Objectives

During this session we will consider all aspects of material handling and inventory movement throughout E2

- Part Settings
- Inventory Adjustments
- Automatically Post Parts – Company Maintenance settings
- Fill Job Requirements Utility
- Inventory Transfers
- Packing List and Customer Returns
- Receivers and Vendor Returns
- Related Reports

Inventory Items

- Defining part records allows tracking levels and values
- Product Codes can be used to group and search for parts
- Primary Vendor defines parts as purchased items
- Purchasing Factor allows system to convert purchasing units of measure into stocking units of measure if different
  - Equation = Purchasing UOM / Stocking UOM
- Inventory Posting Method is used for actual job costing. Selection made under Company Maintenance
  - Average – weighted average of on hand parts’ associated unit cost
  - Standard – manual entry, can update accordingly
  - FIFO – first in first out
  - LIFO – last in first out
- Reorder level and quantity used to maintain safe levels of Inventory on hand
- Quantities
  - On Hand – amount in stock available for use
  - On Reserve – amount allocated to jobs
  - In Process – amount currently in production

Inventory Adjustments

Inventory | Inventory Adjustments

- Use to edit on hand quantities and costs during cycle counts or make initial inventory quantity entries
- One sided entry to Asset Account
- Unit cost associates value to Inventory Asset Account
- Inventory Adjustment Summary report will allow you to verify quantity and monetary entries made into the system
**Exercise #1: Inventory Adjustments**

**Inventory | Inventory Adjustments**

- Click **Search All**
- Locate Part Number = **1018CR-2.75-FT**
- Adjusted Qty. = **1000**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **4.25**

- Locate Part Number = **1018CR-3.00-FT**
- Adjusted Qty. = **1700**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **4.50**

- Locate Part Number = **304A-2.00X2.00X0.375**
- Adjusted Qty. = **50**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **12.50**

- Locate Part Number = **12L14-1.00**
- Adjusted Qty. = **250**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **7.75**

- Locates Part Number = **G25BB-1.0-C**
- Adjusted Qty. = **300**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **1.75**

- Locate Part Number = **RG2.75**
- Adjusted Qty. = **500**
- Reason for Adjustment = **Initial quantity entry**
- Unit Cost = **1.15**

- Locate Part Number = **STF20-0.50X2.00**
- Adjusted Qty. = **5000**
- Reason for Adjustment field = **Initial quantity entry**
- Unit Cost field = **.50**
- Click **Process** to save & close
- Generate Inventory Adjustment Summary Report to verify entries

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**Material Posting Options Considerations**

- Make manufactured parts in advance – subassemblies and top level parts
- Timing of order processing
- Inventory handling – personnel and quantity levels
- Scheduling whiteboard implications
- Personnel utilizing E2
- WIP vs Inventory Summary
Automatically Post Parts
- Performed during Job Processing
- Fills both, manufactured and purchased requirements from On Hand Quantities
- Allows top level parts to be filled and any subsequent requirements
  - Allows material fulfillment and prevents job requirements from being generated for parts with on hand quantities
- Parts are moved from stock and placed into WIP

Fill Job Requirements
- Performed after Jobs are processed, assumes all material requirement will be filled from On Hand Quantities
- Ability to post multiple parts or one part to multiple jobs at once
- Fill only open requirements that have on hand quantities
- Use bins button to determine appropriate quantities and locations to post to job(s)

Inventory Transfers
- Transfer material to or from Jobs
- 3 Types of Inventory Transfers:
  - Stock to Job
  - Job to Stock
  - Job to Job

Stock to Job
- Can transfer parts to completely or partially fill requirements or add parts to a job
  - Purchasing requirements will be created for any requirement not filled completely
- Use bins button to transfer specific quantities from specific locations
- Moving parts from inventory summary to WIP

Job to Stock
- Transferring parts from a job back to inventory
- Removing quantity and costs from WIP and placing it back onto inventory summary
- Can remove material that was not needed or was not used
  - Must transfer whole quantities

Job to Job
- Transferring material between 2 jobs, material stays in WIP
- Can transfer decimal amounts of material between jobs
- Can add requirements back to source job
- Typically used when a Job needs material immediately

Edit Bin/Lot
- Editing bin location of parts already posted to jobs
  - No quantities are changed
- Use Quick View to see part’s current location, they will not show on Inventory Summary
  - Parts are in WIP
Exercise #2: Fill Job Requirements

Inventory | Fill Job Requirements

侥幸 Click Search all
侥幸 Parts Displayed:
    - 12L14-1.00
    - G25BB-1.0-C
    - RG2.75
    - STF20-0.50X2.00
侥幸 Click Select All
侥幸 Click Set Quantities
侥幸 Focus on Part Number = RG2.75
侥幸 Job Number = 7182-01
    - Click Bins
    - Qty. to Transfer = 150
    - Click Close
侥幸 Job Number = 7188-01
    - Click Bins
    - Qty. to Transfer = 250
    - Click Close
侥幸 Click OK to save & close

Exercise #3: Inventory Transfers

Inventory | Inventory Transfers

Stock to Job Transfer

侥幸 Enter Job Number = 7182-01
侥幸 Select Stock to Job Transfer
侥幸 Parts Displayed:
    - D2-0.50X2.75X144.00
    - RG2.75
    - 304A-2.00X2.00X0.125
侥幸 Delete Part Number = 304A-2.00X2.00X0.125
侥幸 Click Search
侥幸 Select Part Number = 304A-2.00X2.00X0.375
侥幸 Qty. Required = 100
侥幸 Qty. to Post = 50
侥幸 Qty. to Buy/Made = 50
侥幸 Click OK to save & close
Job to Stock Transfer
- Enter Job Number = **7182-01**
- Select **Job to Stock** Transfer
- Parts Displayed:
  - 304A-2.00X2.00X0.375
  - G25BB-1.0-C
  - RG2.75
  - STF20-0.50X2.00
- Click **Zero Out Grid**
- Select Part Number = 304A-2.00X2.00X0.375
- Qty. to Un Post = **50**
- Add Job Req.? = **NO**
- Click **OK** to save & close
- Answer **YES** to prompt

Job to Job Transfer
- Enter Job Number = **7182-01**
- Select **Job to Job** Transfer
- Parts Displayed:
  - G25BB-1.0-C
  - RG2.75
  - STF20-0.50X2.00
- Search for Job Number = **7188-01** Customer Code = **BEAL**
- Part Number = G25BB-1.0-C Qty. to Transfer = **300** Add Job Req.? = **YES**
- Part Number = RG2.75 Qty. to Transfer = **100** Add Job Req.? = **YES**
- Part Number = STF20-0.50X2.00 Qty. to Transfer = **300** Add Job Req.? = **YES**
- Click **OK** to save & close
- Answer **YES** to prompt

Edit Bin/Lot
Inventory | Inventory Transfers
- Enter Job Number = **7188-01**
- Select **Edit Bin/Lot**
- Parts Displayed:
  - G25BB-1.0-C
  - RG2.75
  - STF20-0.50X2.00
- Part Number = RG2.75 Bin Number = **Rack 78**
- Part Number = STF20-0.50X2.00 Bin Number = **Rack 22A**
- Click **OK** to save & close
- Answer **YES** to prompt
Receiving

Parts are not considered received nor costs applied to a job or inventory until a receiver is processed

Purchase order will close when quantity received good, quantity cancelled, or quantity good plus quantity cancelled equals quantity open

System assumes everything ordered is being received

- Edit quantity received in details screen

When over receiving can select to post the overage to the job ordered for, to stock or to another job

- System calculates any overage quantities and display their corresponding costs on the vendor invoice
- Costs generate from the purchase order unit cost field

When under receiving consider the following options:

- Cancel backordered amount on current receiver
- Receive remaining amount on future receiver
- Cancel remaining amount on future receiver when purchase order is officially cancelled

Exercise #4: Create Receivers

Click New
Click Search
Select Purchase Order Number = 5054
All parts are selected by default, leave them all selected and click OK
Open Details for Part Number = 12L14-1.75
Job Number = Stock
  - Qty. Received Good = 45
  - Bin Location = RACK 34B

Job Number = 7177-02
  - Qty. Received Good = 10

Job Number = 7178-03
  - Qty. Received Good = 12

Click OK to exit Details screen
Open Details for Part Number = 1018CR-3.00-FT
Job Number = 7185-02
  - Qty. Received Good = 15

Job Number = 7185-01
  - Qty. Received Good = 15

Job Number = Stock
  - Qty. Received Good = 5
  - Bin Location = Rack 1A

Click OK to exit Details screen
Click Process
Click OK to save & close
Vendor Returns

- Allows proper tracking of all material returned to Vendors
- Original Purchase Order will reopen and system will expect another Receiver to be created to either receive in the material once the Vendor sends it back or cancel the Quantity Rejected
- Ability to create debit memo if Vendor Invoice has been entered

Exercise #5: Create Vendor Return

Purchasing | Vendor Returns

- Click New
- Click Search
- Select Receiver Number = 3576
- Select Part Number = EM3F-0.50
- Click OK
- Return Creation Tab:
  - Issued By = 114 Bill Byrne
  - Return Issue Date = Today’s date
  - Reason for Return = There are issues with many of these parts and will need to be returned
- QC/Inspection Tab:
  - Inspected By = 101 Sam Philip
  - Inspection Date = Today’s date
  - QC Comments = The finish is wrong, customer will never accept parts
- Shipping Tab:
  - Shipped By = 117 Rick Hancock
  - Shipped Date = Today’s date
  - Shipping Comments = Parts have been sent back to vendor with detail on what fixes need to be addressed
- Details Tab:
  - Qty. to Reject = 5
- Click Process
- Click OK to save & close

Packing Lists

- Primary Functions
  - Closes Jobs
  - Rolls costs from Subassemblies to Master Jobs
  - Transfers parts to On Hand Quantities
- All Jobs must be shipped regardless of release type (Customer/Stock)
- Under shipping keeps the Job open and backordered amounts will display on Packing List
- Over shipping increases original Quantity Ordered
  - Additional items can be sent to stock or to the customer
- Option to pack items in multiple Containers
  - Bill of Lading tab displays container distributions and can be edited for weight and value changes
Exercise #6: Create Packing Lists

Orders | Shipments

- Click New
- Click Search
- Select Order Number = 7176
- Click OK
- Select Job Number = 7176-01
- Click OK
- Open Details screen
  - Qty. to Customer = 150
  - Qty. to Stock = 10
  - Bin Location = Rack 78
- Click OK to exit Details screen
- Select Containers field and right click to open Container Details
- Container Number 1
  - Quantity In Container = 75
- Container Number 2
  - Quantity In Container = 75
- Click OK to close Container Details
- Click Process
- Answer NO to Update Cost/Price Breaks prompt
- Click OK to save & close

Customer Returns

- Records are created for both Internal Reworks and Customer Returns
- System assumes everything originally shopped has been returned and will be reworked
  - Use Zero Out Grid to remove assumptions
- Return can be created over time with multiple users entering information as it becomes available
  - Return Status updates as information in each tab is entered
- If quantity to return is being reworked
  - Once the return is processed, system will go back to original order and add line item for rework job
  - Routing and bill of material can be edited at the job level
- If Packing List has been billed, credit memo can be automatically generated
- Rework Job will be treated as a subassembly and any additional costs incurred will roll up to Master Job
Exercise #7: Create Customer Return and Rework Job

Orders | Customer Rework/Returns

- Click **New**
- Click **Search** all
- Select Packing List Number = 5558
- Click **OK**
- Select Part Number = 782202
- Click **OK**
- Return Creation Tab
  - Issued By: 106 Mike Williams
  - Return Issue Date = Today’s date
  - Reason for Return = They would like to return 10 of thees and have us rework 5
- Receiving Tab
  - Received By = 101 Sam Philip
  - Received By = Today’s date
  - Receiving Comments = Received all 10 parts in. 5 will be returned to stock and 5 will be reworked
- QC/Inspection Tab
  - Inspected By = 113 Tom Rains
  - Inspection Date = Today’s date
  - QC Comments = The amount returned appears to be fine so they will be returned to stock
- Return to Details tab and access Qty. Returned details screen
  - Quantity to Rework = 5
  - Quantity to Restock = 5
  - Bin Location = Warehouse A
- Click **OK** to save & exit details screen
- Click **Process**
- On original order remove current routing on rework job
- Enter new routing:
  - Step 10 = GRIND-SURF Operation = SURFGRIND
  - Step 20 = INSPECTION Operation = INSPECT-FIN
- Click **OK** to save & exit routing
- Click **Process**
- Delete all material requirements
- Click **OK** on customer return to save & close
Key Inventory Reports
Located under Inventory Module

Inventory Summary displays list of inventory items based on criteria selection
- Cannot be backdated
- Used for monthly accounting adjustments

Reorder Summary lists inventory items that need to be purchased based on values entered for reorder quantity and reorder level

Usage Summary is a list of inventory items and their posting activity as related to jobs
- Displays dollar values

Inventory Count Sheet lists inventory items for physical count
- Prints all bin locations associated with each part

Inventory Activity Summary lists all activity associated to parts, not just job related
- Displays by part number
- Shows quantity on hand
- Tracks level transaction i.e. Packing List, Receiver, Adjustments, Jobs

Inventory Adjustments Summary lists inventory adjustments
- Displays quantity on hand, location, old quantity, newly adjusted quantity, associated unit cost and cost variance

Labels for each inventory item
- Can be printed with bar codes

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