

Conducting a Physical Inventory

A physical inventory (PI) is an actual count of the merchandise that you have in stock. It requires someone going through the store and manually recording individual item quantities. However, individual items may be in various locations throughout the store, making it difficult to get accurate counts.

There are three ways to enter physical inventory counts.

1. Use the **Add Counts** option. This speeds up the data entry process if you have items in various locations throughout your store. You simply type in an item identifier (UPS Code, Alternate Lookup or Item#) and a physical quantity. After each entry, the focus moves back to the **Item Field**, so you can immediately make the next entry. When you are finished, multiple entries are consolidated, and you can update your on-hand quantities in Inventory.
 - a. To use **Add Counts** go to **Inventory** on the Main Menu and choose **Physical Inventory**.
 - b. Choose **Add Counts** on the left side of the screen or from the Physical Inventory Tasks button.
 - c. Make sure the setting on the right is “Quantity for Current Item”.
 - d. In the item field, enter the Item# or UCP Code and hit **ENTER**
 - e. The Quantity will automatically be entered as 1. If you have several of the same items displayed together, enter the total quantity. Be sure to use the **enter key** and not the tab key to record the entry.
 - f. When you are finished, click **Update** at the bottom right corner of the screen to update your inventory.
2. Edit the **Physical Qty** field of individual items. This is convenient for entering physical quantities for items that are grouped near each other, but may be time consuming if the items are scattered throughout the store.
 - a. To enter **Physical Qty** go to **Inventory** on the Main Menu and choose **Physical Inventory**. You will see a list of all your inventory items. Enter the current quantity in the yellow column. If your item list shows an On-hand quantity but none were counted, enter a zero.
 - b. For faster entry, you may want to filter your items by Vendor, Department Name or other criteria. To filter your items, click on the tab at the top of the screen that says **All Items**. From the drop down menu, choose <Create Filter>. Once you have selected your filter criteria, choose **Apply** at the bottom of the screen. You can save your filter for use in future inventory counts.

- c. When you are finished, click **Update** at the bottom right corner of the screen to update your inventory.
3. The third method is to use the optional QuickBooks approved Portable Data Terminal (PDT) to scan bar codes and update your inventory. Since the PDT is portable, you can move freely around your store and scan the bar codes of all your inventory items and entering the quantity for each. When you are finished, return the PDT to the cradle (included) to automatically update your QuickBooks POS inventory records. This option not only saves time, but also helps reduce inventory errors.
 - a. You can purchase this PDT directly from Intuit or from CN Systems for \$479.99, a 33% savings. To learn more visit CN Systems at <http://www.cnbizsystems.com/> or call them at 636-794-6210.