# Overview of Line Item Codes

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> This guide explains details about line item code records and explains best practices for working with these records. It is intended for general users.

A line item code (LIC) represents the items and services you sell as well as the ones you purchase to run your company. Examples include the raw materials used to make your products, the services you charge for, and even the out-of-pocket expenses you reimburse to your employees.

## Layout of the List View

Navigate from Main Menu > Order Setup > Line Item Codes. The  list view (https://aace6.knowledgeowl.com/help/overview-of-the-list-view) displays key information grouped into the several column headings. Each column can be used for filtering and sorting.
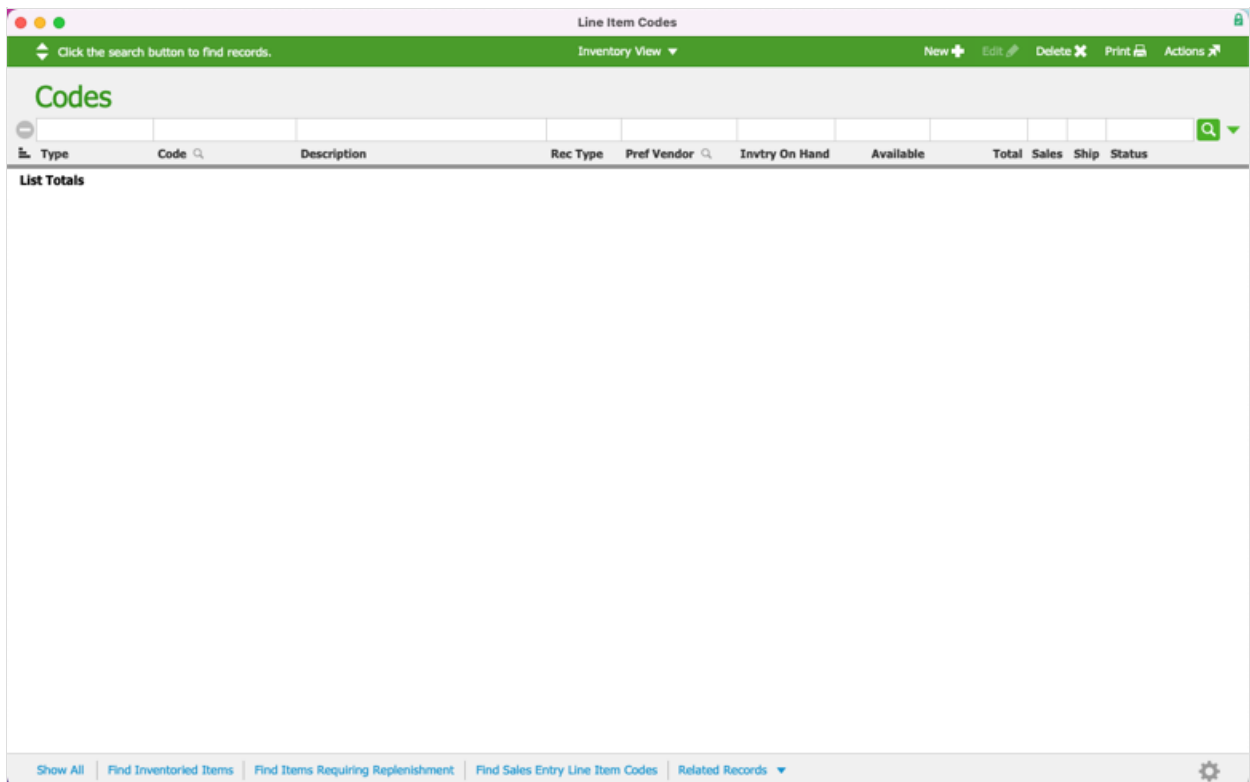


## Layout of the Detail View — Initial Information

The sections displayed on the LIC module change slightly based on the *type* of LIC you are currently viewing. When you create a new LIC, most fields will be blank for you to input information. After you enter more info and click Save, aACE populates a few more details.

This screenshot of an Inventoried Item maps out the major sections for the initial information:
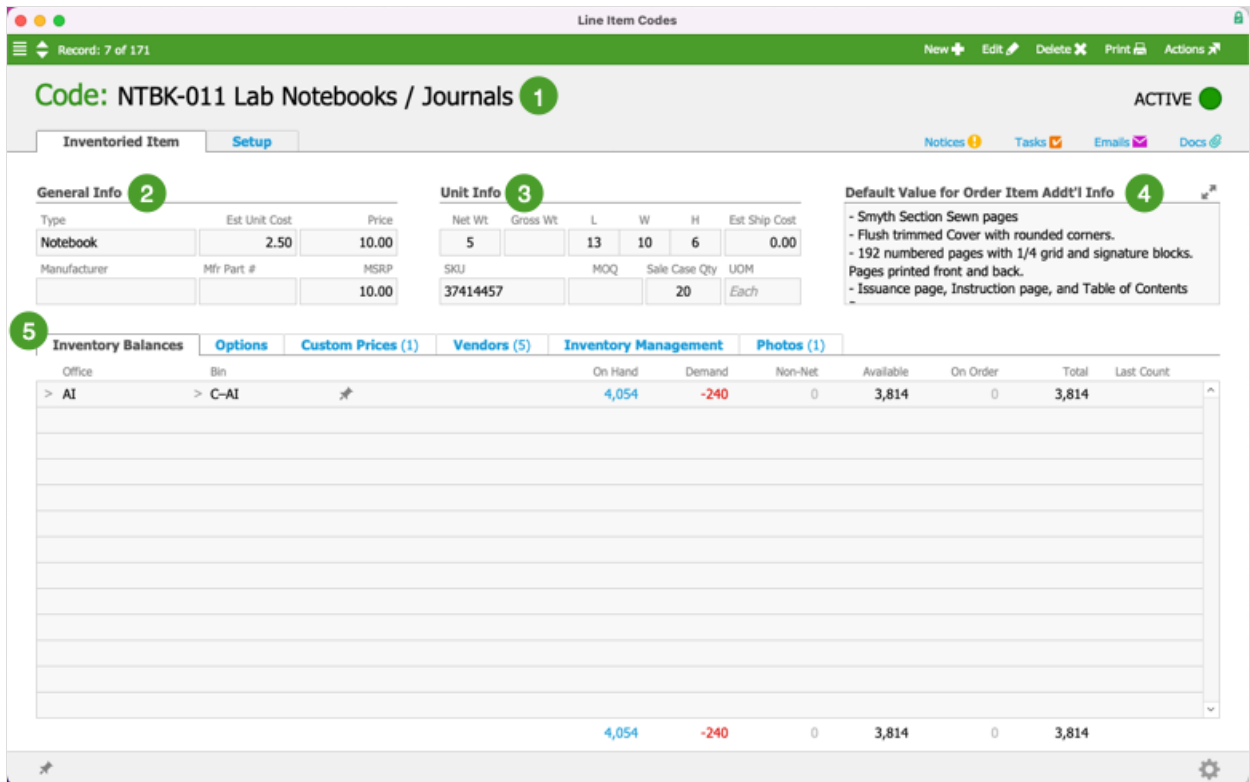


Click these links to jump to the relevant details about LIC information:

1. Record Info
2. General Info
3. Unit Info
4. Default Value for Order Item Addt'l Info
5. Portals

## 1. Record Info Section

**Relevant LIC Record Types:** All

When creating a new LIC, the main tab identifies the LIC record type (e.g. an Inventoried Item as in the screenshot above). aACE supports seven record types for LICs. Each record

type has specific characteristics and attributes which drive different behaviors in the system.

Because of these dependencies, you *cannot* convert an existing LIC from one record type to another. If an LIC must have a different record type, you must create a new LIC record with the correct info, then deactivate the old LIC.

- **Items** — Products with defined units and unit prices. These can be intangible items (e.g. software licenses).
- **Inventoried Items** — Products with defined units and unit prices that you purchase from vendors and keep in stock. These are tangible goods with concrete quantities you can count / track, require space to store, and are an asset while in your possession.
- **Assembly Items** — Products that require time and labor for production but are *not* counted. Examples include made-to-order manufacturing products, which consist of other inventoried items that need to be put together (e.g. custom-tailored shirts, a specific company's advertisements, unique doorways, etc). More details on assembly items and their fulfillment can be found in the bill of materials (BOM) section below.
- **Inventoried Assembly Items** — Products you manufacture that become countable, trackable units that show the value of all the components, including time and third-party expenses. This includes made-to-stock items that can be either shipped to a customer or stored for future orders. In general, LICs should only be created as Inventoried Assembly items if the end result is a product that is as consistent as a supplier's product with a single SKU. More details can be found in the BOM section below.
- **Time** — Your internal team's labor, such as design services, technical support, and product-assembly time. You can also track 3rd-party labor (i.e. freelance or contract work) using the Vendors portal, described below.
  Note: The Est Unit Cost field will be visible to other aACE users (e.g. on sales estimates). To maintain appropriate privacy, we recommend that you calculate the Est Unit Cost for Time LICs to include the *average* of the team members involved in a labor task, as well as the overhead costs.
- **Expense** — Often used in purchases and expense envelopes and typically do *not* have a tangible unit to count (e.g. office power, office supplies, airfare, hotel reservations, etc). Expenses can also be used in orders for things which you purchase and pass the cost to customers (e.g. shipping charges, job supplies, special services). The quantity is typically set to '1'. Expense items show the Unit Cost field, but it is always non-editable.
- **Other** — Used for billing-related tasks, such as price adjustments, discounts, rebates, order deposits, finance charges, and tax adjustments. You can use Other type LICs throughout the system (e.g. on orders, POs, invoices, shipments, etc) without any

validation errors.

**Item Identification and Record State**

Across the top of the LIC detail view are the fields for identifying an item. The Code and Description fields allow you to enter any abbreviation and title that helps your team organize and recognize an item.

This section also identifies the LIC record's current state:

- Active — In use throughout the system
- Pending — Added to the system, but not ready for general use; *not* selectable from elsewhere in the system; can be deleted
- Inactive — No longer in use; *not* selectable from elsewhere in the system; *cannot* be deleted (Note: Read more about deactivating an LIC (https://aace6.knowledgeowl.com/help/deactivating-a-line-item-code) and the difference from discontinued LICs (https://aace6.knowledgeowl.com/help/understanding-discontinued-line-item-codes).)

# 2. General Info Section

**Relevant LIC Types**: All

This section describes the LIC's basic information.

The Type field is different than the record type. The Type field can help you group related LICs, such as what kind of item an LIC is. This assists with sorting, searching, and reporting (e.g. produce an income statement by LIC Type). Team members who can edit LIC records can create and edit the types used in your system.

The Price field calculates an estimate from data you enter in the Rate Type and Rate Value fields — located on the Setup tab — as well as Estimated Unit Cost field. On some LIC types, the MSRP field allows you to show customers a comparison price.

# 3. Unit Info Section

**Relevant LIC Types:** Items, Inventoried Items, Assembly Items, Inventoried Assembly Items

This section allows you to enter the dimensions of an item, the weight, unit of measure,

*estimated* shipping costs, vendor SKUs, and other details. All fields are optional, but data entered here flows through to the shipping logs.

If you enter a value for the Sale Case Qty, orders that call for a partial-case amount will prompt you to round up, round down, or confirm a partial case.

### 4. Default Value for Order Item Addt'l Info Section

**Relevant LIC Types:** All

The Addt'l Info field stores a large amount of data for additional details about the LIC. When creating an order, team members can view these notes by clicking the highlighted Additional Info icon (https://aace6.knowledgeowl.com/help/adding-and-using-notes#NotesIcons) ( ≡ ) for that LIC.

### 5. Portals Section (multiple tabs — see below for details)
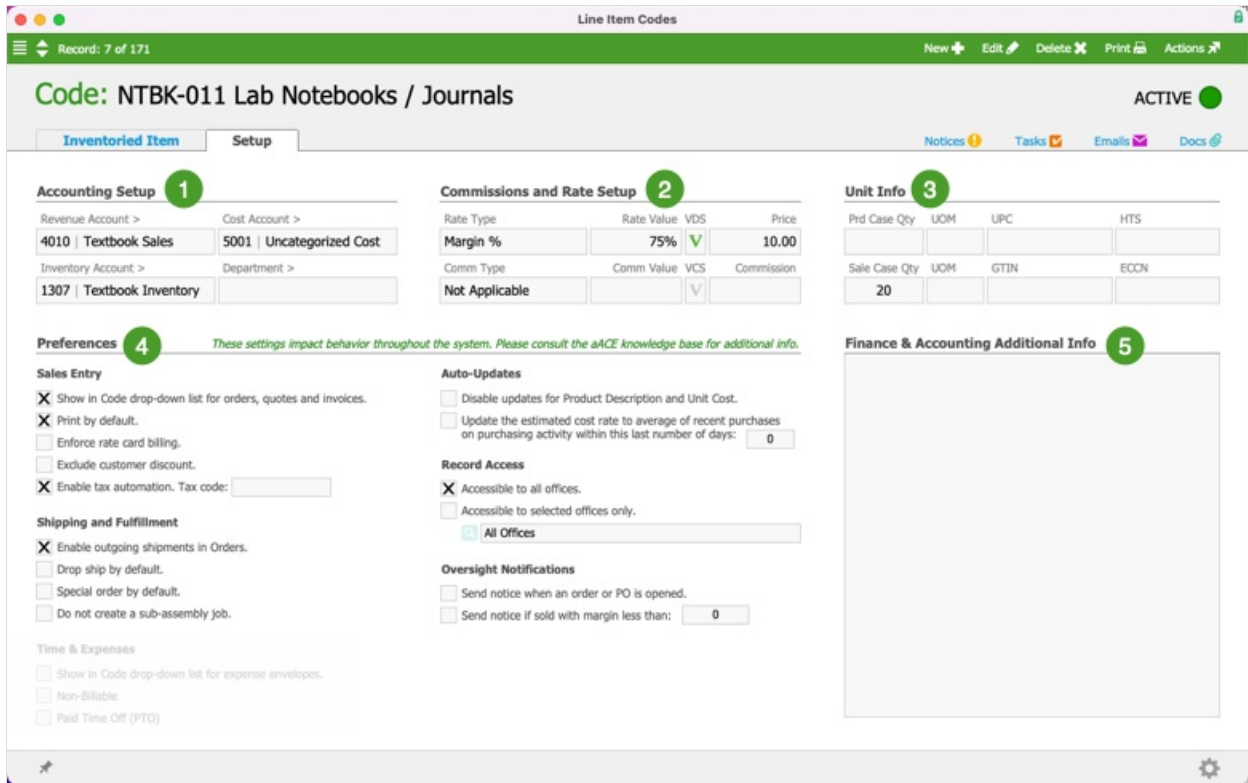
**Relevant LIC Types**: All

The Portals section below describes additional data and controls for Inventory Balances, Options, Custom Prices, Vendors, Inventory Management, Photos (and for certain line item types, Offices and Bill of Materials).

## Layout of the Detail View — Setup Tab

After the initial information has been input into a new LIC record, click Save. aACE will prompt you to open the LIC. You can still edit the LIC after it has been activated, however it is appropriate to double check all information for accuracy before activating the LIC. Because of this, we recommend leaving the LIC in Pending until all information is entered.

Below is a screenshot that maps out the major sections for the setup information. This tab is used for all LIC types.

Click the links here to jump to the relevant details about the Setup tab:

1. Accounting Setup
2. Commissions and Rate Setup
3. Unit Info
4. Preferences
5. Finance and Accounting Additional Info

## 1. Accounting Setup Section

**Relevant LIC Types:** All

All the necessary accounting logic in aACE is completely transparent.

- **Revenue Account Field** — Specifies the GL detail account used whenever the LIC is included on an invoice
- **Cost Account Field** — Used when the LIC appears on a purchase
  Note: Revenue and Cost accounts allow you to apply the same LIC to both sales transactions and purchase transactions. For example, you can purchase textbooks at one price (the cost side) and resell them at a mark-up (the sales side). The purchase order, the purchase, the customer order, and the customer invoice all use the same LIC, although they appear differently in the general ledger.

- **Inventory Account Field** — Identifies an item as an asset
- **Department Field (Optional)** — Allows a company to give various groups in the company credit for the sales they make. The department specified here flows to the GL, so the company can generate department-specific financial statements. This field can also be used with assemblies to identify the department traffic manager for a linked task group (https://aace6.knowledgeowl.com/help/creating-task-groups).

## 2. Commissions and Rate Setup Section

**Relevant LIC Types**: All

aACE allows you to customize the commissions and rates of each individual LIC. Details addressed in this area include line item code rates (https://aace6.knowledgeowl.com/help/overview-of-line-item-code-rates) and commission structures (https://aace6.knowledgeowl.com/help/understanding-commission-structures), plus optional details like volume discount setups (https://aace6.knowledgeowl.com/help/working-with-volume-discount-pricing) and volume commission setups (https://aace6.knowledgeowl.com/help/working-with-volume-commissions).

## 3. Unit Info Section

**Relevant LIC Types:** Items, Inventoried Items, Assembly Items, Inventoried Assembly Items

This section allows you to specify the unit of measure, case quantities, barcodes, and other details. All fields are optional, but data entered here flows through to the shipping logs.

In the Case Qty Fields, record the number of units in the packages your company sells to customers and the packages you produce or purchase from vendors:

- **Sale Case Qty** — Sales orders that call for a partial-case amount will prompt you to round up, round down, or confirm the amount as a partial case.
- **Prd Case Qty** — Automated replenishment production orders will produce enough cases to exceed the Target value.
- **Proc Case Qty** — Automated replenishment POs will order enough cases to exceed the Target value. This field label is only on Item, Inventoried Item, and Assembly Item LICs.

## 4. Preferences Section

**Relevant LIC Types**: All

This section allows you to control additional aspects of the LIC. Options displayed here differ based on the current LIC type.

### 5. Finance & Accounting Additional Info Section

**Relevant LIC Types:** All

The Additional Info field stores a large amount of data for additional financial details about the LIC.

# Details for LIC Portals

The following tabs give you access to additional details for various LIC types.

## Inventory Balances

**Relevant LIC Types:** Inventoried Items and Inventoried Assembly Items

When you create a new LIC, this portal is blank. Once you create an order or receive a shipment with the LIC, aACE updates the various values.

- **On Hand** — Product currently in stock in your offices
- **Demand** — Product currently included in *Open* orders
- **Non-Net** — Product that cannot be sold and is not counted as part of available inventory (e.g. damaged returns, defective material, etc)
  Note: Typically an entire bin is identified as non-nettable to help prevent damaged goods from being mixed in the same bin with sellable goods. Non-nettable goods are excluded from the Available balance, from use with the aACE Pick App, and from backorder management processes.
- **Available** — Product that can be included on new orders; the difference between On Hand and Demand quantities. (This total also displays in the Order module's LIC type-ahead so sales personnel can better help your customers.)
- **On Order** — Product currently included in *Open* POs
- **Total** — The sum of Available and On Order quantities; this value is used for automatic re-order management
- **Last Count** — Manual inventory adjustments made involving the LIC

Clicking the numerical link for some inventory values displays the Inventory Transactions module. This module lets you review individual records contributing to the totals. It serves as a history of product movement in your system.

## Options

**Relevant LIC Types:** Items, Inventoried Items, Assembly Items, Inventoried Assembly Items

The Options section lets you specify alternatives and upgrades for the current LIC when it is entered on an order (see below for details).
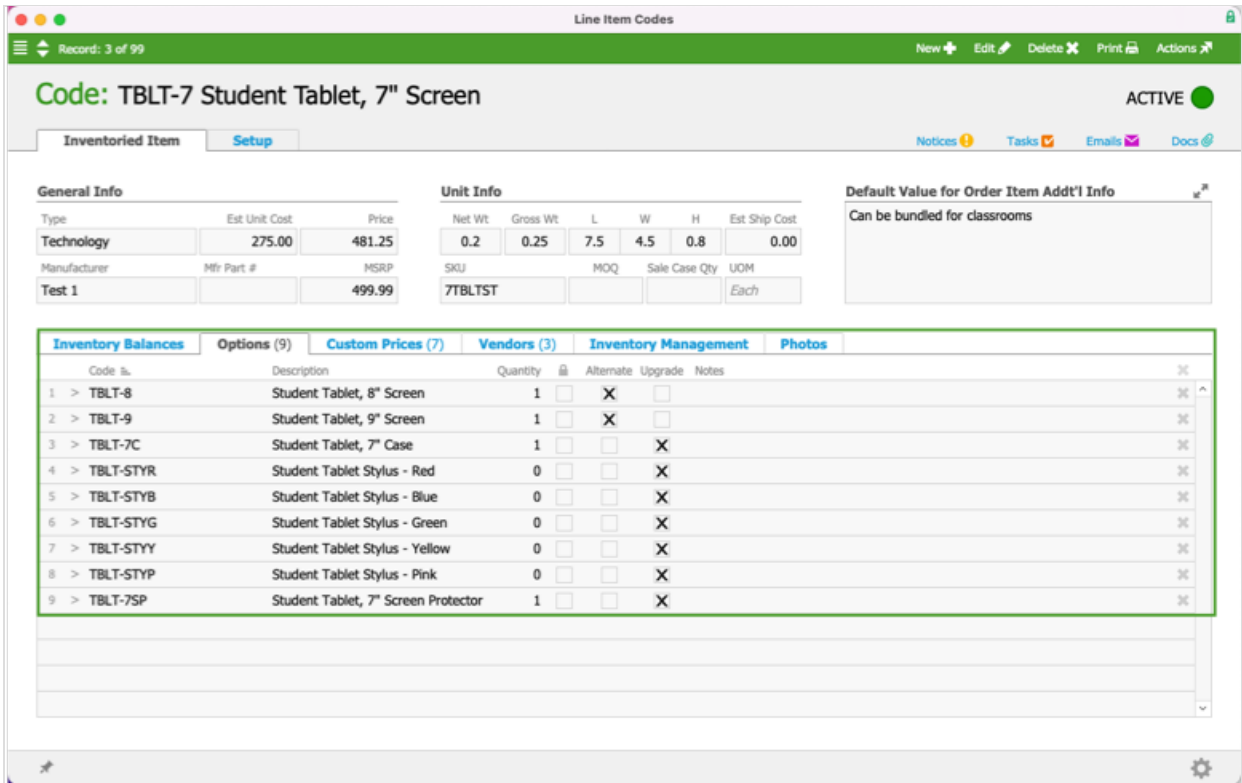
## Alternates

Alternate LICs can replace the initial LIC. When entering an order for one item, team members will see there are alternates they can suggest. This is especially helpful if you also use aACE to manage stock levels (e.g. if one item is out of stock, sales people can recommend alternatives that are in stock). In the screenshot above, student tablets come in the original size, as well as slightly larger 8" or 9" screens.

## Upgrades

Upgrades help team members to up-sell a product or service with additional add-ons. In the screenshot above, protective cases are a possible upgrade.

# Custom Prices

**Relevant LIC Types:** All

This section allows you to view and manage an LIC's related rate cards. These custom pricing scenarios and commission schedules are linked to individual orders and customers. Read more about rate cards (https://aace6.knowledgeowl.com/help/overview-of-rate-cards).
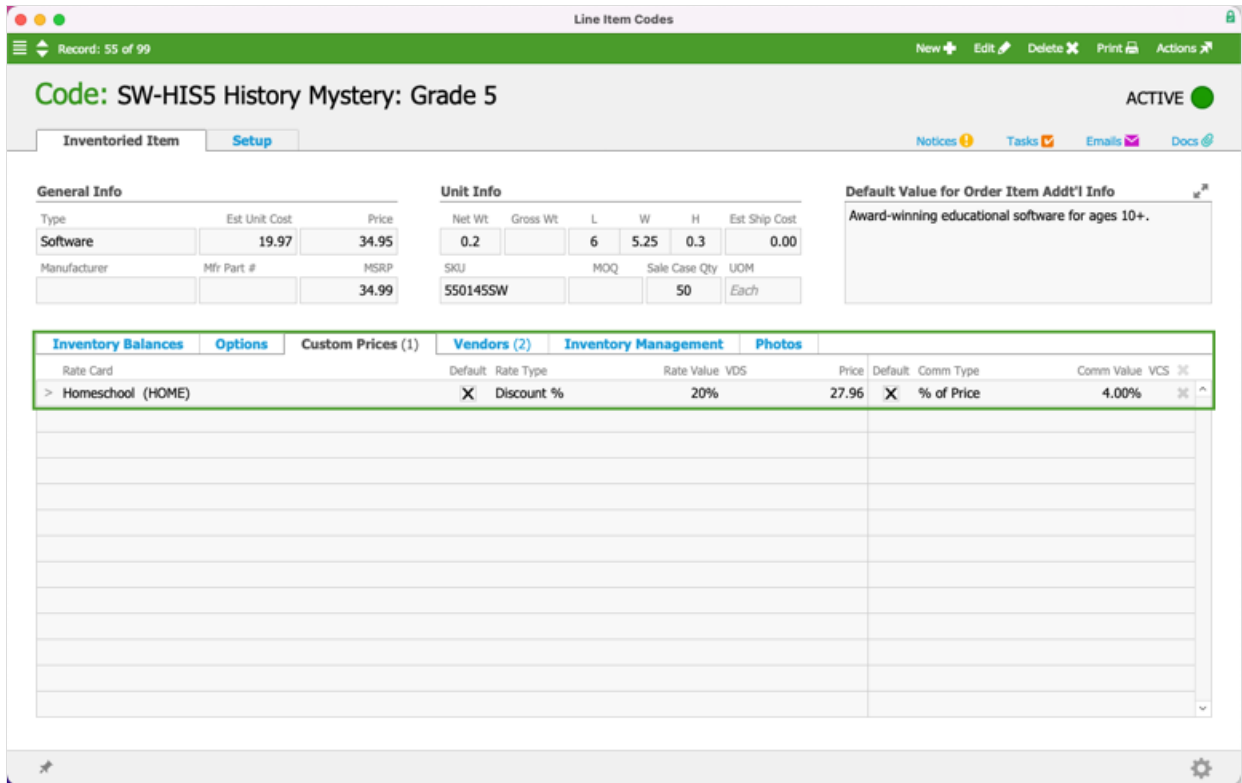
## Vendors

**Relevant LIC Types:** All

You can manually set up a list of vendors who sell the LICs you need. In addition, when you create new POs and specify other vendor for an LIC, aACE will automatically add that vendor to this list. You can enter record-specific notes (https://aace6.knowledgeowl.com/help/adding-and-using-notes) for each vendor using the Pin icon ( 📌 ), and you can set a Lead Time estimate to plan for deliveries.

You can set a preferred vendor (https://aace6.knowledgeowl.com/help/assigning-a-preferred-vendor-to-a-line-item-code) to help automate purchasing.

aACE tracks each LIC by an internal record ID. This ID can be associated with vendor product codes and descriptions (as well as barcodes and SKUs). If an LIC includes a vendor-specific description, the PO will default to that info. (Note: If you change an LIC description at the Purchase module, that new description will be updated on the LIC record and then be used on subsequent POs and purchases.)
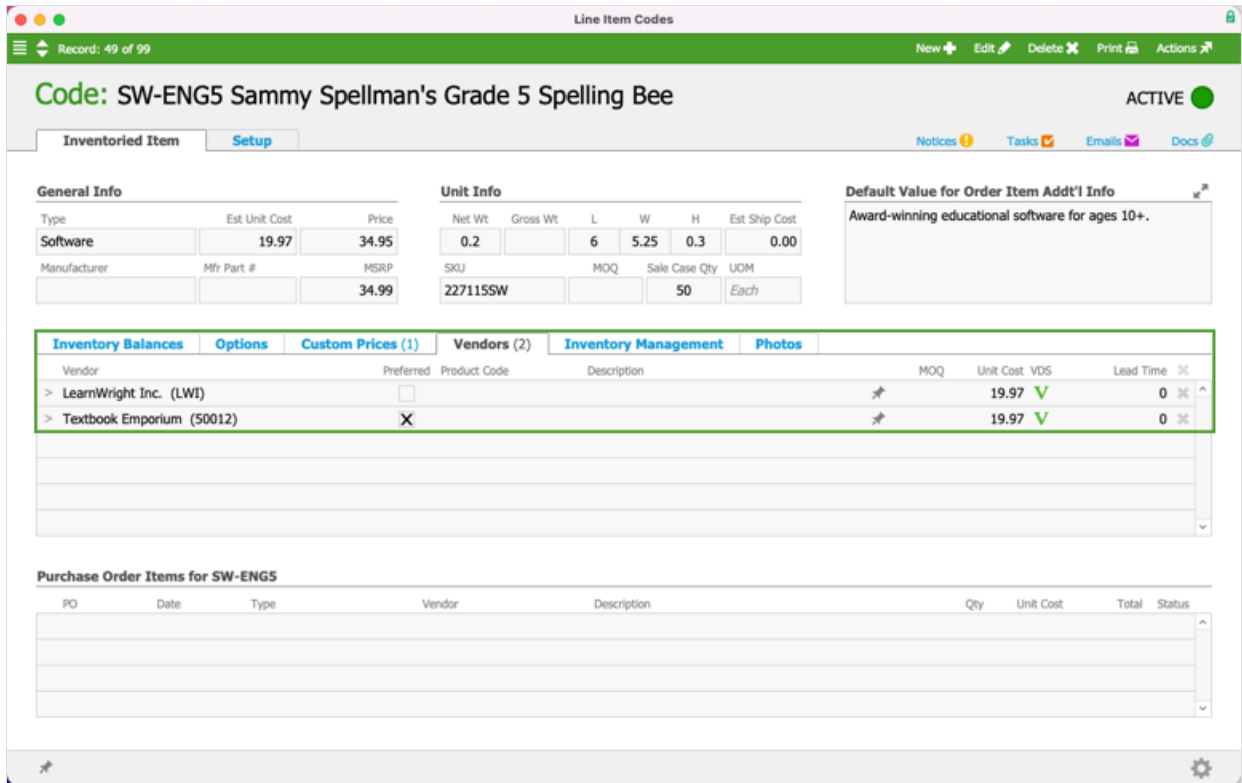
## Inventory Management / Replenishment

**Relevant LIC Types:** Inventoried Items and Inventoried Assembly Items

This portal is named differently for different LIC types. For Inventoried Items, it is Inventory Management. For Inventoried Assembly Items, it is Replenishment. The portal has settings for inventory reorder, bins, and inventory setup.

### Inventory Replenishment for Offices or for Bins

The Inventory Replenishment sections displays LIC quantities at specific offices and bins. This is where you can set a Target and Replenish Balance for automated inventory replenishment for manufactured items (https://aace6.knowledgeowl.com/help/understanding-inventory-replenishment-for-manufactured-items) or purchased items (https://aace6.knowledgeowl.com/help/understanding-inventory-replenishment-for-purchased-items). You can also manually trigger inventory replenishment by clicking Actions > Replenish Inventory.

Default bins for LICs can be configured in the Default Bins section. After you set up inventory bins (https://aace6.knowledgeowl.com/help/setting-up-inventory-bins), you can specify the default bin for new product to be stored, as well as a default bin for returned product to be inspected.

aACE Software
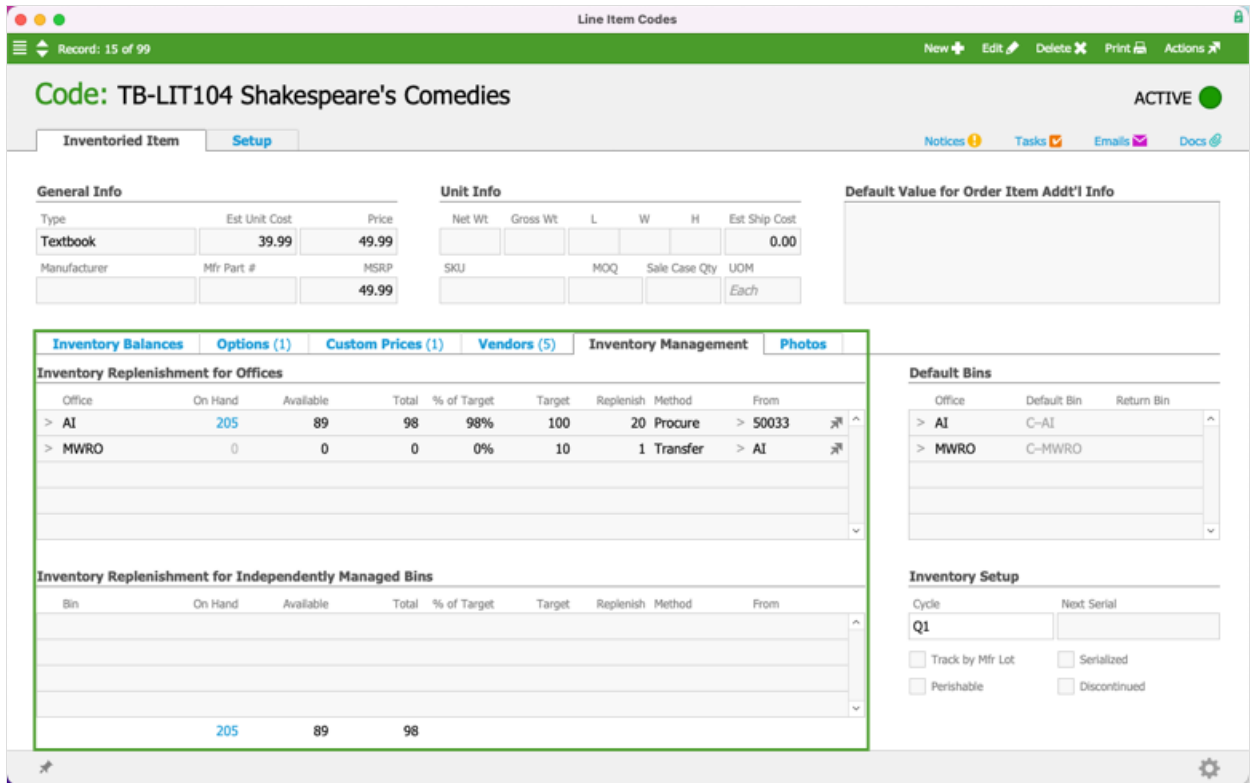


## Inventory Setup Section

This section has various flags and fields to allow for further customization of LIC details.
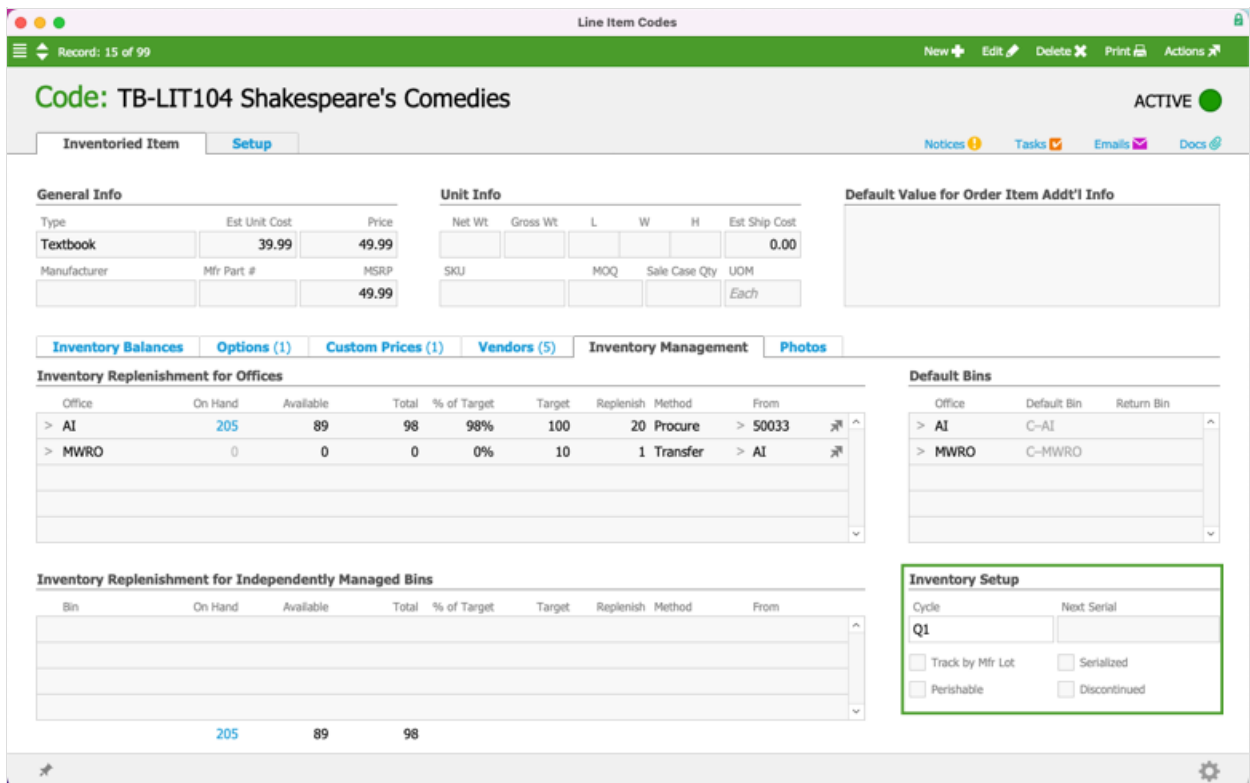


- **Track by Mfr Lot** (https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-manufacturer-lots) —

Includes multiple units with a single tracking ID. This is used for products where a problem found with a single item will likely affect all items in the batch (e.g. food items, chemicals, etc). Because food items are often lot tracked, when you mark the flag to Track by Mfr Lot, the flag for Perishable goods is automatically marked. You can clear the Perishable flag, if it's not needed.

- **Perishable** — Identifies items that have expiration or sell-by dates
- **Serialized** (https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-serial-numbers) — Each unit has a unique ID and they are tracked individually. Using the Next Serial field, aACE can auto-generate serial numbers.
  Note: This flag must be marked when you *first create* the LIC. It *cannot* be marked after the LIC has other records linked to it (e.g. sales orders, GJ / GL entries, inventory transactions, etc).
- **Discontinued** (https://aace6.knowledgeowl.com/help/understanding-discontinued-line-item-codes) — Flags the item to be excluded from the automatic inventory replenishment processes
- **Cycle and Next Serial** — Helps you organize when to count these inventoried goods

## Photos

**Relevant LIC Types:** Items, Inventoried Items, Assembly Items, Inventoried Assembly Items

Photos of the LIC can be uploaded for reference. At the LIC detail view, click Edit. In the Photos portal, click the Add ( ➕ ) button. Select the desired photo from your computer's library.
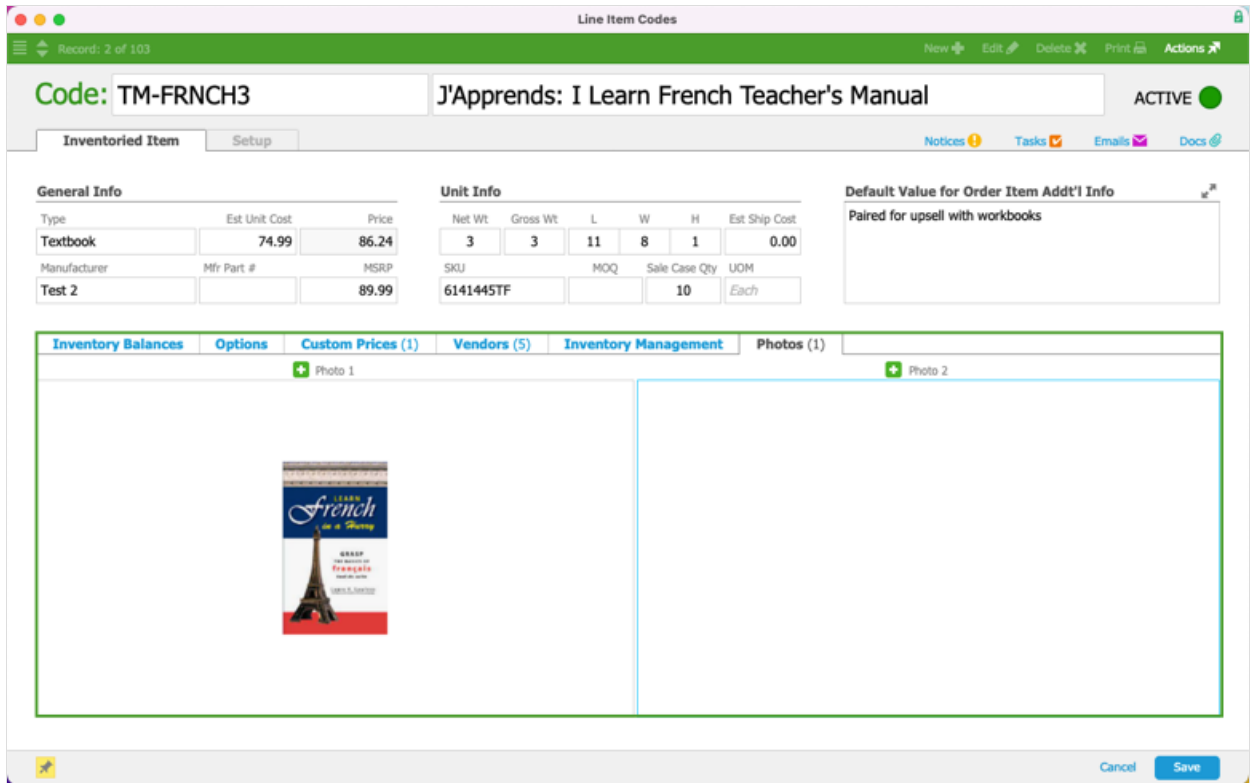
## Offices

**Relevant LIC Types:** Items, Assembly Items, Time, Expense, Other

This tab shows which business entities can view and sell the product. When you create a new LIC of the relevant types, all available offices are automatically listed here. For example, in the screenshot below, the custom tablet bundle LIC will only be visible to team members assigned to the AI or MWRO offices.
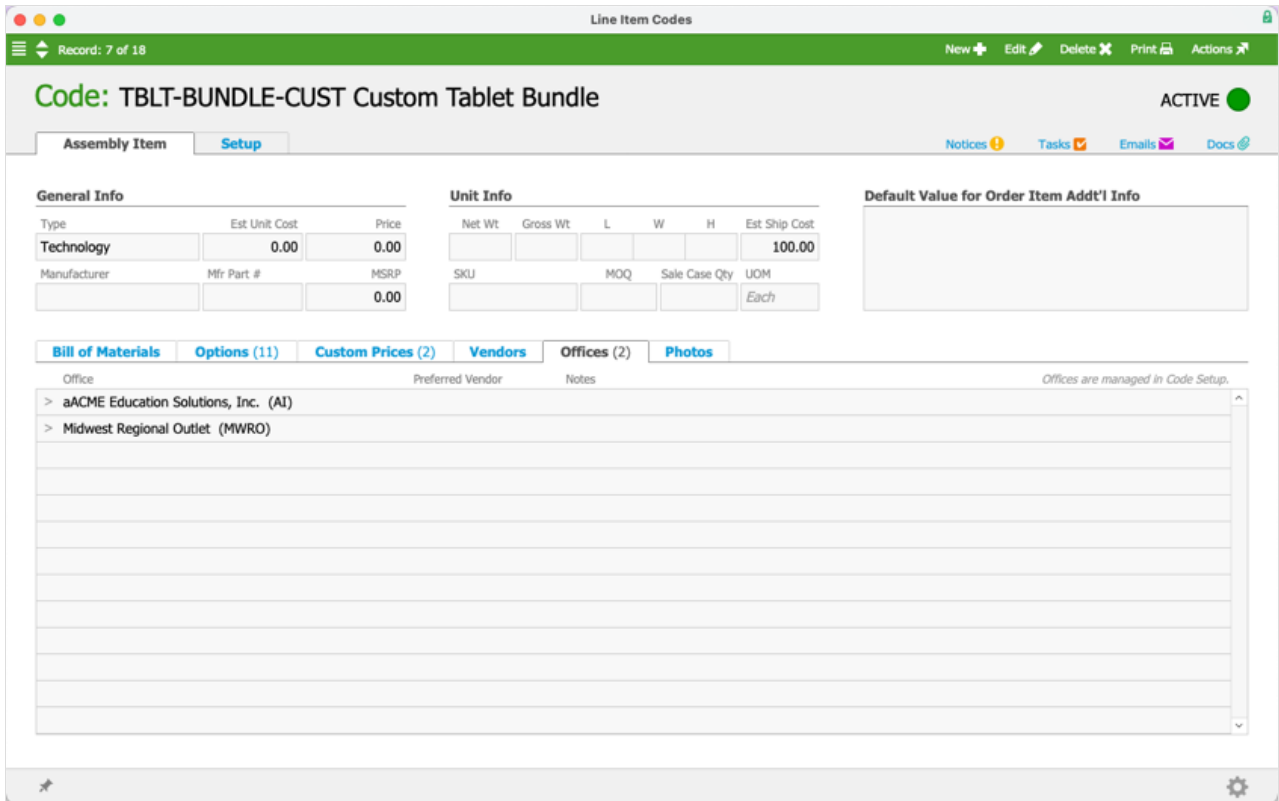
You can edit the offices for a single LIC at that record's Setup tab. At that tab, click Edit and then use the controls in the Record Access section to constrain access as needed. You can also change the office availability for a batch of LICs at the list view: Admin Actions ( ⚙ ) > Add / Remove Offices to Line Item Codes in List.
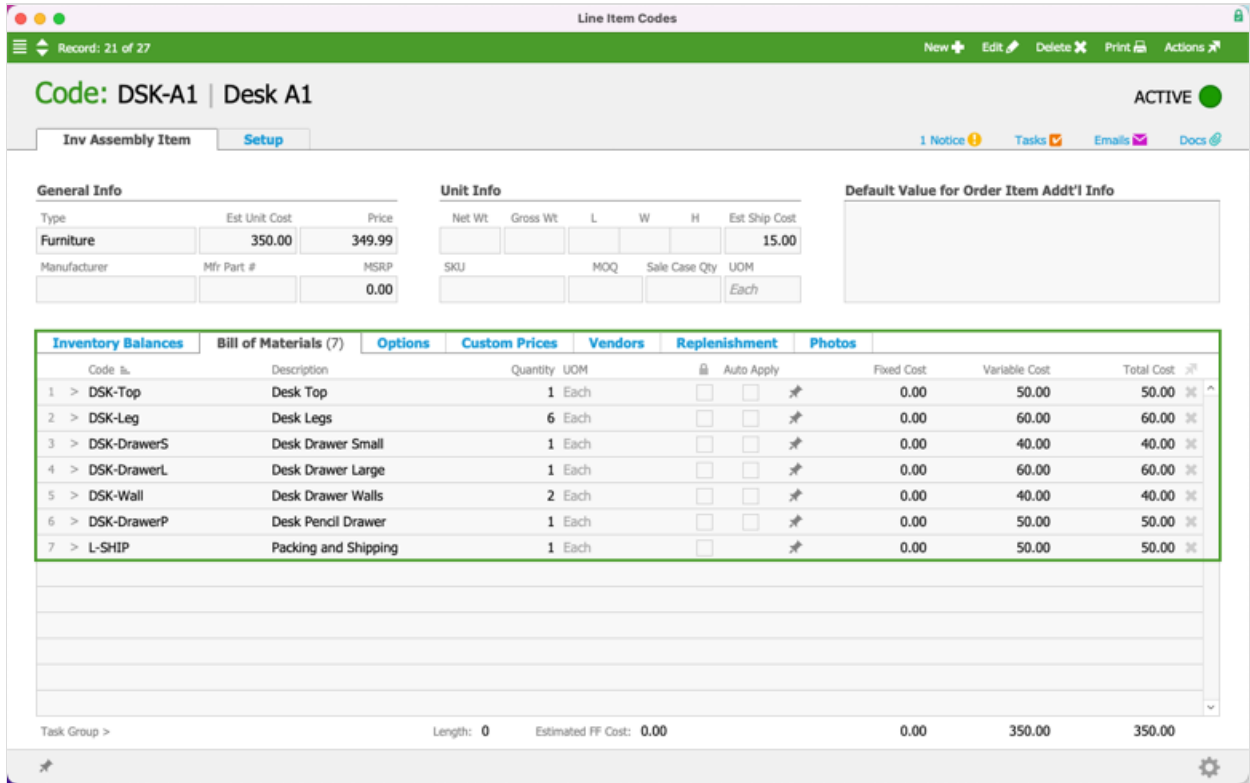
Note: The Accounting Setup section fields let you specify which office and department will receive proceeds each time the item is invoiced for an order. Leaving the Department field blank allows the sale to go to whichever office is specified in the footer of the Order. No matter which entity receives the sale, invoicing is still coordinated through the selling office.

## Bill of Materials (BOM) and Fulfillment Length

**Relevant LIC Types:** Assembly Items, Inventoried Assembly Items

For assembly items, this section lists the LICs for each component required to build the item, each component's cost, and any task group associated with building the item. You can create a task group (https://aace6.knowledgeowl.com/help/creating-task-groups) and link it to an Assembly LIC. When an order that includes this assembly LIC is opened, the task group automatically generates task assignments. The fulfillment length of the assembly item's tasks is calculated from the assigned task group, but manual override is possible at the order's footer.

BOM components can be replenished automatically when the component LICs have Target balances set and auto-replenishment is configured for either manufactured (https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-manufactured-items) or purchased (https://aace6.knowledgeowl.com/help/configuring-inventory-replenishment-for-purchased-items) items.



The estimated unit cost for an assembly item is derived from the BOM. In order to report on these costs, you must first generate the BOM.

You can import a BOM from an Excel spreadsheet (Main Menu > Order Setup > Details > Bill of Materials). This method prevents use of the LIC-specific data import processes, although you can use the standard data import method (https://aace6.knowledgeowl.com/help/importing-records) to update that info.