

Setting Up Inventory Tracking

Last Modified on 06/21/2023 3:16 pm EDT

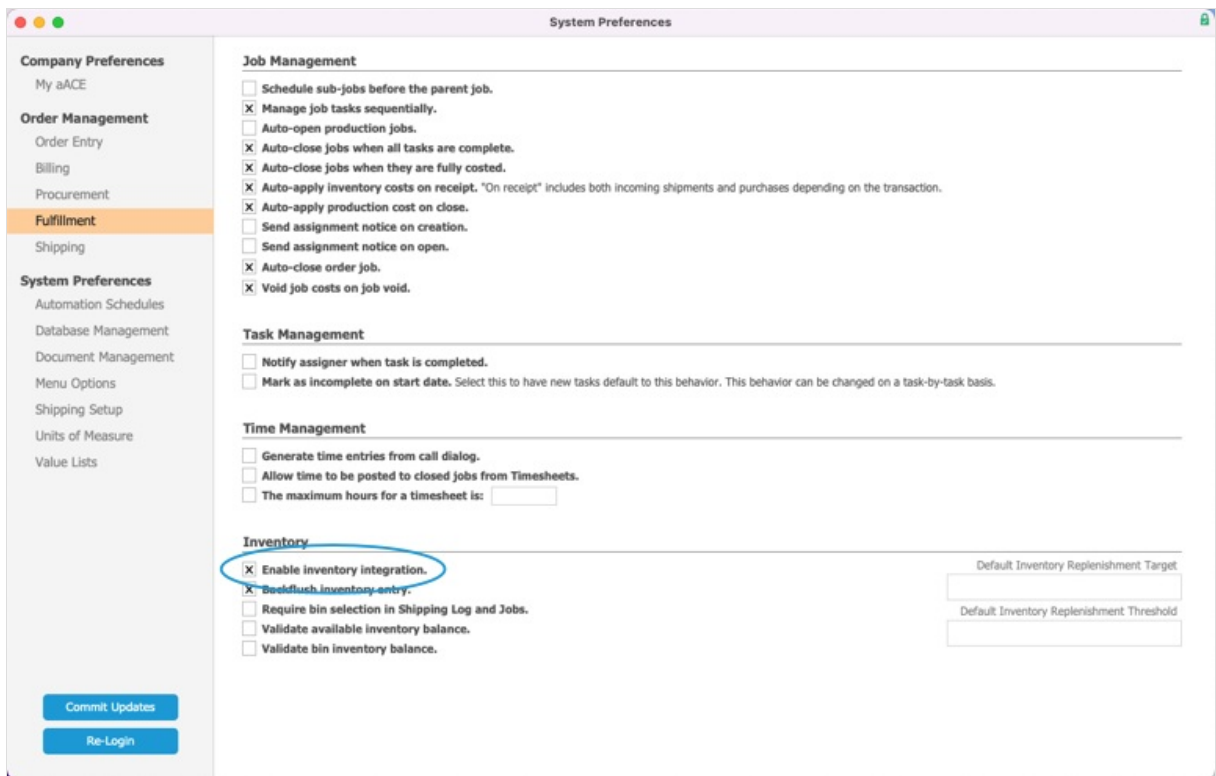
This guide explains how to set up automated inventory tracking. It is intended for system administrators.

To set up inventory tracking, you must complete these three tasks:

1. Activate inventory integration.
2. Select the inventory management method.
3. Select default inventory GL Accounts.

Activate Inventory Integration

1. Navigate from **Main Menu > System Admin > Preferences > Fulfillment**.
2. In the Inventory section, mark the flag to **Enable inventory integration**.



3. Click **Commit Updates**.

Accounting Preferences

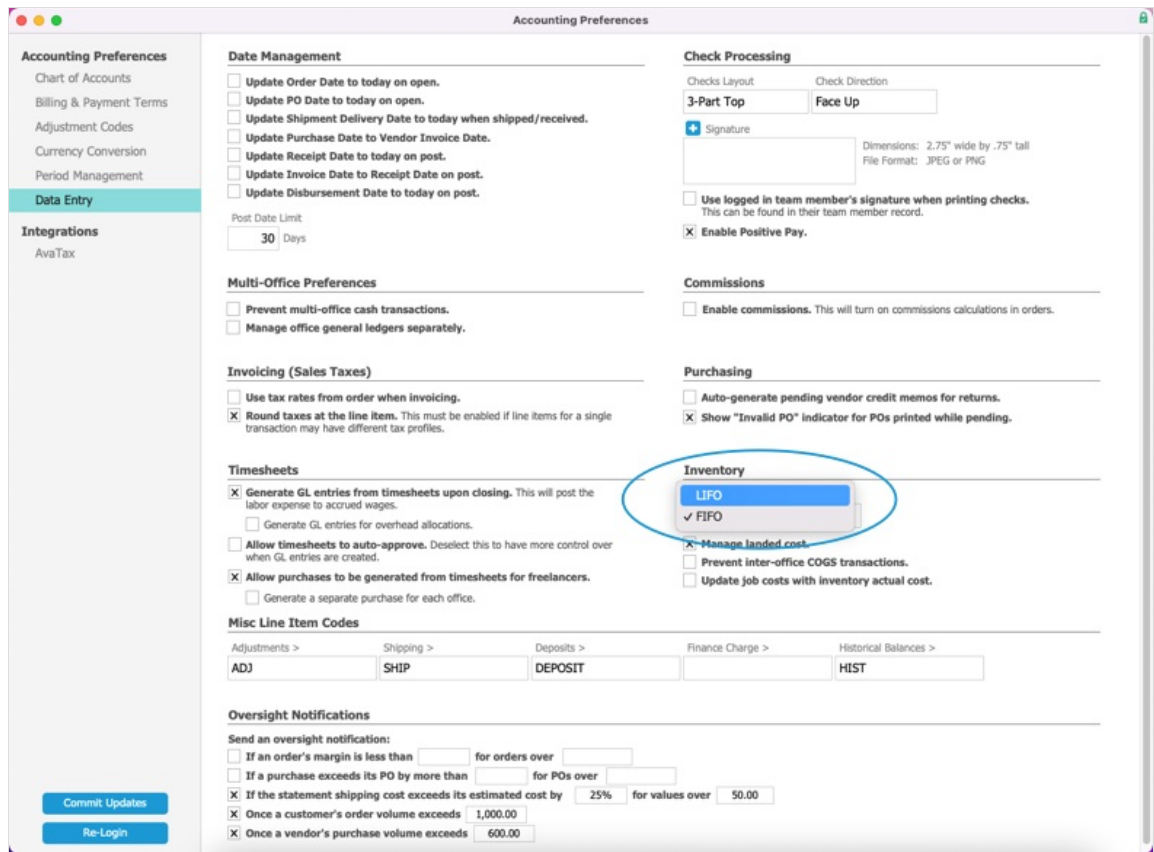
The inventory management method and default inventory GL account settings are located

in the Accounting Preferences module. Navigate from Main Menu > Accounting > Preferences.

Select the Inventory Management Method

1. At the Accounting Preferences module, click **Data Entry**.
2. In the Inventory section, click the COGS Method dropdown list and select the appropriate option:
 - o **LIFO** (last in / first out) – May result in slightly reduced profits, but correspondingly lower tax rates.
 - o **FIFO** (first in / first out) – Typically results in additional profits, if the costs of items consistently increase.

Note: For special order, lot tracked, and serialized items, the COGS Method generally does not apply. Instead, specific items are received and shipped.



3. Click **Commit Updates**.

Select the Default Inventory GL Accounts

1. At the Accounting Preferences module, click **Chart of Accounts**.
2. In the Assets section, click the dropdown for **Default Inventory Account** and select a default account.

- In the Liabilities section, click the dropdown for **Accrued Inventory** and select a default account.

Accounting Preferences

Note: Transactions assume this Chart of Accounts is set up correctly; the validation processes do not validate these accounts.

Chart of Accounts

Assets

- Undeposited Funds - Cash/Checks >
 - 1120 Undeposited Funds - Cash/Checks
- Undeposited Funds - MC/Visa >
 - 1121 Undeposited Funds - MC/Visa
- Undeposited Funds - Amex >
 - 1122 Undeposited Funds - Amex
- Undeposited Funds - Debit Card >
 - 1123 Undeposited Funds - Debit Card
- Undeposited Funds - E-Check >
 - 1124 Undeposited Funds - E-Check
- Default Disbursement (Bill Payment) Account >
 - 1115 Cash Checking (AI)
- Merchant Bank Account >
 - 1115 Cash Checking (AI)

Equity

- Current Year Earnings (Net Income) >
 - 3999 Current Year Earnings
- Retained Earnings >
 - 3900 Retained Earnings

Expenses

- Commissions Expense >
 - 6004 Commissions Expense
- Capitalized Mfr Labor >
 - 6005 Capitalized Mfr Labor
- Use Tax Expense >
 - 6200 Use Tax Expense

Revenue (Sales)

- Default Revenue Account >
 - 4001 Uncategorized Sales
- Shipping Mark Up (Handling) >
 - 4007 Shipping Mark Up / Handling

Liabilities

- Accounts Payable (A/P) >
 - 2101 Accounts Payable
- Commissions Payable >
 - 2106 Commissions Payable
- Accrued Inventory >
 - 2104 Accrued Inventory
- Accrued Wages >
 - 2105 Accrued Wages
- Accrued Expenses >

Cost of Goods Sold (Cost of Sales)

- Default Cost Account >
 - 5001 Uncategorized Cost of Sales
- Accrued COGS >
 - 5003 Accrued COGS

Offices

Office	Disbursement (Bill Pay) Account	Inter-Office Due To Account (A/P)	Inter-Office Due From Account (A/R)
AI	1115 Cash Checking (AI)	2201 Due to AI (A/P)	1251 Due from AI (A/R)
EE	1115 Cash Checking (AI)	2202 Due to EE (A/P)	1252 Due from EE (A/R)
MWRO	1115 Cash Checking (AI)	2203 Due to MWRO (A/P)	1253 Due from MWRO (A/R)

Buttons: Commit Updates, Re-Login

- Click **Commit Updates**.