ORACLE NETSUITE

Item Record Management

2022.2

March 15, 2023

If this document is in private pre-General Availability status:

The information contained in this document is for informational sharing purposes only and should be considered in your capacity as a customer advisory board member or pursuant to your pre-General Availability trial agreement only. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, timing, and pricing of any features or functionality described in this document may change and remains at the sole discretion of Oracle.

This document in any form, software or printed matter, contains proprietary information that is the exclusive property of Oracle. Your access to and use of this confidential material is subject to the terms and conditions of your Oracle Master Agreement, Oracle License and Services Agreement, Oracle PartnerNetwork Agreement, Oracle distribution agreement, or other license agreement which has been executed by you and Oracle and with which you agree to comply. This document and information contained herein may not be disclosed, copied, reproduced, or distributed to anyone outside Oracle without prior written consent of Oracle. This document is not part of your license agreement nor can it be incorporated into any contractual agreement with Oracle or its subsidiaries or affiliates.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at https://www.oracle.com/corporate/accessibility.

Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trs if you are hearing impaired.

Sample Code

Oracle may provide sample code in SuiteAnswers, the Help Center, User Guides, or elsewhere through help links. All such sample code is provided "as is" and “as available”, for use only with an authorized NetSuite Service account, and is made available as a SuiteCloud Technology subject to the SuiteCloud Terms of Service at www.netsuite.com/tos.

Oracle may modify or remove sample code at any time without notice.

No Excessive Use of the Service

As the Service is a multi-tenant service offering on shared databases, Customer may not use the Service in excess of limits or thresholds that Oracle considers commercially reasonable for the Service. If Oracle reasonably concludes that a Customer’s use is excessive and/or will cause immediate or ongoing performance issues for one or more of Oracle’s other customers, Oracle may slow down or throttle Customer’s excess use until such time that Customer’s use stays within reasonable limits. If Customer’s particular usage pattern requires a higher limit or threshold, then the Customer should procure a subscription to the Service that accommodates a higher limit and/or threshold that more effectively aligns with the Customer’s actual usage pattern.

Beta Features

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish, or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

Send Us Your Feedback

We'd like to hear your feedback on this document.

Answering the following questions will help us improve our help content:

- Did you find the information you needed? If not, what was missing?
- Did you find any errors?
- Is the information clear?
- Are the examples correct?
- Do you need more examples?
- What did you like most about this document?

Click here to send us your comments. If possible, please provide a page number or section title to identify the content you're describing.

To report software issues, contact NetSuite Customer Support.

Table of Contents

Item Record Management

Using Item Records

Item record management begins with creating item records for all of the items you use on transactions. There are many item types available for creating records.

Important: Do not use NetSuite special accounts when using item records. They may cause inventory errors.

Items are the goods and services you sell to customers, and the parts and raw materials you purchase from vendors. They can also include line items on sales and purchase forms. For example, discounts and miscellaneous charges. When using item records, you can enter or define a product or service being bought or sold as well as track details about those items.

After you have set up item records, you can maximize the item and inventory management in the following ways:

- Restricting Items – helps to limit the visibility of designated items for selected employees and partners. This enables yo to work more efficiently by decreasing the likelihood of entry errors.
- Setting Up Items for the Web Site – lets you define whether you can view an item on a web site or purchase it in a web store. You can define how each item should be displayed and sold.
- Working With Multi-Language Names and Descriptions– the Multi-Language feature enables you to translate your web site. On printed transaction forms, customers see item names, descriptions, and expense categories in the language selected on the customer record.
- Related Information for Items – help you to find transactions related to an item. To track updates to fields on the item record, refer to item user notes and NetSuite system notes.

Item Pricing

Item Pricing lets you set a single price for each item or different prices for the items you sell. The available options for creating different include Multiple Pricing, Quantity Pricing, or Pricing Groups

- Using Multiple Pricing – lets you set different price levels for each item. Multiple price levels improves flexibility to set different pricing for different customers. For example, you can set up several pricing levels that sell items at one price for retail customers, another price for wholesale customers. You can alternatively give discounts of 5%, 10% or 15% off retail pricing.
- Using Quantity Pricing – lets you automatically apply different sales prices to items that depend on the quantity being sold. This enables you to offer discounts to customers who buy in bulk.
- Creating Pricing Groups – enable you to assign customer-specific price levels for groups of items. For example, you could create a pricing group called Laptops and associate the pricing group with all of your laptop items.

Note: In an account that has the Quantity Pricing Schedules feature enabled, only schedules with matching units type can be item.

When sales prices or purchase prices change, use Updating Item Prices and Updating Item Purchase Prices to keep records current. This results in more accurate data when you create transactions.

To exchange the prices of two existing price levels, use the Swapping Prices Between Price Levels feature. For example, you have created Level One (retail pricing) and Level Two (retail less 5 percent). You can swap the prices for both price levels if price Level One reflects a 5% discount and Level Two reflects retail pricing.

To create Creating Item Coupons, you can offer coupon codes that apply to specific items when you enable the Promotion Codes feature.

Multiple Units of Measure

The Multiple Units of Measure feature enables you to define units used to stock, purchase, and sell inventory items. Units of measure provides greater flexibility and accuracy when tracking and selling inventory. For example, you can purchase cable in pallets, stock the cable in spools, and sell the cable in feet.

Item Costing

If you use both the Accounting and Inventory features, you need to track the total value of your assets and to calculate profits you make. Each time you buy and sell inventory items, track the cost of your items throughout the purchase and sale processes. The cost of an item you buy or sell affects accounts in your general ledger.

- Costing Methods – enable you to track the costs associated with goods and services you sell.
- Standard Costing – tracks standard costs for inventory.
- Setting a Default Inventory Costing Method – defines the costing method your items use. The cost of inventory is determined by your items' purchase prices and all costs incurred in acquiring these items. The costing method you choose determines how you handle the costs associated with buying the same items at different purchase prices over a certain period.
- Viewing Inventory Reports – determines the cause of an inventory costing problem.

Bar Codes and Item Labels

The Bar Codes and Item Labels feature lets you enter and track information by generating Bar Codes and Item Labels for each item and transaction. For example, you can:

- Print labels to affix to the items that show the item price, and bar codes for item number and serial number.
- Scan bar code labeled items to add to a sales transaction or receive them on a purchase transaction.
- Scan transaction bar codes to bulk receive, fulfill, pick, pack, ship, bill or approve orders.

NetSuite automatically generates bar codes for items in UPC or Code 128 format based on Item Name/ Number or Stock Keeping Unit (SKU).

Creating Item Records

Items are the goods and services you sell to customers, and the parts and raw materials you purchase from vendors. They can also include line items on sales and purchase forms. For example, discounts and miscellaneous charges.

Depending on the product you use and the features you enable, some item types might not be available for you to use. If you have questions about the availability of certain item types, contact your account representative.

To create an item record:

1. Go to Lists > Accounting > Items > New.
2. Click the **Item Type** you want to create.
   For more information, see Item Types.
3. Select a **Custom Form**.

For more information, see the help topic Custom Forms.

4. Enter an **Item Name/Number**. You can enter up to 60 characters.

   This name appears in lists on transactions.

   - If you have the option to enter a display name and do not, the item name prints in the sales form **Item** column.
   - If you have the option to enter a vendor name and do not, the item name prints in the purchase form **Item** column. If you enter a display name, it will print on purchases instead of the item name when Basic printing is used.

5. Enter additional information as necessary. You can enter general information in the item record header. You can also enter information on the available subtabs.

   The fields and subtabs that appear depends on the features you have enabled and the type of record you view.

   - Featuring Items (Specials subtab)
   - Entering Purchasing and Inventory Information on Items
   - Sales and Shipping Information for Items
   - Account Information on Items
   - Revenue Recognition and Amortization Information on Items
   - Tax and Tariff Information on Items
   - Item Availability (Web Store subtab)
   - Entering Preferences on Item Records
   - Related Information for Items
   - Working With Multi-Language Names and Descriptions
   - Item Configuration for Advanced Revenue Management (Essentials) and (Revenue Allocation)
   - Adding Components to Kits or Item Groups
   - Related Items

6. Click **Save**.

Item Record Header Fields

Item record header fields enable you to enter general information, information about a sales order item, and information to classify an item for reporting. The available fields are described in the following table. The fields displayed on an item record may differ depending on the type of item you are creating and the features enabled in your company.

Field	Description
Primary Information	
UPC Code	Enter up to a maximum of 999 characters to identify an internal name or number to store the item's UPC Code. You can use the entered text when adding the item to transactions, searching, or viewing reports. - When you enter text in this field, the SKU/UPC field on item labels displays this UPC Code and prints in UPC bar code format. - When this field is clear, the SKU/UPC field on item labels displays the Item Name/ Number and prints in Code-128 bar code format.

Field	Description
Display Name/Code	Enter an optional item name to used in addition to the Item Name. This name prints in the sales form Item column. If this item is a member of a kit, this name appears in the Item column when the Print Items box is checked. If you do not enter a display name, the item name appears on printed forms.
Vendor Name/Code	Enter up to a maximum of 60 characters to identify a vendor name for this item that is different from the name you use. The vendor name prints in the purchase form Item column. If you do not enter a vendor name, the item name prints in the of purchase form Item column. If you have entered a display name, it will print on purchases instead of the item name.
Primary Units Type	If you use Multiple Units of Measure, select the type of unit you use to purchase, sell, and stock this item.
Primary Purchase Units	If you use Multiple Units of Measure, select the default unit of measure for purchase orders.
Primary Sale Units	If you Multiple Units of Measure, select the default unit of measure for sales orders and invoices.
Primary Consumption Units	If you use Multiple Units of Measure, select the inventory default unit of measure.
Primary Base Unit	This field displays the base unit of measure for this item.
Product Name	Select the item product name for this item. Product records are tracked with versions and builds for issue management.
Subitem Of	If the item is a subitem, select the parent item.
Print Items	All items in this assembly, group, or kit print on sales and purchase forms. The quantity, description, and rate of each item appears on the forms. **Note:** You must enter a display name on the member item records for an item name to appear.
Display in Web Site	Check this box to make this item available online on your website. You cannot sell this item online unless you check this box.
Include Children	Associate the item with all the sub-subsidiaries associated with each subsidiary selected in the Subsidiary field. This field only appears in NetSuite OneWorld accounts.
Description	Description of this item as it should appear on sales forms. This field shows only on Assembly, Description, Discount, Item Group, Kit/Package, Markup, Payment, and Subtotal items.
Payment Method	Payment method to associate with this payment item. The payment method you choose here is for reference only. It does not initiate a payment transaction. To add choices to this list, go to Setup > Accounting > Setup Tasks > Accounting Lists. This field shows only on Payment items.

Field	Description
Product Name	Product this item is associated with. Create and track product records and modules at Setup > Issues > Setup Tasks > Products. This field appears on the following: ■ Assembly ■ Description ■ Discount ■ Download ■ Gift Certificate ■ Inventory ■ Item Group ■ Kit/Package ■ Markup ■ Non-inventory for sale, resale or purchase ■ Other Charge for sale, resale or purchase ■ Payment ■ Service for sale, resale or purchase ■ Subtotal items
Rate	Rate for the discount or markup. The rate can be either a percentage or dollar amount. A percentage discount must be followed by a % sign. A dollar amount should be entered as a positive number. This field shows only on Discount and Markup items.
Classification	
Subsidiary	Select one or multiple subsidiaries. To select multiple subsidiaries, press and hold the Ctrl key while selecting each subsidiary. This field appears only NetSuite OneWorld accounts. A subsidiary must be associated with an item in order for the item to be added to a transaction related to that Subsidiary. For example, you enter a sales order and select the Wolfe US subsidiary on the transaction. When you select an item to add to the sales order, only items associated with Wolfe US can be added to the sales order. **Important:** If you use the Advanced Item Location Configuration feature, note the following. When you add a subsidiary, you must save the item record before you can add location attributes for the newly added subsidiary. For more information, see the help topic Advanced Item Location Configuration.
Class	Select the item class.
Department	Select the item department.
Location	Select the item location. The use of the location you select depends on whether you have enabled the Multi-Location Inventory feature.

Field	Description
	■ If the Multi-Location Inventory feature **is not enabled**: A location you choose on an item record classifies the item to limit the items that certain roles can access. For example, Role A is set up to access only items associated with Location One. Therefore, employees that have Role A can access only items associated with Location One. **Note:** If the Multi-Location Inventory feature is not enabled, you cannot use this field to track inventory by locations. For example, you cannot track how many widgets you have in stock in Location One. ■ If the Multi-Location Inventory feature **is enabled**: Location is identified on the subtab at the bottom of the form, so that multiple locations can be identified. A location you choose on an item record classifies the item by that location to limit the items that certain roles can access. To track inventory per location, use the **Locations** subtab at the bottom of the form. To enter a new location record, select New. For more information, see the help topic Creating Locations.

Bin Numbers

If you use the Bin Management or Advanced Bin/Numbered Inventory Management features, the Bin Numbers subtab appears at the bottom of the form. You can select and add each bin number where this item is stored.

You can also select one preferred bin number for each location. The preferred bin number appears on the picking ticket when orders for this item are fulfilled or received. For more information, see the help topics Bin Management and Bin Management by Location.

Vendors

If you use the A/P (Accounts Payable) feature, the Vendors subtab appears at the bottom of the form. You can identify a vendor to associate with this item. For more information, see the help topic Associating a Vendor With an Item.

If you use the Multiple Vendors feature, you can enter information for more than one vendor. For more information, see the help topic The Multiple Vendors Feature.

Entering Purchasing and Inventory Information on Items

To define purchasing and inventory preferences for an item, click one of the following links:

- Entering Item and Cost Details
- Entering Inventory Management Details
- Entering Manufacturing Details
- Entering Shipping Details
- Entering Vendor Bill Matching Details
- Lot, Serial, and Bin Numbering
- Locations
- Vendors
- Adding Components to Kits or Item Groups

As you enter transactions that increase and decrease inventory, NetSuite updates the values on item records.

Important: The fields and subtabs displayed on item records depend on the features you have enabled and the type of record you view.

Entering Item and Cost Details

Use the following procedure to enter item and cost details.

To enter item and cost details:

1. To track landed costs associated with this item, check the **Track Landed Cost** box.

   You must include an item that tracks landed costs on transactions you want to source for landed costs. For example, on the item receipt **Landed Costs** subtab, a vendor bill appears only if the bill includes a landed cost item.
2. To determine how to handle the costs associated with buying the same item at different purchase prices over a period, select a **Costing Method**.

   This field appears only on assembly or inventory items.
3. Select a **Cost Category** to associate with this item. For more information, see Creating Cost Categories.
4. Enter the **Total Value** of the item (the combined asset value of stock of this item in all locations).

   Total value is calculated by multiplying the purchase price by quantity on hand. As you buy and sell inventory, NetSuite continues to calculate the total value.
5. Enter a **Purchase Price**.

   If you do not enter a price, purchase orders for this item show the most recent purchase price by default.

   If you select a preferred vendor for this item, the price is shown in the vendor record currency. If no preferred vendor is selected, the price is shown in your base currency.

   This field appears only on inventory item, non–inventory for purchase or resale, other charge for purchase or resale, or service for resale or purchase items.
6. The item **Last Purchase Price** is taken from the most recent item transaction that added positive inventory.

   For example, purchase receipt, inventory transfer or inventory adjustment. This price does not include item returns or assembly unbuilds.

   If you use Multiple-Location Inventory, the last purchase price reflects the most recent transaction at any location. The **Inventory** subtab includes a link to the last positive inventory transaction per location.

   If you use Multiple Units of Measure:

   - The last purchase price is calculated using purchase units.
   - If multiple purchases are made on the same day with different prices and locations, the highest price paid is the last purchase price.

   Note: The last purchase price is affected by your **Include Landed Cost in Last Purchase Price** preference. For more information, see the help topic Items/Transactions Accounting Preferences.
7. The current **Average Cost** of the item across all locations displays. Average cost is calculated as the total units available during a period divided by the starting inventory cost plus the cost of additions to inventory.

If you use Multiple Units of Measure, average cost is calculated using stock units.

The average cost calculated per location is listed for each location on the **Locations** subtab. For more information, see Item Costing.

8. Enter a **Purchase Description**. You can enter up to 999 characters of letters, numbers, or basic HTML code.

   This description displays on vendor purchase orders. You can include the unit of measure in this description.

   This field appears only on the inventory, non-inventory for purchase or resale, other charge for purchase or resale, and service for resale or purchase items.

9. To copy a sales order purchase description from the item description, check the **Copy from Sales Order** box.

   Clear this box to enter a purchase description in the purchase description field on the item record.

10. In the **Stock Description** field, describe where and how this item is stocked.

    This field appears only on the assembly, inventory, kit/package, and non-inventory for sale or resale items.

11. To designate drop ship items on sales transactions as the item default, check the **Drop Ship Item** box.

    When a sales transaction for a drop ship item is approved, a linked purchase order for the preferred vendor is automatically generated. The vendor ships this item to your customer directly.

    This field appears only on the inventory or non-inventory for resale items.

12. To designate special order on sales transactions as the item default, check the **Special Order Item** box.

    When a sales transaction for a special order item is approved, NetSuite automatically generates a linked purchase order. The order cannot be fulfilled until the linked purchase order is received.

    Special order items can be used for custom orders or just-in-time inventory.

    This field appears only on the inventory, assembly, and non-inventory for resale items.

    Note: An item can be a drop ship or a special order, but not both.

13. To populate the **Match Bill to Receipt** box on transaction lines by default for this item, check the **Match Bill to Receipt** box. This enables you to generate variances based on vendor bill lines. To generate variance postings, on the Post Vendor Bill Variances page **Transaction Type** field, select **Bill**.

    This box is checked by default on purchase orders that include this item. Variances are generated based on vendor bill lines.

    Clear this box if you want to generate variance postings based on purchase order lines. To generate variance postings, on the Post Vendor Bill Variances page **Transaction Type** field, select **Purchase Order**.

    This box is clear, by default. When checked, this setting can be changed on individual purchase order lines.

Entering Inventory Management Details

Use the following procedure to enter inventory management details.

To enter item inventory management details:

1. If you use Bin Management or Advanced Bin Numbered Inventory Management and want to track item bin locations, check the **Use Bins** box.

2. To use ATP calculations for this item, select a **Default ATP Method**. For more information, see the help topic Available to Promise Methods.

   This field appears only on inventory and assembly items.

3. To calculate the preferred stock level based on demand for the item, check the **Auto–Calculate** box.

   Enter the preferred stock level in **Days**. This measures the number of days worth of stock you want to have when the order is received. Preferred stock level is calculated as daily demand multiplied by preferred stock level in days.

4. Enter an **ATP Lead Time** to use in Available to Promise calculations.

   ATP lead time is used as a planning horizon for supply and demand in the ship date recommendation calculations. It is also used to provide a ship date on an order based on future supply and demand when no inventory is available.

   If you use Multi-Location Inventory, the **Locations** subtab displays the **ATP Lead Time** column. You can enter an ATP lead time for each location.

5. To populate the **Create WO** column box by default when this item is selected on a sales order, check the **Special Work Order Item** box.

   Clear this box to clear the **Create WO** column box default.

6. To set work orders to build sub-assemblies for this assembly by default, check the **Mark Sub-Assemblies Phantom** box .

   Clear this box to leave the **Mark Sub-Assemblies Phantom** box clear on work orders by default.

   This field appears only on assembly items.

7. To mark the item source on a bill of materials as **Phantom** by default, check this box.

   NetSuite applies item source value to work orders that use this item.

   You can override the default amount on the **Item Source** field on the bill of materials or work order records.

8. Enter the item **Reorder Multiple** quantity you prefer to order each time.

   The Order Items page recommends an order quantity for this item that is always a multiple of the number you enter.

   For example, when a vendor accepts orders only in multiples of one thousand, NetSuite might prompt you to order 1000 or 2000, but not 1500.

   > **Note:** If you use Multiple Units of Measure, the reorder multiple always functions in base units.

9. Enter the **Work Order Lead Time** in days required to build one assembly in the base unit.

   This field appears only on assembly items when you use Demand Planning.

10. **Supply Source** – Choose a setting for replenishment of assembly items.

    - Select **Buy** to replenish stock of this item by purchasing this item from a vendor. When you select this option, NetSuite recommends creating purchase orders on supply plans.

      Inventory items permit only the **Buy** option.

    - Select **Build** to process assembly builds to replenish stock. When you select this option, NetSuite recommends creating work orders on supply plans.

      For multi-tier assemblies, work orders could be created if **Supply Source** is set to **Build**. Additional work orders can be created if a sub-assembly supply source is also set to **Build**.

      This field appears only on assembly items when the Demand Planning feature is enabled. The setting in this field can be changed only when you use the **Allow Purchase of Assembly Items** preference.

Important: If the start date of a work order is prior to the current date, NetSuite does not use subsequent demand in the sub-assembly tiers.

11. Select a **Replenishment Method** to calculate item replenishment requirements.
    - **Master Production Scheduling** – to plan when and how much of an item will need to be produced.

      When you select this option, the following fields are not available:
      - Reorder Point
      - Safety Stock Level Days
      - Seasonal Demand
      - Preferred Stock Level Days
      - Reorder Multiple
    - **Material Requirements Planning** – to schedule and place orders for items that depend on demand.
    - When you select this option, the following fields are not available:
      - Reorder Point
      - Safety Stock Level Days
      - Seasonal Demand
      - Preferred Stock Level Days
      - Reorder Multiple
    - **Reorder Point** – to use Advanced Inventory Management settings for demand calculations instead of using Demand Planning.

      Orders are created based on replenishment reminders generated from the Order Items, Replenish Items, and Mass Create Work Orders pages.

      When you select this option, the following fields are not available:
      - Alternate Source Item
      - Planning item Category
      - Lot Sizing Method
      - Fixed Lot Size
      - Supply Type
      - Demand Source

      For more information, see the help topic Advanced Inventory Management.
    - **Time Phased** – to create orders based on item demand plans instead of the Advanced Inventory Management settings.

      When you select this option, the following fields are not available:
      - Seasonal Demand
      - Build Point
      - Reorder Point
      - Reorder Multiple
      - Preferred Stock Level
      - PLanning Item CAtegory
      - Safety Stock Days

12. Select an **Alternate Source Item** to examine the historical sales of an item other than the one on the current record. When this field is left blank, the source for historical data is the original item.

    For example, you are setting up a road bicycle item for demand planning. It does not have an extensive sales history, however, you can choose mountain bicycles as an alternate source for historical data. When demand calculations need to be made for road bicycles, NetSuite uses the mountain bicycle history for the calculations.

    > **Note:** You can select only an item that is of the same item type to be an alternate source. For example, if the original item is an inventory item, the alternate source item must also be an inventory item.

13. **Lead Time** – Lead time is the average number of days between ordering this item from the vendor and receiving it.

    This setting is used for both Advanced Inventory Management and Demand Planning. The information below applies to items that use Advanced Inventory Management. For information about Demand Planning, see the help topic Demand Planning.

    - **Auto-Calculating** – Check the **Auto-Calculate** box to have NetSuite calculate the lead time based on the most recent order history of this item. The calculation takes the number of days between the order entry and receipt on the three most recent purchase orders, and then divides by three.
      - If there are multiple receipts for the item against the same purchase order, the calculation changes. It takes the difference between the purchase order and the last receipt (the receipt that fully receives the order).
      - Lead time calculation is not weighted by number of units received.
      - More recent purchase orders without receipts are ignored.

      For example, NetSuite examines the last three purchase orders and receipts for Item #12345:

      - Receipt entered 1/15/2021
      - Receipt entered 1/20/2021
      - Receipt entered 2/10/2021
      - Receipt entered 3/17/2021
      - Receipt entered 3/21/2021
      - PO #456 – 14 days
      - PO #567 – 5 days
      - PO #789 – 9 days
      - 14 + 5 + 9 = 28
      - 28 / 3 = 9.3

    - **Manual** – Clear the **Auto-Calculate** box to manually enter a lead time value in days. If the box is clear and no value is entered, NetSuite uses the default value from the Set Up Inventory Management page.

14. **Reorder Point** represents the quantity level at which you need to place an order to replenish stock, or build more of this item. You can calculate the reorder point of items manually or let NetSuite calculate them automatically.

    This field is available only when you use Advanced Inventory Management. It is not available for items that use Demand Planning.

    - Check the **Auto-Calculating** box to calculate the reorder point based on demand for the item over time. The reorder point depends on the safety stock definition and is calculated as follows:

- Without safety stock defined:

  Reorder point = (average lead time days x demand)

- With safety stock defined in days:

  Reorder point = [(average lead time days + safety stock days) x demand]

- With safety stock quantity defined:

  Reorder point = [(average lead time days x demand) + safety stock quantity)

(Safety Stock Level and Seasonal Demand follow.)

- Clear the **Auto-Calculating** box to manually enter the point at which to reorder or build more of this item.

  To determine the reorder point, consider the lead time for the item and how many you need to stock between placing and receiving the order.

  For example, item #12345 has a three-week lead time and you sell an average of 25 each week. Your reorder point quantity should be at least 75. When you reach a stock level of 75, NetSuite reminds you to place an order. Then, you have enough stock to fulfill sales until the order is received.

  To have NetSuite remind you to place an order, go to Home > Set Preferences. Check the **Inventory Level Warnings** box and then save.

15. **Preferred Stock Level** is the optimum quantity to maintain in stock of an item. The ideal quantity is the amount you need to fulfill orders in a timely manner without running out or overstocking.

    This field is available only when you use Advanced Inventory Management. It is not available for items that use Demand Planning.

    NetSuite uses the quantity you enter to determine your replenishment needs on the Order Items page. It is the quantity you want to have in stock after an order is placed. The preferred stock level you set is used to calculate the quantity of items to be ordered on the Order Items page.

    If no preferred stock level is identified, the default preferred stock level is used from the Set Up Inventory Management page. For more information, see the help topic Setting Up Advanced Inventory Management.

    - Check the **Auto-Calculating** box to calculate the preferred stock level based on demand for the item.

      When you choose to auto-calculate, you must enter the preferred stock level in days, not units. This is a measure of how many days worth of stock you want to have when the order is received. NetSuite calculates the preferred stock level as daily demand x preferred stock level in days.

      For example, daily demand for item #12345 is five per day. You want to have seven days worth in stock on hand when the order is received. Enter 7 in the **Days** field next to **Preferred Stock Level**. NetSuite calculates replenishment orders to have a minimum of seven days worth of stock when the order is received. Five widgets daily x seven days = 35 widgets. On the Order Items page, order a quantity to have a minimum of 35 widgets in stock after the order is received.

    - Clear the **Auto-Calculating** box to manually enter the preferred stock quantity.

      If you stock too few of an item, you might run out frequently, which affects customer service adversely. If you stock too many, you have money tied up in stock that sits on your shelves.

      From the previous example, you need at least 35 item #12345 in stock, however, 40 in stock may be ideal.

      If you use Multi-Location Inventory, the field to enter units for the **Preferred Stock Level** appears in the **Location** list. If you do not use Multi-Location Inventory, the field to enter units for the **Preferred Stock Level** appears next to the **Auto-Calculate** box.

16. **Safety Stock Level** represents the amount of stock to keep on hand to account for demand variations so that you do not run out. It is a buffer amount of an item to keep in stock at all times.

    This option is used for both Advanced Inventory Management and Demand Planning. For demand planning items, safety stock can be entered only as a quantity. The information below applies to items that use Advanced Inventory Management. For more information about Demand Planning, see the help topic Demand Planning.

    The safety stock amount you enter is used to auto-calculate the reorder point of an item. Safety stock can be a quantity or a number of days.

    - To define safety stock as a quantity, enter a value.
    - To define safety stock as a number of days, enter a value in the field next to Days.

      When the safety stock is entered in days, the safety stock level is calculated as:

      (daily demand x safety stock level in days)

      For example, daily demand for item #12345 is five per day. You want to keep on hand the preferred stock level quantity plus 3 days worth of additional buffer stock. Enter 3 in the **Days** field next to **Safety Stock Level**. NetSuite calculates replenishment orders to keep three days worth of additional buffer. Three days x five items daily = 15 items. On the Order Items page, order a quantity to keep a minimum of 15 extra of item #12345 on hand.

    NetSuite uses the safety stock level to calculate the reorder point. Then, the reorder point determines what appears on the Order Items page for replenishment.

    If no safety stock value is entered, NetSuite uses the default value from the Set Up Inventory Management page.

17. In the **Lot Sizing Method** list, select one of the following options:

    - **Lot For Lot** – This selection means orders are suggested for procurement based on the exact projections for that day. The suggested order quantity might vary from day to day depending on demand calculations.
    - **Fixed Lot Size** – This selection means orders are suggested for procurement based on a fixed amount or a multiple of the fixed amount.
    - **Periods of Supply** – This option generates aggregated purchase orders or work orders based on demand requirements extended over a designated period. For example, weekly or monthly.

      For example, you do not create multiple purchase orders for each instance of demand. Instead, you consolidate into one order created from the demand planning engine for all items required within the next two weeks. When you send a consolidated purchase order to a vendor, the vendor can ship all items at one time. Fewer shipments may reduce shipping costs.

      For more information, see the help topic Demand Planning on Item Records.

      If you use Multi-Location inventory, this field is on the **Locations** subtab.

    The **Lot Sizing Method** field is available only when you use Demand Planning.

18. The **Supply Type** field shows the method by which more stock is procured, either **Purchase** or **Assembly**. On assembly items, if you use the **Allow Purchase of Assembly Items** preference, you can choose whether to build additional supply or purchase it.

    For more information about this preference, see the help topic Setting Up Demand Planning.

19. The **Demand Time Fence** field defaults to the number entered in the **Default Demand Time Fence** field. Verify the default or enter a number between zero and 365 to determine the demand time fence for this item.

    If you use Multi-Location Inventory, this field appears on the **Locations** subtab. Otherwise, these fields appear in the header of item records.

20. **Planning Time Fence** – This field defaults to the number entered in the Default Planning Time Fence field. Verify the default or enter a number between zero and 365 to determine the planning time fence for this item.

    If the item record does not identify a planning time fence, NetSuite uses the default planning time fence value identified in the inventory preference setting. For more information about this preference, see the help topic Setting Time Fence Preferences. If this field is blank on both the item record and the Inventory Management Preferences page, NetSuite does not use a planning time fence.

    If you use Multi-Location Inventory, this field appears on the **Locations** subtab.

21. Check the **Seasonal Demand** box to define how NetSuite analyzes customer demand for this item. Customer demand for an item is used to auto-calculate reorder points and preferred stock levels. An item's demand rate is calculated as the average sales quantity per day.

    This field is available only when you use Advanced Inventory Management. It is not available for items that use Demand Planning.

    Note: For demand calculations, sales quantities are derived from approved sales orders and do not source fulfillment or invoice information. Sales quantities do include special order items.

    You can choose to make calculations based on historical demand or seasonal demand.

    - **Historical Demand** – Clear the **Seasonal Demand** box to calculate the demand as average sales per day over a specific period. When this box is clear, NetSuite calculates demand without regard for seasonal fluctuations.

      To set the number of months between analysis to evaluate sales orders and calculate item demand, enter an interval in the **Order Analysis Interval** field. Go to Setup > Accounting > Preferences > Inventory Management Preferences..

    For example, you have set the Order Analysis Interval at 6 months.

    - 3/05 – 60 units
    - 4/05 – 54 units
    - 5/05 – 54 units
    - 6/05 – 62 units
    - 7/05 – 66 units
    - 8/05 – 68 units
    - Monthly average = 60+54+54+62+66+68 / 6
    - Demand rate = 60.67 / 30

    - **Seasonal Demand** – Check the **Seasonal Demand** box to calculate the reorder quantity for this item based on inventory demand changes through the year. Then, auto-calculated reorder quantities are higher or lower based on changes in demand for an item at different times throughout the year.

      Use seasonal demand to define a period, or season, and NetSuite estimates future period sales based on prior-period sales data.

      To set the number of months between analysis to evaluate sales orders and calculate item demand, enter a value in the **Seasonal Analysis Interval** field. Go to Setup > Accounting > Preferences > Inventory Management Preferences..

    For example:

- 10/04 – 72 units
- 11/04 – 83 units
- 12/04 – 94 units
- Monthly average = 72 + 83 + 94 / 3
- Demand rate = 83 / 30

The demand rate does not appear on the item record. It is only used for reorder quantity recalculations.

22. In the **Expected Demand Change** field, enter a percentage to augment the expected demand change.

    For example, demand is projected at 100 units for this upcoming July based on sales last July. However, sales for this item have been trending upwards the last two months, and you want calculations to mirror this trend. You can enter a percentage to bump up expected demand beyond the calculated amount.

    If no expected demand change percentage is entered, NetSuite uses the default value from the Set Up Inventory Management page.

    This setting is used for Advanced Inventory Management and Demand Planning items only when the forecast method for a plan is set to **Seasonal Average**.

23. In the **Transfer Price** field, enter a declared value for the item. The value entered in this field defaults to show in the **Transfer Price** field on transfer order forms. This field defaults to a value of zero.

    The use of the value entered in this field depends on your setting for the **Use Item Cost as Transfer Cost** preference.

    - When you use this preference, the transfer price is not considered for posting cost accounting of line items. In the **Transfer Price** field, enter a declared value for the item to be used for shipping purposes only.
    - When you dot use this preference, the transfer price is considered during the posting of cost accounting lines. Items without a transfer price set on the transfer order use a zero value for cost accounting calculations when the item is received.

    For more information about the **Use Item Cost as Transfer Cost** preference, see the help topic Transfer Order Preferences.

24. Check the **Round Up Quantity as Component** box to enable NetSuite to round up the quantity consumed for this item.

    Clear this box if you do not want NetSuite to round up the quantity consumed for this item.

    If you use the component yield preference, depending on your settings, the component yield calculation may result in a fractional quantity. You can use this setting to ensure the component quantity automatically rounds up in the units specified in the work order.

    For example, you have an assembly that requires two units of Component A. The component yield is 99%. To build five of these assemblies requires 10.1 units of Component A. Because you can consume components only in whole numbers, you cannot consume 10.1 units. Therefore, you need to round up to the next highest unit.

25. In the **Supply Chain Future Horizon** field, enter the number of days ahead you want to be included in the snapshot. This includes future orders beyond the snapshot generated for this item.

    For example, when you select 30 in this field, open orders that are past due by 30 days are included.

    - The default for this field is 30 days.
    - The maximum you can enter in this field is 365 days.

This field is available only on inventory items and assembly/bill of materials items when you use the Supply Chain Control Tower feature. For more information, see the help topic Supply Chain Control Tower.

Entering Manufacturing Details

Use the following procedure to enter manufacturing details.

To enter manufacturing details:

1. In the **Manufacturer** field, enter the name of the company that makes this product.

   This field shows only on these items: Assembly, Inventory, Kit/Package, Non-inventory for sale or resale.
2. In the **MPN** field, enter the Manufacturer's Part Number used by the manufacturer to identify the item.

   This field shows only on these items: Assembly, Inventory, Kit/Package, Non-inventory for sale or resale.
3. In the **Manufacturer Country** field, enter the country for the company that manufactures this item. This is used to complete international shipment and customs forms.

   This field shows only on these items: Assembly, Inventory, Kit/Package, Non-inventory for sale or resale.
4. Check the **Producer** box if you are the producer of this item for the purposes of the USMCA Certificate of Origin.

   This field appears only on assembly, inventory, kit/package, and non-inventory for sale or resale items.

   > **Note:** The remaining fields are available only if you have set up shipping. Go to Setup > Accounting > Setup Tasks > Shipping. Click the **Preferences** subtab. Check the **International Shipping** box, and then save.
   >
   > These fields appear only on assembly, inventory, kit/package, and non-inventory for sale or resale items.
5. In the **Manufacturer Address** field, enter the street address for the company that manufactures this item. This is used to complete international shipment and customs forms.
6. In the **Manufacturer City** field, enter the city for the company that manufactures this item. This is used to complete international shipment and customs forms.
7. In the **Manufacturer State** field, enter the state for the company that manufactures this item. This is used to complete international shipment and customs forms.
8. In the **Manufacturer Postal Code** field, enter the postal code for the company that manufactures this item. This is used to complete international shipment and customs forms.
9. In the **Manufacturer Tax ID** field, enter the Tax ID Number (TIN) for the manufacturer.
10. In the **Manufacturer Tariff** field, enter the Harmonized System (HS) tariff code number or the Harmonized Tariff Schedule (HTS) code number. This number should be is 4 to 15 alphanumeric characters with no decimals.

Entering Shipping Details

Use the following procedure to enter shipping details. These fields are available only if you use Multiple Shipping Routes.

To enter shipping details:

1. Select a default shipping **Carrier** for the item.
2. In the **Shipping Methods** list, select the shipping methods allowed when adding the item to a sales order. You can override allowed shipping methods and enter any shipping method when fulfilling an order.
3. In the **Default Shipping Method** list, select the shipping method to display by default when adding this item to a sales order. You can override the default and allowed shipping methods when fulfilling an order. For more information, see the help topic Setting a Default Shipping Method Per Item.

Entering Vendor Bill Matching Details

Use the following procedure to enter vendor bill matching details.

For more information about vendor bill matching, see the help topic 3 Way Match Vendor Bill Approval Workflow.

Note: A tolerance limit determines what percentage of the evaluated value is used as the limit. A difference limit represents an absolute quantity number that is used as the limit.

To enter vendor bill matching details:

1. In the **Vendor Bill - Purchase Order Quantity Tolerance** field, enter the discrepancy tolerance limit between the quantity on the vendor bill and purchase order.
2. In the **Vendor Bill - Purchase Order Amount Tolerance** field, enter the discrepancy tolerance limit between the amount on the vendor bill and purchase order.
3. In the **Vendor Bill - Purchase Order Quantity Difference** field, enter the discrepancy difference limit between the quantity on the vendor bill and purchase order.
4. In the **Vendor Bill - Item Receipt Quantity Tolerance** field, enter the discrepancy tolerance limit between the quantity on the vendor bill and item receipt.
5. In the **Vendor Bill - Item Receipt Amount Tolerance** field, enter the discrepancy tolerance limit between the amount on the vendor bill and item receipt.
6. In the **Vendor Bill - Item Receipt Quantity Difference** field, enter the discrepancy difference limit between the quantity on the vendor bill and item receipt.

Lot, Serial, and Bin Numbering

If you use the Advanced Bin / Numbered Inventory Management feature, lot numbered assembly items include data from the Inventory Detail subrecord. This subrecord includes quantity on hand and quantity available values per lot number, and if applicable, per bin number.

On Hand Quantities are the number of items in your warehouse currently. Available Quantities are the number of items in your warehouse that are not scheduled or reserved for an order.

Bin Numbers

If you track bin locations for this item, select and add each bin number where this item is stored.

You can select one preferred bin number for each location. The preferred bin number appears on the picking ticket when orders for this item are fulfilled or received.

Serial Numbers

Enter the serial numbers of the items. Separate each number with a space, comma, or by pressing the Enter key after each one.

You must enter a serial number for each of the quantity on hand that you enter. For example, if you enter a quantity on hand of **2**, then you must enter two serial numbers.

Assemblies

- **Lot Numbered Assemblies** – If you are creating a lot numbered assembly, enter the lot numbers for the items at each location.

  Lot numbers must be entered in the format **LOT#(Quantity)**. For example, to enter a quantity of 100 items as Lot number ABC1234, enter **ABC1234(100)** in the Lot Numbers field.
- **Serialized Assemblies** – If you are creating a serialized assembly, enter the serial numbers for the items at each location. Separate each number with a space, comma, or by pressing the Enter key after each one.

  You must enter a serial number for each of the quantity on hand that you enter. For example, if you enter a quantity on hand of **2**, then you must enter two serial numbers.

Locations

The Locations subtab displays data about the item specific to each of your locations.

If you use Multi-Location Inventory, enter or verify the information for each location that stocks this item. The method to enter this information depends on whether you use Advanced Item Location Configuration. For more information, see the help topic Advanced Item Location Configuration.

- If you do not use Advanced Item Location Configuration, the fields listed below appear on the Locations subtab in columns. You can enter data when the record is in Edit mode.
- If you use Advanced Item Location Configuration, the following is true:
  - The fields listed below appear on the Location subtab in columns.
  - You can filter the displayed fields using the View field.
  - Click Edit next to a location to access the Item Location Configuration popup window and edit data for that location. For more information, see the help topic Edit Item Location Attributes.

Location – All views display a column for Location and the location is identified for each line.

Currency – If you use Multiple Currencies, a Currency column appears and identifies the currency for each line.

Preferred Location – When you select a preferred location, the location populates on sales orders that show line-item locations.

If you use Advanced Bin / Numbered Inventory Management and Multi-Location Inventory with serial or lot numbered items, the following is true:

- If you change the location identified on a transaction for an item that does not track bins, the inventory detail record updates. The record shows inventory data as corresponding to the new location and not the previous location.
- If you change the location identified on a transaction for an item that tracks bins, the inventory detail record clears because the bins are different.

- If you change the location on an item shipment, the inventory detail record clears because the on-hand quantities are different.

Costing

- **Location Costing Group** – This field displays the location costing group associated with this item. For more information, see Group Average Costing.
- **Cost Accounting Status** – This field identifies the state of cost accounting calculations for this item. For more information, see Cost Accounting Status on Item Records.
- **Average Cost** – This field shows the average cost of the item.
- **Standard Cost** – Enter the price you pay for this item in the Standard Cost field. You can enter a cost per location.

  If you do not enter a price, purchase orders for this item show the most recent purchase price by default.

  The value in this field can be used as the default when you create a planned standard cost record.

  If you use Multiple Currencies and select a preferred vendor for this item, the price appears in the currency selected on the vendor's record. If no preferred vendor is selected, the price is shown in your base currency.

  To streamline data entry for setting up standard costs, you can also import values into this field using CSV import. For more information, see Standard Costing.
- **Inventory Cost Template** – Select the inventory cost template you want to associate with this item.
- **Default Return Cost** – Enter the rate you want to default to show as the cost for this item when it is returned. This rate appears in the Override Rate field on item receipts. You can change this value after it appears on the item receipt.

Inventory

- **Quantity On Hand** – Enter the quantity currently stocked that has not been used to fulfill orders. This count includes the quantity committed. If you use Multiple Units of Measure, the quantity on hand is calculated using stock units.

  > **Note:** If you do not use NetSuite OneWorld, you can enter initial quantities on hand in each location when you create an item record. However, if you use NetSuite OneWorld, you **cannot** enter initial quantities on hand when you create an item record. You must first create the item record. Then, you must enter an inventory adjustment to specify the initial quantities in each location.
  >
  > For more information, see the help topic Inventory Adjustments or OneWorld Overview.

- **Quantity on Hand (Base Unit)** – This field displays the quantity on hand in base units of measure.
- **Value** – This field displays the calculated value of the item.
- **Quantity Committed** – This field displays the quantity of this item that are committed to orders.
- **Quantity Available (Base Unit)** – This field displays the quantity available to be committed in base units of measure.
- **Quantity on Order** – This field displays the quantity of this item that have been ordered but not yet received.
- **Quantity in Transit** – This field displays the quantity of the item that is currently being transferred from one location to another. For any quantity of items that is in transit, that quantity is reduced from the On Hand count for the item at the source location. The quantity is not added to the receiving location until the transfer order is marked received. For more information about transfer order processing, see the help topic Inventory Transfer Orders.

- **Quantity Back Ordered** – This field displays the quantity of the item that has orders entered but no available stock to commit to the order.

Inventory Count

- **Inventory Classification** – This field displays the chosen classification used for inventory counts.
- **Inventory Count Interval** – This field displays the total number of days between required counts. For example, if you enter 30, the date a count is required is calculated based on 30 day intervals.
- **Last Inventory Count Date** – This field displays the date of the most recent previous inventory count that ran for this item.
- **Next Inventory Count Date** – This field displays the next scheduled date an inventory count will run for this item.

Order Management

ATP Lead Time – The ATP lead time is used as a planning horizon for supply and demand considerations in the ship date recommendation calculations. It is also used to provide a ship date on an order when no inventory is available based on future supply and demand.

Other

- **Last Purchase Price** – This field displays the most recent purchase price of the item as determined by purchase order receipt transactions. For more information, see Sales and Shipping Information for Items.
- **Build Point** – For each location, enter the point at which you should build more of this assembly.

  You can have NetSuite notify you when your inventory reaches this point. Go to Home > Settings > Set Preferences. Check the **Inventory Level Warnings** box, and then save.

  This field is available only when you use Advanced Inventory Management. It is not available for items that use Demand Planning.
- **WIP** – Check this box to use Manufacturing Work In Process (WIP) with this item in this location. For more information, see the help topic Manufacturing Work In Process (WIP).

Planning

The following fields specify information related to inventory level planning.

- **Preferred Stock Level** – Enter the optimum quantity to maintain in stock of this item. The ideal quantity is the amount you need to fulfill orders in a timely manner without either running out or overstocking.

  This quantity is used to determine your replenishment needs on the Order Items page. It is the quantity you want to have in stock after an order is placed. The preferred stock level you set is used to calculate the quantity of items to be ordered on the Order Items page.
- **Reorder Point** – Enter the point at which to reorder or build more of this item. The Reorder Point is the quantity level at which you need to reorder or build more of this item.

  Tip: NetSuite can remind you when you have reached the reorder point. Go to Home > User Preferences. Check the Inventory Level Warnings box, and then save.

  - **Auto-Calculating** – Check the Auto-Calculate box if you want NetSuite to calculate the reorder point based on demand for the item over time. The reorder point depends on the safety stock definition and is calculated as follows:

- Without safety stock defined: Reorder point = (average lead time days x demand)
- With safety stock defined in days: Reorder point = [(average lead time days + safety stock days) x demand]
- With safety stock quantity defined: Reorder point = [(average lead time days x demand) + safety stock quantity)

- **Manually Calculating** – Clear the Auto-Calculate box if you want to manually enter the point at which to reorder or build more of this item.

Demand Planning and Planning Times

The following fields provide information specific to inventory demand planning. For more information about these fields, see the help topic Demand Planning on Item Records.

Demand Planning

- Demand Source
- Supply Type
- Fixed Lot Size
- Lot Sizing Method
- Periods of Supply Increment
- Periods of Supply Type

Planning Times

- Forward Consumption Days
- Backward Consumption Days
- Demand Time Fence
- Planning Time Fence
- Reschedule In Days
- Reschedule Out Days

Vendors

The following vendor information on item records is specific to item vendors.

Preferred Vendor – Select the preferred vendor for this item. The vendor you select defaults on purchase transactions for this item. When you associate a vendor with an item, the item also appears on the vendor record under the **Financial** subtab on the **Items** subtab.

This field appears only on these item types: inventory, non-inventory for purchase, other charge for purchase, service for purchase.

If you use Multiple Vendors, this field is replaced by a vendor list on a subtab where you can enter information for each vendor.

If you use Vendors and Multiple Currencies and Multiple Vendors, you can enter purchase prices on item records for each currency used by your vendors.

If you use NetSuite OneWorld and the vendor you select is shared with multiple subsidiaries, note the following. You can add the vendor multiple times and specify an item price for each subsidiary level. Adding the vendor multiple times lets you set a different item price per subsidiary on the same item

record. For more information on sharing vendors with multiple subsidiaries, see the help topic Assigning Subsidiaries to a Vendor.

To enter vendor prices for an item, open the item record. On the **Purchasing/Inventory** subtab, select the vendor. Click the **Set** icon in the **Purchase Prices** field. Enter prices in each of the vendor's transaction currencies.

Adding Components to Kits or Item Groups

Components added on kit/package or item group records are the items used to create the item to sell as a group or kit.

This lets you track inventory for the individual items that make up the kit or group. You can also track how many kits or groups you have ready for sale.

To add components on kit/package or item group records:

1. On a kit/package or item group record, click the **Purchasing/Inventory** subtab, and then click the **Components** subtab.
2. In the **Items** field, choose a component of your kit or group.
3. Enter the **Quantity** of this item included in the kit.
4. Click **Add**.
5. Repeat these steps for each component item.
6. Click **Save**.

Sales and Shipping Information for Items

The following sales and shipping fields are used to set up preferences for pricing and selling each item. As you buy and sell inventory, NetSuite updates the values on item records. The fields and subtabs that appear on item records depends on the features you use and the type of record you view.

For pricing information on items, see Setting Up Item Pricing.

Sales Information for Items

Sales Description – Enter a sales description using up to 999 characters of letters, numbers or basic HTML code. When your customers click an item's store display name for more information, they see this description.

This field appears only on the following items:

- Download
- Gift Certificate
- Inventory
- Non-inventory for sale or resale
- Other Charge for sale or resale
- Service for sale or resale

Cost Estimate Type – The Cost Estimate Type determines what value NetSuite uses to calculate estimated Gross Profit. The estimated Gross Profit for Items on a transaction provides the data needed to calculate the total estimated Gross Profit on that transaction. The individual line items that you enter

in a transaction determine the amounts that post in NetSuite when you process that transaction. The following Cost Estimate Types on Items are available:

- **Item Defined Cost** - a user-defined amount, entered into the Item Defined Cost field on the Item definition page.
- **Average Cost** - NetSuite calculates an average cost of the units purchased. With Multi-Location Inventory enabled, NetSuite calculates the average across all locations. Otherwise, the average calculation uses location-specific costs.
- **Last Purchase Price** - This field displays the most recent purchase price of the item as determined by purchase order receipt transactions. Multiple purchases on the same day using different rates display the highest purchase price on that day, per location, if applicable, in this field. When you use the Multiple-Location Inventory feature, the last purchase price reflects the most recent receipt at any location. If you track inventory costs, NetSuite identifies the cost of the item based on your inventory costing settings.

  Note: Gross Profit transactions apply the last purchase price including landed cost when the Include Landed Cost in Last Purchase Price preference is enabled.

- **Purchase Price** - Enter the price that you pay for this item. If you do not enter a price, then the most recent purchase price from purchase orders provides the price for this item by default.
- **Preferred Vendor Rate** - This option is meaningful only if the Multi-Vendor feature is enabled and multiple vendors supply the same item. In order of precedence:
  - Preferred vendor rate, if defined on the Item record
  - Purchase price
  - Purchase Order Rate - Initially uses the Preferred Vendor Rate cost, Then, after a purchase order is entered, this type uses the most recent actual purchase order rate. Special orders and drop-shipped items use this cost information.
- **Derived from Member Items** - Total costs of items currently included in a kit. This type applies to kits, and sums the estimated costs of each item in the kit, based on each of their individual Cost Estimate Types. Uses the latest definition of the kit, not its historical definition.

Item Defined Cost – A user-defined amount, entered into the Item Defined Cost field on the Item definition page.

Billing Schedule – Choose the billing schedule you want to associate with this item. When an item is associated with a billing schedule, the billing schedule appears by default when the item is added to an order.

To create a new billing schedule, go to Lists > Accounting > Billing Schedules. Click New to enter a new billing schedule. Forms must be customized to show schedules on lines. See the help topic Applying Billing Schedules.

Days Before Expiration – To set this item to expire, enter the number of days it should remain active after purchase. If this item is downloadable and the same customer purchases this item more than one time, the countdown to expiration restarts with each purchase. This field appears only on Download and Gift Certificate items.

Note: If a gift certificate buyer lives in California, Connecticut, Louisiana, Massachusetts, New Hampshire, Rhode Island or Washington, by law the gift certificate cannot expire.

Number of Allowed Downloads – Enter the maximum number of times a customer who has purchased this item can download it from the Customer Center. If a customer purchases this item more than one time, note the following. The number of available downloads is multiplied by the number of times the item has been purchased. This field appears only on Download items.

Immediate Download – Check this box if you want customers to be able to download the item immediately after checking out. Clear this box to make download available after the order is billed. Customers then receive email that the download is available through the My Account tab of your site.

This field shows only on Download items.

Soft Descriptor – Select the brand name or name that should appear on customers' credit card statements when this item is purchased. Enter soft descriptors to select in this field at Setup > Accounting > Payment Processing > Credit Card Soft Descriptors.

Minimum Quantity – Enter the lowest amount of this item that you want customers to be able to purchase in the Web store. When a customer adds this item to the shopping cart, the quantity defaults to this minimum amount. If the customer lowers this amount, a warning is displayed, and the customer is not able to check out. Leave this field empty to allow customers to check out with no minimum quantity restrictions.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale
- Service for sale

Note: You can also require a minimum return quantity on return authorizations. See the help topic Preferences for Customer Returns for more information.

Enforce Internally – Check this box to apply the minimum quantity to sales orders placed internally in addition to those placed in the Web store. When the item is added to an order, the quantity is set to the minimum by default. If the quantity is edited to below the minimum, the item cannot be added to the order.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale
- Service for sale

Note: You must indicate a minimum quantity to check this box.

Shipping Information for Items

Item Weight – Enter the weight of this item and select the units in the list.

This field appears only on the following items:

- Assembly
- Inventory

- Kit/Package
- Non-inventory for sale or resale

Package – Select the type of package this item normally ships in. The information for this package type automatically fills in on order fulfillments for this item. Setting up and assigning package types helps determine the number of packages on an order and the shipping rate. To create package types, go to Setup > Accounting > Setup Tasks > Shipping.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Ships Individually – Check this box if this item always ships alone and with no other items in the same package. This helps determine the number of packages needed and the shipping rate on order fulfillments.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package

Shipping Cost – Enter the amount that should be charged for shipping this item when a per-item shipping method is used.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Handling Cost – Enter the amount to charge for handling when using a shipping method with a per-item handling charge.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Preference Criterion – Set the USMCA criterion for this item.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Schedule B Number – Enter the 10–digit number for the Schedule B form for this item. Schedule B is the form for Statistical Classification of Domestic and Foreign Commodities Exported from the U.S. For more information, see www.census.gov/foreign-trade.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Schedule B Quantity – Enter the numeric quantity in relation to the unit of measure entered in the Schedule B Code field. These two fields are used together to determine the amount represented by one of this item on the Schedule B form for Shipping Export Declarations.

For example, enter **5** in the Schedule B Quantity field. Then, you select **kilogram** in the Schedule B Code field. When you fulfill one of these items on an order, the Schedule B form presents the item's amount as five kilograms.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Schedule B Code – Select the unit of measure used to express the quantity entered in the Schedule B Quantity field. These two fields are used together to determine the amount represented by one of this item on the Schedule B form for Shipping Export Declarations.

For example, you enter **10** in the Schedule B Quantity field. Then, you select **kilogram** in the Schedule B Code field. When you fulfill two of these items on an order, the Schedule B form presents the item's amount as 10 kilograms.

This field appears only on the following items:

- Assembly
- Inventory
- Kit/Package
- Non-inventory for sale or resale

Account Information on Items

The following fields are used to set up your preferred handling of accounts for each item. The fields and subtabs that appear depend on the features you have enabled and the type of record you view.

Important: Be careful when selecting accounts. Problems can occur when you try to change an account on an item record after an item transaction has been entered. Contact your NetSuite account representative to update an account on an item.

COGS Account – Select a Cost of Goods Sold (COGS) account to track the cost of this item. This account should not be duplicated. This field appears only on Inventory and Assembly items.

Asset Account – Select an asset account to track the value of stock on hand. This account should not be duplicated. This field appears only on Inventory and Assembly items.

Income Account – Select an income account to track item sales revenue. This account should not be duplicated.

This field appears only on the following items:

- Assembly
- Download
- Gift Certificate
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale or resale
- Service for sale or resale

Deferred Revenue Account – When this item is sold and revenue recognition or advanced revenue management (essentials) is enabled, the revenue from the sale is deferred. The sale amount is posted to a deferred revenue account, as opposed to a standard income account. For more information, see the help topic Using Revenue Recognition or Advanced Revenue Management (Essentials) and (Revenue Allocation).

This field appears only on the following items:

- Assembly
- Download
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale or resale
- Service for sale or resale

Intercompany Deferred Revenue Account – This account is used to record deferred revenue from the sale of this item between subsidiaries. This account is used by the Revenue Recognition or Advanced Revenue Management (Essentials) features. The Automated Intercompany Management feature must also be enabled to eliminate intercompany transactions correctly. Therefore, you must select an account that has the Eliminate Intercompany Transactions box checked. This field appears only on inventory type items and the following resale item types: Non-inventory, Other Charge, and Service. For more information, see the help topic Automated Intercompany Management Overview.

Gain/Loss Account – This account is used when you do not use the **Use Item Cost as Transfer Cost** preference. The transfer price on a transfer order is used as the item cost on the item receipt. Any difference between the actual cost and the transfer price posts to a Gain/Loss account when the item is shipped. For information about setting the Use Item Cost as Transfer Cost preference, see the help topic Transfer Order Preferences.

Select the Gain/Loss account you prefer to use to post transfer cost discrepancies. The account you select must be different from the Cost of Goods Sold (COGS) and asset account for the item. You can also choose the Use Income Account setting to use the income account as the Gain/Loss account.

If you leave this field blank or select Use Income Account, the income account for the item is used.

If you use the **Expand Account Lists** preference, you can choose any account in this field.

Price Variance Account – Select the account to post to for variances in billing prices associated with this item. Variances occur when the item price appearing on the purchase order is different from the item price appearing on the bill.

Note: After you select a variance account, you can change the another, if necessary. Account changes are noted on the System Notes subtab of the History subtab of item records.

Quantity Variance Account – Select the account to post to for variances in billing quantities associated with this item. Variances occur when the item quantity appearing on the receipt is different from the item quantity appearing on the bill.

Note: After you select a variance account, you can change the account, if necessary. Account changes are noted on the System Information subtab of item records.

Exchange Rate Variance – Select the account to post to for variances in exchange rates associated with this item. Variances occur when there are exchange rate differences between the receipt and the bill for an item.

Note: After you select a variance account, you can change the account, if necessary. Account changes are noted on the System Information subtab of item records.

Customer Return Variance Account – Select the account you want to post amounts to for cost variances of items returned by customers. The Customer Return Variance Account takes the place of using the Cost of Goods Sold (COGS) account for the entire cost of the item. This account should not be duplicated.

You can set a specific COGS account to use for returns of this item to track costing separately for returns and sales. For example, a return authorization (RMA) might have a value of $5 for the item. But after the RMA is received, the costing value received is now $4. This generates a difference of $1.

- If you select a Customer Return Variance Account, the $1 posts to the account you choose in this field.
- If you **do not** select a Customer Return Variance Account, the $1 posts to the account chosen in the COGS Account field. This is the same field that sales COGS amounts post to.

This field appears only when you use the Return Authorizations feature.

Vendor Return Variance Account – Select the account you want to post amounts to for cost variances of items returned to vendors. This account should not be duplicated.

You can set a specific Cost of Goods Sold (COGS) account for returns of this item to track costing separately for returns and purchases. If you do not select a Vendor Return Variance Account, any variances post to the account chosen in the COGS Account field.

Production Quantity Variance Account – Variances post to this account when the assembly cost is higher or lower than expected due. This can be due to the number of items used in the assembly build. For example, a variance is created if a build costs more because you use 10 widgets, when you normally use eight.

Production Price Variance Account – Variances post to this when the assembly cost is higher or lower than expected. This can be due to the expense of items used in the assembly build. For example, a variance is created if a build costs more because you use widgets that cost $30 each, when you normally pay $20.

Unbuild Variance Account – Select the account to post a variance to when an unbuild transaction calculates a cost variance. This account should not be duplicated.

Purchase Price Variance Account – Select the account to post a variance to when a purchase transaction calculates a cost variance.

WIP Cost Variance Account – This is an expense account for actual cost or average cost assemblies. This is true when the reconciliation amount cannot be returned to the asset account because the amount

has been shipped. This account is required if WIP is checked for any locations. This field appears only on Assembly items using WIP.

Scrap Account – This is an expense account for scrapping that occurs during the work order completion. This account is required if WIP is checked for any locations. This field appears only on Assembly items using WIP.

WIP Account – This is an asset account used when a work order component issue is entered. This account is required if WIP is checked for any locations. This field appears only on Assembly items using WIP.

Account – Select the account where this discount, markup, or payment should post. This field appears only on Discount, Markup, and Payment items.

Expense Account – Select an expense account to associate with this item.

This field appears only on the following items:

- Non-inventory for purchase or resale
- Other Charge for purchase or resale
- Service for purchase or resale

Group with Undeposited Funds – Select Group with Undeposited Funds process these payments as any other undeposited funds. If these are to be deposited immediately into an account, select Account.

Liability Account – Select a liability account for gift certificate sales. This field appears only on Gift Certificate items.

Non-posting – Select Non-posting if you do not want discount or markup amounts to post to an account. This field appears only on Discount and Markup items.

Revenue Recognition and Amortization Information on Items

If you use Advanced Revenue Management, see the help topic Item Configuration for Advanced Revenue Management (Essentials) and (Revenue Allocation).

The following fields show if you use the Revenue Recognition feature and other legacy revenue recognition features:

Revenue Recognition Template – Select a revenue recognition template to associate with this item by default on sales transactions.

This field appears only on the following items:

- Assembly
- Download
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale or resale
- Service for sale or resale

VSOE Price – Enter the VSOE price for this item if it is known. To use more than one VSOE price for an item, enter the most common price, and then manually change the price on each order.

Deferral – In this field, choose how to handle deferment when this item is sold as part of a bundle:

- **Defer Bundle Until Delivered** – Until this item is marked delivered, the revenue recognition of all items in the bundle is deferred.

  Use this option to identify items whose revenue recognition depends on the delivery of the item, in addition to the delivery of a separate service. For example, a specified upgrade would typically be marked Defer Bundle Until Delivered.
- **Defer Until Item Delivered** – Until this item is marked delivered, the revenue recognition of this item is deferred. This setting is the default for this field.

Note: The deferral setting you choose for each item in a bundle works together with the deferral settings for other items in the bundle.

Permit Discount – In this field, choose from the following to determine how discounts are handled for this item.

- **If Delivered** – A portion of an applicable discount is applied against this item if its status is Delivered when the VSOE allocation is performed.
- **Never** – Does not allow a discount to be applied against this item when the VSOE allocation is performed. This selection would be common for a Specified Upgrade.

Default as Delivered – Check this box to automatically set this item to a Delivered status when this item is added to a transaction. Clear this box to leave the delivery status clear by default.

Tax and Tariff Information on Items

The following fields are used to set up your preferred handling of taxes and tariffs for each item.

Tax Schedule – Select the tax schedule you want to apply to this item.

Apply Before Sales Tax – Check this box if this discount or markup should be applied before sales tax is added to the order total. This option is intended for use in the United States and other countries that levy sales taxes, rather than value-added tax (VAT) countries.

This field appears only on Discount and Markup items.

OSS Applies – Check this box if the One Stop Shop (OSS) VAT scheme applies to this item.

This field appears if you use the EU One Stop Shop (OSS) feature.

Entering Preferences on Item Records

The fields and subtabs that appear depend on the features you have enabled and the type of record you view.

To set up your preferred preferences for each item:

1. Check the **Available to Adv. Partners** to make this item record available in the Advanced Partner Center.
2. Check the **Offer Support** box to offer support for this item.

   By offering support for an item, customers can select the item they are having trouble with on case records.

   This field appears only on the following items:

- Assembly/Bill of Materials
- Inventory
- Kit/Package
- Non-inventory for sale or resale
- Other Charge for sale or resale
- Service for sale or resale

3. Check the **Can be Fulfilled/Received** box to allow the item to be fulfilled and received during order processing.

   Clear this box if you prefer this item does not require being received and fulfilled. Even non-inventory items require the customer to enter a shipping address.

   This field appears only on the following items:

   - Inventory
   - Non-inventory for sale or resale
   - Other Charge for sale or resale
   - Service for sale or resale

   Note: The **Can Be Fulfilled/Received** box must be checked before you can check the **Generate Accruals** box.

4. Check the **Generate Accruals** box to automatically generate and post an accrual to the general ledger.

   When this box is checked, Inventory items, Non-inventory items, Other Charge items, and Service items can generate journal postings based on variances in vendor bills. For more information, see the help topic Vendor Bill Variances.

   The **Generate Accruals** setting can be changed on an item record after transactions have posted with a previous setting. However, past transactions maintain the setting used at the time the transaction was processed.

Copying and Importing Item Records

You can copy an existing item record to create a new item record of the same type for similar a item. This is useful to enter multiple item records that contain a lot of the same information.

To copy item records:

1. Go to Lists > Accounting > Items.
2. Click **View** next to an existing item record to use as a template.
3. On the item record, click **Make Copy**.

   On the new record, all fields except Item Name/Number autofill with the information from the original item record.
4. Enter an item name and verify or update the item information.
5. Click **Save**.

The Make Copy button is available only to users who have permission to create item records.

The Make Copy button is not available for Matrix items.

CSV Import

You can also import items using Comma Separated Value (CSV) files. This can be an efficient way to enter existing item records into NetSuite. For more information, click Help. Under User Guides, click CSV Import Guide.

The following topics provide additional information on item records and subtabs:

- Related Items
- Featuring Items (Specials subtab)
- Setting Up Items for the Web Site (Web Store subtab)
- Related Information for Items
- Working With Multi-Language Names and Descriptions
- Adding Components to Kits or Item Groups

Updating Item Records

After an item record is created, you can change it to reflect updates.

Important: After accounting information is entered for an item, changing an account for an item may produce unexpected results.

To change an item record:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the name of the record you want to change.
3. Enter updates to the record.

   Important: If you intend to change the account associated with the item, contact your NetSuite account representative before you proceed. For information about changing an item's account, see the Important note in Account Information on Items.
4. Click **Save**.

Note: You can delete an item record if there are no transactions associated with any of its customer part numbers. For more information, see Adding Customer Part Numbers to Item Records.

Restricting Items

You can limit the visibility of items for employees and partners using class, department, location, or subsidiary restrictions.

Note: Items can be restricted by subsidiary only if you use NetSuite OneWorld.

For example, you could associate an item with a location and then customize a role to restrict access to that location. Then, any employee using the custom role would not have access to the item.

The employee assigned to the restricted role must have a class, department, or location specified on the Info subtab of their employee record.

To restrict item visibility:

1. Associate the item – Go to Lists > Accounting > Items. Click **Edit** next to an item to associate a class, department, location, or subsidiary on the item record.
2. Customize a role – To customize a role, go to Setup > Users/Roles > Manage Roles.
3. Assign the role – Go to Lists > Employees > Employees. Assign the restricted custom role to an employee.

Viewing the Items List

Use the following procedure to view information on all items.

To view information on all of your items:

1. Go to Lists > Accounting > Items.
2. In the **View** field at the bottom of the page, choose one of the following list views:
   - All
   - Basic
   - Feeds
   - Purchase
   - Sales
   - Stock
   - Web Store

   Depending on the features you have enabled, the following information shows for each item when using the All view:
   - **Name** – the item name that appears in lists on transactions
   - **Display Name** – optional alternate name that appears on printed forms
   - **Description** – the description of the item that displays on sales transactions
   - **Purchase Description** – the description of the item that displays on purchase transactions
   - **Vendor Name** – the name for the item used by the vendor
   - **Store Display Name** – the name that shows in the Web site
   - **Store Description** – the item description that shows under the Web store display name
   - **Units Type** – the type of item unit used to purchase, stock and sell items
   - **Stock Unit** – the unit used to measure inventory on hand and used to transfer inventory
   - **Purchase Unit** – the unit used to purchase the item from the vendor
   - **Sale Unit** – the unit used to sell this item on sales transactions
   - **Display in Web Site** – whether this item shows in the Web site
   - **Purchase Price** – purchase price of the item
   - **Preferred Vendor** – the vendor you prefer to purchase this item from
   - **Base Price** – the standard price to which markups and discounts are applied

- **Online Price** – the price for the item online
- **Income Account** – the account sales income posts to
- **Asset Account** – the account inventory value posts to
- **Expense/COGS Account** – the default expense account for this item
- **Deferred Revenue Account** – the account deferred revenue posts to
- **Default as Delivered** – the item defaults to show as delivered
- **Permit Discount** – the item might have discounts applied
- **Is VSOE Bundle?** – the item is a VSOE bundle
- **VSOE Price** – the VSOE price of the item
- **Costing Method** – the method that determines how you handle costs associated with buying the item at different purchase prices over a specified period
- **On Special** – the item is marked as on special
- **Tax Schedule** – the item's tax schedule
- **On Hand** – the number of units that have been received into your inventory that have not yet been picked for orders
- **Available** – the number of units in stock that have not been committed to fulfill sales
- **On Order** – the number of units that have been ordered from the vendor by purchase order
- **Committed** – the number of units that are committed to sales
- **Back Ordered** – the number of units of an item reserved by unfulfilled sales orders
- **Reorder Point** – the on-hand inventory level at which you should place an order to restock an item
- **Preferred Stock Level –** the quantity you prefer to maintain in inventory
- **Reorder Multiple** – quantity you prefer to order at a time (expressed in base units)
- **Drop Ship Item** – the item is set to default to drop ship
- **Special Order Item** – the item is set to default as a special order
- **Copy SO Descr.** – the item will copy the description from the sales order
- **Weight** – item weight
- **Weight Units** – units used to measure item weight
- **Class** – item class
- **Department** – item department
- **Date Created** – date the item record was entered
- **Last Modified** – date the item record was last changed

Working With Multi-Language Names and Descriptions

With the Multi-Language feature, customers see item names, descriptions, and expense categories in the language selected on the customer's record on printed transaction forms.

Additionally, you can translate elements of your Web site to show in each visitor's language. These elements include Web site items, saved searches, tabs, categories, email forms, text, and images, and formatted Web site text.

An administrator can enable the Multi-Language feature at Setup > Company > Setup Tasks > Enable Features.

There are two ways to translate transaction information and Web site elements. You can add them individually on the appropriate record. You can translate them all at Lists > Mass Update > Bulk Update Translation.

To enter translations in bulk:

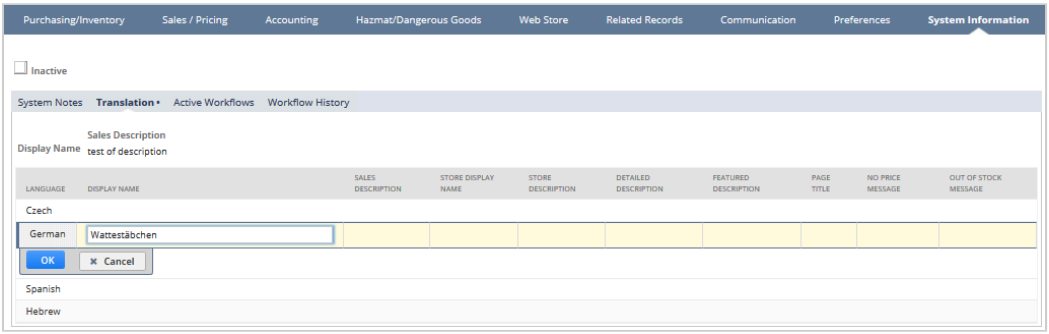
1. Go to Lists > Mass Update > Bulk Update Translation.
2. Select the language you want to enter translations for.

   You can only enter translations for the languages selected at Setup > Company > General Preferences.
3. Click the subtab for the element you want to translate.
4. Enter the translations for each element.
5. Click **Save**.
6. Repeat these steps for each language.

To enter a translated item name and description on an item record:

1. Go to the item record where you want to enter a translated item name and description.
2. Click the **System Information** subtab.
3. Click the **Translation** subtab.
4. In the **Language** column, select the language you are entering the description in.

   The following screenshot shows how you can enter language translations on the **Languages** subtab at Setup > Company > General Preferences.



5. Enter translations for each description and for the display name.

   Note: NetSuite supports full UTF-8 character encoding so you can enter any character supported by the UTF-8 standard.
6. Click **Add**.
7. Repeat these steps for each language translation you want to enter.
8. Click **Save**.

To enter a translation for other elements:

1. Open the record for the element you want to translate.

2. Click the **Translation** subtab.
3. Enter the translated names and descriptions in each language.
4. Click **Save**.

For the best results when viewing translated NetSuite pages, set your browser to view UTF-8 encoded pages.

In Firefox, go to View > Text Encoding. From the **Text Encoding** list, select **Unicode**.

For more information on setting up Multi-Language, see the help topic Configuring Multiple Languages.

Related Information for Items

When you view item records, you can view information on related transactions and data about the item.

- Click the Related Records subtab to see transactions related to the item. You can filter the list by transaction type.
- Click the Communications subtab to view and enter user notes to track information about an item.
- On the System Information subtab, click the System Notes subtab to view automatic notes NetSuite enters to track updates to fields on the item record. You can filter the list of notes by selecting a field.

  Updates to the following fields are tracked:

  - Description
  - Display Name
  - Expense Account
  - Handling Cost
  - Income Account
  - Liability Account
  - Deferred Revenue Account
  - Revenue Recognition Template
  - Amortization Template
  - Amortization Period
  - Drop Ship Item
  - Special Order Item
  - Featured Item
  - Inactive
  - Is VSOE Bundle?
  - Display in Web Site
  - Product
  - Taxable
  - Item Name/Number
  - Item Weight
  - Preferred Stock Level
  - Offer Support
  - On Special

- Variable Amount
- Subitem Of
- Preferred Location
- Print Items
- Purchase Description
- Rate
- Reorder Point
- Lead Time
- Safety Stock Level
- Seasonal Demand
- Estimated Demand Change
- Shipping Cost
- Store Display Name
- Location
- Department
- Class
- Track Bins
- Track Landed Cost
- Units Type
- Preferred Vendor
- Vendor Name
- Number of Allowed Downloads
- Days Before Expiration
- Immediate Download
- Manufacturer
- MPN
- Stock Description
- Search Keywords
- Quantity Pricing Schedule
- Use Marginal Rates
- Calculate Quantity Discounts
- Pricing Group
- Minimum Quantity
- Asset Account
- Available To Adv. Partners
- Billing Schedule
- Purchase Price

When an item record is created, only the item name and parent (if applicable) are logged in system notes.

Item Pricing

You have great flexibility in NetSuite to set up and use various prices for items you sell. For more information about setting item pricing on item records, see Setting Up Item Pricing.

You can quickly update item prices or item purchase prices using the Mass Update function, which updates multiple records at one time. For more information, see Updating Item Prices or Updating Item Purchase Prices. You are also able to change prices between two levels. For more information, see Swapping Prices Between Price Levels.

You can also print price lists to distribute to your customers. For more information, see Generating Price Lists.

The following pricing functions offer additional flexibility.

Multiple Pricing

The Multiple Pricing feature lets you set up different prices levels for each item and service. You can also enter an additional sales price for online items. After you set up price levels on each item record, set a price level on each customer record to ensure they receive the correct pricing. For more information, see Using Multiple Pricing.

Quantity Pricing

The Quantity Pricing feature lets you automatically apply different sales prices to items that depend on the quantity being sold. This enables you to offer discounts to customers who buy in bulk. Set a **Maximum # of Quantity-based Price Levels**, and then set up quantity breaks to price each item and quantity. For more information, see Using Quantity Pricing.

Note: The Quantity Pricing feature is not compatible with the Billing Classes feature.

Quantity Pricing Schedules

Quantity pricing schedules are templates that you can apply to items to generate purchase and sale prices. When you apply a quantity pricing schedule to an item, the prices for all price levels are created dynamically. For more information, see Quantity Pricing Schedules.

Pricing Groups

Price groups let you assign customer-specific price levels for groups of items. For example, you could create a pricing group called **Laptops** and associate the pricing group with all of your laptop items. For more information, see Creating Pricing Groups.

Promotion Codes

You can set up item coupons using promotion codes to offer discounts to customers. These coupon codes apply only to specific items. For more information, see Creating Item Coupons.

Setting Up Item Pricing

Use the following procedure to set up pricing for items.

To set up pricing for items:

1. Open an item record in edit mode, and then click the **Sales/Pricing** subtab.

   > **Note:** To let customers choose the amount of an item, such as a donation or a gift certificate, do not complete this subtab. Instead, click the **Store** subtab, and then check the **Variable Amount box**.
   >
   > If you enter a price on the **Sales/Pricing** subtab, and then check the **Variable Amount** box, the price you set is the default amount.

2. Under Pricing, if you use quantity pricing schedules, select the pricing schedule you want to use to set prices for this item. Selecting a pricing schedule sets the **Use Marginal Rates** and **Calculate Quantity Discounts** fields.

   You can create pricing schedules at Lists > Accounting > Quantity Pricing Schedules > New.

3. Check the **Use Marginal Rate** box if you want the quantity discounts in the schedule to be applied to each pricing bracket separately.

   For example, a schedule offers no discount for the first 100 items sold and a 5% discount if more than 100 are sold. If 150 items are sold, the first 100 are at normal price, and the other fifty items are sold at 5% discount.

   Leave this box clear if you want the discount to apply to all of the items sold.

4. In the **Calculate Quantity Discounts** field, choose how to determine the quantity for pricing:
   - **By Line Quantity** - pricing is applied according to the quantity included in the line item.
   - **By Overall Item Quantity** - pricing is applied for all line items for the same item on a transaction.
   - **By Overall Parent Quantity** - pricing is applied for all items with the same parent item on the transaction. This can be useful for applying quantity pricing to matrix items.
   - **By Overall Schedule Quantity** - pricing is applied to all items that use the same pricing schedule that are included in the transaction.
5. In the **Pricing Group** field, select the pricing group this item is a member of. Using pricing groups enables you to assign customer-specific price levels for a group of items.
6. Click **Save**.

Using Multiple Prices or Currencies

You can use multiple prices and currencies if you use the Multiple Prices or Multiple Currencies features.

To use multiple prices:

1. Enter a base price for this item as the default price for transactions.
2. Enter alternative prices for this item. You can assign alternate price levels to certain customers, such as privileged or club customers.

   You can rename and create new price levels at Setup > Accounting > Setup Tasks > Accounting Lists. Select **Price Levels** in the **Type** field.

3. Enter an online price for the default item price in the web store.
4. If you use quantity pricing, set the number of items required for a new price break in the **Qty** fields. Then, enter the corresponding price per item below it.

To use multiple currencies:

1. In the **Currency** column, select your a currency.
2. In the **Amount** column, enter a price for this assembly for this currency.
3. Click **Add**.
4. Repeat these steps to add prices for additional currencies.

   You can only enter one price for each currency.

   To create new currency records, go to Lists > Accounting > Currencies > New.

To use multiple prices and multiple currencies:

1. In the **Price Level** column, select a price level.

   You can rename and create new price levels at Setup > Accounting > Setup Tasks > Accounting Lists. Select **Price Levels** in the **Type** field.

   If you have set a default discount percentage for a price level, it appears in the **Default Discount %** column.
2. In the **Currency** column, select a currency for this price level.

   To create new currency records, go to Lists > Accounting > Currencies > New.
3. In the **Amount** column, enter a price for this price level and currency.
4. Click **Add**.
5. Repeat these steps to add prices for additional price levels and currencies.

Inclusive or Exclusive Taxes

This information is specific to NetSuite accounts (except US and Canada) that do not use the Advanced Taxes feature. The item record has a **Prices Include Tax** box that lets you save the item price as either tax inclusive or tax exclusive.

To save the base price as the tax inclusive price, check this box.

To save the base price as the tax exclusive price, clear this box.

Using Multiple Pricing

In NetSuite, you can set up different prices levels for each item and service. You can also enter an additional sales price for online items.

For example, you want to sell an item at wholesale sometimes and at retail other times. You can create a sales price level for wholesale customers, and a sales price level for retail customers.

You can set up to a maximum of 1,000 price levels.

With Multiple Pricing enabled:

- Custom prices autofill for transactions.
- You can set higher margin pricing for cash sale customers.
- You can reward high volume customers with lower prices.
- Customers see their custom price when they log in to your Web site.

To use multiple pricing:

1. Enable the Multiple Pricing feature:
    a. Your administrator can go to Setup > Company > Enable Features.
    b. On the **Transactions** subtab, check the **Multiple Prices** box.
    c. Click **Save**.
2. Create price level records:

    To create price levels, go to Setup > Accounting > Setup Tasks > Accounting Lists > New.

    For more information, see Creating Price Levels.
3. Set price levels on item records:
    a. Go to Lists > Accounting > Items > New..
    b. Click **Edit** beside the item you want to enter a custom price for.
    c. Enter multiple prices on item records on the **Pricing** subtab.

    For more information, see Setting Up Items for Multiple Price Levels.
4. Assign price levels on individual customer records:

    For more information, see Setting Up Price Levels for Customers.

When a customer makes purchases from your business, they receive the assigned custom price level. When no custom price level is assigned, the customer receives the basic price.

Creating Price Levels

When you use the Multiple Pricing feature, you can create different price levels for selection on the sales order, up to a limit of 1,000. Setting up multiple price levels enables you to have greater flexibility to set different pricing for different customers.

For example, you want to sell items to some customers at retail prices, but offer discount prices to other customers. Set up multiple price levels to sell items at a retail price, or give discounts of 5%, 10%, or 15% off retail pricing.

To enable multiple pricing:

1. Go to Setup > Company > Setup Tasks > Enable Features..
2. Click the **Transactions** subtab.
3. Check the **Multiple Prices** box.
4. Click **Save**.

To create a new price level:

1. Go to Setup > Accounting > Setup Tasks > Accounting Lists > New.

2. Click **Price Level**.
3. On the Price Level page, enter a name in the **Price Level** field.

   This name should describe the price level you are creating.
4. In the **Markup/Discount %** field, optionally enter a positive or negative percentage to mark up or discount prices for this price level.

   Prices for this level are calculated by applying the positive or negative percentage to the Base Price level.

   Note: Any value you enter is rounded to the nearest 0.01%.
5. To update all items using this price level, check the **Update Existing Prices** box.

   When you create a new item record that uses this price level, the item price automatically updates.
6. For this price level to be your online price level, check the **Online Price Level** box.
7. Check the **Inactive** box to inactivate this record.

   After a record is marked inactive, it no longer appears in NetSuite lists and popup windows. You can still see inactive records on list pages by checking the **Show All** box.

   Clear the **Inactive** box if you want this price level to appear in lists.

   Tip: To improve performance, you should inactivate price levels you are not currently using.
8. Click **Save**.

After you create price levels, you must enter prices for them on item records. Go to Lists > Accounting > Items.. Then, you can select the appropriate price levels when creating invoices.

Setting Up Items for Multiple Price Levels

Use the following procedure to set up multiple prices on item records. You can create different price levels for selection on the sales order, up to a limit of 1,000.

To set up multiple prices on item records:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the item.
3. Click the **Sales/Pricing** subtab.
4. Enter up to four prices in the **Base Price**, **Alternate Price 1**, **Alternate Price 2**, **Alternate Price 3** and **Online Price** fields.

   To add more price levels, go to Setup > Accounting > Setup Tasks > Accounting Lists > New. Click **Price Level**.

   Important: When customers order online, the online price overrides any other prices.

   If your customers can order online and you do not enter an online sales price, the Base Price appears as the online price.
5. Click **Save**.

The multiple sales prices you set up appear on sales transactions in the Price Levels list.

To improve performance, you should inactivate price levels you are not currently using.

Editing Multiple Prices on Item Records

Use the following procedure to edit multiple prices on item records.

To edit multiple prices:

1. Go to Lists > Accounting > Items.
2. Click the price level you want to edit.
3. Enter a new price.

   Prices you enter here are updated on the item record.
4. Click **Save**.

If you use the Editing and Multiple Prices features, you can enable line editing when you view item prices.

You can customize your view to show several price levels, such as base price, online price, and custom price levels.

Note: Using line editing of price levels is not compatible with the Quantity Pricing and Multiple Currencies features.

Setting Up Price Levels for Customers

If you want to customize a price for a customer, select Custom in the Price Levels field on transactions. Then, enter the amount you want to charge in the Rate field.

NetSuite also enables you to set up custom price levels for customers. If you have a web store and you've set up custom price levels, customers view this price in your store after they log in.

To set up custom price levels for customers:

1. Go to Lists > Relationships > Customers > New.
2. Enter the customer's name.
3. Click the **Financial** subtab.
4. Under Account Information in the **Price Level** field, choose this customer's price level.
5. Fill in other information as appropriate.
6. Click **Save**.

To edit a customer record for custom price levels, go to Lists > Relationships > Customers. Click Edit next to the customer you want to update.

After you set up custom price levels, you can still enter a custom amount or choose a different price level on transactions. You can set up to a maximum of 1,000 price levels.

You can also set price levels for specific items for customers.

To set item price levels for a customer:

1. Open the customer record you want to assign an item price level to.
2. Click the **Financial** subtab.
3. Click the **Group Pricing** subtab.
4. Select a pricing group and the price level for this group.
5. Click the Item **Pricing** subtab.
6. Select an item and a price level for that item.
7. Click **Add**.
8. Repeat these steps for each item you want to assign a price level to for this customer.

Item price levels take precedence over the selection in the Price Level field on the customer record, and the price levels for pricing groups.

Editing Price Levels

You can edit a price level and update your existing prices.

For example, Christy's Catering wants to increase Price Level One prices by 5 percent. Christy edits the Price Level One record by adding a markup of 5 percent and updating existing prices.

To edit a price level:

1. Go to Setup > Accounting > Setup Tasks > Accounting Lists.
2. Click the price level you want to edit.
3. Click **Edit**.
4. In the **Price Level** field, you can change the name of this price level.
5. In the **Markup/Discount %** field, optionally enter a positive or negative percentage to mark up or discount prices for this price level.

   Prices for this level are calculated by applying the positive or negative percentage to the Base Price level.

   Note: Any value you enter is rounded to the nearest 0.01%
6. If you want to update all existing prices in this price level, check the **Update Existing Prices** field.

   After you click **Save**, your prices automatically update.
7. Click **Save**.

Assigning a Foreign Currency Price to a Sales Item

With the Multiple Currencies feature enabled, you can assign foreign currency prices to your sales items at each price level. You can assign prices to items for each currency for which you have created a Currency record.

These foreign currency prices eliminate the exchange rate risk for a customer that uses the same foreign currency assigned to an item. However, this shifts the exchange rate risk to your company. The foreign currency item price might not change, but the base-currency price fluctuates with exchange rates.

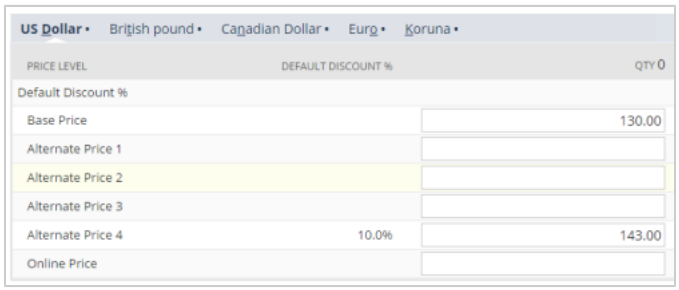
To assign a foreign currency price to a sales item with Multiple Prices turned off:

1. Go to Lists > Accounting > Items.
2. On the Items list, click **Edit** next to the item you want to create a foreign currency price for.
3. On the item's record, click the **Sales/Pricing** subtab.
4. Enter the price, denominated in the foreign currency, as an **Alternate Price**.

   All items must have a **Base Price** entered in your base currency.
5. Repeat step 4 for each price.
6. Click **Save**.

To assign a foreign currency price to a sales item with Multiple Prices enabled:

1. Go to Lists > Accounting > Items.
2. On the Items list, click **Edit** next to the item for which you want to create foreign currency prices.
3. Click the **Pricing** subtab.
4. Click the currency subtab for which you want to set prices.



5. Enter a price, in the selected currency, for each price level.
6. To enter prices in another currency, click the appropriate currency's tab and then enters prices in that currency.
7. Click **Save**.

When you enter transactions for a customer that uses a foreign currency, the customer's price is the price you entered for the customer's currency. For items without a defined price in a foreign currency, note the following. NetSuite converts the base currency price into the default foreign currency used by that customer. If you select a preferred vendor for an item, NetSuite displays the purchase price for that item in the preferred vendor's default currency.

Using Quantity Pricing

Quantity based pricing lets you automatically apply different sales prices to items that depend on the quantity being sold. This enables you to offer discounts to customers who buy in bulk.

To enable quantity pricing:

1. Go to Setup > Company > Enable Features.
2. On the **Transactions** subtab, check the **Quantity Pricing** box.
3. Click **Save**.

   After you enable the feature, you should set your accounting preferences for quantity pricing.

To set quantity pricing preferences:

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. Click the **Items/Transactions** subtab.
3. In the **Maximum # of Quantity-based Price Levels** field, enter a number to set a limit for the quantity-based price levels assigned to each item.

   These quantities appear as columns on the **Sales/Pricing** subtab of item records.
4. To enter different discounts for each price level, check the **Allow Quantity Discounts per Price Level on Schedules** box.
5. Click **Save**.

   Now, you can enter your prices on the **Sales/Pricing** subtab of item records.

Tip: Quantity prices for items that appear in your web store also include a small chart with the item. This chart explains the quantity-pricing discounts. To show this chart on item lists, go to Setup > Web Site > Setup Tasks > Set Up Web Site. Click the **Shopping** subtab, and then check the **Show Quantity Pricing in Lists** box.

Important: The Quantity Pricing feature is not compatible with the Billing Classes feature. Therefore, you cannot use both features at one time. If both are enabled, billing classes replace quantity pricing on service item records.

Quantity Pricing Schedules

Quantity pricing schedules are templates that you can apply to items to generate purchase and sale prices. When you apply a quantity pricing schedule to an item, the prices for all price levels are created dynamically.

Note: To create quantity pricing schedules, you must first enable the Quantity Pricing feature and set quantity pricing preferences. For more information, see Using Quantity Pricing.

To create a pricing schedule:

1. Go to Lists > Accounting > Quantity Pricing Schedules > New.
2. Enter a quantity pricing schedule **Name**.
3. To base your quantity pricing schedule on a unit of measure rather than a numeric quantity, select a **Units Type**.
4. Select the related **Units** you want to base this schedule on.

   For example, if you select quartz as the **Units Type**, the available **Units** are Qt, Smp bx, or bx.
5. To apply schedule quantity discounts to each pricing bracket separately, check the **Use Marginal Rates** box.

   For example, a schedule offers no discount for the first 100 items sold and a 5% discount if more than 100 are sold. If 150 items are sold, the first 100 are at normal price, and the other 50 items are sold at 5% discount.

   To apply the discount to all items sold, clear this box.

6. To mark this pricing schedule as inactive, check the **Inactive** box.
7. In the **Calculate Quantity Discounts** field, choose how to determine the quantity for pricing:
   - **By Line Quantity** - pricing is applied according to the quantity included in the line item.
   - **By Overall Item Quantity** - pricing is applied for all line items for the same item on a transaction.
   - **By Overall Parent Quantity** - pricing is applied for all items with the same parent item on the transaction. This can be useful for applying quantity pricing to matrix items.
   - **By Overall Schedule Quantity** - pricing is applied to all items that use the same pricing schedule that are included in the transaction.

   Note: Only 4 non-zero quantity levels are allowed.
8. In the **Quantity** and **Discount** fields, enter the brackets for the schedule.

   If you enabled different discount percentages per price level while setting quantity pricing preferences, set the **Qty** and **Default Discount %** for each **Price Level**:
   - **Base Price**
   - **Alternate Price 1**
   - **Alternate Price 2**
   - **Alternate Price 3**
   - **Online Price**
9. Click **Save**.

   Tip: When you create a new item record, complete the **Sales/Pricing** subtab. Select the **Quantity Pricing Schedule** to generate prices for this item. For more information, see Creating Item Records.

You can use quantity pricing schedules to apply prices you have negotiated with vendors.

To associate a pricing schedule with a vendor:

1. Go to Lists > Relationships > Vendors.
2. Click **Edit** next to the vendor record with which you want to associate a pricing schedule.
3. Click the **Financial** subtab.
4. Click the **Pricing Schedules** subtab, and then click **New Pricing Schedule**.

   The vendor quantity pricing schedule includes a **Base Discount** field.
5. After you complete the vendor quantity pricing schedule, click **Save**.

   Only one vendor can be associated with each quantity pricing schedule. You can, however, apply a schedule to any number of items.

Creating Pricing Groups

Price groups enable you to assign customer-specific price levels for groups of items. For example, you could create a pricing group called Laptops and associate the pricing group with all of your laptop items.

To create a pricing group:

1. Go to Setup > Accounting > Setup Tasks > Accounting Lists > New..
2. In the Add to Accounting Lists window, click **Pricing Group**.
3. Enter a **Pricing Group** name.
4. Click **Save**.

Note: The price level for a pricing group takes precedence over the customer's price level. It does not take precedence over item pricing.

Updating Item Prices

You can quickly update price changes to your items.

You can update up to 10,000 items with a single mass update. For more information, see the help topic Defining a Mass Update.

Warning: This action cannot be undone.

Note: During a mass update of a large volume of data, old prices may be visible.

To update prices:

1. Go to Lists > Mass Update > Update Prices.
2. On the Update Prices page, in the **Amount** field, enter a negative or positive amount for the price change.

   You can enter a currency amount or a percent in this field.
3. In the **Based on** field, choose what you want to base this price change on:
   - **Existing Price** – The existing price for each price level is updated.

     Important: For the price update to be applied to all price levels, you must set the **Based on** field to **Existing Price**.
   - **Average Cost** – The price is adjusted based on the average cost of the items selected.
   - **Most Recent Cost** – Adjustment is based on the most recent cost of the items selected.
   - **Entered Cost** – Adjustment is based on the purchase price entered on the item record.
4. In the **Price Levels** field, select the price levels you want to change.

   When this page first appears, not all price levels are selected.
5. In the **Rounding** field, select rounding options:
   - **None** – this will not round your price update
   - **To nearest** – this rounds your prices to the nearest dollar
   - **Round up** – this rounds your prices up
6. In the **Round To** field, select the way in which you want to round.

   For example, you are increasing your inventory items by $2. You want them to round to even dollar prices. You would select **Even Dollar** from the list.

7. Check the **Public** box if you want to make this mass update available to everyone else with access to your account.
8. On the **Criteria** subtab, set search criteria for the items you want to change prices for.
9. On the **Results** subtab, choose how you want the search results to show.
10. Click **Preview** if you want to look at the changes before submitting them.
11. Click **Save**.

Updating Item Purchase Prices

NetSuite enables you to update the purchase price on selected items to the price on the most recent purchase of that item. This price reflects the most recent transaction for the item added to inventory. For example, a purchase receipt, inventory transfer, or inventory adjustment. This does not include item returns or assembly unbuilds.

You can update up to 10,000 items with a single mass update. For more information, see the help topic Defining a Mass Update.

Warning: This action cannot be undone.

To update purchase prices:

1. Go to Lists > Mass Update > Update Prices.
2. Click **Items** to open the list.
3. Click **Update Purchase Price from Most Recent Purchase**.
4. Verify or enter a **Title of Action** for this mass update.

   The **Type** field shows the type of record that you are updating.
5. Click the **Criteria** subtab.
6. Select search criteria for the items you want to update prices for.
   a. Check the **Use Expressions** box.
   b. Select a **Filter** method.
   c. In the **Mass Update** box, in the Account field, select **any of** or **none of**.
   d. In the **Type & tab for single value** box, enter a value, or click the arrow icon ( ) to select one or more values.
   e. Click **Done**.
   f. Click **Set**.
7. To choose how to display search results, click the **Results** subtab.
8. Click **Preview** to review your changes before submitting them.
9. Click **Save**.

Swapping Prices Between Price Levels

You can exchange the prices of two existing price levels, if needed.

For example, you can have created these price level records:

- Level ONE – retail pricing
- Level TWO – retail less 5 percent

You can swap the prices for both price levels for price Level ONE to reflect a 5% discount, and Level TWO to reflect retail pricing.

Note: Swapping prices between price levels affects pricing of all items in these price levels.

To swap prices between price levels:

1. Go to Lists > Mass Update > Swap Prices Between Price Levels.
2. On the Swap Prices Between Price Levels page, select the two price levels you want to exchange in the **Price Level** fields.
3. Click **Save**.

Now, these two price levels have been exchanged.

To update other price levels based on this change, open the price level that requires updating to set the Update Existing Prices preference. For more information, see Editing Price Levels.

To view information about existing price levels, go to Setup > Accounting > Setup Tasks > Accounting Lists.. Filter the list to show only price levels. Click **View** next to a price level to view the record.

Creating Item Coupons

You can offer coupon codes that apply to specific items when you enable the Promotion Codes feature.

Note: An administrator can enable this feature on the Transactions subtab at Setup > Company > Setup Tasks > Enable Features.

To create an item coupon:

1. Go to Lists > Accounting > Items > New > Discount to set up the discount amount for the coupon.

   The dollar or percentage amount that you enter in the **Rate** field is the amount of discount.

   For more information about creating discount items, see Discount Items.
2. Go to Lists > Marketing > Promotion Codes > New to set up a promotion code for this coupon. to set up a promotion code for this coupon.

   For more information about promotion codes, see the help topic Promotions.
3. In the **Promotion Code** field, enter the code you want customers to use to receive the discount. Customers in your website will enter this code in the **Coupon Code** field at checkout.
4. In the **Discount** field, select the name of the discount item you created for this coupon.
5. In the **Apply Discount To** field, select **First Sale Only** to only allow this coupon to be used one time per customer.

   Select **All Sales** to allow the code to be used multiple times.
6. In the **Start Date Promotion** field, enter the date this coupon becomes eligible for use.

7. In the **End Date Promotion** field, enter the date this coupon expires.
8. Check the **Available to All Customers** box to make this coupon code public.

   If you clear this box, only customers who are associated with partners you select on the **Partners** subtab can use this code.
9. On the **Items** subtab, select and add each item that you want this discount to apply to.
10. Check the **Exclude Items** box to have this discount apply to all items **except** the items you select.
11. Click **Save**.

You can now provide customers with this code to use as a coupon for the items you selected.

Discounts are only applied to eligible items. For example, an item coupon allows $10 off on all cables. A cable is purchased for $9 and speakers at $40. Only $9 is discounted from the order. Discounts are applied before tax and shipping.

Generating Price Lists

You can generate a price list document that shows your items and their prices for each customer. Then, you can print, fax or email this price list to send it to your customer.

When you print a price list for a customer, the item prices are based on the price level or group identified for that customer. This is the same price that shows when the item is added to a sales transaction for that customer.

If you use the Multiple Currencies feature, price lists are generated for only a customer's primary currency. For more information, see the help topic Customers and Multiple Currencies.

The following procedures step you through generating prices lists from a variety of NetSuite pages.

To generate price lists from the Print Checks and Forms page:

1. Go to Transactions > Management > Print Checks and Forms.
2. Click **Price Lists**.
3. In the **Generate Price Lists** page, select the customer accounts you want to generate a price list for.
4. Click **Print**.

   Alternatively, click Email to send the price list to a contact.

To generate price lists from a customer record:

1. Go to Lists > Relationships > Customers.
2. Beside the customer record, click **View**.
3. Click **More Actions**, and then click **Generate Price List**.
4. Click **Print**.

   Alternatively, click Email to send the price list to a contact.

To generate price lists from the Transactions > Customers menu:

1. Go to Transactions > Customers.
2. Click one of the following:
   - To create price lists for more than one customer, click **Generate Price Lists**.
     1. On the **Customers** subtab, select the customers you want to create a list for.
     2. On the **Items** subtab, choose the items to show in the price list.

        You can also click the Customize button to filter the lists.

        For more information, see Generating Bulk Price Lists and Customizing Lists.
   - To create a price list for one customer, click **Individual Price List**.
     1. Select the customer or project you are creating a price list for.
     2. Specify which items to include in the list. For example, choose to show only inventory items.

        For more information, see Generating an Individual Price List.

   After you select a filter it appears each time you view this page. The selected filter appears on the **Items** subtab on both price list pages.

   The customer list does not display jobs if you use the Consolidate Projects on Sales Transactions preference.

   The standard price list form displays the customer's address, the date the list is generated, item names and descriptions, item prices, and currencies. If you use the Quantity Pricing feature, the price list displays a column for each quantity and the corresponding prices.
3. Optionally, check the **Round Quantities** box.
   - If checked, the quantity range appears, for example, "1-9, 10-99, 100+."
   - If cleared, only the minimum quantity appears, for example, "0, 10, 100."

   Note: Items that have no price entered on the item record do not appear in the price list document.
4. After the list is set, choose to send the lists by email, fax, or by printing and sending the lists. You can print, fax, or email up to 100 price lists at one time.

One price list document is generated per customer. Documents that require multiple pages are numbered when you customize price list forms to show page numbers. For more information, see Customizing Price List Forms.

The following NetSuite roles are permitted to print price lists:

- A/R Clerk
- Accountant
- Accountant (Reviewer)
- Bookkeeper
- CEO
- CEO (Hands Off)
- CFO
- Customer Center

The Price List function is not intended to show or print a specific price level for all items. To do this, you need to create a pricing search. For more information, see Working With Pricing Searches.

Customize Price List Pages and Forms

NetSuite enables you customize your price list pages and forms.

- When you customize a page, NetSuite modifies the fields that appear on the price list page used to generate lists. For more information, see Generating Bulk Price Lists and Customizing Lists or Generating an Individual Price List.

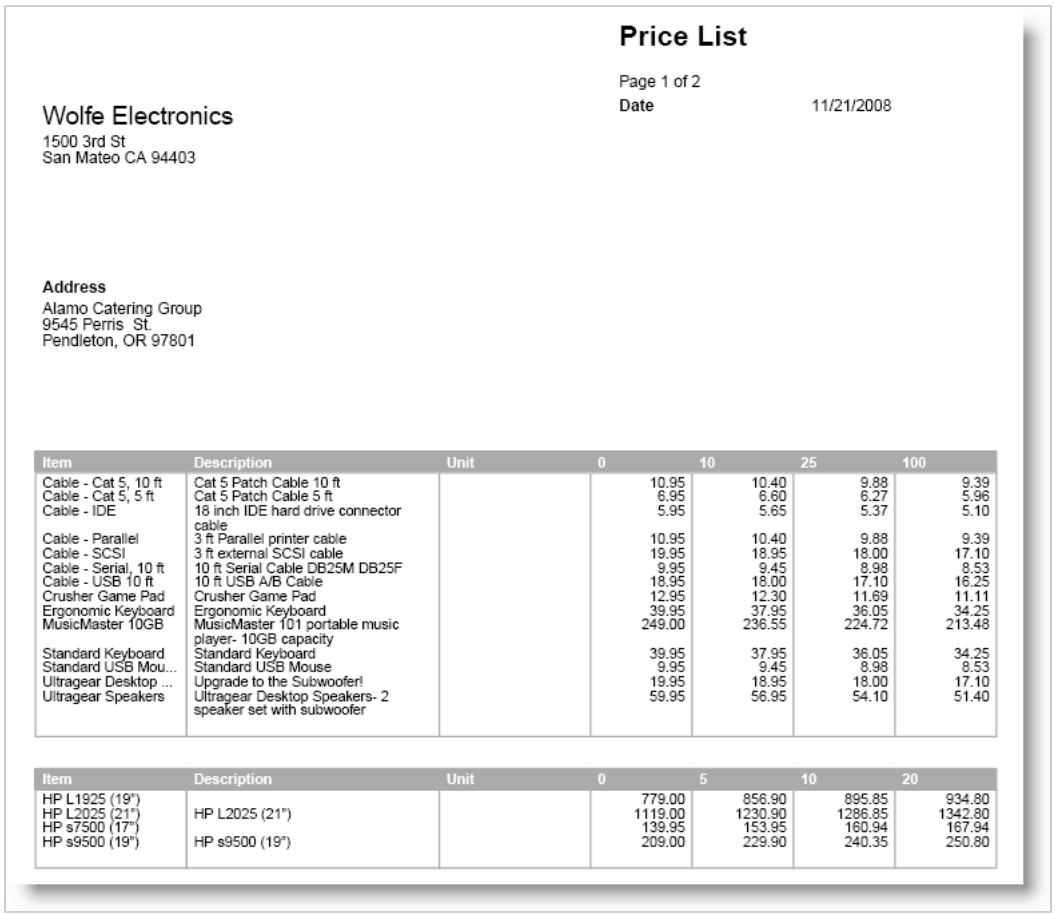
  To generate price lists that include fields not available through customization, you need to create a new Search. For more information, see Working With Pricing Searches.
- When you customize a form, NetSuite modifies what is printed on the price list by adding your logo or other custom fields to the form. For more information, see Customizing Price List Forms.

Price List Formats

You can print price lists using PDF format or HTML format. Set the printing preference by going to Home > Set Preferences. On the **Transactions** subtab, check or clear the **Print Using HTML** box, and then save.

When you use PDF format, you can also customize the PDF form. For more information, see the help topic Customizing Transaction Form PDF Layouts.

The following screenshot shows how price lists printed in PDF format appear.



Price List

Page 1 of 2
Date 11/21/2008

Wolfe Electronics
1500 3rd St
San Mateo CA 94403

Address
Alamo Catering Group
9545 Perris St.
Pendleton, OR 97801

Item	Description	Unit	0	10	25	100
Cable - Cat 5, 10 ft	Cat 5 Patch Cable 10 ft		10.95	10.40	9.88	9.39
Cable - Cat 5, 5 ft	Cat 5 Patch Cable 5 ft		6.95	6.60	6.27	5.96
Cable - IDE	18 inch IDE hard drive connector cable		5.95	5.65	5.37	5.10
Cable - Parallel	3 ft Parallel printer cable		10.95	10.40	9.88	9.39
Cable - SCSI	3 ft external SCSI cable		19.95	18.95	18.00	17.10
Cable - Serial, 10 ft	10 ft Serial Cable DB25M DB25F		9.95	9.45	8.98	8.53
Cable - USB 10 ft	10 ft USB A/B Cable		18.95	18.00	17.10	16.25
Crusher Game Pad	Crusher Game Pad		12.95	12.30	11.69	11.11
Ergonomic Keyboard	Ergonomic Keyboard		39.95	37.95	36.05	34.25
MusicMaster 10GB	MusicMaster 101 portable music player- 10GB capacity		249.00	236.55	224.72	213.48
Standard Keyboard	Standard Keyboard		39.95	37.95	36.05	34.25
Standard USB Mou...	Standard USB Mouse		9.95	9.45	8.98	8.53
Ultragear Desktop ...	Upgrade to the Subwoofer!		19.95	18.95	18.00	17.10
Ultragear Speakers	Ultragear Desktop Speakers- 2 speaker set with subwoofer		59.95	56.95	54.10	51.40

Item	Description	Unit	0	5	10	20
HP L1925 (19")			779.00	856.90	895.85	934.80
HP L2025 (21")	HP L2025 (21")		1119.00	1230.90	1286.85	1342.80
HP s7500 (17")			139.95	153.95	160.94	167.94
HP s9500 (19")	HP s9500 (19")		209.00	229.90	240.35	250.80

The following screenshot shows how price lists printed in HTML format appear.

1500 3rd St
San Mateo CA 94403
Address
Alamo Catering Group
9545 Perris St.
Pendleton, OR 97801

Price List
Date 11/21/2008

Item	Description	Unit	0	10	25	100
Cable - Cat 5, 10 ft	Cat 5 Patch Cable 10 ft		10.95	10.40	9.88	9.39
Cable - Cat 5, 5 ft	Cat 5 Patch Cable 5 ft		6.95	6.60	6.27	5.96
Cable - IDE	18 inch IDE hard drive connector cable		5.95	5.65	5.37	5.10
Cable - Parallel	3 ft Parallel printer cable		10.95	10.40	9.88	9.39
Cable - SCSI	3 ft external SCSI cable		19.95	18.95	18.00	17.10
Cable - Serial, 10 ft	10 ft Serial Cable DB25M DB25F		9.95	9.45	8.98	8.53
Cable - USB 10 ft	10 ft USB A/B Cable		18.95	18.00	17.10	16.25
Crusher Game Pad	Crusher Game Pad		12.95	12.30	11.69	11.11
Ergonomic Keyboard	Ergonomic Keyboard		39.95	37.95	36.05	34.25
MusicMaster 10GB	MusicMaster 101 portable music player- 10GB capacity		249.00	236.55	224.72	213.48
Standard Keyboard	Standard Keyboard		39.95	37.95	36.05	34.25
Standard USB Mouse	Standard USB Mouse		9.95	9.45	8.98	8.53
Ultragear Desktop Speakers	Upgrade to the Subwoofer!		19.95	18.95	18.00	17.10
Ultragear Speakers w/Sub	Ultragear Desktop Speakers- 2 speaker set with subwoofer		59.95	56.95	54.10	51.40
Item	**Description**	**Unit**	**0**	**5**	**10**	**20**
HP L1925 (19")			779.00	856.90	895.85	934.80
HP L2025 (21")	HP L2025 (21")		1119.00	1230.90	1286.85	1342.80
HP s7500 (17")			139.95	153.95	160.94	167.94
HP s9500 (19")	HP s9500 (19")		209.00	229.90	240.35	250.80

Price Lists and XML Format

You can also choose to send or export an individual price list using XML, such as a Microsoft ® Excel file.

- On the individual price list page, click the Export button to export as XML.
- On both the individual price list and bulk price list pages, you can click Email Microsoft ® Excel in the Email button dropdown list.

The following screenshot shows that price lists in XML format displays header fields at the top of the page. The company name is used if either the company logo or name is selected on the form. Columns are sized according to the print width set on the form you use.

	A	B	C	D	E	F	G
1		**Wolfe Electronics**					
2		**Price List**					
3							
4	Date	12/14/2008					
5							
6	Sales Rep	Mark Grogan					
7							
8	**Item**	**Description**	**Unit**	**1-9**	**10-24**	**25-99**	**100+**
9	Cable - Cat 5, 10 ft	Cat 5 Patch Cable 10 ft		9.86	9.37	9.17	8.87
10	Cable - Cat 5, 5 ft	Cat 5 Patch Cable 5 ft		6.26	5.95	5.82	5.63
11	Cable - IDE	18 inch IDE hard drive connector cable		5.36	5.09	4.98	4.82
12	Cable - Parallel	3 ft Parallel printer cable		9.86	9.37	9.17	8.87
13	Cable - SCSI	3 ft external SCSI cable		17.96	17.06	16.7	16.16
14	Cable - Serial, 10 ft	10 ft Serial Cable DB25M DB25F		8.96	8.51	8.33	8.06
15	Cable - USB 10 ft	10 ft USB A/B Cable		17.06	16.21	15.87	15.35
16							
17	**Item**	**Description**	**Unit**	**Unit Price**			
18	CD-R	80 minute 700 MB CD-R		1.17			
19	Case - HP Compaq nx7000			44.96			
20	Compaq Evo n800c	Compaq Evo n800c		1349.1			
21	Creativo 2000 motherboard	Creativo 2000 motherboard (Superion 1.5 GHz pr		251.1			
22	Creativo 2400 motherboard	Creativo 2400 motherboard (Superion 2 GHz proc		269.1			
23	Crusher Game Pad	Crusher Game Pad		11.66			
24	DVD-R	4.7 GB DVD-R		4.46			
25	Desk Telephone	Desk Telephone		26.96			
26	EZ 40 GB Hard Drive	EZ 40 GB Hard Drive		224.96			
27	EZ CD-RW Drive	EZ CD-RW Drive 24x10x40 USB/SCSI		197.96			
28	EZ DVD-RW Drive	EZ DVD-RW Drive 12X10X32 USB/SCSI		404.96			
29	Ergonomic Keyboard	Ergonomic Keyboard		35.96			
30	Ethernet Hub - 24 port	24 Port Ethernet Hub 10/100 Mbps		269.96			
31	HP 1000 Laser Printer	ManuScript 1000 Laser Printer - 1200 dpi b&w		359.96			
32	HP 1100 Laser Printer	ManuScript 300 Color Inkjet Printer		152.96			
33	HP 3000C Color Laser Printer	ManuScript 3000C Laser Printer		2906.1			

Searching for Price Lists

The following procedures step you through searching for price lists. For more information, see Working With Pricing Searches.

To create a basic pricing search:

1. Go to Reports > New Search.
2. On the **Search** page, click the **Pricing** search type.

To create a customized pricing search:

1. Go to Reports > New Search.
2. On the **Search** page, click the **Pricing** search type.
3. On the **Pricing Search** page, click **Customize**.

To create a saved search for pricing:

1. Go to Reports > New Search.
2. On the **Search** page, click the **Pricing** search type.
3. Click **Create Saved Search**.
4. Set the search criteria and results.

Absolute Pricing for Customers

If you have set an absolute price for an item in the Unit Price field on a customer's record, price lists always display the absolute price for that customer. For more information, see the help topic Absolute Pricing for Customers.

Generating Bulk Price Lists and Customizing Lists

You can generate price lists for many customers at one time. See the following for more information.

- Generating Price Lists in Bulk
- Customizing the Customer List or Items List Filters

Generating Price Lists in Bulk

If you use the Multiple Currencies feature, price lists are only generated for a customer's primary currency. For more information, see the help topic Customers and Multiple Currencies.

To bulk generate price lists:

1. Go to Transactions > Customers > Generate Price Lists.

   You can alternatively go to Transactions > Management > Print Checks and Forms.
2. Click **Price Lists**.
3. Enter or select the date you want to appear on the price list.

4. If you use the Multiple Currencies feature, in the **Currency** field, select one of the following:
   - **All** – Prices are printed for every transaction currency for each customer you select.
   - **Primary** – Prices are printed only in each customer's primary currency.
5. Check the **Assigned Price Levels Only** box to show only the price levels set for the customer on the list you generate. Clear this box to show all price levels.
6. You can choose an option for column headings by checking or clearing the **Round Quantities** box.
   - If this box is checked, the quantity range is shown, such as "1-9, 10-99, 100+"
   - If this box is cleared, only the minimum quantity is shown, such as "0, 10, 100"

   After you set this box, the same setting is used by default each time you view this page, until you change the selection.

   The setting is used by default on both the individual price list page and the bulk generate price lists page.
7. Select a form to use for generating the lists. For more information, see Customizing Price List Forms.

   Select **System Preference** to use the default form for this transaction. Default forms are set by checking the **Form is Preferred** box on the custom form record. You can also check the box in the **Preferred** column next to the form on the Custom Transaction Form page.
8. On the **Customers** subtab, check the box in the **Print** column next to the customers you want to generate a price list for. Click **Mark All** to print lists for all of the customers that show in the list.

   The customer list does not display jobs if you use the **Consolidate Projects on Sales Transactions** preference. Also, the customer list respects any restrictions that have been placed on users' roles and displays only appropriate records.
9. Click the **Items** subtab.
10. In the **Type** field, select an item type to filter the list and print prices only for that item type. For example, select **Inventory Item** to only print price lists for inventory items.

    Press and hold the **Ctrl** key to select multiple item types.

    After you make a filter selection, the same filter applies each time you view this page, until you change the selection. The filter selection appears by default on the **Items** subtab on both the individual price list page and the bulk generate price lists page.
11. Generate the price lists:
    - Click **Print** to print the price lists.
    - Click **Email** to email the price lists.

      To email the price lists, each customer must already have an email address entered in the customer's record.
    - Click **Fax** to fax the price lists.

      Each customer must have a fax number entered on the customer's record.

      Note: An administrator must first set up fax service. Go to Setup > Company > Set Up Company > Preferences > Printing & Fax on the Fax subtab. Each customer must also have a fax number entered on the customer's record.

Customizing the Customer List or Items List Filters

When you bulk generate price lists, you can customize the customer list and items list to filter by individual fields. This enables you to generate price lists only for specific customers and items.

To customize list filters:

1. Go to Transactions > Customers > Generate Price Lists.
2. To customize filters for lists, select one of the following options:
   - To customize the filters for the list of customers, click the **Customers** subtab, and then click **Customize**.
   - To customize the filters for the list of items, click the **Items** subtab, and then click **Customize**.

   Note: When you customize the list filters, the custom results do not appear on the price list you create. You must customize the price list form to show these results. For more information, see Customizing Price List Forms.
3. On the Customize Sublist page, click the **Additional Filters** subtab.
4. Check the **Include** box next to fields you want to sort by.
5. Click the **Additional Columns** subtab.
6. Check the **Include** box next to columns you want to show.
7. Click **Save**.

Generating an Individual Price List

You can generate a price list for one customer at a time. You can also customize to filter the items list. For more information, see Customizing to Filter the Items List.

To generate an individual price list:

1. Go to Transactions > Customers > Individual Price List.
2. Select the customer whose price list you want to generate.
3. If you use the Multiple Currencies feature, select the currency you want to generate this price list in.

   For more information, see the help topic Customers and Multiple Currencies.
4. Enter or select the date you want to show on the price list.
5. Check the **Assigned Price Levels Only** box to show only the price levels set for the customer on the list you generate. Clear this box to show all price levels.
6. You can choose an option for column headings by checking or clearing the **Round Quantities** box.
   - If this box is checked, the quantity range appears, for example "1-9, 10-99, 100+"
   - If this box is cleared, only the minimum quantity appears, for example "0, 10, 100"

   After you set this box, the same setting is used by default each time you view this page, until you change the selection.

   The setting is used by default on the individual price list page and the bulk generate price lists page.
7. Select a form to use for generating the list. For more information, see Customizing Price List Forms.

   Select **System Preference** to use the default form for this transaction. Default forms are set by checking the **Form is Preferred** box on the custom form record. You can also check the box in the **Preferred** column next to the form on the Custom Transaction Form page.
8. In the **Type** field, select an item type to filter the list and print prices only for that item type. For example, select **Inventory Item** to only print price lists for inventory items.

   Press and hold the **Ctrl** key to select multiple item types.

After you make a filter selection, the same filter defaults to show each time you view this page, until you change the selection. The filter selection shows by default on the Items subtab on both the individual price list page and the bulk generate price lists page.

9. Generate the price list:
   - Click **Print** to print the price lists.
   - Click **Email** to email the price lists.

     To email the price lists, each customer must already have an email address entered in the customer's record.
   - Under **Actions**, click **Fax** to fax the price lists.

     Note: An administrator must first set up fax service. Go to Setup > Company > Set Up Company > Preferences > Printing & Fax on the Fax subtab. Each customer must also have a fax number entered on the customer's record.

Customizing to Filter the Items List

When you generate individual price lists, you can customize the items list to filter by individual fields. Customizing the items list lets you generate price lists only for specific items.

To customize to filter the items list:

1. On the Generate Price List page, above the items list, click **Customize**.
2. On the Customize Sublist page, click the **Additional Filters** subtab.
3. Check the **Include** box next to fields you want to sort by.
4. Click the **Additional Columns** subtab.
5. Check the **Include** box next to columns you want to show.
6. Click **Save**.

Note: When you customize the list filters, the custom results do not show on the price list you create. You must customize the price list form to show these results. For more information, see Customizing Price List Forms.

Customizing Price List Forms

When you generate a price list, the standard price list form you create shows the following information:

- customer's address
- date the list was generated
- item names and descriptions
- item prices
- currencies, if applicable

If you use the Quantity Pricing feature, the price list shows a column for each quantity and the corresponding prices.

You can also choose to customize your price list form, for example, by adding your logo to the form.

If you customize a standard form, the header of a price list form can show custom fields from customer records. You can also customize the body of price list forms to show custom fields from item records.

To customize a price list form:

1. Go to Customization > Forms > Transaction Forms.
2. Next to the Standard Price List form, click **Customize**.
3. Enter a custom form **Name**.
4. Enter an **App ID**.
5. Enter the internal custom transaction form **ID**.
6. To define the formatting for printed and emailed transactions that use this custom form, choose a **Printing Type**.
   - To use advanced PDF/HTML templates to format transactions, choose the **Advanced** option
   - To use basic PDF and HTML layouts, choose the **Basic** option. For more information, see the next procedure.
7. Select the template you want to use for printed transactions that use this custom form.

   This includes the standard template for the transaction type and any custom templates created for the transaction type.
8. Select the **Email Template** containing email attachment layout you want to use for this transaction type. In the NetSuite UI.
9. Enter a disclaimer or other message to appear at the bottom of your custom form.

   You can enter up to 4,000 characters, including spaces.
10. Enter the **Address** you want to display on this form.

    If you do not enter an address, your default company address is used.
11. Select a company **Logo**.

    If you do not select a logo, your default company logo is used.
12. Check the **Form is Preferred** box to make this your preferred form for this transaction type.
13. Click **Save**.
14. On the **Header**, **Columns**, **Body**, and **Footer** subtabs, select the data types you want to show on the custom form.

To define the basic printing type:

1. Complete the optional **Header** subtab fields:
   - To display the company name in the header, check the **Company Name** box.

     Enter the company name in the Label field.
   - To display the company logo in the header, check the **Company Logo** box
   - To display the company address in the header, check the **Company Address** box.
   - To display the company phone number in the header, **Company Phone**.

     Enter the company phone number in the Label field.
   - To display the company URL in the header. check the **Company URL** box.

     Enter the company URLin the Label field.
   - To display the business number in the header, check the **Business Number** box.

     Enter the company business number in the Label field.
   - To display the form title in the header, check the **Form Title** box.

     Enter the form title in the Label field.

- To display the page number in the header, check the **Page Number** box.

  Enter the page number in the Label field.
- To display the account number in the header, check the **Acct. No.** box.

  Enter the account number in the Label field.
- To display the date in the header, check the **Date** box.

  Enter the date in the Label field.
- To display the bill to address in the header, check the **Bill To** box.

  Enter the bill to address in the Label field.

2. The **Body** data from custom fields can be added as body fields, with the exception of multi-select fields. This applies to custom fields on customer records and item records.

   When you create a new custom entity field or custom item field, you can check the **Print on Price List** box to include the field. For more information, see the help topic Creating Custom Entity Fields or Creating Custom Item Fields.
3. Complete the optional **Columns** subtab fields:
   - Item
   - Description
   - Unit
   - Unit Price

   You can optionally add the following data in columns:
   - Parent Item
   - Vendor Name
   - UPC Code
   - Drop Ship Item
   - Special Order Item
   - Manufacturer
   - Manufacturer Part #
   - Weight
   - Price Level

For more information, see the help topic Creating Custom Entry and Transaction Forms.

Working With Pricing Searches

A pricing search lets you set up an item search to generate a price list. For example, you can run a pricing search to display the price of items at a certain price level for all items on that level.

There are three ways to run a pricing search:

- Running a Standard Pricing Search

  A standard pricing search defaults to search with filters for Items and Customers.
- Customizing a Pricing Search

  A custom pricing search gives you greater flexibility to determine search filters and the results that show.
- Creating a Saved Search for the Quantity Pricing Feature

A saved pricing search enables you to set specific search criteria and results, as well as save the search to use again in the future.

Running a Standard Pricing Search

Use the following procedure to run a standard pricing search.

To run a standard pricing search:

1. To set up a price list search, go to Reports > New Search.
2. On the **Search** page, click **Pricing**.
3. In the **Item** field, select **any of** and then enter the name of the item.

   To search by exclusion, select **none of**.

   To select more than one item:

   a. Beside the field, click the **Select Multiple** icon.
   b. Click each item to add to the **Current Selections** column.
   c. After you have selected all your items, click **Done**.
4. To search for prices by customer:

   a. In the **Customer** field, select **any of**.

      To search by exclusion, select **none of**.

   b. Enter the customer name.

      To select more than one customer:

      i. Click the **Select Multiple** icon.
      ii. Click each customer to add to the **Current Selections** column.
      iii. After you selected all your customers, click **Done**.
5. Click **Submit**.

The search results show the Item Name, Quantity Range, Sale Unit, and Unit Price for all applicable items. When viewing the search results, you can choose to print, email, or export the results. You can also save the search to run it again in the future.

Note: If you use the Multiple Currencies feature, results are shown in the customer's currency.

A price list report does not show all pricing levels for an item. The report shows only the price level for the specified customers.

If you require more details than provided in the standard pricing search, see the following procedure.

Creating an Advanced Pricing Search

Use the following procedure to create an advanced pricing search.

To create an advanced pricing search:

1. To set up an advanced price list search, go to Reports > New Search. On the Search page, click **Pricing**.
2. On the Pricing Search page, check the **Use Advanced Search** box.

You can chose to show only the price levels set for the customer on the list you generate.

1. On the **Criteria** subtab, click the **Standard** subtab.
2. In the **Filter** field, select **Assigned Price Level**.
3. In the popup window, select **Yes** for **Assigned Price Level**.
4. Click **Set**.
5. In the **Filter** field, select **Customer**.
6. In the popup window, set the customers by selecting **any of** or **none of** and choosing customers to include or exclude.

   If no customer is selected, no search results are returned.
7. Click **Set**.

3. Set additional criteria and results settings as needed.
4. Click **Submit**.

Customizing a Pricing Search

Use the following procedure to customize a pricing search.

To customize a pricing search:

1. To set up a price list search, go to Reports > New Search. On the Search page, click **Pricing**.
2. On the Pricing Search page, click **Personalize Search**.
3. Use the **Available Filters** subtab to limit the set of filters available on the form when you reuse this search. You can also set footer filters for the results, such as when used as a list view.

   Select the item and customer information you want to filter the search by.

   Note: Remove all filters to use advanced search.
4. On the **Results** subtab, select the data you prefer to show in the results and determine sorting.
5. You can click **Show More Options** to check the **Show in Menu** box. Then, this search appears in the list of saved searches at Lists > Search > Saved Searches..
6. Click **Save**.

Your custom search is available to run a pricing search, as needed.

Creating a Saved Search for the Quantity Pricing Feature

If you use the Quantity Pricing feature, on the Results subtab you can select to show the item Minimum Quantity and Maximum Quantity. Because fractional quantities are allowed in some cases, the maximum quantity is the same as the minimum quantity of the next level. The Price Range results subtract 1 from the maximum quantity and set the minimum quantity to 1 if it is 0.

You can optionally set up a formula to generate an alternate range, such as “0-99.99” or “0 up to 100”. For more information, see the help topic Formulas in Search.

The search results list all items grouped by the quantity pricing brackets that apply to each. Within each group, items are sorted as specified in the item sublist. Items with no quantity pricing are shown in the Unit Price column.

You can also create a saved search for pricing.

To create a saved search for pricing:

1. To set up a price list search, go to Lists > Search > Saved Searches > New.. On the Search page, click **Pricing**.
2. Click **Create Saved Search**.
3. Set the criteria and results for this search:
   - On the **Criteria** subtab, in the **Filter** column select the item and customer information you want the search to find.
   - On the **Results** subtab, select the data you prefer to show in the results and determine sorting.

   For example, to search by price level, on the **Criteria** subtab, set a filter for **Price Level**. Select the price level you want to appear. Then, on the **Results** subtab, include pricing in the data you select to show. The search results will display only customers that are assigned the price level you selected.
4. If you check the **Show in Menu** box, this search shows in the list of saved searches at Lists > Search > Saved Searches..
5. **Preview** or **Save** the search:
   - Click **Preview** to see the results.
   - Click **Save** to save the search without running the results.
   - Click **Save and run** to save the search and also display the results.
   - Click **Save and Email** to save the search and also email the results.

   If you use the Multiple Currencies feature, the results show in the customer's currency.

Item Costing

If you use both the Accounting and Inventory features, you need to track the total value of your assets and to calculate profits you make. You can set up and use your NetSuite account to track inventory costing, which are the costs associated with goods and services you sell.

Each time you buy and sell inventory items, you need to track the cost of your items throughout the purchase and sale processes. The cost of an item you buy or sell affects accounts in your general ledger.

Cost of Goods Sold (COGS) and the General Ledger

A Cost of Goods Sold (COGS) account is not an expense account, but it functions like an expense account. When calculating your company's gross profit, the inventory costing total is subtracted from the income total before expenses.

The cost of an item is associated with income and expenses (overhead) and are not directly associated with the sale of an item.

Item Cost

Item cost is determined by the price of the item that shows on the purchase order.

When you determine the cost of an item, account for costs associated with buying the same items at different purchase prices over time. For example, sometimes you pay your vendor $10 for each calculator. Other times, the price is $15 for each calculator. You can choose a costing method to determine how NetSuite handles these variances.

The exact cost assigned to an item depends on the costing method you choose. For more information, see Setting a Default Inventory Costing Method and System Cost of Goods Sold Adjustments.

Inventory Costing Preferences

Make selections to determine your preferences for handling inventory costing. For more information, see Setting Inventory Costing Preferences.

Costing and Verifying Decimal Precision

Inventory costs are calculated and reported at a level of decimal precision that is based on the format for the chosen currency.

The level of decimal precision indicated in the Format field of a currency record is used for inventory costing calculations and cannot be changed. This maintains consistency between inventory costing and reporting.

For example, you selected USD (United States Dollar) as the currency for an item on the item record and the format is USD. The decimal precision for that item's costing and reporting is two decimal places.

Note: Standard Costing is an exception. Standard Costing calculations are performed with decimal precision to seven places. For example, 9.87654321 is calculated as 9.8765432. For more information, see Standard Costing.

To verify the decimal precision for a currency:

1. Go to Lists > Accounting > Currencies.
2. Click the name of the currency.

   The selected format shows in the **Format** field.

   The decimal precision for that format shows in the **Format Sample** field.

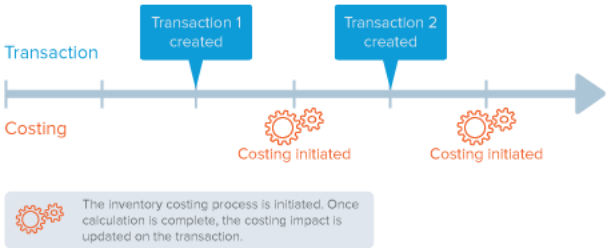
Setting Inventory Costing Preferences

When you use the Inventory feature, the inventory preferences help you control the way inventory costing runs.

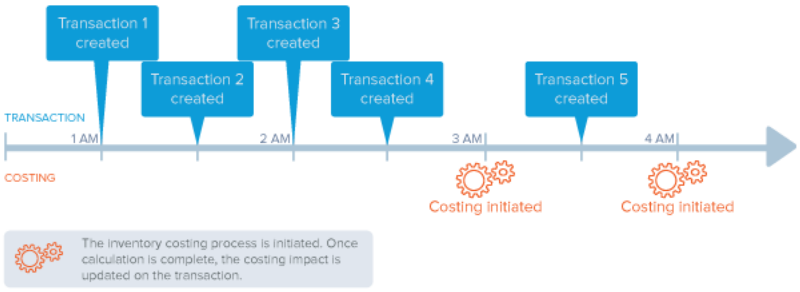
Preferences that appear on the Inventory Costing Preferences page depend on the features and preferences you use.

To set inventory costing preferences:

1. Go to Setup > Accounting > Inventory Costing Preferences.
2. In the **Scheduling Inventory Costing** field, choose from the following options to schedule when inventory costing is initiated:
   - **After transaction entry** – After each transaction successfully saves, NetSuite processes the inventory costing impact for the transaction immediately.



   - **Based on custom schedule** – After each transaction successfully saves, NetSuite processes the inventory costing impact for these transactions only according to a customized schedule.



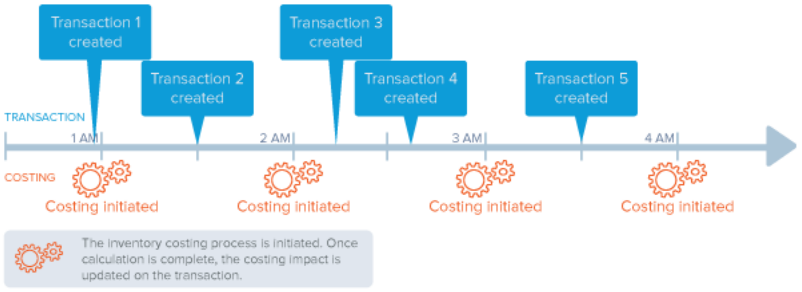
> **Note:** With this setting, when a transaction is entered and saved, the item uses average costing for that point in time. Later, when costing runs according to the custom schedule, NetSuite corrects the cost on that transaction.

When you choose this setting, the following fields are available to determine the costing schedule:

- **Earliest Custom Schedule Start Time** – The earliest time to initiate the inventory costing process

- **Latest Custom Schedule End Time** – The latest time to initiate the inventory costing process
- **Respect Inventory Costing Time Restrictions on Weekends** – Enable this preference if you prefer not to run the costing process during weekends.

- **Every hour** – After each transaction successfully saves, NetSuite processes the inventory costing impact for these transactions one time per hour.



3. In the **Use Cost Estimate for Negative Inventory** field, choose how item cost is calculated for inventory with levels below zero:
   - **Last Purchase Price** – In a negative inventory scenario, the last purchase price is utilized for calculations.
   - **Zero** – In a negative inventory scenario, an amount of zero is posted for the inventory depletions.
   - **Average Cost** – In a negative inventory scenario, the average cost is posted for the inventory depletions.

   Important: Your selection for the **Use Cost Estimate for Negative Inventory** preference applies to only items using FIFO, LIFO, Specific and Lot-Numbered costing. This inventory costing preference does not apply to items that use Average costing. Average costing items use the most recent above-water average for cost estimates. This preference does not apply to items that use Standard costing. Standard costing items always use Standard costing.

4. To display the Use Exact Cost on Linked Returns option, check the **Use Exact Cost on Linked Returns** box.

The following are explanations of the options available for the **Use Cost Estimate for Negative Inventory** preference.

Last Purchase Price

In a negative inventory scenario, the last purchase price is utilized for calculations.

Notice in row 4 that when 10 units are shipped, this brings the on-hand quantity below zero. For that transaction, the cost is estimated from the most recent previous purchase price, or $5 per unit. Later, when 100 units are received in row 5, the cost is $25 per unit and adjustment amounts post to correct the previous entry.

1	6/7/2021 Receive 25 units at $15 each	Last Purchase Price = $15 Average Cost = $15	DR Asset account $375 CR Accrual account $375

		On Hand = 25	
2	6/8/2021 Receive 25 units at $5 each	Last Purchase Price = $5 Average Cost = $10 On Hand = 50	DR Asset account $125 CR Accrual account $125
3	6/10/2021 Ship 50 units	Last Purchase Price = $5 Average Cost = $10 On Hand = 0	CR Asset account $500 DR COGS $500
4	6/11/2021 Ship 10 units	Last Purchase Price = $5 Average Cost = $0 On Hand = 0	CR Asset account 10 x $5 (estimated Last Purchase Price) DR COGS 10 x $5 (estimated Last Purchase Price)
5	6/12/2021 Receive 100 units at $25 each	Last Purchase Price = $25 Average Cost = $25 On Hand = 90	DR Asset account $2500 CR Accrual account $2500 CR Asset $200 (adjustment entry) DR COGS Adjustment $200 (adjustment entry)

Zero

In a negative inventory scenario, an amount of zero is posted for inventory depletions.

Notice in row 4 that when 10 units are shipped, this brings the on-hand quantity below zero. For that transaction, the cost is estimated as $0 per unit. Later, when 100 units are received in row 5, the cost is $25 per unit and adjustment amounts post to correct the previous entry.

1	6/7/2021 Receive 25 units @ $15	Last Purchase Price = $15 Average Cost = $15 On Hand = 25	DR Asset account $375 CR Accrual account $375
2	6/8/2021 Receive 25 units @ $5	Last Purchase Price = $5 Average Cost = $10 On Hand = 50	DR Asset account $125 CR Accrual account $125
3	6/10/2021 Ship 50 units	Last Purchase Price = $5 Average Cost = $10 On Hand = 0	CR Asset account $500 DR COGS $500
4	6/11/2021 Ship 10 units	Last Purchase Price = $5 Average Cost = $0 On Hand = 0	CR Asset account $0 (estimated as zero) DR COGS $0 (estimated as zero)
5	6/12/2021 Receive 100 units @ $25	Last Purchase Price = $25 Average Cost = $25 On Hand = 90	DR Asset account $2500 CR Accrual account $2500 CR Asset $250 (adjustment entry) DR COGS Adjustment $250 (adjustment entry)

Average Cost

In a negative inventory scenario, the average cost is posted for inventory depletions.

Notice in row 4 that when 10 units are shipped, this brings the on-hand quantity below zero. For that transaction, the cost is estimated as the average cost of the item at that point in time. Later, when 100 units are received in row 5, the cost is $25 per unit and adjustment amounts post to correct the previous entry.

1	6/7/2021 Receive 25 units @ $15	Last Purchase Price = $15 Average Cost = $15 On Hand = 25	DR Asset account $375 CR Accrual account $375
2	6/8/2021 Receive 25 units @ $5	Last Purchase Price = $5 Average Cost = $10 On Hand = 50	DR Asset account $125 CR Accrual account $125
3	6/10/2021 Ship 50 units	Last Purchase Price = $5 Average Cost = $10 On Hand = 0	CR Asset account $500 DR COGS $500
4	6/11/2021 Ship 10 units	Last Purchase Price = $5 Average Cost = $0 On Hand = 0	CR Asset account 10 x $10 (estimated average cost) DR COGS 10 x $10 (estimated average cost)
5	6/12/2021 Receive 100 units @ $25	Last Purchase Price = $25 Average Cost = $25 On Hand = 90	DR Asset account $2500 CR Accrual account $2500 CR Asset $150 (adjustment entry) DR COGS Adjustment $150 (adjustment entry)

Costing Methods

The inventory costing method you choose defines the way NetSuite calculates the cost of items. For example, how inventory costing calculations are handled for costs associated with buying the same item at different purchase prices over a certain period.

NetSuite provides the following inventory costing methods:

- **Average** – Costing is calculated as the total units available during a specific date range. The units are then divided by the beginning inventory cost plus the cost of additions to inventory. Average is the moving average method.
- **First-In, First-Out (FIFO)** – The first goods purchased are assumed to be the first goods sold. Therefore, the ending inventory consists of the most recently purchased goods. This method is useful to track different shipments of similar products.
- **Group Average** – This costing lets you track one average cost for an item across multiple locations within a defined group. For more information, see Group Average Costing.
- **Last-In, First-Out (LIFO)** – The last goods purchased are assumed to be the first goods sold. Therefore, the ending inventory consists of the first goods purchased.

Note: Last-In, First-Out (LIFO) is not available in the NetSuite Australia (AU) edition.

- **Specific** – The exact cost of a serial or lot number entered into the system.
- **Lot Numbered** – Lot items track the purchase, stock, and sale of a group or quantity of items. It assigns a specific number to the group or quantity. For more information, see Lot Numbered Items.
- **Standard** – This costing lets you track standard costs for items and to track variances between these expected costs and actual costs. For more information, see Standard Costing.

In NetSuite, average costing is the default inventory costing method. If inventory levels are negative, NetSuite uses the last purchase price as the inventory costing method.

Important: After you save the costing method on the item record, it cannot be changed.

The item cost calculated by each costing method vary as shown in the following example. Monday, you buy 20 calculators at $10 each and place them in inventory. Tuesday, you buy 20 calculators at $15 each and place them in inventory. Wednesday, you sell 5 calculators to a customer. The recorded cost of the calculators is calculated based on the costing method as follows:

FIFO	The 5 calculators post a cost of $10 each because that is the cost of the first calculators added to inventory.
LIFO	The 5 calculators post a cost of $15 each because that is the cost of the last calculators added to inventory.
AVERAGE	The 5 calculators post a cost of $12.50 because that is the average cost of all calculators in inventory. This is calculated as [(20 x $10) + (20 x $15)] /40 = 12.5.
STANDARD	Using standard costing, the receipt cost is fixed. ■ Monday, you buy 20 calculators at $10 each and the standard cost is $11. The item received has a unit cost of $11 and purchase price variance is generated for -$1 for each item being received. ■ Tuesday, you buy 20 calculators at $15 each and the standard cost is $11. The item received has a unit cost of $11 and the purchase price variance is generated for $4 for each item being received. ■ Wednesday, you sell 5 calculators to a customer. The recorded cost is $11.
Group Average	See Group Average Costing Use Cases.
Lot Numbered	See Lot Numbered Items.

When Item Cost Is Calculated

Using any costing method, the cost for items is calculated based on the cost shown on the transaction that brings the item into inventory.

For example, you use Advanced Receiving and the workflow Purchase Order > Item Receipt > Vendor Bill. The item cost NetSuite uses is the cost shown on the item receipt.

The time of costing is affected if you change the cost used for an item. For example, you enter an item receipt showing one cost. Later, the bill from the vendor shows another cost. If you change the cost on the vendor bill, item costing is not updated. The costing sources the receipt that brought the items into inventory. Therefore, you must update the cost that appears on the item receipt to update the item costing.

Any variance between the receipt and the bill appears in the Accrued Purchases account. If there are closed periods between the original receipt with the incorrect rate and the current date, an inventory adjustment is required. Use an inventory adjustment worksheet in the current period, and post to the adjustment account Accrued Purchases. If you choose to reopen the old periods and edit the receipt to match the bill, it **does affect your past financials**. It may cause a recalculation of inventory costs from that point forward.

Setting a Default Inventory Costing Method

You can select the type of inventory costing method your business uses. The cost of your inventory is made up by your items' purchase prices and all costs incurred in acquiring these items. The costing method you choose determines how you handle the costs associated with buying the same items at different purchase prices over a certain period. For more information about costing methods, see Costing Methods.

The costing method selected in Accounting Preferences is the default method used to track the cost of your items. When you create a new item, you can accept this default costing method. You can also select a different costing method on the **Basic** subtab of the item record.

In NetSuite, average costing is the initial default costing method. Only someone with permission to access the Accounting Preferences page can change your default inventory costing method.

Important: After the costing method is saved on the item record, it cannot later be changed.

When inventory costs incur depends on whether you use the Advanced Receiving feature.

To enable the Advanced Receiving feature:

1. Go to Setup > Company > Setup Tasks > Enable Features..
2. On the **Transactions** subtab, check the **Advanced Receiving** box.
3. Click **Save**.

   If you use Advanced Receiving, costing occurs when you receive items and generate item receipts.

   If you do not use Advanced Receiving, costing occurs at the time of bill entry.

To select a default inventory costing method:

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. Click the **Items/Transactions** subtab.
3. In the **Default Inventory Costing Method** field, select the method your company uses.
4. Click **Save**.

The Costing Method field on item records shows your selection by default. You can still select another method when creating an item record, if needed.

NetSuite tracks and reports on your inventory based on the costing method selected for items. If a different costing method is needed, an administrator can set your inventory costing method. For more information, see Changing Your Costing Method.

The item cost affects your asset account and Cost of Goods Sold (COGS) account each time you receive or fulfill the item.

For items in your inventory, you can select the COGS account that costs post to on posting transactions.

Note: If you began using NetSuite before LIFO and FIFO costing were available, you cannot automatically apply LIFO or FIFO costing to your current inventory.

Changing Your Costing Method

If you have inventory and you want change your costing method, you cannot automatically apply LIFO or FIFO costing to your current inventory.

To change your costing method:

1. Manually close each existing inventory item by adjusting its inventory to zero.
2. Inactivate the item record.
3. Recreate the item record with the appropriate opening balance.

   All new inventory items you create automatically use your new costing method.

Inventory Reporting After Changing the Costing Method

You can select the type of inventory costing method your business uses. The cost of your inventory is made up by your items' purchase prices and all costs incurred in acquiring these items. The costing method you choose determines how you handle the costs associated with buying the same items at different purchase prices over a certain period. Your inventory reports reflect the costing method you choose. Average costing is the default costing method.

When inventory costs incur depends on whether you use the Advanced Receiving feature. For a procedure to enable this feature, see Setting a Default Inventory Costing Method.

LIFO/FIFO Costing if You Do Not Use Advanced Receiving

- Costing occurs at time of bill entry
- Inventory costing is determined by amounts entered on bills for inventory items
- No inventory costing exists before a bill is entered
- If a purchase order is still open when a period closes, you can choose to:
  - Reopen the period and change the purchase order amounts so they tie to the bill
  - Leave the discrepancy because it has no impact on accounting
- Transactions that might affect inventory costing:
  - Create Invoices
  - Enter Cash Sale
  - Write Checks
  - Use Credit Cards
  - Enter Bills
  - Issue Credit Memo and Refund Cash Sales
    - affects inventory costing the same way a purchase does
    - most recent value used for LIFO
    - oldest value used for FIFO
    - quantities returned are added back to inventory available for sale
  - Enter Vendor Credits

        - most recent value used for LIFO
        - oldest value used for FIFO
        - quantities credited decrease the quantity of inventory available for sales
    - Adjust Inventory
        - affects inventory costing the same way purchases and sales do
        - most recent value used for LIFO
        - oldest value used for FIFO
        - quantity increases add inventory available for sale
        - quantity decreases lower inventory available for sale

LIFO/FIFO Costing if You Use Advanced Receiving

- Costing occurs at time of item receipt
- Inventory costing is determined by the amounts entered on purchase orders, however, are dated by the item receipts
- No inventory costing exists before there is an item receipt
- If a purchase order is still open when a period closes, you can choose to:
    - Reopen the period, delete the item receipt, change the purchase order amounts so they tie to the bill, and then recreate the item receipt
    - Create a journal entry to post the inventory costing variance in the new period
    - Enter the bill with variances and accept reporting discrepancies

      For example, if the bill price is higher than the purchase order price, inventory costing will be understated.
- Transactions that might affect inventory costing:
    - Create Invoice
    - Enter Cash Sale
    - Write Checks
    - Use Credit Cards
    - Enter Purchase Orders – this determines the inventory costing cost
    - Item Receipt – this determines the inventory costing date
    - Issue Credit Memo and Refund Cash Sale
        - affects inventory costing the same way a purchase order does
        - most recent value used for LIFO
        - oldest value used for FIFO
        - quantities returned are added to inventory available for sale
    - Enter Vendor Credits:
        - most recent value used for LIFO
        - oldest value used for FIFO
        - quantities credited decrease the inventory available for sale
    - Adjust Inventory
    - affects inventory costing the way purchases and sales do
    - most recent value used for LIFO

- oldest value used for FIFO
- quantity increases add inventory available for sale
- quantity decreases lower inventory available for sale

Selecting a Default Cost of Goods Sold (COGS) Account

When transactions post a Cost of Goods Sold (COGS) amount to the general ledger, the cost posts to the default Cost of Goods Sold account. This COGS account helps you track your total expenditures on items you sell.

You can choose a default COGS account for Inventory, Non-Inventory, Service, and Other Charge Items.

To select a default COGS account:

1. Go to Setup > Accounting > Preferences > Accounting Preferences..
2. In the **Default COGS Account** field, select a COGS account.
3. Click **Save**.

Employees with permission can change the account on individual item records.

You can view the amounts that post to the default COGS account in the cost of goods register.

Inventory Costing and Assembly Items

After an assembly item has been built, it is treated like an inventory item for costing purposes. The asset, or inventory costing value, of each built assembly item is the total value of the assembly's member items.

These values act like the assembly item's purchase price for inventory costing calculations. Inventory costing is tracked for the assembly item based on the inventory costing method selected on the item record. For more information about assemblies and component costing, see System Cost of Goods Sold Adjustments.

Inventory Costing Using the Standard Costing Feature

For information about inventory costing calculations when the Standard Costing feature is enabled, see Standard Costing and Assembly Build Production Cost Variances.

Inventory Costing and Serialized Assemblies Without Standard Costing

When the cost of a serialized component of an assembly is unknown, NetSuite calculates the cost as follows. NetSuite uses the historical average cost for the component item when they are unbuilt and returned to stock. The sum of the cost of unbuilt items might not match the total purchase cost of the assembly made up of those items.

For example, you have a serialized assembly in stock that costs $12. It is composed of a single serialized component and has a current historical average cost of $15. When you unbuild the assembly, the accounting posts as follows:

- Asset account of assembly: -$15
- Asset account of component: +$15
- Asset account of assembly: +$3
- COGS account of assembly: -$3

You now have the component in stock at a value of $15. The $3 difference between the assembly value and the unbuilt component value is pulled out of the COGS account of the assembly. It then posts back to its asset account. The total amount reduced from the assembly's asset account to create the component is $12, or the value of the assembly.

LIFO/FIFO Inventory Costing and Advanced Receiving

NetSuite tracks inventory costing differently if you use or do not use the Advanced Receiving feature.

LIFO/FIFO Costing With Advanced Receiving

If you use Advanced Receiving, LIFO/FIFO costing occurs at the time of item receipt. Inventory costing is determined by the amounts entered on purchase orders.

The following transactions may affect inventory costing:

- Create Invoice
- Enter Cash Sale
- Write Checks
- Use Credit Cards
- Enter Purchase Orders (determines inventory cost)
- Item Receipt (determines inventory costing date)
- Issue Credit Memo and Refund Cash Sale
  - affects inventory costing the same way an item receipt does
  - most recent value used for LIFO
  - oldest value used for FIFO
- Enter Vendor Credits
  - most recent value used for LIFO
  - oldest value used for FIFO
- Adjust Inventory
  - affect inventory costing the way purchases and sales do
  - most recent value used for LIFO
  - oldest value used for FIFO

LIFO/FIFO Costing Without Advanced Receiving

If you **do not** use Advanced Receiving, inventory costing occurs at time of bill entry. Inventory cost is determined by amounts entered on bills for inventory items. Inventory costing cannot be tracked or calculated until a bill is entered.

The following transactions may affect inventory costing:

- Create Invoices
- Enter Cash Sale
- Write Checks
- Use Credit Cards
- Enter Bills
- Issue Credit Memo and Refund Cash Sales
  - affects inventory costing the same way a purchase does
  - most recent value used for LIFO
  - oldest value used for FIFO
- Enter Vendor Credits
  - most recent value used for LIFO
  - oldest value used for FIFO
- Adjust Inventory
  - affects inventory costing the same way purchases and sales do
  - most recent value used for LIFO
  - oldest value used for FIFO

System Cost of Goods Sold Adjustments

When an in stock item is sold, NetSuite reduces the total in the inventory asset account, and increases the total in the COGS account. When an item is sold that is not in stock, NetSuite makes an adjustment to the on-hand value of the item. This adjustment is called a system COGS adjustment. A system COGS adjustment could show in financial reports or on transactions.

System COGS adjustments are a necessary procedure for tracking inventory costing used by many accounting systems. When an item is not in stock, NetSuite estimates the cost of goods sold based on historical data. Only if no historical data exists, the estimated cost of goods sold is based on the cost entered.

When the item is later added to your inventory again, a linked COGS adjustment entry is also created. This COGS adjustment is triggered by any transaction that creates a positive inventory level from a negative one, including the ones listed below:

- Vendor Bill
- Purchase Order Receipt
- Assembly Unbuild
- Inventory Adjustment

This COGS adjustment changes only the on-hand value in an amount that is calculated as follows:

- [the estimated COGS (when you were out of stock)] - (the cost of the item when you added it back to stock)

Below are example posting asset lines on item receipts and fulfillments.

Item #ABC100	**Day 1**	**Day 2**	**Day 3**
Beginning On Hand	0	0	-3

Item Receipt Quantity	10	0	20
Item Receipt Value	$15.00	$0.00	$35.00
Item Average Cost	$1.50	$0.00	$1.75
Item Fulfillment	10	3	0
Item Fulfillment COGS	$15.00	$4.50	$0.00
Item Fulfillment COGS Adjustment	$0.00	$0.00	$0.75
Ending On Hand	0	-3	17
Ending On Hand Value	$0.00	$0.00	$29.75

Note: For costing purposes, NetSuite considers increases to inventory before reductions to inventory.

For transactions that trigger an inventory adjustment, NetSuite considers all positive adjustments first and all negative adjustments last.

For example, you enter an invoice that includes Item A at 6:00 am. You enter a vendor bill for Item A at 7:00 am, both on the same day. After you save the vendor bill, NetSuite recalculates the item cost for the invoice as if the vendor bill had been entered before the invoice. The vendor bill added the item to the inventory, therefore was considered ahead of the invoice, which removed the item from inventory.

Note: If you must enter a negative adjustment that comes first before a positive one, the two adjustments must be entered over two days. A negative adjustment showing one date, and the positive adjustment dated the next day.

When transactions are entered on the same date, they are considered by transaction type in the following order:

1. Inventory adjustment worksheets (First-in-day)
2. Purchase transactions (purchase receipts, vendor bills, adjustments)
3. Assembly builds, component builds, transfers and transfer orders (including fulfillments and receipts)
4. Vendor return fulfillments, assembly unbuilds
5. Sale transactions (sales order fulfillments, invoices, cash sales, and inventory adjustments)
6. Return transactions (credit memos and RMA receipts)
7. Inventory adjustment worksheets (Last-in-day)

Note: When a work order issue and completion share the same order date, the order placed first, chronologically, takes precedence.

For vendor returns, differences between the vendor return authorization return cost, and the average cost of the item posts as a COGS adjustment.

Viewing Inventory Reports

You can use NetSuite reports to determine what has caused an inventory costing problem.

Inventory Valuation - This report lists the on-hand quantity and total value of each inventory item.

To view the item Inventory Evaluation report:

1. Go to Reports > Inventory/Items > Inventory Valuation..
2. To identify a problem transaction and correct it, click the on-hand quantity.
3. On the **Detail** page, select a date range to display costing calculations for transactions during that period.

   For example, an inventory adjustment might be recorded with zero cost. Because the item cost is not entered, profitability calculations are not correct. You can use this report to identify the problem.

Cost of Goods Sold Register - A Cost of Goods Sold (COGS) account register lists item costs posted by transactions you enter. Each cost that posts is an expense incurred for purchasing the items you sell. You can use the COGS account register to find transactions that affect your COGS account. For example, if you know the date of an incorrect COGS posting, you can open the COGS register to find the transaction.

To see the COGS register:

1. Go to Lists > Accounting > Accounts.
2. In the **Account** column, click name of the COGS account you want to see.

   The report may take a few minutes to load.

Inventory Costing Recalculations

Inventory costing recalculations are an adjustment. The adjustment corrects inventory costing values when transactions are inserted into or removed from an existing series of transactions.

When you enter a series of purchases, sales or adjustments for a particular item over time, you have a specific costing history for that item. The inventory costing values need to be recalculated each time there is a change to the costing history of a particular item.

For example, you receive an order of widgets into inventory. The cost of each widget in that shipment affects the costs that show when you sell widgets after the receipt date. You might encounter this scenario:

- January: Receive 100 widgets at a cost of $10.00.
- January: Sell 10 of those widgets.

  You now have 90 of the $10 cost items remaining in stock.
- March: Receive 100 more of the same widget, now priced at $12.

The average cost of the widgets is calculated from the date of receipt forward. If you insert a sales transaction dated prior to the March receipt, the item on that transaction uses the $10 average cost. Any sales entered with a date after the March receipt uses the $12 average cost.

Item records can show the status of cost accounting calculations. For more information, see Cost Accounting Status on Item Records.

Inventory Costing Recalculation Examples

The following examples use Average Costing.

The first table shows purchase and sale transactions existing for an item on 7-1-2021:

Date	Transaction Type	Quantity	Cost	Total	On hand Quantity	On hand Value	Average Cost
6-1-2008	Purchase	10	$5.00	$50.00	10	$50.00	$5.00
6-15-2008	Buy	10	$6.00	$60.00	20	$120.00	$6.00
6-30-2008	Sell	1	$5.50	$5.50	19	$104.50	$5.50

The second table shows a sales transaction dated 6-10-2021 that is entered on 7-1-2021:

Date	Transaction Type	Quantity	Cost	Total	On hand Quantity	On hand Value	Average Cost
6-1-2008	Purchase	10	$5.00	$50.00	10	$50.00	$5.00
Insert a transaction here that sells 1 item on 6-10-2015.							
6-15-2008	Buy	10	$6.00	$60.00	20	$120.00	$5.50
6-30-2008	Sell	1	$5.50	$5.50	19	$104.50	$5.50

The final table shows how the inserted sales transaction affects the cost recorded for the item:

Date	Transaction Type	Quantity	Cost	Total	On hand Quantity	On hand Value	Average Cost
6-1-2008	Purchase	10	$5.00	$50.00	10	$50.00	$5.00
6-10-2008	Sell	1	$5.00000	$5.00	9	$45.00	$5.00
6-15-2008	Buy	10	$6.00000	$60.00	19	$1,14.00	$6.00
6-30-2008	Sell	1	$5.52632	$5.53	18	$99.54	$5.52632

Inventory Costing Recalculations on Inventory Adjustments

When you enter an inventory adjustment or inventory adjustment worksheet and use the current date, then there is no need to recalculate inventory costing. However, if you back-date the adjustment, inventory costing recalculations are likely to be required.

- A back-dated inventory adjustment worksheet recalculates inventory costing on all items.
- A back-dated inventory adjustment recalculates inventory costing only for the items on the adjustment.

The amount of time it takes to complete the necessary costing recalculations depends on the amount of data affected by the change.

Recalculation Time

Typically, the calculations required to update the costing history for a particular item can be completed in a short period. Perhaps, as short as a few hours. This is true if you enter transactions on the same day that they occur. If you change information about a purchase **at the beginning** of the item's history, that change can affect the costing on all subsequent sales.

Lengthy recalculations are normally due to an edit to a transaction that occurred at some point early in the transaction history of an item. Length recalculations are also due to edits to edits to transaction

history of many different items. In that case, the recalculation must go through all subsequent transactions for that item to evaluate what costing adjustments need to be made.

For example, you insert a transaction dated one year prior to the current date. Many transactions were entered between the date of the inserted transaction and the current date. These transactions require an inventory costing update. Another example, you changed a transaction from two years earlier but since then you entered only a few transactions with that item. In such a case, there is not a large quantity of data to be recalculated.

Inventory Costing Recalculations and Reports

When you run a report, you could encounter a message regarding inventory costing calculations.

Changes to items on a transaction that have inventory impact and update costing history, the costing for those items might need to be recalculated. These calculations can run immediately or overnight.

While these calculations are being made, when you view a report that is affected by the calculations, a message appears on the report. The message indicates that the report values might change when the calculations are complete.

After the inventory costing recalculations complete, the message no longer appears when you view the report.

Select **Display Title** from report **Options** to read the messages.

Inventory Costing and Closed Accounting Periods

If you open a previously closed accounting period and then edit an inventory transaction from that period, note the following. The costing changes you enter for items on the changed transaction propagate to all subsequent related transactions. Therefore, you must run a complete inventory costing recalculation.

Important: Before you close the accounting period again, verify that the recalculation is complete. If you close the period while inventory costing is being calculated, it can affect the accuracy of your costing and potentially cause errors.

Transaction Changes Trigger Inventory Costing Recalculations

When certain changes are made to a transaction, inventory costing is recalculated for items on the transaction. Transaction changes that do initiate an inventory costing recalculation include the following:

- changing an item
- changing the item quantity
- changing a unit price
- changing serial or lot numbers
- changing the date
- changing the order total
- changing the taxes charged

Limit Inventory Costing Triggers

To limit the inventory costing triggers that occur, choose settings for the **Create and Edit Inventory Transactions Dated in Closed Periods** accounting preference.

This preference can prevent changes to transactions that would result in inventory costing calculations in closed periods.

- When the preference box is clear, it prevents changes to transactions that would result in inventory costing calculations in closed periods.
- When the box is checked, it allows some changes to transactions that would result in inventory costing calculations in closed periods. However, changes in some fields can trigger inventory costing calculations for an item even without posting to the general ledger. These changes can cause inventory costing errors and failures.

You should disable this preference.

An administrator can choose the setting for this preference. For more information, see the help topic General Accounting Preferences.

You can also manage settings for accounting periods. You can disallow some changes to posting transactions after the period has been locked to transactions.

The **Allow Non-G/L Changes** box is not available until after a period has been locked to transactions.

- When this box is checked, users with the **Allow Non G/L Changes** permission can make changes to posting transactions. This is true for transactions that do not affect the general ledger, and after the period has been locked to transactions. These changes can trigger inventory costing recalculations. Examples of fields that do not trigger inventory costing changes are: bin, class, department, and memo.
- When this box is clear, changes to posting transactions are prohibited after the period has been locked.

  Clearing this box can help prevent inventory costing problems by blocking closed period changes to fields on transactions that can impact costing. Examples of fields that do not affect the general ledger but can impact inventory costing are as follows:

  - Date
  - Period
  - Location
  - Item type
  - Item quantity
  - Item amount
  - Item unit of measure
  - Inventory lot or serial number

  Adding or removing transaction lines is also not permitted.

For more information about the **Allow Non G/L Changes** setting for periods, see the help topic Setting Up Single Accounting Periods.

Troubleshoot Inventory Costing

This section includes eight common scenarios related to inventory costing that can trigger a cost recalculation.

- Underwater Sales
- Not Entering a Purchase Price
- Backdate Transactions to a Closed Period

- Reopen a Closed Period
- Custom Scripts
- FIFO/LIFO Costing on the Inventory Adjustment Worksheet
- Revalue Standard Cost Inventory and Backdate
- Stand Alone Credit Memo
- Backdate Item Distribution

Underwater Sales

When you ship a sales order item when you do not have the item in stock it is known as an underwater sale. Inventory is in an underwater state when the on-hand quantity of the item is below zero. Whenever an item is shipped, even if it is underwater, an inventory costing calculation is initiated.

You should avoid entering or shipping an item if the on hand count is zero or a negative amount. If you enter sale transactions when an item is underwater, NetSuite cannot accurately calculate the cost of the item on those sale transactions. Cost calculations from underwater sales can lead to skewed results for reports and inventory data. For more information, see the help topic Avoiding Underwater Inventory.

Not Entering a Purchase Price

If you do not enter a purchase price for an item and the item has never been received, this can cause unexpected inventory costing results. If you sell an item that shows a cost of zero before you receive it, the following complications can arise:

- a long costing run
- no cost specified for the item until the item cost is accurately recalculated based on a receipt or inventory adjustment cost

When you sell an item that has never been received, the cost of the item is calculated as zero. When the item is received, NetSuite creates a costing adjustment for the item. The adjustment is based on the item receipt, and the item fulfillment is updated with the new cost.

When a non-zero value is entered on the item receipt and it posts to the general ledger, a cost adjustment line accompanies the item receipt.

If the transaction date of the item receipt is in a closed period, the closed period needs to be re-opened.

Best Practices

- Enter a purchase price for your items. The purchase price you enter should be your best estimate of the price that will appear on the purchase order. For more information, see Entering Purchasing and Inventory Information on Items.
- Restrict fulfillment until the item is on hand or has been received. For the preference **Fulfill Based on Commitment**, select **Limit to Committed**. For more information, see the help topic Order Management Accounting Preferences.
- Use approval routing to require approval for purchases. Require a cost to be entered as part of the approval process. For more information, see the help topic Approval Routing.
- If you use the Warehouse Manager role, customize the role for the following: **Rate** access level is **View** only, **Quantity** access level is **Edit**. For more information, see the help topic NetSuite Roles Overview.

- Set item receipts to default to show the cost from the linked purchase order.
- Always receive the purchase order for an item before you ship or fulfill the item.

Note: You can contact NetSuite Customer Support to enable a preference to use the item's purchase price instead of zero for an underwater shipment. This can minimize complications if the purchase price is equal to the price eventually entered on the receipt.

Backdate Transactions to a Closed Period

Backdating a transaction is entering a date that is prior to the current date. For example, today is July 1, 2021 and I enter an invoice with the date June 1, 2021. That invoice is backdated.

If you back date a transaction to a date within a closed period and then later reopen that closed period, a cost recalculation occurs.

Best Practice

If you back date a transaction to a date within a closed period, you must first open the closed period **before** saving the backdated transaction.

Reopen a Closed Period

If you reopen a closed period to process a back dated transaction, leave the period open until the inventory cost recalculation completes.

Important: If you reopen a closed period to process a transaction, a cost recalculation can be triggered. You should not close the period until the cost recalculation is complete.

Closing the period before the inventory cost recalculation completes causes errors and unpredictable results. NetSuite does not process a transaction with a date in a closed period. If you attempt to backdate a transaction, NetSuite displays a warning message.

Best Practices

- Avoid backdating transactions.
- Do not close an accounting period unless you are certain that the cost recalculation is complete. This includes the standard month-end closing.

  For more information, see the help topic Reopening a Closed Period.

To learn more, see

Custom Scripts

If a custom script is written to override a standard NetSuite function, the script can trigger a cost recalculation. This can cause errors for costing and general ledger postings for transactions associated with the custom script.

Important: If your custom script accesses or updates inventory related transactions in a manner that cannot be accomplished through the user interface, please use extreme caution. The script can negatively impact your inventory costing.

Best Practice

For the preference **Allow Transaction Date Outside of Posting Period**, select **Disallow**. For more information, see the help topic General Accounting Preferences.

FIFO/LIFO Costing on the Inventory Adjustment Worksheet

You enter an inventory adjustment worksheet that includes an adjustment for an item that uses on FIFO or LIFO costing. NetSuite recalculates costs for those items using average costing, not FIFO/LIFO.

For example, if you do not receive and build an item prior to fulfilment, the item can become underwater. You fulfill and invoice an item in January. You receive and build the item in February. Costs are understated for January, but overstated for February.

When the inventory level is negative, costs are understated because NetSuite estimates the cost based on the last transaction cost while above water. When inventory goes back above water, a cost adjustment accounts for the period of costing to bring inventory to an above water state. This results in NetSuite reports showing understated or overstated costs during these two periods.

When the cost is calculated using Average costing, the worksheet **sells** the items and then **buys** them back based on the cost input. When this happens, all FIFO/LIFO history is lost.

Best Practices

- Use the inventory adjustment worksheet only for items that do not use the FIFO or LIFO costing methods.
- Avoid using the inventory adjustment worksheet for an item that is underwater. In such a case, the worksheet is used to create links to the negative items.
- Use the Inventory Count page for updating the physical count, rather than an inventory adjustment worksheet. You can also use an inventory adjustment.

For more information, see the help topic Inventory Adjustments.

Revalue Standard Cost Inventory and Backdate

When you revalue standard cost inventory and include a backdate, this triggers a cost recalculation that runs for an extended period. Note that costing calculations for assembly item components run slower for any transactions that include them, and all affected transactions must be re-calculated.

If a standard cost is changed for an item, all assemblies that include that item as a component must have costs recalculated. This includes any upper-level assemblies. Cost recalculations can take a long time if the component item is used across many sub-assemblies, and is deep in the Bill of Materials structure.

Best Practices

- When you revalue standard cost inventory with current or future dates, do not back date.

- If an item is a component of an assembly, the revaluation will take longer than a non-component item. Consider this to provide enough time for your month-end close.
- Consider a Cost of Goods Sold general ledger journal entry to make an adjustment instead of revaluing standard cost inventory.

> **Note:** If you use this method, verify that financial reports and inventory reports are both accurate since inventory reports do not reflect journal entries.

For more information, see Revalue Standard Cost Inventory.

Stand Alone Credit Memo

If you return an item and create a standalone credit memo rather than a return authorization, the quantity is added back to inventory. However, the value of the item is not credited to the Cost of Goods Sold (COGS) account of the item. Issuing a standalone credit memo for a return can result in inaccurate costing for the item.

Best Practice

Always use the return authorization process to return items to inventory to maintain accurate costing. When you use the return authorization process, costing is sourced from the originating sales order or invoice. Then, creating the credit memo from the originating transaction retains the link for costing. For more information, see the help topic Vendor Return Authorization Overview.

Backdate Item Distribution

If you enter an item distribution and then backdate a transaction prior to the distribution, this can cause problems with inventory costing. It can also result in a negative on-hand count for the item in a null location. This is true especially for lot-numbered or serial-numbered inventory.

Best Practice

If you have problems with inventory due to backdating an item distribution, you should inactivate the item record and then create a new one. For more information, see Creating Item Records.

Cost Accounting Status on Item Records

Inventory and assembly item records include a Cost Accounting Status field that identifies the state of Cost Accounting calculations for that item. For Multi-Location Inventory users, the status is identified per location.

> **Note:** This field is hidden by default. You must customize the item page to display this field. For more information, see Creating Item Records.

The Cost Accounting Status indicated can be one of the following:

- **In Queue** – flagged for Cost Accounting but calculations are not running yet
- **In Process** – flagged for Cost Accounting and calculations are currently running
- **Completed** – not flagged for Cost Accounting and calculations are not running

- **Error** – Cost Accounting calculations failed

When a new transaction is entered that affects Cost Accounting for an item, note the following. The cost accounting status for the item is set to **In Queue** if the current cost accounting status is either **Completed** or **Blank**. If the item status is **In Process** or **Error**, the status is not reset.

The Cost Accounting Status indicated for serial or lot numbered items can be one of the following:

- **Pending** – flagged for Cost Accounting but calculations are not running yet
- **Processing** – flagged for Cost Accounting and calculations are currently running
- **Complete** – not flagged for Cost Accounting and calculations are not running
- **Failed** – Cost Accounting calculations failed

Note: The Cost Accounting Status field is blank if Cost Accounting calculations have never been run for the item/location.

Item Return Costing

When an item is returned by a customer, NetSuite must account for that item in the books by assigning it a return cost. This can be done in one of two ways:

- **Calculated Costing** – If you use calculated costing, you allow NetSuite to calculate the return cost of the item. If you allow the return cost to be calculated, it might not be the same cost every time.
- **Fixed Costing** – If you use fixed costing, you assign a fixed return cost for an item. This cost is always used when the item is returned and overrides any calculated cost.

  You are able to set a default cost to be used for an item when it is returned. This provides an alternative method to relying on NetSuite calculations to set the return cost, which might be a varying amount.

Use one of the following methods to set a fixed return cost for an item:

- Fixed Return Cost on Item Records
- Customizing Return Receipts

Fixed Return Cost on Item Records

Inventory item and assembly item records display the field **Default Return Cost**. In this field, enter the rate you want to default to show as the cost for this item when it is returned. What you enter defaults to appear in the **Override Rate** field on item receipts. You can change this value after it appears on the item receipt.

- If you use Multiple Units of Measure, this rate is always based on the stock unit.
- If you use Multi-Location Inventory, this field appears on the **Inventory** subtab of item records in the location list without being customized.
- If you do not use the Multi-Location Inventory feature, this field is hidden by default. You must customize the item record to display the field.

Customizing Return Receipts

Return receipts forms can be customized to display the fields Override Rate and Override Rate Currency.

To customize return receipts:

1. Go to Customization > Forms > Transaction Forms.
2. Next to **Item Receipt**, click **Customize**.
3. In the **Screen Fields** subtab, click the **Columns** subtab.
4. Check the **Override Rate** box.
5. Click **Save**.

When you use the custom receipt page, it displays these fields:

- **Override Rate** – This field defaults to show the value entered on item records. If the item being returned has no value entered in this field, it appears blank. You can enter a values on an as-needed basis.

  If you use Multiple Units of Measure, the rate in this field is based on the units on the originating transaction.
- **Override Rate Currency** – The currency displayed in this field is always based on the base currency.

  This field shows only if you use the Multi-Currency feature.

If you use Multi-Location Inventory, when you select a location on the receipt, the rate and currency from the item record appear in these fields. For more information, see the help topic Returned-Item Costing Using Multi-Location Inventory.

If the Override Rate field is left blank on the item receipt, NetSuite calculates the cost of the returned item.

Group Average Costing

Group average costing lets you track one average cost for an item across multiple locations within a defined group.

Group average costing is available only when you have enabled the Multi-Location Inventory feature. Group average costing is available for inventory items and assembly items.

First, create a location costing group record to track the locations associated with that group. Then, assign one or more locations to a location costing group. For more information, see Creating a Location Costing Group.

Each time an inventory related transaction with costing impact is processed for a location costing group member, a group average cost is recalculated. The single average cost is calculated by dividing the total inventory value across locations by the total quantity across all locations. This calculated cost is synced within the group and is used in costing calculations for all locations.

Note that individual items are not assigned to a location costing group. Within a location, all inventory and assembly items assigned the Group Average costing method are included in the location costing group assigned to that location.

If an item is assigned the group average costing method, but its locations are not included in a costing group, note the following. For those locations, the item's costing method is **Average** because no grouping calculations are done for those locations.

One benefit of group average costing is costing for underwater fulfillments. For example, a cost posts for Location A in the group and that cost propagates to the Location B in the group. If an underwater fulfillment posts for Location B, an average cost can be assigned to the underwater fulfillment. For more information, see the help topic Avoiding Underwater Inventory.

Inventory Adjustment Worksheets are not available for items with a Group Average costing method.

Note: After Group Average is assigned to an item and the item is saved, you cannot change the costing method.

Group Average Costing and Subsidiaries

The following applies to NetSuite OneWorld customers.

The locations in a location costing group can be associated with one or more subsidiaries. When using locations from different subsidiaries in the same location costing group:

- All subsidiaries in the same location costing group must have the same base currency.
- Note the following requirement for a subsidiary within a group using the Multi-Book Accounting and Multiple Currencies features. All subsidiaries in the group must have the same secondary books and identical currencies. This requirement is to calculate the group average cost across all subsidiaries in all currencies.

Group Average Costing and Multiple Locations

Note the following for customers using both the Multi-Location Inventory and Group Average Costing features. You can set an accounting preference to include the account values for group average cost items that are in transit between locations. This allows in-transit inventory accounts to be balanced during the bulk process.

This accounting preference helps produce more accurate costing calculations and financial statement reporting. It ensures that the group average cost reflects the assets of both on-hand and in-transit inventory accounts.

If you have the Set Up Accounting permission, you can set the **Include In-Transit Value in Group Average Cost Calculations** preference. For more information, see the help topic Items/Transactions Accounting Preferences.

Group Average Costing Use Cases

When you use group average costing, the item cost is calculated based on costs across all locations in the group.

							1	2	3
Date	*Location*	*Transaction Type*	*Transaction Quantity*	*Transaction Rate*	*Transaction Value at Location*	*Quantity On-hand at Location*	*Location Costing Group Total Quantity*	*Location Costing Group Total Value*	*Group Average Cost Across all Locations*
6/1/15	Location 1	Item Receipt	10	$4.00	$40.00	10	10	$40.00	**$4.00**

The preceding table describes sample data used in group average costing calculations for an item receipt.

1. **Location Costing Group Total Quantity** – Location costing group total on-hand quantity resulting from the current transaction
2. **Location Costing Group Total Value** – Location costing group total value prior to the transaction + transaction value at location
3. **Group Average Cost Across All Locations** – Location costing group total value result from the current transaction

Note: After the group average cost is calculated, it is assigned to the item across all locations in the location costing group.

Transactions process group average costing as follows.

Item Fulfillment

An item fulfillment uses the group average cost. Therefore, the group average cost does not change due to the transaction.

Date	Location	Transaction Type	Transaction Quantity	Transaction Rate	Transaction Value at Location	Quantity On-hand at Location	Location Costing Group Total Quantity	Location Costing Group Total Value	Group Average Cost Across all Locations
6/1/15	Location 1	Item Receipt	10	$4.00	$40.00	10	10	$40.00	**$4.00**
6/5/15	Location 1	Item Fulfillment	(6)	$4.00	($24.00)	4	4	$16.00	**$4.00**

Item Receipt or Inventory Adjustment

An item receipt or inventory adjustment can have a rate that is different from the group average cost. Therefore, the group average cost of the item can change due to the transaction.

Date	Location	Transaction Type	Transaction Quantity	Transaction Rate	Transaction Value at Location	Quantity On-hand at Location	Location Costing Group Total Quantity	Location Costing Group Total Value	Group Average Cost Across all Locations
6/1/15	Location 1	Item Receipt	10	$4.00	$40.00	10	10	$40.00	**$4.00**
6/5/15	Location 1	Item Fulfillment	(6)	$4.00	($24.00)	4	4	$16.00	**$4.00**
6/10/15	Location 2	Item Receipt	22	$3.80	$83.60	22	26	$99.60	**$3.83**
6/10/15	Location 1	Inventory Adjustment	(2)	$4.00	($8.00)	2	24	$91.60	**$3.82**

The group average cost fluctuates over time as transactions are entered.

Date	Location	Transaction Type	Transaction Quantity	Transaction Rate	Transaction Value at Location	Quantity On-hand at Location	Location Costing Group Total Quantity	Location Costing Group Total Value	Group Average Cost Across all Locations
6/1/15	Location 1	Item Receipt	10	$4.00	$40.00	10	10	$40.00	**$4.00**
6/5/15	Location 1	Item Fulfillment	(6)	$4.00	($24.00)	4	4	$16.00	**$4.00**
6/10/15	Location 2	Item Receipt	22	$3.80	$83.60	22	26	$99.60	**$3.83**
6/10/15	Location 1	Inventory Adjustment	(2)	$4.00	($8.00)	2	24	$91.60	**$3.82**
6/12/15	Location 3	Item Receipt	8	$4.25	$34.00	8	32	$125.60	**$3.93**
6/15/15	Location 2	Item Fulfillment	(20)	$3.93	($78.50)	2	12	$47.10	**$3.93**
6/20/15	Location 3	Item Fulfillment	(5)	$3.93	($19.63)	3	7	$27.48	**$3.93**
6/22/15	Location 1	Item Receipt	14	$4.15	$58.10	16	21	$85.58	**$4.08**
6/27/15	Location 2	Item Receipt	5	$3.83	$19.15	10	26	$104.73	**$4.03**

Enabling Group Average Costing

An administrator can use the following procedure to enable the Group Average Costing feature.

To enable group average costing:

1. Go to Setup > Company > Setup Tasks > Enable Features..
2. Click the **Items & Inventory** subtab, and then check the **Group Average Costing** box.
3. Click **Save**.

Creating a Location Costing Group

Create a location costing group record to track the locations associated with that group.

To create a location costing group:

1. Go to Setup > Accounting > Location Costing Groups.
2. Enter a **Name** for the group.
3. Optionally enter a **Memo**. Later, you can search for the text you enter.
4. If you use NetSuite OneWorld, in the **Costing Group Currency** field, select a currency to limit the subsidiaries available for the costing group.

   Note: You can add locations to the costing group with restrictions. The location must be associated with a subsidiary that has the selected costing group currency as their base currency.
5. Click the **Location** subtab.
6. In the **Select** column, check the box next to each location you want to be a member of this group.

   The location list on the location costing group record is filtered by your permission to access each location and subsidiary.
7. Click **Save**.

   The location costing group you created appears in the **Costing Group** field on item records.

Add Locations to a Location Costing Group

You can assign a location to a location costing group in two ways:

- On the location record, select the appropriate location costing group.
- On the location costing group record, select the location.

  A location can be assigned to only one location costing group. Locations are not required to be assigned to a location costing group.

Important: A new or existing location can be assigned to an existing location costing group, but there are restrictions. There must be **no** transactions associated with the location for any items using the group average costing method.

Assign new locations to a location costing group when the new location is set up, **before** entering transactions associated with that location. After a location record is assigned to a location costing group, it can be removed from the group, but there are restrictions. There must **be** no transactions associated with the location for any items with the group average costing method.

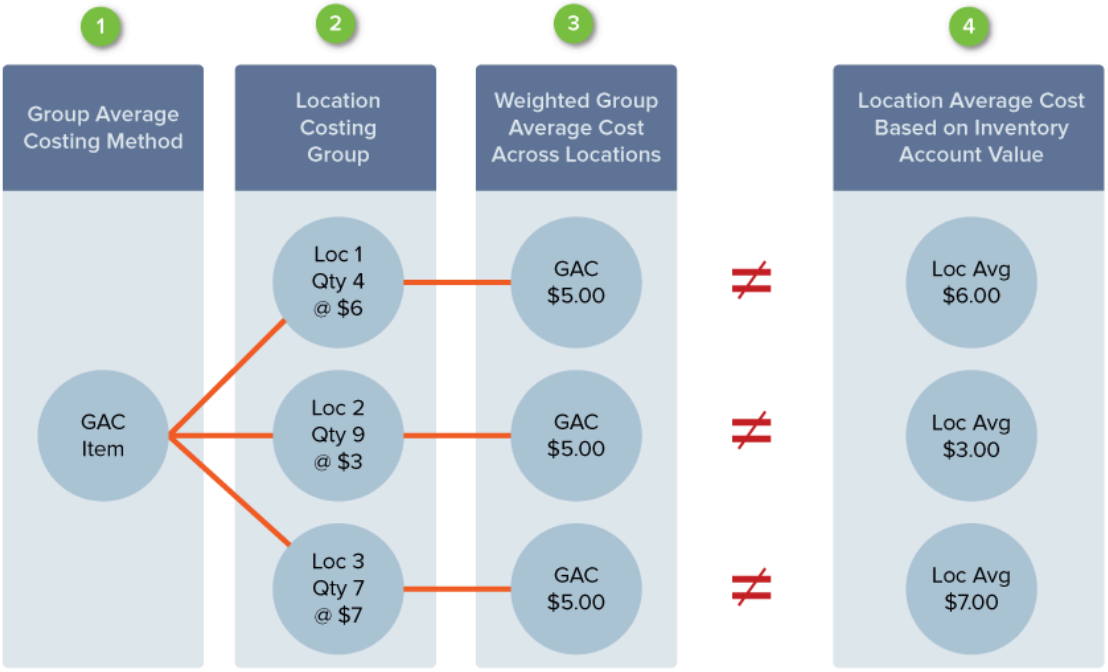
Balance Location Costing Group Accounts

If you use the Multi-Location Inventory and Group Average Costing features, you can process account adjustments. These adjustments ensure that item costs are consistent within costing groups so that location balance sheets are accurate for group average cost items. When you balance location costing group accounts, costing adjustments update individual location inventory values to match the group average cost.

Group average costing lets you track the average cost for an item across locations using location costing groups. The Balance Location Costing Group Accounts page enables you to periodically adjust location inventory accounts for group average cost items. Doing so ensures that the inventory account balance at each location calculates accurately as (location quantity) x (group average cost).

Keep location accounts in sync. Use the Balance Location Costing Group Accounts page to examine all transactions for each location in a costing group. Transactions are examined from the point in time that the most recent previous adjustment was run. Based on these transactions, NetSuite determines the appropriate account variance and posts a cost adjustment to the general ledger. After all positive and negative adjustments post, location costing group accounts should balance close to zero, depending on rounding.

This adjustment page provides visibility into general ledger inventory account adjustments across locations. Visibility provides the impact of managing an item's cost across a company. As in the following diagram, without entering an adjustment, costs across locations might not balance.



Refer to the image above related to these details:

1. The Group Average Costing method is defined on the item record.
2. Locations are assigned on the Location Costing Group record.
3. The group average cost for an item is calculated as follows:

   = total inventory account value across all locations / total quantity across all locations
4. The location average cost for an item is calculated as follows:

   = location inventory account value / location quantity

> **Note:** When a transaction affects inventory costing for a Group Average cost item, NetSuite calculates an average cost across all locations in the costing group. That group average cost is assigned as the cost for that item in all the locations.

In the preceding diagram, each location receives the item at a specific cost:

- Location 1 = $6.00

- Location 2 = $3.00
- Location 3 = $7.00

For a specific location, the total in the inventory asset account is based on the receiving cost specific to that location. (Receiving cost x Quantity received) That inventory-specific asset cost amount might not equal the average cost calculated for the group. Therefore, the inventory value for a specific location might not equal the calculated value. (Quantity at the location x Group average cost).

Note: The average cost for each location might be different across locations, and can be different from the Group Average Cost. NetSuite calculates average cost as (Account Value / Quantity).

Using the Balance Location Costing Group Accounts page, general ledger adjustments balance accounts across locations.

Refer to the preceding diagram related to the following details:

1. The Group Average Costing method is defined on the item record.
2. Locations are assigned on the Location Costing Group record.
3. The group average cost for an item is calculated as follows:

   = total inventory account value across all locations / total quantity across all locations
4. Balance Location Costing Group Accounts to post general ledger adjustments that balance accounts.
5. The location average cost for an item is calculated as follows:

   = location inventory account value / location quantity

Use the Balance Location Costing Group Accounts page to adjust inventory at the end of a period you select. You should use this page to adjust inventory when you close a period. If you choose, you can perform this more often, such as updating account balances weekly.

Working With the Balance Location Costing Group Accounts Page

Use the following procedure to balance location costing groups.

To use the Balance Location Costing Group Accounts Page:

1. Determine the start date.
   a. NetSuite determines the most recent Balance Location Costing Group Account (BLCGA) date.
   b. NetSuite checks for unadjusted transactions dated on or before that date.
   - If unadjusted transactions exist, the BLCGA date prior to the earliest existing unadjusted transaction date is determined. That date plus one day is set as the new BLCGA date.
   - If unadjusted transaction do not exist, the previous BLCGA date plus one day is set as the new BLCGA date.
2. Calculate item variances.

   Variance for each item in each location is calculated by comparing Group Average Cost x Quantity to the location account value of the item. (Based on transaction activity within the date range)
3. Create journal entries.

   Note: NetSuite follows the preference to post the journal entries if you run the BLCGA for a date in a close period.

   If the **As of Date** is in an open period, resulting journal adjustments consider the cumulative variances of previous BLCGA runs in closed periods.

   Create one journal entry for each item/book/subsidiary to balance all accounts within the location costing group.
   - One journal entry is created for the asset summarized values.
   - One journal entry is created for the in-transit summarized values.

     Note that the amount per fulfillment variance is linked to the journal entry.

Example 1. Example

- **3/2/15** – Received a quantity of five in Location 1 (Subsidiary A).

  Upon receipt, the item cost is calculated as follows:

  Total value for all locations divided by total quantity for all locations, or ($20 / 5) = $4.

  This average cost of $4 then propagates to location 2 and location 3, even though they have not received the item yet.

- **3/15/15** – Received a quantity of six at cost of $4.50 in Location 2 (Subsidiary A).

  After those six are received, the quantity is added to the five previously received on 3/2 for a total quantity of eleven. The average cost for the group is calculated as (total value location 1 + total value location 2) divided by total quantity at all locations.

  ($20 + $27) / (5 + 6) = $4.27 is the new group average cost. This average cost for the group populates for the item in all locations in the group.

- **3/20/15** – Received a quantity of seven at cost of $5.00 in Location 3 (Subsidiary B).

  When these seven are received, they are added to the previous eleven for a new total quantity of eighteen. The group average cost is calculated as (total value location 1 + total value location 2 + total value location 3). This amount is divided by the total quantity for all locations.

  ($20 + $27 + 35) / (5 + 6 + 7) = $4.56 is the new group average cost. This average cost for the group populates for the item in all locations in the group.

The discrepancy arises when you try to multiply the quantity on hand at a single location by the group average cost. Although the amount balances out across all locations, a single location can show an amount higher or lower than is accurate. This is portrayed in the next to the last column in the image below.

Transaction Activity

Location 1, Sub-A Item Receipt Date	Cost	Qty
3/2/15	$4.00	5
3/2/15	Inv Value	$ 20.00

Location 2, Sub-A Item Receipt Date	Cost	Qty
3/15/15	$4.50	6
3/15/15	Inv Value	$ 27.00

Location 3, Sub-B Item Receipt Date	Cost	Qty
3/20/15	$5.00	7
3/20/15	Inv Value	$ 35.00

Group Average Cost Updates

Location 1 - Values	After GAC Assignment on 3/2/13	After GAC Assignment on 3/15/14	After GAC Assignment on 3/20/15	Delta on 3/31 before BLCGA*	Delta on 3/31 after BLCGA*
Total Inv Value	$ 20.00	$ 21.36	$ 22.78	$ 2.78	$ -
Location Ave Cost	$ 4.00	$ 4.27	$ 4.56	$ 0.56	$ -
Group Average Cost	$ 4.00	$ 4.27	$ 4.56		$ -

Location 2 - Values	After GAC Assignment on 3/2/13	After GAC Assignment on 3/15/14	After GAC Assignment on 3/20/15	Delta on 3/31 before BLCGA*	Delta on 3/31 after BLCGA*
Total Inv Value	$ -	$ 25.64	$ 27.33	$ 0.33	$ -
Location Ave Cost	$ -	$ 4.27	$ 4.56	$ 0.06	$ -
Group Average Cost	$ 4.00	$ 4.27	$ 4.56		$ -

Location 3 - Values	After GAC Assignment on 3/2/13	After GAC Assignment on 3/15/14	After GAC Assignment on 3/20/15	Delta on 3/31 before BLCGA*	Delta on 3/31 after BLCGA*
Total Inv Value	$ -	$ -	$ 31.89	$ (3.11)	$ -
Location Ave Cost	$ -	$ -	$ 4.56	$ (0.44)	$ -
Group Average Cost	$ 4.00	$ 4.27	$ 4.56		$ -

GAC All Location Totals

Locations 1, 2 & 3	Value of All Receipts 3/1-3/31	After GAC Assignment on 3/2/13	After GAC Assignment on 3/15/14	After GAC Assignment on 3/20	Delta on 3/31 before BLCGA*	Delta on 3/31 after BLCGA*
Total Inv Value	$ 82.00	$ 20.00	$ 47.00	$ 82.00	$ -	$ -
Total Inventory Qty	18	5	11	18		
Group Ave Cost	$ 4.56	$ 4.00	$ 4.27	$ 4.56	$ -	$ -

GAC = Group Average Cost

BLCGA = Balance Location Costing Group Accounts

The Balance Location Costing Group Accounts page generates an adjustment for each location to account for group average fluctuations. Note that the final column in the preceding table shows the balance after the adjustment is run.

Balance Location Costing Group Accounts Processing Notes

Note the following about processing adjustments with the Balance Location Costing Group Accounts (BLCGA) page:

- You should use the Balance Location Costing Group Accounts page at the end of every period.
- Run times are longer when group average cost items are included on backdated inventory transactions.
- For the date range between the BLCGA As Of date and the date of the oldest unadjusted transaction, all accounting periods must be open.
- Accounting periods must be unlocked for all subsidiaries with locations in the selected location costing group.
- For NetSuite OneWorld, one adjustment is created per subsidiary.
- All locations within the subsidiary or location costing group are processed. Locations cannot be excluded from the adjustment to keep all locations within a subsidiary or location costing group in sync.
- If you use the Include In-Transit Value in Group Average Cost Calculations preference, note the following. The BLCGA includes an in-transit value and an in-transit quantity, in addition to the location asset value and location quantity. These are combined to calculate a total quantity and total value for all locations within the location costing group. When the BLCGA is processed, for each location, separate adjustments post to the general ledger for the location value and the in-transit value.For more information about the Include In-Transit Value in Group Average Cost Calculations preference, see the help topic Items/Transactions Accounting Preferences.

Important: If inventory costing is currently running or scheduled to run, this can impact the results of BLCGA inventory adjustments and balances. NetSuite warns you when inventory costing calculations are pending or currently in progress. The warning is because some transactions might not be included in the account adjustments created by the BLCGA process. This results in problems with financial reports and account reconciliations.

Balancing Location Costing Group Accounts

Use the following procedure to balance location costing group accounts.

To balance location costing group accounts:

1. Go to Lists > Accounting > Balance Location Costing Group Accounts.
2. Select a **Location Costing Group**.
3. For NetSuite OneWorld, you can choose to filter by **Subsidiary**.

   Select one subsidiary or press and hold the **Ctrl** key to select multiple subsidiaries.
4. If you track **Departments** or **Classes**, optionally select them.

   The class and department shown on the header of the resulting inventory adjustment are sourced from the header of this page. However, the department and class on individual line items on an inventory adjustment are sourced from the item record.
5. Select an **As Of Date** to define the end of the adjustment period. NetSuite processes transactions beginning from the last valid Balance Location Costing Group Accounts date through the As Of date.
6. In the **Adjustment Account** field, select an adjustment account to define which account a cost adjustment posts to. This is the account used by the Balance Location Costing Group Accounts page.

   You should select a single account for each location costing group for adjustments to post to. By using a single adjustment account per location costing group, it is simpler for you to know if location accounts are in sync.

Accounts available to be selected include only the following:

- Expense accounts with locations specified for the Location Costing Group
- Expense accounts available to all subsidiaries (for NetSuite OneWorld)
- Expense accounts that you have permission to see based on restrictions for class, department, and location

7. You can run the adjustment for all items or select specific items.
   - To run the adjustment for all items check the **All Items** box.
   - To run the adjustment for specific items, clear the **All Items** box. Then, check the box in the **Select** column next to items you want to create an adjustment for.

     Note: Only items assigned the Group Average costing method can be selected.
8. Click **Submit**.

When you submit the Balance Location Costing Group Accounts page, NetSuite calculates the adjustments and generates a bulk process list. After the inventory adjustment calculations complete, the appropriate transactions are processed for the adjustment. You can then view a list of previous Balance Location Costing Group Accounts processes that have been run. For more information, see Viewing the Balance Location Costing Group Accounts Status Page.

After a Balance Location Costing Group Accounts processes adjustments for a particular subsidiary, you can run another adjustment that includes all subsidiaries.

Journal Amount Rounding

The calculated journal adjustment can result in an amount smaller than the currency unit can account for. For example:

- 2.02414 = Calculated adjustment amount
- 2.02 = Smallest amount that can be transacted
- 0.00414 = Remaining value in the asset or in-transit account that is not transacted

In such cases, journal adjustment transactions can result in a fractional leftover amount remaining in an account. This amount should never be more than one currency decimal unit. When this occurs, the next Balance Location Costing Group Accounts process takes into account the fractional variance amount. This can resolve the variance or change the variance amount. Note that these fractional amounts might cause a value to show for an item when the quantity at the location is zero. This is due to rounding variances that are not yet resolved.

Viewing the Balance Location Costing Group Accounts Status Page

When you submit the Balance Location Costing Group Accounts page, NetSuite calculates the adjustments and generates a bulk process list. You can view a list of previous Balance Location Costing Group Accounts processes that have run.

This list can be used for reference to know which date you last ran an adjustment for a location costing group.

This bulk process list includes the following for each Balance Location Costing Group Accounts adjustment:

- bulk process run date
- bulk process start date
- as-of date
- location costing group
- subsidiary
- adjustment account

To view the Balance Location Costing Group Accounts Status page:

1. Go to Lists > Accounting > Balance Location Costing Group Accounts > Status.
2. Optionally filter the list by clicking **Filters**. Then, you can make a selection in the **Date Created** field, or set a date range by entering **From** and **To** dates.

   Click Refresh to update the list.

Standard Costing

Standard Costing lets manufacturers and wholesale distributors identify and correct problems with inventory costing issues by giving information about costing variances and their causes.

Using standard costing, you maintain standard costs across cost categories for an item. These standard costs identify the expenses you expect to incur for items over time. Keeping track of the expected cost lets you compare that amount to the item cost. You can then analyze any variances between the standard (expected) cost and actual cost of items.

Standard costing not only tells you that a variance occurs, but it also helps you understand why costs are different from what was expected. Variances might be caused by changes in how much you pay for the material or by changes in the quantity of material used:

- Purchase price variances are generated during the procurement process.
- Production quantity and cost variances are generated during the production process.
- Unbuilt variances are generated during the disassembly process.

Knowing the cause of the variance helps you to correct costing issues in your manufacturing and procurement processes and take action to improve these areas.

Standard Costing Workflow

The following is the standard costing workflow:

1. To use standard costing with inventory and assembly items, enable the **Standard Costing** feature. For more information, see Enabling Standard Costing.
2. Create **Cost Categories**.

   Cost categories are used to classify the type of inventory item so that you can categorize manufacturing variances. For standard costing, set up cost categories and assign them a material or service cost type. For more information, see Creating Cost Categories.
3. Configure **Item Records**.

   On item records, select standard cost as the costing method for assembly items and inventory items. When an item uses standard costing, variances are generated based on differences

between the item fixed and actual costs. You can also select a standard costing method for lot or serial numbered items. For service items and inventory items, assign a cost category to help identify variances. For more information, see Setting Up Item Records for Standard Costing.

4. Define **Cost Versions**.

   If you expect standard costs to change over time, or costs to vary based on location, you can establish multiple cost versions. For example, if costs change quarterly, you can establish four cost versions establishing standard costs for each quarter. For more information, see Defining Cost Versions.

5. Set up **Standard Costs**.

   For each cost version, enter the standard cost for inventory items in a planned standard cost record. This record stores the expected cost of inventory items. This expected standard cost is used to calculate variances from the item cost. For more information, see Entering Planned Standard Cost Records.

6. **Roll up Standard Costs** to calculate the total cost of assemblies.

   The cost roll up calculates the total fixed cost of assembly and sub-assembly items based on data entered on the planned standard cost record. The planned standard cost record is sourced to find the cost of individual component items for assemblies. The cost of each member and sub-assembly is rolled up to calculate the total cost of the assembly. For more information, see Standard Cost Rollup.

7. **Revalue Inventory** and update standard costs.

   Revaluing inventory updates the standard cost of items and identifies the effective cost date.

   Revaluation can be run using the following methods:

   - As a bulk process using existing cost version records.
   - Entering new costing data manually.

   This process also runs an inventory revaluation which reviews your inventory and revalues it based on current standard cost changes. For more information, see Revalue Standard Cost Inventory.

8. When you **Enter a Transaction**, general ledger lines post variance to the appropriate accounts based on the differences between the actual and standard costs. For more information, see Standard Costing and Transactions.

Standard Costing Example

1. After you set item record A to use Standard Costing, you enter the following cost versions and standard costs for Item A:

Item	Cost Version	Standard (Fixed) Cost	Cost Category
Item A	Q3 2020	$7.00	Material: metal
Item A	Q4 2020	$6.00	Material: metal
Item A	Q1 2021	$7.00	Material: metal

   To itemize costs in separate cost categories, you can assign a cost category to each cost version.

2. To set standard production cost using the Q3 2020 cost version, run a bulk inventory revaluation.

   The cost is used for transactions and records entered on and after that effective date based on the effective date assigned to the cost version.

Item	Cost Version	Standard (Fixed) Cost	Cost Category	Effective date

Item A	Q3 2020	$7.00	Material: metal	July 1, 2021

3. The transaction entered for Item A on August 1, 2021 identifies a cost category of Material: metal and has a fixed standard cost of $7.00.

Comparisons can now be made to discover whether the costs incurred for Item A are higher, lower, or as expected. For example, you enter a receipt for a shipment of Item A on August 10, 2021. The cost on the receipt is $10.00. You can track the cost variance.

- Standard cost on August 10 = $7.00
- Actual cost on August 10 = $10.00
- The difference between standard and actual cost is (10 - 7 = 3)

  A variance posts for the difference:

  - $7.00 posts to the inventory asset account
  - $3.00 posts to the variance account

Posting Purchase Price Variance Intermittently

Intermittent Posting Purchase Price Variance amounts can be effected by rounding corrections. This can happen when items use cost component lines contain costs that require less than 0.01 precision on the effective inventory revaluation. Since rounding is applied by cost component lines as transactions are created for an item, the system makes balancing adjustments.

When an item uses standard costing, the transaction item cost is the sum of the element cost from the effective inventory revaluation.

Each cost element is rounded according to its subsidiary base currency. As the system perform rounding during cost calculations, variances per cost element can differ. The more cost element the item has, the higher the possible variance.

Standard Costing Variance Example

1. As at January 1, the Toronto and Brno locations have the following standard cost item revaluation:

   New Unit Cost is 5.05292175:

   - Material Cost Category: 2.85
   - Material Overhead Cost Category 1: 0.9405
   - Material Overhead Cost Category 2: 0.17087175
   - Landed Cost Category 1: 0.03705
   - Landed Cost Category 2: 0.03705
   - Landed Cost Category 3: 0.171
   - Landed Cost Category 4: 0.171
2. On January 2, an inventory adjustment of 183 was applied to the Toronto location with the following general ledger impact:

Account or Accounting Line Type	Amount	Location
Adjustment Account	-924.68	Toronto
Asset Account	924.68	Toronto

3. On the same day an inventory adjustment of 360 was made to the Brno account:

Account or Accounting Line Type	Amount	Location
Adjustment Account	-1819.05	Brno
Asset Account	1819.05	Brno

4. January 3 saw an inventory transfer of 6 from Brno to Toronto:

Account or Accounting Line Type	Amount	Location
Asset Account	30.31	Toronto
Asset Account	–30.31	Brno
PPV Account	0	Toronto

5. On January 3 an inventory transfer of 348 was sent from Brno to Toronto:

Account or Accounting Line Type	Amount	Location
Asset Account	1758.44	Toronto
Asset Account	–1758.41	Brno
PPV Account	0.03	Toronto

6. On January 3 an inventory transfer of 6 was sent from Brno to Toronto:

Account or Accounting Line Type	Amount	Location
Asset Account	30.30	Toronto
Asset Account	–30.33	Brno
PPV Account	0.03	Toronto

On step 5 and 6 there is a PPV line of 0.03 despite both Toronto and Brno having same standard cost. The inventory transfer in step 6 has a different impact than step 4 even though the quantities are the same.

After step 6 Brno's on hand quantity 0. If the same cost was used in step 6 as was used in step 4, the ending inventory asset account value should be 0.02. This is incorrect since there is no quantity at the Brno location because the system makes cost balancing adjustments.

Enabling Standard Costing

To use standard costing for items, an administrator must enable the feature. After the feature is enabled, item records have the option to use Standard in the Costing method field.

If the Multi-Location Inventory feature is not already enabled, you must enable it to use Standard Costing.

Note: Before you enable the feature, verify that the preference to **Use Item Cost as Transfer Cost** is disabled. For information about this preference, see the help topic Transfer Order Preferences.

To enable Standard Costing:

1. Go to Setup > Company > Setup Tasks > Enable Features.
2. Click the **Items & Inventory** subtab.

3. Verify that the **Inventory** box is checked.
4. Check the **Standard Costing** box.
5. Click **Save**.

After the feature is enabled, NetSuite automatically creates a default cost category. This category is used by default for all new inventory, assembly, and service item records you create. For information about creating additional cost categories, see Creating Cost Categories.

Creating Cost Categories

Cost category records are used to classify different types of costs associated with your items. Using cost categories helps you to track costs and variances in the manufacturing workflow.

For example, you manufacture widgets to sell to your customers. When you manufacture a widget, you assemble materials made of wood and metal and then paint the widget after it is placed together. For accounting purposes, you want to track the cost of each material and service you use to create each widget. To do so, you can create cost categories that define several kinds of costs that can be incurred during widget manufacturing.

You might create cost category records such as the following:

- Material: Metal
- Material: Wood
- Labor: Painting

After the cost category records are created, you can then assign a cost category to each item and material you use. Cost category assignment might look like the following:

Item Name	Description	Cost Category
Item AB1001	Wooden Widget Component 1	Material: Wood
Item AB1002	Wooden Widget Component 2	Material: Wood
Item AB1003	Metal Widget Component 1	Material: Metal
Service Item XY2002	Widget Painting	Labor: Painting

After each item has a cost category specified, it is easier to track total costs for each category. When you process a production run of widgets, you know how much was spent on wooden materials. You also know how much was spent on metal materials, and how much was spent on service labor to produce the widgets you created.

Additionally, when there are variances in production costs for assembly items, the variances can be tracked by cost categories. For example, you process a production run of widgets and the cost for that run is much higher than you expected. You know that a higher cost for the components in the Material: Wood category were the cause of the cost overrun.

Cost categories can be specified on each item record.

The Cost Category field is available only for these item types: Inventory, Non-inventory, Service, and Other Charges.

- Inventory items can have only one material cost category.
- Service items can have only one service cost category.

- Assembly items can have more than one cost category because assembly costs are defined by the component members. The cost amount and cost category of each component member of an assembly is used to calculate the cost of the assembly. It also identifies the categories associated with it. This calculation process is called a cost rollup for assemblies. For more information, see Standard Cost Rollup.

When the Standard Cost feature is first enabled, NetSuite automatically creates one cost category. This category is used by default for all new inventory, assembly, and service item records you create. You can add more cost categories as needed.

To create a cost category:

1. Go to Setup > Accounting > Setup Tasks > Accounting Lists > New.
2. Click **Cost Category**.
3. Enter a name for the category.
4. In the **Cost Type** field, select one of the following:
   - **Landed**

     Enable the Landed Cost feature.
   - **Material** – For example, wood or metal.
   - **Service** – For example, painting or welding.
5. In the **Expense Account** field, select the appropriate default expense account to be used as a clearing account for the landed cost of items. Then, when the item is sold, the cost of goods sold is accurately reflected.

   The **Expense Category** field appears only on a cost category record when you select **Landed** in the **Cost Type** field. An expense account cannot be associated with a Material or Service type cost category. You do not have to associate a landed cost category with a Cost Of Goods Sold (COGS) account. The landed cost category account is intended as a holding account.

   When landed cost is allocated, it posts to two accounts:
   - the asset account of the item
   - the landed cost category account

   That posting is balanced out by a purchase line, either on the same bill or another purchase transaction, such as a shipping bill. The costing is accounted for in the COGS account of the item after the item is sold.

   > **Important:** If the Expand Accounts preference is enabled, you can choose any account, not only bank accounts or expense accounts.
6. Check the **Inactive** box only if you do not want this category to show in lists.

   A cost category can only be inactivated if there are no items associated with that category.
7. Click **Save**.

   Now, you can select this cost category on item records and landed costs can be included on receiving transactions.

Creating Inventory Cost Templates

The the Standard Costing feature lets you create inventory cost templates. These templates contain the list of material overheads you want to associate with an inventory item or an assembly item that can be purchased.

If you use the Landed Cost feature, you can include landed cost in your inventory cost templates. For more information, see the help topic Landed Cost.

Before you create inventory cost templates, you must define cost categories and other charge for purchase items for your overheads. For each inventory cost template, you can assign only one material or landed cost category that has the % of Total overhead type.

See the following topics to set up these template components:

- Creating Cost Categories
- Creating a Landed Cost Item
- Other Charge Items

To create an inventory cost template:

1. Go to Lists > Accounting > Inventory Cost Template > New.
2. On the Inventory Cost Template page, enter values in the following fields:
   - In the **Subsidiary** field, select the subsidiary to which you want to associate this template.
   - In the **Name** field, enter a unique name for this template.
3. On the **Costs** subtab, select values in the following columns:
   a. In the **Cost Category** column, select the material overhead or landed cost category.
   b. In the **Item** column, select the other charge item for the material overhead or landed cost category.
   c. Click **Add**.

   Repeat this step to add more costs to your template.
4. Click **Save**.

   On item records that use the standard costing method, you can select an inventory cost template for each location. For more information, see Setting Up Item Records for Standard Costing.

Setting Up Item Records for Standard Costing

To use standard costing for an item, set up the item record.

To set up an item record for standard costing:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the item record.
3. On the **Purchasing/Inventory** subtab, select the **Standard** costing method.

   Note: The costing method cannot be changed after the record is saved.
4. Set the cost category.

   Cost categories you have created appear in the list.

   For more information about cost categories, see Creating Cost Categories.
5. Enter a cost in the **Standard Cost** field. You can enter a cost per location. The value in this field can be used as the default when you create a planned standard cost record.

To streamline data entry for setting up standard costs, you can also import values into this field using CSV import.

6. In the **Purchase Price Variance Account** field, choose the account to post a variance to when a purchase transaction calculates a cost variance.
7. In the **Gain/Loss Account** field, choose the account to post a variance to when an inventory transfer calculates a cost variance.
8. On assembly item records, complete the following:
    1. In the **Production Quantity Variance Account** field, choose the account to post a variance to. The variance posts when the assembly cost is higher or lower than expected due to the number of items used in the assembly build.

        For example, a variance is created if a build costs more because you use 10 widgets when you normally use 8.
    2. In the **Production Price Variance Account** field, choose the account to post a variance to. The variance posts when the assembly cost is higher or lower than expected due to the expense of items used in the assembly build.

        For example, a variance is created if a build costs more because you use widgets that cost $30 each when you normally pay $20.
    3. In the **Unbuild Variance Account** field, choose the account to post a variance to when an unbuild transaction calculates a cost variance.

        These fields appear only on assembly item records.
9. Complete additional fields as necessary.
10. Click **Save**.

Deletion of Standard Cost Item

A warning message appears when you attempt to delete an item that has a standard cost, either active or historical. This is done to help preserve the integrity of the data used to evaluate items' inventory costs. For example, this happens when the unit cost of an item is found in inventory revaluation transactions and not on item records. Before you can delete such an item, you must first delete the standard cost on the inventory revaluation transaction. The warning message displayed includes a link to the revaluation transaction that includes the standard cost.

Defining Cost Versions

After you create cost category records and set up item records for standard costing, you must create standard cost version records for your items.

A standard cost version is a label to identify a time period or other identifying characteristic that you use to identify costs for items. Having various cost version records allow you to record the cost you expect to incur for an item at a particular time.

Knowing the expense you expect to pay for an item helps you to track cost variations. It gives you a point of comparison after you have a cost or bill for an item. For example, you record that you expect to pay $5 each for Item A this month. Later you get a vendor bill for Item A at $8 each. You know that your costs for that month are higher than you anticipated.

Creating standard cost version records helps you track these variances. Each cost version stores a standard cost to be used on different occasions. You can use multiple cost versions per item to track expected costs over time.

For example, if the cost of an item is expected to change each quarter, you can create a cost version for each quarter:

- Q3 2020
- Q4 2020
- Q1 2021
- Q2 2021

When you have a cost version for each quarter, you can track the specific expected cost for each quarter.

Cost versions are not limited to being based on quarters or time periods, they can identify any specifying information that you choose.

To define a cost version:

1. Go to Lists > Accounting > Standard Cost Versions > New.
2. Enter a name for this cost version. For example, enter **Q1 2021**.

   Note: If you use NetSuite OneWorld, the cost version name must be unique per subsidiary. For example, Subsidiary US has a cost version named Version 1 US Q1 2021. The Subsidiary UK has a cost version named Version 1 UK Q1 2021.
3. In the **Location** field, select one or more locations that this costing version is applicable to.
4. In the **Inventory Standard Cost** field, select one of the following to define how the standard cost of inventory items is automatically calculated:
   - **Average Cost** – The average cost of the inventory
   - **Item Default** – The cost set in the **Standard Cost** field on the Inventory subtab on the item record. NetSuite generates planned standard cost records based on this field.
   - **Last Purchase Price** – The calculated last purchase price. For more information, see Sales and Shipping Information for Items.
5. Click **Save**.

After you create cost version records, you can set up a planned standard cost record for your cost versions. The planned standard cost is the record you use to specify the expected standard cost related to each cost version. For more information, see Entering Planned Standard Cost Records.

Entering Planned Standard Cost Records

Using Standard Costing, you can compare the expected cost for an item with the cost incurred. To make this comparison, you need to define the expected cost for each cost version. This information is defined on planned standard cost records.

Planned standard cost records are a tool to map out your plan for expected expenses. Planned standard cost records are a draft to track the standard, or expected, cost of items you anticipate using in the future. The standard cost is a fixed amount that you plan for as an expense.

You can create and store any number of planned standard cost records to anticipate a variety of potential costing scenarios.

For example, you know a specific cost you expect to incur for an item on a particular date. You can enter a planned standard cost record to show the cost you expect for an item on specific future dates. You expect

an item to cost $10 during January, but anticipate a rise in the cost to $20 during February. Your planned standard cost record plans for these cost fluctuations.

The planned standard cost record stores the fixed standard cost amount for an item. Each cost can be identified by a Cost Version and a Cost Category, as shown below:

Cost Version	Item Name	Cost Category	Standard Cost
Q3 2020	Item AB1001	Material: Wood	$10
Q4 2020	Item AB1001	Material: Wood	$20
Q1 2021	Item AB1001	Material: Wood	$30
Q2 2021	Item AB1001	Material: Wood	$50

You can see by the above planned standard cost record that prices for Item AB1001 are expected to rise over time. In Q3 the anticipated cost is $10, for Q4 it is $20 and further upwards over time.

When you assign a cost category, the cost is itemized in the specified category during the time that this cost version is used in production. As shown below, the parts of the assembly process for Assembly Widget A are categorized by materials and labor.

Planned Standard Cost Record: Assembly Widget A-Q3 2011			
Cost Category	**Cost**	**Item**	**Quantity**
Material: Metal	$90	Metal Component 1	3
Material: Wood	$50	Wooden Component 2	2
Labor: Assembly	$40	Widget Assembly	1
Labor: Painting	$30	Widget Painting	1

Included is the quantity of each component which records the amount you expect to use in a build. This information is used to calculate variances by comparing expected usage to actual usage.

Note: Amounts entered on planned standard cost records do not have an impact on costing calculations unless the record is selected to be updated into production.

Creating New Planned Standard Cost Records

A new planned standard cost record can be created either manually or automatically.

- **Manual** standard cost records are created when you complete the steps below to enter costing data for an item by hand.
- **Automatic** standard cost records are created for assembly items when you run a cost rollup.
  - Automatic standard cost records show costing data based on NetSuite calculations of component item costs.
  - When an automatic standard cost record is generated, the new calculated costs overwrite the previous manual data. This is true only if a standard cost record has previously been entered manually for the item.

    For more information, see Creating Planned Cost Records Using Import and Cost Rollup and Standard Cost Rollup.

Note: Calculations are performed with decimal precision to seven places. For example, 9.87654321 is calculated as 9.8765432.

To manually enter a new planned standard cost record:

1. Go to Lists > Accounting > Standard Cost Versions > New.
2. Choose a **Standard Cost Version**.
3. Select a location. The location you choose determines the location where you can push this version to production and use it for standard costing calculations.
4. Select an item.
5. Select a **Cost Category**. This category defines how cost variances will be tracked.
6. In the **Cost** field, enter the standard cost for the item to be associated with the selected category. This is the fixed cost you expect to pay.
   - If the item you selected is not an assembly item, this is the cost of the item selected in the header.
   - If the item you selected is an assembly item, this is the cost of the component on this line.
7. If the item you selected is an assembly item, complete these fields:
   1. Select a component.
   2. Enter a quantity. This is the number of this component you expect to use in a build.
   3. Enter a unit of measure.
8. Click **Add**.

   Non-assembly items can have only one cost category associated with them.

   For assembly items, you can associate multiple cost categories to track costs. If you select only one category, the entire standard cost of the item is tracked in that category.
9. Repeat these steps for each cost category you need to track for this assembly item.
10. Click **Save**.

Creating Planned Cost Records Using Import and Cost Rollup

You can use import functions and the Standard Cost Rollup page to create planned cost records for the inventory items. When you process the rollup, it creates the revaluation and all the planned cost records for the inventory items.

To create new records:

1. Import the cost to the **standard cost** field on the item record using CSV Import or SOAP web services. For more information, see the help topic CSV Imports Overview.
2. Create a cost version with **Item Default** selected as the inventory cost. For more information, see Defining Cost Versions.
3. Run the cost rollup.

   When you run the rollup, NetSuite creates all the planned standard costs for the inventory items. These are based on the item record value when the **Update Inventory Cost** box is checked on the item record.
4. Run a revaluation. For more information, see Revalue Standard Cost Inventory.

Standard Cost Rollup

The standard cost rollup helps maintain accurate costing data for assembly items by calculating the standard cost of assemblies. The cost of an assembly is determined based on current costs of member components.

The cost rollup process calculates the fixed cost based on data entered on the planned standard cost record. This allows the most accurate cost of each assembly component to be used in costing calculations.

For example, you want to know the cost of Assembly Item D. Assembly Item D is comprised of one each of Item A, Item B and Item C. The cost of each component is multiplied by the number used in the assembly. The sum is totaled to find the current cost of the assembly.

When a cost rollup is performed, NetSuite examines planned standard cost records to find the following:

- Item A = $5
- Item B = $6
- Item C = $7

Using this data, NetSuite calculates the cost of Item D as (5 + 6 + 7) = $18. After the cost is calculated, this information is stored. This enables you to track your expected cost of $18 for Assembly Item D.

Note: Calculations are performed with decimal precision to seven places. For example, 9.87654321 is calculated as 9.8765432.

In addition, cost calculations are performed for all parent component items. If an assembly has a component that is itself an assembly item, the same calculation is performed for the sub-assembly members. The cost calculations are performed down to the lowest sub-assembly level and then rolled up to find the cost of the parent assembly item.

- A cost rollup is performed on an item **only if that assembly has a cost category selected** on the item record. Then, the calculated costs are broken out by components and cost categories.
- The standard cost of all assemblies are calculated regardless of whether its components items use actual, average, or standard costing.

To run a cost rollup:

1. Go to Lists > Accounting > Planned Standard Cost Rollup.
2. Select one or more **Standard Cost Versions**. Click the icon to open a multi-select popup window.

   A list of items corresponding to the cost versions shows.
3. In the **Effective Date** field, enter the date you want the new standard cost to take effect. This defaults to the current date.
4. Check the **Update Inventory Cost** box to set the standard cost of all planned standard cost records of inventory items.

   The planned standard cost records of inventory items are created or updated based on the inventory costing method defined on the cost version. When the default item record selection is used on the cost version, the cost rollup process reflects the cost in the **Standard Cost** field. This field is on the item record for each item selected. In addition, the planned standard cost of inventory items is automatically generated as part of the rollup process.

The next time you open this page, NetSuite checks or clears the box based on the previous use.

5. The **Rollup Assemblies Based on Components** preference lets you select only the component. NetSuite creates inventory revaluation entries for all the higher-level assemblies. For example, you can introduce a new component for several existing assemblies, as follows:

   Assembly A, Subassembly B, Component C (new)

   Check the Rollup Assemblies Based on Components box and select component C on the page. When you submit, NetSuite finds all the associated assemblies within the entire bill of materials (BOM) tree. Then, creates inventory revaluation transactions for the component and for the assemblies (A,B,C).

6. Check the **Select** box next to an item to include it in the cost rollup calculations. Clear the box next to an item to exclude it from calculations.

   Check the **All Items** box to perform calculations for all items.

7. Click **Submit** to perform the calculations.

   NetSuite performs the cost rollup calculations and creates or updates the planned standard cost record for all items and sub-items. The list of these newly calculated planned standard cost records displays. Click **View** or **Edit** next to a planned standard cost records for details on that record. For more information, see Entering Planned Standard Cost Records.

Revalue Standard Cost Inventory

You can enter a transaction to revalue your standard cost inventory for each planned standard cost record. This revaluation process does the following:

- Sets the standard cost for items as of the specified effective date
- Calculates the current inventory value based on the current standard cost

Set Current Standard Cost

1. First, the revaluation transaction sets the standard cost of an item.

   This process identifies in the system which cost and cost category will be used on transactions for this item as of the effective date.

2. After the revaluation is performed, transactions entered use the newly established standard cost for items.

   For example, the current cost on record for the item Assembly Widget A is $20. You previously created a planned standard cost record for Widget A that is associated with cost version Q3 2020. It shows the standard cost of Widget A at $30. Now, you want to push that cost to production so it is used in costing calculations as of July 1, 2021. To do so, enter an inventory cost revaluation.

Calculate Inventory Value

An inventory cost revaluation transaction sets the value of on-hand inventory. This value is calculated as:

On-hand value = (standard cost * current quantity on hand)

Therefore, the current standard cost of Item A is set at $30 and the on-hand count is 100 units. The current value of Item A stock on hand is ($30 * 100) = $3000.

For assemblies, this is calculated as follows:

On-hand value per cost component = (component standard cost * current quantity on hand)

After the revaluation is performed, inventory values on records are current and more accurate.

When you enter an inventory revaluation, the result will be blank for any item with no quantity on hand.

Process a Revaluation Transaction

You can process an inventory revaluation in two ways:

- Revaluing Standard Cost Inventory in Bulk

  Select an existing cost version record, and set the date those costs become effective. Do so for all items associated with the cost version or only for select ones.
- Manually Entering an Inventory Cost Revaluation

  Select an item, and enter standard costing details. Upon submitting, a cost version record is created, and these costs become effective as of the transaction date.

You can enter only one revaluation transaction per date for each item in a specified location.

Note: Calculations are performed with decimal precision to seven places. For example, 9.87654321 is calculated as 9.8765432.

Revaluing Standard Cost Inventory in Bulk

This bulk process enables you to create inventory revaluations for multiple items at one time. Standard costing data is retrieved from existing cost version records and does not need to be entered manually.

Standard costing data for assembly components is updated or created on cost version records as necessary.

To revalue standard cost inventory in bulk:

1. Go to Lists > Accounting > Revalue Standard Cost Inventory.
2. Select one or more **Standard Cost Versions**. Click the icon to open a multi-select popup window.

   A list of items corresponding to the cost versions shows.
3. Select or enter the **effective date**. This is the date after which the price on the planned standard cost record is used for costing calculations.
4. Select an **Adjustment Account**. The inventory value variance amounts post to this account.
5. Check the **Revalue Assemblies based on Components** box to revalue all affected assemblies based on the component selected.

   Upon submitting this page, NetSuite remembers your selection for this box. The next time you open this page, NetSuite checks or clears the box based on the previous use.
6. Check the box next to an item to include it in the cost rollup calculations. Clear the box next to an item to exclude it from calculations.

   Check the **All Items** box to perform calculations for all items.
7. Click **Submit** to perform the calculations.

After you submit the page, all marked items have their inventory value calculated. The prices on the planned standard cost record are used on transactions going forward.

Manually Entering an Inventory Cost Revaluation

The Revalue Standard Cost Inventory page is used to activate a standard cost version in production, and also to recalculate the value of inventory items. For information about inventory revaluation for standard costing items, see Revalue Standard Cost Inventory.

To manually revalue standard cost inventory:

1. Go to Transactions > Accounting > Revalue Inventory Cost.
2. Select or enter the **transaction date**. This is the date after which the cost indicated on this page is used for costing calculations.
3. Optionally select a **posting period**.
4. Optionally enter a **reference number**.
5. Select an **adjustment account**.
6. Select the item you want to process for revaluation.
7. Optionally enter a **memo**. Text you enter in this field can be searched for to find this transaction.
8. In the **Subsidiary** field, select one or multiple subsidiaries. To select multiple subsidiaries, press and hold the Ctrl key.

   This field appears only in NetSuite OneWorld.
9. Select a **department** and **class** if you track them.
10. Select a **location**. The location you choose determines the location where you can push this version to production and use it for standard costing calculations.
11. Select a **Cost Category**. This category defines how cost variances will be tracked.
12. In the **Cost** field, enter the standard cost for the item to be associated with the selected category. This is the fixed cost you expect to pay for the component on this line.
13. Select a **component**.
14. Enter a **quantity**. This is the number of this component you expect to use in a build.
15. Enter a **unit of measure**.
16. Click **Add**.
17. Repeat these steps for each cost category you need to track for this assembly item.

    You can associate multiple cost categories to track costs for assembly items. If you select only one category, the entire standard cost of the item is tracked in that category.
18. Click **Save**.

After you submit the page, its inventory value is recalculated and the standard price indicated is used on transactions as of the transaction date. For more information, see the help topic Inventory Cost Revaluation Import.

Deleting a Revaluation

Use the following procedure to delete a revaluation.

To delete a revaluation:

1. Go to Transactions> Inventory> Revalue Inventory Cost > List.
2. Click **Edit** next to the revaluation you want to delete.
3. On the page, in the **Actions** list, select **Delete**.

   To maintain an audit trail, do not delete the revaluation. Instead, run the inventory cost revaluation again using the same parameters as the initial one.

Revaluation and Multi-Book Accounting

Important: If you use NetSuite OneWorld and the Foreign Currency Management and Multi-Book Accounting features, note the following. The exchange rate on a transaction has no impact on standard cost items. The item cost is always derived from the inventory cost revaluation.

When using the Multi-Book Accounting feature, for inventory costing to calculate without errors, submit an inventory cost revaluation after each new book is created. This revaluation must have a transaction date equal to the effective date of the new book. Note that the standard costs for other books will be impacted by the inventory cost revaluation unless you do the following. Before running the inventory cost revaluation, the exchange rates for other books must be the same rates as of the last inventory cost revaluation. These actions are required because each book has its own location standard cost for each standard cost item. The location standard cost must exist in each book for transactions being processed in each book to post variances for that book. A single standard cost cannot be used across all books for posting purposes because each book might be in a different currency. The inventory cost revaluation assigns a standard cost to an item. Therefore, the exchange rate for the day is used to calculate the standard cost for books in different currencies. From that point forward, the daily exchange rate does not affect the standard cost in each book. For more information, see the help topics Foreign Currency Revaluation in Multi-Book Accounting and Multi-Book Accounting Overview.

Standard Costing and Transactions

When you use the Standard Costing feature, transactions you enter in NetSuite include line-item data to process standard costing variances.

Please note the following:

- The sum of the cost across cost categories for an item generates the total cost of an item.
- Purchase price variances can post on any “more-on-hand” transactions, including purchase receipts and transfer order receipts.
- When transactions are processed using Standard Costing, the item cost is valued at a per-cost category level for non-lot numbered and non-serial numbered items.
  - For lot numbered items, inventory is valued at a per cost category, lot number combination.
  - For serial numbered items, inventory is valued at a per cost category, serial number combination.

The following details ways transaction data is processed with Standard Costing enabled. The examples below refer to Item A, which has a standard cost of $3 and an actual cost of $5 on transactions. The resulting general ledger postings are shown in tables as below:

Purchase Order Receipts

- The inventory asset value is always set at standard cost.
- A variance is generated for any difference between the actual cost shown on the order and the standard cost.

Account	Amount	
Asset	$3	standard cost
Purchase Price Variance	$2	difference in standard and actual cost
Accrued Purchases	$ -5	actual cost

Purchase Order Receipts With Landed Cost

- The inventory asset value is always set at standard cost.
- A variance is generated for any difference between the actual cost shown on the order and the standard cost.

  The variance is not divided into individual cost categories.

Transfer Order Receipts

A Gain/Loss value is generated based on the difference between the transfer price and standard cost at the source location. A variance is generated for any difference between the standard cost at the origination and destination locations.

Account	Amount	
Asset	$3	standard cost
Purchase Price Variance	$2	difference in standard and actual cost
In Transit	$ -5	loss on the item fulfillment record **Note:** The Gain/Loss account is recorded by the source location that transferred the item to the destination location. This account is reflected in the GL impact of Item Fulfillment because the In Transit account is established at fulfillment.

Inventory Transfer

A variance is generated for any difference between the standard cost at the origination and destination locations.

Account	Amount	
Asset (From Location)	$ -2	standard cost of location B
Asset (To Location)	$5	standard cost of location A
Purchase Price Variance	$ -3	

Assembly Build

Cost variances are divided into different cost categories and variance types. For more information, see Assembly Build Production Cost Variances.

Account	Amount	
Asset (Assembly)	$3	standard cost
Asset (Component)	$ -5	standard
Variances	$2	

Assembly Unbuild

Any difference between the standard and actual cost is posted to the Unbuild Variance account. For information about setting this account for items, see Setting Up Item Records for Standard Costing.

Account	Amount	
Asset (Assembly)	$ -3	standard/actual/average cost
Asset (Component)	$5	standard
Unbuild Variances	$ -2	

Assembly Build Production Cost Variances

When you use Standard Costing to track the expected cost for your items, you can compare the expected cost to the actual cost incurred. In making this comparison, you can track variances in costs for your items.

When you enter an assembly build, the cost associated with that specific build is sometimes more or less than you normally expect. For example, you normally expect the cost of the build to be $50, but sometimes the build might cost $40 or $75.

When you enter a build transaction, the stored standard cost of the assembly is compared to the actual cost incurred. The build transaction does the following:

1. Examines the expected, standard cost and material usage for the assembly.
2. Examines the actual cost and material usage for this build.
3. Compares the expected cost and material usage to the actual cost and usage.
4. Variances are posted that track cost fluctuations when there is a difference between either:
   - Quantity of component items required was more or fewer than usual.
   - Component item costs were higher or lower than usual.

For example, Assembly Item D is comprised of one each of Item A, Item B and Item C. Each component has a standard cost of $6, and NetSuite has calculated the expected cost of Assembly Item D to be $18. When you run an assembly production for Item D, you enter the build and mark that you used two of Item A instead of one.

Because you used more of Item A than usual, there is a difference in the expected cost and the actual cost of the assembly. NetSuite calculates the actual production cost for that run as $24 and posts a variance to the general ledger to track this $6 cost fluctuation. Posting these variance amounts maintains more accurate costing data for your items.

Build cost variances post to accounts based on the variance type and can specify different cost categories.

- Production Price Variances – Variances post to this account when the cost of materials for the build is higher or lower than expected. Variances also post to this account when there are foreign exchange differences
- Production Quantity Variances – Variances post to this account when the amount of materials used for the build is higher or lower than expected.

  You can set up the accounts used for both of these variances. For more information, see Setting Up Item Records for Standard Costing.

On assembly builds, variances are generated based on a comparison between the actual and standard cost at a per component, cost category basis. The total production variance is calculated as follows:

Total Production Variance = (Actual Cost x Actual Quantity Consumed) – (Standard Cost x Standard Quantity Consumed)

Production Price Variances

A production price variance identifies cost differences between the planned expense and actual expense of assembly components.

For example, the build had a planned usage of components that cost $100. The actual cost of components used was $50. The actual cost for the build is lower than the planned cost, so NetSuite generates a variance.

This variance is calculated as follows:

Production Price Variance =

Actual Quantity Used * (Standard Cost of Components - Actual Cost of Components)

Example

The following table details an example of a production price variance. It shows the bill of materials for the item Assembly A. It shows each member component of the assembly, how many are expected to be used, and the expected cost for each member.

Bill of Materials for Assembly A			
Component	**Quantity Per Assembly**	**Expected Unit Cost**	**Expected Total Cost**
B	2	$17	$34
C	3	$19	$57
D	5	$23	$115
F	7	$29	$203
		TOTAL	$409

The following table shows the actual build entered to assemble the item Assembly A. Notice that the actual price for component items is higher than expected. This causes the actual total cost of the assembly to increase for this build.

Assembly Build for Assembly A			
Component	**Quantity Used**	**Actual Unit Cost**	**Actual Total Cost**
B	2	$119	$238
C	3	$171	$513
D	5	$345	$1035
F	7	$222	$1554
		TOTAL	$3340

Because the actual cost for the build is higher than the expected cost, NetSuite generates the following variance.

Assembly Build Variance			
Expected Total Cost	**Actual Total Cost**	**Cost Difference**	**Variance Generated**
$409	$3340	$2931	$2931

Production Quantity Variances

A production quantity variance identifies quantity difference between what is planned and actual in component consumption.

For example, the build had a planned usage of four units. The actual quantity used was three. The actual cost for the build is lower than the planned cost, so NetSuite generates a variance.

This variance is calculated as follows:

Production Quantity Variance = Standard Cost of Component * (Standard Quantity Used - Actual Quantity Used)

Example

The following table details an example of a production quantity variance. It shows the bill of materials for the item Assembly A. It shows each member component of the assembly, how many are expected to be used, and the expected cost for each member.

Bill of Materials for Assembly A			
Component	**Quantity Per Assembly**	**Expected Unit Cost**	**Expected Total Cost**
B	2	$17	$34
C	3	$19	$57
D	5	$23	$115
F	7	$29	$203
		TOTAL	$409

The following table shows the actual build entered to assemble the item Assembly A. Notice that the quantity used for all component items is higher than expected. This causes the actual total cost of the assembly to increase for this build.

Assembly Build for Assembly A			
Component	**Actual Quantity Used**	**Unit Cost**	**Actual Total Cost**
B	7	$17	$119
C	9	$19	$171
D	9	$23	$207
F	13	$29	$377

Assembly Build for Assembly A			
Component	**Actual Quantity Used**	**Unit Cost**	**Actual Total Cost**
		TOTAL	$874

Because the actual cost for the build is higher than the expected cost, NetSuite generates the following variance.

Assembly Build Variance			
Expected Total Cost	**Actual Total Cost**	**Cost Difference**	**Variance Generated**
$409	$874	$465	$465

Standard Costing FAQ

Is the Standard Cost field available to update using Mass Updates?

No. The Standard Cost field is available in CSV Import and SOAP web services only.

Can the Inventory Cost Revaluation transaction be backdated?

Yes, if the transaction is *not* dated in a closed accounting period.

Will the automated planned standard cost include components that use the Average costing method?

Yes. To be selected for the cost rollup, the item is not required to be set to the Standard costing method.

Is the Standard Cost field available on an assembly item record?

No. The Standard Cost field is not available on assembly item records because it is generated through the cost rollup.

Is it possible to create multiple revaluations per location for an item in one day?

No. There can be only one inventory revaluation for an item per day for each location. If attempt is made, this message is shown: "An inventory cost revaluation already exists for this item, location, and date."

Note: If you choose to manually add a revaluation, delete the existing revaluation, or change the transaction date for it. If you run the revaluation on a date for which an inventory revaluation already exists, the existing one updates with the new values.

If I change the Standard Cost value on the item record, will the item's planned standard cost automatically update and be revalued?

No, it is not automatic. You can choose to do one of the following:

- Edit the planned standard cost record of the item manually and then run a revaluation.
- Process another cost rollup and then run a revaluation.

Standard Costing Reporting

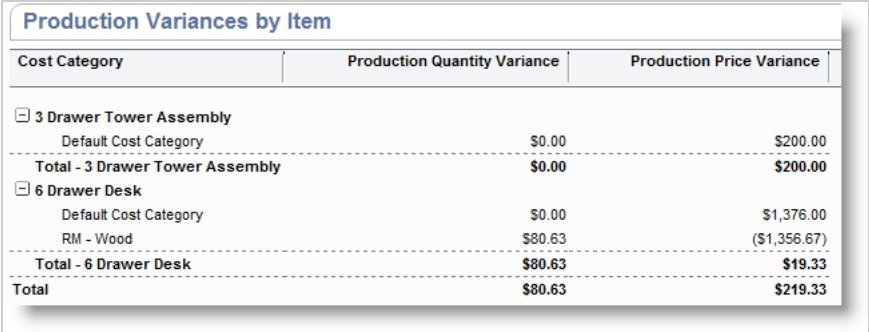
You can use the following reports to analyze cost versions and variances.

- View these reports at Reports > Cost Accounting.
- Customize these reports at Reports > Cost Accounting > [report name] > Customize > Customize.

  To customize a report, open the standard report and then click **Customize**.

Production Variances by Item Report

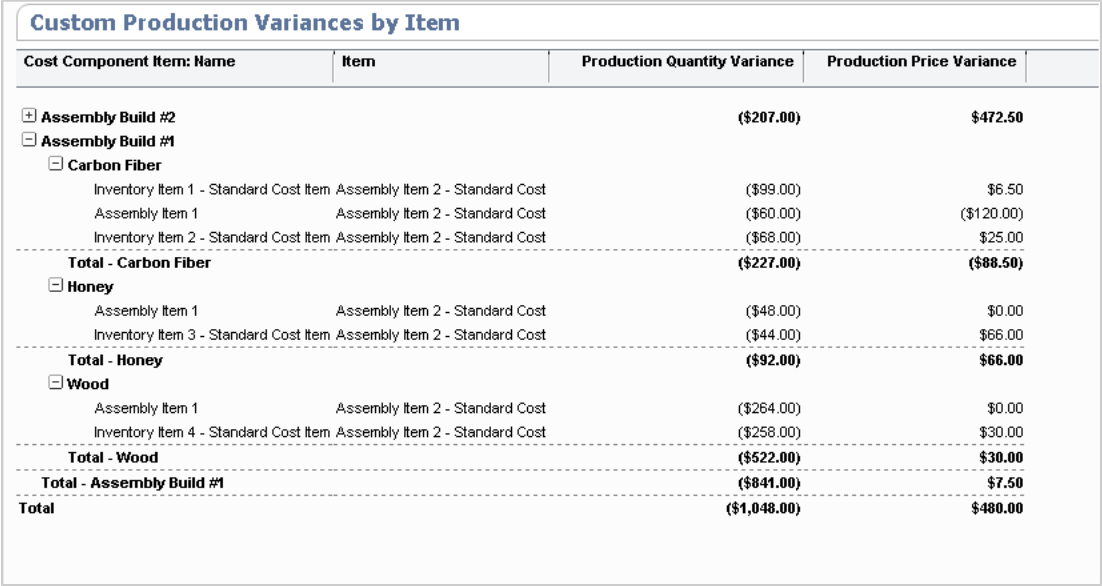
This report lets you view variances by cost categories and cost components. This information lets you quickly identify areas where too much scrapping can occur due to significant quantity variances.



Production Variances by Item

Cost Category	Production Quantity Variance	Production Price Variance
3 Drawer Tower Assembly		
Default Cost Category	$0.00	$200.00
Total - 3 Drawer Tower Assembly	**$0.00**	**$200.00**
6 Drawer Desk		
Default Cost Category	$0.00	$1,376.00
RM - Wood	$80.63	($1,356.67)
Total - 6 Drawer Desk	**$80.63**	**$19.33**
Total	**$80.63**	**$219.33**

You can customize this report, as shown in the following screenshot.

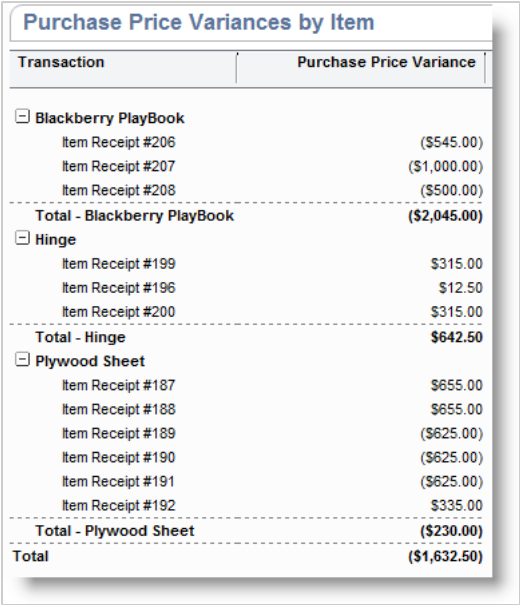


Custom Production Variances by Item

Cost Component Item: Name	Item	Production Quantity Variance	Production Price Variance
Assembly Build #2		**($207.00)**	**$472.50**
Assembly Build #1			
Carbon Fiber			
Inventory Item 1 - Standard Cost Item	Assembly Item 2 - Standard Cost	($99.00)	$6.50
Assembly Item 1	Assembly Item 2 - Standard Cost	($60.00)	($120.00)
Inventory Item 2 - Standard Cost Item	Assembly Item 2 - Standard Cost	($68.00)	$25.00
Total - Carbon Fiber		**($227.00)**	**($88.50)**
Honey			
Assembly Item 1	Assembly Item 2 - Standard Cost	($48.00)	$0.00
Inventory Item 3 - Standard Cost Item	Assembly Item 2 - Standard Cost	($44.00)	$66.00
Total - Honey		**($92.00)**	**$66.00**
Wood			
Assembly Item 1	Assembly Item 2 - Standard Cost	($264.00)	$0.00
Inventory Item 4 - Standard Cost Item	Assembly Item 2 - Standard Cost	($258.00)	$30.00
Total - Wood		**($522.00)**	**$30.00**
Total - Assembly Build #1		**($841.00)**	**$7.50**
Total		**($1,048.00)**	**$480.00**

Purchase Price Variances by Item Report

This report shows price variances generated by purchases on an item-by-item basis. It lets you identify opportunities to manage inventory costs and negotiate with suppliers.



Purchase Price Variances by Item

Transaction	Purchase Price Variance
Blackberry PlayBook	
Item Receipt #206	($545.00)
Item Receipt #207	($1,000.00)
Item Receipt #208	($500.00)
Total - Blackberry PlayBook	**($2,045.00)**
Hinge	
Item Receipt #199	$315.00
Item Receipt #196	$12.50
Item Receipt #200	$315.00
Total - Hinge	**$642.50**
Plywood Sheet	
Item Receipt #187	$655.00
Item Receipt #188	$655.00
Item Receipt #189	($625.00)
Item Receipt #190	($625.00)
Item Receipt #191	($625.00)
Item Receipt #192	$335.00
Total - Plywood Sheet	**($230.00)**
Total	**($1,632.50)**

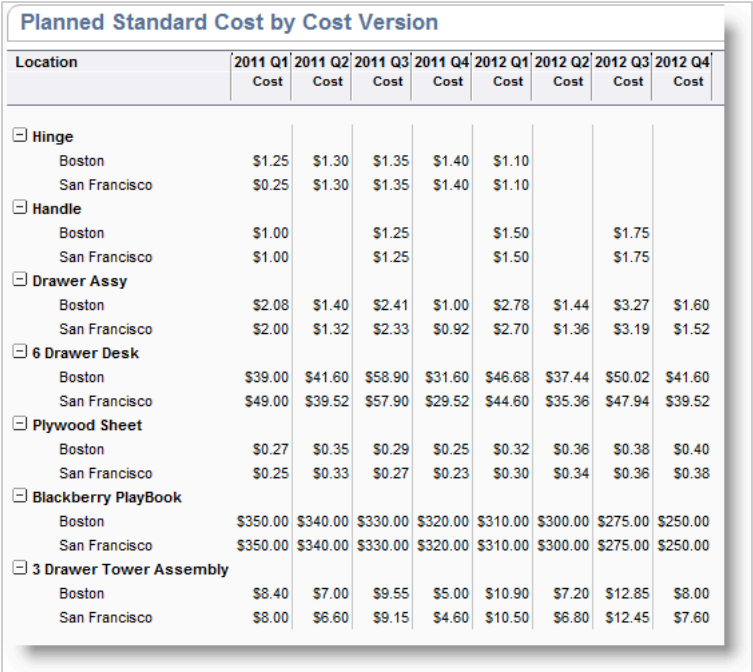
You can customize this report, as shown in the following screenshot.

Custom Purchase Price Variances by Item

Item	Purchase Price Variance
Item Receipt #8	
Assembly Item 2 - Standard Cost	($3,410.00)
Total - Item Receipt #8	**($3,410.00)**
Total	**($3,410.00)**

Planned Standard Costs By Cost Version Report

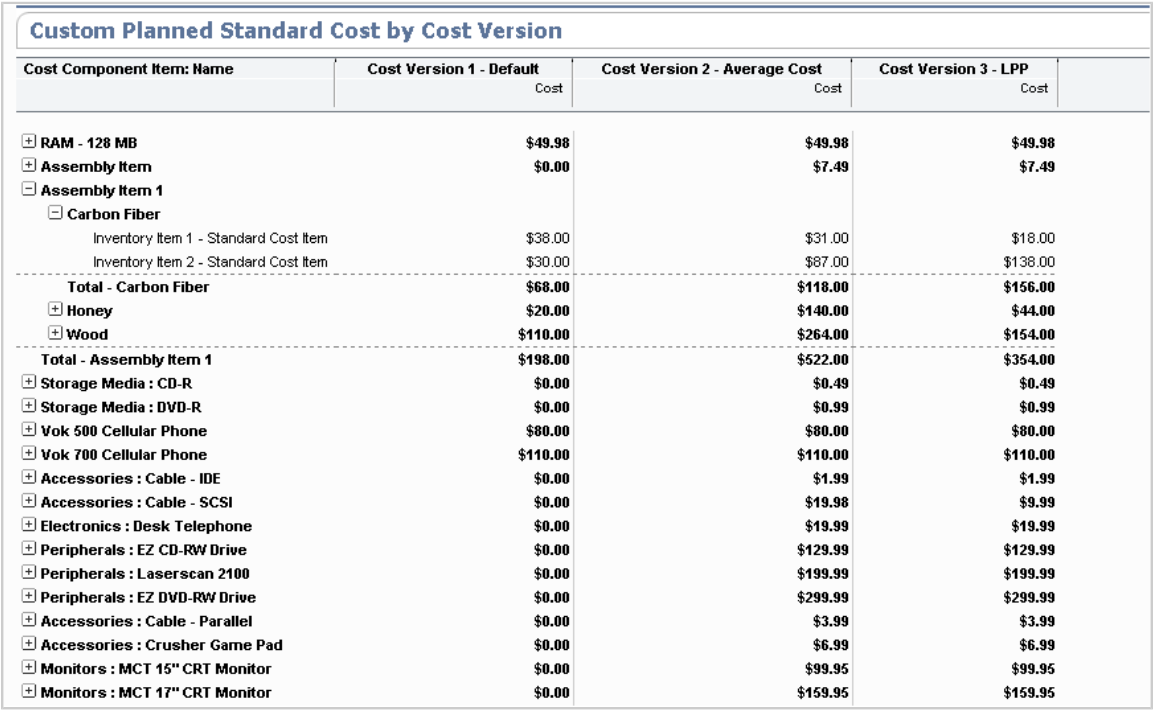
This report provides a side-by-side comparison of different standard costs for items and assemblies based on each cost version.



Planned Standard Cost by Cost Version

Location	2011 Q1 Cost	2011 Q2 Cost	2011 Q3 Cost	2011 Q4 Cost	2012 Q1 Cost	2012 Q2 Cost	2012 Q3 Cost	2012 Q4 Cost
Hinge								
Boston	$1.25	$1.30	$1.35	$1.40	$1.10			
San Francisco	$0.25	$1.30	$1.35	$1.40	$1.10			
Handle								
Boston	$1.00		$1.25		$1.50		$1.75	
San Francisco	$1.00		$1.25		$1.50		$1.75	
Drawer Assy								
Boston	$2.08	$1.40	$2.41	$1.00	$2.78	$1.44	$3.27	$1.60
San Francisco	$2.00	$1.32	$2.33	$0.92	$2.70	$1.36	$3.19	$1.52
6 Drawer Desk								
Boston	$39.00	$41.60	$58.90	$31.60	$46.68	$37.44	$50.02	$41.60
San Francisco	$49.00	$39.52	$57.90	$29.52	$44.60	$35.36	$47.94	$39.52
Plywood Sheet								
Boston	$0.27	$0.35	$0.29	$0.25	$0.32	$0.36	$0.38	$0.40
San Francisco	$0.25	$0.33	$0.27	$0.23	$0.30	$0.34	$0.36	$0.38
Blackberry PlayBook								
Boston	$350.00	$340.00	$330.00	$320.00	$310.00	$300.00	$275.00	$250.00
San Francisco	$350.00	$340.00	$330.00	$320.00	$310.00	$300.00	$275.00	$250.00
3 Drawer Tower Assembly								
Boston	$8.40	$7.00	$9.55	$5.00	$10.90	$7.20	$12.85	$8.00
San Francisco	$8.00	$6.60	$9.15	$4.60	$10.50	$6.80	$12.45	$7.60

You can customize this report, as shown in the following screenshot.



Custom Planned Standard Cost by Cost Version

Cost Component Item: Name	Cost Version 1 - Default Cost	Cost Version 2 - Average Cost Cost	Cost Version 3 - LPP Cost
RAM - 128 MB	$49.98	$49.98	$49.98
Assembly Item	$0.00	$7.49	$7.49
Assembly Item 1			
Carbon Fiber			
Inventory Item 1 - Standard Cost Item	$38.00	$31.00	$18.00
Inventory Item 2 - Standard Cost Item	$30.00	$87.00	$138.00
Total - Carbon Fiber	$68.00	$118.00	$156.00
Honey	$20.00	$140.00	$44.00
Wood	$110.00	$264.00	$154.00
Total - Assembly Item 1	$198.00	$522.00	$354.00
Storage Media : CD-R	$0.00	$0.49	$0.49
Storage Media : DVD-R	$0.00	$0.99	$0.99
Vok 500 Cellular Phone	$80.00	$80.00	$80.00
Vok 700 Cellular Phone	$110.00	$110.00	$110.00
Accessories : Cable - IDE	$0.00	$1.99	$1.99
Accessories : Cable - SCSI	$0.00	$19.98	$9.99
Electronics : Desk Telephone	$0.00	$19.99	$19.99
Peripherals : EZ CD-RW Drive	$0.00	$129.99	$129.99
Peripherals : Laserscan 2100	$0.00	$199.99	$199.99
Peripherals : EZ DVD-RW Drive	$0.00	$299.99	$299.99
Accessories : Cable - Parallel	$0.00	$3.99	$3.99
Accessories : Crusher Game Pad	$0.00	$6.99	$6.99
Monitors : MCT 15" CRT Monitor	$0.00	$99.95	$99.95
Monitors : MCT 17" CRT Monitor	$0.00	$159.95	$159.95

Multiple Units of Measure

The Multiple Units of Measure feature enables you to define various units used to stock, purchase, and sell inventory items, and track non-monetary accounts.

If you are using the feature with inventory items, units of measure provides greater flexibility and accuracy when tracking and selling inventory. For example, you might purchase cable in pallets, stock the cable in spools, and sell the cable in feet. With the Multiple Units of Measure feature, you set up a Units Type and define each unit for that type. You can set up a Units Type called Length. Then, set up Length units of Inch, Foot, and Yard. You assign a base unit and define each unit in terms of the base. For example, if your base unit is Inch, define the unit Foot as 12 inches. After you set up a Units Type, you can define a unit to default for each item on a particular transaction. On item records, designate a unit to default as a purchase unit, stock unit or sales unit. Then, on transactions:

- Purchase orders default to show the item in purchase units.
- Invoices default to show the item in sales units.
- Inventory adjustments default to show the item in stock units.
- Work orders, assembly unbuilds, and assembly builds for assemblies are recorded in base units.

Also, reports you generate show units of measure based on the units used in transactions. For example, when you track inventory of soda by the case, your inventory reports display soda with stock counts based on cases.

Note: After a units type is assigned to any item, the units type cannot be edited except to add more units.

If you use Multiple Units of Measure to track non-monetary data, you can assign a default unit of measure type to each statistical account. Then, use that information on reports and income statements to view its relationship with the financial activity of your organization. For more information, see the help topic Using Statistical Accounts.

Enabling Multiple Units of Measure

An administrator must use the following procedure to enable the Multiple Units of Measure feature.

To enable the Multiple Units of Measure feature:

1. Go to Setup > Company > Setup Tasks > Enable Features.
2. Click the **Accounting** subtab.
3. Verify that the **Accounting** box is checked.
4. Click the **Company** subtab.
5. Check the **Multiple Units of Measure** box.
6. Click **Save**.

Setting Up Units of Measure

To set up units of measure, you first create a record for each units type you want to assign to your items. For example, you can create a units type named Length. Then, create units for the units type. Each units type can have several units. For example, you can create length units of Inch, Foot, and Yard.

If you are creating a unit of measure for a statistical account, see the help topic Creating a Unit Type for a Statistical Account.

To create a unit type:

1. Go to Lists > Accounting > Units of Measure > New.
2. On the Units Type page, in the **Type Name** field, enter the name of the kind of unit you are creating.

   For example, you can have a units type named **Length**.
3. In the **Name** column, enter a name for the unit you want to create.

   For example, you can have a Length unit named **Inch**.
4. In the **Plural Name** column, enter the plural name for the unit.

   For example, the plural for the unit Inch is **Inches**.
5. In the **Abbreviation** field, enter the abbreviation for the singular unit.

   For example, the abbreviation for the unit Inches is **in**.
6. In the **Plural Abbreviation** field, enter the abbreviation for the plural unit.
7. Check the box in the **Base Unit** column if the unit you are entering is used to define the other units in this group.

   For example, inch is the base unit to create length units of foot and yard.

   Each units type must have a base unit, and can have only one unit designated as the base.
8. In the **Conversion Rate** field, enter the quantity of base units that corresponds to one unit of the current line.

   When the **Base Unit** box is checked, the conversion rate for the unit is set and locked at one.
9. Click **Add**.
10. Repeat these steps for each unit you want to create in this units type.

    Note: You cannot create more than 650 units of the same type,
11. Click **Save**.

    Now the units type can be assigned to item records.

Note: After you assign a units type to an item, the item's unit type cannot be changed. Also, after a units type is assigned to any item, the units type cannot be edited except to add more units.

After a units type is marked as a base unit and saved, you can change the base unit by editing the current base unit. On the units type record, clear the existing Base Unit box and then check the Base Unit box on the new base unit.

Next, assign a units type to an item to define quantities for purchasing, stocking, and selling the item. For example, when you assign the units type of Length to your inventory item cable, you can purchase the cable in yards. Then you can stock the cable in feet, and sell the cable in inches.

Important: If you change the purchase unit on the item record, NetSuite automatically performs a conversion. It converts the prior standard cost in prior units to the new standard cost in new units at save.

For example, the standard cost field is $1 and the purchase unit is inches. If you change the purchase unit to cm, at save, the standard cost field changes to $1 x conversion units, or $2.54.

Assigning Units of Measure to Items

Assign a units type to an item record to define the default unit of measurement used to purchase, stock, and sell the item.

Note: After you assign a units type to an item, the item's unit type cannot be changed. Also, after a unit type is assigned to any item, the units type cannot be edited except to add more units.

To assign a units type to an item:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the name of the item you want to assign a units type to.
3. On the **Main** subtab of the item record, in the **Units Type** field, select a units type.

   For example, if the item is cable, then you might choose **Length** as the units type.

   The units type you choose determines your choices of purchase, stock, and sale units.

   When you select a units type, the purchase, stock, and sale units default to the base unit for that units type.
4. Select the **Stock Units** you use to track your inventory of this item.

   The stock unit chosen here is the default used to calculate and display the following counts for this item:
   - **Reorder Point**
   - **Quantity on Hand**
   - **Quantity Committed**
   - **Quantity on Order**
   - **Quantity Available**
   - **Quantity Backordered**
   - **Average Cost**
5. Select the **Purchase Units** you use to purchase this item.

   When this item is selected on a purchase transaction, it defaults to show this unit and the purchase price is displayed for this unit.

   The purchase unit chosen here is used to display the **Last Purchase Price** for this item.
6. Select **Sale Units** you use to record sales of this item.

   When this item is selected on a sale transaction, it defaults to show this unit.

   The sale unit chosen here is the default used to display the following counts for this item:
   - **Sale Price**
   - **Shipping Cost**
   - **Handling Cost**
   - **Item Weight**
7. Select the default **Consumption Unit** of measure for inventory.
8. Click **Save**.

Default units chosen on the item record show on purchase and sales transactions, but can be changed to another unit if needed. Units cannot be edited on inventory transactions, however.

Not all item types can have all types of units assigned to them. For example, Non-Inventory for Resale items can have Sale units and Purchase Units, but not Stock units.

The table below shows items that can have units assigned, and each type that can be assigned.

Item Type	Units Type	Stock Units	Sales Units	Purchase Units
Inventory	Y	Y	Y	Y

Item Type	Units Type	Stock Units	Sales Units	Purchase Units
Lot or Serialized Inventory	Y	Y	Y	Y
Non-Inventory for Purchase	Y	N	N	Y
Non-Inventory for Resale	Y	N	Y	Y
Non-Inventory for Sale	Y	N	Y	N
Other Charge for Purchase	Y	N	N	Y
Other Charge for Resale	Y	N	Y	Y
Other Charge for Sale	Y	N	Y	N
Service for Purchase	Y	N	N	Y
Service for Resale	Y	N	Y	Y
Service for Sale	Y	N	Y	N

On item records for an Item Group or Kit/Package, the units of measure for member items show on the Members subtab. Items are assigned to the group or kit in quantities of the base unit.

To see the Units Type, Stock Units, Purchase Units and Sales Units for all items, go to Lists > Items. Select All in the View field.

Serial and Lot Inventory with Multiple Units of Measure

When you use Multiple Units of Measure with the Serialized Inventory or Lot Tracking features, you have more flexibility on sales and purchases. You can purchase, stock, sell and conduct inventory transactions for items in different units of measure.

Your purchase units for a serial or lot item might differ from the stock units. Also, your stock units might differ from the sale units for a serial or lot item. You can set the units of measure individually for the purchase, stock, and sale of each serial or lot item.

For example, a food distributor tracks goods by assigning a lot number and expiration date to a perishable product, item #4567. This lot numbered product is ordered from the vendor by the truckload. It is stocked at a central warehouse by the pallet. It is sold to customers as single box units. By designating a purchase unit **truck**, stock unit **pallet**, and sale unit **box**, you can accurately use units and quantities on individual transactions.

To use Multiple Units of Measure, first you set up a Units Type and define each unit for that type. For example, you can set up a Units Type called Perishable. Then, set up Perishable units of Truck, Pallet, and Box. You assign a base unit and define each unit in terms of the base. For example, if your base unit is Box, you can define the unit Pallet as 144 boxes.

For more information about setting up units of measure, see Setting Up Units of Measure.

Note the following details when working with units of measure for lot or serial items on transactions and records:

- **Serial Numbered Items**
  - When selecting stock units, purchase units, and sale units on transactions, serial numbered items are **not** able to use fractional quantities.

- The base unit must be the smallest unit of measure.
- **Important:** When you enter transactions that include serial numbered items and enter a quantity in non-base units, note the following. You must enter serial numbers in a quantity equivalent to the quantity in base units.

  For example, you are receiving 1 pallet of a serialized item and a pallet is comprised of 10 base units. You must enter **10** serial numbers on the receipt.

  Another example:

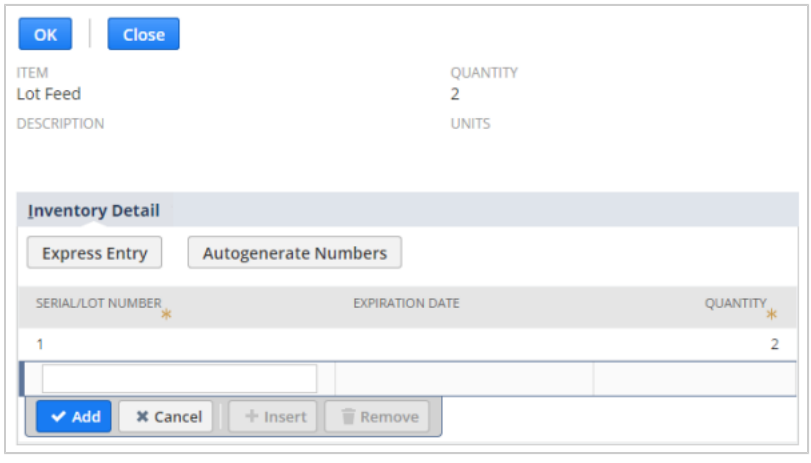
  - A purchasing manager creates a vendor bill for 1 case of serialized inventory.
  - A case has a conversion rate of 6.
  - The base unit is Each.
  - For this transaction, the number of serial numbers required is **6** because the quantity of serial numbers must match quantity of items in base units.

- **Lot Numbered Items**
  - Units types you use for inventory items can also be used for lot numbered items.
  - The base unit does not have to be the smallest unit of measure.
  - When selecting stock units, purchase units, and sale units on transactions, lot numbered items are able to use fractional quantities.
  - On transactions, you must enter lot numbers in a quantity equal to the quantity of units on the transaction. This is true regardless of the unit type being used on the transaction.

    For example, you are receiving 1 pallet of a lot numbered item and a pallet is comprised of 10 base units. You must enter **1** lot number on the receipt.

    Another example:

    - A purchasing manager creates a vendor bill for 2 cases of lot numbered inventory.
    - A case has a conversion rate of 6.
    - The base unit is Each.
    - The entire case belongs to one single lot.
    - For this transaction, the following image shows that the quantity entered for the lot in the serial/lot numbers field is **2**.



- **Serial Numbered Items** and **Lot Numbered Items**

  After you set up units of measure on an item, you can edit the units, but not the units type.

You can add line items to the following transactions using units of measure:

- Enter Purchase Orders
- Enter Vendor Return Authorization
- Write Checks
- Use Credit Card
- Bill Purchase Orders
- Create Opportunities
- Prepare Estimates
- Enter Sales Order
- Create Invoices
- Adjust Inventory
- Transfer Inventory
- Distribute Inventory
- Issue Credit Memo

Note: On some transactions that allow units to be changed, only units that qualify appear in the units list.

The following transactions display units of measure that cannot be changed:

- Receive Purchase Order: displays units selected on purchase order
- Fulfill Sales Orders: displays units selected on sales order
- Adjust Inventory Worksheet: displays default base units
- Replenish Location: displays base units

Purchase Transactions

You can enter purchase transactions with lot and serial numbered items that designate units of measure other than stock units. This is useful when your vendor sells items in units that are different from units you use to stock items in the warehouse.

Item Purchases

When you enter a purchase order that includes a lot numbered or serialized item, the units appear on the transaction line with the item. The unit of measure that appears by default is the purchase unit defined on the item record.

You can edit the selection in the Units field, if necessary. The available units of measure are based on the available units on units type page.

Item Receipts

When you enter an item receipt that includes a lot numbered or serialized item, the units appear on the transaction line with the item. When you receive lot or serial numbered items, the receipt unit

is always derived from the unit selection on the originating purchase order. The unit of measure displayed is for reference and cannot be changed.

Other Purchase Transactions

Note the following when you enter a vendor return, write a check, enter a credit card transaction, or bill a purchase order. If the form includes a lot numbered item, the unit of measure that appears by default is the purchase unit defined on the item record. You can edit the selection in the Units field, if necessary.

Sales, Fulfillment, and Billing Transactions

You can enter transactions with lot and serial numbered items that designate units of measure other than stock units. This is useful if your customer buys the items in units that are different from the units you use to stock items in the warehouse.

For example, most of your customers buy item #4567 by the box. But, one customer buys it by the pallet. You can enter a sales order for that customer a sell in pallet quantities instead of boxes.

Sales Transactions

Note the following when you enter a sales order, opportunity, or quote that includes a lot numbered or serialized item. You can set the unit of measure on the transaction line. Select any unit defined on the Units of Measure page.

Fulfillments

Note the following when you enter an item fulfillment that includes a lot or serial numbered item. The fulfillment unit is always derived from the unit selection on the originating sales order. The unit displays is for reference. You cannot change the unit of measure displayed on the transaction line.

Billing and Credits

Note the following when you enter an invoice or credit memo for a lot or serial numbered item. You can set the unit of measure on the transaction line, **and** choose from all available units of measure.

Inventory Transactions

You can enter inventory transactions with lot and serial numbered items that designate units of measure other than stock units. This is useful if you adjust inventory to store defective items using units different from the regular stock units you use in the warehouse. You can view the unit of measure for lot and serial items when you enter an inventory adjustment with the adjustment worksheet.

Inventory Adjustments and Transfers

Note the following when you enter an inventory adjustment or transfer that includes a lot or serial numbered item. You can set the unit of measure on the transaction line, **and** choose from all available units of measure. When you enter an inventory adjustment worksheet or inventory distribution, the transaction displays only base units for lot and serial numbered items. This is also true when you replenish a location.

Bar Codes and Item Labels

The Bar Coding and Item Labels feature automatically generates a bar code for each item. This bar code is based on the Item Name/Number, or Srotock Keeping Unit (SKU), on the item record. Item bar codes are generated based on the contents of the Item Name/Number field in an item record. Most bar codes use a number or alphanumeric string for this field.

Bar codes are also generated for each transaction, as well as serial numbers if you use them.

NetSuite's bar code integration works with any bar code scanner that functions as a keyboard input device. The scanner translates the bar code into text, as if you typed it on the keyboard.

You can input and track information in NetSuite by generating bar codes for each item and transaction. For example, you can:

- Print labels to affix to the items that show the item price, and bar codes for item number and serial number.
- Scan bar code labeled items to add them to a sales transaction or receive them on a purchase transaction.
- Scan transaction bar codes to bulk receive, fulfill, pick, pack, ship, bill, or approve orders.

Bar codes for items can be generated in one of the following formats:

- **UPC** – specific number of integer characters

  A UPC bar code symbol is a pattern of black bars with white spaces with numbers below. The numbers are encoded in the symbol and uniquely identify the product. This group of numbers is referred to as a Global Trade Item Number (GTIN). The symbol is read by scanners to capture the GTIN, which is used in conjunction with computer systems to track sales and product orders. The GTIN in a UPC Bar Code Symbol is always 12-digits in length.

  > **Note:** A 12-digit UPC code will have the country digit appended as the first digit. The country digit for the US is 0.
  >
  > For more information, see http://www.uc-council.org

- **EAN** – bar codes that have 13-digits are EAN format
- **Code 128** – allows alphanumeric and non-printing characters

  Code 128 is a very high density alphanumeric bar code, and is more flexible than the UPC format. The symbol can be as long as necessary to store the encoded data. It is designed to encode text, numbers, several functions and the entire 128 character ASCII character set.

  For more information, see http://www.idautomation.com/barcode-faq/code-128/

You can indicate which bar code format you are using on a per item basis.

Using Code 128 Bar Codes

Leave the UPC Code field blank on item records. Items use the Code 128 format for bar codes by default.

When the UPC Code field is clear, the SKU/UPC field on item labels displays the Item Name/Number and prints in Code-128 bar code format.

To use a UPC or EAN bar code:

1. Go to the item record at Lists > Accounting > Items.
2. Click **Edit** next to the item record in the list.

3. Enter the code in the **UPC Code** field. Enter a maximum of 999 characters in this field to identify an internal name or number to store the item's UPC Code. You can use the text you enter here when adding the item to transactions, searching, or viewing reports.
   - When you enter text in this field, the **SKU/UPC** field on item labels displays this UPC Code and prints in UPC bar code format.
   - When this field is clear, the **SKU/UPC** field on item labels displays the Item Name/Number and prints in Code-128 bar code format.
4. Click **Save**.

   NetSuite supports bar code labels for the UPC A format and the EAN format. If an invalid number is entered in the UPC Code field, the bar code might not display properly.

Note: Bar codes on transactions are always generated in Code 128 format. When bar codes are printed on labels or transactions, the transaction or Item Name/Number it represents prints below the bar code.

To properly scan bar codes, you must use popup windows rather than lists. To use only popup windows, go to Home > Set Preferences. Set the **Maximum Size of Drop Downs** to 0, and then save.

Enabling the Bar Coding and Item Labels Feature

An administrator can use the following procedure to enable the Bar Coding and Item Labels feature.

To enable the Bar Coding and Item Labels feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Items & Inventory** subtab.
3. Check the **Bar Coding and Item Labels** box.
4. Click **Save**.

Note: Although some use the term **barcode**, NetSuite uses the term **bar code**.

Printing Bar Code and Item Labels

You can print labels to affix to your items. Labels can include the SKU (item number), item price, and item bar code. For serialized items, the label can also include the serial number bar code and serial number.

Your administrator can customize the layout of your printed forms using Advanced PDF/HTML templates. To learn more, see the help topic Advanced PDF/HTML Templates.

Your user role must have Items permission set to the Edit or Full level to print bar codes and item labels. To learn more, Customizing or Creating NetSuite Roles.

The following applies to all bar codes when printing:

- If a bar code is not resizable, NetSuite ignores Height and Width during printing. A third-party library used by NetSuite determines if a bar code is resizable.
- Only for resizable bar codes, default Height and Width are used as follows:
  - EAN13, UPCA =1 inch
  - Code128 =none.

- If the value for Height causes the Width to exceed the specified Width, the Width and Height are both adjusted to fit the label. If the value entered for Height does not cause the Width to exceed the specified width, the default width is used.

Note: To print labels, you need Adobe Reader. Visit the Adobe Web site to download the latest version at no charge.

You can print bar codes and item labels in the following ways:

- Bar Codes on Transactions
- Item Labels From Item Records
- Printing Item Labels in Bulk
- Printing Labels From Transactions

Bar Codes on Transactions

To print bar codes on transactions, print the transaction as usual by clicking Print on the transaction. Bar codes are automatically included on the transaction. You can also go to Transactions > Management > Print Checks and Forms > Item Labels > Item Labels.

Item Labels From Item Records

You can print a label for an item directly from the item record. Go to Lists Accounting > Items.. Click View next to the item name. On the item record, click the Print Label button.

Printing Item Labels in Bulk

Use the following procedure to print item labels in bulk.

To bulk print labels:

1. Go to Transactions > Management > Print Checks and Forms.
2. Click **Item Labels**.
3. On the Print Item Labels page, the **Item Type** field defaults to **Inventory Item**.

   You can select another item type to print labels for, such as **Numbered Inventory**.
4. Check the **Print Non-sellable Items** box to print labels for items not generally sold on a sales transaction. These items are more often used for information or pricing. Non-sellable items include description, discount, markup, and payment items.
5. In the **Item Label Layout** field, select the layout you prefer to use to print.

   Note: The standard item label layout supports Avery 5260 labels.

   You can create custom label layouts at Customization > Forms > Transaction Forms. Click the **Customize** link next to **Standard Item Label Layout**.
6. If you use Multiple Currencies, select which currency you want to print labels for.
7. In the **Starting Label** field, enter a number to identify the location on the page you want to begin printing. For example, entering **1** starts printing in the first label on the sheet. This lets you save labels by printing on sheets that are partially used.

8. Optionally, check one or more of the following boxes:
   - **Print Name/Number Bar Code** - print the item name and bar code on each label
   - **Print Display Name/Number** - print the display name on each label
   - **Print Serial Number Bar Code** - print a bar code generated from the serial number in addition to the name/number bar code on each label
   - **Print Expiration Date** - if you use lot items, print the expiration date on lot item labels
9. If you want to print the price on each label:
   - Check the **Print Sales Price** box
   - Select a price level to print in the **Price Level** field

   > **Note:** If a selected price level is not set on an item record, the next available set price level prints on the item's label. For more information, see Setting Up Items for Multiple Price Levels.
10. Enter values in one or more of the item label list columns. For more information, see Item Label List Columns.
11. Click **Print**.
    - If you do not use the Download PDF Files preference, a preview of your labels appears in Adobe Acrobat or Adobe Reader. This preference is in Home > Set Preferences.
    - If you use the Download PDF Files preference, you must first save your labels, and then open them with the Adobe application.

    Place your labels in your printer tray.
12. Click the printer button in the Adobe application frame.
13. Click **OK**.

Item Label List Columns

Field	Description
Primary Information	
Print	Check the box next to each item you want to print a label for.
No. of Labels	Enter the number of labels you want to print for each item. The value in this field defaults to one label.
Starting Serial Num	If you have the Serialized Inventory feature enabled, enter the first serial number in the range you want to print.
Ending Serial Num	If you have the Serialized Inventory feature enabled, enter the last serial number in the range you want to print.
On Hand Only	If you have the Serialized Inventory feature enabled, check this box to print labels for only serial numbers in stock as of the transaction date. Clear this box to print labels for all serials numbers in the range.

Assemblies and Labels

When you print labels for assembly items, you can print labels for each member item in addition to the assembly item. For more information, see the help topic Printing Assembly Labels.

Scanning Bar Codes

When you have printed transactions with bar codes or item labels with bar codes, you can scan these bar codes to enter them in transactions.

Scanning a bar code enters a number as if it were typed on the keyboard. For example, you can scan an item label bar code to add the item to a sales order. You can scan a sales order bar code to add the sales order to a queue to be fulfilled.

To properly scan bar codes, you must use popup windows rather than lists.

To use popup windows:

1. Go to Home > Set Preferences.
2. Set the **Maximum Size of Drop Downs** to 0.
3. Click **Save**.

To scan items and add them to a transaction:

1. When you are editing a transaction, such as a sales order or a transfer order, click the **Item** field to place the cursor there.

   On some transactions, click the **Select Item Number** field to place the cursor there.
2. Scan the bar code on the item label of the item you want to add to the transaction.

   The item number and description are added automatically to the transaction.
3. Press the **Enter** key after each item you scan.

   Some scanner software can be programmed to automatically press the Enter key after each scan. Check the manual for your scanner hardware for more information.
4. Repeat the previous three steps for each item you want to add to the transaction.
5. Verify that the items you scanned appear on the transaction.
6. Click **Save**.

To scan transactions to add them to a queue:

1. When you are editing a page to add transactions, click the **Select Order Number** field to place the cursor there.

   For example, on the Fulfil Orders page, click the **Orders** subtab. Place the cursor in the **Select Order Number** field. The Fulfil Orders page is located at Transactions > Sales > Fulfill Orders.
2. Choose **All** in filter fields.

   For example, on the Fulfill Orders page, in the **Customer** field, select **All** to show all open orders.

   > **Important:** Do not leave this field blank or you cannot scan bar codes.
3. Scan the bar code on transactions you want to add to the queue.
4. Press the **Enter** key after each item you scan.

   Some scanner software can be programmed to automatically press the Enter key after each scan. Check the manual for your scanner hardware for more information.
5. Repeat the previous three steps for each transaction you want to add to the queue.
6. Verify that the transactions you scanned are marked to be processed.

7. Click **Submit** to process the checked transactions.

Processing Orders Using Bar Codes

Warehouse managers can process individual orders quickly using bar code scanning. Bar code scanning enables you to process an order quickly with minimal keyboard input.

To process an individual order:

1. Logged in using a warehouse role, go to Shipping > Shipping > Process Individual Order.
2. On the Process Order page:
   - The cursor defaults to the order number field.
   - The transaction selected defaults to the last process selected on this page.
3. If the default selection is not the transaction you want to process for this order, select a transaction.

   Choose from the following transactions:
   - Print Picking Ticket
   - Fulfill Order
   - Print Packing Slip
   - Print Label
   - Mark Packed
   - Mark Shipped
4. Scan the bar code of the order number you want to process, or enter the order number manually in the order number field.
5. Click **Submit**.

   When you click **Submit**, the transaction opens with the information for the order number filled in.
6. Complete the transaction.

   For information about transactions, see the help topic Working with Transactions.

Note: Some scanner software can be programmed to automatically click **Submit** after each scan. Check the manual for your scanner hardware for more information. If your scanner automatically submits, it opens the selected transaction. It is important that you verify the type of transaction selected before scanning the order bar code.

When using bar codes, you can set preferences to assist in scanning bar codes to receive and fulfill items. For more information about the **Default Items to Zero Received/Fulfilled** and **Scan Individual Items** preferences, see the help topic Accounting Preferences.

Printing Labels From Transactions

You can generate labels for items directly from a purchase order, item receipt, or item fulfillment. This lets you print labels specifically for the items you are receiving, or expect to receive.

For example, a warehouse receiving employee views the PO for items delivered on the dock. The employee confirms that all items on the PO were shipped, and then clicks Print Labels. The PO is marked

received and a PDF file opens with a label for each item in the shipment. He prints the labels and attaches one to each item before placing them on the shelves in stock.

To print labels, you need Adobe Reader. Visit the Adobe Web site to download the latest version at no charge.

To print labels for items on a purchase order or item fulfillment:

1. View the purchase order or item fulfillment you want to print a label for.
2. Click the print icon, and select **Print Labels**.

   NetSuite opens the labels in the Adobe® application.
3. Click the printer button in the Adobe application.
4. Specify the number of copies on the print message that appears.
5. Click **OK**.

To print labels for items from an item receipt:

1. Go to Transactions > Purchases/Vendors > Enter Purchase Orders > List.
2. Click **View** next to the receipt.
3. Click the **Print** button.

   NetSuite opens the labels in the Adobe application.
4. Click the printer button in the Adobe application.
5. Specify the number of copies on the print message that appears.
6. Click **OK**.

Printing Lot Numbered Item Labels

By default, when you print item labels from transactions, labels for lot numbered items are printed per lot number. You can use the Print Lot Item Labels From Transactions By Quantity accounting preference to configure labels to be printed by quantity. For example, consider an item receipt that has a line for Lot Item A, with a quantity of 12. By default, with the Print Lot Item Labels From Transactions By Quantity box cleared, one item label is printed for Lot Item A. If you check the box, 12 item labels are printed for Lot Item A.

To print lot numbered item labels from transactions by quantity:

1. Go to Setup > Accounting > Accounting Preferences.
2. On **the Items/Transactions** subtab, under Inventory, check the **Print Lot Item Labels From Transactions By Quantity** box.
3. Click **Save**.

Print a Shipping Label for a Vendor Return Authorization

You can generate shipping labels for an authorized return from the vendor return authorization form. This enables you to print labels specifically for the items you are returning to a vendor. For more information, see the help topic Shipping Authorized Vendor Returns.

Note: When printing a shipping label for a Vendor Return Authorization, the label Reference Number value (`label.refnumber`) is sourced from the **Ref. No.** field. All other shipping labels source the label Reference Number value from the **PO#** field.

You can customize the layout of your printed forms at Transactions > Purchases/Vendors > Enter Purchase Orders > List. For more information, see the help topic Creating Custom Entry and Transaction Forms.

Note: Note the following If you use the Canada Edition of NetSuite. You must set your preferred layout to the Standard Cheque Layout to comply with the most recent Canadian Payment Association guidelines.

Your administrator can customize the layout of your printed forms using Advanced PDF/HTML templates. For information, see the help topic Advanced PDF/HTML Templates.

For information about printing checks and forms for transactions, see the help topics Printing Checks and Other Transactions and Working with Transactions.

Item Types

The Inventory feature lets you track and manage the items and services your company buys and sells. Item records track a wide range of information in your account, including physical inventory, and more.

Item records include the following:

- Records to track physical items that you manage, including:
  - Inventory Items
  - Serial Numbered Items
  - Lot Numbered Items
  - Drop Ship Items
  - Special Order Items
  - Non-Inventory Items
- Records include items you purchase and sell, but do not manage a physical inventory for, including:
  - Service Items
  - Download Items
  - Gift Certificates
- Clustering item records are used to assemble or package several items into one unit, including:
  - Item Groups
  - Kit/Package Items
  - Assembly Items
- Item records can help you with transaction management for selling and purchasing items, including:
  - Discount Items
  - Subtotal Items
  - Markup Items
  - Payment Items
- Use Other Charge Items to track purchase or sale charges that do not fit into any of the other categories. For example, for gift wrapping charges or vendor rush shipment charges.
- Use Description Items to add text to purchase and sale transactions, such as special shipping instructions or disclaimers.
- Use Expense Items to charge tracked project expenses back to customers using the Charged-Based Billing feature.
- Use Matrix Items to create a matrix of records. An item matrix uses parent item and subitems to track items by options such as size and color. You can create a matrix for inventory, non-inventory, other charge or service items.

Note: You cannot convert different item types. Create a new item type and deactivate the old one. You cannot move an item's history.

To convert Non-Inventory and Other Charge Items to an Inventory Item, enabled Serialized and Lot items. You can then choose to convert to Simple Inventory Item, Lot Inventory Item, or Serialized Inventory Item.

Item Records for Data Tracking

You can use item records to track data for many business management needs. Item records are designed to be flexible and identify the information you need about each type of item.

Item record types can be categorized as follows:

- Inventory Management Item Types
  - Track stock and materials you keep on hand for inventory
  - Group separate items that you sell together
  - Track items that drop ship from vendors or custom special order items
- Pricing and Billing Item Types
  - Create items that discount, markup, subtotal lines on transactions
  - Create items for types of payment
  - Create items associated with expense categories for use with Charge-Based Billing
- Other Item Types
  - Add text on transactions with descriptions
  - Track non-inventory items such as gift certificates, downloads and services

Inventory Management Item Types

The following are inventory management item types:

- **Assembly/Bill of Materials**

  The Assembly/Bill of Material item record represents an item you build with raw materials and track the inventory of the assemblies and raw materials separately. Track the amount and value you have on hand and profit. To use this item record type, enable the Assembly Items feature. For more information, see Assembly Items.

- **Lot Numbered Assembly Item**

  The Lot Numbered Assembly Item record lets you track a group of inventory items by assigning a lot number to a group of assembly items. To use this item record type, enable the Lot Tracking and Assembly Items features. For more information, see Lot Numbered Items.

- **Serialized Assembly**

  The Serialized Assembly record lets you track physical inventory items by assigning a serial number to each assembly. To use this item record type, enable the Serialized Inventory and Assembly Items features. For more information, see Serial Numbered Items.

- **Inventory Item**

  The Inventory Item record lets you track the amount and value you have on hand and profit. To use this type of item record, enable the Inventory feature. For more information, see Inventory Items.

- **Serialized Inventory Item**

  The Serialized Inventory Item record lets you track physical inventory items by assigning a serial number to each item. To use this type item record, enable the Serialized Inventory feature. For more information, see Serial Numbered Items.

- **Lot Numbered Inventory Item**

  The Lot Numbered Inventory Item record lets you track a group of inventory items by assigning a lot number to identify the group. For example, you can identify an item lot by its expiration date. To use this type of item record, enable the Lot Tracking feature. For more information, see Lot Numbered Items.

- **Item Group**

  The Item Group record lets you identify several member items that are sold together as one unit. The price of the group depends on its components' prices. For more information, see Item Groups.

- **Kit/Package**

  The Kit/Package record lets you identify several member items that are sold together as one unit. The price of the kit is not dependent on its component prices and can be assigned several price levels. For more information, see Kit/Package Items.

- **Matrix Items**

  An item matrix consists of a parent item and subitems. Matrix items let you track your items by available options. For example, you sell a shirt in different colors and sizes. You can set up a parent item for the shirt, and subitems for each size and color combination available. Each combination is tracked separately and you do not have to create an item record for each combination. For more information, see Matrix Items.

- **Special Order Items**

  Use Special Order Items to purchase and track items that do not follow regular inventory processing, such as just-in-time orders or orders for customized items. For example, a retailer sells a custom engraved sign. The order is not fulfilled with regular stock, but is fulfilled only when the customized item is received from the vendor. For more information, see Special Order Items.

- **Drop Ship Items**

  When you drop ship an item, the item is sent directly from your vendor to your customer and is not processed in your inventory. For more information, see Drop Ship Items.

Pricing and Billing Item Types

The following are pricing and billing item types:

- **Subtotal Items**

  A subtotal item can be inserted on any line of a transaction. It subtotals the items above it, up to the next subtotal line, which provides added flexibility when calculating markups and discounts. For example, to calculate a discount on the entire transaction, you can enter a subtotal line and then enter a discount item after it. For more information, see Subtotal Items.

- **Payment Items**

  Create payment items for types of payments that are made to invoices that should appear separately. For example, you can create a payment item to specify a down payment amount. For more information, see Payment Items.

- **Markup Items**

  You can use markup items to apply an additional charge to an order. Using markup items lets you track markup amounts without affecting inventory valuation. For example, you can charge a rush fee for expediting a service or delivery. You can choose to markup the amount for this charge by a flat additional fee. For more information, see Markup Items.

- **Expense Items**

  If you use Charge-Based Billing, you can create items used to charge tracked project expenses back to customers. For more information, see Expense Items.

- **Discount Items**

  You can create discount items to apply to sales that reduce the line-item amount that precedes the discount item. You can use either a percentage or flat rate. A discount item can also be used to reduce the total amount of a transaction. For more information, see Discount Items.

Other Item Types

The following are other item types:

- **Other Charge Items**

  Other charge items can be used to designate items or services you purchase, sell or resell that do not fall into another item type category. For example, you can set up other charges as:

  - Other charge for sale – to charge for gift wrapping or alterations
  - Other charge for purchase – when your company must pay a vendor a rush charge
  - Other charge for resale – when you receive free boxes with a wholesale purchase but sell the boxes for a profit

  For more information, see Other Charge Items.

- **Description Items**

  Description line items let add descriptions on items you are not selling. For example, you can enter special shipping instructions or a disclaimer. Description items have no amount field and are used only to add text to transactions. They can be used on both purchase and sales transactions. For more information, see Description Items.

- **Gift Certificates**

  You can create gift certificate items that allow customers to purchase store credit they can send to someone as a gift. The recipient uses the gift certificate code when placing an order through your web store or entering a transaction with a sales representative. For more information, see Gift Certificates.

- **Non-Inventory Items**

  Non-inventory items are not stocked. These are items that you always drop ship, or other items that you sell or purchase that you want to record and track. For more information, see Non-Inventory Items.

- **Download Items**

  Create download item records for files that you want customers to be able to purchase and download in your web store. Customers are charged per download item, as opposed to per item. For example, if you want to charge customers for music downloads per song, you would create an item for each song. For more information, see Download Items.

- **Service Item**

  Service items track time and record billable hours. Service items are classified as Services for Purchase, Services for Resale, or Services for Sale. For more information, see Service Items.

Groups, Assemblies, and Kit/Packages

Groups, assemblies, and kit/packages are all item types that combine multiple items together to sell. The information below helps distinguish each of the item types so you understand the differences between them and the uses for each.

Note: Depending on the NetSuite product you subscribe to, some item types might not be available for you to use. If you have questions about the availability of the item types, please contact your account representative.

Item Groups

An item group is sold as one unit, but has several member components from your inventory. Item groups can be inventory items, assemblies, kits, and service items.

When the retailer sells a quantity of the group, the stock level of each member item decreases by that quantity. You can track sales of the group and stock of the items it contains. For more information, see the help topic Inventory Reporting.

The price of a group item **is dependent** on its members' prices. Each of the group's members has a price determined on its item record. The price of the members are totaled to calculate the price for the group.

Selling item groups can help streamline your inventory workflow because it saves time creating sales transactions. You can create groups for items that you frequently sell together, then you can enter them on sales as one unit.

Assembly Items

An assembly item is an inventory item made of several components, but identified as a single item. Assemblies are manufactured by combining raw materials you stock.

You create an assembly item record to define the members of an assembly. Then, NetSuite tracks stock separately for the assembly item and for each member component.

When you physically manufacture assemblies in a production run, you increase your stock of the assembled items. Record each production run and update stock levels by entering an assembly build.

For each assembly build you record:

- the assembly item stock level increases
- the member items' individual stock levels decrease

After an assembly item is built, it is processed like an individual inventory item for tracking inventory costs. The asset/costing value of each built assembly item can be the total value of the assembly's member items. It can also be another value that you assign on the item record. This value functions like the assembly item's purchase price for inventory costing calculations.

You can also unbuild assemblies to increase your inventory of raw materials.

For more information about assembly items, see the help topic Assembly Items.

If you use the **Allow Purchase of Assembly Items** preference, you can add an assembly item to a purchase order. This is useful if you sometimes purchase the item already assembled. For more information about this preference, see the Items/Transactions Accounting Preferences section of Accounting Preferences.

Kit/Package Items

A kit/package is a unit composed of items from your inventory. A kit is sold as one unit, but has several member components. Kit components can be inventory items, assemblies, kits, and service items.

One difference between kits and groups is that the price of a kit **is not dependent** on its components' prices. It can also be assigned several price levels. Each time a kit is sold, inventory records are updated for the individual members of the kit.

To learn more, see the help topic Handling Inventory Items with Alias SKU.

Key Differences Between Kits, Groups, and Assemblies

Although they are similar, there are key differences between kits, groups, and assemblies. The chart below explains these differences.

Function	Assembly	Kit/Package	Item Group
Members can include:	inventory items non-inventory items assemblies service items other charges	inventory items non-inventory items assemblies kits service items	inventory items non-inventory items assemblies kits service items
Pricing:	item price is **independent** of its members' prices	item price is **independent** of its members' prices	item price is **dependent** on its members' prices
General Ledger Accounts:	able to identify a Cost of Goods Sold (COGS), income, and asset account separate from its components' accounts	able to identify a separate income account	No account designation available
Inventory Impact:	Building an assembly: decreases the asset accounts of member items increases asset account of the assembly	Fulfilling a kit: decreases the asset account of member items	Fulfilling a group: decreases the asset account of member items

Item Groups

An item group is sold as a single unit, but made up of several individual items. An item group is a group of items on a sales or purchase order that need to be sold or purchased together. The item group is not fulfilled, received, or stocked. The components of the group are. However, the item group is available in the item list on a sales or purchase order and can be added to those transactions.

For example, an electronics retailer sells an item group called Creativo 2400 Graphics Bundle. This group contains the following member components from inventory with the component prices:

- Creativo 2400 computer – $2299.00
- UltraGear desktop speakers – $10.00
- Laserscan scanner – $199.99
- ManuScript 1000 color laser printer – $275.00

Based on these component prices, the price of the group is $2783.99. Group price is always dependent on member item prices.

Partially filled item groups display a quantity of zero (0) on printed invoices.

Note: A group can be made up of taxable and nontaxable items. If a grouped item has taxable and nontaxable components, the sales tax is calculated only on the value of the taxable components.

On transactions, you can print all the members of the group, with their quantities, descriptions, and rates. You can also print only the description and amount of the group item. You can change the details for each group component on transactions.

Important: If you **do not** print the transaction when you save it, note the following. You must remove the item group from the transaction, and then add it back to the transaction to print.

On item group records, you can choose whether the start and end lines of the item group are referenced for sorting picking tickets.

- Clear the Include Start/End Lines box to delete the start or end line of the group on picking tickets. Then, component items for the group are sorted with other items on the picking ticket.
- Check the Include Start/End Lines box to recognize the start or end line of the group on picking tickets.

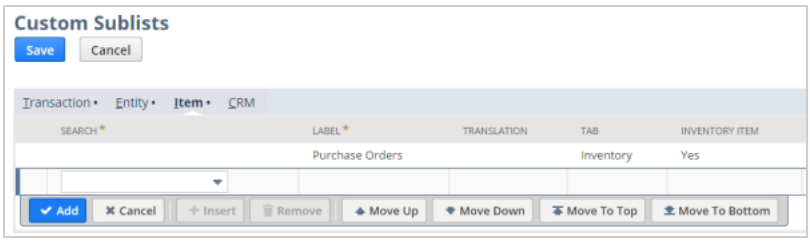
Tip: To create a group item, go to Lists > Accounting > Items > New. On the New Item page, click Item Group.

Showing Groups on Member Item Records

You can add a custom subtab on item records that shows the groups that item is a member of.

To apply a custom sublist to a standard item record:

1. Create a saved search for the information you want to show. The results of this search should include the information you want to show on your sublist.
    1. Go to Lists > Search > Saved Search > New.
    2. On the New Saved Search page, click **Item**.
    3. On the Saved Item Search page, click the **Available Filters** subtab.
    4. In the **Filter** column, select **Component Item**.
    5. Click **Add**.
    6. In the header, check **Available as a Sublist View**.
    7. Enter a **Search Title**.
    8. Click **Save**.
2. Apply the sublist to item records.
    1. Go to Customization > Forms > Sublists.
    2. Click the **Item** subtab.
    3. In the Custom Sublists page **Search** column, select the saved search that you created in step 1.



4. Enter a label for this sublist, such as **Groups**.
5. In the **Tab** column, select the subtab you want this sublist to appear on, such as **Inventory**.
6. Select the record you want this sublist to appear on, such as **Inventory**.

   This sublist shows on the standard and custom forms of the types you select.
7. Click **Add**.
8. Click **Save**.

The search results appear on the records you selected. Based on the suggestions in the preceding steps, you can view the record of an inventory item. Click Inventory > Groups to see which groups the item is a member of.

Kit/Package Items

Kits or packages let you create individually-sold items that are collected from other items.

- Add description, inventory, non-inventory, other charge, service, kit, gift certificates, and assembly items to your kits or packages.
- The price of a kit is not dependent on its components' prices and can be assigned several price levels.
- Assign multiple price levels to your kits and make them available in your website.
- Partially fulfilled Kit/Package items display a quantity of zero (0) on printed invoices.

For example, the electronics retailer creates the kit Creativo 2400 Graphics Bundle. They want to give customers an incentive to buy the entire kit, rather than some of the components. The price based on the component prices is $2783.99. Because a kit does not have to be based on the component prices, the retailer can set the price of the kit at $2730.00.

Important: When member items use bins, serial, or lot numbers, NetSuite displays the member items and quantity when the sales order is saved on shipment. When the sales order fulfillment is saved, NetSuite retrieves the current kit member item definition and then uses that value for the fulfillment. If any bin, serial, or lot number items have been added or removed from the kit, NetSuite presents a mismatch error. You must edit and save the sales order. You can also use the special mass update to force the new kit member definition quantity into the open sales order. If you use Advanced Bins, NetSuite validates that the new kit member definition quantities match what displays in the user interface. If the quantities do not match, NetSuite presents the mismatch error.

Note: If a Kit/Package item includes a member that uses bins, you cannot create a standalone invoice or cash sale for it. For these kits, first enter a sales order for the kit and then fulfill the order. After the sales order is fulfilled, you can create an invoice or cash sale from the sales order or fulfillment.

A kit sale posts revenue for the kit only, it does not post revenue for each component. Therefore, sales revenue appears on inventory reports for the kit, not the components. Kit sales revenue can be evaluated

using the Inventory Activity Detail report or the Sales by Item Summary or Detail reports. For more information about kit items and revenue recognition, see the help topic Auto-Expansion of Kit Items.

Important: Kit/Package item inventory is not tracked by the kit, it is tracked by individual component members. The Kit/Package item record cannot display an available quantity for these items.

Kits and their components cannot be set to Do Not Commit. For more information, see the help topic Committing Orders.

Tip: To edit a kit, go to Lists > Accounting > Items. Click **Edit** next to the kit name.

To show member items pages, on the **Purchasing/Inventory** subtab, check the **Display Components on Transactions** box.

Entering Serial and Lot Components on the Item Record for the Kit

Kits can include components that are lot numbered or serial numbered. You can add lot and serial numbered components on the kit item record.

To use the serialized or lot items as a kit item member, enable the following features:

- Advanced Shipping
- Advanced Receiving
- Advanced Bin/Numbered Inventory Management

You can include serial or lot numbered items as members for kit items on fulfillment and return transactions when you use the following features:

- Serialized Inventory or Lot Tracking
- Advanced Shipping
- Advanced Bin Management
- Advanced Receiving (to use this process for returns)

Note: All components within the kit must be fulfilled or returned from a single location.

After you enable features, you can enter serial and lot components on the item record for the kit on fulfillment and return transactions.

To enter serial and lot components on the item record for the kit:

1. Go to Lists > Accounting > Items.
2. Beside the kit name, click **Edit**.
3. Click the **Purchasing/Inventory** subtab.
4. Add members on the **Components** subtab .
5. Click **Save**.

Note: When you process orders, kits with serial and lot members can be used to create a sales order or invoice. They can also be used to fulfill an item.

You cannot use this feature on standalone cash sales or invoices. Invoices must be created from a sales order.

When fulfilling the item, use the **Inventory Detail** icon to open the popup window. Then, select a specific serial or lot number for that order. You can display this icon in the following two ways:

- **Arrow** – The arrow icon indicates that the inventory detail is available for the item and needs to be configured. It appears only in edit mode for a transaction.
- **Check Mark** – The check mark icon indicates that you have already configured the inventory detail for this item. It appears in view mode for transactions, and edit mode after you configure the inventory detail.

Note: Permissions for the inventory detail icons are inherited from its parent transaction. For example, to edit the inventory detail from a sales order, you must have permission to edit the sales order. For more information, see the help topic Standard Roles Permissions Table.

Item Returns

NetSuite supports serial and lot items within kits as part of the returns management process. Portions of kits with serial and lot members can be returned into inventory by creating a return authorization and then creating an item receipt.

Inventory details for serial and lot items within the kit can be updated on the receipt. When returning these kits, you can choose the serial or lot number, and also choose whether to restock the item.

The kit members that display are based on the item receipt type:

- If the return is standalone, the kit members displayed are based on the item record definition.
- If the return is linked to an existing transaction, the kit members displayed are based on the kit member definition on the original sales order.

Updating Kits with Bins

If you use a bin management feature, before order fulfillment, you might need to update kit items if they include members that use bins. If the kit member changes between the time the order is entered and when it is fulfilled, the bin discrepancy could cause errors. A mass update can be run to update the kits that have changed.

For example, you might have a kit item named WidgetKit. WidgetKit includes a member called BinMember1 which uses bins. You enter sales order #1001 and add one WidgetKit to the order. The status of the order is then Pending Fulfillment.

Then, you edit the item record for WidgetKit to remove BinMember1 to add BinMember2. Later, you try to fulfill sales order #1001, but an error prevents you. You need to run the mass update to correct the bin discrepancy.

Note: Mass update is available only if the Bin Management or Advanced Bin/Numbered Inventory Management feature is enabled.

To run a kit member mass update:

1. Go to Lists > Mass Update > Mass Updates.
2. Click **Special Transaction Updates**.
3. Click **Update Orders Kit Members with Current Kit Members**.
4. On the **Criteria** subtab in the **Filter** field, select **Item On Any Line**.
5. In the popup window, select one or more items to update.

   (From the previous example, you would select WidgetKit.)
6. Click **Set**.
7. Click **Preview**.
8. In the preview, verify that the order needing updating is included.

   (From the previous example, verify order #1001.)

   the update applies only to sales orders with a status of Pending Fulfillment.
9. Click **Perform Update**.

After the Mass Update completes, you can fulfill the order. Any non-bin members of items will also get updated as required.

Matrix Items

You can create and maintain your item records using an item matrix. An item matrix lets you track your items by options such as size and color. An item matrix consists of a parent item and subitems. With an item matrix, each combination is tracked separately.

For example, Wolfe Electronics sells blank compact disks for recording. These compact disks are available in different storage capacities and colors. With an item matrix, Wolfe can track each combination of color and storage separately without having to create an item record for each combination.

Note: The parent item does not appear on transactions. Only child items that show each option can be chosen on transactions.

There are two methods for creating matrix items:

1. You can create matrix items by using the Matrix Item Assistant. This functionality lets you create an item and all of the available options in single step-by-step interface.
2. If you do not use the assistant, you can manually create matrix items. However, you must first set up matrix options using custom lists and fields.
   - Use a **custom list** to create a list of the available options for matrix items. A separate list is required for each option.

     For example, you sell CD-Rs in different sizes and colors. You need a list of size options and a separate list of color options. After you create your lists of options, you need to create a custom item field for each list.
   - **Custom item fields** are used on item records to select available options from your custom lists. You must create an item field for each option list.
   - If the item appears in your commerce web store, you should also set up a **custom transaction item option**, which allows users to select the option on the item's product details page (PDP).

Please note the following:

- Matrix items cannot be created for groups or kits.

- You can use the Import Assistant to import matrix options for the following items:
  - inventory items
  - lot numbered inventory items
  - serialized inventory items
  - non-inventory items
  - other charge items
  - assembly items
  - service items

  For more information, see the help topic Importing Matrix Options for Items.
- The maximum number of the total combinations of matrix options is 2000.

To use matrix items, an administrator must enable the feature at Setup > Company > Enable Features.

Using the Matrix Item Assistant

The Matrix Item Assistant provides a step-by-step process for creating matrix items without having to create item options beforehand.

Note: If you do not want to use the Matrix Item Assistant, you can import matrix items from CSV data files using the Import Assistant. For more information, see the help topic Importing Matrix Options for Items.

To create a matrix item with the Matrix Item Assistant:

1. Go to Lists > Accounting > Items > New.
2. Click the **Matrix Item Assistant** next to the type of matrix item you want to create.

   For information about other item types, see Using Item Records.

   The first time you use the Matrix Item Assistant, a welcome popup window opens providing an overview of the assistant. If you do not want to see this popup window again, check the **Don't show this next time** box.
3. If you see the welcome box, click **Get Started!**

   The Matrix Item Assistant divides the creation of matrix items into four steps. Click one of the links below for information about each step:

   - Step 1: Set Up Item Basics
   - Step 2: Create Item Property Lists
   - Step 3: Choose Property Combinations
   - Step 4: Choose and Create Items

   Click **Back** to return to a previous step.

Step 1: Set Up Item Basics

1. Enter the basic item information for this matrix item.

   For information about a specific field, click the field name.

   These settings apply to all child items in this matrix. For example, if you check the **Display in Web Site** box, all items in the matrix appear in your website.

2. Click **Next**.

Step 2: Create Item Property Lists

1. Choose one of the following:
   - **Use an existing list** – to use a custom list you have already created for this matrix item.

     Select a custom list from the list.
   - **Create a new list** – to create a new list of option properties on this page.
2. If you create a new list, enter a **List Name** to display internally to your company.

   The **List Name** should refer to the item you are creating the options for.
3. Enter the **List Display Name** to display to customers on your website.

   The **List Display Name** should describe the item the customer is looking at. For example, if you were creating a matrix item for t-shirts, the **List Name** might be **tshirt_size**, and the **List Display Name** might be **Size**.
4. Choose a **Show Properties** option for displaying these items on your website:
   - The Order Entered
   - Alphabetical Order
5. In the **Property Value** field, enter a property for this list.

   For example, in a list of t-shirt colors, you might enter **Green**.
6. Enter an **Abbreviation** for the property value.
7. Click **Add**.
8. Repeat these steps for each option in the list.
9. After you finish your list, do one of the following:
   - Click **Save & Create Another** to include another set of options for this item.

     If you are creating another list, follow the same steps as above.
   - Click **Next** if you are finished with your lists of options for this item.

Step 3: Choose Property Combinations

1. You can set a new matrix item name format in the order you want the information to appear on the product name. To do so, select an item from the **Insert Item Attribute** list.
2. Select an item from the **Insert Matrix Option**.

   Tags are automatically inserted in the **Matrix Item Name Template** field. You can use separators to format the look of the product name and separate the displayed options. For more information, see Using the Matrix Item Name Template.
3. Select properties from each list to include in the matrix for the item you are creating.

   Press and hold CTRL to select more than one property in each field.
4. Click **Next**.

Step 4: Choose and Create Items

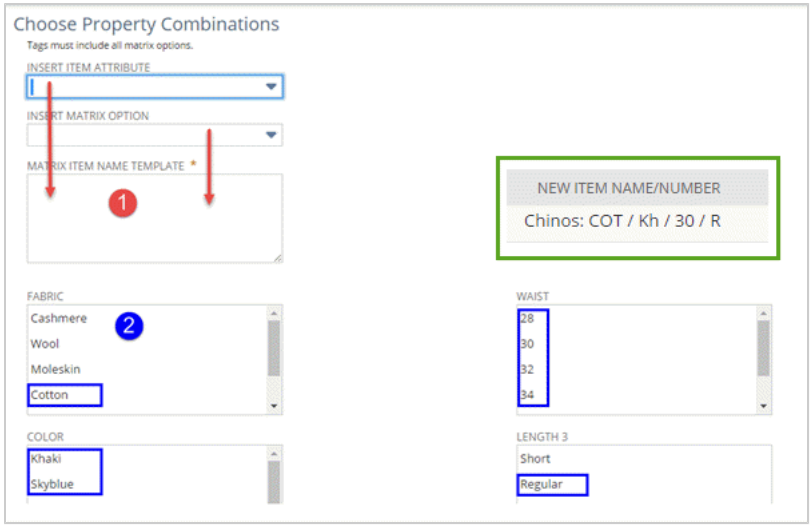
1. Clear the box next to any property combination you do not want to create a matrix item for.
2. Click **Next**.

Your item matrix is created and each combination is available on transactions.

Using the Matrix Item Name Template

The Matrix Item Name Template gives you systematic control of how matrix items are named, as displayed in the Matrix Item Name/Number field. A matrix item name includes the item name or number. However, it can also have attribute fields such as Location, Class, or Department assigned to it. It must also include all the available matrix options for that item, for example fabric, color, waist, and length.

The following screenshot example shows how these options can be distinguished by adding a separator of your choice between each item. You can assign options and attributes to appear in any order you prefer.



You can edit the matrix item name template by updating the inventory item record.

To edit the matrix item name template:

1. Go to Lists > Accounting > Items.
2. Click **Edit** on the parent item you want to update.
3. Click the **Accounting** subtab.
4. Amend the **Matrix Item Name** template field.
5. Select **Update Matrix** from the **Actions** menu.
6. Review the updated matrix items. Click **Submit**.
7. Click **OK** when the mass update completes.

Creating a Matrix Item Manually

If you choose not to use the Matrix Item Assistant, you can create matrix items manually.

Note: You can use the Import Assistant to import matrix items from CSV data. For information, see the help topic Importing Matrix Options for Items.

Before you can create a matrix item manually, create custom lists and custom item fields for your matrix item options. If you are using a commerce web store, you should also set up a custom transaction item option. For more information, see Setting up an Item Matrix.

After you set up your custom fields for matrix options, you can create your item matrix.

To create an item matrix:

1. Go to Lists > Accounting > Items > New.
2. Click **Create Matrix Items** next to the type of item matrix you want to create.

   Matrix items are available for inventory, non-inventory, other charge, assembly items and service items.
3. Click the **Matrix** subtab.
4. For each list, select the options available for this item.

   To select multiple options, press and hold the **Ctrl** key and click multiple options.
5. When you finish selecting options, click **Create Matrix**.

   A list of the possible item combinations appears.
6. In the **Include** column, clear the boxes next to any item you do not want to include in this item matrix.
7. Click **Submit**.

Your item matrix is created and each combination is available on transactions.

When you create a new matrix item, all of the settings on the item record are applied to all child items in your matrix. For example, if you check the Display in Web Site box on the item record, all matrix items are available in your website.

Setting up an Item Matrix

To create matrix item records, first set up your matrix options using custom lists and fields.

1. Create a custom list for each available option. For example, set up a list of colors and then set up a list of sizes.

   For more information, see Setting up Custom Lists.
2. Set up a custom item field for each list you created. For example, create a custom item field for the list of colors. Then, create a custom item field for the list of sizes.

   For more information, see Setting up Custom Item Fields.
3. Set up a custom transaction item option for each option you create. This step lets users select the option on the product details page (PDP) of your web store.

   For more information, see Setting Up Custom Transaction Item Options.

Setting up Custom Lists

A custom list is used to create a list of the available matrix item options. A separate list is required for each option. For example, you sell T-shirts in different sizes and colors. Therefore, you need a list of size options and a separate list of color options.

To set up a custom list of matrix options:

1. Go to Customization > List, Records, & Fields > Lists > New.
2. In the **Name** field, enter a name for your custom list.
3. Select the custom list **Owner** from the list. Only the owner can edit this record.
4. Enter a **Description** of this list.

5. Choose to show these options in either **The Order Entered** or in **Alphabetical Order**.
6. To indicate that this list is for an item matrix, check the **Matrix Option List** box.
7. Click the **Values** subtab and then complete the following:
    a. In the **Value** column, enter the first value for your list.
    b. In the **Abbreviation** column, enter an abbreviation for this value.
    c. Check the **Inactive** box if you do not want this to show in lists.
    d. Click **Add**.
    e. Continue adding values and translations.
8. When you have finished, click **Save**.

    Repeat these steps for each list of options for your matrix items.

After you create your lists of options, you need to create a custom item field for each of your lists.

Setting up Custom Item Fields

Custom item fields are used on your item records to select available options from your custom lists. You must create an item field for each option list.

To set up a custom item field for matrix items:

1. Go to Customization > Lists, Records, & Fields > Item Fields > New.
2. In the **Label** field, enter the name of one of the custom lists you entered for this item matrix.
3. Select the custom item field **Owner** from the list. Only the owner can edit this record.
4. Enter a **Description** of this custom field.
5. To indicate that this field is an option for matrix items, check the **Matrix Option** box.

    The **Type** field is automatically set to **Multiple Select** and the **Subtab** field is set to **Matrix**.
6. Select the **Type** of field you want to create. The type of field is determined by the kind of information collected in this field.

    To use sourcing with this field, the field type must match the sourced field. If you checked the **Matrix Option** box, type is automatically set to **Multiple Select**.
7. In the **List/Record** field, select your custom list.
8. The **Store Value** box is checked by default. All information entered in this custom field is stored in your NetSuite account.

    Clear this box to indicate that the information stored in this custom field is for display only. The information is not stored in your account.
9. To have your custom item field appear in your items list, check the **Show In List** box.
10. To index this custom field for global search, check the **Global Search** box. This field's values are searched for matches to global search keywords and records with matches are returned as global search results.

    If this box is unavailable, check **Store Value** box. If it is still unavailable, global search indexing is not supported for the selected data type.
11. If you are creating a List/Record custom field, check the **Record is Parent** box to indicate that the record type selected is a parent record. This field is used to create a parent-child relationship between two record types.
12. Click the **Applies To** subtab and then check the boxes next to the kind of items you want to apply this field to.

You can create matrix items for inventory, non-inventory, other charge, service, group, kit/packages, assembly/BOM items.

13. Click **Save**.

    Repeat the steps on for each list of options for your matrix items.

Setting Up Custom Transaction Item Options

A custom transaction item option adds the option you created for the item matrix to the product details page (PDP). You only need to complete this step if you're setting up a matrix item for a web store.

To set up a custom transaction item option:

1. Go to Customization > Lists, Records, & Fields > Transaction Item Options > New.
2. Enter a **Label** and **ID** in the corresponding fields.
3. In the **Type** field, select **List/Record**. In the **List/Record** field, select the name of the your custom list.
4. Make sure the **Store Value** box is checked.
5. In the **Applies To** subtab, check the boxes for **Purchase**, **Sale**, **Opportunity**, **Web Store**, **Transfer Order**, and **Apply to Kit/Assembly Component**. These checkboxes determine the transaction types the option can apply to.
6. In the **Items** field, enter items you want to apply the option to. The custom option appears on the PDP for each item entered in this field. Do not check the **All Items** checkbox.

   Note: You can edit this transaction item option at any time to add or remove items from this list.
7. Go to the **Sourcing & Filtering** subtab.
   a. In the **Source List** field, select **Item**.
   b. In the **Source From** field, select your custom item field.
8. Click **Save**.

After you create your custom lists and custom item fields, you are ready to create your item matrix. Go to Lists > Accounting > Items.

Adding Items to a Matrix

A matrix item is a series of the same item available in different options.

You create matrix items by setting up the options and creating a parent item. After you create your matrix, you can create subitems for each option combination. These different options can have varying prices. If you use the web store feature, each option and price displays in the item's list.

Important: Before you add subitems, make sure that you have created custom lists to represent all options for subitems.

For example, you want to create subitems of different sizes and colors for a parent t-shirt item. You should first create a custom list of size values and a custom list of color values. Go to Customization > Lists, Records, & Fields > Lists > New. For more information, see Setting up Custom Lists.

To add items to a matrix:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the parent item to which you want to add items.
3. If an item you are adding has a price different from the parent item, enter pricing information about the **Pricing** subtab.

   Prices are listed in the option list for the item in the web store.
4. Click the **Matrix** subtab, and then review the lists of available values for each matrix option.
5. Select option values that you want to be available as subitems of the parent item.
   - If a value you want to add for a matrix option is listed, select it.
   - If a value you want to add is not listed, click the plus button to open the popup window. Enter a name and abbreviation for the new value, and then click **Save**. The new value is selected automatically, and this value is also added to the custom list for that matrix option.
   - Pre-existing values **must remain selected** to avoid an error.
6. Click **Add Items**.
7. On the Add Matrix Items page, in the **Include** column, clear the boxes for any subitems you do not want to add.
8. Click **Submit**.

Note: You can add matrix items from CSV data files using the Import Assistant. For more information, see the help topic Importing Matrix Options for Items.

Removing a Subitem From Your Item Matrix

Use the following procedure to remove a subitem from your item matrix.

To remove a subitem from your item matrix:

1. Inactivate or delete the subitem.

   Note: You cannot delete an item if it has been referenced on another record or transaction.
2. To inactivate a subitem:
   a. Go to Lists > Accounting > Items > New. Check the Show Inactives box.
   b. Check the **Show Inactives** box.
3. To delete a subitem:
   a. Go to Lists > Accounting > Items > New.
   b. Click **Edit** next to the subitem you want to delete.
   c. Click **Delete**.
   - If you use the Editing feature, click the field in the **Inactive** column and check the box for the subitem you want to inactivate. Click away from the field to save your changes.
   - If you do not use the Editing feature, check the box in the **Inactive** column for each subitem you want to inactivate. Click **Submit** to save your changes.

Editing Matrix Items

Matrix subitems can be edited individually or as a group from the parent item record.

Alternatively, you can use the Import Assistant to update matrix subitems by editing each subitem. For more information, see the help topic Importing Matrix Options for Items.

You can edit the following fields on matrix subitems:

- Item Name/Number
- Display Name/Code
- Vendor Name/Code
- Purchase Description
- Sales Description
- Shipping Cost
- Handling Cost
- Item Weight
- Purchase Price
- Sales Price
- Reorder Point

The remaining fields can only be edited on the parent matrix item. Fields edited on subitems are only changed for that item. Fields edited on the parent item can be applied to all or some of the subitems.

To edit a single matrix subitem:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the matrix subitem you want to change.
3. Make changes to any of the fields listed above.
4. Click **Save**.

Only changes made to the fields listed above are saved on the individual subitem record. Any changes made to other fields are not saved.

To edit multiple matrix items:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the parent matrix item for the matrix you want to change.
3. Make changes to any of the fields for this matrix.
4. Click **Update Matrix**.
5. In the **Include** column, clear the boxes for any subitems you do not want to be updated with the new information.
6. Click **Submit**.

If you use the Multiple Vendors feature, you can set a vendor code and price for each vendor on each child item. You can also set a preferred vendor for each child item. When you edit a parent item and then click **Update Matrix**, check the **Include** box next to vendor-related fields you want updated on child items.

Note: When using Multiple Units of Measure, you cannot edit Units Type on a parent item when a child item has a units type assigned. For more information, see Assigning Units of Measure to Items.

To delete a matrix item:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the matrix item for the matrix you want to change.
3. Open the matrix you want to delete.
4. In the **Actions** list, click **Delete**.

   Note: You cannot delete a matrix item or matrix child item when the child item is referenced in a transaction.
5. In the warning box, click **OK**.
6. In the Mass Update Performed popup window, click **OK**.

To remove matrix options:

1. Go to Lists > Accounting > Items.
2. Beside the matrix item you want to change, click **Edit**.
3. In the **Matrix** subtab, click **Remove Matrix Options**.
4. On the Remove Matrix Options page, check the box beside the option you want to remove.

   At least one option must remain in the matrix.

   Note: You cannot remove matrix option items that are being used in other transactions.
5. Click **Next**.
6. After the matrix option has been removed, select the items you want to keep.

   Unselected items are deleted.
7. Click **Submit**.
8. In the warning box, click **OK**.

Serial Numbered Items

Serialized inventory is a way to track the purchase and sale of physical inventory items by assigning a serial number to each item. Serializing inventory lets you choose a specific serial numbered item to fulfill or receive an order. You can access the history of any serialized item to track the cost of the item, or check its status.

To use serialized inventory, enable the feature and set up item records. For more information, see Enabling Serial Numbered Inventory and Entering Serialized Inventory Records.

After your serialized inventory is set up, you can manage serialized inventory to know the status of each serialized item. For more information, see the following:

- Track Serialized Inventory on Item Records
- Add New Serial Numbers to Inventory
- Adjusting Serialized Inventory

On transactions, you can buy, sell, and process serialized items. For more information, see the following help topics:

- Receiving a Purchase Order With a Serialized Item

- Serialized Items on Sales Transactions
- Fulfilling a Sales Order with a Serialized Item
- Memorizing Transactions with Serialized Items

You can include serialized items in assembly items, or build assemblies which have a serial number assigned to them. For more information, see Building a Serialized Assembly.

Customer records show the serial numbers of items purchased by each customer to reference for returns or entering cases. For more information, see Removing Serial Numbers on Case Forms.

You can use the Multiple Units of Measure feature to assign units to serialized inventory.

Important: Specific rules apply when you are working with serialized inventory units on transactions. For more information, see Using Item Records.

You can use serialized inventory as members of Kit/Package items. For more information, see Entering Serial and Lot Components on the Item Record for the Kit.

Serial Numbers on Transactions

In the Serial/Lot Number field of a transaction, enter the serial number of the item. Separate each serial number with a space, comma or by pressing Enter after each one.

Note: You must enter a serial number for each serialized item. For example, if you enter a quantity of 2, then you must enter two serial numbers.

You can choose multiple serial numbered items on transactions. Click the Select Multiple link next to the Serial/Lot Numbers field. A popup window opens that lists available serial numbers for the item. Click each item in the left pane to add it in the list right pane. Click Done to add all items in the right pane to the transaction.

By entering a specific serial or lot number, you are designating a specific item and NetSuite attempts to allocate the specific item for this order. If you do not enter a specific serial or lot number, NetSuite allocates only the specified quantity of this item to the order. Then, you can designate the specific serial or lot number for the item later.

Serialized Items With Bin Management

If you use Advanced Bin / Numbered Inventory Management, you can use serialized items with bin management. For more information, see the help topic Advanced Bin / Numbered Inventory Management.

Inventory Detail Selector

With Advanced Bin / Numbered Inventory Management, you can click the Inventory Detail icon on transactions to add or remove serialized inventory. When you click the Inventory Detail icon, a popup window lets you select or edit the quantity and serial number appropriate for the transaction.

You can display the Inventory Detail icon in the following two ways:

- **Arrow** – The arrow icon indicates that the inventory detail is available for the item and needs to be configured. It appears only in edit mode for a transaction.

- **Check mark** – The check mark icon indicates that you have already configured the inventory detail for this item. It appears in view mode for transactions, and in edit mode after you configure the inventory detail.

Permissions for the inventory detail selector are inherited from its parent transaction. For example, to edit the inventory detail from a sales order, you must have permission to edit the sales order. For more information, see the help topic Standard Roles Permissions Table.

Custom Information about Serialized Item Records

Serialized inventory records can be customized with item number fields. These fields let you track information specific to each item or workflow unique to your business, such as quality control procedures or recall information.

When you receive serialized inventory from vendors, you can enter a memo or custom information about the item. To do so, click the Open icon next to the Serial number when viewing an item receipt.

After you enter information in custom item number fields, you can search for items on sales transactions based on the custom information. On sales transactions, you can search for serial numbers based on custom information from the inventory record. For more information, see Customizing Lot or Serial Numbered Item Records.

Enabling Serial Numbered Inventory

An administrator can use the following procedure to enable the Serialized Inventory feature.

To enable the Serialized Inventory feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Items & Inventory** subtab.
3. Check the **Serialized Inventory** box and the **Inventory** box.
4. Click **Save**.

You must create new inventory items to track serialized inventory because you cannot convert existing inventory items into serialized items. For more information, see Creating Item Records.

Entering Serialized Inventory Records

Creating serialized inventory or assembly items is similar to creating regular inventory items, with the added ability of being able to define serial numbers. When you enable the Serialized Inventory feature, you must create new serialized inventory items because you cannot convert existing inventory items into serialized items.

To create a new serialized item:

1. Go to Lists > Accounting > Items > New.
2. Click the **Serialized** link under Inventory Item.
3. Under Primary Information, enter the item name in the **Item Name/Number** field.

4. If you use Multiple Units of Measure, select a **Units Type**, **Stock**, **Purchase**, and **Sale** units. For more information, see Using Item Records.
5. On the **Accounting** subtab, select a **COGS**, **Income**, and **Asset** account for the Item. These fields are required to sell any inventory item.
6. Click the **Purchasing/Inventory** subtab.
7. Enter the current **Quantity on Hand** for the item, and enter the serial numbers you have on hand in the **Serial Numbers** field.

   Individual serial numbers must be separated by a space, comma, or line break. The number of serial numbers entered must be equal to the **Quantity On Hand** entered.

   - If you use the bar code feature, you can use a bar code scanner to scan and enter different serial numbers.
   - If you use multiple locations to track inventory, you must define the quantity on hand for each location, and the serial numbers in each location.
8. Enter other information, as required.
9. Click **Save**.

Track Serialized Inventory on Item Records

You can track your purchase and sales of physical inventory items by assigning a serial number to each item. The item's serial number lets you choose a specific serial numbered item to fulfill or receive an order.

After a serialized item is entered, you can view the serial numbers for an item on the Serial Numbers subtab of the item record:

- Select All in the Filter By field to view all numbers that have ever been associated with this item.
- Select On Hand in the Filter By field to view only the serial numbers that are currently in stock.

If you enable the Multi-Location Inventory feature when viewing an item record, the following filters appear in the Location field on the Inventory Numbers subtab:

- Select All to display information for active locations.
- Select All (including Inactive) to display information from both active and inactive locations.

For more information, see Creating Item Records.

Individual Serial Numbers

Each serial number that contributes to the quantity on hand must be unique. However, note the following. If a serial number was previously sold but not currently on hand, the previously used serial number can be reused on new transactions. You can also purchase or adjust inventory to increase a serialized item's quantity on hand for the previously used serial number. However, that serial number must not contribute to the current quantity on hand for the item.

Note: If you use Multi-Location Inventory, serial numbers must be unique across all locations.

For example, you purchase a Hi-Tech 9000 2Ghz Computer with a serial number of A1234. You cannot buy this computer/serial number combination again until you do one of the following:

- Sell this serial number

- Use the Adjust Inventory page to remove this serial number from your on hand stock

Similarly, you might not receive a customer return for an item/serial number combination if that serial number is currently part of your on hand stock.

Although serial numbers must be unique within any individual serialized inventory item record, you can use the same serial number across **different** serialized items.

For example, you purchase a Hi-Tech 9000 2Ghz Computer with the serial number A1234. You can purchase a Tek-Know 100 3Ghz Computer that also uses the serial number A1234. Because they are two different item records, both can be part of your on hand stock and use the same serial number.

NetSuite warns you if you attempt to bring a serial number into inventory that is currently on hand. You are prompted to enter a new, different serial number. After you enter a new valid serial number, you can add the line item and save the transaction.

Serialized Item Stock Status

As you buy and sell serialized inventory, the accounts you specified when you set up your inventory items update. Profit on each serialized item is the difference between the values in the income account and Cost of Goods Sold (COGS) account. This is reflected on your income statement.

You can also view the following quantities for each item on the Items list:

- **Quantity On Hand** – the number of units that have been received into your inventory that have not yet been picked for orders.
- **Quantity On Order** – the number of units that have been ordered from the vendor by purchase order.
- **Quantity Committed** – the number of units of an item reserved by unfulfilled sales orders.
- **Reorder Point** – the on-hand inventory level at which you should place an order to restock an item.

To view the quantity on hand, quantity on order, quantity committed and reorder point for items, go to Lists > Accounting > Items. Choose Stock in the View field.

If you use Inventory Level Warnings at Home > Set Preferences, a popup window notifies you when your inventory reaches the reorder point.

Add New Serial Numbers to Inventory

There are several ways to add new serial numbers to your inventory records.

Note: When entering groups of numbers, individual serial numbers should be separated by a space, comma, or line break.

Use the following methods to add serial numbers:

- New Item Records
- CSV Import
- Received or Purchased Serialized Items
- Adjust Inventory
- Build Assemblies
- Credit Memo

New Item Records

When you initially create an item, you can enter new serial numbers on the Inventory subtab of the item record. The number of serial numbers entered must be equal to the quantity on hand entered. For more information, see Creating Item Records.

CSV Import

You can use the CSV item import to import new serialized inventory items or to update existing serialized inventory items.

- You can import serial numbers for new serialized inventory items if you are adding them to your account for the first time. You can use CSV import to update serialized item information such as prices or descriptions. However, you cannot import serial numbers for items that already exist in your account.
- If the Multi-Location Inventory feature is enabled, you can import Quantity On Hand, Reorder Point, and Preferred Stock Level for items on a per-location basis.

Note: CSV import for serial numbered items is not available in NetSuite OneWorld.

For general guidelines on importing CSV file data, see the help topic CSV Imports Overview. For specific details about importing items, see the help topic Items Import.

Received or Purchased Serialized Items

You can enter new serial numbers when a serialized item is received or purchased through the following transactions:

- Receive Purchase Orders
- Enter Bills
- Write Checks
- Use Credit Cards

You enter new serial numbers in the Serial Numbers field on these transactions.

For more information, see the following:

- Receiving Orders
- Vendor Bills
- Writing Checks
- Entering Company Credit Card Charges

Adjust Inventory

Serial numbers can be added when you enter an Inventory Adjustment. If you are adjusting the on-hand quantity of a serialized item, you are required to enter new serial numbers to be added to inventory. The quantity of serial numbers entered must equal the quantity of the adjustment.

Serialized items are not available on the Inventory Adjustment Worksheet. For more information, see the help topic Inventory Adjustments.

Build Assemblies

For serialized assembly items, there is a Serial Numbers field on the Build Assemblies page to enter new serial numbers for assemblies that are built. For more information, see Building a Serialized Assembly.

Credit Memo

New serial numbers can be entered on a customer Credit Memo. This could be useful when a customer trades in this serialized item at your store, although they had not previously purchased it from you. For more information, see the help topic Issuing a Customer Credit Memo

Using CSV Import for Serialized Items

Use the following procedure to import serialized items.

To use CSV import for serialized items:

1. Create a CSV file to be imported:
    1. Enter **1** in the **Item Type** column.
    2. Enter **Serialized** in the **Costing Method** Column.
    3. In the **Serial Number** column, enter the serial numbers for the items you have on hand. Separate serial numbers with a comma or space. The number of serial numbers entered for an item must match the number entered in the **Quantity On Hand** column for that item.
    4. Save your file as a .csv file when you are finished.
2. In NetSuite, go to Setup > Import/Export > Import CSV Records.

    The Import Assistant opens. For more information, see the help topic CSV Imports Overview.
3. On the first page of the Import Assistant:
    1. Select **Items** from the **Record Type** list.
    2. Select **Serialized Inventory Item** from the **Subtype** list.
    3. Click the **Select** button to browse to the CSV import file you created.
    4. Click the **Next** button.
4. Continue completing options in the Import Assistant.

    For more information, see the help topic Importing CSV Files with the Import Assistant.

Searching for Serialized Inventory

You can search for a serialized inventory item, find serial numbers associated with a serialized inventory item, or search for a specific serial number. On any serial number record, click the Search Transactions button to find all transactions associated with the serial number. For more information, see the help topic Running Searches.

To export your search results as files, see the help topic Exporting Search Results.

To search for a serialized inventory item:

1. Go to Lists > Search > Saved Searches > New.
2. Click **Item**.

3. Enter the serialized inventory item name in the **Name** field.
4. Click **Save**, **Save & Run**, or **Save & Email**.

To find serial numbers associated with the serialized inventory item, on the **Inventory Detail** subtab, click **Inventory Numbers**.

To find serial numbers associated with a serialized inventory item:

1. Go to Lists > Search > Saved Searches > New.
2. Click **Inventory Numbers**.
3. Select the serialized inventory item in the **Item** field.
4. Click **Save**, **Save & Run**, or **Save & Email**.

To search for a serial number:

1. Go to Lists > Search > Saved Searches > New.
2. Click **Inventory Numbers**.
3. Enter that number in the **Number** field.
4. Click **Save**, **Save & Run**, or **Save & Email**.

To find all transactions related to the serial number, click **Search Transactions**.

Receiving a Purchase Order With a Serialized Item

If a serialized inventory item is selected on a purchase transaction, enter a serial number to receive the item into inventory.

For example, you create a purchase order that includes a serialized item, but do not enter the serial number for that item. Later, when you receive the purchase order, you will be required to enter the serial number for the serialized item.

To receive a purchase order with a serialized item:

1. Go to Transactions > Purchases > Receive Orders.
2. In the **Vendor** field, select a single vendor or **All**.
3. Click **Receive** next to the purchase order that you want to receive.
4. On the Item Receipt, click the line that shows the serialized item.
5. In the **Serial/Lot Numbers** field, enter the serial number of the item.

   Separate each number with a space, comma or by pressing **Enter** after each one.

   The quantity of serial numbers entered must match the quantity of serialized items on each transaction line. For example, if you are receiving three serialized items, you must enter three serial numbers.

   > **Note:** When you use serialized items, additional options appear in the Inventory Detail popup window.
   >
   > For more information, see the help topic Advanced Bin / Numbered Inventory Management.

6. Click **Save**.

For information about receiving serialized inventory using Multiple Units of Measure, see Using Item Records.

Entering a Memo or Information About the Serialized Received Item

Use the following procedure to enter additional information about the serialized item you received.

To enter a memo or information about the item:

1. Go to Transactions > Purchases/Vendors > Receive Purchase Orders.
2. Beside the order, click **View**.
3. Beside the Serial number, click the **Open** icon.
4. In the popup window, enter a memo and values in any custom fields for each inventory number.
5. Click **Save**.

After an order is billed, the serial number on the bill appears for information only. Changes made to the serial number no longer affect inventory.

Serialized Items on Sales Transactions

When selling serialized items on sales transactions, you should consider the following:

- In the Item field on sales transactions, you can choose a serialized item from the inventory list. Select a serialized item by entering the item name, UPC, or serial number. When you enter a serial number, the item name or UPC autofills in the Item field.
- Serialized items added to sales transactions must include a serial number for each item when the transaction posts.
  - If a serialized inventory item is selected on a non-posting sales transaction, you enter a serial number when the order is fulfilled.

    Non-posting sales transactions include the following:

    - Prepare Estimates
    - Enter Sales Orders

    If a serial number is entered on a non-posting sales transaction, that serial number **is not on hold** and is available for sale on transactions.
  - If a serialized inventory item is selected on a posting sales transaction, enter a serial number on that transaction.

    Posting sales transactions include the following:

    - Create Invoice
    - Enter Cash Sale
    - Fulfill Sales Orders

      In the Serial Numbers field on a posting sales transaction, enter or select the serial number of the item you are selling. The quantity of serial numbers entered must match the quantity of serialized items on each transaction line.

      For example, if you are fulfilling three serialized items, the fulfillment must show three serial numbers.

- To add a new serialized inventory item, go to Lists > Accounting > Items > New. Click New. Click Inventory Item, and then click Serialized.
- To choose multiple serial numbered items on sales transactions, click the Select Multiple link next to the Serial/Lot Numbers field. A popup window lists available serial numbers for the item. Click each item in the left pane to add it in the list right pane. When you click Done, all items in the right pane of the popup window are added to the transaction.
- When you view a sales order, invoice, or cash sale that has more than 10 serial numbers entered, **More...** displays below the serial numbers. If you point your cursor at **More...**, a tooltip window opens that lists all the serial numbers. You can click a serial number in this tooltip window to open the serial number record.
- After an order is fulfilled and billed, the serial number on the cash sale or invoice appears for information only. Changes made to the serial number no longer affect inventory.
- If you change a serial number on a transaction, the serial number is not updated automatically on any existing linked transactions. You must update the serial number manually on the linked transactions to match the new serial number. For example, you change the serial number on a sales order when an item fulfillment record has already been created and linked to the order. You must also update the serial number on the item fulfillment.
- Note the following when you view a saved sales transaction that includes a serialized item. If you click the serialized number to view or edit values in the Memo field or a custom field on the inventory number record. For more information, see Customizing Lot or Serial Numbered Item Records.

For information about selling serialized inventory using Multiple Units of Measure, see Using Item Records.

Fulfilling a Sales Order with a Serialized Item

If a serialized inventory item is selected on a sales transaction, you must enter a serial number to fulfill the items from inventory.

For example, you create a sales order that includes a serialized item, but you do not enter the serial number for that item. Later, when you fulfill that sales order, you are required to enter the serial number for the serialized item.

To fulfill a sales order that contains a serialized item:

1. Go to Transactions > Sales > Fulfill Orders.
2. On the Fulfill Orders page, in the **Customer** field, select a single customer or **All**.
3. Beside the sales order you want to fulfill, check the **Fulfill** box.

   To select all orders, click **Mark All**.
4. On the Item Fulfillment page, click the line that shows the serialized item.
5. In the **Serial Number** field, enter the serial number of the item.

   The quantity of serial numbers entered must match the quantity of serialized items on each transaction line. For example, if you are fulfilling three serialized items, you must enter three serial numbers.

   a. To choose multiple serial numbered items on transactions, beside the **Serial/Lot Numbers** field, click the **Select Multiple**.

   b. In the popup list, click items from the left pane to add to the right pane list.

   c. Click **Done**.

      All items in the right pane of the popup window are added to the transaction.

Note: You can enter a maximum of 4000 characters in this field.

6. Click **Save**.

   The items are fulfilled from your inventory.

For information about fulfilling serialized inventory using Multiple Units of Measure, see Using Item Records.

For information about fulfilling kit items that include serialized inventory, see Entering Serial and Lot Components on the Item Record for the Kit.

Bulk Fulfillment

To bulk fulfill a batch of sales orders, sales orders with serialized items must include the corresponding serial numbers. If a serialized item on a sales order does not have a serial number, you cannot bulk fulfill. You must fulfill the sales order individually to enter the serial number.

Memorizing Transactions with Serialized Items

Posting transactions, such as invoices and cash sales, cannot be memorized if they include serialized items. However, non-posting transactions, such as sales orders, can be memorized with a serialized item if **a serial number is not specified**.

For example, you can memorize a sales transaction with a serialized item by setting up a memorized sales order. When you create the sales order, select the serialized item in the Item column, but do not enter a serial number. Then, click Memorize to memorize the transaction and select your recurrence options.

To memorize the transaction:

1. On the **Memorized Transaction** page, click **Submit**.
2. Return to the sales order.
3. On the Sales Order page, click **Submit**.

   The memorized transaction automatically generates a sales order on the next recurrence date.

Tip: You can set up a reminder for sales orders to approve and fulfill. Go to Home. In the Reminders portlet, click Set Up in the menu.

Building a Serialized Assembly

Serialized assembly items enable you to build items from raw materials and track the inventory of both the finished items and the raw materials separately. The completed assembly is assigned a serial number to track it as it enters and leaves your inventory.

The serial number lets you access the history of any serialized assembly item. The history lets you track the cost of the assembly or check its status. You can also choose a specific serial numbered assembly item to fulfill an order.

Only inventory items can be members of an assembly.

Serialized assembly items are available on sales transactions and inventory adjustment transactions. They are not available on purchase transactions.

Build assemblies in NetSuite from inventory items to increase your stock of those assembly items.

You must create serialized assembly item records before you can build serialized assemblies in NetSuite. To create a new assembly item record, go to Lists > Accounting > Items > New. Under Assembly/Bill of Materials, click Serialized.

To build serialized assembly items:

1. Go to Transactions > Inventory > Build Assemblies.
2. In the **Reference #** field, enter a reference number to track this assembly.
3. Select the serialized assembly item you want to build from the **Assembly** list.

   After selecting an assembly item, the **Buildable Quantity** field displays the maximum number that you can build.
4. In the **Quantity to Build** field, enter the number of assembly items you want to build.
   - You cannot enter a quantity that exceeds the number in the Buildable field.
   - If you use locations, the quantity that appears in the Buildable field is for the selected location.
   - The **Projected Value** field displays the projected value of your new assemblies.

     Projected value is the sum of the value of the member items times the quantity entered.
5. In the **Serial Numbers** field, enter the serial number or numbers for this assembly.
   a. To choose multiple serial numbered items on transactions, click the **Select Multiple** link next to the **Serial/Lot Numbers** field.
   b. In the popup window, click an item from the left pane to add it to the right pane list.
   c. Click **Done** to add the selected items to the transaction.

   The preferred assembly item record bin number is displayed in the **Bin Numbers** field.
6. If assembly items from this build are stored in other bins, click the **Bins** icon.

   Bins must be selected on the assembly item record to be displayed here.
7. In the popup window, edit the quantity for each bin, and then click **Done**.
8. In the **Date** field, accept today's date or enter another date.
9. If you use accounting periods, select a **Posting Period** for this assembly.
10. Optionally, in the **Memo** field, enter any information you want to display on a register or account detail report. You can also search for this text to find this record later.
11. In the Classification section, do the following:
    a. Select a department and **Class**, if needed.
    b. Select a **Location** for the built assembly items.

       Raw materials are taken from the inventory at this location. The built assembly items are added to the inventory at this location.

       To create a new location, select New from the list.

       For more information about existing locations, go to Setup > Company > Locations.
12. If the assembly contains serialized inventory items, enter or select the serial number for each serialized member item.

    Separate each serial number with a space or comma, or press Enter after each number. You must enter a serial number for each serialized item. For example, if you enter a quantity of 2, then you must enter two serial numbers.
13. Click **Save**.

After a serialized assembly item has been built, it is treated like an inventory item for inventory costing purposes. The asset/costing value of a serialized assembly item is the sum of the values of the assembly's member items. This total value functions as the serialized assembly item's purchase price for inventory costing calculations.

Adjusting Serialized Inventory

Use the following procedure to adjust serialized inventory.

To adjust serialized inventory:

1. Go to Transactions > Inventory > Adjust Inventory.
2. To track the inventory variance, under **Primary Information**, select the **Adjustment Account**.
3. If you use Multi-Location Inventory, select the **Location** where the item is located.
4. In the **Adjust Quantity By** field, enter the amount to change the on hand quantity by. The number of serial numbers entered must equal the quantity of the adjustment.
   - For a positive adjustment, enter new serial numbers to be added into inventory. You can also enter a new Unit Cost for the items. The cost applies only to the serial numbers listed in this adjustment line, it does not revalue the cost of existing serialized items.
   - For a negative adjustment, enter the in-stock serial numbers you want to remove from inventory. You cannot enter a negative adjustment amount which is greater that the on hand quantity.

     If you use Multi-Location Inventory, the serial numbers must be in stock at the selected location.
   - To **choose multiple serial numbered items** on transactions, click the **Select Multiple** link next to the **Serial/Lot Numbers** field. A popup window lists available serial numbers for the item. Click each item in the left pane to add it in the list right pane. When you click **Done**, all items in the right pane are added to the transaction.
5. Click **Add** to save the adjustment line.
6. Click **Save** when you are finished.

Serialized items are not available to adjust on the Adjust Inventory Worksheet. The worksheet defines an absolute quantity and value for a certain item on the date of the adjustment. There is no way to determine which serial numbers to add or remove if the item is adjusted. In addition, there is no way to determine the value of the items remaining on hand. For more information about adjusting serialized inventory using Multiple Units of Measure, see Using Item Records.

Removing Serial Numbers on Case Forms

When you use Serialized Inventory, a Serial Number field is added to the case entry form. When entering a case, select the customer and the item being supported in the case. If the item is a serialized item, the Serial Number field autofills with the serial numbers the customer has ordered or purchased.

If an item does not appear in the **Item** field when entering a case, go to Lists > Accounting > Items. Edit the item that you want to see in the case form. Check the **Offer Support** box in the top portion of the item screen, and then save. Then, you can select this item in the Item field when entering cases.

To remove the Serial Number field from the case form:

1. Go to Customization > Forms > Transaction Forms.

2. Click **Customize** next to the Standard Case Form, or click **Edit** next to your custom case form.
3. In the **Fields** subtab, clear the **Show** box for **Serial Number**.
4. Click **Save**.

Note: The Serial Number field is not currently available on Online Case Forms.

Lot Numbered Items

Lot items track the purchase, stock, and sale of a group or quantity of items by assigning a specific number to the group or quantity. For example, a food distributor can track goods by assigning a lot number and expiration date to a group of perishable products.

Lot numbered item records track the quantity of items and the specific cost for each lot as products are purchased and sold. On the lot number record, you can identify an expiration date and enter notes about the lot.

Lot Numbered Items With Bin Management

If you use Advanced Bin / Numbered Inventory Management, you can use lot numbered items with bin management. For more information, see the help topic Advanced Bin / Numbered Inventory Management.

Inventory Detail Selector

With Advanced Bin / Numbered Inventory Management, you can click the Inventory Detail icon on transactions to add or remove serialized inventory. When you click the Inventory Detail icon, a popup window lets you select or edit the quantity and serial number appropriate for the transaction.

You can display the Inventory Detail icon in the following two ways:

- **Arrow** – The arrow icon indicates that the inventory detail is available for the item and needs to be configured. It appears only in edit mode for a transaction.
- **Check mark** – The check mark icon indicates that you have already configured the inventory detail for this item. It appears in view mode for transactions, and in edit mode after you configure the inventory detail.

Permissions for the inventory detail selector are inherited from its parent transaction. For example, to edit the inventory detail from a sales order, you must have permission to edit the sales order. For more information, see the help topic Standard Roles Permissions Table.

Custom Information about Lot Numbered Item Records

Lot numbered inventory records can be customized with item number fields. These fields let you track information specific to each item or workflow unique to your business, such as quality control procedures or recall information.

When you receive lot numbered inventory from vendors, you can enter a memo or custom information about the item. To do so, click the Open icon next to the Lot number when viewing an item receipt.

After you enter information in custom item number fields, you can search for items on sales transactions based on the custom information. On sales transactions, you can search for lot numbers based on

custom information from the inventory number record. For more information, see Customizing Lot or Serial Numbered Item Records.

Enabling Lot Numbered Inventory

An administrator can use the following procedure to enable the Lot Tracking feature.

To enable Lot Tracking feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Items & Inventory** subtab.
3. Check the **Lot Tracking** box.
4. Click **Save**.

After the Lot Tracking feature is enabled, you can set up lot item records to track information about each lot.

Creating Lot Numbered Items

You can track inventory by assigning lot numbers to groups of items.

Lot numbered items track the purchase, stock, and sale of groups of items by assigning lot numbers. Lot numbered item records track the quantity of items and the specific cost for each lot as products are purchased and sold.

For information about creating lot numbered inventory records using Multiple Units of Measure, see Using Item Records.

For information about costing methods, Lot Numbered versus Average, see the help topic Costing Methods.

To create lot numbered items:

1. Go to Lists > Accounting > Items > New.
2. Click one of the following:
   - **Assembly > Lot Numbered**
   - **Inventory Item > Lot Numbered**
3. Enter information about your item in the necessary fields.
4. Click **Save**.

After a serialized item is entered, you can view the serial numbers for an item on the **Serial Numbers** subtab of the item record:

- To view all numbers that have ever been associated with this item, select **All** in the **Filter By** field.
- To view only the serial numbers that are currently in stock, select **On Hand** in the **Filter By** field.

If you enable the Multi-Location Inventory feature when viewing an item record, select one of the following filters in the **Location** field. This field is located on the **Inventory Numbers** subtab:

- Select **All** to display information for active locations.

- Select **All (including Inactive)** to display information from both active and inactive locations.

Deleting a Lot Numbered Item

NetSuite enables you to delete a lot numbered item.

To delete a lot numbered item:

1. Go to Lists > Accounting > Items.
2. Beside the lot numbered item you want to delete, click **Edit**.
3. Click Actions > Delete.
4. In the message box, click **OK**.

Receiving a Purchase Order With a Lot Numbered Item

To receive an order that contains a lot numbered item, the lot number must be identified. If the purchase order does not show the lot number, it when you process the receipt of the order.

For information about receiving lot numbered inventory using Multiple Units of Measure, see Using Item Records.

To receive a purchase order with a lot numbered item:

1. Go to Transactions > Purchases > Receive Order.
2. In the **Vendor** field, select a single vendor or **All**.
3. Click **Receive** next to the purchase order that you want to receive.
4. On the **Items & Expenses** subtab, click the line that shows the lot item.
5. In the **Quantity** column, verify or enter the quantity received of this item.

   Lot items can be received in fractional quantities.
6. Click **Save**.

You can print item labels when you receive the purchase order. To do so, select **Save and Print Labels** in the print list.

Entering a Memo or Information About the Lot Numbered Received Item

Use the following procedure to enter additional information about the lot numbered item you received.

To enter item memo or information:

1. Go to Transactions > Purchases/Vendors > Receive Purchase Order > List.
2. Beside the order, click **View**.
3. Beside the lot number, click the **Open** icon.
4. In the popup window, enter a memo and values in any custom fields for each inventory number.

After an order is billed, the lot number on the bill appears for information only. Changes made to the lot number no longer affect inventory.

Selling and Fulfilling Lot Numbered Items

On sales transactions in the Item field, you can select a lot item from the inventory list by entering the item name or lot number. When a lot number is entered, the item name autofills in the Item field.

Lot items that are added to sales transactions must include a lot number for each item when the transaction posts.

- **Non–posting** – If a lot item is selected on a non-posting sales transaction, you can enter a lot number when the order is fulfilled.

  Non-posting sales transactions include estimates and sales orders.

  > **Note:** If a lot number is entered on a non-posting sales transaction, that lot number is on hold and not available for sale on new transactions.

- **Posting** – If a lot item is selected on a posting sales transaction, you must enter a lot number on that transaction.

  Posting sales transactions include the following:

  - Invoices
  - Cash Sales
  - Sales Order Fulfillments

    In the Serial/Lot Number field on a posting sales transaction, enter or select the lot number of the item you are selling.

When you view a saved sales transaction that includes a lot numbered item, note the following. You can click the lot number to view or edit values in the Memo field or a custom field on the inventory number record. For more information, see Customizing Lot or Serial Numbered Item Records.

For information about receiving lot numbered inventory using Multiple Units of Measure, see Using Item Records.

To fulfill a sales order that contains a lot item:

1. Go to Transactions > Sales > Fulfill Sales Orders.
2. In the **Customer** field, select a customer or **All**.
3. Click **Fulfill** in the **Process** column next to the sales order you want to fulfill.
4. On the Item Fulfillment page, click the line that shows the lot item.
5. In the **Serial/Lot Number** field, enter the lot number of the item.

   Lot numbers must be entered in this format: **LOT#(Quantity)**

   For example, to enter a quantity of 100 items as Lot number ABC1234, enter **ABC1234(100)** in the **Lot Numbers** column.

   > **Note:** You can enter a maximum of 4000 characters in this field.

   a. To choose multiple lot numbered items on transactions, click the **Select Multiple** link next to the **Serial/Lot Numbers** field.

   b. In the popup list click items in the left pane to add it in the list right pane.

   c. Click **Done**.

   All items in the right pane of the popup window are added to the transaction. You can also enter a quantity to add more than one item from that lot. If you do not enter a quantity for a lot number, NetSuite assumes a quantity of one.

6. Click **Save**.

   After an order is fulfilled and billed, the lot number on the cash sale or invoice appears for information purposes only. Changes made to the lot number no longer affect inventory.

Bulk Fulfillment

To bulk fulfill a batch of sales orders, sales orders with lot items must include the corresponding lot numbers.

If a lot item on a sales order does not have a lot number entered, you cannot bulk fulfill. You must fulfill the sales order individually to enter the lot number.

Fractional Quantities

You can stock, buy, and sell lot-numbered items in fractional quantities. This can be useful if you track items that are measured by volume or weight.

For example, an industrial chemical manufacturer produces 100 liters of a chemical compound and identifies it as lot #1010 on its item record. A .5 liter quantity of the compound is sold to a customer. The item fulfillment shows .5 quantity of lot item #1010 sent to the customer and the item record shows 95.5 liters remaining of lot #1010.

Note: Lot-numbered items cannot be sold in fractional quantities through your web store. They can be sold only in integer quantities.

Building a Lot Numbered Assembly

In NetSuite, you can build assemblies from inventory items to increase your stock of assembly items.

Lot numbered assembly items let you build items from raw materials and then track the inventory of the finished items and raw materials separately. The completed assembly is assigned a lot number to track it as it enters and leaves your inventory.

To build serialized assembly items:

1. Go to Transactions > Inventory > Build Assemblies.
2. In the **Reference #** field, you can enter a reference number to track this assembly.
3. In the **Assembly** list, select the lot numbered assembly item you want to build.

   You must create assembly item records before you can build assemblies. For more information, see Creating Item Records.

   When you select an assembly item, the maximum number that you can build appears in the **Buildable Quantity** field.
4. In the **Quantity to Build** field, enter the number of assembly items you want to build.
   - You cannot enter a quantity that exceeds the number in the **Buildable Quantity** field.
   - If you use locations, the quantity in the **Buildable Quantity** field represents the selected location.
   - The projected value of your new assemblies appears in the **Projected Value** field.

     Projected value is the sum of the value of the member items times the quantity entered.

5. In the **Serial Numbers** field, enter the serial number or numbers for this assembly.
    a. To choose multiple serial numbered items on transactions, click the **Select Multiple** link next to the **Serial/Lot Numbers** field.
    b. In the popup window, select items from the left pane to add it in the right pane.
    c. Click **Done**.

    All items in the right pane are added to the transaction.
6. In the **Lot Numbers** field, enter the lot number or numbers for this assembly.
7. The preferred bin number from the assembly item record appears in the **Bin Numbers** field.
    a. If assembly items from this build are stored in other bins, click the **Bins** icon. Bins must be selected on the assembly item record to appear here.
    b. In the popup window, edit the quantity for each bin, and then click **Done**.
8. In the **Date** field, accept today's date or enter another date.
9. Enter the lot **Expiration Date**.
    a. To create a warning that a lot is about to expire, go to Setup > Accounting > Accounting Preferences.
    b. Click the **Items/Transactions** subtab.
    c. In the **Days Before Lot Expiration Warning** field, enter the number of days that you want to receive a warning.
    d. Click **Save**.
10. If you use accounting periods, select a **Posting Period** for this assembly.
11. Optionally, in the **Memo** field, enter any information you want to display on a register or account detail report. You can also search for this text to find this record later.
12. In the Classification section, select a **Department** and **Class**, if needed.
13. Select a **Location** for the built assembly items.

    Raw materials are taken from the inventory at this location. The built assembly items are added to the inventory at this location.

    To create a new location, select **New**.

    For a list of existing locations, go to Setup > Company > Locations.
14. If the assembly contains member items that are lot numbered inventory items, enter or select the lot number for each lot member item.

    Lot numbers must be entered in this format: **LOT#(Quantity)**

    For example, to enter a quantity of 100 items as Lot number ABC1234, enter **ABC1234(100)**.
15. Click **Save**.

After a lot numbered assembly item has been built, it is treated like an inventory item for inventory costing purposes. The lot assembly item asset/costing value is the sum of the values of the assembly's member items. This total value functions as the lot assembly item's purchase price for inventory costing calculations.

Viewing Lot Numbered Inventory Item Records

Use the following procedure to view lot numbered inventory item records.

To view lot numbered inventory item records:

1. Go to List > Accounting > Items.
2. Collapse the list of **Filters** and select **Inventory Item** as the **Type**.
3. Beside the item, click **View**.
4. The method to view lot numbered items by location depends on whether you use Bin Management or Advanced Bin / Numbered Inventory Management.

   If you use Bin Management, this information is located on the **Purchasing/Inventory** subtab.

   If you use Advanced Bin / Numbered Inventory Management, this information is located on the **Inventory Detail** subtab. This subtab also shows the purchase price of this lot item. All lots recorded on this item record use this purchase price for inventory costing purposes.

Quantity On Hand	Quantity On Order
Value	Quantity Committed
Reorder Point	Quantity Back Ordered
Preferred Stock Level	

5. To view information about item lot numbers, click the **Lot Numbers** subtab.

   For example, quantity on hand per location.
6. Click a lot number to open the lot number record.

   Lot number records identify item name, number, status, memos, and the following:

   - **Inventory quantities** – For each location the lot number record shows On Hand, On Order, and Available counts.
   - **Expiration date** – NetSuite can warn you when you sell a lot item that is close to its expiration.
   - **Transaction history** – On the lot number record, you can search transactions for specific information. Click **Search Transactions** to identify where and when each lot is received, stocked, transferred, built into assemblies, or sold. For example, you can use lot records to identify sales of a lot that needs to be recalled.
7. (Optional) To keep track of a lot item's expiration, you can do the following:

   - Identify items by printing labels that show lot numbers and expiration dates.

     To print labels, go to Transactions > Management > Print Checks and Forms.
   - Receive an expiration warning when a lot is about to expire.

     To set the preference to receive an expiration warning, go to Setup > Accounting > Preferences > Accounting Preferences. Click the **Items/Transactions** subtab. In the **Days Before Lot Expiration Warning** field, enter the number of days in advance of a lot item's expiration to receive a warning.

When you sell, receive, or fulfill an order, you can choose a specific lot. Then, lot numbers show on customer records in the list of items purchased. This lets you reference lot numbers to process returns or reply on support cases.

You can also assign a lot number to a group of assembly items you build, or include a lot item in a regular assembly build.

If you buy, stock, and sell lot items in differing quantities, you can enter a fractional amount of the item on transactions. For more information, see Selling and Fulfilling Lot Numbered Items.

You can use Multiple Units of Measure to assign units to lot numbered inventory.

You can use lot numbered inventory as members of Kit/Package items. For more information, see Entering Serial and Lot Components on the Item Record for the Kit.

Selecting Lot Numbers on Transactions

Use the following procedure to select multiple lot numbered items on transactions.

To select multiple lot numbered items on transactions:

1. Next to the **Serial/Lot Numbers** field, click the **Select Multiple** link.
2. In the item available lot numbers list, click an item in the left pane to add to the right pane.
3. Click **Done**.

   All items in the right pane are added to the transaction. You can also enter a quantity to add more than one item from that lot. If you do not enter a quantity for a lot number, NetSuite assumes a quantity of one. By entering a specific lot number, you are designating a specific item and NetSuite allocates the specific item for this order. If you do not enter a specific lot number, NetSuite allocates only the specified quantity of this item to the order. You can designate the specific lot number for the item later.

Lot Auto Numbering SuiteApp

The Lot Auto Numbering SuiteApp enables you to define a lot numbering format and select items that require lot auto numbering. You can also configure additional lot information such as supplier lot number and manufactured date and maintain this information in the inventory detail.

The following video gives an introduction to Lot Auto Numbering SuiteApp:

Lot Auto Numbering SuiteApp

The SuiteApp supports lot numbered assembly and inventory items.

Transaction Types

The SuiteApp works when you add new lots in the following transaction types:

- Purchase order
- Item receipt
- Receive inbound shipment
- Work order completion
- Assembly build
- Outsourced manufacturing

Note: When you install the SuiteApp and provide the required permissions and minimum access levels to your role, a custom Inventory Detail popup window appears during the transaction entry. This custom Inventory Detail popup window lets you use the Lot Auto Numbering SuiteApp features. If the role does not have the required permissions and minimum access levels, you get an alert and the standard Inventory Detail popup window opens.

For more information, read Roles and Permissions to Use the Lot Auto Numbering SuiteApp.

Lot Number Formats

Lot number formats are custom numbering formats. These formats are created using lot number format elements. You can assign a single lot number format to one or more items.

After applying a lot number format to an item when you input inventory details for that item, the SuiteApp automatically assigns the lot numbers.

Lot Number Format Elements

Lot number format elements are used to build lot number formats. There are 17 default lot number format elements delivered with the SuiteApp. You can create additional lot numbering format elements using item number fields. For more information, see Creating Lot Number Format Elements.

Each lot number format element used in a lot number format appears as a required field in the Inventory Detail popup window.

The SuiteApp provides the following default lot number format elements:

Format Element	Description
Country of Origin	Country of origin of the item lot. **Note:** You can edit this element.
Day	Two-digit day in the transaction date.
Expiration Date	Expiration date of the lot in YYMMDD format.
Heat Code	Heat code for an item.
Internal ID	Internal Id of the lot numbered item.
Julian Days	Number of days from January 1 in that year to the transaction date.
LDY	Last digit of transaction year.
Location	Receiving or manufacturing location of the transaction.
Manufactured Date	Manufactured date is the date in YYMMDD format.
Month	Two-digit transaction month.
Order Number	Purchase order or work order number.
Receipt Date	Receipt date in YYMMDD format in the item receipt
Sequence Number	Number uniquely defined on each item record that automatically increments by one for each new lot number.
Supplier Lot Number	Lot number received from the supplier.
Text	Free format text that can be up to 12 characters in length.
YY	Last two digits of the transaction year.
YYYY	Last four digits of the transaction year.

Following are some additional notes on the lot number format elements:

- For outsourced manufacturing, the SuiteApp derives values for the following elements from the receipt date. For other transaction types, it derives the values from the transaction date:
  - Julian Days
  - Month

  - Day
  - LDY
  - YY
  - YYYY
- For purchase order transactions, the receipt date element will be blank when determining the lot number.
- If you use a lot number format element in a lot number format, you must also add that element as an additional lot field. You can add the additional lot field either at global level or at item level.
- The lot number format element names are translatable, except for abbreviations like LDY, YY, and YYYY. However, you cannot translate the description of the lot number format elements.

Additional Lot Fields

The SuiteApp enables you to configure an item to capture additional lot information and maintain this information in inventory detail. The SuiteApp provides the following default additional lot fields:

- Heat Code
- Manufactured Date
- Supplier Lot Number
- Country of Origin

Note: The **Country of Origin** additional lot field is editable.

You can create additional lot fields using item number fields at global level that can be applied to all items, or at specific item level. These additional lot fields are visible only when you create or edit a transaction. For more information, see Creating Additional Lot Fields.

Known Limitations

The SuiteApp has the following known limitations:

- You cannot import the following using the CSV import feature:
  - Lot number formats
  - Lot number format elements
  - Additional lot fields in inventory detail
- You cannot perform the following operations using SOAP or REST web services:
  - Create or update item lot information
  - Create or update additional lot fields
  - Import additional lot fields in inventory detail

Installing the Lot Auto Numbering SuiteApp

Install the Lot Auto Numbering SuiteApp from the SuiteApp Marketplace. For more information, see the help topic Installing from the SuiteApp Marketplace.

Lot Auto Numbering is a managed SuiteApp that automatically updates whenever enhancements or new features are added.

Note: Do not use the AutoLot_Custom_Role role delivered with the SuiteApp. The role is provided for internal processing and you must not use the role.

Prerequisites for Lot Auto Numbering

The Lot Auto Numbering SuiteApp is developed and tested for use primarily with NetSuite OneWorld. For more information about NetSuite OneWorld, see the help topic Introduction to NetSuite OneWorld.

To use the Lot Auto Numbering SuiteApp, an administrator must enable the following features:

Subtab	Feature Name
Items & Inventory	■ Advanced Bin/Numbered Inventory Management ■ Lot Tracking
SuiteCloud	■ Custom Records ■ Client SuiteScript ■ Server SuiteScript ■ SuiteCloud Development Framework

For more information, see the help topic Enabling Features.

Important: Make sure that you do not have existing additional lot fields with any of the following names:

- Heat Code
- Manufactured Date
- Supplier Lot Number
- Country of Origin

If you have existing fields with any of the above names, you must rename them.

Roles and Permissions to Use the Lot Auto Numbering SuiteApp

Administrators can create new roles or customize roles to use the Lot Auto Numbering SuiteApp. For more information, see the help topics Assigning Roles to an Employee and Customizing or Creating NetSuite Roles.

The following table provides minimum access levels for different permissions required to use the Lot Auto Numbering SuiteApp:

Subtab	Permissions	Minimum Access Level
Transactions	Find Transaction	View
Lists	Custom Record Entries	Full
	Documents and Files	View

Subtab	Permissions	Minimum Access Level
	Locations	View
	Items	View
Setup	Custom Entity Fields	Full
	Custom Fields	View
	Custom Item Number Fields	Full
	SuiteScript	View
	SuiteScript Scheduling	Full
Custom Record	Auto Format Element Mapping	View

Center Category and Center Types

For a custom role, you can add the Lot Auto Numbering center category and links. Use the following information when creating the center category:

- **Center category label** – Label the center category as Lot Auto Numbering.
- **Center type** – Select the desired center type.
- **Center tab** – Select the desired center tab.
- **Links** – Add the following links:

Link	Label
Lot Number Format	Lot Number Formats
Lot Number Format Element	Lot Number Format Elements
Additional Lot Fields	Additional Lot Fields

For more information, see the help topics Creating Center Categories and Creating Center Links.

Create Item Number Fields

Item number fields are required to create lot number format elements and additional lot fields. You can create item number fields from the Item Number Field page. Go to Customization > Lists, Records, & Fields > Item Number Fields > New. When creating an item number field, you must make the following selections on the Item Number Field page:

- Choose the **All Items** radio button (required only for additional lot fields created at global level)
- Check the **Lots** box (required only for additional lot fields created at global level)
- Make sure the **Default Access Level** list in the **Access** subtab is set to **Edit**

Lot number format elements work with the following item number field types:

- Check Box
- Date
- Decimal Number
- Free-Form text
- Integer Number

- List/Record
- Percent
- Time of Day

Additional lot fields work with the following item number field types:

- Check Box
- Currency
- Date
- Decimal Number
- Email
- Free-Form text
- Hyperlink
- Integer Number
- List/Record
- Percent
- Phone Number
- Text Area
- Time of Day

Note: After you add an item number field to an additional lot field, do not change the item number field to an unsupported type.

Edit Item Number Field Name or Type

If you must edit the type of an item number field that is added to a lot number format element, note the following recommendations:

Change in Item Number Field	Recommended Actions	
	Additional Lot Fields Page	**Lot Number Format Page and Lot Number Format Elements Page**
To a type supported for lot number format element	No action required	Remove the item number field from the lot number format element that uses the item number field and add the same item number field again. Also, remove the lot number format element from the lot number format and add it back again.
To a type not supported for lot number format element but supported for additional lot fields	No action required	Remove the element from the lot number format and delete the lot number format element
To a type not supported for additional lot fields	Choose from the following: ■ Remove the item number field from additional lot fields ■ Revert the item number field to the previous type	Choose from the following: ■ Remove the element from the lot number format ■ Revert the item number field to the previous type

For an item number field name change, you must update the lot number format element that uses the item number field. Remove the item number field from the lot number format element and add the same item number field again.

Creating Lot Number Format Elements

Use the Lot Number Format Elements page to create additional lot number format elements.

To create a lot number format element:

1. Go to Lists > Lot Auto Numbering > Lot Number Format Elements > New.
2. From the **Item Number Field**, click the double arrow to list the item number fields, and then select the item number field.
3. (Optional) In the **Description** field, enter the description for the lot number format element.
4. Click **Save**.

Creating Lot Number Formats

Create a lot number format to apply to items.

To create a lot number format:

1. Go to Lists > Lot Auto Numbering > Lot Number Formats > New.
2. In the **Name** field, enter the name of the lot number format.
3. In the sublist, add elements.
    a. From the **Element** list, select an element.
    b. (Optional) If the selected element is **Text**, to add text to the lot number, enter the text in the **Text** field.
    c. Click **Add**.
    d. To add more elements, repeat Steps a to c.
4. (Optional) To preview a sample lot number generated from the selected elements, click **Preview**.

    Note: Preview is available only when NetSuite is used in English (US) language.
5. Click **Save**.

Creating Additional Lot Fields

Create additional lot fields that you want to add in the inventory details. Then you can map additional lot fields to specific items.

To create additional lot fields:

1. Go to Lists > Lot Auto Numbering > Additional Lot Fields.
2. Click **Edit**.
3. In the sublist, make the following selections:
    a. From the **Element** list, select the item number field that you want to use as additional lot field.

To create item number field, see Create Item Number Fields.

b. From the **Purchase Order** list, select the way in which the element applies in a purchase order.
   - **Not Applicable** (default selection) - The field does not display in the Inventory Detail popup window.
   - **Optional** - The field displays as a column but entering a value in it is optional.
   - **Required** - The field displays as a column and you must enter a value in the column.

c. From the **Work Order** list, select the way in which the element applies in a work order. To know more about the options, refer to Step b

d. Click **Add**.

e. To add more lot fields, repeat Steps a to d.

4. Click **Save**.

   The additional lot fields are mapped to all items.

   Depending on the selection in the purchase order and work order columns, the additional lot fields appear as columns in the Inventory Detail popup window.

Depending on the system resources and concurrency limit, you may face delay in updating the lot record with additional lot information after saving the transaction.

Mapping Additional Lot Fields to Selected Items

Use the following procedure to map additional lot fields to specific items.

To map additional lot fields to selected items:

1. Go to Lists > Lot Auto Numbering > Additional Lot Fields.
2. Click **Edit**.
3. Click the **Item–Element Mapping** button.
4. In the popup window, do one of the following to select items for mapping:
   - From the **Items** list, select the items to which you want to map the elements.
   - If you have a saved search to select items, you can use the saved search. Choose the **Select Items Using Saved Search** radio button and then select a saved search from the **Saved Search for Selecting Items** list.

     Note: The **Saved Search for Selecting Items** list filters the saved searches locked by any other SuiteApp.

5. In the **Elements** sublist, make the following selections:

   a. From the **Element** list, select the item number field that you want to use as additional lot field.

      To create item number field, see Create Item Number Fields.

   b. From the **Purchase Order** list, select the applicability of the element in a purchase order.

   c. From the **Work Order** list, select the applicability of the element in a work order.

   d. Click **Add**.

   e. To add more fields, repeat Steps a to d.

6. Click **Submit**.

A banner shows the progress of the mapping. When the mapping is complete, the banner provides a link to view the mapping report. Depending on the system resources and concurrency limit, you may face delay in item element mapping appearing in the item record.

Depending on the selection in the purchase order and work order columns, the additional lot fields appear as columns in the Inventory Detail popup window.

You can also map elements to an item from the **Item Additional Lot Fields** sublist in **Lot Numbering** subtab of the item record.

Map Additional Lot Fields Using CSV Import

You can use the CSV import feature to map additional lot fields with items. The import type is Custom Records and record type is Item Additional Lot Fields. When using CSV import, you must:

- Choose **Add** as the **Data Handling** option.
- Check the **Run Server SuiteScript and Trigger Workflows** box.

For more information on the CSV import feature, see the help topic CSV Imports Overview.

Guidelines for Mapping Additional Lot Fields to Matrix Items

When mapping additional lot fields to matrix items, note the following:

- When you map additional lot fields to matrix items using CSV import and include the parent item in the import, the subitems are automatically mapped.
- For matrix items, the additional lot fields defined in **Item Additional Lot Fields** sublist of the parent item are not propagated to the child items.
- You can map item lot information using CSV import for only existing matrix items and subitems. The CSV import feature cannot map item lot information for parent-child relationships that are not created before import.
- When you map a parent matrix item using CSV import, the SuiteApp can map up to 499 child items.

Lot Auto Numbering Subtab

After creating lot number formats, you can add these formats to items. The **Lot Numbering** subtab in the item record provides the following settings for adding the lot number formats to items:

Setting	Description
Enable Lot Auto Numbering	Check this box to apply lot auto numbering for lots of the item.
Lot Number Format	Select the lot number format for the item.
Initial Sequence Number	If sequence number is part of the lot number format, enter the number from which you want to start the sequence number.
Current Sequence Number	Shows the number that will be assigned as part of the lot number in the next transaction.
Additional Lot Fields	Click **View** to open the Additional Lot Fields page. From the Additional Lot Fields page, you can configure the display of custom columns in the Inventory Details popup window.
Item Additional Lot Fields	In this sublist, select additional lot fields that you want to display in the Inventory Detail popup window.

Setting	Description
	Note: **Note:** When you create a copy of the item, additional lot fields are not copied to the item's copy.

When you create or update items using the CSV import feature, note the following:

- The CSV import feature does not add or update the **Item Additional Lot Fields** sublist information.
- If **Enable Lot Auto Numbering** is set to **No**, the **Lot Number Format** and **Initial Sequence Number** values are ignored.
- If **Enable Lot Auto Numbering** is set to **Yes**, but lot number format does not contain sequence number, the **Initial Sequence Number** value is ignored.
- When updating an item, note the following. If there is a value in the **Initial Sequence Number** field, any value for the field in the CSV file is ignored.

When importing non lot inventory and assembly items using CSV import, the fields in the **Lot Numbering** subtab appear in the Field Mapping page. However, any data for these fields is ignored when importing.

Generating Lot Numbers

For a lot auto numbering enabled item, when you add a lot and enter values in the additional lot fields, the lot number generates automatically. The generated lot number displays in the **Lot Number** column of the Inventory Detail popup window.

To generate lot numbers:

1. In the **Items** sublist of a purchase order, select an item that has auto lot numbering enabled.
2. Click the **Inventory Detail** icon to open the Inventory Detail popup window.
3. In the **Additional Lot Inventory Detail** sublist, enter the required lot information, such as quantity.
4. Click **Add**.

   The lot number automatically generates and displays in the **Lot Number** column.

When adding multiple rows for the same lot number, values in all other fields must be the same, except for the following:

- Quantity
- Bin (applies to item receipts, work orders, and assembly builds)
- Status (applies to item receipts, work orders, and assembly builds)

If an element in the lot number format does have a value, the element is ignored when generating the lot number.

The automatically generated lot number replaces space character in a lot number format element with a hyphen.

In the Inventory Detail popup window, the format for date and time type of fields is derived from the Set Preferences page.

The value for the **Time of Day** field is based on the date and time format selected in the General Preferences page.

Allergen Statements SuiteApp

In the Food and Beverages industry, it is essential to be able to identify Allergen information because consumers may be allergic to a specific allergen. The Allergen Statements SuiteApp enables the identification of relevant allergen information about items.

The SuiteApp lets you add allergen information to items, and then print an allergen statement for each item in PDF format.

Allergen statement works with the following item types:

- Assembly items
- Lot numbered assembly items
- Serialized assembly items
- Inventory Items
- Lot numbered inventory items
- Serialized inventory items

View the Allergen Statements video.

Installing Allergen Statements

Only users with the Administrator role or the **SuiteApp Marketplace** permission can install the SuiteApp. The following are the bundle details:

- Bundle Name: Allergen Statements
- Bundle ID: 282582

For more information about installing a bundle, see the help topic Installing a Bundle.

Note: Allergen Statement is a managed SuiteApp that automatically updates whenever enhancements or new features are added.

Prerequisites for the Allergen Statements SuiteApp

The Allergen Statements SuiteApp is developed and tested for use primarily with NetSuite OneWorld.

To use the Allergen Statements SuiteApp, an administrator must enable the following features on the SuiteCloud subtab on the Enable Features page:

- Custom Records
- Advanced PDF/HTML Templates
- Client SuiteScript
- Server SuiteScript

For more information about enabling features, see the help topic Enabling Features.

Supported Browsers for the Allergen Statements SuiteApp

The Allergen Statements SuiteApp supports the following browsers and operating systems:

Browser	Platform
Google Chrome 71 or newer	■ Windows 10

Browser	Platform
	■ Windows 8.x ■ Windows 7
Microsoft Edge (Anniversary Update and later)	Windows 10 (Anniversary Update)
Mozilla Firefox 60 or newer	■ Windows 10 ■ Windows 8.x ■ Windows 7 ■ Windows Vista

Roles for the Allergen Statements SuiteApp

Administrators can create new roles or customize roles for using the Allergen Statements SuiteApp.

For more information, see the help topics Assigning Roles to an Employee and Customizing or Creating NetSuite Roles.

The following table provides minimum access levels for different record types required to use the SuiteApp.

Record	Minimum Access Level
Lists > Custom Record Entries	Create
Lists > Documents and Files	View
Lists > Items	View
Lists > Perform Search	View
Setup > Set Up Company	Full

Enabling the Allergen Subtab in Custom Forms

If you are not able to view the Allergen subtab on the Items page for some custom forms, perform the following steps:

To enable Allergen subtab in custom forms:

1. Go to Customization > Lists, Records, & Fields > Item Fields.

   The Custom Item Fields page opens.
2. Click an allergen field link. For example, **Celery**.
3. On the Custom Item Field page, click the **Apply to Forms** button.
4. On the Apply Custom Fields to Forms page, for the custom forms, check the box in the **Show** column.
5. Click **Save**.
6. Repeat steps 2 to 5 for all allergen field links.

Tagging Allergens in an Item

The Allergen subtab in the Items page lets you tag allergens contained in the item. The following is the list of allergens that you can tag to items:

- Celery
- Crustacean shellfish
- Eggs
- Fish
- Lupin
- Milk
- Molluscs
- Mustard
- Peanuts
- Sesame seeds
- Soybeans
- Sulphur dioxide & sulphates
- Tree nuts
- Wheat

To tag allergens to an item:

1. Go to Lists > Accounting > Items > New.
2. On the New Items page, click the **Lot Numbered** link under Inventory Item.
3. On the Lot Numbered Inventory Item page, click the **Allergen** subtab.
4. Check the boxes of the allergens that you want to tag for this item.
5. Click **Save**.

Printing an Allergen Statement

After you tag allergens for items, you can generate a statement containing items and the allergens contained within each item, in PDF format. The statement also contains information such as company or subsidiary name, address, email, and website.

To print receipts in PDF format, you need Adobe® Reader®. Visit the Adobe website to download the latest version at no charge.

To generate a PDF of allergen statement:

1. Go to Reports > Inventory/Items > Allergen Statement.
2. Press Ctrl and select one or more items from the **Items** field.

   > **Note:** If there are more than 50 items, you can click the **Select Multiple** icon and search and select items from the Choose Items window. Alternatively, you can also click the adjacent **Search** icon to do a criteria search and then select the items.

3. (Optional) To print the allergen statement of each item on a separate PDF file, check the **Separate PDF File for Each Item** box.
4. Click **Generate PDF**.

   A PDF file containing the allergen statement of selected items is created and opened. The allergen statement of each item displays on a separate page.

Customizing Lot or Serial Numbered Item Records

Serial and lot numbered inventory records can be customized with item number fields. These are fields you can add to item records to track information specific to each item or workflow unique to your business.

For example, you can track the status and results of quality control procedures specific to each serialized item. You can otherwise track recall information about lot records.

After you enter information in custom item number fields, you can search for items on sales transactions based on properties from the inventory number record. To do so, click **Search** next to the **Serial/Lot Numbers** field. Complete the **enter item memo or information** procedure in the Receiving a Purchase Order With a Lot Numbered Item help topic.

To enter item memo or information:

1. Go to Transactions > Purchases > Receive Purchase Order > List.
2. Beside the order, click **View**.
3. Beside the Serial or Lot number, click the **Open** icon.
4. In the popup window, enter a memo and values in any custom fields for each inventory number.

To create custom item number fields:

1. Go to Customization > Lists, Records, & Fields > Item Number Fields.
2. On the custom item number field record, enter a name for the **Label**.
3. (Optional) Enter the following information about your custom item number field:
   - **ID** - You use the ID value when scripting to instances of the transaction type. As a best practice, enter a name that begins with an underscore. The text you enter is prepended with the string custitemnumber. If you do not enter a value, NetSuite generates one.

     If you are editing an existing custom transaction type, you can change the ID value. Click **Change ID** at the top of the page.
   - **Owner** - Select the owner of this field. Only the owner can edit this record.
   - **Description** - Enter a description of this field.
   - **Type** - Select the type of field you want to create. The type of field is determined by the kind of information collected in this field.

     If you want to use sourcing with this field, the field type must match the field being sourced from.
   - **List/Record** - If you choose **List/Record** in the **Type** field, select a custom list or list of records to use with this field.

     You must choose **List/Record** in the **Type** field before you can select a list.
   - **Store Value** - This field is checked by default. The information entered is stored in the custom field.

     Clear this box if you do not want any changes entered to be stored in the custom field. This lets you look at data that is stored elsewhere.

     > **Note:** If you do not store the value, changes will be discarded, so you should make the field read-only.
   - **Use Encrypted Format** - Check this box to encrypt stored values for this field in the database (values are still displayed in the UI).

Note: After you save this field, this option cannot be changed.

Important: Be aware of the following precautions:

- Fields with stored encrypted values are not available to reporting, ODBC views, or for sourcing or filtering. However, they can be returned in the results of searches and saved searches.
- The nlapiLookupField SuiteScript function is not supported for fields with stored encrypted values. Other SuiteScript API functions that rely on search may not be supported.
- Encryption of stored field values increases their size and may have performance implications.
- The data type of a field with stored encrypted values cannot be changed to a type that does not support stored encrypted values.

- **Show in List** - Check this box to have your custom item field appear in your items list. The field appears on the **Serial Numbers** subtab of item records.
- **Inactive** - Check this box to inactivate this custom field. Similar to a deleted field, inactive custom fields do not appear on any forms or in global searches. You cannot select this kind of field from any lists on entities, items, or transactions.

  The data and settings of inactive fields are maintained in NetSuite. If you later make a field active again, all of its data is restored. In addition, the field appears on all of the same forms as before it was made inactive.

  Note: Inactive fields do not appear on the list page unless you check the **Show Inactives** box.

4. Click the **Applies To** subtab.
5. To add your custom field to a desired lot or serial numbered item record, select one of the following options:
   - **Specific Items** - to apply your custom field to particular items.

     Choose the items the field applies to in the **Select Items to Apply Field**. Press and hold the **Ctrl** key to select more than one item.
   - **All Items** - to apply your custom field to all active items.
     - To apply this field to serialized items, check the **Serialized** box.
     - To apply this field to lot numbered items, check the **Lots** box.
     - To apply this field to gift certificates, check the **Gift Certificate** box.
6. Click **Save**.

For more information, see the help topics Creating Custom Item Number Fields and Creating a Custom Field.

Drop Ship Items

When you drop ship an item, the item is sent directly from your vendor to your customer. The item is not processed in your inventory. Drop shipments streamline your inventory by keeping a low inventory asset total and reducing the order-to-delivery cycle time.

Because drop ship items are not received into your inventory, they do not impact your inventory asset accounts or affect your stock count. You can drop ship inventory items and non-inventory for resale items.

You can set items to drop ship by default, or manually on sales orders. To set an item to drop ship by default, mark the item record as a drop ship item. Then, each time the item is entered on a sales order, it is always set to drop ship. When the order is approved, a purchase order is automatically generated. For more information, see Marking an Item for Drop Shipment.

After the drop ship purchase order is generated and approved, you can choose your preference for how to send it to the vendor. You can choose to queue the purchase order for printing, or to automatically email or fax it to the vendor.

If an item is set to drop ship and a preferred vendor is selected, note the following. The approved order can automatically create a purchase order showing the preferred vendor for the item and the customer's shipping address.

Note: If you do not use the Multiple Vendors feature, select a preferred vendor on the Basic subtab of the item record. If you use Multiple Vendors, check the Preferred box next to the vendor.

If your customers order drop ship items from your web store, sales orders are created automatically.

Receipt of Drop Ship Items

Items that are drop shipped are not intended to be received into your inventory. However, if you click Receive on a drop ship order line, the item is received into inventory and is not considered a drop shipment. Receiving an item against a drop ship purchase order creates an inventory asset accounting transaction.

Drop ship items do not show as a committed quantity in the linked Sales Order transaction. For more information, see Fulfill and Receive Drop Ship Items.

Special Orders

For orders that must track information about items that are not standard stock, you can choose to special order items. Like drop shipments, special order items are purchased to fill a specific order. Unlike drop shipments, special orders are intended to be received into your inventory from the vendor. Special Orders are a function of the Drop Shipments and Special Orders feature. For more information, see Special Order Items.

Setting Up Drop Shipping

When you drop ship an item, the item is sent directly from your vendor to your customer. The item is not processed in your inventory.

To set up the drop ship feature, do the following:

- Enabling the Drop Shipments and Special Orders Feature

Enabling the Drop Shipments and Special Orders Feature

Use the following procedure to enable the Drop Shipments and Special Orders feature.

To enable the Drop Shipments and Special Orders feature:

1. Go to Setup > Company > Enable Features.
2. Click the **Items and Inventory** subtab.
3. Check the **Drop Shipments & Special Orders** box.
4. Click **Save**.

Note: Drop Shipments are a function of the Drop Shipments and Special Orders feature. After you enable the feature, an item can be either a drop ship or special order, but not both.

The table below explains the differences between special order and drop ship items:

Function	Drop Shipment	Special Order
Sales revenue tracked in NetSuite	YES	YES
Purchase order form	Drop Ship PO form	Preferred PO form
P.O. links to sale	YES	YES
Vendor ships to	your customer's address	your company's address
Inventory impact	None—when it is not received into inventory	Impacts Asset and Cost of Goods Sold (COGS) accounts upon receipt and fulfillment
Item commitment	**Drop shipments do not commit.**	A special order item always commits upon receipt of the linked PO—it **is not** committed from stock on hand.
Can be used for inventory items and non-inventory for resale items	YES	YES
Item record can default to this method	YES	YES
Item Fulfillment	Can be marked as fulfilled before or after the linked purchase order has been received.	Can be fulfilled only after the linked purchase order has been received.

Setting up Your Drop Ship Preferences

Use the following procedure to set up your drop ship preferences.

To set up your drop ship preferences:

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. Click the **Order Management** subtab.

3. In the **Drop Ship P.O. Form** list, select the default form to use for drop ship purchase orders.
4. Check the **Automatically Email Drop Ship P.O.s** box to automatically email your drop ship item purchase orders to the preferred vendor.

   To use this preference, enter the preferred vendor's email address on that vendor record.

   > **Note:** The drop ship email is generated only if you update the purchase order directly. It is not generated if the purchase order is updated based on a sales order change.

5. Check the **Queue Drop Ship P.O.s for Printing** box to automatically queue drop ship purchase orders for printing.

   To print these purchase orders, go to Transactions > Management > Print Checks and Forms > Purchase Orders, and then click Purchase Orders.
6. Check the **Automatically Fax Drop Ship P.O.s** box to automatically fax drop ship item purchase orders to the preferred vendor.

   To use this preference, enter a preferred vendor on the item record and a vendor fax number on the vendor record.

   The **Limit Vendor List on Items** preference filters available vendors on sales orders and the order items page. If enabled, only vendors associated with an item appear in the **Vendor** list. If disabled, the list displays all vendors.
7. To drop ship or special order an inventory item where part of the ordered quantity is unavailable, choose a setting to **Include Committed Quantities**. The quantity ordered from the vendor depends on your setting for this preference:
   - When **Disabled**, click the **Drop Ship/Special Order** link to create a purchase order for only the backordered quantity.
   - When **Enabled**, click the **Drop Ship/Special Order** link to create a purchase order for the entire quantity ordered, not the backordered quantity.
8. To skip the sales order approval process by default, in the **Default Sales Order Status** list, select **Pending Fulfillment**. You can still change the status on each sales order you create.

   If **Pending Fulfillment** is the default sales order status, the status field on sales orders is unavailable and sales orders can no longer be edited.

   a. To edit the status of a sales order in pending fulfillment status, open the sales order and then click the **History** subtab.

   b. On the **Fulfillments & Invoices** subtab, click the **Date** column link to open the transaction for editing.
9. Choose a setting for the following preferences:
   - **Update Drop Ship Order Quantities Automatically Prior to Shipment**
   - **Drop Ship Fulfillment Quantity Validation**
   - **Allow Both Mark Shipped Fulfillments and Receipts on a Drop Shipment Line**

   For more information, see Drop Shipping Preferences.
10. Click **Save**.

After drop ship features are enabled and preferences set, you can drop ship inventory items or non-inventory for resale items.

To drop ship an item, mark the item record as a drop ship item. When the item is entered on a sales order it defaults to drop ship. For more information, see Marking an Item for Drop Shipment.

After an order with an item marked for drop shipment is approved, the purchase order is automatically created.

Drop Shipping Preferences

Set the following preferences for processing drop-ship orders.

Update Drop Ship Order Quantities Automatically Prior to Shipment

NetSuite verifies that the sales order and linked purchase order quantities match for drop-ship items. If the quantities are not equal, you can opt to automatically adjust the quantities to be equal.

- Enable this preference to automatically update the quantity of a drop-ship item on linked transactions when a sales order or purchase order quantity is changed. When the amounts on both linked forms do not match, the quantity and price are updated to match.

  For example, yesterday you entered sales order #1001 that sells a quantity of 5 of a drop-ship widget. Purchase order #9876 was created to drop ship the 5 widgets at a cost of $10 each, $50 total. Today, you edit sales order #1001 to increase the quantity of drop-ship widgets to 10.

  Because purchase order #9876 is linked to the sales order, a validation is performed to be sure the amounts match. When the sales order is changed, the purchase order quantity is automatically updated to a quantity of 10 units with a total cost of $100.

  This update is performed only before any fulfillments or receipts are entered against the order.

  The quantity is updated only if it is changed. For example, you can have a sales order and linked purchase order with quantities that do not match because this preference has been enabled. If you edit the memo on the sales order and save it, the purchase order quantity is not updated to match the sales order quantity. You need to edit the quantity on the sales order for the purchase order update to occur.
- Disable this preference if you do not want to update the quantity of a drop-ship item on linked transactions after a change. Then, even if the amounts on both linked forms do not match, the quantity and prices remain unchanged and are not updated to match.

  Important: When the sales order and purchase order quantities do not match, the item is no longer treated as a drop shipment. Your inventory might be affected.

This preference applies only if the following conditions are met:

- The sales order line has not been fulfilled.
- The purchase order line has not been received or marked shipped.
- Neither the sales order or purchase order line has been manually closed.

This preference defaults to be disabled.

Drop Ship Fulfillment Quantity Validation

If you also use Advanced Receiving and Advanced Shipping, you can receive a warning when you fulfill or receive orders. You can also prevent users from processing orders with unequal amounts.

For example, sales order #1001 shows 5 widgets, but the linked purchase order shows 10 widgets. When you try to fulfill sales order #1001, you can receive a warning or disallow fulfillment for the order because the quantities do not match.

Note: This preference applies only to inventory and assembly items.

Choose a setting for handling unequal quantities on linked sales orders and purchase orders that include drop-ship items:

- **Allow unequal quantities** – This setting lets you fulfill without a warning, even if linked transaction quantities are not equal.
- **Warn only for unequal quantities** – This setting causes a warning to be displayed when you fulfill orders for linked transactions that have unequal quantities. This setting does not prevent processing after the warning is shown.
- **Do not allow unequal quantities** – This setting prevents you from fulfilling and when linked transaction quantities are not equal.

If this preference is set either to warn or allow, transactions with unequal quantities remaining are fulfilled from inventory.

This preference defaults to use the **Warn only for unequal quantities** setting.

Allow Both Mark Shipped Fulfillments and Receipts on a Drop Shipment Line

If you also use Advanced Receiving and Advanced Shipping, you can choose a setting for handling receipts and mark-shipped fulfillments with drop-ship orders. Orders that include a drop-ship item can be filled in one of two ways:

- **Mark Shipped Orders** – Fill the order by drop-shipping the order from the vendor and clicking Mark Shipped to show the order has been filled.

  An order is considered a Mark Shipped order in the following condition. The order is fulfilled or marked shipped as the first step after the purchase order for the drop ship sales order is created.
- **Received Orders** – Fill the order by clicking Receive to receive the item into inventory and then fulfilling the order through the regular inventory process.

If a drop-ship order **is not yet filled**, both options appear on the Receive Orders page. However, after you process items on the order, you can warn or disallow users if the same process is not used going forward.

The Receive Orders page is located at Transactions > Purchases > Receive Orders.

- When you enter a receipt, if the linked purchase order has a mark-shipped fulfillment line entered against it, you can receive a warning. You can also prevent processing.
- When you enter a fulfillment, if the linked purchase order has a receipt entered against it, you can receive a warning. You can also prevent processing.

For example, you process drop-ship items by clicking Mark Shipped. You then click Receive on that order. You can get a warning that items on the order have already been marked shipped, or disallow items on the order to be received.

Note: This preference applies only to inventory and assembly items.

Choose one of the following preference settings to determine how transactions are processed:

- **Allow**:
  - Create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line without any warning.
  - Create a mark-shipped fulfillment against an order line that already has a receipt entered against it without any warning.

  Note: Drop shipment items that are received into inventory have accounting impact and are committed to orders when they are received. Creating these transactions might cause imbalances in quantities and accounts.
- **Warn only**:

- Warns you when you try to create a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line. The warning indicates that creating these transactions has an inventory impact.
- Warns you when you try to create a fulfillment against an order line that already has an item receipt with inventory and accounting impact entered. The warning indicates that creating a mark shipped fulfillment against this order line could cause imbalances in quantities and accounts.

- **Do not allow**:
  - Prevents you from creating a receipt against a drop-ship purchase order line that already has a mark shipped fulfillment line.
  - Prevents you from entering a fulfillment against an order line that already has an item receipt with inventory and accounting impact.

  If an order is received as the first step after the purchase order for the drop ship sales order, you cannot click Mark Shipped.

  After drop-ship items on an order have been received, you can change the quantity, but you cannot mark items shipped on that order.

This preference defaults to use the **Warn only** setting.

Marking an Item for Drop Shipment

Items you resell can be automatically ordered and shipped directly to your customers from your vendors. When you mark an item for drop shipment, any approved sales order for that item generates a purchase order.

You can drop ship these item types:

- Inventory item
- Non-inventory for resale item

To create a drop-ship item:

1. Go to Lists > Accounting > Items > New.
2. On the New Item page, click an item type.
3. When the new item record opens, enter the item's name or number.
4. On the **Purchasing/Inventory** subtab, in the **Preferred Vendor** field, select the vendor you buy this item from.

   If you use the Multiple Vendors feature, click the **Vendors** subtab. Select the vendor and check the box in the **Preferred** column.

   When a sales order for the drop-shipment item is approved, a purchase order is automatically created for the vendor you select as the preferred vendor.

   > **Note:** If you use OneWorld and have defined vendor records that are shared with multiple secondary subsidiaries, note the following. You create a sales order for a secondary subsidiary that includes an item marked for drop ship. NetSuite automatically creates a purchase order based on the preferred vendor for that drop shipped item. For more information, see the help topic Assigning Subsidiaries to a Vendor.

5. Check the **Drop Ship Item** box.
6. Complete any additional information for this item, and then click **Save**.

After a sales order containing this item is approved, a purchase order for the preferred vendor is automatically generated.

To make an existing item available for drop shipment:

1. In the Item record, **Preferred Vendor** field, select the correct vendor.
2. Check the **Drop Ship Item** box, and then save.

Viewing a Drop Ship Item

When you approve a sales order that contains an item to drop ship, NetSuite automatically generates a purchase order. The purchase order shows the preferred vendor for the item, and the customer's shipping address.

To view a purchase order:

1. Go to Transactions > Purchases > Enter Purchase Orders > List.
2. Click the date next to the purchase order you want to view.

   For information about purchasing a drop ship item, see the help topic Drop Shipment and Special Order Purchases.

Selling a Drop Ship Item

A drop ship item is sold using a sales order. When you approve the sales order, NetSuite generates a purchase order for the preferred vendor that shows the customer's shipping address. Drop ship items ship directly from your vendor to your customer. You can drop ship inventory items and non-inventory for resale items.

Sales orders are created automatically when a customer orders drop ship items from your web store. You can also manually create sales orders. You can set items to drop ship automatically or manually.

To automatically drop ship an item:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the item you want to automatically drop ship.
3. On the item record, check the **Drop Ship Item** box.

   After the item is entered on a sales order and approved, NetSuite generates a purchase order.

To manually drop ship an item on a new sales order:

1. Go to Transactions > Sales > Enter Sales Orders.
2. In the **Custom Form** field, choose one of the following:
   - **Enhanced Sales Order - Progress Billing**
   - **Standard Sales Order**
   - **Standard Sales Order - Cash Sale** to record check or credit card information before shipping
   - **Standard Sales Order - Invoice** to arrange terms for payment after shipping

- **Standard Sales Order - Progress Billing** to invoice your customers for orders in stages

3. Select a **Customer** or job.
4. Verify or enter the **Date**.
5. Select a **Status** from the list.

   Select **Pending Fulfillment** to skip the sales order approval process to create the purchase order when the order is submitted.
6. Enter any additional information necessary.
7. On the **Shipping** subtab, in the **Ship To** field, verify the customer's shipping address.
8. On the **Items** subtab, select an item. If the item's record is marked for drop shipment and has a preferred vendor, the **Create PO** field defaults to **Drop Ship**.

   If the item is not marked for drop shipment, the **Create PO** field is dimmed and uneditable.
9. Enter the item quantity.
10. Accept or change the default information.
11. Complete any custom fields.
12. Click **Add**.
13. Repeat steps 8-12 for each additional item.
14. Click **Save**.

When the sales order is approved, a purchase order is generated for drop ship items.

To generate your drop ship purchase order based on a custom form, you must link you sales order form to your custom purchase order form. For more information, see the help topic Linking Transaction Forms.

You can drop ship items on an existing sales order if the item has not yet been fulfilled. You can set specific items to drop ship whether the sales order has or has not been approved.

To manually drop ship an item on an unfulfilled purchase order:

1. Go to Transactions > Sales > Enter Sales Orders > List.
2. Click **Edit** next to the order that contains the unfulfilled item you want to drop ship.
3. On the **Shipping** subtab, verify that the sales order shows the correct customer shipping address.
4. Click the item you want to drop ship.
5. Click the **Items** subtab.
6. In the **Create PO** column next to the item, select **Drop Ship**.
7. Click **Done**.
8. Repeat steps 4 - 6 for unfulfilled items you want to drop ship.
9. Click **Save**.

If a sales order is approved, click the **Drop Ship** button to drop ship all inventory items and non-inventory for resale items on the order.

To drop ship items grouped by vendor on an approved order:

1. Go to Transactions > Sales > Enter Sales Orders > List.
2. Click **View** next to the sales order.
3. On the **Shipping** subtab, verify that the sales order shows the correct customer shipping address.

4. Click the **Items** subtab.
5. In the **Create PO** column next to the item, click **Drop Ship**.

   A purchase order is created for any unfulfilled inventory items and non-inventory for resale items.

   A purchase order is created for one vendor at a time. To drop ship items on this order from a different vendor, after step 7 click **Drop Ship**.
6. Verify that the purchase order is correct.
7. Click **Save**.

   The sales order opens and the **Create PO** column displays the number of the purchase orders created.
8. If there are more items on the sales order that you want to drop ship, repeat steps 5 - 7.

Drop Shipping Kit Members

When you initially enter a sales order that includes a kit with a drop ship member item, note the following. NetSuite automatically generates a special order purchase order for the member item.

Note: Drop ship inventory items are treated as special order items when they are sold as part of a kit.

If you change an existing order to add a kit with a drop ship member item, NetSuite does not automatically generate a purchase order. If you change an existing order to add a non-kit drop ship item, you can generate a purchase order for the drop ship item.

To generate a drop ship item purchase order:

1. Edit the sales order to add the drop ship item, and then click **Save**.
2. View the sales order, and then click the **Items** subtab.
3. Click **Drop Ship** next to the item you added.

To view a list of purchase orders for drop ship items, see Viewing a Drop Ship Item.

Fulfill and Receive Drop Ship Items

If you use Advanced Shipping, Advanced Receiving, both or neither, there are different ways to fulfill a sales order and process the purchase order:

- **Using Advanced Shipping and Advanced Receiving** – On the purchase order, click Mark Shipped to receive purchase orders and mark sales orders as fulfilled. Clicking Mark Shipped opens the sales order fulfillment page.

  The order is then ready to be billed.

  When you use both Advanced Shipping and Advanced Receiving, sales orders and purchase orders are not automatically billed. You must bill the order manually.
- **Using Advanced Shipping only** – On the purchase order, click Mark Shipped to process the order and turn it into a bill.

  On the sales order, click Fulfill to mark it as fulfilled and turn it into an invoice or cash sale.
- **Using Advanced Receiving only** – On the purchase order, click Mark Shipped to process the order and turn it into a bill.

On the sales order, click Process to mark the order as fulfilled and turn it into an invoice or cash sale.

- **Neither** – On the purchase order, click Mark Shipped to receive the order and turn it into a bill.

  On the sales order, click Process to mark the order as fulfilled and turn it into an invoice or cash sale.

Special Order Items

You can use special orders to purchase and track items that might not follow regular inventory processing. For example, just-in-time orders or orders for customized items.

Important: If you change the base price on a special item record, the sales order and linked purchase order will be automatically updated. This may result in incorrect prices appearing on customer invoices.

If you sell items that are customized by your vendor, you can track custom item orders as special order items. Then, the sales order is not fulfilled with regular stock. It is fulfilled only when the linked order for the special item is received from the vendor. For example, an office supply retailer sells custom engraved signs. A customer places an order for a sign engraved with **Bob's Widget Service**. The retailer places the order with the sign vendor for the custom sign. The sales order cannot be fulfilled with regular stock. It is fulfilled only when the **Bob's Widget Service** sign is received from the vendor.

Using special orders to process just-in-time orders also lets you sell expensive items without having to maintain expensive stock. For example, you offer your customers a high-end item that you order from your vendor only when you need to fill a sales order. This process helps you reduce your overhead.

You can special order any inventory items and non-inventory for resale items. Items can be tagged as special orders in two ways:

- Marking the item when you create the sales order
- Tagging the item record

Note: You must identify a preferred vendor and a purchase price on an item record for that item to be selected as a special order.

For example, you tag an item as a special order on the item record. When you save or approve a sales transaction that contains the item, a purchase order is created that is linked to the sale. The form used for special orders is your preferred purchase order form. Purchase orders for special orders contain a **Created From** link that opens the original sales order.

A special order inventory item can be fulfilled only when the linked purchase order is received. When the linked purchase order is received, the item is committed and the sales order appears in the picking ticket queue. Then, the item can be fulfilled.

This fulfillment workflow applies only to inventory items. Non-inventory items are not committed and can be fulfilled without receiving a purchase order.

Special Orders are a function of the Drop Shipments and Special Orders feature. After you enable the feature, an item can be either a drop ship or special order, but not both.

Note: Unlike drop shipments, special orders **are** received into your inventory and **do** impact assets and inventory costing. Receiving a special order item increases the value of the item's asset account. Selling it increases the value in its Cost of Goods Sold (COGS) account.

The following table explains the differences between special order and drop ship items:

Function	Drop Shipment	Special Order
Sales revenue tracked in NetSuite	YES	YES
Purchase order form	Drop Ship PO form	Preferred PO form
P.O. links to sale	YES	YES
Vendor ships to	your customer's address	your company's address
Inventory impact	None—when it is not received into inventory	Impacts Asset and Cost of Goods Sold (COGS) accounts upon receipt and fulfillment
Item commitment	**Drop shipments do not commit.** Drop ship items do not show as a committed quantity in the linked Sales Order transaction. The item can commit only through steps in the process of manually receiving it instead of clicking the Mark Shipped button on the order. Then, after you receive the item, it is no longer considered a drop shipment and the item is treated as inventory.	A special order item always commits upon receipt of the linked PO—it **is not** committed from stock on hand. Lines marked as special order commit only from the linked purchase order. To commit non-special order stock items to an order, those items must be entered on a separate line and not marked as a special order.
Can be used for inventory items and non-inventory for resale items	YES	YES
Item record can default to this method	YES	YES
Item Fulfillment	Can be marked as fulfilled before or after the linked purchase order has been received.	Can be fulfilled only after the linked purchase order has been received.

Special Order Items and Assemblies

You enter a sales order and an assembly component is identified as a special order item on its item record. NetSuite generates a special order for the item, unless the assembly item is being special ordered as a Special Order Work Order Item.

Note: This workflow is specific to you special ordering a component, and then building the assembly after the special ordered component has been received. For more information, see the help topic Assembly Work Orders.

Enabling Drop Shipments and Special Orders

To special order items, an administrator must enable the Drop Shipments and Special Orders feature.

To enable Drop Shipments and Special Orders:

1. Go to Setup > Company > Enable Features.
2. Click the **Items & Inventory** subtab.

3. Check the **Drop Shipments and Special Orders** box.
4. Click **Save**.

Identifying Special Orders

You can special order any inventory items and non-inventory for resale items. Items can be tagged as special orders in two ways:

- Marking the item when you create the sales order
- Tagging the item record

Note: You must identify a preferred vendor and a purchase price on an item record for that item to be selected as a special order.

On Item Records

You can set an item to automatically default as a special order by tagging the item record. Then, when the item is selected on a transaction, the field in the Create PO column autofills as Special Order.

To set an item to default to special order:

1. Go to Lists > Accounting > Items.
2. Click **Edit** next to the item.

   You can set up inventory item and non-inventory for resale item records to default as special orders.
3. Click the **Purchasing/Inventory** subtab of the item record.
4. Check the **Special Order** box.
5. Identify a **Preferred Vendor**.

   If you use the Multiple Vendors feature, this field is on the **Vendors** subtab.
6. Enter a **Purchase Price**.
7. Click **Save**.

Note: Drop Shipments are a function of the Drop Shipments and Special Orders feature. After you enable the feature, an item can be either a drop ship or special order, but not both.

On Sales Transactions

Items can be tagged as special orders when you create a sales transaction by selecting Special Order in the Create PO column list. Then, when you save or approve the order, NetSuite creates a purchase order that is linked to the sale.

To mark an item as a special order on transactions:

1. Click the **Transactions** subtab.
2. Click the type of sales transaction you want to create.

   You can enter special order items on sales orders, invoices, and cash sales.
3. Enter information in the transaction fields as needed.

4. In the **item** field, select an inventory or non-inventory for resale item.
5. In the **Create PO** list, select **Special Order**.
6. Enter additional information as needed for this line item.
7. Click **Add**.
8. Click **Save**.

When you save a transaction that contains a special order item, NetSuite automatically creates a purchase order that is linked to the sales transaction.

Special Order Kit Members

When you initially enter a sales order that includes a kit with a special order member item, note the following. NetSuite automatically generates a special order purchase order for the member item.

If you change an existing order to add a kit with a special order member item, NetSuite does not automatically generate a purchase order. If you change an existing order to add a non-kit special order item, you can generate a purchase order for the drop ship item.

First, edit the sales order to add the special order item, and then save. Next, edit the sales order again to click Special Order next to the item you added. Then, save.

Gift Certificates

You can create gift certificate items that allow customers to purchase store credit they can send to someone as a gift. The recipient uses the gift certificate authentication code when placing an order through your web store or entering a transaction with a sales representative. You can set an accounting preference for how you want to generate the gift certificate authentication codes. Gift certificate codes are not active until the order used to purchase the gift certificate is billed.

The following options are specific to the Gift Certificate feature:

Item Record Subtab	Field Name	Description
Sales/Pricing	Days Before Expiration	Enables you to set an expiry time for the gift certificate, after which the code can no longer be used Some states do not allow gift certificates to expire. NetSuite ignores the expiration date for those states.
Preferences	Can Be Fulfilled/ Received	Allows the gift certificate to be fulfilled or received on orders This is useful if you use physical gift certificates or gift cards that you track.
Web Store	Variable Amount	Check this box to set this item as variable-priced. This enables customers to enter their own prices for this item.
	Show Default Amount	Enables you to display a suggested amount for the gift certificate when you offer a variable amount in the web store This default amount can be edited by the customer. The amount displayed in the web store is the online price, as defined on the **Pricing** subtab of the item record.
	Maximum Variable Amount	If you checked the Variable Amount box, enter the maximum amount that can be paid or donated for this item.

Item Record Subtab	Field Name	Description
Auth. Code	Auth. Code	If you let NetSuite generate authentication codes for gift certificates, enter and add codes in this field. This subtab appears only if **System Generated** is the selected method for the authentication codes preference. For more information, see Setting Preferences for Gift Certificate Authentication Codes.

Enabling the Gift Certificates Feature

Before you can use the gift certificate item type, an administrator must enable the Gift Certificates feature.

To enable the Gift Certificates feature:

1. Go to Setup > Company > Enable Features.
2. On the **Items & Inventory** subtab, check the **Gift Certificates** box.
3. Click **Save**.

Setting Preferences for Gift Certificate Authentication Codes

NetSuite uses authentication codes for gift certificates to maintain security. You specify when the authentication codes become active by setting preferences.

To set preferences for gift certificate authentication codes:

1. Go to Setup > Accounting > Preferences > Accounting Preferences.
2. Click the **Items/Transactions** subtab.
3. In the Other Item Preferences section, in the **Gift Certificate Auth Code Generation** field, select one of the following:
   - **System Generated** – NetSuite generates an authentication code when a gift certificate is sold, requiring no manual tracking of codes. These codes can be long, but this is the preferred method unless you have pre-printed certificates or cards.
   - **Enter on Order** – You can enter an authentication code manually on an order when a gift certificate is sold. This is useful if there are numbers printed on cards or certificates, or if you want to use your own numbering system. It can be difficult, however, to remember which number comes next.
   - **Add on Item** – You can enter authentication codes on the gift certificate item record. This is useful if you track physical cards or certificates before they are sold. It is also useful if you use your own numbering system and have no concern about repeats or skipping. After the certificate is sold, you can then select the appropriate code.
4. Click **Save**.

Creating Gift Certificates

You can sell gift certificates in your web store or on transactions entered by sales reps. When you create the gift certificate item, you can set the price and criteria for an expiration date.

To create gift certificates:

1. Go to Lists > Accounting > Gift Certificates.
2. Click **New Gift Certificates**.

   Alternatively, go to Lists > Accounting > Items > New and then click **Gift Certificate**.
3. Enter a gift certificate **Item Name/Number**.
4. Enter a **UPC Code**.

   When you enter text in this field, the **SKU/UPC** field on item labels displays this UPC code and prints in UPC bar code format.
5. Enter a **Display Name/Code**.

   The display name prints in the **Item** column of sales forms when basic printing is used.

   If this item is a member of a kit, this name appears in the **Item** column when the **Print Items** box is checked.
6. Enter a **Product Name**.
7. If this item is **Subitem Of** a parent item, enter the parent item in this field.
8. Select a **Department** to associate with this item.
9. Select a **Sales Channel**.
10. Select a **Location**.
11. On the **Sales/Pricing** subtab, in the **Price Levels** section, enter the sale price.
12. On the **Accounting** subtab, select an **Income account**, and a **Liability account**.
13. To make the gift certificate available for sale on your web store, on the **Web Store** subtab, check the **Display in Web Store** box.
14. In the Web Site List section, select the **Site** category where the gift certificate should display.
15. Click **Save**.

Selling Gift Certificates

To sell a gift certificate, you add the gift certificate as an item on a sales transaction.

Note: If you operate a web store, you mark the gift certificate item to display on your website. Shoppers can add the gift certificate to their carts as they would any other item and proceed to checkout. Customers who purchase gift certificates must provide the name and email address of the recipient. The recipient of a gift certificate receives an email with the authentication code they use to apply the gift certificate to an order.

To sell a gift certificate on a transaction entered by a sales representative:

1. Go to Transactions > Sales.
2. Enter a cash sale or create a sales order.
3. In the **Customer** field, select the customer you are selling the gift certificate to.
4. In the **Items** list, select your gift certificate.
   1. Click in the **Gift Certificate** column to fill in the following information:

      From - The name of the person, the gift certificate is from.

      Recipient Name - The name of the person receiving the gift certificate.

Recipient Email - Enter the email for the person receiving the gift certificate. This is required so that the recipient receives the gift certificate authentication code.

Gift Message - Enter a message for the gift certificate recipient.

2. Click **Done** to close the popup window.
3. Click **Add** to add the gift certificate to the **Item** list.

> **Note:** You can enter a maximum of 1 gift certificate on a transaction line. Each gift certificate line item cannot have a quantity greater than 1. The details (such as From, To, Email, and Message) can be entered for only one gift certificate on a single line.

5. Click the **Billing** subtab to enter payment information.
6. If you entered a credit card, check the **Charge Credit Card** box.
7. Click **Save**.

An email with the gift certificate authentication code is automatically sent to the gift certificate recipient when you save a cash sale transaction.

On sales orders or invoices, the authentication code is not sent to the recipient until the transaction is billed.

To confirm that a gift certificate authentication code is active:

1. Go to Lists > Accounting > Gift Certificates.
2. If the **Remaining Value** column is blank for a gift certificate, it means the authentication code is not yet active.
3. To activate the gift certificate, bill the order.
    1. To find the transaction that was used to purchase the gift certificate, click on the gift certificate.
    2. The transaction displays in the list.
    3. Click on the transaction number to bill it.

For more information about viewing gift certificates, see Viewing and Editing Gift Certificate Status.

Fulfillable/Receivable Status

When you use the Advanced Billing and Advanced Shipping features, note the following. You can set a permanent status on gift certificate item records that enables or disables them to be fulfilled or received. Then, order processing is based on the fulfillable/receivable status of the item.

To set the status for each gift certificate item, check or clear the Can be Fulfilled/Received box on each item record. For more information, see the help topic Advanced Billing and Advanced Shipping.

Viewing and Editing Gift Certificate Status

You can see the remaining balance of the gift certificates you sold, and confirm that they have been billed. To do so, view the list of gift certificates at Lists > Accounting > Items.

Gift certificates are treated as a liability until they have been redeemed or until they expire.

You can view the following information for each purchased gift certificate on the Gift Certificates list:

- Purchase date
- Recipient name
- Recipient email address

  If no recipient name or email address is provided, the purchasers information is listed.
- Authentication code
- Purchase price (original value)
- Remaining value (current value)
- Expiration date

  This is based on the Days Before Expiration field on the gift certificate's item record.

You can edit purchased gift certificates to change the recipient's name or email address or the expiration date, but you cannot change the value.

Click on a gift certificate to display the sales history, including all transactions associated to that gift certificate.

To view and edit gift certificate items:

1. Go to Lists > Accounting > items.
2. In the **Type** field, select **Gift Certificate**.

Applying Multiple Gift Certificates

You can apply multiple gift certificates to a single order. You can choose how much of each gift certificate is applied.

Gift certificates are applied toward the total amount of an order on the Gift Certificates subtab. On Invoices, this subtab is under the Billing subtab. On cash sales, it is under the Payment subtab.

When you select a gift certificate for payment, enter the amount you want to apply from that gift certificate. Then, you can see the remaining credit amount.

If you use Multiple Currencies, the list of gift certificates filters to show only those in the currency selected on a transaction. For more information, see the help topic Customers and Multiple Currencies.

To apply gift certificates to an invoice or cash sale:

1. Open the transaction.
2. Do one of the following:
   - If you are applying gift certificates to an invoice, click the **Billing** subtab, and then under the **Billing** subtab, click the **Payment** subtab.
   - If you are applying gift certificates to a cash sale, click the **Payment** subtab.
3. Click the **Gift Certificates** subtab.
4. In the **Gift Certificate** column, enter the gift certificate code.
5. In the **Amount Applied** column, enter the amount from this gift certificate you want to apply to the transaction.

   Any remaining balance shows in the **Available Credit** field.
6. Click **Add**.
7. Repeat these steps for additional gift certificates.

8. Click **Save**.

To apply multiple gift certificates to a web store order, see the help topic Apply Gift Certificates in the Web Store

Inventory Items

NetSuite inventory item records let you track the quantity and value of your inventory. Your balance sheet automatically reflects the value of your inventory on hand, and your income statement automatically reflects the markup you charge for these items.

To track inventory, first set up your inventory items. Fields that appear depend on the features you have enabled.

As you buy and sell inventory, your Cost of Goods Sold (COGS), income, and asset accounts are updated. Item profits are reflected on your income statement.

If you use the Multi-Location Inventory feature, you can specify locations for each item. For more information, see the help topic Multi-Location Inventory.

Note: If you run a custom saved search that includes the fields below, they function as follows:

Lastmodifieddate updates only when you update the item record.

Lastquantityavailablechange updates when you enter or edit an inventory-affecting transaction.

Vendor Bill Variances

When you use the Advanced Receiving feature, you can enter vendor bill variances and generate journal postings to variance accounts. These variances can be based on quantity, price, or exchange rate discrepancies.

When you check the Generate Accruals box on the Preferences subtab, Vendor Bill variances generate and post an accrual to the general ledger. For more information, see the help topic Vendor Bill Variances.

When the Generate Accruals preference is set, inventory item records include three variance accounts on the Accounting subtab:

- **Price Variance Account** – resolve variances between the unit cost of items on bills and receipts.
- **Quantity Variance Account** – resolve variances between quantities on bills and receipts.
- **Exchange Rate Variance Account** – resolve variances between exchange rates on bills and receipts.

Service Items

A service item is an item you create to track time and record billable hours.

Service items are classified as Services for Purchase, Services for Resale, or Services for Sale.

- **Services for Purchase** – services your business buys but doesn't sell to customers
- **Services for Resale** – services your business buys and then sells to customers
- **Services for Sale** – services your business sells but doesn't buy

For example, Wolfe Software creates a service item called Installation. Because Wolfe's employees are providing the service, this service is considered a Service for Sale. When entering time records, employees can select this item to identify the amount of time they spent installing software for a customer. Then, Wolfe Software can invoice the installation time to the appropriate customer.

Fulfillable/Receivable Status

When you use both the Advanced Billing and Advanced Shipping features, you can set a permanent status on service item records. This status enables or disables them to be fulfilled or received. Then, order processing is based on the fulfillable/receivable status of the item.

Determine the status for each service item by checking or clearing the Can be Fulfilled/Received box on each item record. For more information, see the help topic Advanced Billing and Advanced Shipping.

When you use the Projects feature, the following is true:

- You can create a service item regardless of whether the Can Be Fulfilled/Received box is cleared.
- You can edit non-inventory and service items and clear the Can Be Fulfilled/Received box, if checked.
- You can edit service items, but you cannot check the Can Be Fulfilled/Received box, if cleared.

Vendor Bill Variances

After enabling the Advanced Receiving feature, you can enter vendor bill variances and generate journal postings to variance accounts. These variances can be based on quantity, price, or exchange rate discrepancies.

When you check the Generate Accruals box in the Preferences subtab, Vendor Bill variances generate and post an accrual to the general ledger. For more information, see the help topic Vendor Bill Variances.

When the Generate Accruals preference is set, service item records include three variance accounts in the Accounting subtab:

- **Price Variance Account** – resolve variances between the unit cost of items on bills and receipts.
- **Quantity Variance Account** – resolve variances between quantities on bills and receipts.
- **Exchange Rate Variance Account** – resolve variances between exchange rates on bills and receipts.

Download Items

You create download item records for files that you want customers to be able to purchase and download in your web store.

Customers are charged per download item as opposed to per item. For example, if you want to charge customers for music downloads per song, you would create an item for each song. If you want to charge customers per album, you would create one item and attach each song for the album.

If a download requires a license code, you can add the license code on the Downloads subtab of the customer's record. For example, a software download. When a license code is added, the code is available to the customer in the Customer Center. It can also be available on the My Account tab of your website and included in invoice email notification.

License codes are not required for purchasing or downloading. You need to supply a code only if the download includes an installation process that will prompt the customer for the code.

You can either make the file available immediately after purchase or make the download available in the Customer Center after billing is complete. If you choose to wait until billing is complete, customers are emailed a link to the Customer Center they can use to access the download.

Important: When you sell download items with registration-free shopping, customers without a login and password cannot access downloads using the Customer Center. These customers must either purchase items available for immediate download or follow the link sent in the confirmation email when the item is billed. You should require registration in stores selling downloadable items.

Discount Items

You can create discount items to use on sales transactions. When these items are added, discounts are applied to the items being sold. Using discount items lets you track discount amounts without affecting inventory valuation. For more information, see the help topic Review or Create a Discount Item.

You can add discount items as line items, or you can select a discount item in the body of sales transaction.

If you want discount items available to customers online, you must associate them with an item coupon, promotion code for use on your website. For more information, see the help topic Creating Item Coupons

Note: When using a discount item, be sure that the transaction item and the applied discount item have the same associated tax code. If the transaction item uses a tax code that is different than the tax code for the discount item, errors in tax calculations may occur.

Line-Item Discounts

When a discount item is applied on a sale, it reduces the line-item amount that precedes the discount item by a percentage or flat rate. A discount item added in-line is never applied to all items on the transaction.

To apply a discount to all items on the transaction, choose a discount in the header. For more information, see Transaction Discounts.

Transaction Discounts

A discount item can also be used to reduce the total amount of a transaction.

To apply a discount item to a transaction's total, select the discount item you want to apply in the Discount field. NetSuite autofills the item's rate and the transaction's discounted total.

Note: When the SuitePromotions feature is enabled, discount items applied at the transaction level will only be applied to the transaction subtotal. This means, for example, tax and shipping costs will not be discounted.

Non-Posting Discount Items

You can also create discount items that do not post to a general ledger account. When a discount item without an account specified is added to a transaction, it does not post as an individual transaction line. Instead, the item it is applied to posts the net amount of the discount.

For example, when you create a sales transaction and add the non-posting discount after a line-item, the discount is applied to the previous line-item only. The net amount of the transaction is then correct and the appropriate revenue posts.

This net amount is used for commissions calculation and to post deferred revenue accurately when you use the Revenue Recognition feature.

Note: If you use the classic Revenue Recognition features, always use non-posting discount items with items on sales transactions that have an associated revenue recognition template. This ensures that the net amount of the invoice is amortized and the discount posts to your ledger properly.

Discount Items and Promotion Codes

You can also associate a discount item with a promotion code. Then, you assign promotion codes to customer records. When you enter a transaction for a customer with a promotion code, the appropriate discount autofills on the transaction form.

To create promotion codes, go to Lists > Marketing > Promotion Codes > New.

Amount, Amount (Net of discount), and Amount (Gross before discount)

On transactions and reports, NetSuite uses the terms Amount, Amount (Net of discount) and Amount (Gross before discount). The definition for the Amount column differs based on the following:

- whether an applied discount is a posting discount
- which transaction line you are observing.

The terms are defined as follows:

- If a posting discount is applied, then:
  - Amount (Net of discount) = transaction amount including discount
  - Amount (Gross before discount) = transaction amount excluding discount
  - Amount = Amount (Gross before discount)
- If a non-posting discount is applied, then:
  - Amount (Net of discount) = transaction amount including discount
  - Amount (Gross before discount) = transaction amount excluding discount
  - Amount = Amount (Net of discount)

For example, invoice #1181 has a $100 non-posting discount. The Amount (Net) is $100 and the Amount (Gross) is $200 for the revenue line. Invoice #1182 has a $100 posting discount. The Amount (Net) is $100 and the Amount (Gross) is $200. Although the amounts are the same, the Amount column differs. For invoice #1181, the amount is $100 and for #1182, the amount is $200.

Subtotal Items

A subtotal item can be inserted on any line of a transaction and will subtotal the items above it, up to the next subtotal line.

This allows you some added flexibility when calculating discounts. If you want to calculate a discount on the entire transaction, you can enter a subtotal line and then enter a discount item after it. Discounts entered above a subtotal line are figured into the subtotal. Discounts entered after the subtotal line apply to the subtotal amount.

The subtotal amount itself is **not** taxed even if the user is calculating taxes on the invoice. The sales tax is still calculated on the individual lines that make up the subtotal. If taxable and nontaxable lines are being added together to create the subtotal, taxes are still calculated **only** on the taxable line items.

Description Items

Description line items let you place sentence- or paragraph-long descriptions on items you are not selling. For example, you can enter special shipping instructions or a disclaimer.

Description items have no amount field. They are only used to add text to transactions. They can be used on both purchase and sales transactions.

The item name of a description item does not appear on printed forms, only the descriptive text. Nothing appears in the amount column for description items.

As you create a transaction, select a description item from the items list.

Note: Description items are not available for use in NetSuite web stores, use information items instead. For more information, see the help topic Information Items.

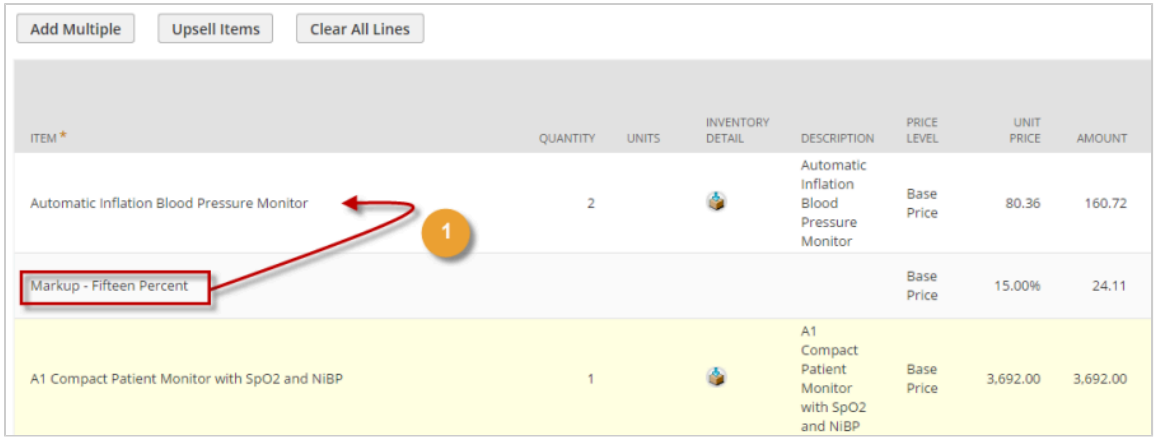
Markup Items

You can use markup items to apply an additional charge to an order. Using markup items lets you track markup amounts without affecting inventory valuation.

For example, you can charge a rush fee for completing a service or delivering an item quicker than is usually guaranteed. You can choose to markup the amount for this charge by a flat additional fee.

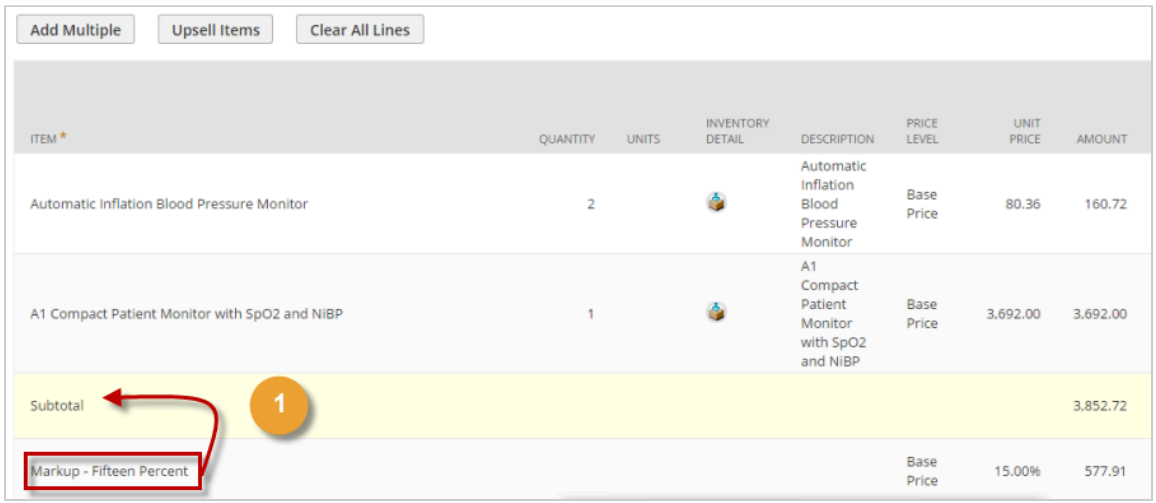
Important: When you add a markup item as a line item, it increases only the line-item amount that precedes the markup item. This can be a line-item or a subtotal group. The markup can be either a percentage of the total amount for the line or flat rate.

The following screen shot example, shows how markup applies only to the preceding line item.



To apply a markup item by percentage on a total order, add a subtotal item before the markup item on the sales order. For more information, see Subtotal Items.

The following screen shot example, shows how markup applies to the preceding subtotal line.



Creating a Markup Item

Use the following procedure to create a markup item.

To create a markup item:

1. Go to Lists > Accounting > Items > New.
2. On the New Item page, click **Markup**.
3. On the Markup page, enter an identifier for the item in the **Item Name/Number** field.
4. In the **Rate** field, enter the rate for this markup as either a percentage or a dollar amount. To indicate a percentage, type a % sign after the number. To enter a dollar amount, enter a positive number.
5. On the **Accounting** subtab, select an **Account**.
6. Click **Save**.

Expense Items

Expense items are used with Charge-based Billing to create charges for expenses tracked toward a project. Expense items are only available with Charge-based Billing and Project Management. For more information, see the help topic Charge-Based Project Billing.

Creating an Expense Item

Use the following procedure to create an expense item.

To create an expense item:

1. Go to Lists > Accounting > Items > New.

2. Click **Expense** in the **Item Type** column.
3. Enter a name for your item.
4. On the **Accounting** subtab, in the **Expense Account** field, select an expense account for this item.
5. Check the **Taxable** if you want to charge tax on this expense item.

   If you also use Advance Taxes, in the **Tax Schedule** field, select a tax schedule for this item.
6. Click **Save**.

You can add your new expense items to existing expense categories or you can create new expense categories. For more information, see the help topic Creating an Expense Category.

Adding an Expense Item to an Expense Category

Use the following procedure to add an expense item to an expense category.

To add an expense item to an expense category:

1. Go to Setup > Accounting > Expense Categories.
2. Click **Edit** next to the expense category you want to add an expense item to.
3. In the **Expense Item** field, select an expense item.

   Note: When you select an expense item, NetSuite automatically updates the associated expense account for this category to match the selected account for the expense item. Any new transactions using this expense category are associated with the new expense account. Existing transactions maintain the original expense account.
4. Click **OK**.
5. Click **Save**.

Non-Inventory Items

You can record and track items that you always drop ship as non-inventory items. You can also record and track other items that you sell or purchase but do not stock as non-inventory items. The following are examples of non-inventory items:

- **Non-inventory items for sale** – can be bought, sold, and consumed but are not added to a purchase order or kept in inventory. Non-inventory items for sale can only be sold to customers and entered on customer-facing transactions, such as sales orders, cash sales, or invoices.
- **Non-inventory items for purchase** – can only be bought and entered on vendor-facing transactions such as purchase orders and vendor bills. These items are purchased by your organization but not resold, such as office supplies.
- **Non-inventory items for resale** – can be bought and sold and appear on all applicable transaction types. This includes drop-ship items that you do not store but sell directly from the vendor.

Note the following when you use the Projects feature:

- You can create a non-inventory item regardless of whether the Can Be Fulfilled/Received box is checked.
- You can edit non-inventory and service items and clear the Can Be Fulfilled/Received box, if checked.
- You can edit non-inventory items, and you can check the Can Be Fulfilled/Received box, if cleared.

Vendor Bill Variances

When you use the Advanced Receiving feature, you can enter vendor bill variances and generate journal postings to variance accounts. These variances can be based on quantity, price, or exchange rate discrepancies.

When you check the Generate Accruals box on the Preferences subtab, Vendor Bill variances generate and post an accrual to the general ledger. For more information, see the help topic Vendor Bill Variances.

Note: If a non-inventory item is included on an open purchase order, you cannot check nor clear the Generate Accruals box. To make changes to the Generate Accruals box, close all purchase orders that include the item.

When the Generate Accruals preference is set, non-inventory item records include three variance accounts on the Accounting subtab:

- **Price Variance Account** – resolve variances between the unit cost of items on bills and receipts.
- **Quantity Variance Account** – resolve variances between quantities on bills and receipts.
- **Exchange Rate Variance Account** – resolve variances between exchange rates on bills and receipts.

Other Charge Items

Other charge items can be used to designate items or services you purchase or sell that do not fall into another type of item.

For example, you might use other charge items in the following ways:

- **Other charge for sale** – to charge for gift wrapping or alterations
- **Other charge for purchase** – when your company must pay a vendor a rush charge
- **Other charge for resale** – when you receive free boxes with a wholesale purchase but sell the boxes for a profit.

Fulfillable/Receivable Status

When you use both the Advanced Billing and Advanced Shipping features, you can set a permanent status on other charge item records. This status enables or disables them to be fulfilled or received. Then, order processing is based on the fulfillable/receivable status of the item.

Determine the status for each other charge item by checking or clearing the Can be Fulfilled/Received box on each item record. For more information, see the help topic Advanced Billing and Advanced Shipping.

Vendor Bill Variances

After enabling the Advanced Receiving feature, you can enter vendor bill variances and generate journal postings to variance accounts. These variances can be based on quantity, price, or exchange rate discrepancies.

When you check the Generate Accruals box on the Preferences subtab, Vendor Bill variances generate and post an accrual to the general ledger. For more information, see the help topic Vendor Bill Variances.

When the Generate Accruals preference is set, other charge item records include three variance accounts on the Accounting subtab:

- **Price Variance Account** – resolve variances between the unit cost of items on bills and receipts.
- **Quantity Variance Account** – resolve variances between quantities on bills and receipts.
- **Exchange Rate Variance Account** – resolve variances between exchange rates on bills and receipts.

Payment Items

You can create payment items for types of payments that are made to invoices and should show separately. For example, you can create a payment item to specify a down payment amount.

You can associate a payment item with payment methods, but payment items do not act as payment methods. For more information, see the help topic Creating a Payment Method.

Creating a Payment Item

Use the following procedure to create a payment item.

To create a payment item:

1. Go to Lists > Accounting > Items > New.
2. From the New Item list, click **Payment**.
3. On the Payment item page, complete the **Primary Information** section:
    a. Enter a unique **Item Name/Number** for your payment item.

       You can enter up to 250 characters for the item name. This name appears in lists on transactions.
    b. (Optional) Enter a **Display Name/Code**.

       The display name prints in the sales forms Item column when Basic printing is used.
    c. Enter an item **Description**.

       This information appears in the sales form description column.
    d. (Optional) Select the **Payment Method** you want to associate with the item.

       For more information, see the help topic Creating a Payment Method.
    e. Select the **Product Name** this item is associated with.
4. Complete the **Classification** section:
    a. Select a **Department** to associate with this item.
    b. Select a **Class** or **Sales Channel** to associate with this item.
    c. Select a **Location** to associate with this item.

       To use locations, you must use the Multi-Location Inventory feature.
5. On the **Accounting** subtab, choose one of the following options:
    - **Group with Undeposited Funds**- For payments to be processed as any other un-deposited funds.
    - **Account**- For payments to be deposited into an account. If you choose this option, you must select the account.
6. Click **Save**.

Customer Part Number

You can assign the part numbers of your customers to item records. Use customer part numbers, instead of item numbers, to add items to sales orders or invoices. When importing items to these transactions, you can use customer part numbers to reference the items. You can also print transactions that display both items and customer part numbers.

Availability

The Customer Part Number feature is available in the Supply Chain Management SuiteApp. To purchase the SuiteApp, contact your account manager. For information about installing the SuiteApp, see the help topic Installing the Supply Chain Management SuiteApp.

Limitations

- Supports inventory and assembly items only.
- You you must customize standard and custom roles to include the **Enable Customer Part Number** box for on each role record. For more information, see Roles and Permissions for Customer Part Number.
- Following the standard limitation of the CSV import feature, blank values on import files do not clear existing details in line items or records. For example, you import a file with an item and leave the customer part number blank. If the corresponding line item on the sales order has an existing customer part number, that part number is retained after the import. For more information and guidelines, see the following topics:
  - Import Customer Part Numbers for Items
  - Import Transactions With Customer Part Numbers
- In the item sublist of transactions, you cannot use the **Add Multiple** and **Upsell Items** options to add items with customer part numbers.

Set Up Customer Part Number

Use the following help topics to set up the Customer Part Number feature:

- Setup Requirements for Customer Part Number
- Adding Customer Part Numbers to Item Records
- Setting Up Custom Forms for Printing

Setup Requirements for Customer Part Number

Before you set up customer part numbers, review the following sections:

- Prerequisites for Customer Part Number
- Install the Supply Chain Management SuiteApp
- Enabling Customer Part Number
- Roles and Permissions for Customer Part Number

Prerequisites for Customer Part Number

Before you install the Supply Chain Management SuiteApp, you must enable the required feature. To print transactions with the customer part number, you must enable the Advanced PDF/HTML Templates feature. For more information, see the help topic Enabling the Advanced PDF/HTML Templates Feature.

Install the Supply Chain Management SuiteApp

Install the Supply Chain Management SuiteApp with the following details:

- Bundle Name: **Supply Chain Management**
- Bundle Id: **47193**

For more information, see the help topic Installing Supply Chain Management.

Enabling Customer Part Number

After you install the Supply Chain Management SuiteApp, you must enable the Customer Part Number feature.

Important: Access to the Supply Chain Preferences page is supported only for users with Administrator roles.

To enable Customer Part Number:

1. Go to Transactions > Management > Supply Chain Management.
2. On the Supply Chain Management page, click the **Preferences** link.
3. On the Supply Chain Preferences page, click **Edit**.
4. On the **Features** subtab, check the **Customer Part Number** box.
5. Click **Save**.

An administrator can now set up the roles records for those who want to use customer part numbers. For more information, see Roles and Permissions for Customer Part Number.

Roles and Permissions for Customer Part Number

You must enable Customer Part Number for all standard and custom roles who are going to use the feature. Go to Setup > Users/Roles > Manage Roles. Edit or customize the record to set up the following:

- On the role record, check the **Enable Customer Part Number** box.

By default, the prebuilt custom forms and records for Customer Part Number are enabled for the following standard roles:

- CEO and CFO
- Sales Vice President
- Accountant and Accountant (Reviewer)
- Bookkeeper

For other standard and custom roles who want to use customer part numbers, be sure to set up the required permissions and forms.

- On the **Permissions** subtab:

Subtab	Record	Level
Custom Record	Customer Part Number	Full

- On the **Forms** subtab:

Subtab	Type	Form Name	Enabled
Transaction	Invoice	SCM Invoice - Customer Part No.	Yes
Transaction	Sales Order	SCM Sales Order - Customer Part No	Yes
Custom Form	Customer Part Number	Standard Customer Part Number Form	Yes
Item	Group/Kit/Assembly	SCM Assembly Item - Customer Part No	Yes

Note: Enable the **SCM Assembly Item - Customer Part No** form to use the validations for adding customer part numbers to assembly items. For more information, see Adding Customer Part Numbers to Item Records.

Adding Customer Part Numbers to Item Records

On assembly and inventory item records, you can add the customer part number and the customer it is associated with. You can set up customer part numbers directly on the item record or import using CSV files, scheduled scripts, or web service.

Review the following guidelines for setting up customer part numbers on item records and through import:

- Valid characters for the customer part number name: alphanumeric, hyphen (-), and underscore (_).
- Inactive customer and item records cannot be used to set up customer part numbers.
- For accounts with subsidiaries:
  - The customer part number and customer combination for each item must be unique, per subsidiary.
  - If the **Include Children** option is enabled for the item, the customer must belong to the same subsidiary as the parent and its children. If you update the item record to disable **Include Children**, verify that the subsidiaries of the item and customers used for the part numbers match.
  - For matrix subitems, the subitem and customer must belong to the same subsidiary as the parent item.

To add customer part numbers to item records:

1. Go to Lists > Accounting > Items.
2. On the Items list, click **Edit** to open an existing item record.

   Click **New Item** to create an item record. For more information, see Creating Item Records.

   Note: Select **SCM Assembly Item- Customer Part No.** as your custom form for assembly item records, if you want to use customer part number validations specific to assembly items.
3. On the **Customer Part Number** subtab:
   1. In the **Customer Part Number Name** field, enter the customer part number or code.

2. In the **Customer** field, select the name of the customer to be associated with the part number.
3. Click **Add**.

4. Click **Save**.

   The subsidiary of the customer displays for each customer part number.

> **Important:** The Supply Chain Management SuiteApp currently supports the addition of up to 2,000 customer part numbers per item record.

To edit customer part numbers:

1. Go to the **Customer Part Number** subtab.
2. Enter the details in the sublist.

   Alternatively, click the Edit link to update the details on each customer part number record.

   The following occur when you update customer part number records that have been used on transactions:

   - Changes made to the customer part number name are reflected on line items of associated transactions.
   - If you change the customer associated with the part number, this causes a mismatch between the customer on the transaction and the part number record. Refrain from changing the customer when a part number has been used on a transaction, except when the customer on the transaction has been updated.

> **Important:** You can delete item records if there are no transactions associated with any of its customer part numbers. You can delete a customer part number from an item record only if there are no transactions associated with the specific customer part number.

Import Customer Part Numbers for Items

You can add customer part numbers for items by importing a CSV file, through scheduled scripts, or web service.

Refer to the following guidelines specific to importing customer part numbers for items:

- When creating your import file:
  - Include the Internal Id of the item record where a customer part number is going to be associated. For more information, see the help topic How to Find a Record's Internal ID
  - Add the part number name and the customer associated with it. For more information, see the first procedure in this topic.

  > **Important:** A maximum of 2,000 customer part numbers can be added per item record.

- When using the Import Assistant:
  - For Step 1 Scan & Upload CSV File, select the following:
    - Select **Custom Records** for import type.
    - Select **Customer Part Number** for record type.
  - For Step 2 Import Options, in the Advanced Options section, select **Standard Customer Part Number Form** as the custom form.

For more information, see the help topic Importing CSV Files with the Import Assistant.

Setting Up Custom Forms for Printing

To include customer part numbers on the printout of sales orders or invoices, set up the SCM custom forms provided in the SuiteApp. Before you set up these forms, review the required features for printing in Prerequisites for Customer Part Number.

Note: You must set up custom transaction forms because their default printing type is set to **Basic**. This is true even if you use the **Advanced PDF/HTML Templates** feature.

To set up the custom forms for printing:

1. Go to Customization > Forms > Transaction Forms.
2. On the Custom Transaction Forms list, click the **Customize** or **Edit** link for either of the SCM custom forms:
   - SCM Invoice - Customer Part No.
   - SCM Sales Order - Customer Part No
3. On the Custom Transaction Form page, do the following:
   1. In the **Printing Type** field, choose **Advanced**.
   2. In the **Print Template** field, select the appropriate sales order or invoice print template:
      - SCM Invoice - Customer Part No.
      - SCM Sales Order - Customer Part No.
4. Click **Save**.

If you want to use your own advanced print templates, you can add the **Customer Part Number** column manually. Use the following procedure to add the column to the Standard Sales Order PDF/HTML Template, as a sample. You can also use the instructions as a guide if you want to customize the existing print templates for the customer part number.

Note: To update advanced PDF/HTML templates, you must have sufficient CSS and HTML knowledge. For more information, see the help topic Source Code Editing in the Template Editor.

To add the Customer Part Number column to advanced print templates:

1. Go to Customization > Forms > Advanced PDF/HTML Templates.
2. On the Advanced PDF/HTML Templates list, click the **Customize** link for the Standard Sales Order PDF/HTML Template.
3. On the Advanced PDF/HTML Template page, click **Source Code** to transfer to this mode.
4. Insert the following codes to display the column header and value for the customer part number:
   1. To display the **Customer Part Number** column header before the **Item** column, insert this code in line 87:

```
<th align="left" colspan="3" style="padding: 10px 6px;">${item.custcol_scm_customerpartnumber@label}</th>
```

   2. To display the customer part number column value, insert this code in line 95:

```
<td align="left" colspan="3">${item.custcol_scm_customerpartnumber}</td>
```

Note: On your template, you can insert the **Customer Part Number** column before or after the **Item** column. Insert the code in the line that corresponds to the location of the column header where you want to display the customer part number. You can do the same when customizing the existing print templates: **SCM Invoice - Customer Part No.** or **SCM Sales Order - Customer Part No.**

5. Click **Save**.

   Click **Preview** if you want to view the changes before saving. For more information, see the help topic Advanced PDF/HTML Templates.

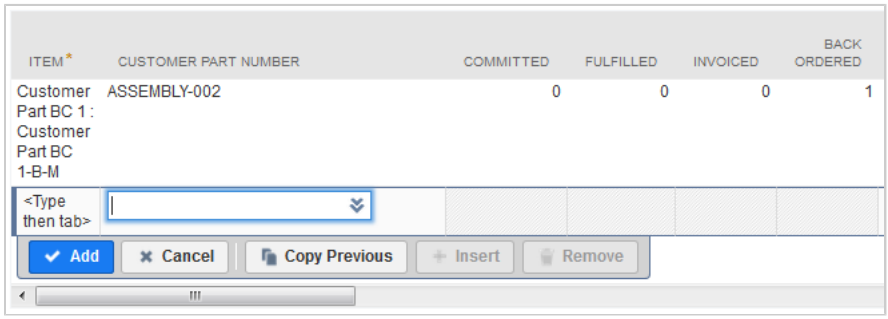
Customer Part Number Usage

See the following topics to use customer part numbers on sales orders and invoices:

- Customer Part Numbers on Transactions
- Import Transactions With Customer Part Numbers
- Print Transactions with Customer Part Numbers

Customer Part Numbers on Transactions

Customer part numbers assigned to item records can be used to add items to transactions. On a sales order or invoice, enter or select the customer part number in its line item field. The corresponding item automatically displays, including other item details.



You can still use the item name or number to add items to the sublist. If there is a customer part number associated with the item, this is displayed in the line item.

Inactive customer part numbers, item records, or both cannot be used on sales orders and invoices. Also, in the item sublist, you can only select part numbers that are assigned to the customer.

Important: If you change the customer on a transaction, no update is made to any line items that have customer part numbers. However, you can still align the customer associated with each part number by updating the item or customer part number record. For more information, see Adding Customer Part Numbers to Item Records.

Import Transactions With Customer Part Numbers

You can add or update line items on sales orders or invoices through import using CSV files, scheduled scripts, or web service.

Before you import customer part numbers, view the limitations and guidelines in Limitations. Refer to the following guidelines specific to importing customer part numbers for transactions:

- Before you import transactions with customer part numbers, see Setup Requirements for Customer Part Number.
- Inactive customer part numbers, items, or customers cannot be used for import.
- When creating your import file:
  - Include the Item Name or Internal ID of the item you want to add or update to the sales order or invoice transaction.
  - Include the Internal Id of the sales order or invoice transaction where the items are going to be added to. For more information, see the help topic How to Find a Record's Internal ID
  - Verify that you have assigned the customer part numbers to the items, if you want to use them as reference. Invalid customer part numbers in the file or those that cannot be found in the account causes the import for that transaction to fail. For more information about setting up customer part numbers, see Adding Customer Part Numbers to Item Records.
- When using the Import Assistant:
  - For Step 1 Scan & Upload CSV File, select the following:
    - Select **Transactions** for import type.
    - Select the record type for sales orders or invoices.
  - For Step 2 Import Options, in the Advanced Options section, select the appropriate custom form. Select **SCM Sales Order - Customer Part No** or **SCM Invoice - Customer Part No**.
  - For more information, see the help topic Importing CSV Files with the Import Assistant.
- When updating transactions, you can export them first and then edit the file instead of creating a new one. For instructions, see the help topic Exporting Lists.
  - Include the Internal Id of the transaction line items that you want to update. For more information, see the help topic Showing Record and Field IDs in Your Account.
  - If you import a file with no customer part numbers, the item sublist is populated with details based on items in the file. Customer part numbers associated with the items are displayed in the item sublist.
  - If you import a file with customer part numbers, the item sublist is populated with details based on the customer part numbers. Be aware of the following guidelines:
    - To update the customer part number, verify that its associated item in the import file matches the one in the transaction line item.

      Note: Be sure to enter the correct new or updated customer part number in the import file. Otherwise, line item details, including the item itself, are overwritten.
    - To update an item, verify that its associated customer part number in the import file matches the one in the transaction line item.

Print Transactions with Customer Part Numbers

To print transactions with customer part numbers, be sure to set up the required features and custom forms. Review the following topics about printing transactions:

- Prerequisites for Customer Part Number
- Setting Up Custom Forms for Printing
- Printing a Sales Order

- Printing an Invoice

Using the advanced print templates, you can print transactions with customer part numbers in PDF. Following standard printing limitations, long names or labels might not be completely displayed in a column.

Quantity	Item	Customer Part Number	Rate	Amount
1	Netsuite Customer Part Item	CUST-002	$100.00	$100.00
1	Assembly Item 2	ASSEMBLY-001	$100.00	$100.00

On the printout, the **Customer Part Number** column appears to the right of the **Item** column. If you want to transfer the columns, refer to the instructions for customizing print templates to add the **Customer Part Number** column. For more information, see Setting Up Custom Forms for Printing.