THE INVENTORY PROCESS

CREATING INVENTORY ITEMS

THE SCENARIO

Joan's High End Boutique (JHE) is a fairly new venture that has started up in the local high end shopping center.

They have decided to use QBFS to manage their accounting and have purchased the application and set up their data file. They have been using QuickBooks for a about a month while getting their organizational structure in place and already have some data for bank accounts and initial purchases, but they have yet to start selling. They have just started to order product from their vendors, have been to a few trade shows and have placed some orders with vendors exhibiting at the shows.

Since one of the primary purposes of any Point of Sale system is to track inventory, it is important that you receive, sell and adjust the inventory correctly. This will ensure that you have accurate margin reports as well as accurate financial reporting. Our example assumes that we have no prior inventory and are receiving items from a purchase order. We will show you later how to receive items without a purchase order. By creating a purchase order, you obtain several advantages such as knowing what you ordered and the cash that you have committed. Also, by using the purchase order, you can create items on the fly and input order quantities. That will save time by combining two steps into one process. Lastly, by creating a purchase order, you will speed up the receiving process and avoid having items placed on the sales floor and sold before someone receives the items into inventory.
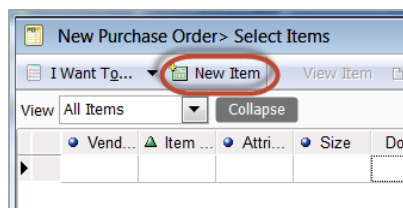
PURCHASE ORDERS

To create a Purchase order, you can click on the Purchasing menu and choose New Purchase Order from the main screen or "Purchase Orders from the Navigator screen."

When the Purchase order is on the screen, click on the I want to… Menu and choose Select from Item List. Once the item list is displayed, you will be able to add new items, copy items and use the style grid to create new items. Please note that the Purchase order screen and the item list that displays is the old Interface and not in the POS2013 new interface. This is a good and bad thing. The old interface is generally more functional for data entry, but the difference between this inventory screen and the new inventory screens can be jarring.
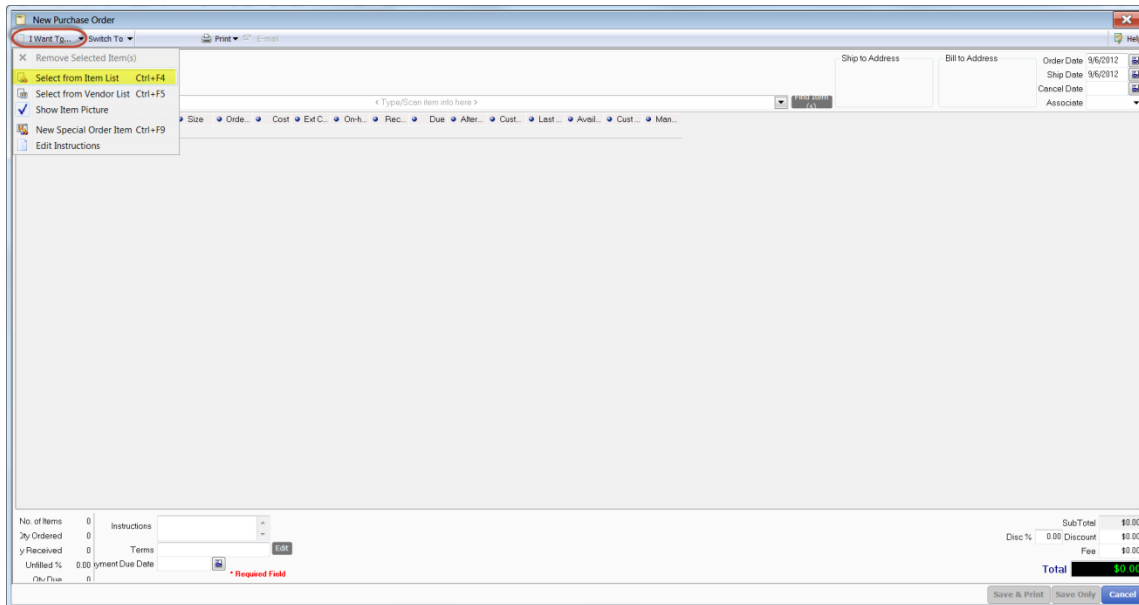
Click on New item.

ITEM TYPE

Most of your items will be set up as Inventory. Other selections are Non-Inventory, Service, Assembly and Group. Non-Inventory is to be used to place things like bags, etc. on to Purchase orders or where you don't want to have an inventory count of an item. Service items are designed for labor items. In Joan's case, she offers alterations, so she has several service items set up. An Assembly is designed to be built and sold as an assembled item. Consider a bike shop that sells bikes, but also equips them with saddlebags. By creating an assembly, you remove the saddle bags from inventory and make them part of the bike assembly. Since Joan is selling clothing, she will not have much need for Assemblies. Groups are designed to create an easy access list of items that can be discounted. An example of a Group would be a gift basket in which I could sell the items separately as well as part of a discounted basket.