Stock Take Procedure

Overall Business Processes
INVENTORY MANAGEMENT

Related Business Process
FINANCIAL ACCOUNTING

Responsible Department
WAREHOUSE

Involved Departments
ACCOUNTING

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How to Perform Stock Take

Note: making a system backup is recommended before posting any stock take results.

Initial Quantity (Opening Inventory Balances)

- After you have counted all your opening stock quantities, from the SAP main menu go to Stock Management → Stock Transactions → Initial Quantities as shown below.

- **Code From – To**: enter the item range for of the initial stock.
- Supplier, Warehouse and Item Group fields: can be used optionally as filters.
- **Item Cost**: You can post your initial quantities with or without prices. However, to correctly update stock item value the **Item Cost** must be selected. This price will define the item cost during initial stock take i.e. moving average.
- Click **OK**, and the system will open the Initial Quantity table as shown below.
• **Initial Qty**: enter the quantities for each item

• **Price**: enter the price for each item. This is the price selected in the first window.

• The system was configured to automatically use the Open Stock Account (OB Suspense G/L Account)

• After you have entered all data click **Add**.

• The system will create a journal entry as shown below.
Stocktaking

Stocktaking should be taken at least once a year. After you have counted all your stock quantities, you can go to the Stocktaking tab to update your stock items.

Note: physical stock count can be performed manually or with handheld devices.

- Enter the warehouse in which the stocktaking was carried out with the option to filter by supplier, warehouse, item group and properties. Click OK (if no filters are selected the system will return all values).
- You must repeat the same process for each warehouse.
• The **Stock in Warehouse** column can be enabled or disabled by selecting **Hide Quantity Stored** indicator located at the bottom left of the screen.

• In the column **Counted in WH** you may enter the counted stock quantity. As soon as you enter the counted quantity the column **Counted** is automatically checked. In case the quantity counted is zero (0) you simply check the counted flag to the quantity of the stock item is set to zero.

**NOTE:** if you do not check the counted indicator you will not be able to view counted units in the next window stock posting.

• After you have update your stocktaking table, click **Update**.

• You will not see any changes but the screen flashes and the system will not post any journal entry yet.

• After completing stock count and click on **Update**, click on **to navigate back to the Initial Quantities-Stock Tracking-Stock Postings. From there, go to the 3rd tab **Stock Posting**.**
Stock Posting

The Stock Posting window is used to record your stocktaking values and post an accounting journal.

- Click OK.
- The Stock Posting window will open.
• Select **Stock Offset** accounts shown in the image above.

• As you can see, the stock status for stock item on the first row, **In Whse** was 5 but actually counted 6 with a difference of is 1.

• In this case if you click **Reconcile**, the system will post the accounting journal entry. If the quantity counted is greater than the quantity in the system as shown in the image above, the system will debit the stock and credit the stock offset accounts. Otherwise it will debit the stock offset and credit stock accounts.

• The date field shown in the image below is the posting date that the system will use in order to post the journal entry above.