

Project Edulead

USER MANUAL

Material Management System

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Sustainable Outreach and Universal Leadership Limited

Sign off Date

Signature Client



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About this Manual

This User Manual acts as a reference for ERP- **EduLead** by describing its various concepts and abilities, and by leading the user through the basics of **EduLead** software. It also provides a detailed reference for all of the **EduLead** Material Management functionalities. The User Manual describes all the processes and functionalities regarding various modules and its abilities to conduct the smooth transactions and integrations within the modules.

The software **EduLead** is open-source, easy to use and customize, actively maintained, economical and well supported. Throughout this manual it is assumed that the reader has a working knowledge of about **Material Management** and basic computer skills and knows how to:

- ❖ Use keyboard and mouse
- ❖ Use web browsers to access the **EduLead** website
- ❖ Locate, open and save data files.
- ❖ Edit, cut, paste and text.

The Material Management consists of 3 Modules mainly:

1. Asset
2. Stocks
3. Buying
4. Selling
5. Retail

This User Manual consists of the **Stock, Buying & Selling Module** for End User reference and guidance. The manual describes how to use the Standard interface. As mentioned, it contains instructions that the users must follow during the operation and servicing of **EduLead**. Diverting from the workflow as mentioned in the user manual may result in errors and non-functioning of the software **EduLead**. It is advisable that the end users must abide by the instructions as mentioned in the user manual.



Module 1: Stocks

Introduction

Businesses have a large part of their financial resources invested in the stock items they trade. With EduLead, you can always keep a bird's eye view on your stock availability, replenishment, procurement, sales, and much more.

The Stock or Inventory module in EduLead helps you to:

- Maintain details of your products and warehouses.
- Track receipt, transfer and delivery of the products.
- Optimize stock levels by providing real-time information via reports.
- Provide valuation of each product.

The Stock module is tightly integrated with Purchase (Buying/Selling), Manufacturing, Point of Sales and Accounting modules.

1. Core Stock Transactions

There are three main types of entries:

- Purchase Receipt: Items received from Suppliers against Purchase Orders.
- Stock Entry: Items transferred from one Warehouse to another.
- Delivery Note: Items shipped to Customers.

Apart from these core transactions, there are other documents available in EduLead Stock module to manage Stock Reconciliation, Item Prices, deliveries, serial numbers, batch numbers, quality inspections, returns, etc.

2. Warehouse

A warehouse is a commercial building for the storage of goods. Warehouses are used by manufacturers, importers, exporters, wholesalers, transport businesses, customs, etc.

They are usually large plain buildings in industrial areas of cities, towns, and villages. They mostly have loading docks to load and unload goods from trucks.

The terminology of 'Warehouse' in EduLead is a bit broader though and maybe can be regarded as "storage locations". You can create a sub-Warehouse which could be a shelf inside your actual location.



This can become quite a detailed Tree like the following:

Warehouse > Room > Row > Shelf > Bin

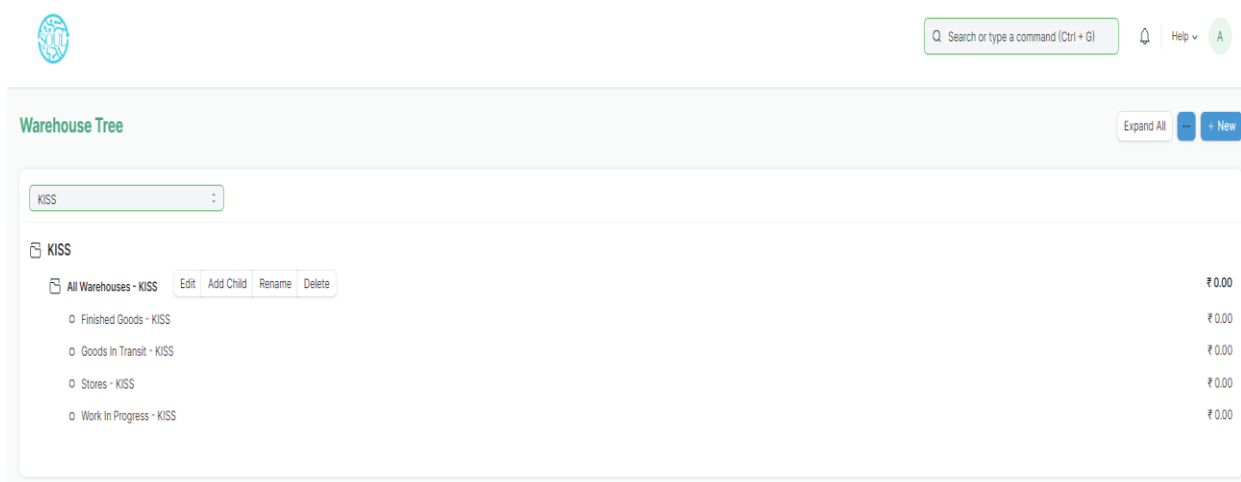
To access the Warehouse list, go to:

Home > Stock > Settings > Warehouse

2.1 How to create a Warehouse?

1. Go to the Warehouse list, click on New.
2. Enter a name for the Warehouse.
3. Set/check the Parent Warehouse. If you tick on 'Is Group', you can create sub-Warehouses under this group Warehouse.
4. Save.

Warehouses are saved with their respective Company's abbreviations. This facilitates identifying which Warehouse belongs to which company at a glance.



2.1.1 Additional options when creating a Warehouse

Account: Set a default account here for all transactions with this Warehouse. Setting this account will show transactions from this Warehouse in the Accounting Ledger.

Warehouse Type: You can create a Warehouse Type to classify Warehouses. For example, Supplier Warehouses, Stock Warehouses, WIP Warehouses, Rooms, etc. can be tagged. This classification is useful when generating reports or in certain stock transactions.



Address and contact-

You can add Billing, Shipping, and other types of addresses for the Warehouse. You can also add a contact; this could be the Warehouse Manager for example.

2.1.2 After Saving

After saving a Warehouse, you'll see the following options:

- **Stock Balance:** This will open the Stock Balance report to display the quantity, valuation, balance, etc.
- **General Ledger:** This will open the General Ledger to display the accounting transactions.
- **Non-Group to Group:** If the Warehouse is a Non-Group Warehouse, i.e. cannot contain other Warehouses under it, this button will make this a Group Warehouse.

The screenshot displays the 'Finished Goods' configuration page. On the left is a sidebar with navigation options: 'Assigned to', 'Attachments', 'Reviews', 'Shared With', 'Tags', and 'Addressing'. The main content area has a top bar with 'Finished Goods' and 'Enabled' status, and buttons for 'Stock Balance', 'General Ledger', 'Non-Group to Group', and 'Save'. The configuration form includes fields for 'Warehouse Type', 'Parent Warehouse' (set to 'All Warehouses - KISS'), 'Default In-Transit Warehouse', 'Account', and 'Company' (set to 'KISS'). There is a checkbox for 'Is Group' and a 'Disabled' option. Below these are sections for 'Address and Contact' (with 'New Address' and 'New Contact' buttons) and 'Warehouse Contact Info'.

2.2 Features

2.2.1 Tree View

You can also switch to 'Tree' View which will show all the group and child Warehouses.

2.2.2 Warehouse Account

In EduLead, if you enable Perpetual Inventory, every Warehouse must belong to a specific company to maintain company-wise stock balance. To do so, each Warehouse should be linked with an Account in the Chart of Accounts (the same name as the Warehouse itself). This account captures the monetary equivalent of the goods or materials stored in that specific warehouse.

If you have a more detailed Warehouse Tree, most likely it's a good idea to link the sub-locations (room, row, shelf, etc.) to the account of the actual Warehouse (the root Warehouse of that Tree) as most scenarios do not require to account for value of stock items per Shelf or Bin. For example, if you have Warehouse A, and the room, rows are B, C, etc., then link B and C to the account of A.

Tip: EduLead maintains stock balance for every distinct combination of Item and Warehouse. Thus you can get the stock balance for any specific Item in a particular Warehouse on any particular date.

3. Related Topics

1. **Stock Entry Purpose**-Stock Entry is a stock transaction, which can be used for multiple purposes. Let's learn about each Stock Entry Purpose below.

A. Purpose: Material Issue

Material Issue entry create to issue item(s) from a warehouse. On submission of Material Issue, stock of item is deducted from the Source Warehouse.

Material Issue is generally made for the low value consumable items like office stationary, product consumables etc. Also you can create Material Issue to reconcile serialized and batched item's stock.

B. Purpose: Material Receipt

Material Receipt entry is created to inward stock of item(s) in a warehouse. This type of stock entry can be created for updating opening balance of serialized and batched item. Also items purchased without Purchase Order can be inwarded from Material Receipt entry.

For the stock valuation purpose, provided Item Valuation becomes a mandatory field in the Material Receipt entry.

C. Purpose: Material Transfer

Material Transfer entry is created for the inter-warehouse Material Transfer.

2. **Stock Level Report**- Stock Level report list stock item's quantity available in a particular warehouse.



There are multiple reports available you can check for item's stock level.

A. Stock Projected Quantity Report

You can access this report from [Stock > Main Report > Stock Projected Quantity](#)

This report list item wise - warehouse wise stock level of an item considering all the stock transactions. With Actual Quantity of an item, it also provides other details like:

1. Actual Qty: Quantity available in the warehouse.
2. Planned Qty: Quantity, for which, Work Order has been raised, but is pending to be manufactured.
3. Requested Qty: Quantity requested for purchase, but not ordered.
4. Ordered Qty: Quantity ordered for purchase, but not received.
5. Reserved Qty: Quantity ordered for sale, but not delivered.
6. Project Qty: Project Quantity is calculated as

$$\text{Projected Qty} = \text{Actual Qty} + \text{Planned Qty} + \text{Requested Qty} + \text{Ordered Qty} - \text{Reserved Qty}$$

The projected inventory is used by the planning system to monitor the reorder point and to determine the reorder quantity. The projected Quantity is used by the planning engine to monitor the safety stock levels. These levels are maintained to serve unexpected demands.

Having a tight control of the projected inventory is crucial to determine shortages and to calculate the right order quantity.

3. Item

An Item is a product or a service offered by your company.

The term Item is also applicable to raw materials or components of products yet to be produced (before they can be sold to customers). EduLead allows you to manage all sorts of items like raw-materials, sub-assemblies, finished goods, item variants, and service items.

EduLead is optimized for itemized management of your sales and purchase. If you are in services, you can create an Item for each service that you offer. Completing the Item Master is very essential for the successful implementation of EduLead.

To access the Item list, go to:

[Home > Stock > Items and Pricing > Item](#)



3.1 Prerequisites

Before creating and using an Item, it is advised that you create the following first:

- Item Group
- Warehouse
- A Unit of Measure if required

3.2 How to create an Item?

1. Go to the Item list, click on new.
2. Enter an Item Code, the name will be auto-filled the same as Item Code on clicking inside the Item Name field.
3. Select an Item Group.
4. Enter the opening stock units and standard selling rate.
5. Save.

3.3 Item Properties

- Item Name: Item name is the actual name of your product or service.
- Item Code: Item Code is a short-form to denote your Item. If you have very few Items, it is advisable to keep the Item Name and the Item Code same. This helps new users to recognize and update Item details in all transactions. In case you have a lot of Items with long names and the list runs in hundreds, it is advisable to code. To understand naming Item codes see Item Codification. You can also generate Item Code based on a Naming Series by enabling this feature in Stock Settings.

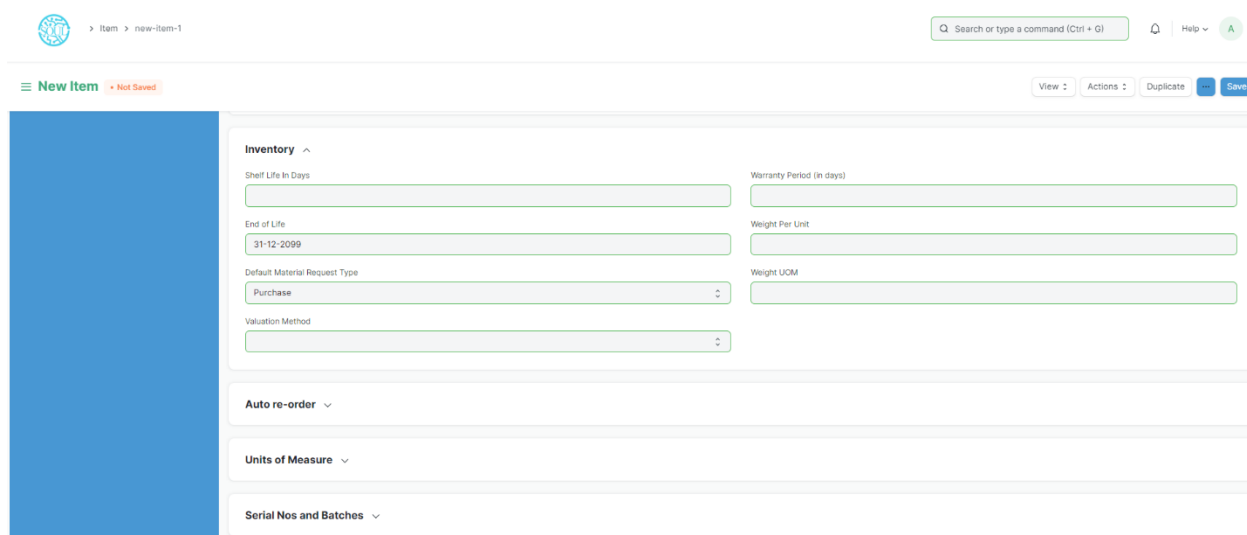
- **Item Group:** Item Group is used to categorize an Item under various criteria like products, raw materials, services, sub-assemblies, consumables or all Item groups. Create your default Item Group list under Setup > Item Group and pre-select the option while filling your New Item details under Item Group. Item groups can be sub-assemblies, raw materials, etc, or based on your business use case.
- **Default Unit of Measure:** This is the default measuring unit that you will use for your product. It could be Nos, Kgs, Meters, etc. You can store all the UOMs that your product will require under Set Up> Master Data > UOM. These can be preselected while filling New Item by using % sign to get a pop up of the UOM list. Visit the UoM page for more details

3.4 Options when creating an item

- **Disabled:** If you disable an Item, it cannot be selected in any transaction.
- **Allow Alternative Item:** Sometimes when manufacturing a finished good, specific material may not be available. If you tick this, you can create and select an alternative item from the Item Alternative list. To know more, visit the Item Alternative page.
- **Maintain Stock:** If you are maintaining stock of this Item in your Inventory, EduLead will make a stock ledger entry for each transaction of this item. Ensure to keep this option unchecked when creating a non-stock Item (make to order/engineer) or a service.
- **Include Item in Manufacturing:** This is for raw material Items that'll be used to create finished goods. If the Item is an additional service like 'washing' that'll be used in the BOM, keep this unchecked.
- **Valuation Rate:** There are two options to maintain valuation of stock. FIFO (first in - first out) and Moving Average. To understand this topic in detail please visit Item Valuation, FIFO and Moving Average.
- **Standard Selling Rate:** When *creating* an Item, entering a value for this field will automatically create an Item Price at the backend. Entering a value after the Item has been saved will not work. In this case, the Item Price is created from any transactions with the Item. The rate at which you'll sell the item. This will be fetched in Sales Orders and Sales Invoices.
- **Is Fixed Asset:** Tick this checkbox if this item is a company Asset. Check out the Asset Module to know more.
- **Auto Create Assets on Purchase:** If Item is a Company Asset, tick this checkbox if you want to auto create assets while purchasing this item through Purchase Cycle. Check out the Asset Page to know more.



- **Allowance Percentage:** This option will be available only when you create and save the item. This is the percent by which you will be allowed to over-bill or over-deliver this Item. If not set, it will select from Stock Settings.
- **Uploading an Image:** To upload an image for your icon that will appear in all transactions, save the partially filled form. Only after your file is saved the 'Change' button will appear on the Image icon. Click on Change, then click on Upload, and upload the image.
- **HSN/SAC:** Harmonized System of Nomenclature (HSN) and Service Accounting Code (SAC) for GST. These numbers are defined by the government and different Items fall under different codes. New HSN codes can be added if not present in the list.
- **Is nil rated or exempted:** For an Item that is under GST, but no tax is applied to it. Eg: Cereals.
- **Is Non GST:** For an item that is not covered under GST. Eg: petrol.



The screenshot shows a web application interface for creating a new item. The top navigation bar includes a search bar and a help icon. The main content area is titled 'New Item' and has a status 'Not Saved'. The form is divided into several sections: 'Inventory' (Shelf Life In Days, End of Life, Default Material Request Type, Valuation Method), 'Warranty Period (in days)', 'Weight Per Unit', 'Weight UOM', 'Auto re-order', 'Units of Measure', and 'Serial Nos and Batches'. The form is partially filled with data, and there are buttons for 'View', 'Actions', 'Duplicate', and 'Save'.

3.5 Features

3.5.1 Brand and Description

- **Brand:** If you have more than one brand save them under Selling > Brand and pre-select them while filling a New Item.
- **Description:** Description of the item. The text from the Item Code will be fetched by default.



3.5.2 Barcodes

Barcodes can be recorded in Items to quickly scan and add them in transactions. In the Barcodes table you can add an Item's barcode for scanning. There are two types of barcodes in EduLead:

- EAN: The European Article Number is a 13-digit number. EAN is used internationally and recognized by more POS systems.
- UPC: The Universal Product Code is a 12-digit number. UPC is generally used only in USA and Canada.

3.5.3 Inventory

- Shelf Life In Days: This is for a product Batch. The number of days after which product batch will be unusable. For example, medicines.
- End of Life: For a single item/product, the date after which it'll be completely unusable. That is, the item will be unusable in transactions and manufacturing. For example, you're using plastic crystals for manufacturing Items for the next 5 years after which you want to use plastic beads.
- Warranty: To track a warranty period, it is necessary that the Item is serialized. When this Item is delivered, the delivery date and the expiry period is saved in the Serial Number master. Through the serial number master, you can track the warranty status.
A warranty period is a time period in which a purchased product may be returned or exchanged.
- Weight UOM: The Unit of Measure for the item. This can be Nos, Kilo, etc. The Weight UoM which you use internally can be different from the purchase UoM.
- Weight Per Unit: The actual weight per unit of the item. Eg: 1 kilo biscuits or 10 biscuits per pack.
- Default Material Request Type: When you create a new Material Request for this item, the field set here will be selected by default in the new Material Request. This is also known as an 'indent'.
- Valuation Method: Select the Valuation Method whether FIFO or Moving Average. Read Item Valuation methods to know more.

3.5.4 Automatic Reordering

When the stock of an item dips under a certain quantity, you can set an automatic reorder under 'Auto Reorder' section. This should be enabled in Stock Settings. This will



raise a Material Request for the Item. The user with roles Purchase Manager and Stock Manager will be notified when the Material Request is created.

- Check in (group): In which group warehouses to check the quantity of the item.
- Request for: Which warehouse to stock the item reorder.
- Re-order Level: When this quantity is reached, the reorder will be triggered. Re-order level can be determined based on the lead time and the average daily consumption. For example, you can set the reorder level of Motherboard at 10. When only 10 Motherboards are remaining in stock, the system will either automatically create a Material Request in your EduLead account.
- Re-order Qty: The number of units to be reordered so that the sum of ordering cost and holding cost is at its minimum. The re-order quantity is based on the 'Minimum Order Qty' specified by the supplier and many other factors. For example, If reorder level is 100 items, your reorder quantity may not necessarily be 100 items. The Reorder quantity can be greater than or equal to the reorder level. It may depend upon lead time, discount, transportation and average daily consumption.
- Material Request Type: The Material Request type with which the stock will be reordered. This depends whether you buy the Item, manufacture it yourself or transfer it between Warehouses.

Note: The Material Request is created at 12 midnight depending on the set reorder level.

3.5.6 Multiple Units of Measure

You can add alternate UoMs for an Item. If the default UoM in which you sell is numbers (NoS) but you receive it in Kilos, you can set an additional UoM with an appropriate conversion factor. For example, 500 Nos of screws = 1 Kilogram, so select Kilogram/Litre as UOM and set the conversion factor as 500. To know more about selling in different UoM, visit this page.

3.5.7 Serial Numbers

With Serial Numbers, you can track warranty and returns. In case any individual Item is recalled by the supplier the number system helps to track individual Item. The numbering system also manages expiry dates.

Please note that if you sell your items in thousands, and if the items are very small like pens or erasers, you need not serialize them.



In EduLead, you will have to mention the Serial Number in some accounting entries. If your product is not a big consumer durable Item, if it has no warranty and has no chances of being recalled, avoid giving serial numbers.

3.5.8 Batches

A set of Items can be manufactured in batches. This is useful for moving the batch and associate an expiry date with a certain batch.

- **Has Batch No:** Options for batch number, expiry date, and retaining sample stock will be revealed on ticking this checkbox. You cannot activate this if there is any pre-existing transaction for this item. If this is disabled, you'll have to enter the serial numbers manually for every transaction.
- **Batch Number Series:** Prefix that'll be applied to batch numbers. If you set 5x1SCR, then the first batch will be named like 5x1SCR00001 on first transaction/manufacture.
- **Automatically Create New Batch:** If the batch number is not mentioned in transactions, then they will be automatically created according to a format like AAAA.00001. If you always want to manually create a batch number for this item, leave this field blank. This setting will override 'Naming Series Prefix' in Stock Settings. Batch numbers can be set to be generated automatically if you manufacture the Items or can be entered manually if it comes from an external manufacturer.
- **Has Expiry Date:** If you tick this, the batch number will be created according to the expiry date. The expiry dates can be set in the 'Batch' master.
- **Retain Sample:** To retain a minimum number of sample stock of the item. You need to set a Sample Retention Warehouse in Stock Settings for this. To know more, click [here](#).
- **Has Serial No:** This is similar to Batch Number Series; it'll be created when you make transactions/manufacture. If you set Serial Number Series as AA, then on the first transaction a serial number like AA00001 will be created.

Tip: While entering an Item Code in an Items table, if the table requires inventory details, then depending on whether the entered item is batched or serialized, you can enter serial or batch numbers right away in a pop-up dialog.

Note: Once you mark an item as serialized or batched or neither, you cannot change it after you have made a Stock Entry.



3.5.9 Variants

An Item Variant is a different version of an Item. To learn more about managing variants see Item Variants.

3.5.10 Item Defaults

In this section, you can define Company-wide transaction-related defaults for this Item.

- **Default Warehouse:** This is the Warehouse that is automatically selected in your transactions with this item.
- **Default Price List:** Whether Standard Selling or Standard Buying. Likewise, you can also set the purchasing and selling default accounts
- **Supplier:** If a default supplier is set, this supplier will be selected for new purchase transactions.
- **Default Expense Account:** It is the account in which cost of the Item will be debited.
- **Default Income Account:** It is the account in which income from selling the Item will be credited.
- **Default Cost Center:** It is used for tracking expense for this Item.

Tip: You can add more rows for multiple companies.

3.5.11 Purchase, Replenishment Details

- **Default Purchase Unit of Measure:** The default UoM that will be used in Purchase transactions.
- **Minimum Order Qty:** The minimum quantity required for purchase transactions like Purchase Orders. If set, the system will not let you proceed with the purchase transaction if the item quantity in the purchase transaction is lesser than the quantity set in this field.
- **Safety Stock:** “Safety Stock” is used in the report “Itemwise Recommended Reorder Level”. Based on Safety Stock, average daily consumption and the lead time, the system suggests Reorder Level of an item.
$$\text{Reorder Level} = \text{Safety Stock} + (\text{Average Daily Consumption} * \text{Lead Time})$$
- **Last Purchase Rate:** The rate at which you last purchased this item using a Purchase Invoice will be displayed here.
- **Is Purchase Item:** If unticked, you won't be able to use this item in purchase transactions.
- **Is Customer Provided Item:** Checked if Item is provided by a customer and received through Stock Entry > Material Receipt. If Checked, Customer field is Mandatory as the default customer for Material Request. To know more visit this page.



- **Lead time days:** Lead time days are the number of days between ordering the Item and it to reach the Warehouse.

3.5.12 Supplier Details

- **Delivered by Supplier (Drop Ship):** If the item is delivered directly by the supplier to the customer, tick this checkbox. Read more here.
- **Supplier Codes:** Track Item Code defined by the Suppliers for this Item. In the Purchase transactions, on selecting an Item, a Supplier Part No. will be fetched as well for the Supplier's reference. You can read more about it here.

3.5.13 Foreign Trade Details

If you're sourcing the item from another country, you can set the details here.

- **Country of Origin:** The country from which you're sourcing the item.
- **Customs Tariff Number:** You can create a customs tariff number with a description and use it for reference here to share with custom agencies. Later it can be used to add in Delivery Notes.

3.5.14 Sales Details

- **Default Sales Unit of Measure:** The default UoM that'll be fetched for sales transactions.
- **Max Discount (%):** You can define the maximum discount in % to be applied to an item. Eg: if you set 20%, you cannot sell this item with a discount greater than 20%.
- **Is Sales Item:** If unticked, you won't be able to use this item in sales transactions.

3.5.15 Deferred Revenue and Deferred Expense

You can enable deferred revenue or expense from the item. Once you tick the checkbox, you'll see options to set the Deferred Expense Account and the number of months through which the revenue/expense is deferred.

For example, consider a yearly gym membership, you pay the money upfront at once but the service is given throughout the year. For the gym owner, this is deferred revenue and for the customer, it is a deferred expense.



3.5.16 Customer Details

The Customer may identify an Item with a different Item Code. this is Similar to Supplier Code.

- Customer Name: Select a customer here.
- Customer Group: This will be fetched based on the Customer you selected in the previous field.
- Ref Code: A customer can identify this item with a different number. You can track Item Code assigned by the Customer for this Item. When you create a Sales Order, the Customer's Reference Code for this Item will be shown.

3.5.17 Item Tax

These settings are required only if a particular Item has a different tax rate than the rate defined in the standard tax Account.

You need to create a new 'Item Tax Template' or choose an existing one. For example, if you have a tax Account, "VAT 14%" and this particular Item is exempted from tax, then you select "VAT 14%" in the first column, and set "0" as the tax rate in the second column. Visit the Item Tax Template page for more details.

You can also set a Tax Category for this Item.

3.5.18 Inspection Criteria

- Inspection Required before Purchase: If an inspection is mandatory before the item is purchased, i.e., before you generate Purchase Receipt, tick this checkbox.
- Inspection Required before Delivery: If an inspection is required at the time of delivery from your Supplier is mandatory for this Item, tick this checkbox. That is, before you generate a Delivery Note.
- Quality Inspection Template: If a Quality Inspection is prepared for this Item, then this template of criteria will automatically be updated in the Quality Inspection table of the Quality Inspection. Examples of Criteria are: Weight, Length, Finish, etc.

Quality Inspection can be done with Quick View and you need not go to a different page to update the details inspection in EduLead.

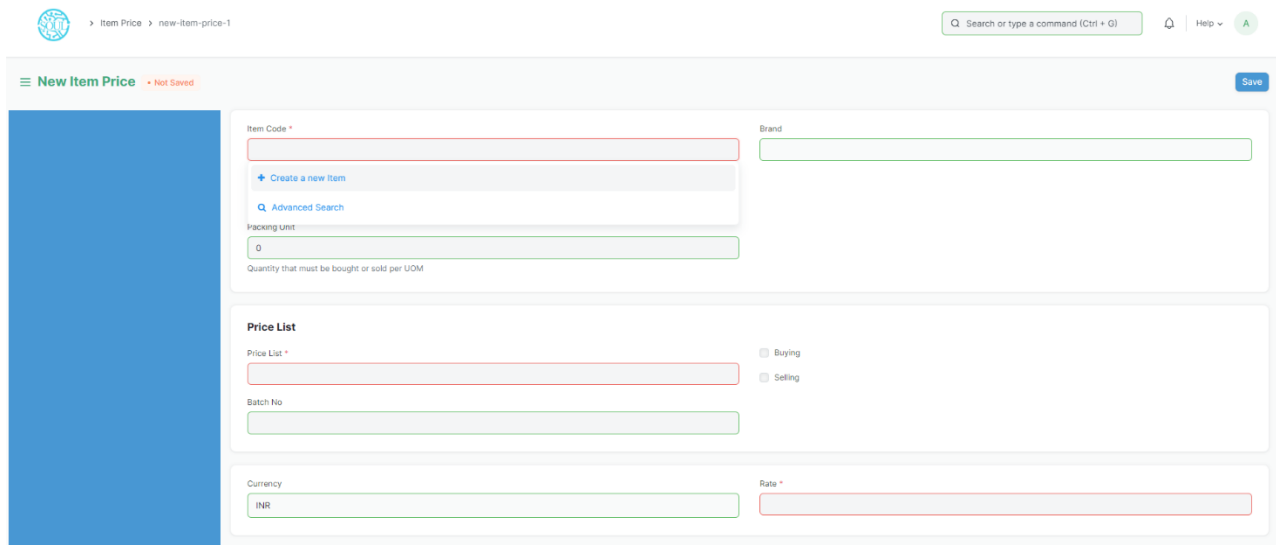


4. Item Price

Item Price is the record in which you can log the selling and buying rate of an item.

4.1 How to create Item Price

1. There are two ways to reach a new Item Price form:
[Selling/Buying/Stock > Items and Pricing > Item Price > New.](#)
Or
[Stock > Item > Click on "+" next to Item Price.](#)
2. Select the Item. The name, UoM and description will be fetched.
3. Select the Price List whether Selling/Buying price or any other price list you may have created.
4. Enter the actual rate in the Rate field.
5. Save.



4.1.1 Selecting the Price List

You can create multiple Price Lists for one Item in EduLead to track Selling and Buying Price of an Item separately. Also if the Item's selling prices change based on Territory or due to other criteria, you can create multiple Selling Price Lists for it.

On selection of Price List, its currency and applicability whether for selling/buying or both will be fetched as well. To have Item Price fetching in the sales or purchase transaction, you should have 'Price List' selected in the transaction under Currency and Price List.

To check all Item Prices together, go to:

[Stock > Stock Reports > Item Price Stock](#)

4.2 Features

4.2.1 Packing Unit

This is the quantity that must be bought or sold per unit of measure. For example, if Packing Unit is two, and UOM is one, two items in quantity will be transacted. The default is 0, you can use non-integer UoM like 1.5Kg Oats for 1 Packing Unit. If you leave it as 0, it'll not affect any transaction.

4.2.2 Minimum quantity

This is the minimum quantity of items to be transacted for this price to be applicable and updated in the Item Price list.

4.2.3 Applying Price List to a specific Customer/Supplier

If you select a Selling Price list, a customer field will appear where you can assign this Item Price to a specific customer. Likewise, if you select a Buying Price List, a Supplier field will appear where you can select a specific Supplier

4.2.4 Applying Price List to a specific Batch

You can also link a specific batch to an Item Price and on the selection of that batch in the transaction, the item price for that specific batch will be applied.

4.2.5 Validity

There are two fields here—'Valid From' and 'Valid Upto'. Valid from is set to the date you created the Item Price, you can also set the Valid Upto date on which the Item Price will expire.



4.2.6 Lead Time in days

The approximate number of days it takes the product to reach the warehouse. You can set different Item Prices based on how much time the same product will reach you from different vendors.

4.2.7 Note

You can add any note about the Item Price in this field.

5. Item Codification

If you already have a full-fledged business with a number of physical items, you would have probably coded your items. If you have not, you have a choice. We recommend that you should codify if you have lot of products with long or complicated names. In case you have few products with short names, it is preferable to keep the Item Code same as Item Name.

Item codification has been a sensitive topic and wars have been fought on this (not joking). In our experience, when you have items that cross a certain size, life without codification is a nightmare.

5.1. Benefits

- Standard way of naming things.
- Less likely to have duplicates.
- Explicit definition.
- Helps to quickly find if a similar item exists.
- Item names get longer and longer as more types get introduced. Codes are shorter.

5.2 Challenges

- You have to remember the codes!
- Harder for new team members to pick up.
- You have to create new codes all the time.



5.3 Example

You should have a simple manual / cheat-sheet to codify your Items instead of just numbering them sequentially. Each letter should mean something. Here is an example:

If your business involves wooden furniture, then you may codify as follows:

Item Codification Summary Sheet (SAMPLE)

First letter: "Material" Third letter: "Size"

- W - Wood - 0 - less than 1mm

- H - Hardware - 1 - 1mm - 5mm

- G - Glass - 2 - 5mm - 10mm

- U - Upholstery - 3 - 10mm - 10cm

- P - Plastic

Second Letter: "Type"

For Wood: For Hardware:

- S - Sheet - S - Screw

- B - Bar - N - Nut

- L - L-section - W - Washer

- M - Molded - B - Bracket

- R - Round

The last few letters could be sequential. So by looking at code WM304 - you know it's a wooden molding less than 10cm in size

5.4 Standardization

If you have more than one person naming items, the style of naming items will change for everyone. Sometimes, even for one person, he or she may forget how they had named the item and may create a duplicate name "Wooden Sheet 3mm" or "3mm Sheet of Wood"?



5.5 Rationalizing

It is a good practice to have minimum varieties of items so that you keep minimum stock, housekeeping is simpler etc. When you are planning a new product and you want to know if you are already purchasing a part in some other product, the item codes will help you quickly determine if you are using a similar raw material in another product.

We believe if you do this small investment, it will help you rationalize things as your business grows, though it's okay not to codify if you have less items.

6. Applying a Discount

There are several ways to apply a Discount on an item in a sales transaction. This can be done in all sales and purchase transactions.

6.1. Discount on Price List Rate of an item

You can find the Discount field in the Item table of a transaction, click on the downward arrow at the right-hand side of a row. A Discount can be applied as a percentage or a fixed amount related to the Price List Rate of the Item.

The feature of Discount (%) is available in all sales and purchase transactions.

If you want to apply a discount (as a Percentage) regularly for certain quantities you'd rather use a "Pricing Rule". Read Pricing Rule documentation to learn more.

6.2 Discount on Net Total or Grand Total

In the "Additional Discount" section (of a "Sales Order" or "Sales Invoice" alike), you can apply a Discount as a fixed amount or a percentage on the total sum of the Sales.

6.3 Discount on "Net Total"

If a Discount is applied on Net Total, then item's Net Rate and Net Amount is calculated as per the Discount Amount. Net Rate and Amount field will be visible only if Discount is applied using this feature.



6.4 Discount on "Grand Total"

If a Discount is applied based on the Grand Total, then with item's Net Rate, Net Amount as well as taxes are also re-calculated as per Discount Amount.

7. Item Variants

An Item Variant is a version of an Item with different attributes like sizes or colors.

Eg: Suppose t-shirt is an Item and it comes in different sizes and colors like small, medium, large and red, blue, green. In EduLead the t-shirt will be considered as an Item template and each of the variations will be an Item Variant.

A *blue* t-shirt in size *small* rather than just a t-shirt. Item variants let you treat the *small*, *medium*, and *large* versions of a t-shirt as variations of one Item 't-shirt'.

Without Item variants, you would have to treat the *small*, *medium* and *large* versions of a t-shirt as three separate Items.

7.1 Using Item Variants

Variants can be based on two things:

1. Item Attributes
2. Manufacturers

Tip: Once an item template is created, when you update this template, all the variants are also updated accordingly.

7.1.1 Creating the Item Variant Template

1. To use Item Variants in EduLead, create an Item and tick 'Has Variants' under Variants.
2. The Item then shall be referred to as a so-called 'Template'. Such a Template is not identical to a regular 'Item' any longer. For example, it (the Template) cannot be used directly in any transaction (Sales Order, Delivery Note, Purchase Invoice) itself.
3. Only the Variants of the Item (*blue* t-shirt in size *small*) can be practically used. Therefore, it would be ideal to decide whether an item 'Has Variants' or not directly when creating it



4. On selecting 'Has Variants' a table will appear. Specify the variant attributes for the Item in the table. In case the attribute has Numeric Values, you can specify the range and create intervals based on the increment values.

7.1.2 Creating the Item Variants Based on Item Attributes

To create 'Item Variants' against a 'Template' click on 'Create'. From there, choose whether to create a single variant or multiple. Single is simple where you create just one or more attributes and one Item will be created. When choosing multiple variants, tick the attributes and multiple items will be created. For example, if you choose Color: Red, Green and Size: Small, Medium, Large, 6 variants will be created.

7.1.3 Item Variants Based on Manufacturers

To setup variants based on Manufacturers, in your Item template, set "Variants Based On" as "Manufacturers" In this case, to create variants, click on Create > Make Variant. The system will prompt you to select a Manufacturer. You can also optionally put in a Manufacturer Part Number.

The naming of the variant will be based on the name (ID) of the template Item with a number suffix. e.g. "Screwdriver" will have variant "Screwdriver-1".

7.1.4 Update Item Variants Based on Template

Go to: Home > Stock > Items and Pricing > Item Variant Settings. The fields displayed here will be copied over to the variants as well. By default, all fields are shown, delete any rows you don't want to be updated from the item template to the variants.

8. Item Group

An Item Group is a way to classify items based on types.

Depending on the type of product, you can categorize an item under its respective field. If the product is service-oriented, assign it under the Item Group - service. If the product is used as a raw-material, assign it under the Raw Material category. In case, an item is used only in trading, you can categorize it under an Item Group called Trading.

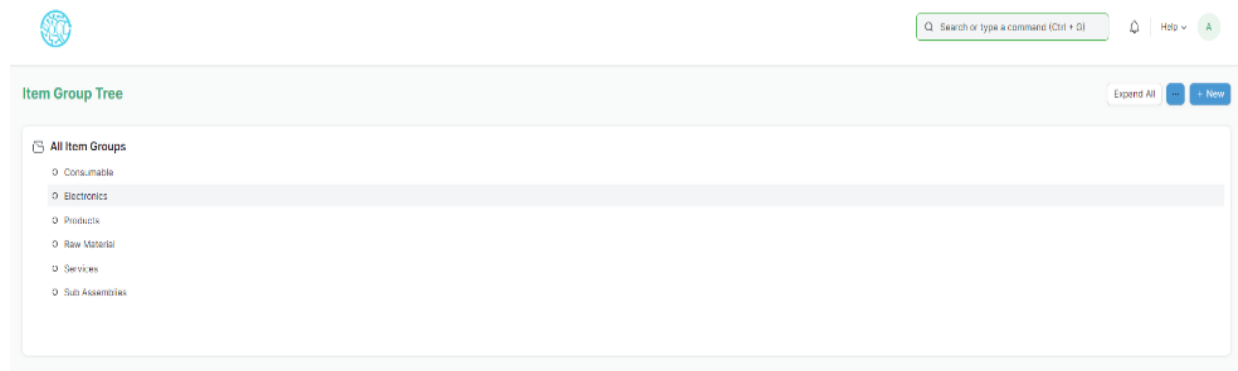
To access the Item Group list, go to:

[Home > Stock > Items and Pricing > Item Group](#)



8.1 How to create an Item Group

1. Go to the Item Group list, click on New.
2. Select a group node under which you wish to create the Item Group, the default root is 'All Item Groups'.
3. Select 'Add Child' or click on the New button.
4. To make this child a category/group node, tick on Group Node.
5. Click on Create New.



8.1.1 Delete an Item Group

1. Select the Item Group you want to delete.
2. Select 'Delete'.
3. Click on Yes.

8.2 Features

To see the following options, click on an Item Group, click on Edit.

8.2.1 Parent Item Group

You can change the parent Item Group of an item by choosing another one under General Settings.

8.2.2 Defaults

- Default Price List: A default price list that'll determine the Item Prices for this Item Group.
- Default Warehouse: Default Warehouse set in transactions for the items that belong to this group.

- **Default Buying/Selling Cost Center:** The default Buying/Selling Cost Center to which items in this group will be billed against.
- **Default Expense/Income Account:** The default accounts for items that belong to this group.
- **Default Supplier:** On setting a Supplier here, this supplier will be chosen in purchase transactions by default for items in this group.

8.2.3 Item Tax

A default item tax template will be applied to all items belonging to this group. Similarly a Tax Category can also be selected, visit Quotation to know more about Tax Categories.

8.2.4 Website Settings

- **Show in Website:** Items belonging to this group will be shown on your website under the Item Group.
- **Weightage:** This is the weight for the Item Groups themselves, item groups with higher weights will be shown first.
- **Slideshow:** A slideshow for the Item Group, just like in an Item. Visit the Homepage page in Website module to know more.
- **Description:** This will appear on the Item Group page.
- **Website Specifications:** Label and its description for an item group

9. Item Attribute

Item Attributes are characteristics given to Item Variants based on which Item Variants are created.

Item Attributes can be color, size, length, etc. Multiple attributes like multiple colors can be defined.

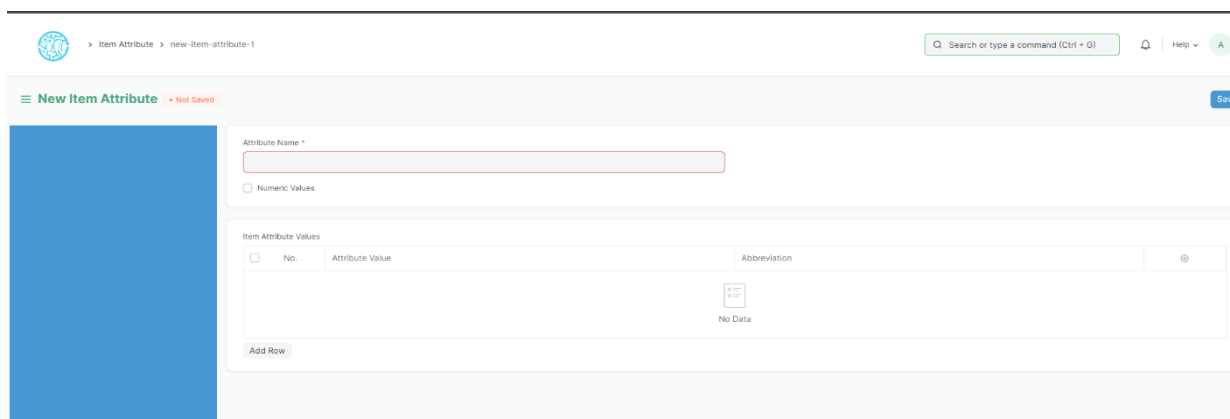
To access the Item Attribute list, go to:

[Home](#) > [Stock](#) > [Settings](#) > [Item Attribute](#)

9.1 How to create an Item Attribute

1. Go to the Item Attribute list, click on New.
2. Enter a name for the Attribute.
3. Enter the attribute values in the table.
4. Save.

The attribute values can be numeric or non-numeric.



9.1.2 Non Numeric Attributes

For Non Numeric Attributes, specify attributes values along with its abbreviation in the Attribute Values table.

9.1.3 Numeric Attributes

If your attribute is Numeric, select Numeric Values. Specify the Range and the Increment Value. In the following example the pipe length is of range 0.25 to 3.0 and the range is 0.25 so the variants will be 0.25, 0.5, 0.75...3.0.

10. Item Valuation Methods and Transactions

In EduLead, Item's stock valuation is updated on the creation of one of the following transaction.

1. Purchase Receipt
2. Stock Entry of type Material Receipt
3. Stock Reconciliation made for updating stock opening balance

You can select valuation method based on which item's value will be calculated. Valuation Method can be set globally for all the items from the Stock Settings.

You can also set Valuation Method in the item master, especially when a valuation method for an item is different from the default Method

Note that once ledger entries are made for an item, this option will no longer be visible in the Item form.

11. Maintain Stock Field Frozen in the Item master

In the item master, you might witness values in the following fields to be frozen.

1. Maintain Stock
2. Has Batch No.
3. Has Serial No.

For an item, once stock ledger entry is created, values in these fields will be frozen. This is to prevent user from changing the value which can lead to mis-match of actual stock, and stock level in the system of an item.

For the serialized item, since its stock level is calculated based on the count of available Serial Nos., setting Item as non-serialized mid-way will break the sync, and item's stock level shown in the report will not be accurate, hence Has Serial No. field is frozen.

To make these fields editable once again, you should delete all the stock transactions made for this item. For the Serialized and Batch Item, you should also delete Serial No. and Batch No. record for this item.

12. Return Rejected Items

In the Purchase Receipt, you can receive the Items in the Accepted or the Rejected Warehouse.



If you are creating Purchase Return for the items received in the Rejected Warehouse, then create return entry following these steps.

1. In the Purchase Receipt Item table, for the item to be returned, in the Received Qty field, enter return entry in negative.
2. In the Accepted Warehouse field, set value as zero.
3. In the Rejected Warehouse field, set the quantity to be returned in negative.

13. Track Items Using Barcode

A barcode is a value decoded into vertical spaced lines. Barcode scanners are the input medium, like Keyboard. When it scans a barcode, the data appears in the computer screens at the point of a cursor.

14. Item Master

To set the barcode of a particular item, you will have to open the Item record. You can also enter barcode while creating a new item.

Once barcode field is updated in item master, items can be fetched using barcode. This feature will be available in Delivery Note, Sales Invoice, Purchase Receipt, and Stock Reconciliation transactions only.

After downloading the EduLead app from the Google Play Store or Apple App Store.

Log in to your EduLead account, go to the Item master and you'll be able to scan barcodes and add Items right from your smartphone!

Question: A Fixed Asset Item has been purchased and stored in a warehouse. How to create a depreciation for a Fixed Asset Item?

Answer: You can post asset depreciation entry for the fixed asset item via Stock Reconciliation Entry.

Step 1:

In the Attachment file, fill in the appropriate columns;

- Item Code whose value is to be depreciated.
- Warehouse in which item is stored.
- Qty (Quantity) Leave this column blank.
- Valuation Rate will be item's value after depreciation.



After updating Valuation Rate for an item, come back to Stock Reconciliation and upload save .csv file.

Step 2:

Select Expense account for depreciation in Difference Account. Value booked in the depreciation account will be the difference of old and next valuation rate of the fixed asset item, which will be actually the depreciation amount.

15. Serial No. Naming

Serial Nos. is unique value assigned on each unit of an item. Serial no. helps in tracking item's warranty and expiry details. Generally high value items like machines, computers, costly equipments are serialized.

To make item Serialized, in the Item master, check Has Serial No.

There are two ways Serial no. can be generated in EduLead.

15.1 Serializing Purchase Items

If purchased items are received with Serial Nos. applied by OEM (original equipment manufacturer), you can follow same Serial No in EduLead as well. While creating Purchase Receipt, you shall scan or manually enter Serial nos. for an item. On submitting Purchase Receipt, Serial Nos. will be created in the backend as per Serial Nos. provided for an item. If using OEM' Serial No., then in the Item master, Prefix should not be mentioned for serializationalization. As per this scenaio, Prefix field should be left blank.

If received items already has its Serial No. barcoded, you can simply scan that barcode for entering Serial No. in the Purchase Receipt. [Click here to learn more about it.](#)

On submission of Purchase Receipt or Stock entry for the serialized item, Serial Nos. will be auto-generated.

16. Opening Stock Balance Entry for Serialized and Batch Item

Items for which Serial No. and Batch No. is maintained, opening stock balance entry for them is update via Stock Entry. [Click here to learn how serialized inventory is managed in EduLead.](#)



Question: Why Opening Balance entry for the Serialized and Batch Item cannot be updated via Stock Reconciliation?

In the EduLead, stock level of a serialized item is derived based on the count of Serial Nos for that item. Hence, unless Serial Nos. are created for the serialized item, its stock level will not be updated. In the Stock Reconciliation Tool, you can only update opening quantity of an item, but not the Serial No. and Batch No.

16.1 Opening Balance for the Serialized Item

Following are the steps to create opening stock balance entry for the Serialized and Batch item.

Step 1: New Stock Entry

[Stock > Stock Entry > New](#)

Step 2: Select Purpose

Stock Entry Purpose should be updated as Material Receipt.

Step 3: Update Posting Date

Posting Date should be date on which you wish to update opening balance for an item.

Step 4: Update Target Warehouse

Target Warehouse will be one in which opening balance of an item will be updated.

Step 5: Select Items

Select Items for which opening balance is to be updated.

Step 6: Update Opening Qty

For the serialized item, update quantity as many Serial Nos are there.

For the serialized item, mention Serial Nos. equivalent to its Qty. Or if Serial Nos. are configured to be created based on Prefix, then no need to mention Serial Nos. manually. [Click here to learn more about Serial No. naming.](#)

For a batch item, provide Batch ID in which opening balance will be updated. Keep batch master ready, and updated it for the Batch Item.

To create new Batch, go to:



[Stock > Setup > Batch > New](#)

Click here to learn how Batch wise inventory is managed in EduLead.

Step 7: Update Item Valuation Rate

Update valuation rate, which will be per unit value of item. If different units of the same items having different valuation rate, they should be updated in a separate row, with different Valuation Rates.

Step 8: Difference Account

As per perpetual inventory valuation system, accounting entry is created for every stock transaction. Double entry accounting system requires Total Debit matching with Total Credit in an entry. On the submission of Stock Entry, system debits Warehouse account by total value of items. To balance the same, we use Temporary Opening account as a Difference Account.

Step 9: Save and Submit Stock Entry

On submission of Stock Entry, stock ledger posting will be posted, and opening balance will be updated for the items on a given Posting Date.

17. Serial Number

As discussed in the Item page, if an Item is *serialized*, a Serial Number (Serial No) record is maintained for each quantity of that Item. This information helps track the location of the Serial No, it's warranty and end-of-life (expiry) information.

Serial Nos are also useful to maintain fixed assets. Maintenance Schedules can also be created against Serial Numbers for planning and scheduling maintenance activity for these assets (if they require maintenance).

You can also track from which Supplier you purchased the Serial No and to which Customer you have sold it. The Serial No status will tell you its current inventory status.

If your Item is *serialized*, you will have to enter the Serial Nos in the related column with each Serial No in a new line. You can maintain single units of serialized items using Serial Number.

To access the Serial Number list, go to:

[Home > Stock > Serial No and Batch > Serial No](#)



17.1 Prerequisites

Before creating and using a Serial Number, it is advised that you create the following first:

- Item
- Enable 'Has Serial No' in the Item master

17.2 How to create a Serial Number

Usually, Serial Numbers are auto-created when transactions are made against a serialized Item. This works only when 'Has Serial No' is enabled and a series is set in the Item master.

For example, a series was set for the following Item as 'PB2L.#####'. Then a Stock Entry was submitted to receive the Item. The Serial Numbers were created accordingly.

However, if you want to create a Serial No *manually* follow these steps:

1. Go to the Serial Number list, click on New.
2. Enter a Serial Number.
3. Enter the Item Code and details will be fetched.
4. If any transaction is done with an item, Serial No cannot be set or unset.
5. Save.

Inventory of an Item can only be affected if the Serial No is transacted via a Stock transaction (Stock Entry, Purchase Receipt, Delivery Note, Sales Invoice). When a new Serial No is created directly, its Warehouse cannot be set.

17.2.1 Notes about Serial Number

- The Status is set based on Stock Entry.
- Only Serial Numbers with status 'Available' can be delivered.
- Serial Nos can automatically be created from a Stock Entry or Purchase Receipt. If you mention Serial No in the Serial Nos column, it will automatically create those serial Nos.



- If in the Item Master, the Serial No Series is mentioned, you can leave the Serial No column blank in a Stock Entry / Purchase Receipt. Serial Nos will automatically be set from that series.

17.3 Features

17.3.1 Purchase/Manufacture details

The document from which the Serial No was created will be shown. If you purchased it from a Supplier, it'll be linked here.

17.3.2 Delivery Details

If the Serial No was generated from a Sales Order, the Customer will be linked here.

17.3.3 Warranty/AMC Details

If the Item is under warranty or AMC (Annual Maintenance Contract), the expiry dates for these can be set.

17.3.4 More Information

Any additional information about this specific Item unit can be set under 'Serial No Details'.



18. Serial No. Naming

Serial Nos. is unique value assigned on each unit of an item. Serial no. helps in tracking item's warranty and expiry details. Generally high value items like machines, computers, costly equipments are serialized.

To make item Serialized, in the Item master, check Has Serial No.

There are two ways Serial no. can be generated in EduLead.

18.1 Serializing Purchase Items

If purchased items are received with Serial Nos. applied by OEM (original equipment manufacturer), you can follow same Serial No in EduLead as well. While creating Purchase Receipt, you shall scan or manually enter Serial nos. for an item. On submitting Purchase Receipt, Serial Nos. will be created in the backend as per Serial Nos. provided for an item. If using OEM' Serial No., then in the Item master, Prefix should not be mentioned for serializationalization. As per this scenaio, Prefix field should be left blank.

If received items already has its Serial No. barcoded, you can simply scan that barcode for entering Serial No. in the Purchase Receipt. [Click here to learn more about it.](#)

On submission of Purchase Receipt or Stock entry for the serialized item, Serial Nos. will be auto-generated.

Generated Serial numbers will be updated for each item.

19. Opening Stock

Opening Stock is the amount and value of materials that a company has available for sale or use at the beginning of an accounting period.

The closing Stock of the previous accounting period becomes the opening Stock of the current accounting period.

19.1 Prerequisites

- Create Warehouses.
- Link Warehouse to appropriate accounting ledgers.



19.2 Opening Stock for Non-Serialized Items

To post opening stock visit the Stock Reconciliation page.

19.3 Opening Stock for Serialized and Batched Items

Create the Batch and Serial No records beforehand. To post opening stock for serialized and batched items:

1. Go to Stock > Stock Transactions > Stock Entry > New.
2. Select 'Material Receipt' in 'Stock Entry Type'.
3. Select the Warehouse in 'Default Target Warehouse'.
4. In Items table select Item Code, Qty and Basic rate.
5. For batched items select Batch No.
6. For serialized items select Serial No.
7. Save and Submit.

20. Accounting of Inventory Stock

The value of available inventory is treated as a Current Asset in the company's Chart of Accounts. To prepare a Balance Sheet, you should make the accounting entries for those assets. There are generally two different methods of accounting for inventory.

20.1 Auto/Perpetual Inventory

In this process, for each stock transaction, the system posts relevant accounting entries to sync stock balance and accounting balance. This is the default setting in EduLead for new accounts. By default, Perpetual Inventory is enabled in the Company.

When you buy and receive items, those items are booked as the company's assets (stock-in-hand). When you sell and deliver those items, an expense (Cost of Goods Sold) equal to the landed cost of the items is booked. General Ledger entries are created after every stock transaction. As a result, the value as per Stock Ledger always remains the same with the relevant account balance. This improves the accuracy of the Balance Sheet and the Profit and Loss statement.

Read Perpetual Inventory documentation to check accounting entries for a particular stock transaction.



20.1.2 Advantages of Perpetual Inventory

Perpetual Inventory system will make it easier for you to maintain the accuracy of the company's asset and expense values. Stock balances will always be synced with relevant account balances, so no more periodic manual entry needs to be done to balance them.

In case of new back-dated stock transactions or cancellation/amendment of an existing transaction, all the future Stock Ledger entries and GL Entries will be recalculated for all items of that transaction. The same is applicable if any cost is added to the submitted Purchase Receipt later through the Landed Cost Voucher.

Note: Perpetual Inventory completely depends upon the item valuation rate. Hence, you have to be more careful entering the valuation rate while making any incoming stock transactions like Purchase Receipt, Material Receipt, or Manufacturing/Repack.

20.2 Periodic Inventory

In this method, accounting entries need to be created manually in order to sync stock balance and relevant account balance. The system does not create accounting entries automatically for assets at the time of material purchases or sales.

In an accounting period, when you buy and receive items, an expense is booked in your accounting system. You sell and deliver some of these items.

At the end of an accounting period, the total value of items to be sold, need to be booked as the company's assets, often known as stock-in-hand.

The difference between the value of the items remaining to be sold and the previous period's stock-in-hand value can be positive or negative. If positive, this value is removed from expenses (Cost of Goods Sold) and is added to assets (stock-in-hand). If negative, a reverse entry is passed.

This complete process is called Periodic Inventory.

If you are an existing user using Periodic Inventory and want to use Perpetual Inventory, you need to follow a few steps to migrate.



21. Stock Entry

A Stock Entry lets you record Item movement between Warehouses.

To access the Stock Entry list, go to:

[Home](#) > [Stock](#) > [Stock Transactions](#) > [Stock Entry](#)

Stock Entries can be made for the following purposes:

- **Material Issue:** If the material is being issued to someone in or outside the company (Outgoing Material). The Items will be deducted from the Warehouse set under Source Warehouse.
- **Material Receipt:** If the material is being received (Incoming Material). The Items will be added to the Warehouse set under Target Warehouse.
- **Material Transfer:** If the material is being moved from one internal Warehouse to another.
- **Material Transfer for Manufacturing:** If raw materials are being transferred for manufacturing. The transfer can happen against a Work Order or a Job Card. To know more, visit the Bill Of Materials page.
- **Material Consumption for Manufacture:** There can be multiple consumption stock entries against a manufacturing Work Order. Refer this link for more details
- **Manufacture:** If the Material is being received from a Manufacturing/Production Operation.
- **Repack:** If the Original item/items are being repacked into new item/items.
- **Send to Subcontractor:** If the Material is being issued for a sub-contract activity. This entry is made from a Purchase Order. To know more, visit the subcontracting page.

21.1 Prerequisites

Before creating and using a Stock Entry, it is advised that you create the following first:

- Warehouse
- Item

21.2 How to create a Stock Entry

Stock Entries for Manufacturing purposes are usually created from a Work Order. To create a Stock Entry manually for other purposes, follow these steps:

1. Go to the Stock Entry list, click on New.



2. Select the Stock Entry Purpose from the ones listed above.
3. If you set the Default Source or Target Warehouses, they'll be automatically filled for the rows in the Items table.
4. Source/Target Warehouses will be available as per the Stock Entry Purpose you selected.
5. Select Items and enter a quantity.
6. The basic rate will be fetched and the amount will be calculated automatically.
7. Save and Submit.

Usually, "Source Warehouse" and "Target Warehouse" both are set for recording a movement.

21.2.1 Additional options when creating a Stock Entry

- Work Order: If this is a Manufacturing entry, the Work Order will be shown in this field.
- Edit Posting Date and Time: Will allow you to edit the Stock Entry's date and time.
- Inspection Required: If a Quality Inspection needs to be performed on the Items before submitting the Stock Entry.
- From BOM: If this is a Manufacturing entry, the associated BOM for the Item being manufactured will be shown.

21.3 Stock Entry Type

You can also create a Stock Entry Type where only the name will be different, for example 'Scrap Entry'. The purpose will be Material Transfer but the name will be different. This is useful if you want certain Users to have access only to specific actions related to stock.

21.4 Features

21.4.1 The Items table

Details about the Item, Rate, Quantity, etc. will be shown here.

Ticking on 'Allow Zero Valuation Rate' will allow submitting the Purchase Receipt even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.

Different Source and Target Warehouses can be set for different Items.



21.4.2 Additional Costs

If the stock entry is an incoming entry i.e any item is receiving at a target warehouse, you can add related additional costs (like Shipping Charges, Customs Duty, Operating Costs, etc) associated with the process. The additional costs will be considered to calculate the Valuation Rate of the items.

To add additional costs:

1. Select the Expense Account to which the expense from this Stock Entry will be recorded.
2. Enter the description and amount of the cost in the Additional Costs table.

The added Additional Costs will be distributed among the receiving items (where the Target Warehouse mentioned) proportionately based on the Basic Amount of the items. And the distributed additional cost will be added to the basic rate of the item, to calculate Valuation Rate.

Quantity and Rate is shown as follows when you expand the Items table.

21.4.3 Accounting Dimensions

You can tag different transactions based on different dimensions. By default, Projects can be considered as a dimension as it is a common practice to track costs of different projects. To know more about Accounting Dimensions, visit this page.

21.4.5 Printing Settings

Letterhead

You can print your Purchase Receipt on your company's letterhead. Know more here.

Print Headings

Purchase Receipt headings can also be changed when printing the document. You can do this by selecting a Print Heading.

To create new Print Headings, go to:

[Home](#) > [Settings](#) > [Printing](#) > [Print Heading](#)



21.4.6 More Information

- Is Opening: If this entry is the opening stock entry for the Items.
- Remarks: Any additional remarks about the Item.
- Percentage Transferred: The percentage of Items transferred depending on Stock Entry purpose.
- Total Amount: The total amount of Items transferred.

21.4.7 Perpetual Inventory

If the perpetual inventory system is enabled, additional costs will be booked in Expense Account mentioned in the Additional Costs table.

21.4.8 After Submitting

After submitting a Stock Entry, you can go to the stock ledger or the accounting ledger from the dashboard.

22. Stock Reconciliation

Stock Reconciliation is the process of counting and evaluating material/products, periodically at the year end.

This is done in order to:

- Keep the actual physical stock count and book stock count in sync
- Value the stock for preparation of the accounting statements

The Stock Reconciliation feature in EduLead is used for:

- Posting opening stock
- Reconciling book and actual stock

To access the Stock Reconciliation list, go to:

[Home](#) > [Stock](#) > [Tools](#) > [Stock Reconciliation](#)



22.1 How to Create a Stock Reconciliation to Post Opening Stock

Using stock reconciliation, you can update the number of specific items in a warehouse as of specific time. You can also add Items in the stock which have Serial Numbers or the Batch Numbers.

1. Go to the Stock Reconciliation list, click on New.
2. Select the Purpose as 'Opening Stock'. You can edit the posting Date and Time.
3. Select Item Code, Warehouse, Quantity, and Valuation Rate. If there is a Serial / Batch No involved, add it.
4. If you want to auto-generate Serial No / Batch No then keep those fields blank.
 - For auto-generation of Serial No, you need to set "Serial Number Series" in the Item master.
 - For auto-generation of Batch no, you need to enable "Automatically Create New Batch" checkbox in the item master.
5. The Difference Account will be set as 'Temporary Opening'.
6. Save and Submit.

Note: Maintain Stock option should be enabled in Item master for this to work.

22.2 How to Create a Stock Reconciliation to Reconcile Book and Physical Stock Count

Stock Reconciliation is the process of counting and evaluating stock-in-trade, periodically and at year-end in order to value the total stock for preparing accounting statements. In this process, the actual physical stocks are checked and recorded in the system. The actual stocks and the stock in the system should be in agreement and accurate. If they are not, you can use the Stock Reconciliation tool to reconcile stock balance and value with actuals.

To reconcile the stock:

1. Go to the Stock Reconciliation list, click on New
2. Select the Purpose as 'Stock Reconciliation'. You can edit the posting Date and Time.
3. Set Item Code, Warehouse.



4. The current Quantity and Valuation Rate will be fetched, change the quantity as required.
5. The expense account in Difference Account will be set to 'Stock Adjustment' by default.
6. The Cost Center default will be 'Main', change if needed.
7. Save and Submit.

22.3 Features

22.3.1 Upload Data Through Spreadsheet

If you have a lot of items, you can upload the details via a spreadsheet.

1. Download Template
Open new Stock Reconciliation and click on Download button to download the template in CSV format.
2. Enter Data in CSV Template.

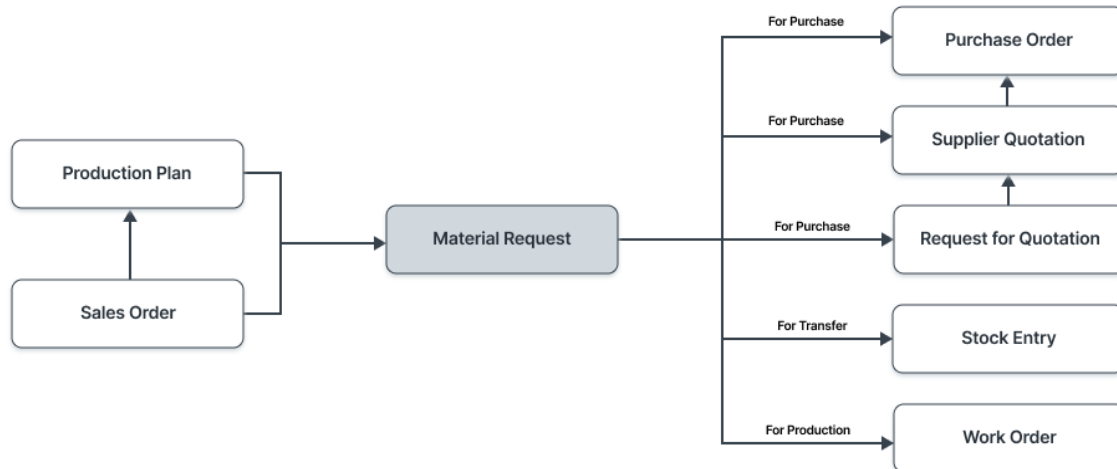
The CSV format is case-sensitive. Do not edit the headers which are pre-set in the template. In the Item Code and Warehouse column, enter the exact Item Code and Warehouse as created in your EduLead account. For quantity, enter the stock level you wish to set for that item, in a specific warehouse.

3. Upload the CSV file with the data by clicking on 'Upload' button.
4. Review, Save and Submit.



STOCK TRANSACTIONS

23. Material Request



A Material Request is a simple document identifying a requirement of a set of Items (products or services) for a particular reason.

A Material Request can have the following purposes:

- **Purchase:** If the material being requested is to be purchased.
- **Material Transfer:** If the material being requested is to be shifted from one Warehouse to another.
- **Material Issue:** If the material being requested is to be Issued for some purpose like manufacturing.
- **Manufacture:** If the material being requested is to be produced.
- **Customer Provided:** If the material being requested is to be provided by Customer. To know more about this, visit the Customer Provided Item page.

To access the Material Request list, go to:

[Home](#) > [Stock](#) > [Stock Transactions](#) > [Material Request](#)

23.1 How to create a Material Request

1. Go to the Material Request list, click on New.
2. Enter the required by date.
3. Select from one of the purposes as listed above.
4. You can fetch Items from a BOM, Sales Order, or Product Bundle.



1. Select the Item and set the quantity.
2. Select the Warehouse for which Items are required.
3. You can change the Required By date for individual Items in this table.
4. Save and Submit.

The screenshot shows the 'New Material Request' form. It includes a sidebar with a blue bar. The main form area has a header with 'New Material Request' and 'Not Saved'. Below this, there are several sections: 'Series' with a dropdown menu showing 'MAT-MR-YYYY-', 'Transaction Date' with a date picker set to '12-05-2022', 'Purpose' with a dropdown menu showing 'Purchase', 'Required By' with a date picker, 'Warehouse' with a dropdown menu, and a 'Scan Barcode' section. At the bottom, there is a table for 'Items' with columns: No., Item Code, Required By, Quantity, Target Warehouse, UOM, and an Edit icon. The table has one row with '1' in the 'No.' column. There are also buttons for 'Add Multiple', 'Add Row', 'Download', and 'Upload'.

23.2 Alternate ways of creating a Material Request

A Material Request can be generated automatically:

- From a Sales Order.
- When the Projected Quantity of an Item in Stores (Warehouses) reaches a particular level.
- From there, a Production Plan to plan your manufacturing activities.

If your Items are inventory items, you must also mention the Warehouse where you expect these Items to be delivered. This helps to keep track of the Projected Quantity for this Item.

Info: Material Request is not mandatory. It is ideal if you have centralized buying so that you can collect this information from various departments.

23.3 Statuses

These are the statuses a Material Request can be in:

- **Draft:** A draft is saved but yet to be submitted to the system.
- **Submitted:** Document is submitted to the system.
- **Stopped:** If no more materials are needed the Material Request can be stopped.
- **Canceled:** The materials are not needed at all and the request is canceled.

- **Pending:** The Purchase/Manufacture is pending to complete the Material Request.
- **Partially Ordered:** Purchase Orders for some Items from the Material Request are made and some are pending.
- **Ordered:** All Items in the Material Request are ordered via Purchase Orders.
- **Issued:** The materials are issued using a Material Issue Stock Entry.
- **Transferred:** The required materials are transferred from one Warehouse to another using a Stock Entry.
- **Received:** The materials were ordered and have been received at your Warehouse using a Purchase Receipt.

23.4. Features

23.1 Items table

- **Barcode:** You can track Items using barcodes.
- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.
- **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. Read documentation for tracking items using barcode to know more.
- The UoM, Conversion Factor, and Amount will be fetched. You change the Warehouse for which the material is being requested.
- Accounting details like Expense Account and Accounting Dimensions can be set for the Items.
- Page Break will create a page break just before this item when printing.

23.2 Setting Warehouses

- **Set Warehouse:** Optionally, you can set the Warehouse where the requested Items will arrive. This will be fetched into the 'For Warehouse' fields in the Item table rows.

23.3 More Information

In the 'Requested For' field, you can set a Reference from where Material Request was generated.

23.4 Printing Details

Letterhead

You can print your Material Request on your company's letterhead. Read Letter head documentation to learn more.

Print Headings

Purchase Receipt headings can also be changed when printing the document. You can do this by selecting a **Print Heading**.



To create new Print Headings, go to:

[Home > Settings > Printing > Print Heading. Know more here.](#)

23.5 Terms and Conditions

In Sales/Purchase transactions there might be certain Terms and Conditions based on which the Supplier provides goods or services to the Customer. You can apply the Terms and Conditions to transactions to transactions and they will appear when printing the document.

23.6 After Submitting

You can create the following documents:

- Request for Quotation
- Purchase Order
- Supplier Quotation

2.7 Automatically generate Material Requests

Material Requests can be generated automatically by enabling the setting in Stock Settings and setting the level in the Item form. When the stock level dips below a certain quantity, setting a reorder will automatically create material requests for the Item.

24. Purchase Receipt

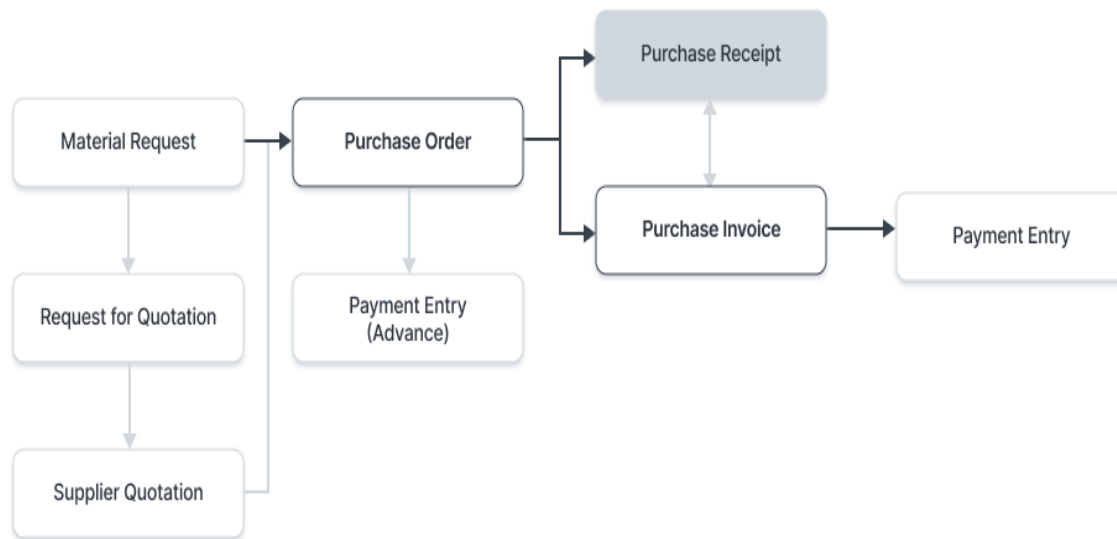
Purchase Receipts are made when you accept Items from your Supplier usually against a Purchase Order.

You can also accept Purchase Receipts directly without the need for a Purchase Order. To do this, set Purchase Order Required as “No” in Buying Settings.

To access the Purchase Receipt list, go to:

[Home > Stock > Stock Transactions > Purchase Receipt](#)





24.1 Prerequisites

Before creating and using a Purchase Receipt, it is advised that you create the following first:

- Purchase Order

Note: We have introduced immutable ledger which changes the rules for cancellation of stock entries and posting backdated stock transactions in EduLead.

24.2 How to create a Purchase Receipt

A Purchase Receipt is usually created from a Purchase Order. In the Purchase Order, click on [Create > Purchase Receipt](#).

To create a Purchase Receipt *manually* (not recommended), follow these steps:

1. Go to the Purchase Receipt list, click on New.
2. The Supplier name and the Items can be fetched from the Purchase Order by clicking on 'Get Items from > Purchase Order'.
3. You can set the Accepted Warehouse for all items in this Purchase Receipt. This is fetched if set in Purchase Order.

4. In case any Items are defective, set the Rejected Warehouse where those Items will be stored.
5. Select the Item and enter the quantity in the Items table.
6. The rate will be fetched and the amount will be calculated automatically.
7. You can expand the item row to change the Accepted Warehouse for an Item.
8. Save and submit.

You can also add a 'Supplier Delivery Note' to the Purchase Receipt if your Supplier has added some notes. Using the 'Edit Posting Date and Time' checkbox you can edit the posting time and date of the Purchase Receipt. By default, the date and time are set when you click on the New button.

Is Return: Tick this checkbox if you're returning Items that were not accepted to your Warehouse.

The screenshot displays the SAP Purchase Receipt form for a supplier named 'Apple'. The form is organized into several sections. At the top, there's a navigation bar with 'Purchase Receipt' and a specific document number 'MAT-PRE-2022-00062'. Below this, a sidebar on the left offers various actions like 'Assign to', 'Attachments', 'Business', 'Shared With', 'Tags', and 'Follow'. The main form area is divided into 'Connections' (Related, Reference, Returns), 'Subscription', and a central data entry section. The data entry section includes fields for 'Supplier' (Apple), 'Company' (KISS), 'Date' (22-03-2022), and 'Posting Time' (13:02:00). There are also checkboxes for 'Apply Putaway Rule' and 'Is Return'. At the bottom, there are sections for 'Address and Contact' and 'Currency and Price List'.

24.3 Statuses

These are the statuses a Purchase Receipt can be in:

- **Draft:** A draft is saved but yet to be submitted to the system.
- **To Bill:** Yet to be billed using a Purchase Invoice.
- **Completed:** Submitted and received all the Items.



- **Return Issued:** All the Items have been returned.
- **Cancelled:** Cancelled the Purchase Receipt.
- **Closed:** The purpose of the Close is to manage short-closing. For example, you ordered 20 qty, but closing at 15 qty. The remaining 5 is not to be received or billed.

24.4 Features

24.4.1 Currency and Price List

The currency of the Purchase Receipt is shown in this section; it is fetched from the Purchase Order. The item prices will be fetched from the set Price list. Ticking on Ignore Pricing Rule will ignore the Pricing Rules set in Accounts > Pricing Rule.

Since the incoming Item affects the value of your inventory, it is important to convert it into your base currency if you have ordered in another Currency. You will need to update the Currency Conversion Rate if applicable.

24.4.2 Warehouse details

The following Warehouses set will apply to all Items in the Items table of the Purchase Receipt. You can change the Warehouses for individual Items via the table.

- **Accepted Warehouse:** This is the Warehouse in which you'll accept and store the incoming Items. Usually, this is the 'Stores' Warehouse.
- **Rejected Warehouse:** This is the Warehouse in which you'll keep the rejected Items which were either defective or not up to the quality mark.

Subcontracting

- **Raw Materials Consumed:** In case you're subcontracting, select 'Yes' to consume the Raw Materials from the vendor. Read Subcontracting to know more.

24.5 Items table

- **Barcode:** You can track Items using barcodes.
- **Scan Barcode:** You can add Items in the Items table by scanning their barcodes if you have a barcode scanner. Read documentation for tracking items using barcode to know more.
- The Item Code, name, description, Image, and Manufacturer will be fetched from the Item master.



- **Received and Accepted:** Set the received, accepted and rejected quantity. The UoM is fetched from the Item master. You will need to update the “UOM Conversion Factor” if your Purchase Order for an Item is in a different Unit of Measure (UOM) than what you stock (Stock UOM).

The screenshot shows a web application interface for editing a row in a Purchase Receipt. The breadcrumb trail is 'Stock > Purchase Receipt > MAT-PRE-2021-00003'. The form is titled 'Editing Row #1' and includes a 'Save' button. The form fields are as follows:

Item Code *		Item Name *	
Melting pot 30L		Melting pot 30L	
Description ▾			
Received and Accepted			
Received Quantity *		UOM *	
3.000		Nos	
Accepted Quantity		Stock UOM *	
2.000		Nos	
Rejected Quantity		Conversion Factor *	
1.000		1.000	
<input type="checkbox"/> Retain Sample			

- **Rate:** The Rate is fetched if set in the Price List and the total Amount is calculated.
- **Item Tax Template:** You can set an Item Tax Template to apply a specific Tax amount to this particular Item.
- The Item Weight details per unit and Weight UOM are fetched if set in the Item master.
- **Warehouse and Reference:** You can set the accepted and rejected Warehouses and also add a Quality Inspection, see next section.
- **Serial No, Batch No, and BOM:** If your Item is serialized or batched, you will have to enter Serial Number and Batch in the Items table. You are allowed to enter multiple Serial Numbers in one row (each on a separate line) and you must enter the same number of Serial Numbers as the quantity.

There are separate fields for entering Serial Numbers of both accepted and rejected Items here. A Batch Number can also be set if you're storing a batch of plastic medicines for example.

Ticking on 'Allow Zero Valuation Rate' will allow submitting the Purchase Receipt even if the Valuation Rate of the Item is 0. This can be a sample item or due to a mutual understanding with your Supplier.

- You can link a BOM here if the Item is being subcontracted. Linking the BOM here will affect the Stock ledger, i.e. the raw material stock will be deducted from the Supplier Warehouse.

Note: The Item has to be serialized or batched for these features to work. If the Item is serialized a popup will appear where you can enter the Serial Numbers.

- Accounting Dimensions help to tag each transaction with different Dimensions without the need for creating new Cost Centers. You need to create Accounting Dimensions first.
- Page Break will create a page break just before this item when printing.

24.6 Tracking Quality Inspection

If for certain Items, it is mandatory to record Quality Inspections (if you have set it in your Item master), you will need to update the “Quality Inspection” field. The system will only allow you to “Submit” the Purchase Receipt if you update the “Quality Inspection”.

After enabling Inspection Criteria in the Item form for Purchase and attaching a Quality Inspection Template there, Quality Inspections can be recorded in Purchase Receipts.

Readings	Parameter	Acceptance Criteria	Readi...	Readi...	Readi...	Status
<input type="checkbox"/>	1 Check for cracks	No cracks				Accepted
<input type="checkbox"/>	2 Bristle separation	Bristles are well sep...				Accepted

24.7 Raw Materials Consumed

- The **Consumed Items** table contains the Raw Materials consumed by the Supplier in order to receive the Finished Item. The **Get Current Stock** button will fetch the current stock of the Consumed Items from the Supplier Warehouse

Consumed Items	No.	Item Code	Description	Raw Material Item Co...	Required Qty	Current Stock
<input type="checkbox"/>	1	Plastic cane small	Raw plastic crystals	Raw plastic crystals	4	0



24.8 Taxes and Valuation

The Taxes and Charges will be fetched from the Purchase Order.

Visit the Purchase Taxes and Charges Template page to know more about taxes.

The total taxes and charges will be displayed below the table.

Make sure to mark all your taxes in the Taxes and Charges table correctly for an accurate valuation.

Shipping Rule

A Shipping Rule helps set the cost of shipping an Item. The cost will usually increase with the distance of shipping. To know more, visit the Shipping Rule page.

24.9 Additional Discount

Any additional discounts to the whole order can be set in this section. Read Applying Discount for more details.

24.10 More Information

The Status of the Purchase Receipt is shown here and at the top. The various statuses are: Draft, To Bill, Completed, Cancelled, and Closed. This section also shows % Amount Billed, i.e. the percentage of amount for which Sales Invoices are created.

24.11 After Submitting

A Stock Ledger Entry is created for each Item adding the Item in the Warehouse by the “Accepted Quantity” If you have rejections, a Stock Ledger Entry is made for each Rejection. The “Pending Quantity” is updated in the Purchase Order.

After submitting the Purchase Receipt, the following can be created:

- Purchase Return
- Stock Entry
- Purchase Invoice
- Retaining Sample Stock



E > Stock > Purchase Receipt > MAT-PRE-2021-00004

Search or type a command (Ctrl + G)
 Help
PR

Mark welders To Bill
View
Status
Create
<
>
Print
...
Cancel

Assigned To
 Attachments
 Attach File

Reviews
 Shared With
 Tags
 Add a tag ...

Connections

Related

Purchase Invoice
Landed Cost Voucher
Asset

Reference

Purchase Order
Quality Inspection
Project

Subscription

Auto Repeat

Return

Purchase Return
Make Stock Entry
Purchase Invoice
Retention Stock Entry
Subscription

Supplier
 Mark welders

Date
 04-21-2021

24.12 Returning a Purchase Order

Once you've received a Purchase Order using a Purchase Receipt, you can create a return entry in case the Item needs to be returned to the Supplier. To know more, visit the Purchase Return page.

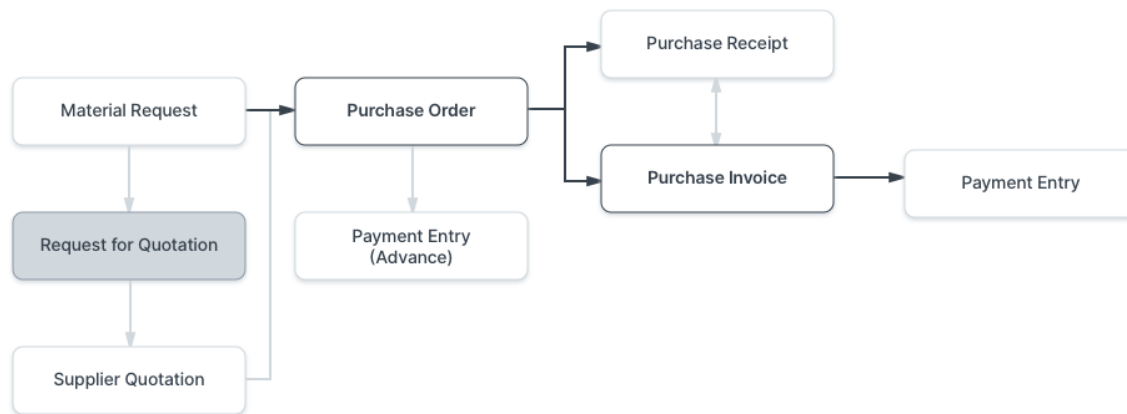
24.13 Skipping Purchase Receipt

If you don't want to create a Purchase Receipt after a Purchase Order and directly want to create a Purchase Invoice, enable the feature for it in Buying Settings.

Changing the value of Items post Purchase Receipt:

Sometimes, certain expenses that add to the total of your purchased Items are known only after a while. Common example is, if you are importing the Items, you will come to know of Customs Duty, etc. only when your "Clearing Agent" sends you a bill. If you want to attribute this cost to your purchased Items, you will have to use the Landed Cost Voucher. Why "Landed Cost"? Because it represents the charges that you paid when it landed in your possession.

Module 2: Buying



1. Material Request:

A Material Request is a simple document identifying a requirement of a set of Items (products or services) for a particular reason.

1.1 Prerequisites

Before creating and using a Request for Quotation, it is advised that you create the following first:

- Supplier
- Item

1.2 Material Request can have the following purposes:

- Purchase: If the material being requested is to be purchased.
- Material Transfer: If the material being requested is to be shifted from one Warehouse to another.
- Material Issue: If the material being requested is to be Issued for some purpose like manufacturing.
- Manufacture: If the material being requested is to be produced.
- Customer Provided: If the material being requested is to be provided by the Customer.

1.3 How to create a Material Request

1. Go to the Material Request list, click on New.
2. Enter the required date.
3. Select from one of the purposes as listed above.
4. You can fetch Items from a BOM, Sales Order, or Product Bundle.
5. Select the Item and set the quantity.
6. Select the Warehouse for which Items are required.
7. You can change the Required By date for individual Items in this table.
8. Save and Submit.

2. Request for Quotation

A Request for Quotation is a document that an organisation sends to one or more suppliers asking for a quotation for items.

2.1 How to create a Request for Quotation

1. Go to the Request for Quotation list, click on New.
2. Enter the date.
3. Choose the Supplier to whom the Request for Quotation is to be sent.
4. In the next table, enter items, quantity and the target warehouse where you'll be sending the items.
5. Warehouses can be left blank if 'Maintain Stock' is unticked for the item.
6. Save and submit.

A Request for Quotation (RFQ) can also be created from a submitted Material Request. Once an RFQ is created, you can print and send suppliers the PDF which will have all the details you entered relevant to the RFQ.

3. Supplier Quotation

After creation of Request for Quotation, there are two ways to generate Supplier Quotation from Request for Quotation.

3.1 Creating a Supplier Quotation

1. Open Request for Quotation and click on [Supplier Quotation > Create](#).
2. Select the Supplier, click on the supplier again. In this page, click on the + next to 'Supplier Quotation'. A new Supplier Quotation page will be opened, the user has to enter the quantity, rate and submit it.



4. Purchase Order

A Purchase Order is a binding contract with your Supplier that you promise to buy a set of items under given conditions.

4.1 Prerequisites

Before creating and using a Purchase Order, it is advised that you create the following first:

- Supplier
- Item

The screenshot displays a software interface for creating a Purchase Order. The interface is divided into a sidebar on the left and a main content area. The sidebar contains navigation options: 'Dashboard', 'Attachments', 'Reviews', 'Shared With', 'Tasks', and 'Add a tag...'. The main content area is titled 'Demo T - Ordered' and includes a search bar at the top right. Below the title bar, there are sections for 'Connections' (Sales Order, Subscription), 'Quotation To' (Customer, Demo T), 'Company' (KISS), 'Date' (07-04-2022), 'Valid Till' (07-05-2022), 'Order Type' (Sales), 'Address and Contact', 'Currency and Price List', and an 'Items' table. The 'Items' table has columns for 'No.', 'Item Code', 'Quantity', 'Rate (INR)', 'Amount (INR)', and an edit icon. One item is listed: 'Apple Laptop: Macbook Air' with a quantity of 1, a rate of ₹ 79,999.00, and an amount of ₹ 79,999.00. There are 'Download' and 'Upload' buttons at the bottom right of the items table.

4.2. How to create a Purchase Order?

A Purchase Order can be automatically created from a Material Request or Supplier Quotation.

1. Go to the Purchase Order list, click on New.
2. Select the Supplier, required by date.
3. In the items table, select the item by code, you can change the required by date for each item.
4. Set the quantity and the price will be fetched automatically if set in the Item master.
5. Set taxes.
6. Save and Submit.



4.3 Setting Warehouses

- Set Target Warehouse: Optionally, you can set the default target Warehouse where the purchased Items will be delivered. This will be fetched into the Item table rows.

4.4 Fetching Items from Open Material Requests

Items can be fetched into the Purchase Order automatically from open Material Requests. For this to work, the following steps need to be done:

1. Select a Supplier in the Purchase Order.
2. Set default Supplier in the Item form under Item Defaults.
3. A Material Request needs to be present of type 'Purchase'.
4. Click on the Get Items from open Material Requests button below the Supplier name.
5. Now a dialog will appear with Material Requests containing Items for which the default Supplier is the same as the one selected in the Purchase Order.
6. On selecting the Material Requests and clicking on Get Items, the Items will be fetched from the Material Requests.

5. Purchase Receipt

Purchase Receipts are made when you accept Items from your Supplier usually against a Purchase Order.

You can also accept Purchase Receipts directly without the need for a Purchase Order. To do this, set Purchase Order Required as “No” in Buying Settings.

5.1 To access the Purchase Receipt list, go to:

[Home](#) > [Stock](#) > [Stock Transactions](#) > [Purchase Receipt](#).

5.2 Prerequisites

Before creating and using a Purchase Receipt, it is advised that you create the following first:

- Purchase Order

5.3 How to create a Purchase Receipt



A Purchase Receipt is usually created from a Purchase Order. In the Purchase Order, click on Create > Purchase Receipt.

To create a Purchase Receipt *manually* (not recommended), follow these steps:

1. Go to the Purchase Receipt list, click on New.
2. The Supplier name and the Items can be fetched from the Purchase Order by clicking on 'Get Items from > Purchase Order'.
3. You can set the Accepted Warehouse for all items in this Purchase Receipt. This is fetched if set in Purchase Order.
4. In case any Items are defective, set the Rejected Warehouse where those Items will be stored.
5. Select the Item and enter the quantity in the Items table.
6. The rate will be fetched and the amount will be calculated automatically.
7. You can expand the item row to change the Accepted Warehouse for an Item.
8. Save and submit.

5.4 Statuses of Purchase Order

These are the statuses a Purchase Receipt can be in:

- Draft: A draft is saved but yet to be submitted to the system.
- To Bill: Yet to be billed using a Purchase Invoice.
- Completed: Submitted and received all the Items.
- Return Issued: All the Items have been returned.
- Cancelled: Cancelled the Purchase Receipt.
- Closed: The purpose of the Close is to manage short-closing. For example, you ordered 20 qty, but closed at 15 qty. The remaining 5 is not to be received or billed,

6. Purchase Invoice

A Purchase Invoice is a bill you receive from your Suppliers against which you need to make the payment.

Purchase Invoice is the exact opposite of your Sales Invoice. Here you accrue expenses to your Supplier. Making a Purchase Invoice is very similar to making a Purchase Order.

6.1 To access the Purchase Invoice list, go to:

[Home > Accounting > Accounts Payable > Purchase Invoice](#)

6.2 Prerequisites

Before creating and using a Purchase Invoice, it is advised to create the following first:

- Item
- Supplier



- Purchase Order
- Purchase Receipt (optional)

6.3 How to create a Purchase Invoice:

A Purchase Invoice is usually created from a Purchase Order or a Purchase Receipt. The Supplier's Item details will be fetched into the Purchase Invoice. However, you can also create a Purchase Invoice directly.

To fetch the details automatically in a Purchase Invoice, click on the Get Items from. The details can be fetched from a Purchase Order or Purchase Receipt.

For manual creation, follow these steps:

1. Go to the Purchase Invoice list, click on New.
2. Select the Supplier.
3. The posting date and time will be set to current, you can edit after you tick the checkbox below Posting Time.
4. Set the Due Date for payment.
5. Add Items and quantities in the Items table.
6. The Rate and Amount will be fetched.
7. Save and Submit.

The screenshot shows the 'Colgate - Paid' form for creating a Purchase Invoice. The interface includes a left sidebar with navigation options like 'Add New', 'Attachments', 'Reviews', 'Shared With', 'Tags', and 'Follow'. The main form area is divided into sections: 'Connections' (Payment, Reference, Returns, Subscription), 'Supplier' (Colgate), 'Company' (KISS), 'Tax Id', 'Date' (17-03-2022), 'Due Date' (17-03-2022), 'Posting Time' (15:28:27), and 'Address and Contact'. There are also checkboxes for 'Is Paid', 'Is Return (Debit Note)', and 'Apply Tax Withholding Amount'.

6.4 Additional options when creating a Purchase Invoice

- **Is Paid:** You can tick 'Is Paid' if the amount has already been paid via an Advance Payment Entry. This should be ticked if there is full or partial payment.
- **Is Return (Debit Note):** Tick this if the customer has returned the Items. To know more details, visit the Debit Note page.
- **Apply Tax Withholding Amount:** If the selected Supplier has a Tax Withholding Category set, this checkbox will be enabled. For more information, visit the Tax Withholding Category page.

6.5 Statuses

- **Draft:** A draft is saved but yet to be submitted to the system.
- **Return:** The Items have been returned to the Supplier.
- **Debit Note Issued:** The Items have been returned and a Debit Note has been issued against the invoice.
- **Submitted:** The Purchase Invoice has been submitted to the system and the general ledger has been updated.
- **Paid:** Supplier has been fully paid the invoice amount and the corresponding Payment Entries have been submitted.
- **Partly Paid:** Supplier has been paid a part of the invoice amount and the corresponding Payment Entries have been submitted.
- **Unpaid:** The Purchase Invoice is yet to be paid.
- **Overdue:** The due date has passed for payment.
- **Cancelled:** The invoice has been cancelled due to some reason.

7. Payment Entry

A Payment Entry is a record indicating that payment has been made for an invoice.

7.1 To access the Payment Entry list, go to:

[Home](#) > [Accounting](#) > [Accounts Receivable/Payable](#) > [Payment Entry](#)

7.2 Prerequisites

A Payment Entry can also be created directly then linked to an order/invoice later.

Before creating and using Payment Entry, it is advised to create the following first:

1. Customer
2. Supplier
3. Bank Account

If you're following the Sales/Purchase Cycle, you'd need the following:



1. Purchase Order (Advance Payment)
2. Purchase Invoice

Set up:

1. Chart of Accounts
2. Company (for default accounts)

7.3. How to create a Payment Entry?

On submitting a document against which Payment Entry can be made, you will find the Payment option under the Create button.

1. Change the posting date.
2. The Payment Type will be set based on the transaction you're coming from. The types are 'Receive', 'Pay', and 'Internal Transfer'.
3. The Party Type, Party, Party Name will be fetched automatically.
4. The Account Paid To and Account Paid From will be fetched as set in the Company form.
5. The Amount Paid will be fetched from the Invoice.
6. Save and Submit.



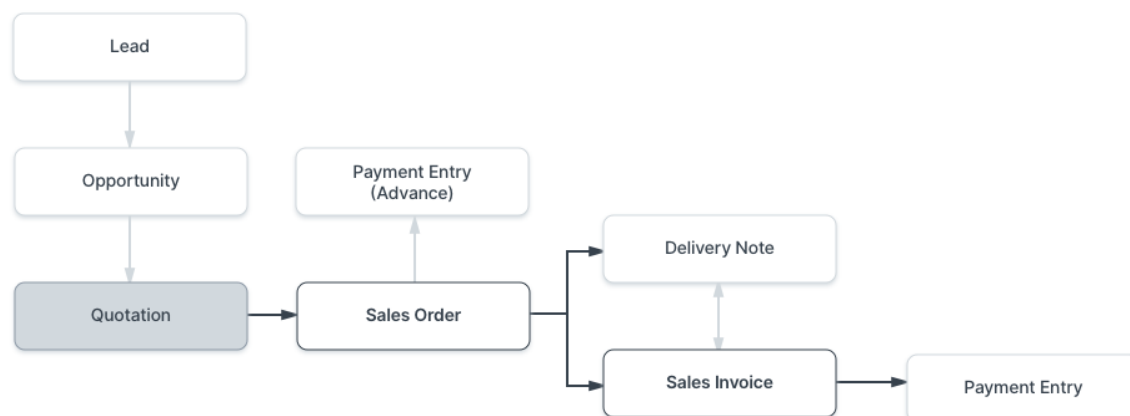
7.4 Creating a Payment Manually

A Payment Entry created manually will have no order/invoice linked to it. Payments made this will be recorded in the Customer's/Supplier's account and can be reconciled later using the Payment Reconciliation Tool.

1. Go to the Payment Entry list and click on New.
2. Select the Party Type and the respective Customer/Supplier.
3. Select the Bank Account/Cash Account Paid To and Paid From. Enter the Cheque Number and date of bank transfer.
4. Enter the Amount Paid.
5. Save and Submit.

Module 3: Selling

Selling is the communication that happens with the customer prior to and during the sale. You might be managing all the communication yourself or you may have a small team of salespeople to handle this. EduLead helps you track the communication leading up to the sale by keeping all your documents in an organized and searchable manner.



1. Quotation:

A quotation is an estimated cost of the products/services you're selling to your future/present customer.



During a sale, a customer may request for a note about the products or services you are planning to offer along with the prices and other terms of engagement. This has many names like "Proposal", Estimate", "Pro Forma Invoice" or a Quotation.

1.1 To access the Quotation list, go to:

[Home](#) > [Selling](#) > [Sales](#) > [Quotation](#)

A Quotation contains details about:

- The recipient of the Quotation
- The Items and quantities you are offering.
- The rates at which they are offered.
- The taxes applicable.
- Other charges (like shipping, insurance) if applicable.
- The validity of the contract.
- The time of delivery.
- Other conditions.

1.2 Prerequisites

Before creating and using a Quotation, it is advised that you create the following first:

- Customer
- Lead
- Item

The screenshot shows a web application interface for creating a quotation. The top navigation bar includes a search bar and a user profile icon. The main content area is titled "Demo T" and "Ordered". On the left, there is a sidebar with options like "Attachments", "Reviews", "Shared With", and "Tags". The main form is divided into several sections: "Connections" (Sales Order, Subscription), "Quotation To" (Customer, Demo T), "Company" (KISS), "Date" (07-04-2022), "Valid Till" (07-05-2022), "Order Type" (Sales), "Address and Contact", "Currency and Price List", and "Items". The "Items" section contains a table with columns for Item No., Item Code, Quantity, Rate (INR), Amount (INR), and an edit icon. The table shows one item: Apple Laptop: Macbook Air, with a quantity of 1, a rate of ₹ 79,999.00, and an amount of ₹ 79,999.00. At the bottom right of the table are "Download" and "Upload" buttons.

Item No.	Item Code	Quantity	Rate (INR)	Amount (INR)	
1	Apple Laptop: Macbook Air	1	₹ 79,999.00	₹ 79,999.00	

1.3 How to create a Quotation

1. Go to the Quotation list, click on New.
2. Select if the Quotation is to a Customer or a Lead from the 'Quotation To' field.
3. Enter Customer/Lead name.
4. Enter a Valid till date after which the quoted amount will be considered invalid.
5. Order Type can be Sales, Maintenance, or Shopping Cart. Shopping Cart is for website shopping cart and is not intended to be created from here.
6. Add the Items and their quantities in the items table, the prices will be fetched automatically from Item Price. You can also fetch items from an Opportunity by clicking on Get Items from > Opportunity.
7. Add additional taxes and charges as applicable.
8. Save.

2. Sales Order

A Sales Order is a confirmation of an order from your customer.

It is usually a binding Contract with your Customer. Once your customer confirms the Quotation you can convert your Quotation into a Sales Order.

2.1 To access Sales Order, go to:

[Home > Selling > Sales > Sales Order](#)

2.2 Prerequisites

Before creating and using a Sales Order, it is advised that you create the following first:

- Customer
- Item

2.3 How to create a Sales Order

1. Go to the Sales Order list, click on New.
2. Select the Customer.
3. Set the 'Delivery Date' - applied to the whole order.
4. With Order Type, you can set whether it's a Sales order, Maintenance order, or from the online Shopping Cart of your website. By default, this value is set to "Sales".
5. In the "Customer's Purchase Order" you can enter the Customers Purchase Order No. or other details which may be useful as a reference.
6. Enter the items and quantities to be delivered in the Item table. If Item Prices are set for the items, the Rate field will be populated automatically. If not, enter the item Rate manually. You can also overwrite the auto-populated Item Rate in case you want to change that value.
7. Click "Save" to save a draft of the Sales Order.



8. "Submit" to submit the Sales Order to the System.

2.3 Other ways to create a Sales Order

1. You can also create a Sales Order from a submitted Quotation via the Create button on the top right.
2. Or you can create a new Sales Order and pull details from a Quotation.

3. Delivery Note

A Delivery Note is made when a shipment is shipped from the company's Warehouse to the customer.

A copy of the Delivery Note is usually sent with the transporter. The Delivery Note contains the list of Items that are sent in the shipment and updates the inventory. The Delivery Note is an optional step and a Sales Invoice can be created directly from a Sales Order.

3.1 To access the Delivery Note list, go to:

[Home](#) > [Stock](#) > [Stock Transactions](#) > [Delivery Note](#)

The screenshot shows a web application interface for creating a Delivery Note. The top navigation bar includes a search bar and a 'Help' link. The main header area displays 'Demo T' and a 'To Bill' status. The left sidebar contains a list of navigation options: 'Assigned To', 'Attachments', 'Reviews', 'Shared With', 'Tags', and 'Add a tag...'. The main content area is divided into several sections: 'Connections' (Related, Reference, Returns), 'Delivery To' (Customer, Company, Date, Posting Time, Is Return), 'Customer PO Details', and 'Currency and Price List'. The 'Delivery To' section is currently active, showing fields for Customer (Demo T), Company (KISS), Date (01-03-2022), Posting Time (10:15:25), and Is Return (checked).

3.2 Prerequisites

Before creating and using a Delivery Note, it is advised that you create the following first:

- Sales Order



3.3. How to create a Delivery Note?

The entry of the Delivery Note is very similar to a Purchase Receipt. It is usually created from a “Submitted” Sales Order (that is not shipped) by clicking on Create > Delivery. To create a Delivery Note *manually* (not recommended), follow these steps:

1. Go to the Delivery Note list, click on New.
2. The Customer and Item details can be fetched by clicking on 'Get Items from > Sales Order'.
3. The UOM and Rates will be fetched automatically.
4. Save and Submit.

To fetch Items from a Sales Order, click on Get Items from > Sales Order. This will open a popup from where you can search for Sales Orders and select one.

You will notice that all the information about unshipped Items and other details are carried over from your Sales Order if you create the Delivery Note from there.

You can also edit the posting date and time, the current date and time are set when you create the Delivery Note.

3.4 Statuses of Delivery Note

These are the statuses a Delivery Note can be in:

- Draft: A draft is saved but yet to be submitted to the system.
- To Bill: Yet to be billed using a Sales Invoice.
- Completed: Submitted and sent all the Items.
- Return Issued: All the Items have been returned.
- Cancelled: Cancelled the Delivery Note.
- Closed: The purpose of the Close is to manage short-closing. For example, your Customer ordered for 20 qty but closed at 15 qty. The remaining 5 is not to be sent or billed.

3.5 Partial Deliveries

When you create a Delivery Note from a Sales Order, the quantities can be changed. So if the Sales Order contains 10 Items to be delivered and you're delivering only 5 this week and the remaining next week, then you can create 2 Delivery Notes in two weeks.

3.6 From Pick List

You can create Delivery Notes in bulk, from Pick Lists also. From a submitted Pick List, click on Create -> Delivery Note.



This would create separate Delivery Notes for Sales Orders, grouped by Customer. If a Pick List Item is not linked to a Sales Order (added manually by user), a separate DN would be created for all those items as well.

4. Sales Invoice

A Sales Invoice is a bill that you send to your Customers against which the Customer makes the payment.

Sales Invoice is an accounting transaction. On submission of Sales Invoice, the system updates the receivable and books income against a Customer Account.

To access the Sales Invoice list, go to:

[Home](#) > [Accounting](#) > [Accounts Receivable](#) > [Sales Invoice](#)

4.1 Prerequisites

Before creating and using a Sales Invoice, it is advised to create the following first:

- Item
- Customer
- Optional:
- Sales Order
- Delivery Note

The screenshot shows the 'Sales Invoice' form for a 'Demo Customer'. The form is divided into several sections:

- Header:** Includes a search bar, a help icon, and a 'Create' button.
- Left Sidebar:** Contains navigation links for 'Attachments', 'Reviews', 'Shared With', 'Tags', and 'Add a tag'.
- Connections:** A section with tabs for 'Payment', 'Reference', and 'Returns'. The 'Payment' tab is active, showing options like 'Payment Entry', 'Payment Request', 'Journal Entry', 'Invoice Discounting', 'Dunning', and 'Subscription'. The 'Reference' tab shows 'Timesheet', 'Delivery Note', 'Sales Order', and 'POS Invoice'. The 'Returns' tab shows 'Sales Invoice'.
- Form Fields:** Includes fields for 'Customer' (abc0), 'Company' (KISS), 'Customer Name' (Demo Customer), 'Date' (15-03-2022), 'E-Way Bill No.', 'Posting Time' (12:49:52), and 'Payment Due Date' (15-03-2022). There are also checkboxes for 'Include Payment (POS)', 'Is Return (Credit Note)', and 'Is Debit Note'.

4.2 How to create a Sales Invoice

A Sales Invoice is usually created from a Sales Order or a Delivery Note. The Customer's Item details will be fetched into the Sales Invoice. However, you can also create a Sales Invoice directly, for example, a POS invoice.



To fetch the details automatically in a Sales Invoice, click on the Get Items from. The details can be fetched from a Sales Order, Delivery Note, or a Quotation.

For manual creation, follow these steps:

1. Go to the Sales Invoice list and click on New.
2. Select the Customer.
3. Set the Payment Due Date.
4. In the Items table, select the Items and set the quantities.
5. The prices will be fetched automatically if Item Price is added, else add a price in the table.
6. The posting date and time will be set to current, you can edit after you tick the checkbox below Posting Time to make a backdated entry.
7. Save and Submit.

4.3 Statuses of Sales Invoice

These are the statuses that are auto-assigned to Sales Invoice.

- Draft: A draft is saved but yet to be submitted.
- Submitted: The invoice is submitted to the system and the general ledger has been updated.
- Paid: Customer has made the payment and a Payment Entry has been submitted.
- Unpaid: Invoice is generated but payment is pending but within the payment due date.
- Overdue: Payment is pending beyond the payment due date.
- Cancelled: The Sales Invoice is cancelled due to any reason. Once an invoice is cancelled, its impact on Account and Stock is undone.
- Credit Note Issued: The Item is returned by the Customer and a Credit Note is created against this invoice.
- Return: It is assigned to a Credit Note created against the original Sales Invoice. Though you can also create a standalone Credit Note.
- Unpaid and Discounted: Payment is pending and any ongoing subscription has been discounted using Invoice Discounting.
- Overdue and Discounted: Payment is pending beyond the payment due date and any ongoing subscription has been discounted using Invoice Discounting.

5. Payment Entry

A Payment Entry is a record indicating that payment has been made for an invoice.

5.1 To access the Payment Entry list, go to:

[Home](#) > [Accounting](#) > [Accounts Receivable/Payable](#) > [Payment Entry](#)



5.2 Prerequisites

A Payment Entry can also be created directly then linked to an order/invoice later. Before creating and using Payment Entry, it is advised to create the following first:

1. Customer
2. Supplier
3. Bank Account

If you're following the Sales/Purchase Cycle, you'd need the following:

1. Purchase Order (Advance Payment)
2. Purchase Invoice

Set up:

1. Chart of Accounts
2. Company (for default accounts)

5.3 How to create a Payment Entry

On submitting a document against which Payment Entry can be made, you will find the Payment option under the Create button.

1. Change the posting date.
2. The Payment Type will be set based on the transaction you're coming from. The types are 'Receive', 'Pay', and 'Internal Transfer'.
3. The Party Type, Party, Party Name will be fetched automatically.
4. The Account Paid To and Account Paid From will be fetched as set in the Company form.
5. The Amount Paid will be fetched from the Invoice.



6. Save and Submit.

5.4 Creating a Payment Manually

A Payment Entry created manually will have no order/invoice linked to it. Payments made this will be recorded in the Customer's/Supplier's account and can be reconciled later using the Payment Reconciliation Tool.

1. Go to the Payment Entry list and click on New.
2. Select the Party Type and the respective Customer/Supplier.
3. Select the Bank Account/Cash Account Paid To and Paid From. Enter the Cheque Number and date of bank transfer.
4. Enter the Amount Paid.
5. Save and Submit.

