

Discovery Training: Inventory

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This guide walks you through how inventory works in aACE. It is intended for new users in the Discovery process.

Introduction

aACE's robust inventory features allow you to effectively manage and track the products you stock. This Discovery training guide will provide you with a basic understanding of how aACE tracks quantity and cost from end to end, how to find this information, and how to adjust inventory quantities.

This guide will not focus on basic steps or knowledge. It presumes you are familiar and comfortable with the foundational topics already covered:

- [Discovery Training: Basics](https://aace6.knowledgeowl.com/help/discovery-training-basics) (https://aace6.knowledgeowl.com/help/discovery-training-basics)
- [Discovery Training: Purchase Orders](https://aace6.knowledgeowl.com/help/discovery-training-purchase-orders) (https://aace6.knowledgeowl.com/help/discovery-training-purchase-orders)
- [Discovery Training: Sales Orders](https://aace6.knowledgeowl.com/help/discovery-training-sales-orders) (https://aace6.knowledgeowl.com/help/discovery-training-sales-orders)
- [Discovery Training: Production](https://aace6.knowledgeowl.com/help/discovery-training-production) (https://aace6.knowledgeowl.com/help/discovery-training-production)

This training guide is meant to supplement the content covered in [our Inventory webinar](https://showme.aacesoft.net/?id=10175) (https://showme.aacesoft.net/?id=10175). For additional insight about your aACE system, please also watch the webinar.

Line Item Codes

Line item codes (LICs) are the heart of inventory in aACE. Each line item code in your system can represent a product, intangible item, labor, expenses, or other related items as needed. Transactions in aACE almost always involve some sort of LIC.

There are several types of LICs. For this training guide, you will be focusing on the [Inventoried Item and Inventoried Assembly Item \(IAI\)](https://aace6.knowledgeowl.com/help/overview-of-line-item-codes#RecordInfoSection) (https://aace6.knowledgeowl.com/help/overview-of-line-item-codes#RecordInfoSection) types. These two LIC types are directly connected to inventory levels and workflows. The key difference between Inventoried Items and IAIs is how the inventory is acquired. Inventoried Items can be bought, while IAIs can be bought or made.

You can view inventoried and inventoried assembly items:

1. Navigate from **Main Menu > Inventory > Line Item Codes**.
2. Click the **'Find Inventoried Items'** Quick Search link in the module footer.
This displays all inventoried and inventoried assembly items.

Line Item Codes
Inventory View

Record: 1 of 405

Codes

Type	Code	Description	Rec Type	Pref Vendor	Invtry On Hand	Available	Total	Sales	Ship	Status
> Textbook	TB-FRNCH3	J'Apprends: I Learn French 3rd Edition	ITM-INV	Textbook	84	9	9	✓	✓	ACTIVE
> Textbook	TM-FRNCH3	J'Apprends: I Learn French Teacher's	ITM-INV	Textbook	90	90	90	✓	✓	ACTIVE
> Technology	TBLT-7	Student Tablet, 7" Screen	ITM-INV	LearnWright Inc.	169	169	169	✓	✓	ACTIVE
> Notebook	NTBK-011	Lab Notebooks / Journals	ITM-INV	McGullicuddy	234	162	262	✓	✓	ACTIVE
> Textbook	TB-LIT102	The Complete Works of Shakespeare	ITM-INV	McGullicuddy	65	55	55	✓	✓	ACTIVE
> Technology	TBLT-8	Student Tablet, 8" Screen	ITM-INV	LearnWright Inc.	94	94	94	✓	✓	ACTIVE
> Technology	TBLT-8C	Student Tablet, 8" Case	ITM-INV	Aperture	54	54	54	✓	✓	ACTIVE
> Textbook	TB-MTH6	Middle Grade Math 6th Edition	ITM-INV	McGullicuddy	70	70	70	✓	✓	ACTIVE
> Workbook	WGBK-FRNCH3	J'Apprends: I Learn French Workbook	ITM-INV	Textbook	40	40	40	✓	✓	ACTIVE
> Technology	TECH-B	Electronic Whiteboard Mounting Kit	ITM-INV	Aperture	7	7	7	✓	✓	ACTIVE
> Technology	TECH-003	Electronic Whiteboard, Refurbished	ASMBL-INV		27	27	27	✓	✓	ACTIVE
> Technology	TECH-C	Electronic Whiteboard Screen	ITM-INV	LearnWright Inc.	47	47	47	✓	✓	ACTIVE
> Technology	TECH-A	Electronic Whiteboard Connection Panel	ITM-INV	LearnWright Inc.	43	43	43	✓	✓	ACTIVE
> Technology	TBLT-7C	Student Tablet, 7" Case	ITM-INV	Aperture	69	69	69	✓	✓	ACTIVE
> Textbook	TB-MTH7	Middle Grade Math 7th Edition	ITM-INV	Pewter Anderson	110	110	110	✓	✓	ACTIVE
> Textbook	TB-LIT104	Shakespeare's Comedies	ITM-INV	Macmillan	90	90	90	✓	✓	ACTIVE
> Textbook	TB-LIT106	Shakespeare's Tragedies	ITM-INV	McGullicuddy	90	90	90	✓	✓	ACTIVE
> Textbook	TB-LIT120	Complete Poems of Gerard Manley	ITM-INV	Macmillan	24	24	24	✓	✓	ACTIVE
> Textbook	TB-LIT130	Beowulf - A New Translation and	ITM-INV	McGullicuddy	14	14	14	✓	✓	ACTIVE
> Brush	SE-B-H	1/2" Hake Brush	ITM-INV	China Brushworks	6	6	6	✓	✓	ACTIVE
> Brush	SE-B-G4	Goat hair bamboo brush size 4	ITM-INV	China Brushworks	25	25	25	✓	✓	ACTIVE
> Brush	SE-B-WB2	White bristle bamboo brush size 2	ITM-INV	China Brushworks	30	30	30	✓	✓	ACTIVE
> Brush	SE-B-R1	Rabbit hair bamboo brush size 1	ITM-INV	China Brushworks	25	25	25	✓	✓	ACTIVE

Show All Find Inventoried Items Find Items Requiring Replenishment Find Sales Entry Line Item Codes Related Records

3. Click the **Rec Type** column heading.
aACE sorts the results by LIC record type.

Line Item Codes
Inventory View

Record: 1 of 405

Codes Sorted by Rec Type

Type	Code	Description	Rec Type	Pref Vendor	Invtry On Hand	Available	Total	Sales	Ship	Status
INVENTORIED ASSEMBLY ITEM										
> Pack	1000 pk zip	1000 pack of zip ties	ASMBL-INV		20	20	20	✓	✓	ACTIVE
> Paint	PAINT-BPS	Beginner's Paint Set	ASMBL-INV		35	35	35	✓	✓	ACTIVE
> Technology	TECH-003	Electronic Whiteboard, Refurbished	ASMBL-INV		27	27	27	✓	✓	ACTIVE
> Printer	HP-PPS-1AI	HP Printer Pack Special	ASMBL-INV		40	40	40	✓	✓	ACTIVE
> Textbook	TB-LITSET-4bk	Literature Set (4 books)	ASMBL-INV	Annamac Meadows	39	39	39	✓	✓	ACTIVE
> Solar Electric Panels	SPK1	Solar Panel Kit	ASMBL-INV		0	0	10	✓	✓	ACTIVE
					161	161	171			
INVENTORIED ITEM										
> Plumbing	61194200910	1/16 BEND	ITM-INV		0	0	0	✓	✓	ACTIVE
> Electrical	603	1/2 CORR FIXT W/GLB	ITM-INV		0	0	0	✓	✓	ACTIVE
> Brush	SE-B-H	1/2" Hake Brush	ITM-INV	China Brushworks	6	6	6	✓	✓	ACTIVE
> Plumbing	61194200888	1/4 BEND	ITM-INV		0	0	0	✓	✓	ACTIVE
> Plumbing	61194200918	1/4 BEND W/LOW HEEL INLET	ITM-INV	LowPrice Home	0	0	0	✓	✓	ACTIVE
> Plumbing	61194200925	1/4 BEND W/SIDE OPENING LEFT HAND	ITM-INV	Maintenance &	3	3	3	✓	✓	ACTIVE
> Plumbing	61194200895	1/6 BEND	ITM-INV	LowPrice Home	0	0	0	✓	✓	ACTIVE
> Plumbing	61194200901	1/8 BEND	ITM-INV	Maintenance &	6	6	6	✓	✓	ACTIVE
> Electrical	1438	100W BOX MTG WIRE GUARD	ITM-INV	Industrial Supply	7	7	7	✓	✓	ACTIVE
> Electrical	1433	100W OPEN BOT WIREGUARD	ITM-INV	Industrial Supply	4	4	4	✓	✓	ACTIVE
> Electrical	5351-0213	12/3 CORDSET100FT	ITM-INV		0	0	0	✓	✓	ACTIVE
> Electrical	5329-4012	12V FLOOD W/CORD	ITM-INV	Deluxe Windows &	0	0	0	✓	✓	ACTIVE
> Electrical	22520035	14/2 FLAT WIRE CBL	ITM-INV		0	0	0	✓	✓	ACTIVE

Show All Find Inventoried Items Find Items Requiring Replenishment Find Sales Entry Line Item Codes Related Records

When Inventoried Items and IAs move throughout your system (e.g. from purchase orders to your inventory or from orders to outgoing shipments), aACE tracks them in the Inventory Transactions module.

Inventory Transactions

The [Inventory Transactions](https://aace6.knowledgeowl.com/help/understanding-the-relationship-among-inventory-lots-usage-and-transactions#OverviewofInventoryTransactions) module tracks inventory moving through your system. To access this module, navigate from Main Menu > Inventory > Inventory Transactions.

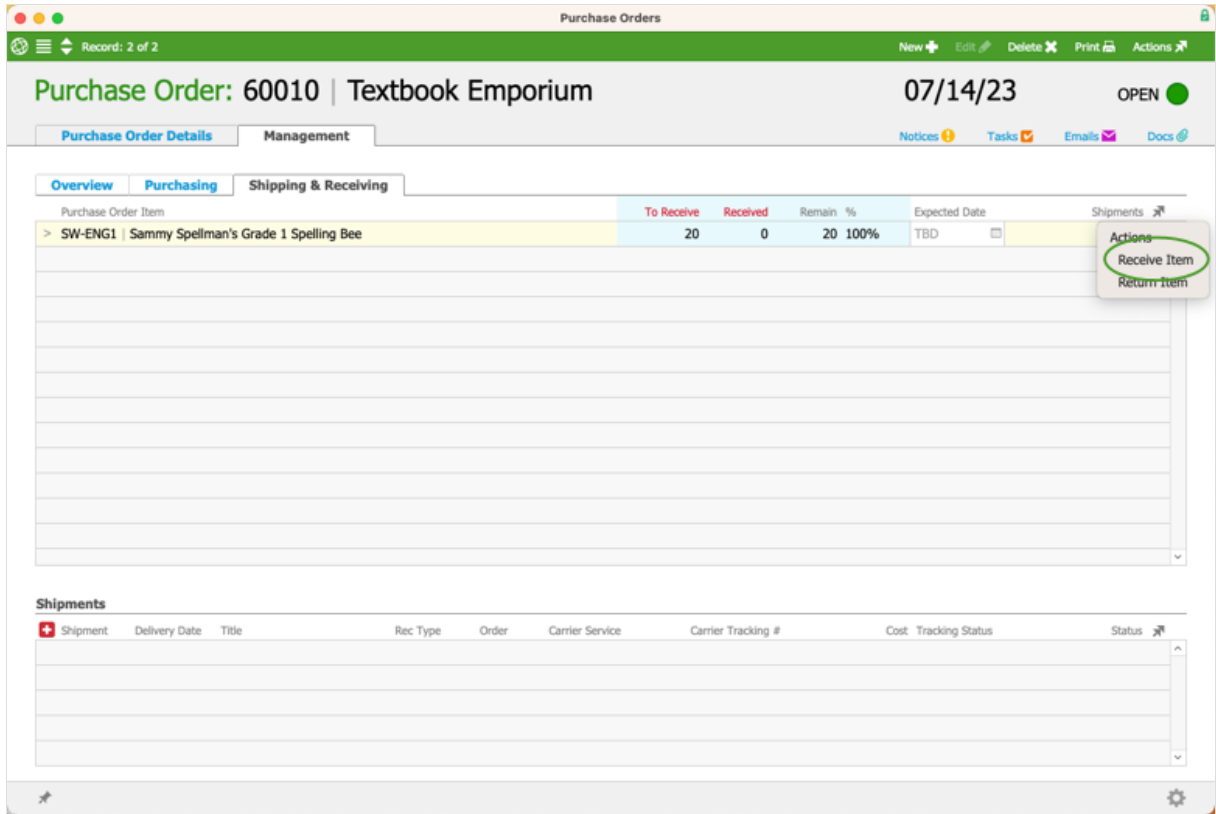
Code	Transaction ID	Date	Office	Bin	Order	PO	Ref #(s)	On Order	Demand	On Hand	Status
> HP-250	> SHIP-50005	11/22/19	AI	C-AI		> 50019				200	POSTED
> PAINT-BPS	> ORD-50003	11/06/19	AI	WH-5A	> 50003				2		POSTED
> PEN-SPF	> SHIP-50007	11/25/19	AI	C-AI		> 50020				5	POSTED
> PEN-SPF	> ORD-50011	11/25/19	AI	WH-5C	> 50011				-1		POSTED
> PEN-SPF	> SHIP-50008	11/25/19	AI	C-AI	> 50011					-1	POSTED
> PEN-SPF	> ORD-50011	11/25/19	AI	WH-5C	> 50011				1		POSTED
> BOM-ZT-W	> JOB-50008.1	11/25/19	AI	C-AI	> 50008					-7	POSTED
> BOM-ZT-W	> JOB-50016.2	12/05/19	AI	C-AI	> 50016					-25	POSTED
> TBLT-7	> SHIP-50009	12/12/19	AI	C-AI		> 50022				67	POSTED
> TBLT-7	> ORD-50012	12/13/19	AI	WH-2A	> 50012				-25		POSTED
> TBLT-8	> SHIP-50014	12/13/19	AI	C-AI		> 50012				525	POSTED
> TBLT-9	> SHIP-50014	12/13/19	AI	C-AI		> 50012	100-599			500	POSTED
> TBLT-7	> SHIP-50013	12/13/19	AI	C-AI	> 50012					-25	POSTED
> TBLT-7	> ORD-50012	12/13/19	AI	WH-2A	> 50012				25		POSTED
> TBLT-8	> ORD-50025	12/19/19	AI	WH-2B	> 50025				-30		POSTED
> TBLT-8	> ORD-50025	12/19/19	AI	WH-2B	> 50025				-5		POSTED
> TECH-003	> ORD-50026	12/19/19	AI	WH-3C	> 50026				-10		POSTED
> TECH-003	> ORD-50026	12/19/19	AI	WH-3C	> 50026				10		POSTED
> TECH-A	> JOB-50020.1	12/19/19	AI	C-AI	> 50020					-1	POSTED
> TECH-B	> JOB-50020.1	12/19/19	AI	C-AI	> 50020					-1	POSTED
> TECH-A	> JOB-50020.1	12/19/19	AI	C-AI	> 50020					-1	POSTED
> TB-FRNCH3	> SHIP-50016	12/19/19	AI	C-AI		> 50024				50	POSTED

This guide will focus on an example of the transactions from items coming into your system through a purchase order (PO). The following steps will walk you through receiving sample items from a PO record, which will close the PO. Then, you will view how the inventory transactions display in the Inventory Transactions module.

1. Navigate from **Main Menu > Accts Payable > Purchase Orders**.
2. Click **New** in the header bar.
3. Search for and select '**Textbook Emporium**' in the Vendor selection popup.
4. Search for and add '**SW-ENG1**' to the PO Items section.
5. In the quantity column, change the value to '**20**'.
6. Click **Save**.
7. When prompted, click **Open**.

Take note of the PO's ID number in the upper left-hand corner. You will use this ID later.

8. Click **Management > Shipping & Receiving > Actions (↗) > Receive Item**.
aACE generates and displays a shipment record to receive the incoming items.



9. At the shipment record, click **Save > Yes**.
10. Navigate to the PO record again, then click **Purchasing > Actions (↗) > Purchase Item**.
aACE generates and displays a purchase for the items.
11. At the purchase record, enter data in the required fields (i.e. Vender Inv #, Inv Date).
12. Click **Save > Open**.

In order for a PO to close, you must open a related purchase. For this example, receiving the incoming shipment and opening the purchase prompts aACE to auto-close the PO.

Now you will view the inventory transactions for this PO, shipment, and purchase. This shows you the step-by-step history of an LIC's balance. It can be helpful for auditing and troubleshooting.

1. Navigate from **Main Menu > Inventory > Inventory Transactions**.
2. In the Quick Search bar **PO** field, search for the ID number of your PO that you noted earlier.
aACE presents three transaction records:
 - o First line – On Order value of 20. This represents the initial value requested on

the PO.

- Second line – On Hand value of 20. This means you have received the inventory and these 20 items are now in your facilities.
- Third line – On Order value of -20. This means the purchase for this inventory is closed. The product is no longer considered 'on order'.

Code	Transaction ID	Date	Office	Bin	Order	PO	Ref #(s)	On Order	Demand	On Hand	Status
> SW-ENG1	> PO-60010	07/14/23	AI	WH-1C	>	60010	>	20		20	POSTED
> SW-ENG1	> SHIP-60019	07/14/23	AI	WH-1C	>	60010	>	-20		20	POSTED
> SW-ENG1	> PO-60010	07/14/23	AI	WH-1C	>	60010	>	-20		20	POSTED
List Totals								0		20	

3. You can verify these details by clicking the footer link **Related Records > Purchase Orders**.

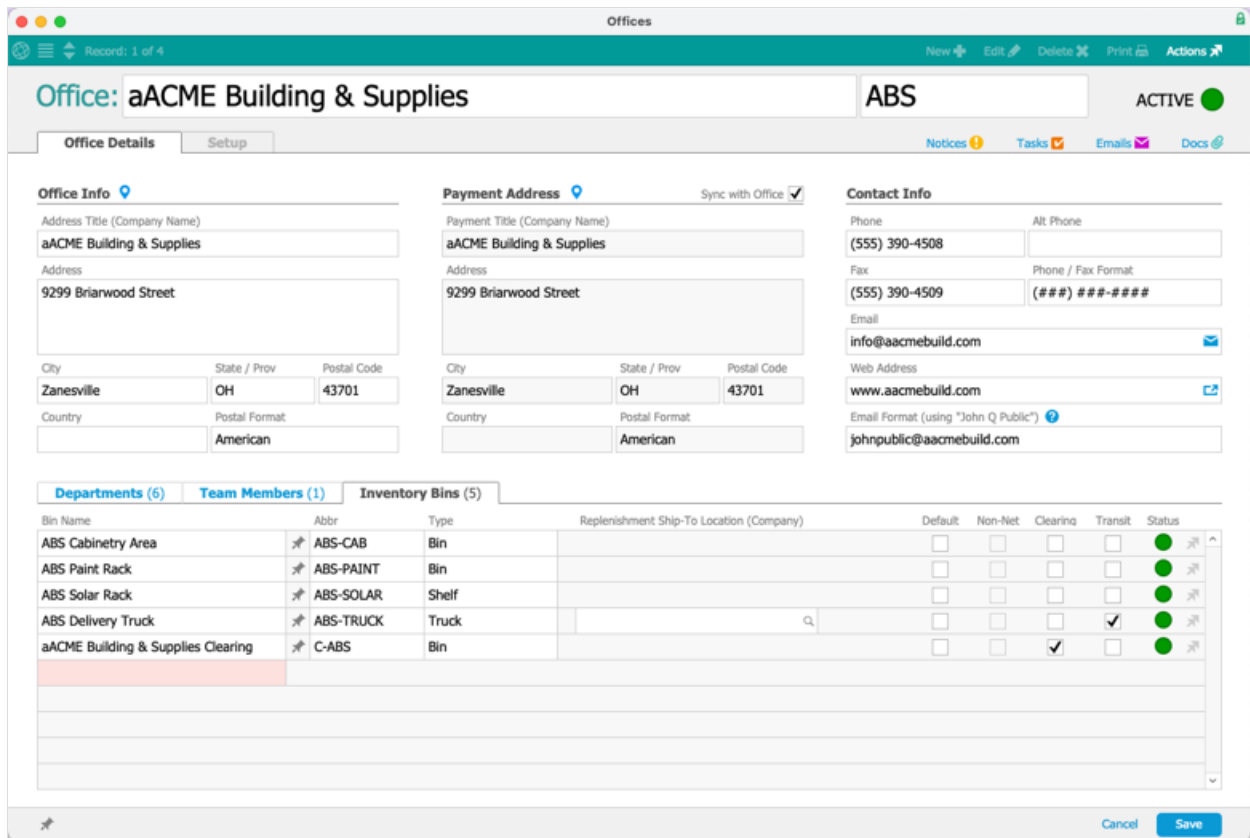
aACE displays the Purchase Orders module showing the PO you created earlier. The Status is now Closed.

Pur Order	Date	Title	Asgn By	Asgn To	Vendor	Total	Balance	Req By	Tracking Status	Status
> 60010	07/14/23	Textbook Emporium	AH	DJ	Textbook Emporium	399.40	0.00			CLOSED
List Totals						399.40	0.00			

Note: The Related Records links help you quickly find specific records connected to various transactions.

Offices and Inventory Bins

aACE defines an [office](https://aace6.knowledgeowl.com/help/overview-of-offices) as an office location, warehouse, or another separate company. Within offices, [inventory bins](https://aace6.knowledgeowl.com/help/setting-up-inventory-bins) are physical inventory storage locations. You can view the inventory bins created for the sample data by navigating from Main Menu > Internal > Offices > aACME Education Solutions, Inc. > Inventory Bins tab.



You can mark flags to classify bins in each office as [default, non-net, clearing, or transit bins](https://aace6.knowledgeowl.com/help/setting-up-inventory-bins#BinDesignations) (<https://aace6.knowledgeowl.com/help/setting-up-inventory-bins#BinDesignations>):

- **Default** – aACE automatically suggests this bin as the receiving location for incoming shipments.
Note: If you have specified a different default bin directly on an LIC record, that setting overrides this office default.
- **Non-Net** – Collection point for items that *cannot* be sold (i.e. damaged inventory). Items moved into these bins do *not* have an inventory value in aACE.
- **Clearing** – Used for initial inventory returns from customers before the inventory is sorted back out into the long-term storage bin.
- **Transit** – Used for tracking items that are being transferred from one location to another.

Default Bins

When you set a default inventory bin, you are instructing aACE to automatically apply that bin on relevant records such as shipments. This means you do not have to choose an inventory bin each time you receive incoming product.

You can set default bins for:

- An entire office – Designate this bin on the office record.
- Individual products within an office – Designate these bins on each LIC's Inventory Management tab. You can also specify a default return bin.

After aACE autofills a default bin, team members can manually change it as needed.

Bin Types

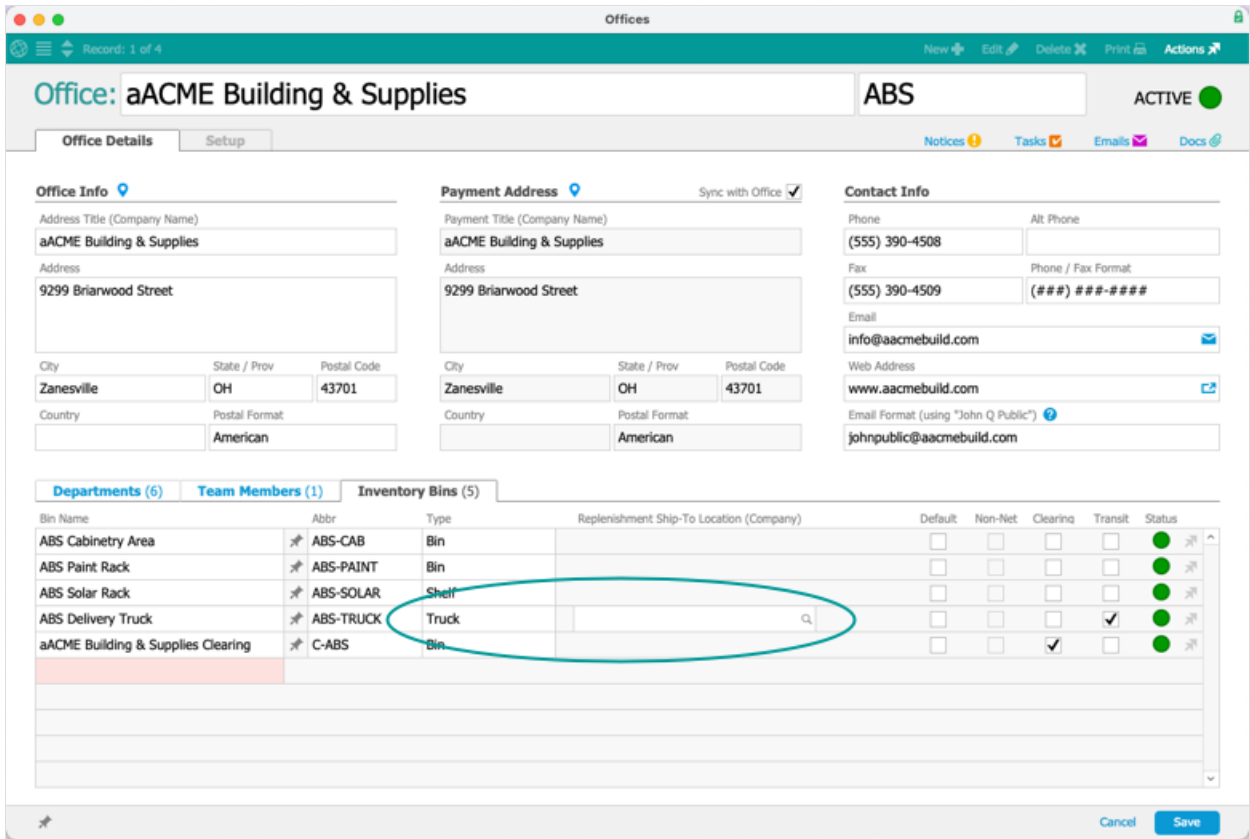
Along with entering a Bin Name and Abbreviation, you can specify a Type for each bin:

- Bin / Shelf – Inventory replenished with the parent office
- Other Types (e.g. Truck) – You can type new values into this field to best support your business needs. Note: aACE considers *any* other bin Types as independently managed for inventory replenishment (see below).

Independently Managed Bins

When you enter a bin Type other than "bin" or "shelf", aACE identifies that bin as independently managed. These bins have product replenished separately from the parent office inventory levels. For example, a supply truck could have its own inventory replenishment to ensure it stays stocked.

When you create an independently managed bin, aACE displays a confirmation message reminding you of the relevant distinctions. It also activates the Replenishment Ship-To Location (Company) field for that bin.



The company location you select here becomes the bin's Ship-To address for [inventory replenishment](https://aace6.knowledgeowl.com/help/understanding-inventory-replenishment-for-purchased-items), [transfer adjustments](https://aace6.knowledgeowl.com/help/making-inventory-transfers), and [purchase orders](https://aace6.knowledgeowl.com/help/working-with-purchase-orders). This lets you ship product directly to the bin's location, instead of being delayed at a middle-point.

Note: You must create the company record before assigning it as the bin's ship-to location. You can create a new company from the Companies selector or from the Companies module.

Inventory Setup for Line Item Codes

You can make additional inventory configurations directly on your LIC records. These settings help accommodate the type of inventory your business handles. Navigate to the Line Item Codes module, then access the detail view of an item and click the Inventory Management tab. In the Inventory Setup section, you can mark flags to note specifications on that product:

- Track by Mfr Lot – Products that have many units with the same ID. [Tracking with manufacturer lot numbers](https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-manufacturer-lots) increases traceability for batches of inventory. You can track manufacturer lots by

viewing the Inventory Lots or Inventory Usage modules.

- Serialized – Products that have a unique ID for each unit. [Tracking with serials](https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-serial-numbers) (<https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-serial-numbers>) increases traceability for individual and unique items. You can track serial numbers by viewing the Inventory Lots or Inventory Usage modules.
- Discontinue – When inventory for a [discontinued LIC](https://aace6.knowledgeowl.com/help/understanding-discontinued-line-item-codes) (<https://aace6.knowledgeowl.com/help/understanding-discontinued-line-item-codes>) runs out, aACE will not replenish the inventory.
- [Special Order](https://aace6.knowledgeowl.com/help/working-with-special-orders) (<https://aace6.knowledgeowl.com/help/working-with-special-orders>) or [Drop Ship](https://aace6.knowledgeowl.com/help/understanding-drop-shipping) (<https://aace6.knowledgeowl.com/help/understanding-drop-shipping>) defaults – Identifies items that typically are not replenished when sold.
- [Perishable](https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-manufacturer-lots) (<https://aace6.knowledgeowl.com/help/understanding-inventory-tracking-with-manufacturer-lots>) – For items with an expiration date.

The Cycle field specifies [which cycle count you want an inventoried item to be included in](https://aace6.knowledgeowl.com/help/managing-inventory-through-cycle-counting) (<https://aace6.knowledgeowl.com/help/managing-inventory-through-cycle-counting>). The Cycle field's drop-down list defaults to quarters of the year, but you can enter the names of cycles that work best for your company. These can be months, letters, departments, etc.

Inventory-Focused Modules

The Inventory Adjustments, Inventory Lots, and Inventory Usage modules are especially valuable when you audit inventory or otherwise need to [track the flow of product through your system](https://aace6.knowledgeowl.com/help/following-an-example-of-inventory-flow) (<https://aace6.knowledgeowl.com/help/following-an-example-of-inventory-flow>).

Inventory Adjustments

Any time your inventory quantities change, aACE tracks the update in the Inventory Adjustments module. The Inventory Adjustments module helps you modify the quantity of inventory on hand, as well as the value on the books. You can access the Inventory Adjustments module by navigating from Main Menu > Inventory > Inventory Adjustments.

The screenshot displays the 'Inventory Adjustments' window in a software application. The window title is 'Inventory Adjustments' and it shows 'Record: 1 of 115'. The interface includes a search bar and a table with columns: Inv Adj, Date, Type, Rec Type, Title, Reference, Quantity, and Status. The table contains 27 rows of data, including 'Beg Balance' entries and various 'Transfer' and 'Count' entries with their respective dates, titles, and quantities.

Inv Adj	Date	Type	Rec Type	Title	Reference	Quantity	Status
> 50000	11/06/19	Beg Balance	BEG BALANCE	Beg. Bal. - Printers		10,117	POSTED
> 50001	11/06/19	Beg Balance	BEG BALANCE	Beg. Bal. - Printers		237	POSTED
> 50002	11/06/19	Beg Balance	BEG BALANCE	Black Zip Ties		15,000	POSTED
> 50003	12/30/19	Count	COUNT	INV-COUNT TB-FRENCH3	6548645123	-2	POSTED
> 50004	01/24/20	Beg Balance	BEG BALANCE	HP250 Trade for Order		1	PENDING
> 50005	02/21/20	Division	DIVISION	Div - LitSet for TB Inventory		1	VOID
> 50006	10/08/21	Count	COUNT	Bin Realignment		250	POSTED
> 50007	10/08/21	Count	COUNT	Bin Realignment		250	POSTED
> 50008	10/08/21	Count	COUNT	Bin Realignment		250	POSTED
> 50010	11/12/21	Count	COUNT	Bin Realignment		80	POSTED
> 50012	01/21/22	Transfer	TRANSFER	Bin Alignment		620	POSTED
> 50013	01/21/22	Count	COUNT	Bin Alignment		25	POSTED
> 50014	02/11/22	Transfer	TRANSFER	TB-FRNCH3 Clearing Transfer		163	POSTED
> 50015	02/11/22	Transfer	TRANSFER	TM-FRNCH3 Clearing Transfer		49	POSTED
> 50016	02/11/22	Transfer	TRANSFER	TBLT-7 Clearing Transfer		425	POSTED
> 50017	02/11/22	Transfer	TRANSFER	NTBK-011 Clearing Transfer		200	POSTED
> 50018	02/11/22	Transfer	TRANSFER	TB-LIT102 Transfer		125	POSTED
> 50019	02/11/22	Transfer	TRANSFER	TBLT-8 Clearing Transfer		385	POSTED
> 50020	02/11/22	Transfer	TRANSFER	TBLT-8C Clearing Transfer		805	POSTED
> 50021	02/11/22	Transfer	TRANSFER	TB-MTH6 Clearing Transfer		75	POSTED
> 50022	02/11/22	Transfer	TRANSFER	WKBK-FRNCH3 Clearing Transfer		180	POSTED
> 50023	02/11/22	Transfer	TRANSFER	TECH-B Clearing Transfer		51	POSTED
> 50024	02/18/22	Transfer	TRANSFER	TECH-C Clearing Transfer		61	VOID
> 50025	02/18/22	Transfer	TRANSFER	TECH-C Clearing Transfer		61	POSTED
> 50026	02/18/22	Transfer	TRANSFER	TECH-A Clearing Transfer		80	POSTED

aACE supports various types of inventory adjustments to help streamline your inventory management. Each type applies particular calculations and effects in your system:

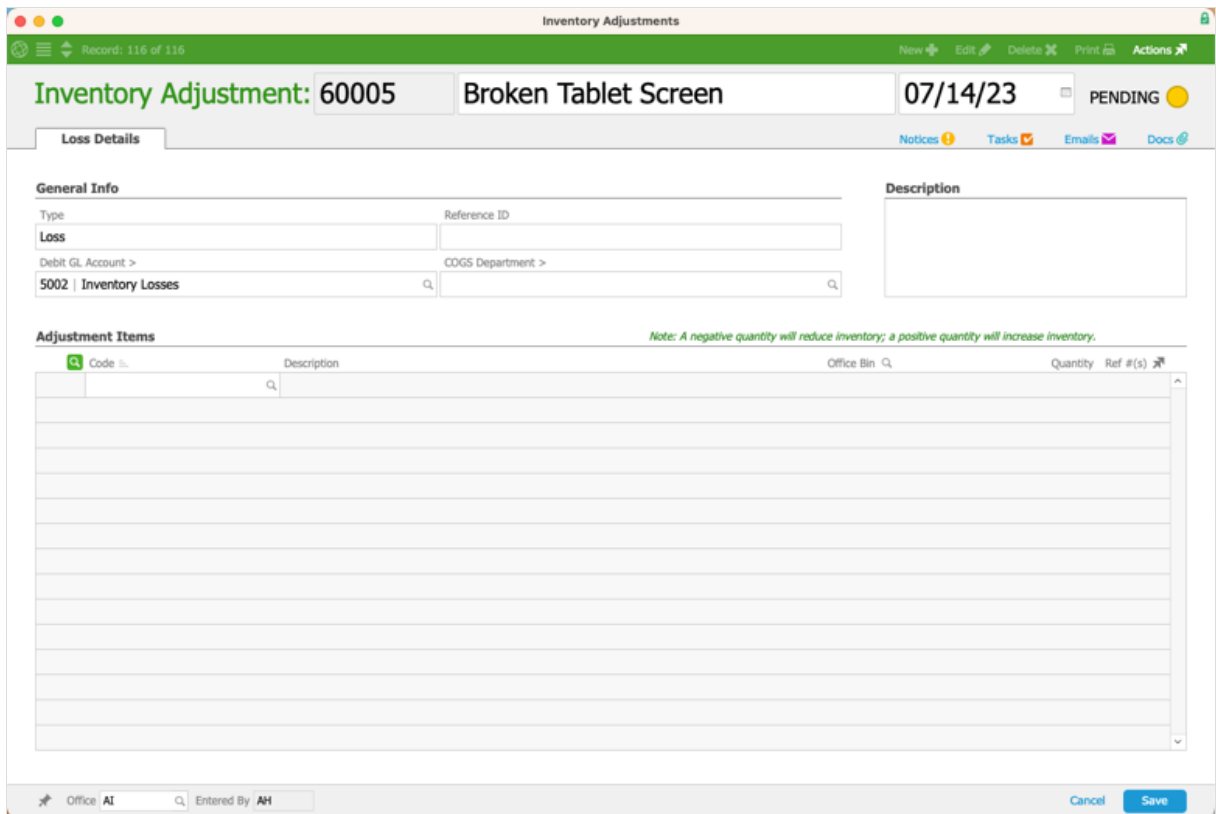
- **Count** – Updates inventory quantities based on inventory counts.
The inventory balance in the adjustment items portal is derived based on the date at the top of the adjustment. Going to the related inventory transactions will show how and when aACE created a transaction to adjust inventory balances.
- **Loss** – Updates inventory quantities based on inventory losses.
Typically, losses are used when something gets broken in-house. Loss adjustments do not affect timing for Last Count dates.
- **Transfer** – Moves inventory from one bin or office to another.
Inventory transactions will show aACE decrementing the quantity from one bin and adding it to another.
- **Assembly** – One way to create assembly items in the system.
An example of this is if you're building made-to-stock product (as explained in the [Production training guide](https://aace6.knowledgeowl.com/help/discovery-training-production/) (<https://aace6.knowledgeowl.com/help/discovery-training-production/>)). You are combining items to create new inventory, so aACE creates an adjustment for that.
- **Division** – Used when splitting product.
For example, suppose you're cutting material. You enter the original size on one line of the adjustment, then also enter the new sizes on subsequent lines. aACE adjusts the inventory accordingly.

- **Beg Bal** – Starting inventory numbers when you go live.

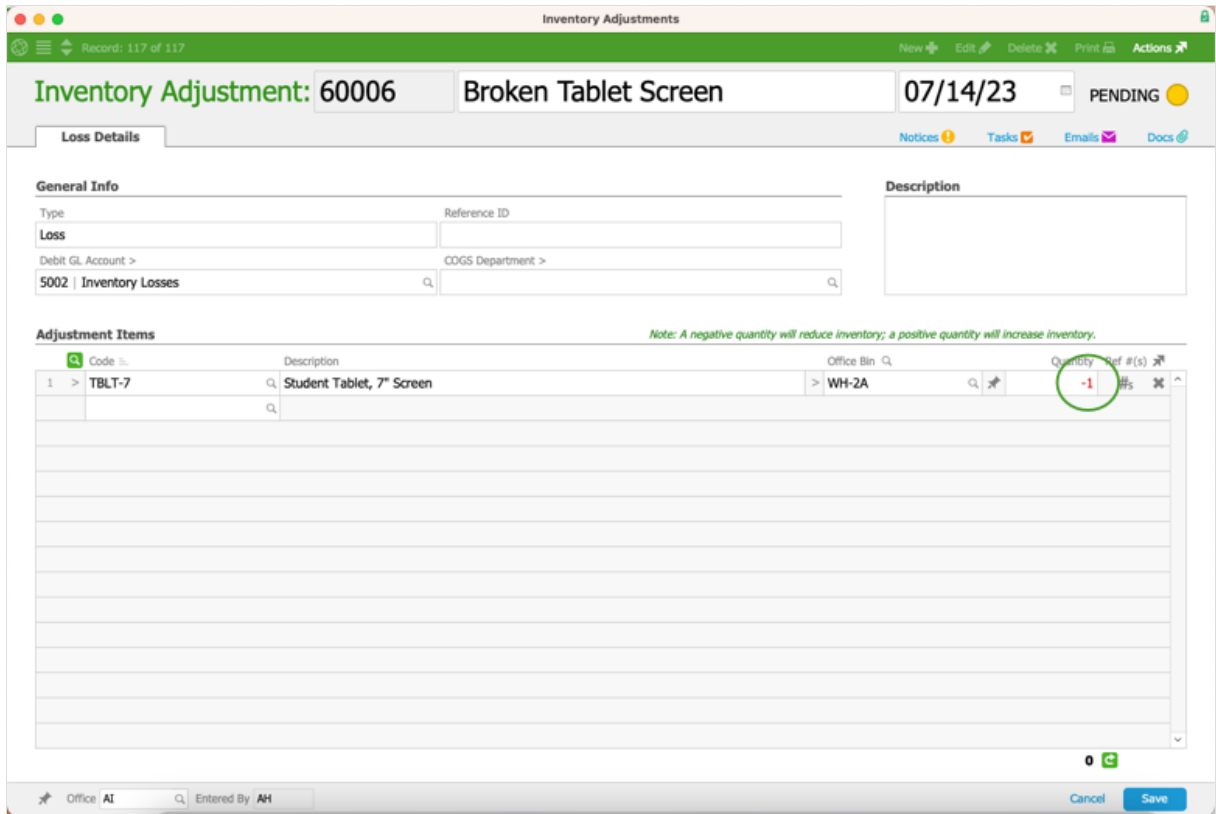
To practice using an inventory adjustment, suppose a team member accidentally drops a student tablet in the warehouse, damaging the product. To adjust for this inventory loss, you must create a Loss inventory adjustment:

1. Navigate from **Main Menu > Inventory > Inventory Adjustments**.
2. Click **New > Loss**.
3. In the adjustment's Title field, type '**Broken Tablet Screen**'.

In other circumstances, name the adjustment according to the situation.



4. In the Adjustment Items section, search for and add '**TBLT-7**'.
5. In the Quantity field, enter the value as '**-1**'.



Note: Because this type of adjustment itself refers to a reduction in inventory quantities, aACE users sometimes think the quantity should be entered as a positive value. However, for a Loss adjustment, you still use a *negative* number to note reduced inventory. This is also noted on the screen as a reminder.

6. Click **Save**.
7. When prompted, click **Post**.

Inventory Lots

aACE's Inventory Lots module allows you to view the "true cost" of items. True costs use the real value of your inventory, calculated from the unit cost on the purchase record, the shipping costs, and other factors. Because of the complexity involved, many other software packages simply use an estimated cost.

This module is important to the [cost of goods sold \(COGS\) reconciliation process](https://aace6.knowledgeowl.com/help/understanding-the-cogs-reconciliation-process) (<https://aace6.knowledgeowl.com/help/understanding-the-cogs-reconciliation-process>). This process cross-references inventory usage and inventory lot records. It helps allocate your inventory value based on the cost method you specify (e.g. LIFO, FIFO, or unit-specific logic). COGS is an advanced inventory allocation process. It will be discussed in more detail later in your Discovery process.

If you're interested in reading more about inventory lots, check out our [inventory lots](https://aace6.knowledgeowl.com/help/understanding-the-relationship-among-inventory-lots-usage-and-transactions#OverviewofInventoryLots) help guide.

Lot	Code	Transaction ID	Date	Office	Ref #(s)	Lot Qty	Lot Value	Curr Qty	~Curr Value	Accr Value	Status
> 50013	> HP-PPS-IAI	> JOB-50000.1	11/06/19	AI		10	17,201.50	9	15,481.35	0.00	OPEN
> 50030	> BOM-ZT-W	> PO-50001	01/13/20	MWRO		4,000	40.00	3,174	31.74	0.00	OPEN
> 50126	> BOM-ZT-W	> PO-50054	09/04/20	EE		5,000	50.00	795	7.95	0.00	OPEN
> 50142	> TBLT-STYP	> PO-50078	11/12/20	AI		50	249.50	12	59.88	0.00	OPEN
> 50224	> HP-300	> PO-50121	03/26/21	AI	1896546,18965	7	1,400.00	5	1,000.00	0.00	OPEN
> 50228	> PAINT-BPS	> JOB-50270.1	04/16/21	AI		250	5,600.00	25	560.00	0.00	OPEN
> 50268	> TB-LITSET-4bk	> JOB-50251.1	05/14/21	AI		80	5,998.40	0	0.00	0.00	OPEN
> 50271	> TECH-003	> JOB-50300.1	05/21/21	AI	586512-586531	20	25,530.00	13	16,594.50	0.00	OPEN
> 50278	> TECH-003	> JOB-50304.1	05/21/21	AI	6845232-68453	10	2,265.00	10	2,265.00	0.00	OPEN
> 50308	> HP-300-T	> PO-50167	06/04/21	AI	4281669	40	1,000.00	10	250.00	0.00	OPEN
> 50344	> PEN-SPF	> PO-50184	07/09/21	AI		6	1,968.00	1	328.00	0.00	OPEN
> 50425	> TBLT-STYG	> PO-50203	08/20/21	AI		41	204.59	28	139.72	0.00	OPEN
> 50426	> TBLT-STYP	> PO-50203	08/20/21	AI		41	204.59	36	179.64	0.00	OPEN
> 50428	> TBLT-STYY	> PO-50203	08/20/21	AI		46	229.54	23	114.77	0.00	OPEN
> 50429	> WKBK-CUR	> PO-50204	08/20/21	AI		58	232.00	15	60.00	0.00	OPEN
> 50453	> PEN-SPF	> PO-50219	09/10/21	AI		20	6,560.00	20	6,560.00	0.00	OPEN
> 50490	> TB-MTH7	> PO-50245	10/15/21	AI		75	1,874.25	35	874.65	0.00	OPEN
> 50509	> TBLT-STYB	> PO-50255	11/05/21	AI		40	199.60	40	199.60	0.00	OPEN
> 50538	> WKBK-FRNCH3	> PO-50281	12/17/21	AI		115	2,298.85	40	799.60	0.00	OPEN
> 50545	> WKBK-CUR	> PO-50286	12/17/21	AI		60	240.00	60	240.00	0.00	OPEN
> 50548	> TBLT-STYR	> PO-50287	12/21/21	AI		80	399.20	28	139.72	0.00	OPEN
> 50558	> HP-300-T	> PO-50296	01/14/22	AI	18326,17395	40	1,000.00	40	1,000.00	0.00	OPEN

Inventory Usage

aACE's Inventory Usage module shows inventory usage discrepancies and accrued COGS. Alongside Inventory Lots, the Inventory Usage module enables COGS processes (as noted above).

Navigate from Main Menu > Inventory > Inventory Usage to access this module. You can read our [inventory usage guide](https://aace6.knowledgeowl.com/help/understanding-the-relationship-among-inventory-lots-usage-and-transactions#OverviewofInventoryUsage) for more information.

Inventory Usage											
Usage	Code	Transaction ID	Date	Office	Order	Ref #(s)	Quantity	~ COGS	Unallocated	Accrued COGS	Status
> 60000	> TBLT-8	> SHIP-60002	07/04/23	AI	> 60015	Order #60015	1	300.00	1	300.00	OPEN
> 60001	> TBLT-8C	> SHIP-60002	07/04/23	AI	> 60015	Order #60015	1	4.99	1	4.99	OPEN
> 60002	> NTBK-011	> SHIP-60003	07/04/23	AI	> 60017	Order #60017	20	50.00	20	50.00	OPEN
> 60003	> NTBK-011	> SHIP-60004	07/04/23	AI	> 60018	Order #60018	20	50.00	20	50.00	OPEN
> 60004	> TBLT-7	> INVTRYADJ-60001	07/06/23	AI			1	275.00	1	275.00	OPEN
> 60005	> TBLT-8	> SHIP-60012	07/08/23	AI	> 60024	Order #60024	5	1,500.00	5	1,500.00	OPEN
> 60006	> TBLT-8C	> SHIP-60012	07/08/23	AI	> 60024	Order #60024	5	24.95	5	24.95	OPEN
> 60007	> NTBK-011	> JOB-60044.2	07/13/23	AI	> 60044	Order #60044	6	15.00	6	15.00	OPEN
> 60008	> TB-FRNCH3	> JOB-60044.2	07/13/23	AI	> 60044	Order #60044	15	449.85	15	449.85	OPEN
> 60009	> TB-NATSCI4	> JOB-60044.2	07/13/23	AI	> 60044	Order #60044	1	49.99	1	49.99	OPEN
> 60010	> WKBK-CUR	> JOB-60044.2	07/13/23	AI	> 60044	Order #60044	2	8.00	2	8.00	OPEN
> 60011	> BOM-ZT-W	> JOB-60045.1	07/13/23	AI	> 60045	Order #60045	15	0.15	15	0.15	OPEN
> 60012	> HP-200-T	> JOB-60045.1	07/13/23	AI	> 60045	Order #60045	15	300.00	15	300.00	OPEN
> 60013	> HP-250	> JOB-60045.1	07/13/23	AI	> 60045	Order #60045	10	920.00	10	920.00	OPEN
> 60014	> HP-290	> JOB-60045.1	07/13/23	AI	> 60045	Order #60045	5	500.00	5	500.00	OPEN
> 60015	> BOM-ZT-W	> JOB-60052.1	07/14/23	AI	> 60052	Order #60052	15	0.15	15	0.15	OPEN
> 60016	> TBLT-7	> INVTRYADJ-60005	07/14/23				1	275.00	1	275.00	OPEN
List Totals							138	4,723.08	138	4,723.08	

Next Guide

[Discovery Training: Accounting](https://aace6.knowledgeowl.com/help/discovery-training-accounting) (https://aace6.knowledgeowl.com/help/discovery-training-accounting)