

# Overview of Inventory

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## Line Item Codes

Line Item Codes are the items and services you buy and sell. There are seven Line Item Code record types. Each has specific characteristics and attributes, and they each function differently within the system. Read more [details about line item codes](#)

(<https://aace5.knowledgeowl.com/help/overview-of-line-item-code-screens>).

## Inventory

The Inventory module tracks inventory transactions, which record all of the stock movements that occur when goods are ordered, received, purchased, produced, sold, and shipped.

## Inventory Lots

Inventory Lots are created when items are purchased or produced. The Cost of Goods Sold Reconciliation process determines how costs are applied based on LIFO/FIFO logic.

## Inventory Usage

Inventory Usage displays a list of each individual transaction for a given inventory item.

## Inventory Adjustments

This is where users book adjustments to inventory balances or log transfers from one location to another.