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GROWING TOGETHER

Stock Adjustments

Date: 30-01-2023
Status: 1.0

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1. Stock Adjustments

Type of Stock Adjustment	Used for
Inventory count:	Adjust stock quantity Mainly for (monthly) stock reconciliation, physical stock checks
Inventory adjustment:	Change inventory status (no blocked warehouses, only inventory status per item per warehouse per batch) Mainly when quality issue or relabel, from available to blocked or from RMA blocked to Available
Inventory movement:	Change stock value from one to another ledger account (recharge) Mainly to be used for samples, internally damaged goods, testing samples & accruals deduction
Inventory transfer:	Correct Batch numbers on existing stock Batch number adjustment.

1.1. Counts

Counting journals are used with a (monthly) stock reconciliation or in relation with a physical stock count. Also, incidental stock adjustments can be done via this route, like label write-offs etc.

Upon entering an item code, the inventory counting journal displays the current administrative On-hand stock quantity for the selected warehouse and you can enter the actual physical or to-be stock quantity in the journal's counted field.

D365 calculates the difference between current and to-be quantities and shows the value.

1.1.1. Create an on-hand counting journal

Dynamics 365 > Finance and Operations > Inventory management > Journal entries > Item counting > Counting

1. Click on New. A create inventory journal window will appear.

Create inventory journal

Overview

IDENTIFICATION

Name: InvCou

Journal: 01CE-000294

Description: INVENTORY COUNT ADD TEXT

STORE INVENTORY

Site: 01

Warehouse: FR004

Counting by

FIXED VIEW

Configuration: Yes

Size: No

Color: No

Style: No

Site: Yes

Warehouse: Yes

Inventory status: Yes

Location: Yes

License plate: No

Batch number: Yes

Serial number: No

Owner: No

General

VOUCHER

Voucher series: ICCE

Selection by: Posting

New voucher by: Change date

POSTING

Detail level: Details

Delete lines after posting: No

Offset account:

Setup

INVENTORY

Reservation: Manual

COUNTING

Counting status registration policy: Disable counting status regist...

EMPLOYEE

Worker: 10387

2. Select the Warehouse where the count is done.
3. Disable counting status registration. *If not done, the specific item used and warehouse can't be used by you or another user in another count until the count is completed.*
4. Select your employee number under Worker (you can search for your number on the arrow)
5. Optionally you can change the Description of the journal for easy reference, e.g. 'Physical stock check NL001 JUNE21'
6. Click OK.

1.1.2. Create counting lines

1. Enter journal lines by clicking New in the journal lines section. The date of today is already filled in. You can change the counting date to a date in the past. **Caution:** The counting date will generate the on-hand stock as of the date entered. So, if the stock take was a week ago, you can in this way retrieve the stock levels of a week ago in the journal. However, the journal can only be posted as long as the change date will be within the open financial period. Creating adjustments in the previous month will not be possible, since that month will most likely be closed for transactions. If the stock take took place in a closed period, you can still change the stock, but you will have to choose the nearest possible date, and enter the difference, not the counted stock in the journal. This is because the administrative stock level could have changed already since the date of stock taking, and if you then enter the counted stock the difference will be calculated against the wrong date.

Work Instructions

2. Select the item code and if applicable the batch number.
3. Select the Inventory status that is applicable to the stock quantity you want to change. (AVAILABLE = default). The current on-hand quantity will show automatically.
4. Enter DEFAULT to Location.
5. Add the correct to-be stock in the *Counted* column. The difference with the current quantity will be automatically calculated. You can also add the *difference* in the Quantity column (see point 1 above).
6. Select the reason for adjustment in the column Counting reason code. (if column is not visible, click add columns to add this column)

Counting

01CE-000232 : INVENTORY COUNTING

Journal header details

VOUCHER	Selection by	POSTING	Delete lines after posting
Voucher series	Posting	Detail level	<input checked="" type="radio"/> No
ICCE	New voucher by	Details	Offset account
	Change date		

Journal lines

+ New Delete Add products Display dimensions Inventory Functions

✓	Date	Item number	Product name	Warehouse	Batch number	Location	Inventory status	On-hand	Counted	Quantity	Cost price	Cost amount	Counting reason code	Worker	Name
✓	3-12-2020	202000048	IN RHODAFAC MB DRUM 200KG	NL001	BATCH	DEFAULT	AVAILABLE	2.800,00	2.750,00	-50,00	4.160,00	-208,00	LOSS & FOUND	10434	Wolter Wolters

When completed, you can Validate the entries (choose validate from the top menu). If all OK, click Save. Once the stock adjustment is initiated in D365, send an email to the approver (Operations manager (01CE) or Branch Management (SB) including :The transaction type : count, adjustment, movement. The stock adjustment reference, e.g.: 01CE-000432 & Explanation for all stock adjustment > 1000 Euro / Adj reference & mention the total value of the adjustment (rounded value). You can copy in the Inventory controller, alternatively the approver or (you can forward the approval) to the inventory controller who will do the posting in D365.

After posting of the journal, if the On-hand inventory was higher than the to-be quantity, the transaction details will show it as "Sold". If the On-hand inventory was less than the to-be quantity, the transaction details will show it as "Purchased".

Below a transaction overview which shows a count where the to-be stock was 268 pce lower as the current stock.

Inventory transactions 430564 : LBLBKLTFRNTNISSRNSCF

Transaction filter

Filter Display all

✓	Item number	Reference	Number	Batch number	Warehouse	Receipt	Issue	Quantity	Cost amount	Unit
	430564	Transaction	01CE-000014		FR004	Purchased		268,00	130,03	PCE
	430564	Counting	01CE-000132		FR004		Sold	-268,00	-130,03	PCE

1.2. Inventory Adjustments

We only use the inventory adjustment route when we want to change the *Inventory status* of an item. For instance, from AVAILABLE to BLOCKED or vice versa. We do not use it for quantity adjustments (for quantity adjustments we use Counts).

In case of an inventory status adjustment, stock needs to be decreased and increased in the same quantities with different Inventory Status.

1.2.1. Create an inventory adjustment journal

1. **Dynamics 365** **Finance and Operations** **Inventory management** > **Journal entries** > **Items** > **Inventory adjustment**
2. Click New.

Create inventory journal

Overview

IDENTIFICATION

Name:

Journal:

Description:

STORE INVENTORY

Site:

Warehouse:

General

VOUCHER

Voucher series:

Selection by:

New voucher by:

POSTING

Detail level:

Delete lines after posting: ☐

Offset account:

Setup

INVENTORY

Reservation:

3. Choose the Warehouse where you want to work in, the Site follows automatically & optionally amend the description.
4. Click OK.

1.2.2. Create inventory adjustment journal lines

1. Click New in the journal lines section.
2. In the Journal header details, choose your name in the *Worker* field. (if not visible, add the field to the section, you can do this by right clicking on the journal header details and press personalize and the + add a field and select the worker field.)
3. Click new in the Journal lines section to add two new lines
4. In both lines select the same item, with the same batch code (if applicable) with the first line inventory status AVAILABLE & the second one BLOCKED.
5. Select the location (DEFAULT)
6. In the Quantity field of the first line (AVAILABLE), enter a *negative* quantity for the current inventory status.
7. In the second line (BLOCKED), choose the to-be Inventory status and enter a *positive* quantity, (the same quantity is the first line).
8. Click Validate
9. When validation succeeds, click Save
10. When completed, you can Validate the entries (choose validate from the top menu). If all OK, click Save. Once the stock adjustment is initiated in D365, send an email to the approver (Operations manager (01CE) or Branch Management (SB) including :The transaction type : adjustment. The stock adjustment reference, e.g.: 01CE-000432 & Explanation for all stock adjustment > 1000 Euro & copy in the Quality manager in case of a quality issue. You can copy in the Inventory controller, alternatively the approver or (you can forward the approval) to the inventory controller who will do the posting in D365.
11. When posted the stock is deducted (or if reversed increased) from the AVAILABLE stock and an additional line of BLOCKED stock is available for this quantity.

Inventory adjustment

01CE-000261 : INVENTORY ADJUSTMENT

Lines He

VOUCHER

Voucher series:

Selection by:

New voucher by:

POSTING

Detail level:

Delete lines after posting: ☐

Offset account:

Worker

Journal lines

+ New Delete Display dimensions Inventory Functions

✓	Date	Item number	Product name	Warehouse	Batch number	Location	Inventory status	Quantity	Cost price	Cost amount	Counting reason code
✓	12-1-2021	201000010	AI IMAZALIL SULPHATE TECH 75...	NL001	ZR02397EXA798	DEFAULT	AVAILABLE	-20.00	36.800,00	-736,00	INVENTORY STATUS
	12-1-2021	201000010	AI IMAZALIL SULPHATE TECH 75...	NL001	ZR02397EXA798	DEFAULT	BLOCKED	20.00	36.800,00	736,00	INVENTORY STATUS

In the Transaction details of an item the Inventory Adjustment will show with reference "Inventory adjustment".

1.3. Movements

Movement are used when inventory needs to be adjusted in or out but with a known and identifiable cause/reason. Examples for the movement journal would be € 0 value customer samples, internally damaged goods, testing samples etc, or for instance when a consumption of production needs to be revised. It can also be used to deduct accruals on stock.

1.3.1 Create Movement journal

Dynamics 365 > **Finance and Operations** > **Inventory management** > **Journal entries** > **Items** > **Movement**

1. Click New.
2. Choose the Warehouse where you want to work in, the Site follows automatically
3. A general ledger (called offset account) will be automatically filled, if not the desired one, choose the General ledger that you want the modifications to.
4. Click OK.

Create inventory journal

Overview

IDENTIFICATION	Journal	STORE INVENTORY
Name <input type="text" value="IMov"/>	Journal <input type="text" value="100-000171"/>	Site <input type="text" value="100"/>
	Description <input type="text" value="Inventory movement Journal"/>	Warehouse <input type="text" value="IMPERIAL"/>

General

VOUCHER	Selection by	POSTING
Voucher series <input type="text" value="Inve_9"/>	<input type="text" value="Posting"/>	Detail level <input type="text" value="Details"/>
	New voucher by <input type="text" value="Change date"/>	Delete lines after posting <input checked="" type="radio"/> No
		Offset account <input type="text" value="0030"/>

Setup

INVENTORY

Reservation

1.3.2 Create movement journal lines

1. Click New in the journal lines section.
2. In the Journal header details, choose your name in the *Worker* field. (if not visible, add the field to the section)
3. Click new in the Journal lines section to add a new line
4. Add the Item and batch if applicable
5. Add Location (DEFAULT)
6. Add the quantity, negative or positive
7. For certain GL's you also need to add financial dimensions e.g. the department, cost center of FOC account., this can be done on line level.
8. Click Validate
9. If validated with no errors, click Save.
10. If all OK, click Save. Once the stock adjustment is initiated in D365, send an email to the approver Branch Management (SB) including :The transaction type : movement. The stock adjustment reference, e.g.: 01CE-000432 & Explanation for all stock adjustment > 1000 Euro / Adj reference & mention the total value of the adjustment (rounded value). You can copy in the Inventory controller, alternatively the approver or (you can forward the approval) to the inventory controller who will do the posting in D365.
11. After posting the stock is changed and booked on the chosen General ledger account.

Movement

01CE-000242 : INVENTORY MOVEMENT

Journal header details

VOUCHER	Selection by	POSTING	Delete lines after posting	Name	Worker
Voucher series <input type="text" value="IMCE"/>	<input type="text" value="Posting"/>	Detail level <input type="text" value="Details"/>	<input checked="" type="radio"/> No	InvMov	<input type="text" value="Wolter Wolters"/>
	New voucher by <input type="text" value="Change date"/>			Offset account <input type="text" value="5340"/>	

Journal lines

+ New Delete Display dimensions Inventory Functions

✓	Date	Item number	Product name	Warehouse	Batch number	Inventory status	Quantity	Cost price	Cost amount	Offset account
✓	3-12-2020	202000048	IN RHODAFAC MB DRUM 200KG	NL001	BATCH	AVAILABLE	200.00	4.160.00	832.00	5340

Transfers

We use transfers to change batch codes in the system when they do not match with reality.
The value of the stock stays the same.
In the Transaction details of an item the Transfer will show with reference "Transfer".

1.4.1. Create Transfer journal

Dynamics 365 > **Finance and Operations** > **Inventory management** > **Journal entries** > **Items** > **Transfer**

1. Click new
2. Choose the Warehouse where you want to work in, the Site follows automatically
3. You can also so change the description.
4. Click OK

Work Instructions

Create inventory journal

Overview

IDENTIFICATION
Name

Journal

Description

STORE INVENTORY
Site

Warehouse

General
VOUCHER
Voucher series

Selection by

New voucher by

POSTING
Detail level

Delete lines after posting
☐ No
Offset account

Setup

INVENTORY
Reservation

1.4.2 Create transfer journal lines

1. Click New in the journal lines section.
2. In the Journal header details, choose your name in the *Worker* field. (if not visible, add the field to the section. See inventory adjustment on how to.)
3. If it's the first time please make sure you have the correct inventory dimensions, you can select them by pressing on Display dimensions on top of the journal lines. Please select warehouse, location, inventory status & batch number.
4. Fill in item code
5. Choose the same warehouse for the *From Warehouse* and *To Warehouse* column
6. The same applies for the location, inventory status to can be left blank.
7. Fill in the batch number that you want to change in *From batch number*
8. Fill in batch number that you want to result in *To batch number*. *In case the new number is not available, you will need to create the new batch number or ask someone who can create them for you.*
9. Enter the Quantity(negative) that you want to transfer
10. Click Validate
11. Click Post (this can be done by you, no approval is needed).
12. The batch change is now done.

Transfer

01CE-000243 : INVENTORY TRANSFER

Journal header details

VOUCHER
Voucher series
ITCE

Selection by

New voucher by

POSTING
Detail level

Delete lines after posting
☐ No
Offset account

Worker

Journal lines

+ New Delete Display dimensions Inventory Functions

✓	Date	Item number	Product name	From warehouse	To warehouse	From inventory status	To inventory status	From batch number	To batch number	Quantity	Unit quantity	Unit
✓	3-12-2020	201000010	AI IMAZALIL SULPHATE TECH 75% DRUM 20KG	NL001	NL001	AVAILABLE	AVAILABLE	ZR02397EXA798	ZR02397EXA799	-20.00	-20.00	KGM

Additional screens:

Inventory management > Journal entries > Items > Inventory adjustment

Validate Functions Print Options

options filter or sort to Get a link Create a custom alert Manage my alerts

INVENTORY ADJUSTMENT

Journal header details

VOUCHER
Voucher series
IACE

Selection by

New voucher by

POSTING
Detail level

Delete lines after posting
☐ No
Offset account

Worker

Journal lines

+ New Delete Display dimensions Inventory Functions

Dimensions display

- PRODUCT DIMENSIONS**
- ☐ Configuration ☒ Location
☐ Size ☐ License plate
☐ Color ☒ Inventory status
☐ Style
- TRACKING DIMENSIONS**
- ☒ Batch number
- STORAGE DIMENSIONS**
- ☐ Site ☐ Serial number
☒ Warehouse ☐ Owner
- Save setup
☒ Yes

Inventory adjustment

01CE-000791 : INVENTORY ADJUSTMENT

Journal header details

VOUCHER
Voucher series
IACE

Selection by

New voucher by

POSTING
Detail level

Delete lines after posting
☐ No
Offset account

Worker

Journal lines

+ New Delete Display dimensions Inventory Functions

✓	Date	Item number	Product name	Batch number	Location	Inventory status	Quantity	Cost price	Cost amount	L...	Counting reason code
	4-6-2021	602034004	CAP 63MM IHS BV0630FWH25L...	DEF		AVAILABLE	2.750.00	105.00	288.75		
	4-6-2021	602034004	CAP 63MM IHS BV0630FWH25L...	DEF		AVAILABLE	-2.750.00	105.00	-288.75		

Personalize

Journal header details

☐ Hide
☐ Skip
☐ Lock
+ Add a field
Personalize this page

Counting reason code

Form information

Personalize: Counting reason code

Export all rows

Hide this column

Insert columns..

View shortcuts

Insert columns

Filter

Se... ↓	Field	Type	Table
<input checked="" type="checkbox"/>	Counting reason code	Text	Inventory journal lines