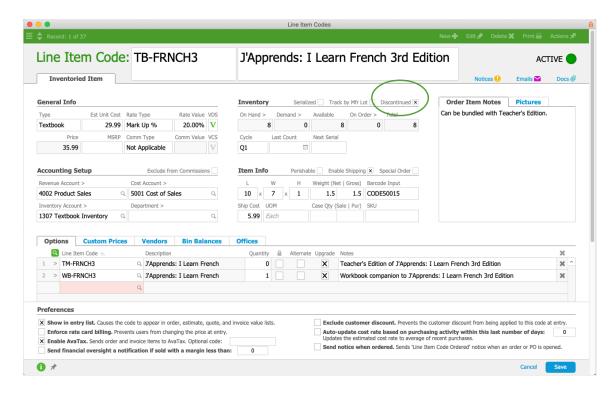# Understanding Discontinued Line Item Codes

Last Modified on 01/19/2021 1:36 pm EST

This guide explains the effects and constraints of using the Discontinued flag for line item codes. It is intended for basic-level users.

The Discontinued flag for an inventoried line item code (http://aace5.knowledgeowl.com/help/overview-of-line-item-code-screens#InventoriedItems) (LIC) removes the item from all automatic inventory replenishment processes:

This means that if the item would normally be put on backorder, aACE instead displays a message that a backorder is not allowed and the order is kept in Pending status for your team to review. To progress the order, they could:

- Change that LIC to an acceptable upgrade or alternative
- Reduce that LIC's quantity of units on the order
- Manually purchase additional units of that item
- Edit the LIC and clear the Discontinued flag

Discontinued LICs and Deactivated LICs

aACE can automatically deactivate an LIC when:

- It's flagged as Discontinued.
- Its Total inventory balance is zero.
- Its final shipping record is marked as Shipped.
- It has no other active references (e.g. it's *not* listed on any bill of materials or as an upgrade/alternative for another LIC).

If a unit of a discontinued item is later returned by a customer, aACE will automatically reactivate the LIC record, keeping the Discontinued flag still marked. That returned item could then be included on other orders. When subsequent orders again reduce the Total balance to zero, the LIC record would again be automatically [deactivated (https://aace5.knowledgeowl.com/help/deactivating-a-line-item-code)](https://aace5.knowledgeowl.com/help/deactivating-a-line-item-code).