



Inventory Count User Guide

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Version

Date	Author	Version	Change
November 22, 2017	Insight Works	1.0	Initial version

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1 Introduction

The Inventory Count Module for Microsoft Dynamics 365 Business Central by Insight Works allows Inventory Managers to easily manage complete or partial physical inventory and WIP inventory counts. Users can identify items to count, generate count sheets, and enter the physical count in to Dynamics 365 Business Central.

In addition, the Warehouse Insight Module can be used with handheld scanners to enter the inventory count into the Count Module.

The Count Module addresses most of the weaknesses in the base Dynamics 365 Business Central physical inventory tools. The module simultaneously supports all possible inventory setups in Dynamics 365 Business Central:

1. No Locations,
2. Locations without bins,
3. Locations with bins not mandatory,
4. Locations with bins mandatory, and
5. Locations with Directed Put-away and Pick enabled (Advanced Warehousing).
6. Any of the above configurations with item tracking (serial numbers and lot numbers).
7. Bins mandatory with warehouse lot/serial tracking.
8. Directed pick with warehouse lot/serial tracking.

To use the module, the user creates an inventory count card and groups parts into separate count sheets. These groupings can be done based on any item criteria but are most likely to be done based on location, bin location, or shelf number.

2 Version Information

To check the current version of the product navigate to Extension Management and scroll to the Inventory Count card.

3 Module Design

The Count Module consists of five main areas:

1. Inventory count card,
2. Count configuration interface,
3. Count worksheet interface,
4. Validation and analysis reports, and
5. Posting/transfer routines.

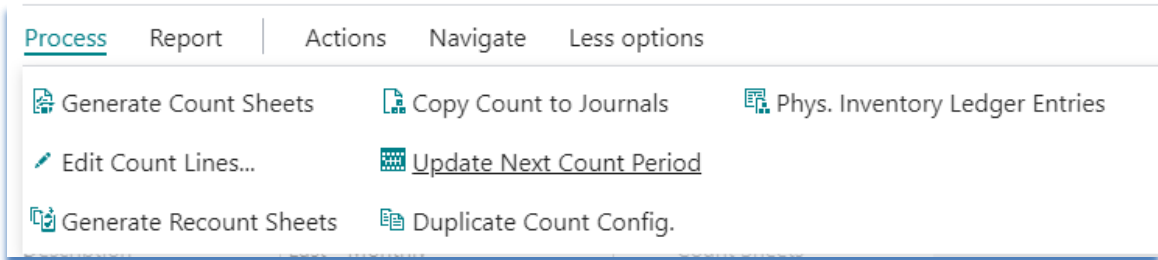
3.1 Inventory Count Card

The Inventory Count Module allows you to define Count Cards for each count configuration. Count cards can be used to define and save inventory counts for each location. A separate Inventory Count Card is normally created for each location, but you can specify multiple locations per count card if required.

FastTab	Description
General	Allows you to specify and review basic information for the count, such as description, default location, and count date.
Sheets	Allows you to specify how count sheets are configured. Multiple count sheet configurations can be defined for each count card. See section 2.2 for detailed information on how to configure the count sheets.
Posting	Allows you to set default settings for when the count is transferred to the journals.

3.1.1 Process Ribbon

The "Process" ribbon includes the most common tasks when using the Count Module.



Process	Description
Generate Count Sheets	Generates counts sheets for this count card.
Edit Count Lines	Opens all count sheet lines page for this count card.
Generate Recount Sheets	Creates recount sheets based on specified thresholds.
Copy Count to Journals	Copies the count differences to journals.
Update Next Count Period	When true, items copied to the journals will have their "Next Counting Period" field updated on the item or SKU.
Duplicate Count Config	Creates a new count card with the same configuration as the selected count card.
Phys Inventory Ledger Entries	Opens the Phys Inventory Ledger Entries page for this count card. This page shows all of the posted physical inventory ledger entries for this count card.

3.2 Count Sheet Lines

The Count Sheet Lines page is the interface that is used to enter the inventory count.

The count worksheets can either be generated from the configuration page or created manually. A count worksheet is simply a list of items (with variant and location information) and a field to enter the count quantity.

3.3 Validation and Analysis

The Count Module provides several reports for validating and analyzing the count sheets and physical count.

Report	Description
Uncounted Parts	Options on this report include: Show Items not on Sheets – this option lists items that do not appear on any count sheets and provides an option to add them. Show Items not Counted – this option lists items where no quantity has been entered into the count worksheet.
Count Difference Analysis	Lists differences between expected inventory levels and the physical count. Can be sorted by either quantity difference or cost difference. Allows full filtering on count sheet lines and can be restricted to show only items that have serial number or lot number issues.
Parts with Modified Shelf No's	Lists all parts that have had their shelf number field modified during the count.
Item Journal Test Report	Evaluates the entries in the physical inventory journal before posting. Performs more rigorous checks than the standard Dynamics 365 Business Central report, and ensures the batch will post before the user attempts to post.
Missing Serial No Details	Provides transaction details for counted items with missing serial numbers.

3.4 Posting and Transfer

The Count Module uses the standard Dynamics 365 Business Central Warehouse and Item Physical Inventory journals, Consumption journal, and Reclass journal to post Inventory and WIP changes.

After the count worksheets have been validated, an authorized user runs the transfer functions to copy the Count Worksheet lines to the appropriate journals for posting. The transfer function copies those items that have differences between the on-hand and counted values.

4 Performing a Full Count

The Physical Inventory Count Module can be used to perform cycle or partial counts, WIP counts, or full inventory counts. The primary difference is that for full counts, you must be sure to run the Items Not Counted report and review all items that do not appear on count sheets, both before and after the count.

The steps required to perform a full count are:

1. Set up count card.
2. Configure count sheets.
3. Disable inventory transactions (optional). If counting WIP, consumption entries must not be done during the count.
4. Generate the count sheet lines from configuration.
5. Ensure all expected items are on count sheets by running the Items Not Counted report with appropriate options.
6. Print count sheets.
7. Count inventory.
8. Enter the count from the printed sheets into the Count Worksheets interface.
9. Ensure all items in the count sheets have values entered for them.
10. Analyze the count differences to minimize count errors.
11. Once validation is complete, copy counted inventory to the Journals.
12. Run the Count Module's Item Journal Test Report to validate journal entries.
13. Post the Physical Inventory Journal entries.
14. If WIP was counted, post the Consumption Journal entries.
15. Re-enable inventory transactions.
16. Run the Parts with Modified Shelf No's report to review any potential changes to item shelf numbers. Manually adjust the Shelf No field where required.



Note: Step 5 is easily overlooked, yet it is a very important part of performing a full count. Care must be taken not to skip this step.

4.1 Setting up a Count Card

From the Inventory Counts list page, click the New button to insert a new count card. Enter and review the required information as described in the sections below.

4.1.1 General FastTab

The General FastTab allows you to set the general or basic information for an inventory count, and to review the current count status.

Field	Description
No.	Inventory count number, auto-generated. The number series used for the inventory count number is set on the Inventory Count Setup page.
Description	Description of the inventory count.
Location Code	Default location code for the count card. When a location code is specified here, all count sheets will default to this code. Note: count sheets can have a location code that is different than what is specified on the card.
Active	Only one count card can be active per location. If a count is not active, it cannot be transferred to journals or generated. Counts should be deactivated after they have been copied to journals and posted.
Inventory As of Date	The default date for which inventory differences will be calculated. Leave blank to always use the current date for calculating differences.
Count Sheets	A non-editable field that displays the number of count sheets in this count card.
Count Sheet Lines	A non-editable field that displays the total number of all count sheet lines in this count card.
Counted Lines	A non-editable field that displays the total number of counted count sheet lines in this count card.
Uncounted Lines	A non-editable field that displays the total number of uncounted count sheet lines in this count card.

4.1.2 Posting FastTab

Posting

Set Item Tracking Lines	<input checked="" type="checkbox"/>	Consumption Journal...	DEFAULT	...
Use Batch Document ...	<input type="checkbox"/>	Phys. Inv. Journal Batch	DEFAULT	...
Post Zero Differences	<input checked="" type="checkbox"/>	Whse. Phys. Inv. Jnl. B...		...
Update Next Count P...	<input checked="" type="checkbox"/>	Reclass. Journal Batch	DEFAULT	...
Use Default Dimensio...	<input type="checkbox"/>	Item Journal Dimensi...		...

The Posting FastTab provides default settings for when the count is transferred to the journals. Some of these defaults can be overridden when running the “Copy Count to Journals” routine. To properly post the count, you need to specify the appropriate options and journal batch names here.

Field	Description
Set Item Tracking Lines	When set to true, the item tracking lines (serial numbers and/or lot numbers) are set on the items being copied to the physical inventory journal.
Use Batch Document Nos.	If the journal batch template includes a number series for document numbers and this flag is true, the document numbers will be set to the number series specified for the batch. If no number series exists, a custom document number will be created for each journal line. If this flag is false, the document number for each journal line will be the inventory count number. This is the preferred setting.
Post Zero Differences	If true, even lines with no count differences will be copied to the journals. This will create a physical inventory ledger entry for the item to indicate it had been counted.
Update Next Count Period	If true, any items copied to the journals will have their “Next Counting Period” updated on the item or SKU.
Journal Batches	Specify the default batches for the various journals to which the counts will be copied.
Item Journal Dimensions	Dimension values that will be copied to the physical inventory and consumption journals.

4.2 Configuring Count Sheets

In order to record inventory, you must configure at least one count sheet in the module. However, it is easier to configure several different count sheets to logically group or organize the inventory counts.

The most common groupings are by bin number, shelf number, or item number. For example, finished goods may be grouped separately from raw material or purchased parts, depending on how you organize the count teams.

Users also have the ability to drill down directly from the Count Sheet

Configuration page to specific count sheets. This enables the use of Dynamics 365 Business Central Security Filters to limit users to specific sheets, locations, etc. The Counted

Status Filter (flow filter) can also be used to limit the view in count sheet configuration to only counted or uncounted lines.

Sheets		Manage					
SHEET NAME	DESCRIPTION	COUNT SHEET LINES	BLANK SHEET QTY.	WIP ON...	BLOCK BINS	LOCATION CODE	
BC		0	1	<input type="checkbox"/>		EAST	
MASTER		1	1	<input type="checkbox"/>		EAST	
				<input type="checkbox"/>			

The following fields are used to configure count sheets:

Field	Description
Sheet Name	Name of the count sheet. This is used to organize items into groups and appears on the printed reports.
Count Sheet Lines	Displays the number of lines that were generated for each count sheet.
Description	Use this field to enter a brief description of the count sheet.
Blank Sheet Qty.	This field controls how many blank sheets are printed. Blank sheets are used for write-in item numbers and are printed after each count sheet. By setting any of the filters below to a dummy value, such as "XXXX," you can force the system to only print blank sheets.
WIP Only	If true (field has checkmark), then this sheet contains WIP items only and, optionally, unconsumed production order components.
Location Code	Allows the count sheet to be restricted to items found in the specified locations. If a single location code is entered here, it becomes the default location used when manually adding items to the sheet.
Bin Code	Allows the count sheet to be restricted to items found in specific bins. This filter works for both mandatory and non-mandatory bin locations.
Shelf No Filter	Filters can be specified for the <i>Shelf No</i> field in the item table. All items matching this filter are included on the sheet. This is a good way to group items that reside in neighboring physical locations, if bins are not being used.
Item No Filter	Filters can be specified for the <i>Item No</i> field on an item. All items with an <i>Item No</i> matching this filter are included on the sheet.

Gen Prod Posting Group Filter	Filters can be specified for the <i>Gen Prod Posting Group</i> field of your items. All items matching this filter are included on the sheet.
Inventory Posting Group Filter	Filters can be specified for the <i>Inventory Posting Group</i> field of your items. All items matching this filter are included on the sheet.
Item Tracking Code Filter	Filters can be specified for the <i>Item Tracking Code</i> field of your items. This allows you to filter on serialized versus non-serialized items.
Physical Invt Counting Period Code	Filters can be specified for the <i>Physical Invt Counting Period Code</i> field of your items. This is useful when doing cycle counting or partial counts.
Custom Filter	Filters can be specified for any field in the item table not included in the standard filters above. The syntax for adding custom filters is: <i>Field1=FILTER(Filter Value),Field2=FILTER(Filter Value),...</i> For example: Item Category Code=FILTER(BCK*),Base Unit Of Measure=FILTER(EA) The ability to create custom filters provides complete flexibility in grouping items on count sheets.

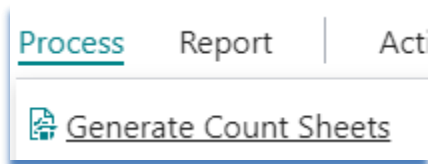
4.2.1 Configuring WIP Sheets

When doing a full count, the WIP will likely be counted at the same time. This helps ensure that those items that have been consumed physically but have not been consumed in NAV, are not missed.

To count WIP, simply include a separate sheet for WIP and checkmark the WIP Only field. No other filters are required and all WIP is added to this single count worksheet. WIP count sheets can be printed later by either Production Order or by Work Center.

4.2.2 Generating and Validating Count Sheets

Once the count sheets have been configured, use the Generate Count Sheets function on the Count Sheet Configuration page to create the count sheet lines:



The Generate Count Sheets report allows you to select a count sheet to generate, and provides several options:

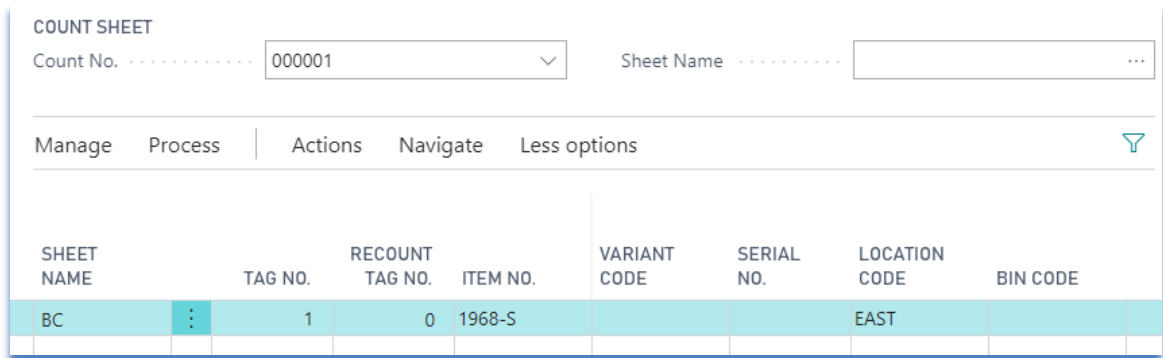
When performing a full count, the Sheet Name filter should be empty. The generation options are:

Option	Description
Include Inventory	When set, all items that have inventory and match the sheet filters are added to the sheet.
Include Active Items	Adds all items that have had activity within the Activity Period, even if the current inventory level is zero.
Activity Period	Define the period of activity here. Used with the <i>Include Inactive Items</i> option.
Include Inactive Items	When set, includes all items, whether or not they have had activity.
Location Filter	Used with the <i>Include Inactive Items</i> option. One record for each inactive item and each location that matches this location filter is added to the count sheet.
Variant Filter	Used with the <i>Include Inactive Items</i> option. One record for each inactive item and each variant that matches this variant filter is added to the count sheet.
Restrict to Count Period	A Counting Period Code that defines how often to count the inventory. This field corresponds to the <i>Phys Invt Count Period Code</i> found on the item card.
Use Next Count Period	If set, this will add only the items or SKU's with a "Next Counting Period" that matches the current work date. See the Dynamics 365 Business Central cycle count documentation for information on the "Next Counting Period" field.

Use Random Items	When set, this will cause the count module to select random items, from the set of items defined by the previous filters, to add to the count sheet.
Max. Item No.s to Add	This option works with the "Use Random Items" setting to limit the number of items added to the count sheet(s).
Not Counted Since	This option works with the "Use Random Items" option to restrict the list of items to only those that have not been counted since the specified date.
Include All BOM Items	For WIP sheets only, this option causes all production order components, whether consumed or not, to be added to the count sheet. If this option is not checked, only consumed items are added to the WIP sheet.
Delete ALL Old Sheets	When set, this option causes all previous count sheet lines to be deleted. This option should always be set when regenerating all sheets.

4.2.3 Viewing Count Sheets

Once the count sheets have been generated, you can view them from the Count Sheet Lines page. You can view all count sheets by clicking the Edit Count Lines button, or you can view individual sheets by clicking on the drill down in the Count Sheet Lines field of the "Sheets" or general tabs.



4.2.3.1 Filter Options

The Count Sheet Lines page allows you to view either all count sheet lines or by count sheet name. When entering the count, you normally use the View by Sheet Name option in order to type in the count as it appears on the printed sheets.

By turning off the View by Sheet Name option, all lines can be viewed. This is useful when locating a specific tag number or part number regardless of the sheet on which it appears.

4.2.3.2 Page Fields

The following fields are available in the page:

Field	Description
Sheet Name	Name of the count sheet. This is used to organize items into groups and appears on the printed reports.
Tag No	<i>Tag No</i> is a unique identifier for the count used to identify a specific counted item. The physical items can be tagged with this number to ensure that they have been counted. The <i>Tag No</i> is generated automatically, but can also be manually typed in for items manually added to a sheet.
Recount Tag No	The recount tag number indicates that an item is flagged for recount. This field identifies the tag number (line) that the item to recount is on. If this field is set (not zero), you cannot change the line – you must update the recount line instead. This number is generated automatically by using either the <i>Copy Selected to Recount Sheet</i> or the <i>Generate Recount Sheets</i> functions.
Recount Source Tag No	The <i>Recount Source Tag No</i> identifies the original line being recounted.
Item No	The item being counted. Extra items can be manually entered into the sheet, but most items are added through the <i>Generate Count Sheets</i> function.
Variant Code	The variant of the item. Can be ignored where variants are not used.
Serial No	Can be used to record the serial number of the item being counted. Serial Number handling is almost completely automated. The Count Module will automatically adjust serial numbers as required when posting, and will also reclassify (change) serial numbers based on the count.
Lot No	Can be used to record the lot number of the item being counted. Exceptions such as missing or extra lot numbers have to be manually specified on the journals when posted.
Location Code	The location of the item. Can be ignored where locations are not used.
Bin Code	The bin code with which the item is associated. Can be ignored where bins are not used.

Field	Description							
Quantity	The actual count of the physical inventory. This value is manually entered based on what was recorded on the printed count sheets. Based on the value entered (or not entered) here, the colour of the line changes:							
	<table border="1"> <thead> <tr> <th>Condition</th> <th>Colour</th> </tr> </thead> <tbody> <tr> <td>Quantity matches on-hand inventory level</td> <td>Black</td> </tr> <tr> <td>Quantity does not match inventory</td> <td>Orange/Brown</td> </tr> <tr> <td>No quantity entered</td> <td>Red</td> </tr> </tbody> </table>	Condition	Colour	Quantity matches on-hand inventory level	Black	Quantity does not match inventory	Orange/Brown	No quantity entered
Condition	Colour							
Quantity matches on-hand inventory level	Black							
Quantity does not match inventory	Orange/Brown							
No quantity entered	Red							
Bin Content	The quantity for the item/variant combination that exists in the bin specified on the line.							
Unit of Measure	The base unit of measure for the item. All counted quantities must be entered using the base unit of measure.							
Shelf No	The shelf number of the item. This field can be edited to reflect where the item was actually counted. Note: changing this field does not automatically change the <i>Shelf No</i> field on the item or SKU. The Shelf No. field can also be used to sub-divide a bin in bin mandatory locations. This is often used with the Warehouse Insight to allow scanning of the same item multiple times in large bins (such as receiving).							
WIP Qty	Shows the quantity of the item based on variant and location that has been consumed on the production order defined in the <i>Prod Order No</i> field.							
On Hand	The current inventory level for the item, variant, and location combination on that line.							
Total Count Quantity	This is the sum of all quantities counted for the item, variant, location, and bin combination.							
Expected Quantity	The Bin Content, On Hand, or WIP Qty. If bins are mandatory for the location on the current line, Expected Quantity is the same as Bin Content. If the line is WIP, this is the WIP quantity. If bins are not mandatory and the line is not WIP, this is the same as the on-hand quantity.							
Difference	Shows the difference between expected quantity and counted quantity.							
Unit Cost	Current unit cost of the item from the item card. Note: cost always comes from the item, even when Stock-keeping Units are being used.							
Difference Amount	The difference amount times the unit cost.							
Prod Order No	The production order number upon which this item appears or has been consumed.							
Is WIP	This field is true (checkmark) if the item has been consumed on the production order specified for the line.							

Field	Description
Description	Combined item <i>Description</i> and <i>Description 2</i> fields for reference only. You cannot edit this field.
Comment	A brief comment to record information may be entered here.
WHI Kit Assembly	If the item is a WHI Kit Assembly, a checkmark appears here.
WHI Kit Item	If the item is part of a WHI Kit Item, a checkmark appears here.
User ID	ID of the user that entered the count.
Date Entered	Date and time the count quantity was entered.

4.2.4 Validating Count Sheets

The count sheet configuration must be validated before printing and distributing the count sheets. The primary purpose is to ensure that all applicable items are actually on the sheets.



Note: *There are times when certain items need not appear on count sheets since these items will be written in as they are found. There is no requirement to have all items on count sheets, but any items not on count sheets will not be adjusted.*

When performing a full count with handheld scanners, no items need to appear on any sheets. They will be added as they are scanned in.

To find out which items are not on the count sheets, run the Items Not Counted report. This report is run from either the Print button on the Count Sheet Lines page or from the Dynamics 365 Business Central menu.

4.2.4.1 *Using the Uncounted Items Report*

This report can be run multiple times until all items have been accounted for on the count sheets. The first pass is done generally to view those items that have inventory and are not being included on the sheets. To do this, run the report with the Include Only Items in Stock option set. Location and variant filters may also be specified.

Options

Show Items not on Sheets

Include Only Items in Stock

Location Filter

Variant Filter

Add Items to Count No.

Add Items to Count Sheet

Show Items not Counted

Show Partially-Counted Items

Show Detail

Count Sheet Line

Show results:

Where: is:

And: is:


Limit totals to:

And: is:

See Appendix A for all report options.

If any items are identified that are not on count sheets but should be, there are three options:

1. Modify the count sheet configuration and regenerate the count sheets. This option is best for wide-ranging changes, such as adding a new filter to the count sheets.
2. Re-run the Items Not Counted report with the proper filters for the missing items, and specify a sheet to which the items will be added – use the Add Items to Count Sheet option on the report.
3. Manually add the missing items to the count sheets.

 **Reminder:** Any items that do not appear on count sheets will not be adjusted when the count is posted.

4.2.5 Disabling Inventory Transactions

Unlike Dynamics 365 Business Central's Calculate Inventory function on the Physical Inventory Journal, the Count Module does not take a snapshot of the current inventory levels. This means that any changes to the on-hand quantity in Dynamics 365 Business Central are reflected on the count sheets when the count is entered (except when using the *As of Date* filter).

This behaviour may be desirable or undesirable, depending on how the count is conducted. For example, assume there are four of item number ABC123:

Scenario 1 (undesirable):

- You count 4 on the shelf
- You enter 4 into the count sheet
- Sometime after you counted the 4, you post the sale of one ABC123
- The difference between counted and inventory is now 1
- After you post the inventory adjustments, the Dynamics 365 Business Central inventory will be 4, when it should be 3

In this scenario, ensure that all transactions are also reflected in the quantity on the count sheet.

Scenario 2 (desirable):

- Sometime after you generate the count sheets, you sell one ABC123
- You count 3 on the shelf and enter 3 into the count sheet
- The difference between counted and inventory is 0, which is correct

Ideally, all inventory transactions should be prevented until after the inventory count has been transferred to the Dynamics 365 Business Central Physical Inventory Journals. If the transactions are not disabled, ensure that the count sheets are updated with any item transactions that have occurred since the count.

4.2.6 Using As of Date Functionality

Although the Count Module does not take a snapshot of inventory, you can use the *As of Date* field to control differences and post adjustments based on a specific transaction date. This allows you to continue doing Dynamics 365 Business Central transactions in the system yet still post the differences based on the date the count started. When using this function, all transactions must be posted after the *As of Date*.

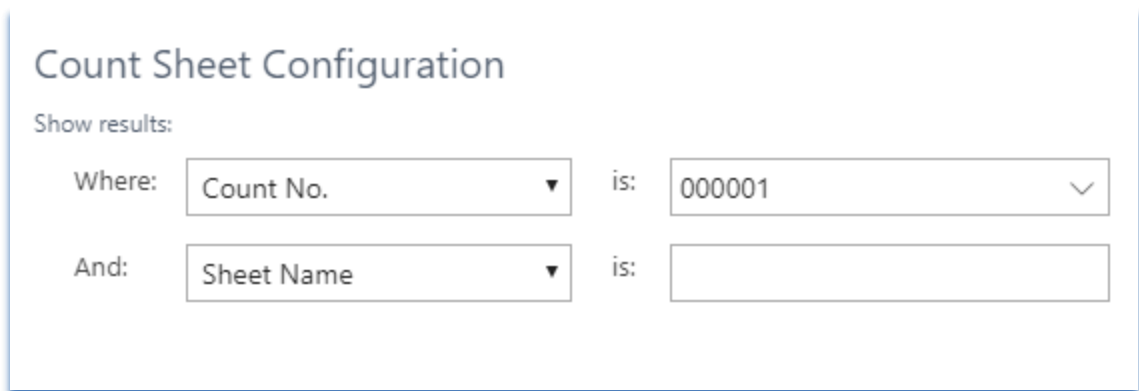
To set a filter for the as of date, use the syntax "*..[date]*" where *[date]* is the as of date, for example: "*..09/01*".

4.3 Printing Count Sheets

Once all required items have been confirmed to be on the count sheets, paper copies can be printed. There are three types of count sheets available for printing:

1. Physical inventory sheets, which do not include WIP or production order components,
2. WIP sheets, grouped by production order, and
3. WIP sheets, grouped by work center.

For a full count, both the physical inventory sheets and WIP sheets need to be printed. To print physical inventory sheets, use the *Inventory Count Sheets* report from either the Print button on the Count Sheet Lines page or from Dynamics 365 Business Central menu:



Count Sheet Configuration

Show results:

Where: is:

And: is:

The count sheets are normally printed all at once; however, the report allows users to print the sheets individually.

4.3.1 Grouping WIP Count Sheets

WIP sheet printing can be grouped either by work center or production order. The choice of which to use depends on the accuracy of the completion information for the production order routings; this is the Routing Status field in the Prod Order Routing Line table.

4.3.1.1 Grouping by Work Center

If the routing statuses are up-to-date, the Count Module can determine which work centers a production order is at, and print the count sheets in that order. If parallel routings are being used, the production order may be shown at multiple work centers. The Routing Link Code field is not used, so all material for the production order is displayed for each work center the production order appears at.

To print count sheets grouped by work center, run the Print WIP Count Sheets. If the report cannot determine a valid work center for a production order, it uses the default work center defined in the options of the report.

Options

Default Work Center

Work Center

Show results:

Where: No. is:

4.3.1.2 Grouping by Production Order

Where the routing statuses are not up-to-date, another option is to first identify the production orders that need to be counted and print only those orders. One method of doing this is to walk through the facility before the count and record the production order numbers that are on the floor and the order in which they occur. Once the list of the production orders is ready, the Print WIP Sheet by Prod Order report can be printed, one production order at a time.

Another option is to simply print the report without filtering on a production order to generate sheets for every production order on the count sheets.

Prod. Order Line

Show results:

Where: Prod. Order No. is:

And: Remaining Quantity is:

4.4 Entering the Physical Count

Once the sheets have been printed and the actual counts have been written on them, the count must be entered. Multiple personnel can enter the count simultaneously, either on the same or different count sheets.

The standard method of entering the count is to simply open the required Count Sheet Lines page and enter in the quantities line-by-line.

You may modify the shelf number for those items where the count personnel have indicated changes on the sheets. However, if the count personnel have indicated that the item number, location code, bin code or variant code have changed, do not change them on the count line. Simply enter a quantity of zero for the line and add a new line with the updated information.

For written-in values, add a new line at the end of the count sheet. The system automatically assigns a Tag No, or one can be entered manually if the count personnel have already tagged the physical inventory with a number.

4.4.1 Entering WIP

WIP is entered in the same manner as other count sheets, except that a production order number must be specified if additional write-in lines are added.

If no value is entered for a production order item that has not been consumed for a work order, no inventory adjustments are made.

4.5 Validating the Count

After all counted quantities have been entered, they must be validated. There are three validations that must be performed:

1. Ensure all on-hand inventory has been counted;
2. Ensure all lines on count sheets have had a quantity entered against them, even if the quantity is zero; and
3. Confirm the counted quantities for inventory that is different than expected.

4.5.1 Ensuring Inventory is Counted

Use the Items Not Counted report to check for items that have on-hand inventory that does not appear on the count sheets. This is the same procedure as in the Using the Items Not Counted Report section. Run the report with the options shown below. See Appendix –A.1 for all report options.

Items that appear in this report, and are identified as "Not on Count Sheet," are not adjusted when the inventory is posted.

Uncounted items can be added to a specific count sheet by filling in the Add Items to Count Sheet field with a valid count sheet name. If this is done and no count is entered for the items, these items will be adjusted to zero when the count is posted.

4.5.2 Locating Missing Entries

During data entry, it is possible that an entry clerk may accidentally skip a line of entry. In the Count Sheet Line page this results in the line staying red, indicating that no value has been entered. Either scroll through all lines looking for those in red or run the Items Not Counted report to locate those lines with missing values.

To use the Items Not Counted report, set the report options shown below. See Appendix A.1 – for all report options.

4.5.3 Confirming Counted Quantities

The primary task after inventory count is to validate the differences between what is expected to be in stock and what was counted. The Counted Inventory Differences report provides the data required to analyze the count differences.

The Counted Inventory Differences report allows the user to view differences in regular inventory and in WIP. The following options provide a summary report of all count differences, sorted by inventory value:

The screenshot shows a panel titled "Options" with the following settings:

- Show: All Inventory (dropdown)
- Show Item Description:
- Show Details:
- Show Zero Differences:
- Show Item Tracking Issues:
- Show Extra Serial Nos.:
- Exclude Blank Extras:
- Show Uncounted Serial Nos.:
- Show Duplicate Serial Nos.:
- Show Lot No. Issues:
- Show Only Items with Issues:
- Sort by: Amount (dropdown)

The report options can be set to show more detail if required and can be filtered by specific item numbers. See Appendix A.2 for a full list of report options.

If there are changes required in the counted quantity entered, simply edit the count sheet to reflect the actual quantity.

4.5.3.1 Viewing WIP Differences

The Show All Inventory option of the report shows the total adjustment to inventory, including any adjustments as a result of WIP adjustments.

If the Show WIP Difference Only is specified, the report displays the total difference in WIP only. This difference is offset by differences shown when the report is run with Show All Inventory.

4.5.4 Locating Missing Serialized Items

After the serialized missing items have been identified with the Counted Inventory Differences report, the item ledger entries can be retrieved using the Missing Serial No Details report providing transactional details which can assist in understanding why the serial number was not counted.

The screenshot shows a web-based form titled "Options" for the "Missing Serial No Details" report. It is divided into three main sections: "Options", "Count Sheet Line", and "Item Ledger Entry".

- Options:** Includes a dropdown menu for "Show" set to "All Inventory" and a text input for "No. of Transactions to Show" set to "2".
- Count Sheet Line:** Labeled "Show results:", it contains four rows of filters. Each row has a "Where:" dropdown and an "is:" text input. The filters are: "Count No." (000001), "Location Code" (EAST), "Item No." (empty), and "Sheet Name" (empty).
- Item Ledger Entry:** Labeled "Show results:", it contains one row with a "Where:" dropdown set to "Location Code" and an "is:" text input (empty).

The report can be filtered by count sheet information such as item number, location code, and count sheet name. See [Appendix A.3](#) for a full list of report options.

4.6 Performing a Recount

After the Counted Inventory Differences report has been run and the item differences identified, it may be determined that recounts are necessary. To facilitate this process, the users can either multi-select items and add them to recount sheets or use the Generate Recount Sheets function.

The Recount functionality improves the ability to locate and flag items for recount with its ability to identify items to be recounted based on threshold criteria.

Options

Ignore Uncounted Lines

Add to Count Sheet

Count Sheet

THRESHOLDS


Compare Thresholds Per

Amount Threshold

Quantity Threshold

Qty. Difference % Threshold

Option	Description
Amount Threshold	Items are identified when the value in the <i>Difference Amount</i> field is greater than this threshold.
Quantity Threshold	Items are identified when the value in the <i>Difference</i> field is greater than this threshold.
Add to Count Sheet	When set, the items that are identified here are added to the count sheet specified in the <i>Count Sheet</i> field below.
Ignore Uncounted Lines	For use with the <i>Add to Count Sheet</i> field. When set, items that have zero entered in the <i>Quantity</i> field are not included in this report.
Count Sheet	For use with the <i>Add to Count Sheet</i> field. Select the recount sheet to be used when generating the recount lines.

 **Note:** The Recount Tag No and Recount Source Tag No fields that appear on the count sheets identify both the recount lines and the source of the recount lines. When an item is added to a recount sheet the original count line cannot be changed.

4.7 Posting the Count

The Count Module does not directly post any entries. Instead, it transfers the count entries to the existing Dynamics 365 Business Central journals, specifically to the batches defined on the Posting FastTab of the Inventory Count Card.

Once the entries have been transferred, use the standard Dynamics 365 Business Central posting functions to update inventory.

4.7.1 How Adjustments are Calculated

When preparing to transfer the count to the Physical Inventory Journal, the module sums all the count quantities for each item using the Calc Differences as of Date, and then calculates the difference based on this date.

When preparing to transfer the count to the Consumption Journal, the module sums all the differences for each item that has a production order defined on the line. Any adjustment to consumed WIP is offset with an equal adjustment to physical inventory. See the following tables for examples.

4.7.1.1 *Posting Examples*

The following table shows the main fields used when calculating inventory, along with some sample data as it would appear in the Count Sheet Lines page. As shown, in many cases the Difference field on the individual count lines does not represent the true inventory difference. The Counted Inventory Differences report can be used to view the total differences for each item. See Appendix A.2 for details.

4.7.1.2 *Example 1: Physical inventory, no difference*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	ABC123	1	10	0		-9	No
23	ABC123	5	10	0		-5	No
35	ABC123	4	10	0		-6	No
47	ABC123	0	10	0		-10	No

The total adjustment for item ABC123 would be 0 (1+5+4 matches the 10 on hand), and there would be no Consumption Journal entries.

4.7.1.3 *Example 2: Physical inventory with difference*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	ABC123	1	10	0		-9	No
23	ABC123	5	10	0		-5	No
35	ABC123	0	10	0		-10	No

The total adjustment would be -4 (6 counted, 10 were supposed to be on hand).

4.7.1.4 *Example 3: Physical inventory with difference 2*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	ABC123	1	10	0		-9	No
23	ABC123	5	10	0		-5	No
35	ABC123	6	10	0		-4	No

The total adjustment would be +2 (12 counted, 10 were supposed to be on hand).

4.7.1.5 *Example 4: Non-consumed WIP inventory with difference*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	DEF456	1	6	0	1001	1	No
23	DEF456	3	6	0	1001	3	No
35	DEF456	0	6	0	1001	0	No

Physical inventory for DEF456 will be adjusted by 4, since 4 were counted.

However, a consumption entry will be made for production order 1001 for those 4. The net effect on physical inventory (On-Hand Quantity) is 0, but WIP inventory will increase. For the stock level of DEF456 to be adjusted, it must also appear elsewhere on the count sheets without a production order (see example 6).

4.7.1.6 *Example 5: Consumed WIP inventory with difference*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	GHI789	2	0	5	1002	-3	Yes
23	GHI789	2	0	5	1002	-3	Yes
35	GHI789	0	0	5	1002	-5	Yes

The total difference for GHI789 is -1, since 4 were counted, but the production order had consumed 5. A Consumption Journal entry will be made for -1 to remove one from the production order. **However, a Physical Inventory Journal entry for -1 will also be made.**

The Physical Inventory Journal entry is made to offset the result of the consumption journal entry. When removing 1 of GHI789 from the production order, Dynamics 365 Business Central increases inventory by 1. However, counting fewer items on the production order does not automatically mean that inventory is higher. And if inventory was higher, then the extra GHI789 would be counted somewhere other than with the production order. See the next example for an illustration of how this would work.

4.7.1.7 *Example 6: Combined consumed WIP and physical inventory*

Tag No	Item No	Quantity	On-Hand	WIP Qty	Prod Order No	Difference	Is WIP
11	GHI789	2	0	5	1002	-3	Yes
23	GHI789	2	0	5	1002	-3	Yes
35	GHI789	0	0	5	1002	-5	Yes
47	GHI789	1	0	0		1	No

This example, continued from the previous one, shows how an item that is counted in both inventory and WIP is adjusted.

As in the previous example, the total WIP difference for GHI789 on production order 1002 is -1. When this adjustment is applied, inventory increases by one, but the module applies -1 to inventory, setting the inventory level back to 0. The final, non-WIP, line (tag 47) increases inventory to 1.

In summary, 5 of GHI789 were counted: 4 on a production order, 1 in stock. The module makes the proper adjustments so that the proper inventory level is reflected in NAV.

4.7.2 Transferring Journal Entries

The inventory count must be transferred to the standard Dynamics 365 Business Central journals for posting. To do this, run the Copy Count to Journals function:

The following options can be set for the transfer:

Option	Description
Location Filter	Used to restrict the transfer to a single location or subset of all the locations. If a location is set on the count header, this is used as a default.
Consumption Journal Batch	The batch on the Consumption Journal for WIP posting.
Phys Inv Journal Batch	The batch to use on the Physical Inventory Journal.
Whse Phys Inv Jnl Batch	Only required if Advanced Warehousing (Directed Put-away and Pick) is enabled for a location.
Set Item Tracking Lines	This option is only useful if serial numbers and lot numbers are captured on the count lines. If they have been added, setting this option causes the module to add Item Tracking Lines to the journals.
Reclass Journal Batch	The batch that will be used to create conversion entries from one lot number to another, or one serial number to another. Only required if "Set Item Tracking Lines" is set.
Use Batch Document Nos.	If set, this option uses the document number series defined for the journal batch to generate document numbers. If not set, the internally generated document numbers are used.
Calc Differences as of Date	This is the date used to calculate the differences between the actual count amounts and the expected on hand amounts.
Posting Date	This date is transferred to the <i>Posting Date</i> field in the journal.
Item Journal Dimensions	Any of the standard dimensions can be specified here and are transferred to the journal.

4.7.3 Validating the Journal Lines

The Count Module provides an enhanced test report – the Item Journal Test Report – that can be used before posting to ensure all journal lines are valid so that the posting routines do not fail. The report is available from the Dynamics 365 Business Central menu or, when the journal templates are properly configured, from the Physical Inventory Journal. To configure this report as the default test report, use the Item Journal Templates page.

The Insight Works test report checks for various errors that could occur during posting, including missing tracking lines, blocked items, and others.

The test report can be set to either display all lines or only the lines with errors.

4.7.4 Posting and Reconciling "As Of" Date

When the As of Date is set, differences can be posted with a specific as of date rather than the current work date. This allows users to perform inventory transactions during the count that are then not included in the difference analysis or journal transfer.

4.7.5 Posting

After the count has been copied and the transfer validated with the test report, you must post the various item journals in this order:

1. Physical Inventory Journal
2. Warehouse Physical Inventory Journal
3. Reclass Journal
4. Reclass Journal
5. Consumption Journal

Until all journals are posted, the inventory value may not be correct.

Once the journals have been posted, re-enable the ability for users to post transactions.

5 Performing a Cycle Count

The steps involved in completing cycle or partial counts are the same steps used for a full count. However, additional filtering criteria on the count lines may be used to specify particular groups of items, and additional options on the Generate Count Sheets function can be used.

5.1 Generating Cycle Count Sheets

To begin, configure the count sheets based on your required criteria. For a cycle count, the criteria will often typically restrict sheet contents by either item number or bin location.

Once the count sheet configuration has been set, generate the count sheets.

Though all options on the Generate Count Sheets batch will affect how a cycle count is created, the options highlighted in red are specific to cycle counting.

Option	Description
Restrict to Count Period	A Counting Period Code that defines how often to count the inventory. This field corresponds to the <i>Phys Invt Count Period Code</i> found on the item card or SKU.
Use Next Count Period	If set, this will add only the items or SKU's with a "Next Counting Period" that matches the current work date. See the Dynamics 365 Business Central cycle count documentation for information on the "Next Counting Period" field.
Use Random Items	When set, this will cause the count module to select random items, from the set of items defined by the previous filters, to add to the count sheet.
Max. Item No.s to Add	This option works with the "Use Random Items" setting to limit the number of items added to the count sheet(s).
Not Counted Since	This option works with the "Use Random Items" option to restrict the list of items to only those that have not been counted since the specified date.

See the section on performing a full inventory count for other options for the Generate Count Sheet function.

Once the count sheets have been generated, they are entered and posted the same way a full count is handled. However, the "Items Not Counted" report would not be used in a cycle count, as you will only be concerned with posting the items on the sheets.

5.2 Cycle Counts for Bins and Item Tracking

If the following conditions are true, you should only perform cycle counts by item, not by bin:

- bins are mandatory
- the items you are counting use serial numbers or lot numbers without warehouse tracking turned on
- you have the same items in multiple bins, or have the potential for having the same item in multiple bins (e.g., receiving and stocking bins)

This is because if you need adjust the quantity of an item in a bin, you cannot be sure which lot or serial number is missing without counting all lots or serial numbers for that item.

5.2.1 Warehouse Item Tracking

The same concern generally also applies when warehouse item tracking is turned on. In that case, you do know the specific lot and serial numbers per bin, but it is quite possible that the wrong lot/serial numbers were placed in the bin being counted. If this is the case, you may not even be able to post the adjustments. For example, assume you have an item with serial number SN123 that is supposed to be in bin B01, and serial number SN456 in bin Z01. However, the actual physical inventory is reversed, with SN123 in bin Z01, and SN456 in bin B01. Therefore, during your cycle count of Z01 you actually count serial number SN123. Without counting the additional product in bin B01, the system will attempt to negative adjust SN456 (since it was not counted), and positive adjust SN123. This will fail if you have SN Specific tracking turned on, as the system will be attempting to create two instances of the same serial number.

The way to avoid any cycle count issues with item tracking, whether Warehouse Item Tracking is on or not, is to ensure the item is counted in all bins.

6 Inventory Counts with WHI

The Warehouse Insight Module is an Insight Works product that allows you to perform inventory counts using handheld devices. The biggest change when using the Warehouse Insight is that no printed inventory count sheets are required, though they could be used.

6.1 Full Inventory Counts

The primary differences when doing a full count with the Warehouse Insight are:

1. The count sheet configuration entries generally match the number of handhelds you're using.
2. It's best not to generate any count sheet lines. In other words, the count sheets will be defined, but they'll all be blank.

The process for doing the count is to send the users out with the handhelds and have them count everything in their designated area. As they scan items, the lines will be added to the count sheets.

When they are finished counting, the inventory count is process exactly the same was as if predefined count sheets had been generated and manually updated.

6.2 Cycle Counts

Other than optionally not providing a printed copy of the count sheet, there are no differences when performing a cycle count with Warehouse Insight.

7 Appendix A – Report Options

7.1 A.1 – Uncounted Items

This report is used to validate count sheets before and after the count.

Option	Description
Show Items not on Sheets	When set, the report shows any items not on the count sheet, based on any filters set on the Item or <i>Count Sheet Line</i> filter tabs.
Include Only Items in Stock	For use with the <i>Show Items not on Sheets</i> option, when set, the report only shows those items
Location Filter	For use with the <i>Show Items not on Sheets</i> option, when set, the report only shows those items for the selected location.
Variant Filter	For use with the <i>Show Items not on Sheets</i> option, when set, the report only shows those items with the selected variant filter.
Add Items to Count Sheet	When a valid count sheet is specified here, all items that were not on count sheets will be added to this specified sheet.
Show Items not Counted	When selected, the report displays any items that have not had a value entered for them in the Count Sheet Lines page.
Show Partially-Counted Items	If not set, the report only shows items that have not been counted on any sheet. Since an item can appear on more than one sheet, it is possible that it was counted on one sheet but not another. It is best to select this option, as all lines for which entry clerks have not made an entry, should be reviewed.
Show Detail	When set, the report displays those sheets upon which the item was not counted.

7.2 A.2 – Counted Inventory Differences

The Counted Inventory Differences report is used to identify discrepancies between the inventory count and the existing inventory levels based on the Date Filter specified on the Count Sheet Line tab.

Option	Description
Show All Inventory	When set, the report displays differences for all items, whether normal inventory or differences due to WIP changes.
Show WIP Difference Only	When set, the report displays only the current adjustment for WIP based on the count sheets.
Show Item Description	When set, an extra line for each item, showing the item description, is included on the report.
Show Details	When set, the report includes all count sheet lines that contribute to the total difference. Otherwise, only a total per item is displayed.
Show Zero Differences	When set, the report includes items that do not have a count difference.
Show Serial No Issues	<p>When set, the report displays serial number issues based on the following options:</p> <ul style="list-style-type: none"> Show Extra Serial Nos – When set, displays serialized items that have not been posted into Navision. Show Uncounted Serial Nos – When set, displays the uncounted serialized items. Show Duplicate Serial Nos – When set, displays items with duplicate serial numbers. Show Only Items with Issues – When set, the report will only display serialized items with issues. It will not include non-serialized items.
Show Lot No. Issues	When set, shows any missing or extra lot numbers on the count sheets.
Sort by Amount	When set, the report sorts the lines by the highest absolute difference in inventory value to the lowest absolute difference in value.
Sort by Quantity	<p>When set, the report sorts the lines by the highest absolute difference in count quantity to the lowest absolute difference in quantity.</p> <p>Quantities are always displayed in the base unit of measure.</p>
Sort by Item No	When set, the report sorts the lines by the item number.
Sort by Bin Code	When set, the report sorts the lines by bin code.
Sort by Production Order	<p>This option is only available when viewing WIP differences.</p> <p>When set, the report sorts by the production order number.</p>

7.3 A.3 – Missing Serial No Details

The Missing Serial No Details report is used to provide transactional details for uncounted serialized items. These details can be useful in locating the uncounted items.

Option	Description
Show All Inventory	When set, the report displays the transactions for the uncounted serialized items in inventory.
Show WIP Difference Only	When set, the report displays the transactions for the uncounted serialized WIP items.
No of Transactions to Show	Specify the number of transactions the report displays for each uncounted item.
Export to Excel	Place a checkmark here to export this report to Excel.