asset when converted from a stock item.

[3]These are inventory items which are not uniquely numbered and therefore cannot be tracked individually. There is no transaction history for each non-serialised item and the system does not record the cost of a single one of the these items - rather a non-serialised item is received and recorded in a batch with the average unit cost spread across the bin that contains these batches.
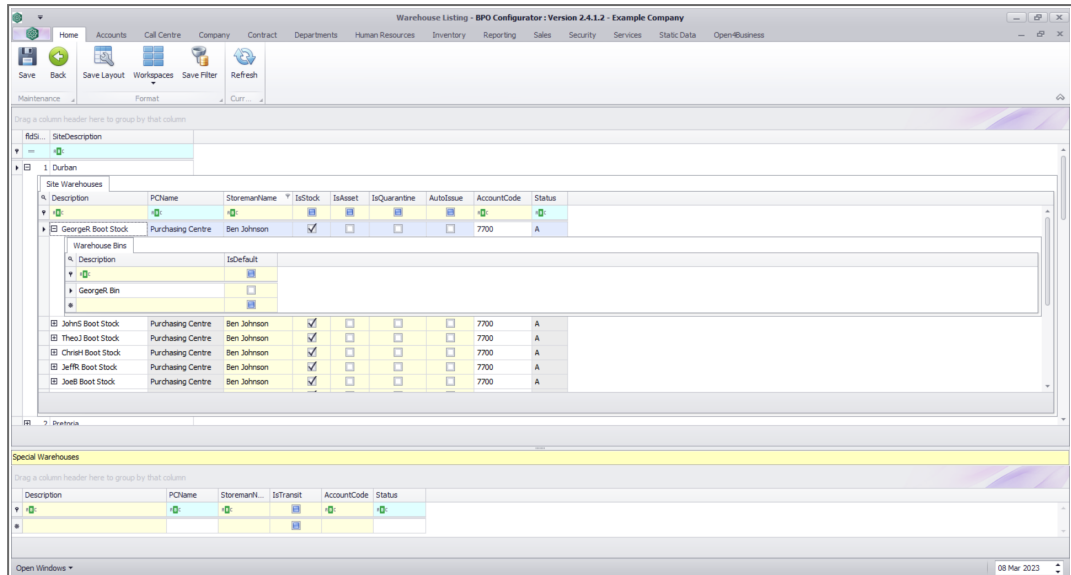
2. **Boot Stock Warehouse**: This will only contain **stock items**[1] – **serialised**[2] or **non-serialised**[3]. This type of stock warehouse is used for technicians, and is <u>linked to the technician</u>. The technician can <u>issue stock from his warehouse if using TechConnect</u>.

- Is Stock = 'Yes'
- Is Asset = 'No'
- Is Quarantine = 'No'
- Auto Issue = 'No'
  - **Note**: There must be only be one Warehouse per Technician, containing 1 bin.

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[1]Stock items are finished goods available in the stock warehouse ready to sell to the end customer.

[2]A serialised stock item is an item in store, ready to be sold, without a rental or service agreement. It is not an asset, it only becomes an asset when converted from a stock item.
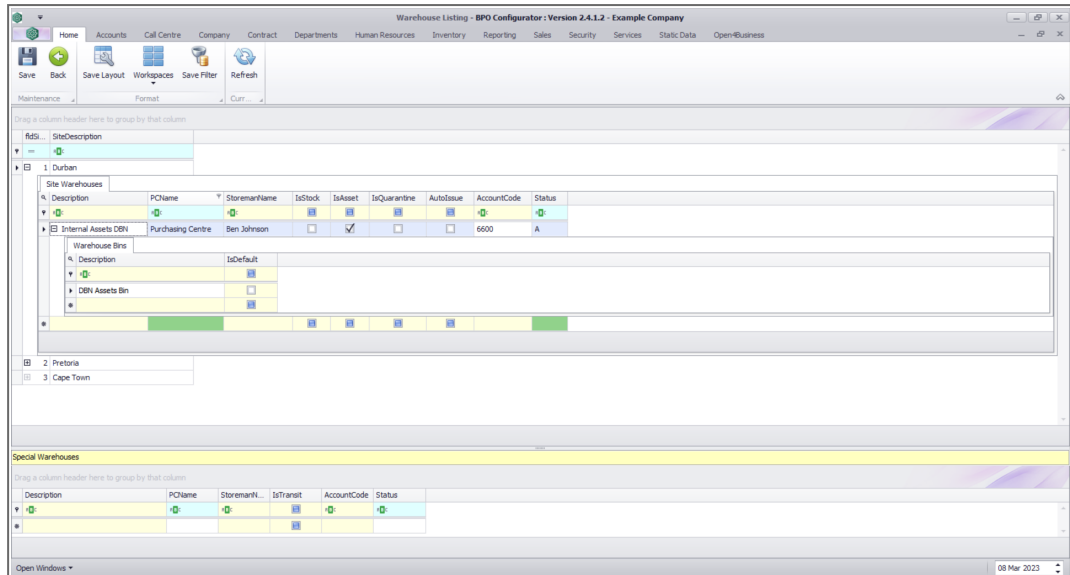
[3]These are inventory items which are not uniquely numbered and therefore cannot be tracked individually. There is no transaction history for each non-serialised item and the system does not record the cost of a single one of the these items - rather a non-serialised item is received and recorded in a batch with the average unit cost spread across the bin that contains these batches.

3. **Asset Warehouse**: This will only contain **internal assets**[1]. This type of warehouse is used as a place-holder for company assets, whether to be used internally, or for rental / loan to a client.

   - Is Stock = 'No'
   - Is Asset = 'Yes'
   - Is Quarantine = 'No'
   - Auto Issue = 'No'
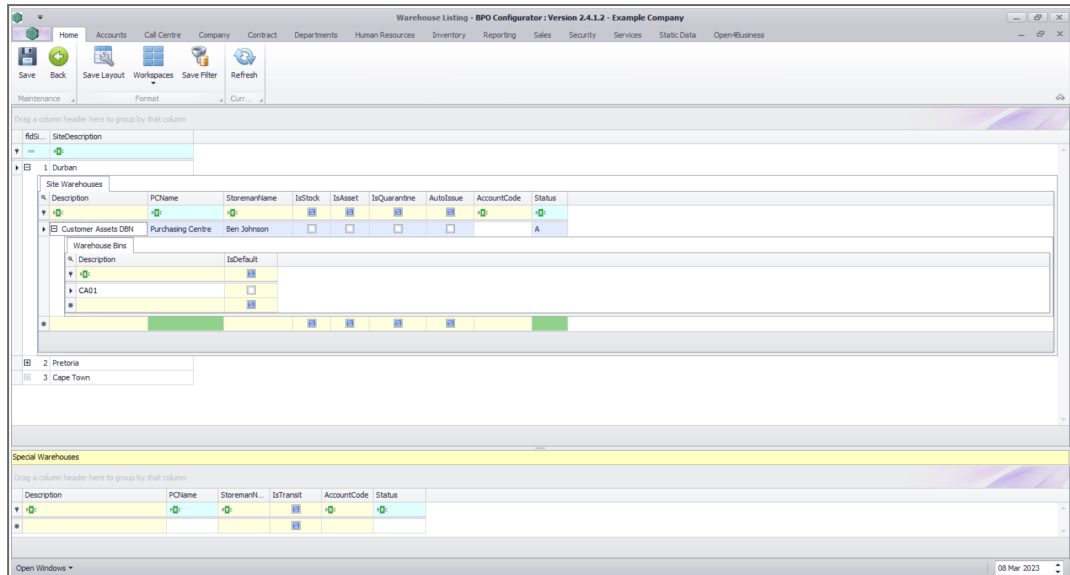   - **Note**: There must be only be one Asset Warehouse per site, containing 1 bin.

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[1]An internal asset is an item which is being rented or loaned out, thereby creating a revenue. This will have been a serialised stock item that has been converted into an asset prior to rental or loan.

4. **Customer Asset (Equipment) Warehouse**: This will only contain **customer assets**[1]. This warehouse is used as a place-holder for client assets added to the system that were purchased elsewhere, but will be linked to a service contract.

- Is Stock = 'No'
- Is Asset = 'No'
- Is Quarantine = 'No'
- Auto Issue = 'No'

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[1]A customer asset is a stock item that has been sold (issued and invoiced) to a customer. A customer asset could also be added to the system directly in a case where a customer brings in a machine for service or repair that was bought elsewhere.
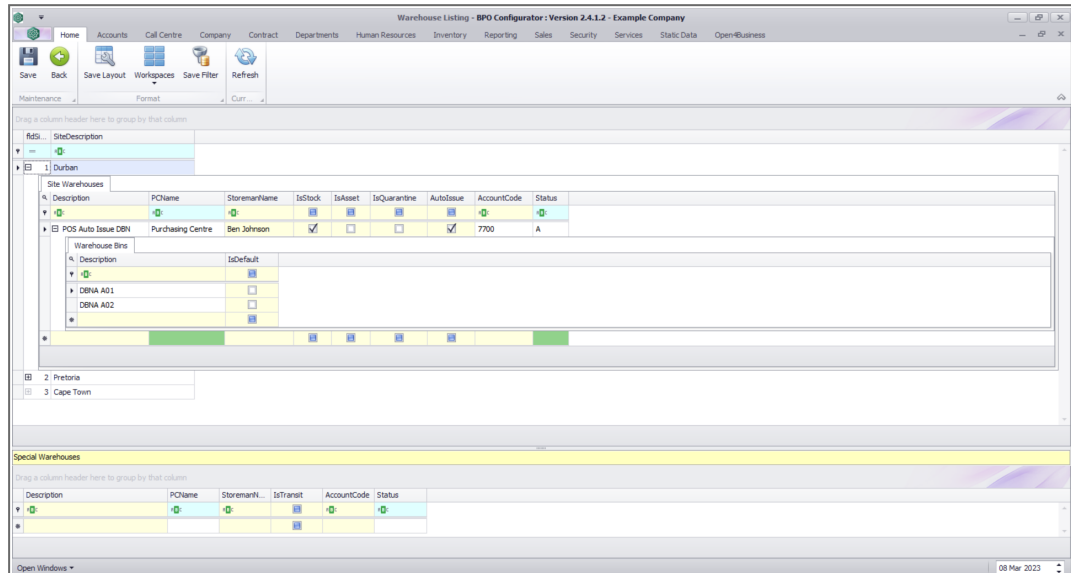
5. **Auto Issue Warehouse**: This will only contain **stock items**[1] - serialised or non-serialised. This warehouse will be set up for clients with a Shop Sales environment, who wish to use the POS Lite - Add Point of Sale (POS) Invoice process. The Company Configuration flag needs to be set to 'Yes' for "Auto Sales Stock Issue" on page 13. This means that stock can be auto issued at time of invoice from this Auto Issue Warehouse. This stock needs to be stored in a Stock Warehouse that is specifically configured for Auto Issues. Identification of a customer as a "Cash Sales Account" on page 8 is to be configured in the Sales Office.

- Is Stock = 'Yes'
- Is Asset = 'No'
- Is Quarantine = 'No'
- Auto Issue = 'Yes'
  - **Note**: There must only be one Auto Issue Warehouse per site. From *BPO2 v2.5.1.3* and on, you are able to configure a warehouse as Auto Issue,

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[1]Stock items are finished goods available in the stock warehouse ready to sell to the end customer.

even when multiple bins exist in the warehouse. Previously this option was only available for a warehouse containing 1 bin. The overall limit of one auto issue warehouse still exists.

6. **Quarantine Warehouse**: This warehouse is used to house serialised and non-serialised stock for applying shipping costs to goods received before they are moved into the Stock Warehouse. This warehouse is only used where companies have "Enforce Quarantine " on page 17 processing enabled, where the Purchasing Centre is set to not Include Shipping, and only applies to stock received from Suppliers where shipping costs are not included.

- Is Stock = 'No'
- Is Asset = 'No'
- Is Quarantine = 'Yes'
- Is Auto Issue = 'No'

System Warehouses - Quarantine configuration is required to utilise this process.

7. **In-transit Warehouse**: This warehouse is only used where companies have "Enforce In-transit" on page 16 processing enabled in their configuration. System Warehouses - In-transit Stock items in this 'in transit' location are in the process of being transferred to a different warehouse and therefore cannot be picked for orders and issued until they are receiving into the destination warehouse. This option is used by companies who have various sites set up and wish to move goods from one site to another site via an intermediate location (an 'in transit' location).

> Two stock transfer transactions occur during this process:
>   i. Stock is transferred to the In-transit 'warehouse' (e.g. a container, or a transport truck)
>   ii. Stock is transferred from the In-transit 'warehouse' to a destination (stock) warehouse

- Is Stock = 'No'
- Is Asset = 'No'
- Is Quarantine = 'No'
- Is Auto Issue = 'No'

System Warehouses - In-transit configuration is required to utilise this process.

Next: Add a Warehouse

Related Topics

- Warehouse Configuration:
    - System Warehouses - Quarantine
    - System Warehouses - In-transit

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