

MOMENTUM SOFTWARE SOLUTIONS STOCKTAKE PROCEDURE

Overview

Stock taking or inventory checking is the process of counting, weighing or otherwise calculating all items in stock and recording the results.

The main reasons for doing this are as follows:

- To ensure the accuracy of the stock records.
- To verify the value of stock shown in the balance sheet by physical confirmation and value your stock in terms of cost and potential sales.
- To detect wastage or pilfering at an early stage and put in place processes to reduce and or eliminate.
- To reveal any weakness in the system for the supervision and control of stock. i.e. eliminate over- stocking and /or under-stocking.

The size and number of surpluses and deficiencies revealed by stocktaking will give you a good measure of the efficiency of the storekeeping, control and procedures in general.

Procedures For Stocktakes

For a satisfactory stocktake, a good deal of preparation is necessary.

First of all, a program should be drawn up and agreed with all concerned, including the accounts department, auditors if necessary, management and warehouse personnel.

Secondly, a proper cut off time, inventory report, stocktaking sheets or cards will need to be prepared in advance.

Thirdly, all personnel concerned must be instructed and briefed before-hand on their respective duties prior to the day of the stock take.

Step 1

Appoint one person to control the whole operation.

Step 2

While stocktaking is in progress, do not have the warehouse open for normal business or operations.

Step 3

After the end of the last working day before the stock take, no more issues (deliveries) should be made and no more receipts recorded into the System until the stocktake is complete. The number of the last receipt and issue should be noted, and all documents up to and including these numbers posted to the system. At this point, no further postings should be made until the results of the stocktaking have been entered.

Ideally, the warehouse should be tidy and the number of items per pallet standardised to ease counting on the stocktake day. For example if there are numerous types of goods to be counted and different models, each pallet should have one type, one model and the same amount.

A common cause of wrong counts is random numbers of each item on separate pallets. Another common cause of errors is a mixture of items on pallets. Sometimes, a pallet might have a certain number of a particular item as well as another model of the same item. If the stock taker is not aware or is tired, they may not do a complete count of items on the pallet and assume the whole pallet only contains the one model which will lead to an excess of Model A in the count and a shortage of Model B.

Each row of racks in the warehouse should be numbered and the number marked in chalk on the floor. Each bay in the racking should also be numbered to enable easy recounting if necessary. Count sheets should be issued to the staff doing the stocktake. Have stocktaking sheets under the control of one person, consecutively numbered, and issued to the staff on duty as required. No duplicates should be allowed and at the end of the job, all stocktaking sheets must be accounted for.

Step 4

For larger warehouses there should be count teams assembled on the day of the stocktake. Each team should consist of a forklift driver (if required), a counter and a recorder. The number of items in each bay should be counted. The count sheet for each bay should be countersigned by each member of the team. The object is to make each person taking stock responsible for a particular section or clearly defined area of the warehouse and record everything that is found in the area.

Suggestion:- use coloured labels to mark bays as 'counted'

Step 5

Count all normal stock including loose packages and items under inspection. Damaged stocks should be recorded separately.

Step 6

After the teams have completed their counts and handed the count sheets to the person in charge, the results of the count sheets should be entered into the system and verified on the spot. The number of total items in the count and in the system should be compared to see if there are any shortages. If the number of items counted matches, but there is a difference in individual models, there may have been cross counting or cross delivery of stock.

If the number of items does not match or there is a large discrepancy, then the items which show large discrepancy have to be recounted immediately. This is where the numbered bays and allocated count sheets will be very useful as this will enable the count team to zoom in on the area where the goods for which there is discrepancy are kept.

Step 7

Normally it is only possible to match the total number of items in the system, and that counted, on the day of the count. A detailed item by item comparison will normally only be completed a few working days after the stocktake day, in the case of counts with large numbers of items and many SKUs. (Stock-keeping Unit)

Conclusion

The carrying out of an accurate stocktake is of crucial importance both to the warehouse manager and management. With the procedures outlined above, the stocktake should be fast and painless. In the case of discrepancy, the procedure should enable the physical location in the warehouse in which there is a discrepancy to be located as quickly as possible so that a recount can be done.

Note: Physical tally sheets are very important and these must be kept in their entirety in a safe location for future reference.

Stock-Take Features Available in MYOB EXO Business

Ability to include / exclude Batch Tracked and Serial Numbered Items

Print Stock Count Sheets with items sorted in the order that best suits your warehouse layout and procedure

Stock Take Options

Selection

- Exclude Batch Tracked Stock Items
 - Summarise stock holding for batch tracked items
- Exclude Serialised Stock Items

Custom Filter :

Sorting for Countsheets and Keying by

- Bin code, Stock group, Stock code
- Stock group, Stock code
- Description, Stock group, Stock code
- Stock code, Description

Other Options

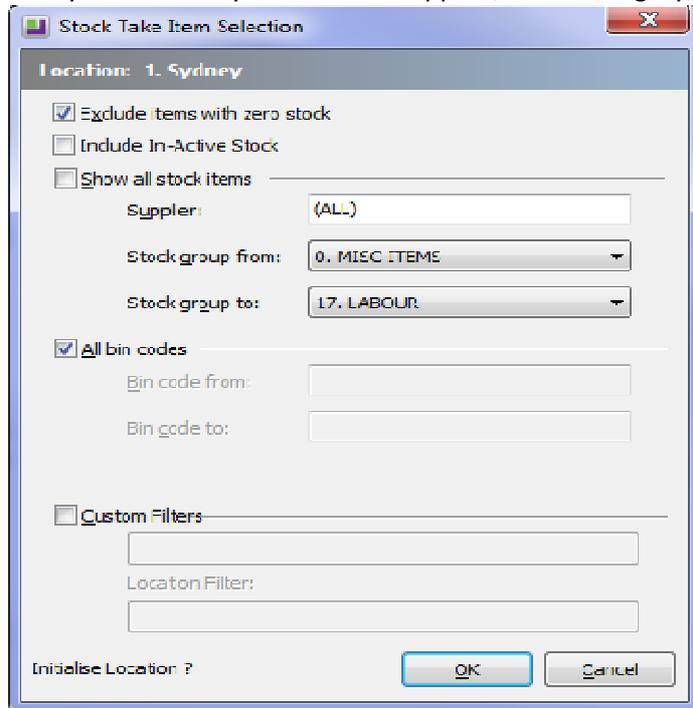
- Initialise cost prices (Initial stock upload or import)

Reporting Options

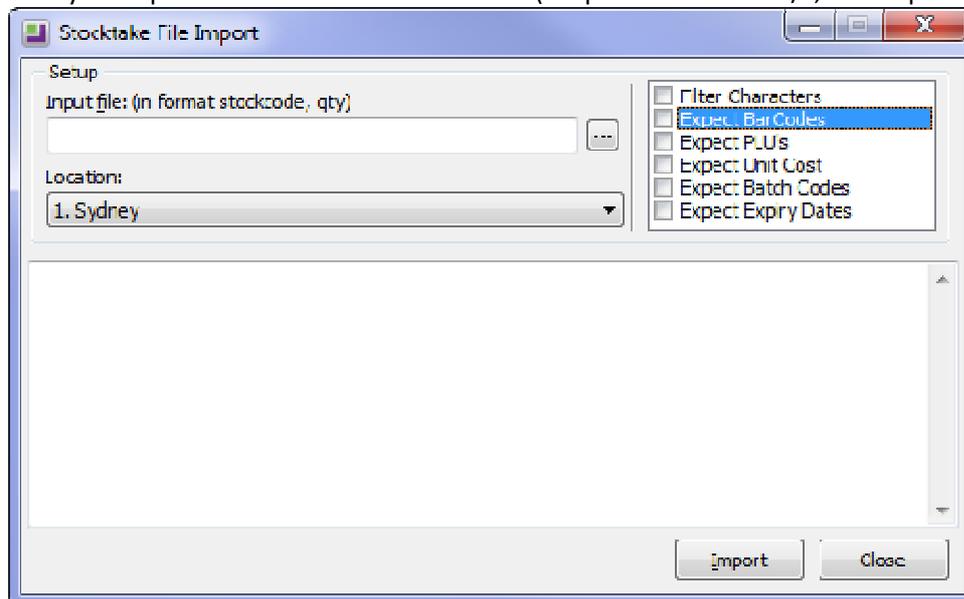
- Show system quantities on count sheets
- Exclude lines with zero stock from variance report

OK Cancel

Ability to selectively Stocktake a Supplier, Stock Category, Bin Location and more



Ability to import the Stock Count from a file (output from scanner/s, excel spreadsheet etc)



Additional Custom Solutions Available from Momentum

- PDA Integration
- Retrospective Stock Valuation Report
- Dead Stock Report
- Various custom solutions and reports designed to improve your inventory management