Oracle® Process Manufacturing

Physical Inventory User's Guide

Release 11*i*

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Oracle Process Manufacturing Physical Inventory User's Guide, Release 11*i*

Part No. A77229-06

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Oracle Process Manufacturing Physical Inventory User's Guide, Release 11*i*

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Preface

Welcome to the Oracle Process Manufacturing Physical Inventory User's Guide, Release 11*i*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.

- Oracle Process Manufacturing

  If you have never used Oracle Process Manufacturing, Oracle suggests you attend one or more of the Oracle Process Manufacturing training classes available through Oracle University.

- Oracle Self-Service Web Applications.

  To learn more about Oracle Self-Service Web Applications, read the *Oracle Self-Service Web Applications Implementation Manual*.

- The Oracle Applications graphical user interface.

  To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User's Guide*.

See Other Information Sources for more information about Oracle Applications product information.

How To Use This Guide

The Oracle Process Manufacturing Physical Inventory User's Guide contains the information you need to understand and use Oracle Process Manufacturing. This guide contains the following:

- Chapter 1, Physical Inventory Prerequisites, explains the prerequisites for inventory cycle counting and physical inventory counting. It presents information on how to generate inventory forms, and presents differences between physical inventory and cycle count processes.

- Chapter 2, Cycle and Inventory Count Prerequisites, explains inventory counting, and shows how to define ABC ranks. It presents information on how to define and set up count classes and control groups.

- Chapter 3, Cycle Count Definition and Entry, explains how to define , schedule, and perform cycle counting and reporting. It also presents information on entering cycle counts and purging cycle counts.

- Chapter 4, Physical Inventory Definition and Entry, explains how to define , schedule, and perform physical inventory counting and reporting. It also presents information on entering physical inventory counts and purging physical inventory counts.

- Chapter 5, Physical Inventory Reports, explains several preformatted reports and options for printing count sheets and count tags.

- Appendixes A explains typical navigation paths and specific profile options that need to be set up.

- Glossary provides definitions of terms that are used in this guide.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible, with good usability, to the disabled community. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by the disabled community. Standards will continue to evolve over time, and Oracle is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For additional information, visit the Oracle Accessibility Program Web site at http://www.oracle.com/accessibility/

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Other Information Sources

You can choose from many sources of information, including documentation, training, and support services, to increase your knowledge and understanding of Oracle Process Manufacturing.

If this guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **PDF Documentation-** See the Online Documentation CD for current PDF documentation for your product with each release. This Documentation CD is also available on Oracle*MetaLink* and is updated frequently.

- **Online Help -** You can refer to Oracle Applications Help for current HTML online help for your product. Oracle provides patchable online help, which you can apply to your system for updated implementation and end user documentation. No system downtime is required to apply online help.

- **Release Content Document -** See the Release Content Document for descriptions of new features available by release. The Release Content Document is available on Oracle*MetaLink*.

- **About document -** Refer to the About document for information about your release, including feature updates, installation information, and new documentation or documentation patches that you can download. The About document is available on Oracle*MetaLink*.

Related Guides

Oracle Process Manufacturing shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other guides when you set up and use Oracle Process Manufacturing.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle Store at http://oraclestore.oracle.com.

Guides Related to All Products

Oracle Applications User's Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

You can access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Guides Related to This Product

Accounting Setup User's Guide

The OPM Accounting Setup application is where users set up global accounting attributes about the way financial data will be collected by OPM. These attributes include such things as account keys, financial calendars, and account segments. Since OPM is closely integrated with Oracle General Ledger (GL), much of the attributes are defined in the Oracle GL instead of OPM, and therefore, the windows are display only within OPM. The *Oracle Process Manufacturing Accounting Setup User's Guide* describes how to setup and use this application.

Cost Management User's Guide

The OPM Cost Management application is used by cost accountants to capture and review the manufacturing costs incurred in their process manufacturing businesses. The *Oracle Process Manufacturing Cost Management User's Guide* describes how to setup and use this application.

Manufacturing Accounting Controller User's Guide

The Manufacturing Accounting Controller application is where users define the impact of manufacturing events on financials. For example, event RCPT (Inventory Receipts) results in a debit to inventory, a credit to accrued accounts payable, a debit or a credit to purchase price variance, etc. These impacts are predefined in the Manufacturing Accounting Controller application so users may begin using OPM to collect financial data out-of-the-box, however, they may also be adjusted per your business needs. The *Oracle Process Manufacturing Manufacturing Accounting Controller User's Guide* describes how to setup and use this application.

Oracle Financials Integration User's Guide

Since OPM is closely integrated with Oracle General Ledger, financial data that is collected about the manufacturing processes must be transferred to the Oracle Financials applications. The OPM Oracle Financials Integration application is where users define how that data is transferred. For example, users define whether data is transferred real time or batched and transferred at intervals. The *Oracle Process Manufacturing Oracle Financials Integration User's Guide* describes how to setup and use this application.

Inventory Management User's Guide

The OPM Inventory Management application is where data about the items purchased for, consumed during, and created as a result of the manufacturing process are tracked. The *Oracle Process Manufacturing Inventory Management User's Guide* includes information to help you effectively work with the Oracle Process Manufacturing Inventory application.

Physical Inventory User's Guide

Performing physical inventory count is the most accurate way to get an accounting of all material quantities purchased, manufactured, and sold, and update your onhand quantities accordingly. The OPM Physical Inventory application automates and enables the physical inventory process. The *Oracle Process Manufacturing Physical Inventory User's Guide* describes how to setup and use this application.

Order Fulfillment User's Guide

The OPM Order Fulfillment application automates sales order entry to reduce order cycle time. Order Fulfillment enables order entry personnel to inform customers of scheduled delivery dates and pricing. The *Oracle Process Manufacturing Order Fulfillment User's Guide* describes how to setup and use this application.

Purchase Management User's Guide

OPM Purchase Management and Oracle Purchasing combine to provide an integrated solution for Process Manufacturing. Purchase orders are entered in Oracle Purchasing and received in OPM. Then, the receipts entered in OPM are sent to Oracle Purchasing. The *Oracle Process Manufacturing Purchase Management User's Guide* describes how to setup and use this integrated solution.

Using Oracle Order Management with Process Inventory Guide

Oracle Process Manufacturing and Oracle Order Management combine to provide an integrated solution for process manufacturers. The manufacturing process is

tracked and handled within Oracle Process Manufacturing, while sales orders are taken and tracked in Oracle Order Management. Process attributes, such as dual UOM and lot control, are enabled depending on the inventory organization for the item on the sales order. Order Management accepts orders entered through Oracle Customer Relationship Management (CRM). Within CRM, orders can originate from TeleSales, Sales Online, and iStore, and are booked in Order Management, making the CRM suite of products available to Process customers, through Order Management. The *Oracle Order Management User's Guide* and *Using Oracle Order Management with Process Inventory Guide* describes how to setup and use this integrated solution.

Production Management User's Guide

The OPM Production Management application records information about production batches. It enables you to track production batches and firmed planned orders (FPOs), and convert FPOs to single or multiple production batches. In addition, the application is used to allocate ingredients, record actual ingredient usage, certify and complete production batches, and record actual product production quantities among other production processes. The *Oracle Process Manufacturing Production Management User's Guide* describes how to setup and use this integrated solution.

Process Operation Control User's Guide

The Oracle Process Manufacturing Process Operation Control (POC) application is an extension to the OPM Production Management application, that allows you to record more complete and detailed manufacturing data. The *Oracle Process Manufacturing Process Operation Control User's Guide* describes how to setup and use this application.

Integration with Advanced Planning and Scheduling User's Guide

Oracle Process Manufacturing and Oracle Advanced Planning and Scheduling (APS) combine to provide an integrated solution for process manufacturers that can help increase planning efficiency. The integration provides for constraint-based planning, performance management, materials management by exception, mixed mode manufacturing that enables you to choose the best method to produce each of your products, and combine all of these methods within the same plant/company. The *Oracle Process Manufacturing Integration with Advanced Planning and Scheduling User's Guide* describes how to setup and use this application.

MPS/MRP and Forecasting User's Guide

The Oracle Process Manufacturing Material Requirements Planning (MRP) application provides long-term "views" of material demands and projected supply actions to satisfy those demands. The Master Production Scheduling (MPS) application lets you shorten that view to a much narrower and immediate time horizon, and see the immediate effects of demand and supply actions. The *Oracle Process Manufacturing MPS/MRP and Forecasting User's Guide* describes how to setup and use this application.

Capacity Planning User's Guide

The OPM Capacity Planning User's Guide describes the setup required to use OPM with the Oracle Applications Advanced Supply Chain Planning solutions. In addition, Resource setup, used by the OPM Production Execution and New Product Development applications, is also described.

New Product Development User's Guide

The Oracle Process Manufacturing New Product Development application provides features to manage formula and laboratory work within the process manufacturing operation. It allows you to manage multiple laboratory organizations and support varying product lines throughout the organization. You can characterize and simulate the technical properties of ingredients and their effects on formulas. You can optimize formulations before beginning expensive laboratory test batches. New Product Development coordinates each development function and enables a rapid, enterprise-wide implementation of new products in your plants. The *Oracle Process Manufacturing New Product Development User's Guide* describes how to setup and use this application.

Quality Management User's Guide

The Oracle Process Manufacturing Quality Management application helps track the quality of ingredients and products through the process manufacturing operation. Assays, or ingredient attributes, are defined for acceptable tolerance ranges. Samples are taken and the results are measured against the assays. Out-of-range results are reported. The *Oracle Process Manufacturing Quality Management User's Guide* describes how to setup and use this application.

Regulatory Management User's Guide

The Oracle Process Manufacturing Regulatory Management application generates the Material Safety Data Sheets (MSDSs) required by authorities to accompany hazardous materials during shipping. You can create MSDSs from OPM Formula

Management with Regulatory or Production effectivities. The *Oracle Process Manufacturing Regulatory Management User's Guide* describes how to setup and use this application.

Implementation Guide

The *Oracle Process Manufacturing Implementation Guide* offers information on setup. That is, those tasks you must complete following the initial installation of the Oracle Process Manufacturing software. Any tasks that must be completed in order to use the system out-of-the-box are included in this manual.

System Administration User's Guide

Much of the System Administration duties are performed at the Oracle Applications level, and are therefore described in the *Oracle Applications System Administrator's Guide*. The *Oracle Process Manufacturing System Administration User's Guide* provides information on the few tasks that are specific to OPM. It offers information on performing OPM file purge and archive, and maintaining such things as responsibilities, units of measure, and organizations.

API User's Guides

Public Application Programming Interfaces (APIs) are available for use with different areas of the Oracle Process Manufacturing application. APIs make it possible to pass information into and out of the application, bypassing the user interface. Use of these APIs is documented in individual manuals such as the *Oracle Process Manufacturing Inventory API User's Guide, Oracle Process Manufacturing Production Management and Process Operations Control APIs User's Guide, Oracle Process Manufacturing Formula API User's Guide,* and the *Oracle Process Manufacturing Cost Management API User's Guide.* Additional API User's Guides are periodically added as additional public APIs are made available.

Installation and System Administration

Oracle Applications Concepts

This guide provides an introduction to the concepts, features, technology stack, architecture, and terminology for Oracle Applications Release 11*i*. It provides a useful first book to read before an installation of Oracle Applications. This guide also introduces the concepts behind Applications-wide features such as Business Intelligence (BIS), languages and character sets, and Self-Service Web Applications.

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle Rapid Install, which minimizes the time to install Oracle Applications and the Oracle technology stack by automating many of the required steps. This guide contains instructions for using Oracle Rapid Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process and lists database and product-specific upgrade tasks. You must be either at Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0, to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

"About" Document

For information about implementation and user documentation, instructions for applying patches, new and changed setup steps, and descriptions of software updates, refer to the "About" document for your product. "About" documents are available on Oracle*MetaLink* for most products starting with Release 11.5.8.

Maintaining Oracle Applications

Use this guide to help you run the various AD utilities, such as AutoUpgrade, AutoPatch, AD Administration, AD Controller, AD Relink, License Manager, and others. It contains how-to steps, screenshots, and other information that you need to run the AD utilities. This guide also provides information on maintaining the Oracle applications file system and database.

Oracle Applications System Administrator's Guide

This guide provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage concurrent processing.

Oracle Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff and describes the Oracle Application Object Library components that are needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards for Forms-Based Products*. This manual also provides information to help you build your custom Oracle Forms Developer forms so that the forms integrate with Oracle Applications.

Oracle Applications User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms.

Other Implementation Documentation

Oracle Applications Product Update Notes

Use this guide as a reference for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features, enhancements, and changes made to database objects, profile options, and seed data for this interval.

Oracle Workflow Administrator's Guide

This guide explains how to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes, as well as how to monitor the progress of runtime workflow processes.

Oracle Workflow Developer's Guide

This guide explains how to define new workflow business processes and customize existing Oracle Applications-embedded workflow processes. It also describes how to define and customize business events and event subscriptions.

Oracle Workflow User's Guide

This guide describes how Oracle Applications users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle Workflow API Reference

This guide describes the APIs provided for developers and administrators to access Oracle Workflow.

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup and reference information for the Oracle Process Manufacturing implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

Oracle eTechnical Reference Manuals

Each eTechnical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications, integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on Oracle*Metalink*

Oracle Applications Message Manual

This manual describes all Oracle Applications messages. This manual is available in HTML format on the documentation CD-ROM for Release 11*i*.

Training and Support

Training

Oracle offers a complete set of training courses to help you and your staff master Oracle Process Manufacturing and reach full productivity quickly. These courses are organized into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle University at any one of our many education centers, you can arrange for our trainers to teach at your facility, or you can use Oracle Learning Network (OLN), Oracle University's online education utility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Process Manufacturing working for you. This team includes your technical representative, account manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using Oracle Applications can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

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Oracle values your comments and feedback. In this guide is a reader's comment form that you can use to explain what you like or dislike about Oracle Process Manufacturing or this user guide. Mail your comments to the following address or call us directly at (650) 506-7000.

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1

Physical Inventory Prerequisites

This topic explains physical inventory and inventory cycle counting. It tells you how to generate inventory forms and specifies the differences between physical inventory and the cycle count processes.

The following topics are covered:

- Understanding Physical Inventory
- Understanding Inventory Counting
- Generating Inventory Count Forms
- Physical Inventory and Cycle Count Processes

Understanding Physical Inventory

The purpose of the guide is to provide reference information for end-level users of the OPM Physical Inventory Application. It presents:

- An overview of the situations in which you would run cycle counting and physical inventory counting.

- Setups and prerequisites needed to run cycle and physical inventory counting.

- Explanations of how count exception classes are used to for cycle counting items with zero or negative on-hand balances.

- Procedures for establishing control groups of problematic or critical items that will be counted during selected cycles.

- Procedures for defining and entering cycle and physical count parameters, and for entering the resulting count quantities.

- Procedures for printing count sheets and tags used in cycle counting and full inventory counting.

- Instructions for posting full physical inventory counting and updating on-hand inventory quantities.

- Procedures for printing variance reports to indicate where actual count quantities differ from on-hand quantities.

The OPM Physical Inventory application includes selections for defining and running both full physical inventories (counting of every item in a warehouse) and cycle counting (periodic counting of selected items). These periodic countings will be referred to as cycle counting. Physical inventory will refer to the full physical inventory count of all items. Note that the menu sequence for the Physical Inventory application does not reflect the order in which you initially define your databases and process inventory counting.

Depending on your system security profile, you may not have access to all of the windows and functions described here. If you do not see a menu option described, and you want access to it, contact your system administrator.

Cycle and Inventory Count Prerequisites

This section describes the setup of data required to run cycle counting and complete physical inventory counting. The OPM Physical Inventory application consists of the data entry windows required to define cycle count and physical inventory count parameters. These parameters include the ABC rank codes that you assign to items

to define how frequently they must be counted. Some of the required information is established on data entry windows outside the Physical Inventory application. These windows and the applications in which they can be found are noted. A brief introduction explaining the use of the windows in relation to inventory counting is provided. Examples of the types of data you can define may be given.

Defining and Entering Cycle Counts

The procedures required to define data records are discussed. These procedures include any prerequisites necessary to complete the task. A detailed discussion of each field on the data entry window being discussed then follows. Field entry examples are given in some cases.

Menu options that are specific to the data entry window being discussed (and which may help in the definition of the data required to complete the window) are then referenced.

Defining and Entering Physical Inventory

The physical inventory process is outlined. This process allows you to review quantities using a separate posting process. The parameters for a full physical inventory, and the processes of initiating, entering, and posting physical inventory are presented.

Running Physical Inventory Reports

Physical inventory reporting and inquiry functions are presented. Explanations of the printed reports available from the Physical Inventory application are provided with the procedures for generating them. Descriptions of the information listed on these reports are also provided.

Understanding Inventory Counting

OPM allows you to perform two kinds of counting to evaluate your inventory. Each involves counting stock quantities and updating onhand inventory records.

You can perform cycle counting in which you may select specific items or groups of items to count and reconcile on a frequent (perhaps daily) basis. Warehouses function normally during cycle counting.

You can also perform full physical counting on your inventory where every item in the warehouse is counted and reconciled in a single physical inventory cycle count. This usually requires that warehouse operations cease during the count.

In OPM, a warehouse is where inventory is maintained, from which inventory is consumed, and to which inventory is replenished. A plant consumes inventory from, and replenishes inventory to a warehouse.

To Perform a Full Physical Inventory

In some industries the law requires that you perform a full physical inventory, usually at least once a year. A physical inventory count is the most accurate way to get an accounting of all material quantities purchased, manufactured, and sold, and update your onhand quantities accordingly. It also allows you to determine the value of your *entire* actual inventory quantities. In a full physical inventory, current quantities are frozen for the purposes of counting. Current quantities are copied to a temporary area (table). OPM then compares these frozen quantities to the actual count quantities to determine if there are discrepancies.

When you perform a physical inventory, all item quantities in the selected warehouse are frozen based on the criteria you specify (on the Physical Count window). Items are then counted and reconciled in one cycle. This usually requires that the warehouse be shut down, so that all items can be counted.

Freezing of the onhand inventory quantities does not prevent other users from processing transactions (such as sales orders or production batches) for that inventory. The physical inventory process contains no mechanism to reconcile the time of the transaction with the time of the count. If you allow any transactions during the counting period you will jeopardize the accuracy of the post-inventory records.

To Perform a Cycle Count

Some industries use items that are hazardous, expensive, or prone to shrinkage or other physical changes. These items may require counting more frequently (for example, weekly or daily) than the full inventory cycle. Cycle counting lets you rank each item based on the frequency with which you count it. It also lets you define daily count schedules for groups of selected items in each warehouse.

You may cycle count selected items on a regular basis. Only the selected cycle count item quantities are frozen for comparison against the actual item count. Because of this, the remainder of the warehouse can function normally. By counting and reconciling this inventory more periodically, you can highlight discrepancies earlier than if you waited for the full physical inventory count.

OPM will create a cycle count schedule based on the parameters you define for each item. This allows you to spread the regular count of warehouse items over a number of days, rather than doing the regular count of all warehouse items on the same day. When you initiate a cycle count for a warehouse, the items scheduled for count appear on cycle count reports. Note that you cannot print, or view, a count schedule; this is a security precaution to prevent disbursement of advanced information on upcoming counting.

You can prioritize items for cycle count based on ABC rank, count class, or control group; you define all of these classifications in the Physical Inventory application. You can also define tolerance thresholds to control the extent to which you will accept variances between actual counting, and quantities onhand in OPM inventory.

Generating Inventory Count Forms

There are three types of inventory count forms that you can generate. The following is a brief description of each:

Count Sheet

This is an OPM-generated document that the person who will perform the actual inventory counting can use to enter results. It is printed with numbered lines that correspond to the items (and lots/sublots, locations, and QC grades) being counted in a specific cycle. It does *not* list the expected quantities for the count. Count sheets are used for both full physical inventories and cycle counting.

Tags

Like the count sheets, count tags are generated and assigned numbers by OPM. However, each count tag is for one specific item, lot/sublot, location, and QC grade combination being counted. The individuals who perform the actual inventory counting can use these tags to enter the results. Count tags can be used for full physical inventories and cycle counting.

Bulk Tags

Bulk tags are similar to regular count tags. Count tags are printed with lines that correspond to items, lots, and sublots, while bulk tags are printed with blank lines. The counter still enters the results of the count on these tags.

Physical Inventory and Cycle Count Processes

The following discusses:

- Cycle Counting and Physical Inventory Prerequisites

- Physical Counting Process Flow

Cycle Counting and Physical Inventory Prerequisites

In addition to the setup discussed in detail here, the following setup data must be defined in the specified applications.

Setting Up the System Administration Application

Set up the following in the OPM System Administration Application:

- Organizations

- Users

- Unit of measure

- Units of measure types

- Document ordering parameters

- Reason codes

- Geography codes

- Tax locations (if required)

Setting Up the Inventory Application

Set up the following in the OPM Inventory Control Application:

- Items (for raw material, bulk finished goods, intermediates, packaging material, and packaged items)

- Warehouses

- Warehouse Rules (the items that you cycle count must be linked to the appropriate warehouses). Items you attempt to post without Warehouse Rules will be reported on the Physical Inventory Errors window.

- Locations

- Lots and sublots

- Item/lot/sublot unit of measure conversions
- Item quantities (in lots and sublots)

Setting Up the Order Fulfillment Application

Set up the following in the OPM Order Fulfillment Application:

- Tax locations

Inventory Cycle Counting Process Flow

The following outlines the inventory cycle counting process flow. Parenthesis indicate prerequisite steps.

Step	OPM Application (Prerequisite Step)	Task
1	Inventory Management	■ Define the inventory calendar. ■ Create items. ■ Create warehouses. ■ (See *Oracle Process Manufacturing Inventory Management User's Guide* for more information.)
2	Physical Inventory	Create ABC Rank Codes
3	Inventory Management (1)	Create warehouse rules.
4	Inventory Management (1) (2)	Initialize the ABC rank schedules for warehouses.
5	Physical Inventory (1)	Create count classes.
6	Physical Inventory (1)	Create control groups
7	Physical Inventory (1)	Create a cycle count.
8	Physical Inventory (1, 2, 7)	Add ABC rank requirements.
9	Physical Inventory (1, 7)	Add additional items.
10	Physical Inventory (7)	Initiate a cycle count.
11	Physical Inventory (10)	Print cycle count sheets.
12	Physical Inventory (10)	Count items and enter data.
13	Physical Inventory (12)	Print cycle count entries report and audit its contents.
14	Physical Inventory (13)	Enter any recount items.
15	Physical Inventory (12)	Run the Cycle Count Audit Report and reconcile data.
16	Physical Inventory (15)	Post the cycle count and review posting reports.
17	Physical Inventory (16)	Purge the cycle count.

Physical Inventory Counting Process Flow

The following outlines the physical inventory counting process flow. Parenthesis indicate prerequisite steps.

Step	Application (prerequisite Step)	Task
1	Inventory Management	- Define the Inventory Calendar. - Create Items. - Create Warehouses. (See *Oracle Process Manufacturing Inventory Management User's Guide* for more information.)
2	Inventory Management (1)	Create Warehouse Rules.
3	Physical Inventory (1)	Create a physical cycle count, and close the warehouse to business
4	Physical Inventory (3)	Initiate a physical count.
5	Physical Inventory (4)	Print physical count sheets.
6	Physical Inventory (4)	Count Items and enter data.
7	Physical Inventory (6)	Print physical count entries report and audit its contents.
8	Physical Inventory (6)	Enter any recount items
9	Physical Inventory (6)	Post the physical count. Open the warehouse and resume business.
10	Physical Inventory (9)	Purge the physical count cycle.

2

Cycle and Inventory Count Prerequisites

This topic explains the process of inventory counting and references the inventory calendar. As a prerequisite to cycle counting, you are shown how to define ABC ranks and required ABC rank information. Count classes and control groups are defined and set up.

The following topics are covered:

- Understanding Inventory Counting
- Defining ABC Ranks
- Defining ABC Rank Information
- ABC Rank Window - Additional Setup in Physical Inventory
- Defining Count Classes
- Defining Control Groups

Understanding Inventory Counting

The Physical Inventory application gives you the flexibility to perform inventory counting based on the scheduling routines that suit you. For example, if you do not perform cycle counting on a set plan, you can schedule and initiate a cycle count whenever you need one, for only the items that you think should be counted.

If you perform scheduled cycle counting, you can establish a count schedule in advance. If you perform predefined or regular counting, you can synchronize counting with your inventory calendar.

You may wish to count only specific types of items during certain count cycles. OPM allows you to define ABC rankings (ABC classification) that indicate how frequently certain items will be counted. You can then assign these rankings to the items that you want to count during pre-set cycles. During these cycles, OPM will select for counting, based on their ABC ranks, only those items scheduled to be counted.

You may want to include in counting (on a count-by-count basis) those items with zero or negative on-hand balances. You may also want these items counted only if the zero or on-hand balances appear in specific warehouses. OPM allows you to define count exception classes, then assign them to item and warehouse combinations on the Warehouse Rules window. Depending on the exception class definition, OPM will select these items for count during scheduled cycles, even if they have zero or negative balances in the specified warehouse or warehouses.

If a warehouse contains critical items that must be counted more frequently than the normal count cycles permit, you can group these critical items to be counted during every cycle. These groups are referred to as control groups.

The extent of prerequisite setup that is required is contingent on the degree of control you wish to have over your count schedules. The procedures are discussed in the (suggested) sequence in which the prerequisites should be set up for a high level of inventory count control. Those prerequisites designed to provide this higher level of control are appropriately noted; you may disregard them if they do not apply to you.

Defining the Inventory Calendar

Your inventory accounting procedures may require that you close prior inventory periods to transaction postings in one or more warehouses. This allows you to perform inventory valuations in those warehouses. The inventory calendar divides the fiscal year into the periods in which inventory transactions will post. You can use cycle count results to determine the total inventory in your warehouses during

a given period. With your count cycles synchronized with inventory calendar periods, you can use this count information to help you with your warehouse valuations.

See *Oracle Process Manufacturing Inventory Management* for details on creating the inventory calendar.

Defining ABC Ranks

OPM allows you to schedule upcoming cycle counting to include desired items. You do this by assigning a rank code to each item that you intend to include in the periodic cycle counting. Each ABC rank code represents the ABC classification frequency at which you want to count an item when stocked in a specified warehouse. OPM then refers to the rank code when generating the count tags and count sheets for the appropriate days.

Defining Warehouse-Specific ABC Rankings

You specify a rank code on the Warehouse Rules window to indicate that the ABC classification ranking for the item is specific to the designated warehouse. The rank specified on the Item window is for reference purposes.

Defining ABC Cycle Count Periods

Once ABC ranks have been defined and warehouse rules have been established you will need to schedule the cycle count periods. These are usually managed best when they span a business quarter, half year, or a full year. Business circumstances will control this. It is generally recognized that a month is too short a span, while greater than one year is too long.

All ABC Rank schedules should end simultaneously, since this makes it easier to administer them. A cycle count should cover a short duration, perhaps a week at most. It determines:

- How many items are to be counted in a cycle.
- How quickly the individual or individuals tasked with cycle counting can report the results of the count for processing (obviously before the next cycle begins).

The information defined allows OPM to produce an "internal" schedule of the items to be counted in the warehouse at similar intervals and with similar accuracy.

Part of the daily cycle count procedure is the initiation of the daily count. This freezes the on-hand inventory quantities to give you a baseline, against which you can compare the quantities actually counted.

You define the Count Interval for each rank and warehouse combination. You may then enter this rank on the Warehouse Rule window for each item that you wish to count with the specified frequency. As a result of this established duration of count days, OPM is able to schedule counting of the items to which the ranking is

assigned. OPM searches for the items that should be included in each count based on the ABC Rank assigned to each item. This is done as follows:

- OPM counts the number of items in the warehouse that have been assigned a specific rank, and divides that total number of items by the number of days entered for the Count Interval for that ABC rank.

    For example, if 50 items are assigned rank A, and the count interval is 10 days, OPM schedules 5 of these items per day to be counted throughout the 10-day counting cycle. It is important to understand that Rank Initialization spreads items out as evenly as possible throughout the count interval. The interval only accepts whole numbers.

- To choose which items to count each day, OPM sorts based on the last count date for each item. The items counted most recently are scheduled last.

To prevent disbursement of information regarding upcoming scheduled counting, you will not be able to print or view the cycle schedule that OPM generates.

Defining ABC Cycle Count Tolerances

On the ABC Rank Information window you can indicate the action OPM should take if variances occur between the actual count quantity and the quantity on-hand in OPM inventory. For each ABC classification ranking you can define a count variance tolerance threshold. You base this threshold on the percentage of variance between recorded on-hand quantity and count quantity.

When OPM compares an actual count quantity of an item to the recorded on-hand quantity, it determines the variance between the two. OPM then warns against, or prevents, automatic acceptance of the count results if this variance exceeds the threshold.

Defining ABC Rank Information

Use this window to specify the warehouse and cycle count parameters for ABC classification of items in a warehouse. You will also be able to define the count interval, tolerances for the count, and the warning and rejection thresholds for a cycle count.

Defining ABC Rank Information Procedure

1. Navigate to the **ABC Rank Information** window.

2. Complete the fields as described.

3. Save the window.

4. From the **Actions** menu, select **Initialize Schedule**.

5. The **Initialize Schedule** dialog box displays:

    1. Enter the **Start Date**

    2. Enter the **End Date**

    3. Click **OK**.

6. "Schedule for Warehouse has been Created" displays to indicate that the ABC rank schedule has been initiated.

ABC Rank Information Field Reference

Warehouse

Specify the warehouse in which the ABC rank you are defining will be effective. The cycle count parameters you specify on this window will apply to all items (in this warehouse) that have been assigned this code.

For example: If this is WAREHOUSE 2, and you are defining rank B, all items assigned rank B and stocked in WAREHOUSE 2 will be cycle counted based on the rules you specify on this window for rank B.

ABC Rank

Specify the code that identifies the ABC classification rank for which you are defining cycle count interval and tolerance parameters. Note that A, B, and C are industry standard codes; the ranking codes need not be A, B, or C, and you can define them according to your needs. For example, if you are not ranking based on

value, you could rank based on frequency of the count. The codes could be named WLY (weekly), (MLY) monthly, and YLY (yearly). Exception items consider the assigned ABC Rank, however Control Group and Supercycle items do not consider the assigned ABC Rank. Required.

Description

Enter a brief description of the ABC rank parameters you are defining. Required.

Count Interval

This is the duration of the cycle, in days, for items, in the specified warehouse that have been assigned this ABC rank. The number you specify here indicates the number of days between the *beginning* of new cycle counting for this rank.

For example: If you are defining rank code B in WAREHOUSE2, and you indicate an interval of 14 days, all the items in WAREHOUSE2 that are assigned a rank of B will be scheduled for counting every two weeks. Required.

Tolerance Levels

The following fields allow you to establish cycle count tolerance levels. OPM compares the on-hand inventory balance for an item with the quantity actually counted. OPM then measures the variance between the two quantities (based on unit percentage variance) according to the tolerance parameters you specify here.

Unit Percent - Warning

For items in the specified warehouse assigned this ABC rank, specify the threshold at which a variance in units counted will produce a warning message. You will not be able to accept a count that has crossed the warning threshold unless you enter a valid reason code. If you do not want OPM to produce warning messages for counting because of quantity variances, enter 100.

Unit Percent - Rejection

For items in the specified warehouse assigned this ABC rank, specify the threshold at which a variance in the unit count will not be accepted. The acceptable variance is that unit quantity that falls between the warning level variance and the rejection variance.

For example: If you entered 2.000 (%) as the warning level tolerance quantity, and 10.000 (%) as the rejection level quantity, you may accept counting with a variance of 2 percent to 9 percent as long as you enter a valid reason code. Variances equal to or greater than 10% will not be accepted.

If you do not intend to reject counting based on quantity variance, enter 100. All counting will be accepted regardless of variance percentages.

Currency Value

These fields are reserved for future use.

The following selections are used to accept or reject counts at the time of posting from within the Cycle Count Entry window.

Accept Count - Warning

This selection allows you to be given an appropriate Warning message for items assigned this ABC rank in this warehouse. For the Unit Percent entered under the Warning heading:

- Select Accept Count if you wish to accept variances that are lower than the Unit Percent specified for Warning. No message is displayed if you exceed the Warning Tolerance (Unit Percent).

- Select Reject Count if you wish to reject variances that are lower than the Unit Percent specified for Warning. A message will be displayed to indicate that you have entered a quantity that exceeds the Warning Tolerance (Unit Percent). The quantity will be saved, but it will be rejected when you try to post the count.

Accept Count - Rejection

This selection allows you to be given an appropriate Rejection message for items assigned this ABC rank in this warehouse. For the Unit Percent entered under the Rejection heading:

- Select Accept Count if you wish to accept variances that are greater than the Unit Percent specified for Rejection. No message is displayed if you exceed the Rejection Tolerance (Unit Percent).

- Select Reject Count if you wish to reject variances that are greater than the Warning Unit Percent, but less than the Rejection Unit Percent. You will still be able to save the count, but a message will be displayed to tell you that you have exceeded the specified Tolerance Level. OPM will not allow you to post a rejected count until an appropriate adjustment is made.

Initiating the Daily Count

If you intend to base your cycle counting on ABC classification rankings, you must link the ABC rank code to the item and warehouse combination on the Warehouse Rules window.

You initialize the ABC schedule by selecting Initiate Schedule from the Actions menu.

Assign ABC rank codes to all inventory items that you wish to be scheduled for count during scheduled cycles. You specify an ABC code on the Warehouse Rules window in the Inventory Control application. See *Oracle Process Manufacturing Inventory Management* for procedures on entering warehouse rules.

Understanding the ABC Rank Report

ABC Rank Report

This report lists the cycle count intervals and variance tolerances for each of the ABC ranks within a specified warehouse, or a range of warehouses. It also shows how many variance warnings and rejections occurred for each ABC rank and warehouse combination.

ABC Rank Window - Additional Setup in Physical Inventory

Initialize Schedule

After you define the count parameters for the ABC classification rank and warehouse combination, you must define the schedule during which those parameters will be effective (a specific period, for example, 90 days). On initialization of this schedule, OPM generates an internal system calendar that suggests which items you should count on particular dates.

Defining Count Classes

Use the Count Classes window to define exception status classifications for groups of items. These classifications allow OPM to select items to be included in cycle counting, even if these items have zero, or negative, on-hand balances. You may skip this if you do not intend to include items with zero or negative inventory balances in cycle counting.

If you indicate on the Daily Cycle Count window that you want exception status items included in the count, OPM will search the inventory for count classes linked to items with zero or negative balances.

Defining Count Classes Procedure

1. Navigate to the **Count Classes** window.

2. Complete the fields as described.

3. Save the window.

Count Classes Field Reference

Class

Enter the code for this count exception classification. You can subsequently assign this code to items in specific warehouses on the Warehouse Inventory window. Required.

Description

Enter a brief description of the count exception classification you are maintaining. For example, if this classification is for exception items with zero balances only, you may enter "Zero Balances". Required.

Balance

Zero

Here you indicate if an item assigned this class code should be included in cycle counting if there is a zero on-hand balance for the item.

- Select Include if the item should be counted even if there is an on-hand balance of zero.

- Select Exclude if cycle counting should be skipped for items with an on-hand balance of zero.

Negative

Here you indicate if an item assigned this class code should be included in cycle counting if there is a negative on-hand balance for the item.

- Select Include if the item should be counted even if there is an on-hand negative balance.

- Select Exclude if cycle counting should be skipped for items with an on-hand negative balance.

Defining Control Groups

If you have items that are extremely expensive or hazardous, and wish to count them more frequently during selected cycle counting, you may define a control group in each warehouse into which these items can be classified.

On the Control Groups window you can list those critical, high-priority, or problematic items in a specific warehouse that you wish to count more frequently than those items with regular ABC rankings. Items in the control group may be counted every time you execute a cycle count. You may skip this discussion if you do not intend to include control group items in specific counting.

During cycle counting, these items (by virtue of being in the control group) have priority over the ABC ranks initially associated with the items on the Warehouse Rules window. The control group count interval parameters supersede the ABC rank parameters for the items in this particular warehouse. Control Groups will be included in every warehouse counting cycle.

Defining Control Groups Procedure

1. Navigate to the **Control Groups** window.

2. Complete the fields as described.

3. Save the window.

Control Groups Field Reference

The fields on this window are:

Warehouse

Specify the warehouse for which you are establishing control group counting; the corresponding warehouse description displays automatically. Note that each warehouse can have only one control group, but you can selectively choose the cycles in which you count the items in this group. Required.

Item

Specify the item for which you are defining a control count interval in the specified warehouse. This item must already be linked to the warehouse on the Warehouse Rules window. The item description from the Warehouse Rules window displays automatically.

Interval

Indicate the desired duration of cycle counting for this item when stocked in the specified warehouse. For example, if you wish to count the item every 30 days, enter 30.

If at a later date you want to remove the item from the control group, enter 0 in the Interval field. The item will no longer have priority count status in this warehouse, and will not show on this window the next time the window is displayed.

At this point you should have all of your inventory count prerequisites. Proceed to *Define and Enter Cycle Counts* for procedures on generating cycle counting.

3

Cycle Count Definition and Entry

This topic explains how to define and enter cycle counts. You are also shown how to define a counting schedule and perform cycle inventory counting. A brief introduction to the Daily Cycle Count report shows you its relevance to entering cycle count quantities. You are then shown how to reconcile and post cycle counts, review count errors and how to purge posted cycle counts.

The following topics are covered:

- Defining and Entering Cycle Counts
- Defining a Counting Schedule
- Performing Cycle Inventory Counting
- Daily Cycle Count Reports
- Entering Cycle Count Quantities
- Reconciling and Posting Cycle Counts
- Reviewing Error Messages
- Purging Posted Cycle Counts

Defining and Entering Cycle Counts

At this point you should have completed all of the necessary setup steps in preparation for performing inventory counting.

- You have named the cycle frequencies. Each of the ABC Ranks exists with a separate cycle frequency and tolerances in each of your defined warehouses.

- You have associated each countable item to a named cycle using Warehouse Rules. If you do not assign Warehouse Rules and attempt to post a cycle, OPM will post an error on the Physical Inventory Errors window. Each item in the warehouse that you expect to count must have a rule. The ABC Code field names a rank. The rank you put on the item master is for reference only.

- You have set the ABC Rank Information parameters to establish the duration during which all items assigned the same ABC classification rank code will be counted.

- You have set Count Classes parameters to define how you want to handle items with zero or negative on-hand balances.

- You may have set Control Group items to define those items you wish to count more frequently (or in exception to the scheduled ABC Rank items).

You can use the Additional Items capability to include items that would not normally be counted in the cycle. It is valid to conduct a cycle count with any one or combination of count classes, control groups or additional items.

Defining a Counting Schedule

You will construct each cycle's long range counting schedule. You will do this by selecting Initialize Cycle from the Actions menu. Do this separately for every rank in the warehouse. This is where OPM counts the items belonging to the rank, and randomly assigns them in nearly equal numbers to each day in the cycle. Once this counting schedule is built, the pattern is duplicated from the start date to the end date. This process does not skip weekends, holidays or any other special non-working days. For example if you have 70 items with a weekly 7-day frequency, every Saturday and Sunday will each have 10 items assigned for counting.

Performing Cycle Inventory Counting

Use the Cycle Count window to specify the warehouse and the dates on which cycle counting is to take place. You can choose to include control group, supercycle, or exception items, or any combination of the three, in the cycle count. You can also add any additional items that you wish.

OPM selects the items to be counted based on the first count date of the item and the schedule that was built when you scheduled each ABC rank for the warehouse. OPM assigns a number to the cycle count so that you can (later) enter actual count information.

Later, when you are actually ready to count inventory items, you must begin the count by selecting Initiate Count from the Actions menu. This "freezes" the record of on-hand quantities of the items to be counted during the cycle. You can continue to do business in the warehouse (processing inventory receipts and issues) while cycle counting proceeds because OPM compares the "frozen" on-hand quantities to the actual items counted.

Upon completion of the count, run the Cycle Count Audit report to reconcile the frozen on-hand inventory quantities with the count quantities. Variances between the two quantities are listed.

After the count has been reconciled with the inventory quantity balance, you must post the cycle. This process updates the old inventory balances with the variance quantities from the count. Variances are added to or subtracted from the inventory balances to produce new balances. The post process also closes the cycle and marks it as "complete".

It is common to find items in a specific lot/sublot/location that are not on the count forms, but which you feel should be included in the cycle count. You can enter these "found items" with a tag number or a page line that is higher than highest tag number or page line printed on the Cycle Count Entries form. For example, you could enter a "found item" at tag number 201, if the highest printed tag number was 200, by navigating to the Cycle Count Entries window and typing tag number 201. Save your entry. Repeat this as often as required until all "found items" are entered.

Exception items consider the assigned ABC Rank, however Control Group and Supercycle items do not consider the assigned ABC Rank.

Understanding Zero and Negative Balances for Exception Items

The following table summarizes the result of selecting or clearing Zero Balance, Negative Balance, and Exception check boxes.

Exclude Zero Balance Check Box	Exclude Negative Balance Check Box	Exception Check Box	Result
Selected	Selected	Not Selected	All items that have zero and negative balances are excluded.
Selected	Not Selected	Selected	Exception items include zero balances only for the count classes that specify their inclusion. All other items that have zero balances are excluded.
Selected	Selected	Selected	Exception items include zero balances and negative balances only for the count classes that specify their inclusion. All other items that have zero balances and negative balances are excluded.
Selected	Not Selected	Not Selected	All items that have zero balances are excluded.
Not Selected	Selected	Selected	Exception items include negative balances only for the count classes that specify their inclusion. All other items that have negative balances are excluded.
Not Selected	Not Selected	Selected	Exception items exclude zero and negative balances only for the count classes that specify their exclusion.
Not Selected	Selected	Not Selected	All items that have negative balances are excluded.

Performing Cycle Inventory Counting Procedures

To run a daily cycle count, proceed as follows:

1. Navigate to the **Daily Cycle Count** window.

2. Complete the fields as described.

3. Save the window.

4. From the **Actions** menu select **Initialize Cycle**. Click **OK** to freeze on-hand inventory quantities and initiate the count cycle. When you initiate the count cycle, OPM builds a daily list of the items that are to be counted.

5. Run the **Cycle Count Forms Report**. (See Physical Inventory Reports for more information on this report.)

6. Count the items in the warehouse. Use the count forms as a guide for the items you need to count. Record the counts on the printed form.

7. Navigate to the **Cycle Count Entries** window to enter all the item counts into OPM. (See Defining and Entering Cycle Counts for more information on this process.) Use the **View** and **Query by Example** option to specify and retrieve the Warehouse Cycle. This will find all rows that are on the corresponding count forms, and enable you to scroll up and down the list of selected records to enter and save each entry.

8. Run the **Cycle Count Audit Report** to reconcile on-hand quantities with cycle count quantities. (See Physical Inventory Reports for information on this report.) Repeat steps 6 and 7 as required to ensure accuracy of the counting and data entry.

9. From the **Actions** menu select **Post Cycle** to update the inventory on-hand quantities with any variances shown in the Cycle Count Audit Report. (See Reconciling and Posting Cycle Counts for more information.) When posting a count, any error messages from a previous attempt to post a count will be deleted.

10. Navigate to the **Physical Inventory Errors** window to review any errors that may have occurred during the current posting. (See Reviewing Error Messages for more information on this process.)

11. When you have completed the posting, from the **Actions** menu, you can optionally select **Purge Cycle** to purge the cycle's data from the OPM database. (See Purging Posted Cycle Counts for more information.)

Daily Cycle Counts Field Reference

Cycle

If you have established automatic assignment of cycle numbers in Document Ordering, OPM assigns a number to the cycle automatically after you save the Daily Cycle Count window ("NEW" displays while you are adding the new cycle). If you

have established manual assignment of cycle numbers, enter the number that identifies this count cycle.

Status

This field is informational only and will display:

- Open - to indicate that the cycle is open.

- Initiated - to indicate that the cycle has been initiated.

- Closed - to indicate the cycle is closed.

- Posted - to indicate the cycle has been posted.

Description

Enter a brief description of this count cycle. Required.

Warehouse

Specify the warehouse in which this cycle count will take place. The corresponding warehouse description displays automatically. Required.

Start Date

Specify the date the cycle count should begin in the designated warehouse. The default is today's date.

End Date

Enter the date you expect this cycle count to end. The default is tomorrow's date.

Print Form

Specify the kind of print format that will be generated.

- Select Tags to print tags.

- Select Count Sheets to print count sheets.

- Select Bulks to print bulk tags.

Exclude Zero Balance

- Select the box to exclude zero balances in the count.

- Clear the box to include zero balances in the count.

Exclude Negative Balance

- Select the box to exclude negative balances in the count.

- Clear the box to include negative balances in the count.

Include

Control Groups

Indicate if you want control group items (that is, those you count more frequently) to be included in the cycle count.

- Select the Control Groups box if you want cycle count items included.

- Clear the Control Groups box if control group items should be omitted from the count.

Supercycle

Supercycle items are those that surpassed the tolerance thresholds defined for the items on the ABC Rank window of a previous count. These items should be included in every cycle count until the count quantities are within tolerance, or until you make an adjustment to on-hand inventory quantities. OPM generates the list of supercycle items automatically.

Indicate if you want to include supercycle items in the count:

- Select the Supercycle box if you only want supercycle items included.

- Clear the Supercycle box if supercycle items should be omitted from the count.

Exception

Here you may indicate if exception items (that is, those items with zero or negative on-hand balances) should be selected for this cycle count.

- Select the Exception box if exception items should be included in the cycle count.

- Clear the Exception box if exception items should be omitted in the cycle count.

Initiating a Daily Cycle Count

After you have defined cycle count parameters, you must initiate the cycle inventory count itself by selecting Initialize Cycle from the Actions menu. The number and description display for the warehouse in which you are performing the

cycle inventory count, as well as the cycle number that was assigned to this inventory count. After you choose OK, OPM "freezes" the current inventory on-hand quantities for the specified warehouse, then copies these quantities to a holding area. OPM compares the actual count quantities that you enter to these frozen on-hand quantities.

You may initiate the count immediately after you define the cycle, or any time thereafter. However, you may initiate a count only once for each cycle. OPM verifies that each cycle has not already been initiated. If you attempt to initiate a cycle that has already been initiated, a message displays: "This cycle has already been initiated."

Posting a Daily Cycle Count

You post the cycle to update the inventory on-hand quantities with any variances shown in the Cycle Count Audit report. From the Actions menu you select Post Cycle to update the inventory on-hand quantities with any variances shown in the Cycle Count Audit Report. (See Reconciling and Posting Cycle Counts for more information.) This action posts the variance quantity (if any) from the cycle count, and closes the cycle. It also prints a report that reviews the cycle count and the new adjusted on-hand balance. The report also indicates whether or not the post process had any variances.

Purging a Daily Cycle Count

This selection purges the cycle count. It is important to note that in many other OPM operations, items to be removed are only "Marked for Deletion" and are thereafter ignored by OPM. However, these items remain present in the database and may be "unmarked" for deletion. The Purge Cycle command does not operate this way. When you select it, all information about the chosen cycle number (except the generated inventory gain or loss transactions) is physically removed from the OPM database.

Including Additional Items in the Cycle Count

If you wish to include items in this cycle that would not normally be counted in this cycle, you may specify those items here. For example, if part of the inventory for an item is missing or damaged, you can include the item in the cycle to count how much of it is left or usable. On each line, specify the item that you want to include in the cycle. The corresponding item description displays automatically. These items will be included in this cycle, regardless of the ABC ranks associated with them.

Daily Cycle Count - ABC Rank Requirements

You select the ABC ranks to be included in the cycle count on the ABC Rank Requirements window. The window displays all of the ABC ranks that you defined on the ABC Rank window. You select the ones you want included.

Daily Cycle Count - Audit Report

Lets you submit a request for an Audit Report.

Daily Cycle Count Reports

You can run the following reports that relate to the Daily Cycle Count. After initializing the cycle, you can run the Cycle Count Forms report.

Count Entries Report

This report lists the actual quantities that were counted and recorded during a specific cycle count. You can select to print all count quantities, or only those for which there were variances between the count and the frozen on-hand quantities. See Physical Inventory Reports for details on the Count Entries report.

Cycle Count Forms Report

This selection allows you to generate the count sheets or tags on which your inventory personnel will enter the count information from the cycle count. OPM assigns each item to be counted a tag number, or a count sheet and line number. When you are ready to record the item count quantity in OPM (using the Cycle Count Entry window), you will specify the tag number, or count sheet/line number. OPM will then cross-reference and display the corresponding item, for which you can enter the item count. See also Physical Inventory Reports for more information on the Count Windows reports.

Cycle Audit Report

This report can provide assistance in the reconciliation of the count. It lists all transactions that occurred between the freeze of the inventory, and the time the inventory was actually counted. It also lists the variance between frozen inventory quantity balance and the counted inventory quantity balance. The variance (if any) is the adjustment quantity that will be posted as a result of posting the count cycle.

See: Physical Inventory Reports for more on the Cycle Audit report.

Entering Cycle Count Quantities

You can record the results of the inventory count in the specified warehouse using the Cycle Count Entries window. These are the count results that have been recorded by Inventory personnel on the Cycle Count Forms report you printed for this purpose. The Cycle Count Entry window prompts you to enter the count results for each item in the cycle. OPM prompts for item count entry based on the page number and line number of the Count Form report (or the tag number, if Count Tags were printed).

When you specify the actual count for each item, OPM compares the cycle count quantity to the frozen on-hand quantity in the warehouse. Any variance between the two quantities is highlighted on the Count Entries report.

You must post the cycle count inventory quantities as a separate procedure, using the Post Counts selection on the Actions menu. After you post these selections, the inventory is updated.

Entering Cycle Count Quantities Procedure

1. Make certain that reason codes are established for count variations falling outside accepted tolerance levels. Reason codes are defined in the System Administration Application.

2. Print either the **Cycle Count Forms** report, or **Cycle Count Tags** and perform the count.

3. Navigate to the **Cycle Count Entries** window and query the cycle you wish to enter.

4. Complete the fields as described.

5. Save the window.

6. Print the **Cycle Count Entries** report to examine cycle count entry results.

7. Return to the **Daily Cycle Count** window to reconcile and post the cycle count entries.

Cycle Count Entries Field Reference

Warehouse

Specify the warehouse for which you are entering cycle count quantities for an item. The corresponding warehouse name displays automatically. Required.

Cycle

Enter the number of the count cycle for which you are making count quantity entries in the specified warehouse. Required.

Count/Tag

From the printed Count Forms report, specify the count sheet number or tag number for which you are entering a count quantity for an item. Required

Line

Specify the line number here if you are entering quantities from a count sheet. Required

With the entry of the four required fields, OPM retrieves and displays the item number that corresponds to the count/tag and line that you specified from the Count Forms report, or the Count Tag.

If this is a bulk tag, or if you entered a count/tag and line combination that does not exist, you will be able to enter the item, lot, sublot, location, and grade information as it applies to the selected item characteristics.

Item

Displays the item code and description on the Count/Tag and Line entered so that you can verify it.

Lot

If the item is lot controlled, displays the Lot on the Count/Tag and Line entered so that you can verify it.

Sublot

If the item is sublot controlled, displays the Sublot on the Count/Tag and Line entered so that you can verify it.

Location

If the item is location controlled, displays the Location on the Count/Tag and Line entered so that you can verify it.

Grade

If the item is grade controlled, displays the Grade on the Count/Tag and Line entered so that you can verify it.

Count Date

Specify the date on which the actual count of this item took place in this warehouse; the default is today's date. This date cannot be later than today, or earlier than the start date you defined for the cycle on the Daily Cycle Count form.

Quantity

Enter the quantity of the item counted in this warehouse (in the item's primary unit of measure). If the quantity is within the variance tolerance for the item, you will be permitted to proceed to the next field. Required.

If the count quantity exceeds the tolerance for variance with the frozen on-hand inventory quantity, a message indicates that the count is beyond the rejection tolerance level. The item is automatically added to the supercycle, and will be included in all cycle counting until the count quantity is within acceptance tolerance.

Quantity2

Displays the quantity of the item in its secondary unit of measure (if the item is dual unit of measure controlled).

It is possible to enter your count in terms of the dual unit of measure (when this field is available), and OPM will calculate to the primary unit of measure. You may need to make an appropriate adjustment to the count quantity.

Count Person

You are only prompted for an entry here if the count quantity in the previous field did not violate the count variance tolerance. Enter a code that identifies the employee (for example, the OPM user ID) who performed the actual count of the item.

Reason Code

If the actual count quantity varies from the frozen on-hand quantity, but is below the rejection tolerance level, enter the reason code that best defines the reason for the variance (for example, damage or theft).

Save the window. You can now enter a new count/tag and line number.

Reconciling and Posting Cycle Counts

After you have completed count entries, return to the Daily Cycle Count window. At this point you must reconcile the count entries with the frozen inventory quantities, then post any quantity variances to the on-hand inventory balances.

First, run the Cycle Count Audit report to reconcile the frozen inventory quantities with the count quantities (variances between the two quantities are listed). This report is described in Physical Inventory Reports.

After you reconcile the cycle count results with the inventory quantity balances, you must post the cycle. This process updates the old inventory balances with the variance quantities from the cycle count. Variances are added to, or subtracted from, the inventory balances to produce new balances. The posting process also closes the cycle and marks it as "Complete". When posting a Cycle Count, the Count Date is updated, but the Last Update date is not updated.

The posting process produces a report that reviews the cycle count and the variances that were posted. This report is described in Physical Inventory Reports.

Reconciling and Posting Cycle Counts Procedure

1. Navigate to the **Daily Cycle Count** window.

2. Run the **Cycle Count Audit Report** to reconcile frozen quantities with cycle count quantities.

3. Select **Post Cycle** from the **Actions** menu to update the inventory on-hand quantities with any variances shown in the **Cycle Count Audit Report**.

Reviewing Error Messages

The Physical Inventory Errors window displays error messages associated with a physical count or a cycle count.

For example, if you post counts to a warehouse where no warehouse rule exists for an item, the Physical Inventory Errors window will tell you exactly where there is a problem. You must remember to navigate to this window after posting a count.

When you post a count, any error messages associated with a *previous* attempt to post a count will be deleted. Error messages only apply to the last posting you attempted.

Physical Inventory Errors Procedure

To display cycle or physical count errors, proceed as follows:

1. Post the count.

2. Navigate to the **Physical Inventory Errors** window.

3. Enter the **Warehouse** in which you have done the count.

4. Enter the **Criteria** described in the field reference.

5. Review the Details of any errors displayed, and take appropriate action.

Physical Inventory Errors Field Reference

The fields on this window are:

Warehouse
Displays the name and description of the warehouse in which you are performing the cycle count.

Criteria

Cycle Type
- Physical - select to display errors associated with a physical inventory count.

- Cycle Count - select to display errors associated with a cycle count number.

Cycle Number
Displays the cycle number and a brief description of the cycle.

Details

Location
If the item is location controlled, displays the Location on the Count/Tag.

Item
Displays the item shown on the Count/Tag.

Lot
If the item is lot controlled, displays the Lot shown on the Count/Tag.

Sublot
If the item is sublot controlled, displays the Sublot shown on the Count/Tag.

Message
Displays the error message associated with the physical count or cycle count.

Purging Posted Cycle Counts

After you have reconciled and posted the cycle counts, you must purge the cycle counts.

Purging the Cycle Procedure

1. Navigate to the **Daily Cycle Count** window.

2. Select **Purge Cycle** from the **Actions** menu.

3. If the cycle has not been closed, OPM displays:
   "Warning! This cycle appears to still be open." You may wish to close the cycle before proceeding.

4. Click **OK** to continue.

5. Click **Cancel** to exit the purge operation.

6. If the cycle has been closed properly, OPM displays:"
   Are you sure you wish to Purge the Data from this Cycle?"

   - If you are sure, click **OK**.

   - If you are not sure, click **Cancel**.

4

Physical Inventory Definition and Entry

This topic explains how to perform physical inventory counts. You will be shown how to enter physical inventory quantities, how to reconcile and post the physical inventory, and then how to purge cycle counts.

The following topics are covered:

- Defining and Entering Physical Inventory
- Performing Physical Inventory Counting
- Understanding Physical Inventory Reports
- Entering Physical Inventory Quantities
- Reconciling and Posting Physical Inventory Counts
- Purging Physical Inventory Cycle Counts

Defining and Entering Physical Inventory

A full physical inventory is one that requires production and the warehouse to be shut down, and every item in the warehouse(s) counted and reconciled in a single cycle (for example, once a year). This allows you to get an accurate count of stock and identify count variances. It also lets you determine an accounting value for the entire on-hand inventory.

Like the cycle count process, there is no immediate update of on-hand quantities after you save actual physical count results. You must post inventory to update data records.

Performing Physical Inventory Counting

You select the warehouse and the date on which the physical inventory count is to take place on the Physical Inventory window. OPM assigns a number to the physical inventory cycle so that you can (later) enter actual count information. Later, you can begin the count by selecting Initiate Count from the Actions menu. This freezes on-hand quantities of the items to be counted.

It is common to find items in a specific lot/sublot/location that are not on the count forms, but which you feel should be included in the cycle count. You can enter these "found items" with a tag number or a page line that is higher than highest tag number or page line printed on the Physical Count Entry form. For example, you could enter a "found item" at tag number 201, if the highest printed tag number was 200, by navigating to the Physical Count Entry window and typing tag number 201. Save your entry. Repeat this as often as required until all "found items" are entered.

Selecting the Physical Count Posting Method

The GMI:Physical Count Posting Method profile option enables the use of either the Replacement Method or the Adjustment Method as physical count procedure.

No transactions should be made during the counting process when you use the Replacement Posting Method. Any transactions that are entered during the actual physical counting process invalidate the count and require manual reconciliation.

Transactions can be made during the counting process when you use the Adjustment Posting Method. The Adjustment Method accounts for transactions entered after the count is completed, but prior to its actual posting.

Understanding the Replacement Method

The Replacement Method is the default for the GMI:Physical Count Posting Method profile option. When posting a physical inventory, the current on-hand balance is used as the reversing transaction. The count entry is posted and becomes the new on-hand balance.

The following example illustrates the Replacement Method. Item CM110A is located in warehouse CMW1. Here is a summary of tasks performed:

- Adjust 400 lb. of CM110A on day 1 at 06:00.

- Initialize physical inventory on day 1 at 08:00.

- Count 250 lb. of CM110A on day 1 at 09:00.

- Send physical counts to the home office for review on day 1 at 11:00.

- Open Warehouse CMW1 for processing on day 1 at 12:00.
- Receive 25 lb. of CM110A on day 2 at 08:00.

The transaction list prior to posting is:

Transaction Type	Quantity	Date
ADJI	400	Day 1 at 06:00
RECI	25	Day 2 at 08:00

The inventory balance prior to posting is:

Item	Warehouse	Balance
CM110A	CMW1	425

Posting occurs on day 3 at 08:00.

The transaction list after posting is:

Transaction Type	Quantity	Date
ADJI	400	Day 1 at 06:00
RECI	25	Day 2 at 08:00
PIPH	-425	Day 3 at 08:00
PIPH	250	Day 3 at 08:00

The inventory balance after posting is:

Item	Warehouse	Balance
CM110A	CMW1	250

In this example, the -425 PIPH transaction is the reversing transaction for the current on-hand balance. It is replaced by the 250 PIPH transaction. The 25 lb. transaction that occurred after the count is completed, but prior to the posting is lost.

Understanding the Adjustment Method

The Adjustment Method uses the frozen on-hand balance as the reversing transaction. The count entry is posted, but the new on-hand balance reflects any additional transactions entered after the count was completed.

The following example compares transactions and balances given in the previous Replacement Method example to the Adjustment Method. All transactions prior to posting are the same as those described for the Replacement Method.

Transactions after posting are different, as shown in the following:

The transaction list after posting is:

Transaction Type	Quantity	Date
ADJI	400	Day 1 at 06:00
RECI	25	Day 2 at 08:00
PIPH	-400	Day 3 at 08:00
PIPH	250	Day 3 at 08:00

The inventory balance after posting is:

Item	Warehouse	Balance
CM110A	CMW1	275

The 25 lb. transaction that occurred after the count was completed, but prior to posting is not lost.

The profile option is set at the site level.

Performing Physical Inventory Counting Procedures

To perform a physical inventory count, proceed as follows:

1. Navigate to the **Physical Inventory** window.

2. Complete the fields as described.

3. Save the window. Close the warehouse to business.

4. From the **Actions** menu select **Initialize Physical**. OPM displays the message: "OK to begin initiation process?" Click **OK**.

5. Run the **Physical Count Forms Report**. (See Physical Inventory Reports for more information on this report.)

6. Count the items in the warehouse. Use the count forms as a guide for the items you need to count. Record the counts on the printed form.

7. Navigate to the **Physical Count Entry** window and enter all the item counts into OPM (See Entering Physical Inventory Quantities for more information.) Enter any re-count items. Use the **View** and **Query by Example** option to specify and retrieve the **Warehouse Cycle**. This will find all rows that are on the corresponding count forms, and enable you to scroll up and down the list of selected records to enter and save each entry.

8. From the **Actions** menu select **Post Count** to update the inventory on-hand quantities.

9. Navigate to the **Physical Inventory Errors** window to review any errors that may have occurred. When you post a count, any error messages associated with the count will be deleted. (See Reviewing Error Messages for more information on this process.)

10. Open the warehouse and resume business.

11. When you have completed the posting, from the **Actions** menu, you can optionally select **Purge Cycle** to purge the cycle's data from the OPM database.

Physical Inventory Field Reference

The fields on this window are:

Cycle

If you have established automatic assignment of cycle numbers in Document Ordering, OPM assigns a number to the cycle automatically after you save the Physical Inventory window ("NEW" displays while you are adding the new cycle). If you have established manual assignment of cycle numbers, enter the number that identifies this physical count cycle.

If you have established automatic assignment of physical inventory cycle numbers in Document Ordering (System application), OPM assigns a number to the physical inventory cycle automatically after you save the window ("NEW" displays while you are adding the new physical inventory cycle). If you have established manual assignment of physical inventory cycle numbers in Document Ordering, enter the number that identifies this physical inventory cycle.

Status

This field is informational only and will display:

- Open - to indicate that the cycle is open.

- Initiated - to indicate that the cycle has been initiated.

- Closed - to indicate the cycle is closed.

- Posted - to indicate that the cycle has been posted.

Description

Enter a brief description of the physical inventory cycle you are adding. Required.

Print Form

Specify the format for the physical inventory forms that will be generated.

- Select Tags to print tags.

- Select Count Sheets to print count sheets.

- Select Bulks to print bulk tags.

Warehouse

Specify the warehouse in which this physical inventory count will take place. The corresponding warehouse description displays automatically. Required.

Start Date

Specify the date the physical inventory count should begin in the designated warehouse. The default is today's date.

Exclude Zero Balance

- Select the box to exclude zero balances in the count.

- Clear the box to include zero balances in the count.

Exclude Negative Balance

- Select the box to exclude negative balances in the count.

- Clear the box to include negative balances in the count.

Initiating Physical Inventory

After you have defined the physical inventory parameters on the Physical Inventory window, you must initiate the physical inventory count procedure itself by selecting Initialize Physical from the Physical Inventory window Actions menu. The number and description display for the warehouse in which you are performing the physical inventory, as well as the cycle number that was assigned to this physical inventory count.

Posting Physical Inventory Counts

Use the Post Count selection to replace the on-hand inventory quantities with the new count quantities (from the Physical Count Entry form). Run a backup of your system prior to posting the physical inventory count. Posting of the physical inventory count replaces the previous on-hand inventory counting; any subsequent changes to these on-hand (perpetual) inventory quantities must be done on the Inventory Quantities window using the Adjust options. OPM will enter zero as the new on-hand quantity for any item where no count was entered.

Purging a Physical Inventory Count

After you have reconciled and posted the physical inventory counts, you must purge the cycle counts. Use this Actions menu option to purge all physical inventory cycle counts from OPM. It is important to note that in many other OPM operations, items to be removed are only "Marked for Deletion" and are thereafter ignored by OPM. However, these items remain present in the database and may be "unmarked" for deletion. The Purge Cycle command does not operate this way. When you select it, all information about the chosen cycle number (except the generated inventory gain or loss transactions) is physically removed from the OPM database.

Understanding Physical Inventory Reports

You can run the following Physical Inventory reports:

Count Entries Report

This report lists the actual quantities that were counted and recorded during a specific physical inventory count. You can select to print all count quantities, or only those for which there were variances between the count and the frozen on-hand quantities.

See Physical Inventory Reports for a complete discussion of this report.

Count Forms Report

This selection allows you to generate the count sheets or tags on which your Inventory personnel will enter the count results from the full physical inventory. OPM assigns each item that will be counted either a tag number, or a count sheet number and line number combination. When you are ready to record the item count quantity in OPM (using the Physical Count Entry form), you will specify either the tag number, or the count sheet/line combination. OPM will then cross reference and display the corresponding item information, for which you can enter the item count.

See Physical Inventory Reports for a complete discussion of this report.

Entering Physical Inventory Quantities

Use this window to enter the actual quantities from physical inventory counting. The Physical Inventory Entry window is similar to the Cycle Count Entry window. In both cases you enter the warehouse, cycle, and count sheet/tag numbers for the count (the tag numbers and count sheet numbers appear on the Count Forms reports). OPM then displays the item numbers to which the tags or count sheets have been assigned as a result of the Initiate Physical Inventory procedure. You then enter the results that reflect the physical item count. OPM compares the count results to frozen on-hand quantities; variances between the two are highlighted on the Count Entries report.

You must post the physical inventory quantities as a separate procedure, using the Post Counts selection on the Physical Inventory window Actions menu. After you post these selections, the perpetual inventory is updated.

Run the Physical Inventory Count Entries report, available from the Physical Count Entry window Report menu. Review the actual inventory count and note any variances between the count and frozen on-hand quantities. If you find variances, you can recount the item and enter an updated count on the Physical Count Entry form.

When you are satisfied with the count results, you must post the count quantities to update the on-hand inventory.

Entering Physical Inventory Quantities Procedure

1. Navigate to the **Physical Count Entry** window.

2. Complete the fields as described.

3. Save the window.

Physical Count Entry Field Reference

The fields on this window are:

Warehouse

Specify the warehouse for which you are entering a physical inventory count for an item. The corresponding warehouse name displays automatically. Required.

Cycle

Enter the number of the physical inventory cycle for which you are entering count quantities for the specified warehouse. Required.

Count/Tag

From the printed Physical Inventory Count Forms report, specify the tag number or count sheet number from which you are entering the physical inventory count quantities. Required.

Line

If you are entering quantities from a count sheet, specify the count sheet line number here.

With the entry of the four required fields, OPM retrieves and displays the item number that corresponds to the count sheet/line or tag that you specified from the Physical Inventory Count Forms report, or the Count Tags.

If this is a bulk tag, or you entered a count/tag and line combination that does not exist, you will be able to enter the item, lot, sublot, location, and grade information as it applies to the selected item characteristics.

Item

Displays the item code and description on the Count/Tag and Line entered so that you can verify it. Required.

Lot

If the item is lot controlled, displays the Lot on the Count/Tag and Line entered so that you can verify it.

Sublot

If the item is sublot controlled, displays the Sublot on the Count/Tag and Line entered so that you can verify it.

Location

If the item is location controlled, displays the Location on the Count/Tag and Line entered so that you can verify it.

Grade

If the item is grade controlled, displays the Grade on the Count/Tag and Line entered so that you can verify it.

Count Date

Specify the date that the physical inventory count took place for this item. The default is today's date. The date cannot be later than today, nor can it be earlier than the start date you defined for the physical inventory cycle on the Physical Inventory window. Required.

Quantity

Enter the quantity of the item for which you performed a physical inventory count in this warehouse. Enter the quantity in the primary unit of measure.

Displays the quantity of the item in the secondary unit of measure (if the item is dual unit of measure controlled). Required.

Quantity2

Displays the quantity of the item in its secondary unit of measure (if the item is dual unit of measure controlled).

It is possible to enter your count in terms of the dual unit of measure (when this field is available), and OPM will calculate to the primary unit of measure. You may need to make an appropriate adjustment to the count quantity.

Count Person

Enter a code identifying the person who performed the physical inventory count (for example, the OPM user ID code). Required.

Reason Code

If the actual count quantity varies from the frozen on-hand quantity, enter the reason code that best defines the reason for the variance (for example, damage or theft).

Save the window. You can now enter a new count/tag and line number.

Reconciling and Posting Physical Inventory Counts

After you complete your physical inventory count entries, you should run the Count Entries report to insure that every item was counted, and to highlight any variances between on-hand inventory and physical count quantities. If there are any variances, you can edit the original count entry to reflect the new quantity, then run the Count Entries report again to check that the variance has been eliminated.

You must then use the Post Count selection to replace the on-hand inventory quantities with the new count quantities (from the Physical Count Entry window).

Run a backup of your system prior to posting the physical inventory count. Posting of the physical inventory count replaces the previous on-hand inventory counting; any subsequent changes to these on-hand (perpetual) inventory quantities must be done on the Inventory Quantities window using the Adjust options. OPM will enter zero as the new on-hand quantity for any item where no count was entered.

Specify the code for the warehouse for which you are posting physical inventory count quantities; the corresponding warehouse description displays automatically. Enter the cycle number for the physical inventory count you are posting. Any item with a Warehouse Rule can be entered.

Reconciling and Posting Physical Inventory Counts Procedures

To reconcile and post physical inventory counts, proceed as follows:

1. Navigate to the **Physical Count Entry** window and enter counts.

2. Run the **Count Entries Report** to reconcile reported quantities with physical count quantities. (See Physical Inventory Reports for more information on how to do this.)

3. Navigate to the **Physical Inventory** window.

4. Select **Post Cycle** from the **Actions** menu to update the inventory on-hand quantities with any variances shown in the **Cycle Entries Report**.

5. Check the **Physical Inventory Errors** window for any errors or warnings. For example, a found item that does not have a Warehouse Rule will post with a warning that needs to be rectified *before* the next cycle count.

6. When you have completed the posting, from the **Actions** menu, you can optionally select **Purge Cycle** to purge the physical inventory data from the OPM database.

Physical Inventory Field Reference

The fields on this window are:

Cycle

Enter the number of the physical count.

Status

This field is informational only and will display:

- Open - to indicate that the cycle is open.

- Initiated - to indicate that the cycle has been initiated.

- Closed - to indicate the cycle is closed.

- Posted - to indicate the cycle has been posted. for which you are making count quantity entries in the specified warehouse. Required.

Description

A brief description of the cycle.

Print Form

Specify the kind of print format that will be generated.

- Select Tags to print tags.

- Select Count Sheets to print count sheets.

- Select Bulks to print bulk tags.

Warehouse

Specify the warehouse in which this cycle count will take place. The corresponding warehouse description displays automatically. Required.

Start Date

Specify the date the physical count should begin in the designated warehouse. The default is today's date.

End Date

Enter the date you expect this physical count to end. The default is tomorrow's date.

Purging Physical Inventory Cycle Counts

After you have reconciled and posted the physical inventory counts, you must purge the cycle counts.

Purging Physical Inventory Cycle Counts Procedure

1. Navigate to the **Physical Inventory** window.

2. Select **Purge Cycle** from the **Actions** menu.

3. If the cycle has not been closed, OPM displays: "Warning! This cycle appears to still be open." You may wish to close it before proceeding. Click **OK** to continue, then click **Cancel** to exit the purge operation.

4. If the cycle has been closed properly, OPM displays:"
   Are you sure you wish to Purge the Data from this Cycle?"

   - If you are sure, click **OK**.

   - If you are not sure, click **Cancel**.

5

Physical Inventory Reports

This topic explains several preformatted reports. These include the options for printing the count sheets and count tags on which your Inventory personnel will enter cycle count or physical count results.

The following topics are covered:

- Running the ABC Rank Selection Report
- Running the Control Group Report
- Running the Count Class Report
- Running the Cycle Count Forms Report
- Running the Physical Count Forms Report
- Running the Cycle Count Entries Report
- Running the Physical Count Entries Report
- Running the Cycle Count Audit Report
- Running the Cycle Posting Results Report

Running the ABC Rank Selection Report

This report allows you to list information for selected ABC rankings and other information previously entered on the ABC Rank Information window. You can print all ABC rank information, restrict the list to specific rank code ranges, or to all rank codes in a range of warehouses.

Submitting the Report

To submit the ABC Rank Selection Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **ABC Rank Selection Report**. The Parameters box is displayed.

3. Complete the **fields** as described, and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Sort By

There are two ways to sort the report:

■ Choose Rank to sort by ABC rank.

■ Choose Warehouse to sort by warehouse.

Order

There are two ways to order the report:

■ Select Ascending to order the report in ascending order.

■ Select Descending to order the report in descending order.

From Warehouse

Enter the beginning warehouse in this field.

To Warehouse

Enter the ending warehouse in this field.

From Rank

Enter the beginning as ABC rank in this field.

To Rank

Enter the ending ABC rank in this field.

Select Criteria

You can enter one of the following criteria:

- Select Active - to only select active items.

- Select All - to select both active and deleted items.

- Select Deleted - to select deleted items.

ABC Rank Selection Report Description

The following information appears on the ABC Rank Selection report:

Rank

The ABC rank code is listed; the corresponding ABC rank code description is also provided.

Interval

This is the duration, in days, of each count cycle for items that have been assigned this ABC rank code, in a specific warehouse.

Warning %

This is the percentage threshold at which the variance between the "frozen" on-hand item quantity and the actual item count quantity will trigger a warning message.

Reject %

This is the percentage threshold at which the variance between the "frozen" on-hand item quantity and the actual item count quantity will trigger rejection of

the cycle count results. OPM will include these rejected items in the supercycle until the variance issue is resolved.

Warning Value

This is the item value threshold at which the variance between the value of "frozen" on-hand item quantity and the value of the actual, counted items will trigger a warning message.

Reject Value

This is the item value threshold at which the variance between the value of "frozen" on-hand item quantity and the value of the actual, counted items will trigger rejection of the cycle count quantity results. OPM will include these rejected items in the supercycle until the variance issue is resolved.

Warning

If counting of items assigned this ABC rank code should be rejected if count variances produce a warning message, "0" is listed. If the counting should be accepted when variances produce the warning messages, but not rejections, "1" is listed.

Reject

If counting of items assigned this ABC rank code should be rejected if the count variances are over rejection tolerance, 0 is displayed. If the counting will be accepted even if the count variances exceed the rejection tolerances, 1 is displayed.

Deleted

If the ABC rank code has not been deleted a 0 is listed. If the ABC rank has been deleted a 1 displays.

Running the Control Group Report

This report lists the control group items and count intervals that you entered on the Control Group window for each warehouse. Control groups are comprised of high-priority items that you want to count at more frequent intervals than those associated with the regular ABC schedule codes. You can list control group information for all warehouses, or restrict the list to a specific range of warehouses.

Submitting the Report

To submit the Control Group Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **Control Group Report**. The Parameters box is displayed.

3. Complete the **fields** as described and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Sort By
There are two ways to sort the report:

- Choose Item to sort by item.

- Choose Warehouse to sort by warehouse.

Order
There are two ways to order the report:

- Select Ascending to order the report in ascending order.

- Select Descending to order the report in descending order.

From Warehouse

Enter the beginning warehouse in this field.

To Warehouse

Enter the ending warehouse in this field.

From Item

Enter the beginning item in this field.

To Item

Enter the ending item in this field.

Select Criteria

You can enter one of the following criteria:

- Select Active - to only select active items.

- Select All - to select both active and deleted items.

- Select Deleted - to select deleted items.

Control Group Report Description

The following information appears on the Control Group report:

Warehouse

The number of the warehouse in which the item is stocked is listed. The corresponding description of the warehouse is also listed.

Item

This is the number of the item in this control group (that is, warehouse) for which you want to establish a special cycle count interval. The corresponding item description is also listed.

Interval

This is the number of days between cycle counting for the item when stocked in this warehouse.

Running the Count Class Report

This report allows you to list count exception class information for the exception classes you specify. The listed information is entered from the Count Class window.

Submitting the Report

To submit the Count Class Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **Count Class Report**. The Parameters box is displayed.

3. Complete the **fields** as described and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Sort By
Class is the default.

Order
There are two ways to order the report:

-   Select Ascending to order the report in ascending order.

-   Select Descending to order the report in descending order.

From Class
Enter the beginning Class in this field.

To Class
Enter the ending Class in this field.

Select Criteria

You can enter one of the following criteria:

- Select Active - to only select active items.

- Select All - to select both active and deleted items.

- Select Deleted - to select deleted items.

Count Class Report Description

The following information appears on the Count Class report:

Class

This is the code for the count exception classification.

Description

The description of the count classification (for example, "Negative Balances").

Zero Balance Indicator

This flag indicates if items assigned this class code will be included in cycle counting, even if they have on-hand balances of zero.

- If 1 is listed, items assigned the class code will be counted.

- If 0 is listed, items will be skipped during counting if on-hand balances are zero.

Negative Balance Indicator

This flag indicates if items assigned this class code will be included in cycle counting, even if they have negative on-hand balances.

- If 1 is listed, items assigned this class code will be counted.

- If 0 is listed, items will be skipped during counting if there are negative on-hand balances.

Running the Cycle Count Forms Report

These selections generate the count sheets, or count tags, on which Inventory personnel will record the results of a cycle count. The count forms formats are identical for cycle counting and full physical inventories. For each listed item to be counted, OPM assigns a tag number (for tag-count items), or a page and line number (for the count sheet). Space is allowed for entry of the item quantity counted. When you eventually enter the cycle count results (on the Cycle Count Entry form) or the physical count results (on the Physical Count Entry form), you must specify the tag numbers and/or count sheet numbers. OPM then searches and identifies the item that was counted based on these counted numbers.

Submitting the Report

To submit the Cycle Count Forms Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **Cycle Count Forms**. The Parameters box is displayed.

3. Complete the **fields** as described, and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Warehouse Code
Enter the warehouse code for this cycle count.

Cycle
Enter either the cycle count or full physical inventory count for which you are generating count forms.

From Count
Enter the beginning cycle count number in this field.

To Count

Enter the ending cycle count number in this field.

Sort By

COUNT NUMBER is the default.

Cycle Count Forms Report Description

The following information appears on the Cycle Count Forms report:

Cycle

This is the number of the cycle (either cycle count or full physical inventory count) for which you are generating count forms.

Warehouse

The number for the warehouse where inventory is being counted (corresponding warehouse description included).

Spaces are provided for entry of the following information by the Inventory personnel performing the count:

Report Date

Prints the report date and time.

Cycle

Prints the cycle count number.

Counter

Enter the name or code for the user performing the count of this item.

Count Date

Enter the date that the inventory was counted.

Operator

Enter the name or code for the user performing the count of this item.

Entry Date

Enter the date the count results were entered into OPM.

Cycle Count Forms Report - What OPM Retrieves

The report lists the item information for the inventory items to be counted during this cycle. On count sheets, this begins with page 1, line 1. On tags, this begins with tag 1.

OPM retrieves the following information about the item:

- Item code

- Description

- Lot Number (if lot controlled)

- Sublot Number (if sublot controlled)

- Location (if location controlled)

- Grade (if grade controlled)

OPM numbers tags and bulk tags sequentially for the lot or item to count. Pages are numbered sequentially with three lines per page. Space is then provided for the entry of the count Quantity for this item in the primary unit of measure (listed automatically).

Running the Physical Count Forms Report

This report generates the count sheets, or count tags, on which Inventory personnel will record the results of a physical inventory count. The count form formats are identical for cycle counting and full physical inventories. For each listed item to be counted, OPM assigns a tag number (for tag-count items), or a page and line number (for the count sheet). Space is allowed for entry of the item quantity counted. When you eventually enter the physical count results (on the Physical Count Entry form), you must specify the tag numbers and/or count sheet numbers. OPM then searches and identifies the item that was counted based on these counted numbers.

The From Count and To Count fields on this window are used to break up the printing of the count sheets or tags into several smaller print jobs. This is done so that you can send these to different printers within the enterprise. You can use this feature so that individuals who perform the count can have ready access to the count sheets or tags used in the counting process. To split the print job, enter the starting number in the From Count field and the ending number in the To Count field. Select the appropriate output printer. Repeat this for all items to be counted.

Submitting the Report

1. To submit the Cycle Count Forms Report:

2. Navigate to the **Submit Requests** window.

3. In the **Name** field, enter **Physical Count Forms**. The Parameters box is displayed.

4. Complete the **fields** as described, and click **OK**. The Submit Requests window is displayed.

5. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Warehouse Code
Enter the warehouse code for this physical count.

Cycle

Enter the full physical inventory count for which you are generating count forms.

From Count

Enter the beginning physical count number in this field.

To Count

Enter the ending physical count number in this field.

Physical Count Forms Report Description

The following information appears on the Physical Count Forms report:

Cycle

This is the number of the full physical inventory count for which you are generating count forms.

Warehouse

The number for the warehouse where inventory is being counted (corresponding warehouse description included).

Spaces are provided for entry of the following information by the Inventory personnel performing the count:

Report Date

Prints the report date and time.

Cycle

Prints the physical count number.

Counter

Enter the name or code for the user performing the count on item.

Count Date

Enter the date that the inventory was counted may be entered.

Operator

Enter the user code or employee number of the individual performing the count.

Entry Date

Enter the date the count results were entered into OPM.

Physical Count Forms Report - What OPM Retrieves

The report lists the item information for the inventory items to be counted during this physical count. On count sheets, this begins with page 1, line 1. On tags, this begins with tag 1.

OPM retrieves the following information about the item:

- Item code
- Description
- Lot Number (if lot controlled)
- Sublot Number (if sublot controlled)
- Location (if location controlled)
- Grade (if grade controlled)

OPM numbers tags and bulk tags sequentially for the lot or item to count. Pages are numbered sequentially with three lines per page. Space is then provided for the entry of the count Quantity for this item in the primary unit of measure (listed automatically).

Running the Cycle Count Entries Report

This report lists the actual count results that were recorded for a cycle count. You can select to restrict the printed count results to those count quantities that varied from the "frozen" on-hand quantities.

Submitting the Report

To submit the Cycle Count Forms Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **Cycle Count Entries**. The Parameters box is displayed.

3. Complete the **fields** as described, and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Warehouse Code
Enter the warehouse code for this cycle count.

Cycle
Enter the number of the count cycle.

From Count
Enter the starting item count number.

To Count
Enter the ending item count number.

Sort By
Select one of the following if you wish to sort:

- COUNT DATE to sort by entry date.

- COUNT PERSON to sort by count person.

- COUNT TAG to sort by count tag.

- ITEM, LOT, LOCATION to sort (in order) by item, then lot, then location.

- LOCATION, ITEM, LOT to sort (in order) by location, then item, then lot.

- ITEM NUMBER/LOCATION/LOT to sort (in order) by item number, location and lot

- COUNT PERCENT DIFFERENCE to sort by an absolute discrepancy range. This sort will be in descending order, and print those counts that differ by *higher* discrepancies before those with *lower* discrepancies.

Variance

Select one of the following:

- All Counts - to display all counts.

- Counts with a Variance - to display only those counts with a variance.

Count Entries Tolerance

Enter an upper cutoff tolerance level for this report. The report will not display cycle count entries below this tolerance. This filters the output by a discrepancy range. For example, you can request those counts that are off by more than +/- 20%. You must consider whether uncounted items should be considered in the report. An item with a frozen quantity of 100 would always appear first on the report since it has the largest discrepancy between its frozen and actual counts. Percent differences greater than 100% will appear as a 100% difference.

Cycle Count Entries Report Description

The following information appears on the Count Entries report:

Warehouse

The code for the warehouse in which the count was conducted is listed; the corresponding warehouse description is also provided.

Cycle

The number of the count cycle (with the corresponding cycle description).

Item

The code for the item that was counted.

Description

The description of the item that was counted.

Lot

The number for the lot of the item that was counted.

Sublot

The number for the sublot of the item that was counted (if one exists).

Location

The code for the location in which the item lot was counted.

Count Date

The date the count occurred.

Reason

The reason code entered if the count were out of tolerance.

Count

This is either the page and line number combination from the count sheet, or the tag number. Either of these appears on the Count Sheet or Count Tags produced using the Count Forms report options.

Counter

The code for the individual who counted this item; this is generally the person's OPM user ID code.

Frozen Qty

The quantity of the item at the time the cycle or physical count was initiated (that is, "frozen").

Counted Qty

This is the quantity of the item actually counted during this cycle or full physical count.

Frozen Qty 2

The quantity of the item in the secondary unit of measure at the time the cycle or physical count was initiated (that is, "frozen").

Counted Qty 2

This is the quantity of the item in the secondary unit of measure actually counted during this cycle or full physical count.

Net Difference

The variance quantity between the frozen on-hand quantity and the actual counted quantity is listed.

Net Difference 2

The variance quantity in the secondary unit of measure between the frozen on-hand quantity and the actual counted quantity is listed.

%

The difference between the frozen and counted quantities in their primary units of measure expressed as a percentage.

Completed

This indicates if the count has been completed (that is, it has been posted to the on-hand inventory). If the count has not yet been posted, "0" is indicated; "1" is indicated if the count is complete.

Recount

This indicates if the count entered represented a recount from the supercycle. If this is a recount, "1" is indicated; "0" is indicated if this is not a recount entry.

Totals for Report

The first column lists the totals for Frozen Qty, Counted Qty, Frozen Qty 2, and Counted Qty 2.

The second column lists the total of the net differences between the primary and secondary units of measure.

The third column lists the total number of items flagged as completed and the total number of items flagged as recounted.

Number of Counts

This indicates the total number of individual items listed in the report.

Running the Physical Count Entries Report

This report lists the actual count results that were recorded for a full physical count (on the Physical Count Entry form). You can select to restrict the printed count results to those count quantities that varied from the "frozen" on-hand quantities.

Submitting the Report

To submit the Cycle Count Forms Report:

1. Navigate to the **Submit Requests** window.

2. In the **Name** field, enter **Physical Count Entries**. The Parameters box is displayed.

3. Complete the **fields** as described, and click **OK**. The Submit Requests window is displayed.

4. Complete the **fields** in the Submit Requests window and click **Submit**. You can then view or print the report.

See the *Oracle Applications User's Guide* for detailed information on submitting a report.

Selected Report Parameters

The report parameters are:

Warehouse Code
Enter the warehouse code for this physical count.

Cycle
Enter the number of the physical count.

From Count
Enter the starting item count number.

To Count
Enter the ending item count number.

Sort By
Select one of the following if you wish to sort:

- COUNT DATE to sort by entry date.

- COUNT PERSON to sort by count person.

- COUNT TAG to sort by count tag.

- ITEM, LOT, LOCATION to sort (in order) by item, then lot, then location.

- LOCATION, ITEM, LOT to sort (in order) by location, then item, then lot.

- ITEM NUMBER/LOCATION/LOT to sort (in order) by item number, location and lot

- COUNT PERCENT DIFFERENCE to sort by an absolute discrepancy range. This sort will be in descending order, and print those counts that differ by *higher* discrepancies before those with *lower* discrepancies.

Variance

Select one of the following:

- All Counts - to display all counts

- Counts with a Variance - to display only those counts with a variance

Count Entries Tolerance

Enter an upper cutoff tolerance level for this report. The report will not display physical count entries below this tolerance. This filters the output by a discrepancy range. For example, you can request those counts that are off by more than +/- 20%. You must consider whether uncounted items should be considered in the report. An item with a frozen quantity of 100 would always appear first on the report since it has the largest discrepancy between its frozen and actual counts. Percent differences greater than 100% will appear as a 100% difference.

Physical Count Entries Report Description

The following information appears on the Physical Count Entries report.

Warehouse

The code for the warehouse in which the count was conducted is listed; the corresponding warehouse description is also provided.

Cycle

The number of the physical count (with the corresponding description).

Item

The code for the item that was counted.

Description

The description of the item that was counted.

Lot

The number for the lot of the item that was counted.

Sublot

The number for the sublot of the item that was counted (if one exists).

Location

The code for the location in which the item lot was counted.

Count Date

The date the count occurred for the item.

Reason

The reason code entered if the count were out of tolerance.

Count

This is either the page and line number combination from the count sheet, or the tag number. Either of these appears on the Count Sheet or Count Tags produced using the Count Forms report options.

Counter

The code for the individual who counted this item; this is generally the person's OPM user ID code.

Frozen Qty

The quantity of the item at the time the cycle or physical count was initiated (that is, "frozen").

Counted Qty

This is the quantity of the item actually counted during this cycle or full physical count.

Frozen Qty 2

The quantity of the item in the secondary unit of measure at the time the cycle or physical count was initiated (that is, "frozen").

Counted Qty 2

This is the quantity of the item in the secondary unit of measure actually counted during this count.

Net Difference

The variance quantity between the frozen on-hand quantity and the actual counted quantity is listed.

Net Difference 2

The variance quantity in the secondary unit of measure between the frozen on-hand quantity and the actual counted quantity is listed.

%

The difference between the frozen and counted quantities in their primary units of measure expressed as a percentage.

Completed

This indicates if the count has been completed (that is, it has been posted to the on-hand inventory). If the count has not yet been posted, "0" is indicated; "1" is indicated if the count is complete.

Recount

This indicates if the count entered represented a recount from the supercycle. If this is a recount, "1" is indicated; "0" is indicated if this is not a recount entry.

Totals for Report

The first column lists the totals for Frozen Qty, Counted Qty, Frozen Qty 2, and Counted Qty 2.

The second column lists the total of the net differences between the primary and secondary units of measure.

The third column lists the total number of items flagged as completed and the total number of items flagged as recounted.

Number of Counts

This indicates the total number of individual items listed in the report.

Running the Cycle Count Audit Report

The Cycle Count Audit report provides help for count managers to reconcile the cycle count quantities with the existing inventory. It lists existing inventory balances, count quantities, and all transactions that occurred between the freeze of the inventory and the time the inventory was actually counted.

The report lists the variance between current on-hand inventory quantity balance and the counted inventory quantity balance. The variance (if any) is the adjusted quantity that will be added to, or subtracted from the inventory balance as a result of posting the count cycle. This report must be run for the cycle, or the Cycle Posting Report will not run.

Submitting the Report

To run the Cycle Count Audit Report:

1. Navigate to the **Cycle Count** window.
2. Enter the desired **Cycle** number you wish to audit.
3. From the **Actions** menu select **Audit Report**.
4. The **Cycle Count Audit Report** window displays.
5. Complete the fields as described.
6. Click **OK** to print the report.

Selected Report Parameters

The report parameters are:

Copies
Enter the desired number of report copies.

Style
Select Landscape.

Printer
Select the desired output printer.

Cycle Count Audit Report Description

The following information appears on the Cycle Count Audit Report:

Item/Description

Prints the item code and item description.

Location

Prints the location of the item (if the item is location controlled).

Lot/Sublot

Prints the item lot/sublot (if the item is lot/sublot controlled).

Summary Recap

Recaps the frozen and counted quantities, variances and variance percentages both in the primary and secondary units of measure for all items counted.

Frozen Quantity

Prints the quantity of the item at the freeze of the count cycle in its primary unit of measure.

Counted Quantity

Prints the counted quantity of the item expressed in its primary unit of measure.

Variance %

Prints the difference between the expected Frozen Quantity value (F) and the actual Counted Quantity value (C) as a percent of the Frozen Quantity value, where:

Variance % = (F - C)/F *100%

Count Date

Prints the count date and time.

Variance (To Be Posted)

Prints the variance to be posted in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Frozen Quantity2

Prints the frozen quantity of the item expressed in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Counted Quantity2

Prints the counted quantity of the item expressed in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Variance2 (To be Posted)

Prints the variance between the frozen quantity and the counted quantity in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Completed Transactions During Period

Prints the transactions that have taken place since the freeze and running the report.

Transaction Date

Prints the transaction date and time.

Transaction Description

Prints the transaction description.

Transaction Quantity

Prints the transaction quantity

Calculated Balance

Prints the calculated balance at the time of running the report.

Running the Cycle Posting Results Report

The Cycle Posting Results Report prints frozen and counted quantities with their respective variances. The report is a review of the cycle count and the new adjusted on-hand inventory balances. The report also indicates if the posting process was successful.

Submitting the Report

To run the Cycle Posting Results Report:

1. Navigate to the **Cycle Count** window.

2. Enter the desired **Cycle** number you wish to audit.

3. From the **Actions** menu select **Post Cycle**.

4. The **Cycle Count Post & Report** window displays.

5. Complete the fields as described.

6. Click **OK** to print the report.

Selected Report Parameters

The report parameters are:

Copies

Enter the desired number of report copies.

Style

Select Landscape.

Printer

Select the desired output printer.

Cycle Posting Results Report Description

The following information appears on the Cycle Count Forms report:

Item/Description

Prints the item code and item description.

Location

Prints the location of the item (if the item is location controlled).

Lot/Sublot

Prints the item lot/sublot (if the item is lot/sublot controlled).

Frozen Quantity2

Prints the frozen quantity of the item expressed in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Counted Quantity2

Prints the counted quantity of the item expressed in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Variance Quantity 2

Prints the variance between the frozen quantity and the counted quantity in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Frozen Quantity

Prints the quantity of the item at the freeze of the count cycle in its primary unit of measure.

Counted Quantity

Prints the counted quantity of the item expressed in its primary unit of measure.

Variance Quantity

Prints the variance to be posted in the item's secondary unit of measure (if the item is dual unit of measure controlled).

Posted

- YES indicates the variance has been posted.
- NO indicates the variance has not been posted.

A

Appendixes

This topic explains typical navigation paths and specific Profile Options that need to be set up.

The following topics are covered:

- Physical Inventory Navigator Paths
- Setting Physical Inventory Profile Options

Physical Inventory Navigator Paths

Although your System Administrator may have customized your Navigator, typical navigation paths are described in the following tables. In some cases, there is more than one way to navigate to a window. These tables provide the most typical default path.

Window	Path
ABC Rank Information	OPM Inventory:OPM Physical Inventory:Setup:ABC Rank
ABC Rank Requirements	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:Actions:ABC Rank Requirements
ABC Rank Selection Report	OPM Inventory:OPM Physical Inventory:Reports:Run
Additional Items	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:Actions:Additional Items
Control Group Reports	OPM Inventory:OPM Physical Inventory:Reports:Run
Control Groups	OPM Inventory:OPM Physical Inventory:Setup:Control Groups
Count Class Report	OPM Inventory:OPM Physical Inventory:Reports:Run
Count Classes	OPM Inventory:OPM Physical Inventory:Setup:Count Classes
Cycle Count Audit Report	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:Actions:Audit Report
Cycle Count Entries	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count Entry
Cycle Count Forms Report	OPM Inventory:OPM Physical Inventory:Reports:Run
Cycle Count Post & Report	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:Actions:Post Cycle
Daily Cycle Count	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count
Find Count Classes	OPM Inventory:OPM Physical Inventory:Setup:Count Classes:View:Find...
Find Cycle Count Entries	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count Entry :View:Find...

Window	Path
Find Cycles	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:View:Find...
Find Physical Count Entry	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count Entries:View:Find...
Find Ranks	OPM Inventory:OPM Physical Inventory:Setup:ABC Rank:View:Find...
Initialize Schedule	OPM Inventory:OPM Physical Inventory:Setup:ABC Rank:Actions:Initialize Schedule
Initiate Cycle	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count:Actions:Initialize Cycle
Initiate Physical Inventory	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count:Actions:Initialize Physical
Physical Count Entries Report	OPM Inventory:OPM Physical Inventory:Reports:Run
Physical Count Entry	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count Entries
Physical Count Forms Report	OPM Inventory:OPM Physical Inventory:Reports:Run
Physical Inventory	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count
Physical Inventory Errors	OPM Inventory:OPM Physical Inventory:Cycle Inventory:Cycle Count Errors
	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count Errors
Post Count	OPM Inventory:OPM Physical Inventory:Physical Inventory:Physical Count:Actions:Post Count

Setting Physical Inventory Profile Options

During your implementation, you set a value for selected profile options to specify how your Physical Inventory application controls access to and processes data. Physical Inventory uses the listed profile option:

- GMI:Physical Count Entry Reason Code

You can set up this profile option when you set up other applications prior to your Physical Inventory implementation. Refer to the other product user's guides for more details on how these products use this profile option.

Your System Administrator sets user profile options at one or more of the following levels: Site, Application, Responsibility, and User. Use the Personal Profile Options window to view or set your profile options at the user level. You can consult the *Oracle Process Manufacturing Implementation Guide* for a complete description of the profile options listed. Consult your *Oracle Applications System Administrator's Guide* for a list of profile options common to all Oracle Applications.

Glossary

ABC Classification

Each ranking code represents the frequency at which you count an item when stocked in a specified warehouse. It is also the classification of a group of items in a decreasing order of annual dollar volume (price multiplied by projected volume) or other criteria. This array is then split into three classes (commonly called: A, B, and C). According to the APICS definition: "The A group usually represents 10% to 20% by number of items and 50% to 70% by projected dollar volume. The next grouping, B, usually represents about 20% of the items and about 20% of the dollar volume. The C class contains 60% to 70% of the items and represents about 10% to 30% of the dollar volume. The ABC principle states that effort and money can be saved through applying looser controls to the low-dollar-volume class items."

Bulk Tags

Tags printed with blank lines. They do not relate to a specific item, lot/sublot, location, or grade in a cycle count or physical inventory.

Control Groups

Groups of critical items that can be scheduled for count during every count cycle, regardless of their original ABC rank.

Count Sheet

A printed document that lists the items to be counted for a specific cycle count or physical inventory. Space is provided for entry of count quantities.

Cycle Count

The periodic count of selected inventory items. A schedule is established to provide for counting of these selected items on a regular basis. According to the APICS

definition: Cycle counting is "an inventory accuracy audit technique where inventory is counted on a cyclic schedule rather than once a year. A cycle inventory count is usually taken on a regular defined basis."

Cycle Count Interval

The number of days during which items that are assigned a specific rank will be counted.

Exception Classes

A classification of items (called exception items) that are to be selected for count even if they have zero or negative onhand balances.

Full Physical Inventory

The counting of every item in a plant or warehouse. All onhand inventory quantities are frozen, usually requiring that the facility be shut down during the counting process.

Initiate Count

The process of freezing onhand inventory quantities and beginning the count cycle or physical inventory.

Post Count

The process by which the onhand inventory quantities are replaced by the item count quantities from a full physical inventory.

Rejection Level

The count quantity threshold at which a variance in count will produce rejection of the count.

Super Cycle

Refer to Supercycle.

Supercycle

The process in which items that have surpassed count tolerance thresholds are included in every subsequent count, until count quantities are within acceptance tolerance. Supercycle may previously have been referred to as Super Cycle.

Tags

Documents generated by OPM, each of which is for one specific item, lot/sublot, location, and grade in a cycle count or physical inventory. Like count sheets, space is available for entry of count quantities by plant or warehouse employees.

Tolerances

Quantity thresholds that cycle count or physical inventory count results must not exceed. Count results that exceed thresholds are subject to warnings and/or count rejection.

Warehouse

Warehouse may previously have been referred to as Whse.

Warning Level

The count quantity threshold at which a variance in count will produce a warning message. Counts that have crossed the warning threshold may be accepted with valid reason codes.

Whse

Refer to Warehouse.

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