

Setting Up Inventory Tracking

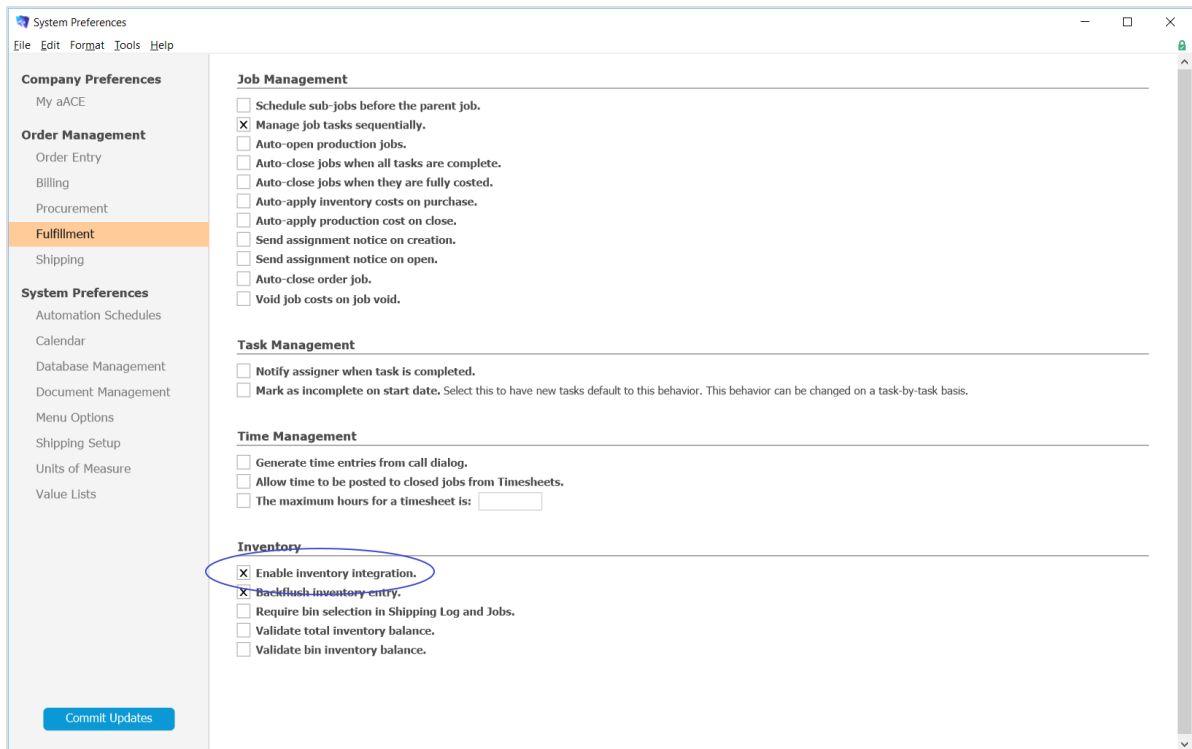
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To set up inventory tracking, you must complete these three tasks:

1. Activate inventory integration.
2. Select the inventory management method.
3. Select default inventory GL Accounts.

Activate Inventory Integration

1. Navigate to **Menu > System Admin > Preferences > Fulfillment**.
2. In the Inventory section, mark the flag for **Enable inventory integration**.

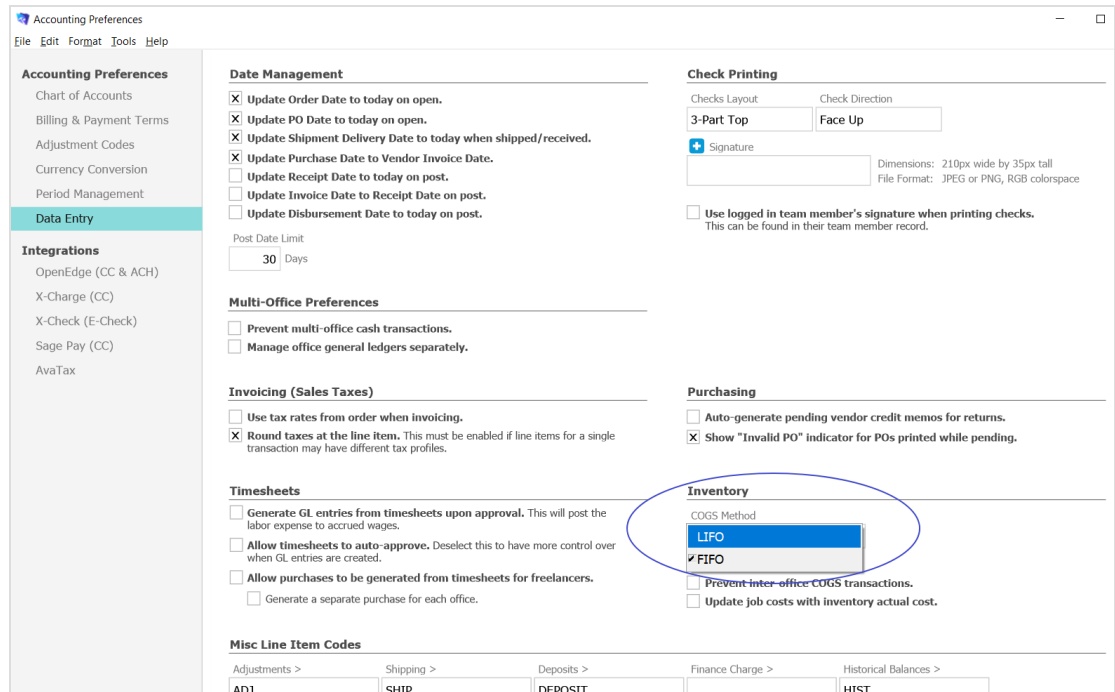


Select the Inventory Management Method

1. Navigate to **Menu > Accounting > Preferences > Data Entry**.
2. Under the Inventory section, click the COGS Method dropdown list and select the appropriate option:
 - o LIFO (last in / first out) – Often results in slightly reduced profits, but correspondingly lower tax rates.
 - o FIFO (first in / first out) – Typically results in additional profits, if the costs of

items consistently increase.

Note: For special order, lot tracked, and serialized items, the COGS Method generally does not apply. Instead, specific items are received and shipped.



Select the Default Inventory GL Accounts

1. Navigate to **Menu > Accounting > Preferences > Chart of Accounts**.
2. In the Assets section, click the dropdown for **Default Inventory Account** and select a default account.
3. In the Liabilities section, click the dropdown for **Accrued Inventory** and select a default account.

Accounting Preferences

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Accounting Preferences

Chart of Accounts

- Billing & Payment Terms
- Adjustment Codes
- Currency Conversion
- Period Management
- Data Entry

Integrations

- OpenEdge (CC & ACH)
- X-Charge (CC)
- X-Check (E-Check)
- Sage Pay (CC)
- AvaTax

Note: Transactions assume this Chart of Accounts is set up correctly; the validation processes do not validate these accounts.

Assets

Undeposited Funds - Cash/Checks >

1120 Undeposited Funds - Cash/Checks

Undeposited Funds - MC/Visa >

1121 Undeposited Funds - MC/Visa

Undeposited Funds - Amex >

1122 Undeposited Funds - Amex

Undeposited Funds - Debit Card >

1123 Undeposited Funds - Debit Card

Undeposited Funds - E-Check >

1124 Undeposited Funds - E-Check

Default Disbursement (Bill Payment) Account >

1115 Cash Operating

Merchant Bank Account >

1115 Cash Operating

Equity

Current Year Earnings (Net Income) >

3999 Current Year Earnings

Retained Earnings >

3900 Retained Earnings

Expenses

Commissions Expense >

6004 Commissions Expense

Accrued COGS >

5003 Accrued COGS

Use Tax Expense >

6200 Use Tax Expense

Accounts Receivable (A/R) >

1202 Accounts Receivable

Default Inventory Account >

1301 Uncategorized Inventory

Revenue (Sales)

Default Revenue Account >

4001 Uncategorized Sales

Shipping Mark Up (Handling) >

4007 Shipping Mark Up / Handling

Liabilities

Accounts Payable (A/P) >

2101 Accounts Payable

Commissions Payable >

2106 Commissions Payable

Accrued Inventory >

2104 Accrued Inventory

Accrued Wages >

2105 Accrued Wages

Cost of Goods Sold (Cost of Sales)

Default Cost Account >

5001 Cost of Sales

Inventory Losses >

5002 Inventory Losses

Capitalized Mfr Labor >

6005 Capitalized Mfr Labor

Currency Conversion Adjustments >

6998 Currency Conversion Adjustments

Capitalized Mfr Overhead >

6006 Capitalized Mfr Overhead