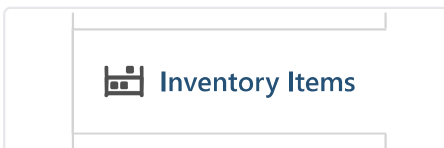
Inventory Items

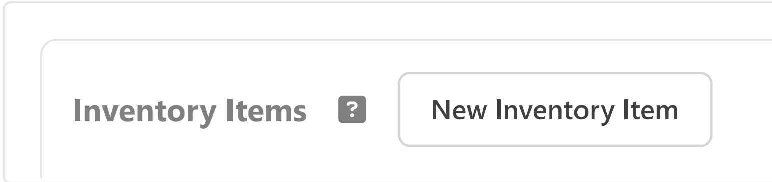
The **Inventory Items** tab in Manager.io serves as a comprehensive module for creating, monitoring, and managing your inventory list. This guide will walk you through how to effectively use this feature to keep track of your inventory items.



Creating a New Inventory Item

To add a new inventory item:

1. Navigate to the **Inventory Items** tab.
2. Click the **New Inventory Item** button.



For detailed instructions on filling out the inventory item form, see **Inventory Item Form**.

Setting Starting Balances

If you have existing quantities when you start using Manager.io, you need to set starting balances:

1. Go to **Settings**.
2. Click on **Starting Balances**.
3. Enter your existing quantities for each inventory item.

Refer to **Inventory Item Starting Balance** for more information.

Understanding Inventory Accounting

By default, when you use the **Inventory Items** tab:

- **Purchases**: Inventory purchases debit your *Inventory on hand* asset account.
- **Sales**: Inventory sales credit your *Inventory sales* income account.

When an inventory item is sold:

- The *Inventory on hand* balance is reduced by the **Unit cost** multiplied by the quantity sold.
- The amount is debited to the *Inventory purchases* expense account, reflecting your cost of goods sold.

Recalculating Unit Cost

The **Unit cost** can be recalculated using the **Recalculate** button. This updates unit costs based on the FIFO (First In, First Out) method.

For more information, see **Recalculate Unit Cost**.

Inventory Items Tab Columns

The **Inventory Items** tab features several columns to help you manage your inventory effectively:

Item Code

Displays the code assigned to an inventory item for quick identification.

Item Name

Shows the name of the item as defined in the inventory item entry.

Control Account

Displays the control account associated with an inventory item. By default, items are assigned to the *Inventory on hand* control account. You can set up custom control accounts if needed.

Division

Indicates the division associated with an inventory item, relevant for those utilizing divisional accounting.

Description

Displays the description set for the inventory item, providing additional details.

Quantity Owned

Shows the total quantity that has been acquired but not yet sold or written off.

- **Includes** all general ledger transactions.
- **Excludes** effects from *Delivery Notes* and *Goods Receipts* as they are not general ledger transactions.

Clicking on the **Quantity Owned** figure opens a list of transactions contributing to the balance. See **Inventory Item Quantity Owned** for more information.

Quantity to Deliver

If using **Delivery Notes**, this column tracks sold items yet to be delivered.

- **Increased by**: Sales Invoices.
- **Decreased by**: Delivery Notes and Credit Notes.

Quantity to Receive

If using **Goods Receipts**, this column tracks purchased items yet to be received.

- **Increased by**: Purchase Invoices.
- **Decreased by**: Goods Receipts and Debit Notes.

Quantity on Hand

When using **Quantity to Deliver** and/or **Quantity to Receive**, the **Quantity on Hand** shows your physical stock:

- **Increased by**: Goods Receipts.
- **Decreased by**: Delivery Notes.
- **Excludes**: Sales Invoices unless acting as Delivery Notes.
- **Excludes**: Purchase Invoices unless acting as Goods Receipts.
- **Includes**: All other general ledger transactions.

Note:

- *Sales Invoices*, *Purchase Invoices*, *Debit Notes*, and *Credit Notes* affect **Quantity Owned** but not **Quantity on Hand**.
- *Delivery Notes* and *Goods Receipts* affect **Quantity on Hand** but not **Quantity Owned**.

Quantity Reserved

If using **Sales Orders**, this column tracks items reserved for customer orders.

- **Increased by**: Sales Orders.
- **Decreased by**: Delivery Notes linked to Sales Orders.

Quantity Available

Indicates the amount of inventory physically available for immediate sale and delivery.

Calculated as:

Quantity Available = Quantity on Hand - Quantity to Deliver - Quantity Reserved

Quantity on Order

If using **Purchase Orders**, this column tracks items ordered but not yet received or invoiced.

- **Quantity on Order** is calculated as:

  Quantity on Order = Quantity Ordered - Higher of (Quantity Invoiced, Quantity Receiv

This helps you keep track of pending deliveries from suppliers.

Quantity to Be Available

Provides a future projection of inventory levels.

Calculated as:

$$Quantity\ to\ Be\ Available = Quantity\ Available + (Positive\ Quantity\ to\ Receive) + Quantity\ \ldots$$

Quantity Desired

Corresponds to your specified **Reorder Point** for an inventory item. This figure can be set by editing the inventory item.

Quantity to Order

Shows if the **Quantity Desired** is lower than the **Quantity to Be Available** and by how much. This represents the quantity that needs to be ordered to restock.

- **When new stock is ordered**, it increases the **Quantity to Be Available**, reducing the **Quantity to Order**.

Unit Cost

Displays the unit cost for the inventory item.

- If not set, a question mark (?) appears. Click it to enter a manual unit cost.
- Alternatively, click **Recalculate** to have the system compute unit costs based on FIFO.

Total Cost

Shows the total cost of inventory items in stock.

Calculated as:

Total Cost = Quantity Owned × Unit Cost

Customizing Visible Columns

To tailor the columns displayed:

1. Click the **Edit Columns** button in the **Inventory Items** tab.
2. Select or deselect columns as needed.

For more details, see Edit Columns.

Utilizing Advanced Search Queries

Use the **Advanced Search** feature to filter, sort, and group inventory items.

For example, to display inventory items showing only the **Quantity on Hand**:

Select

Item code Item name Qty on hand

Where...

Qty on hand is not empty

You can modify the query to:

- Use **Quantity to Deliver** to see items awaiting delivery.
- Use **Quantity to Receive** for items pending receipt.
- Use **Quantity to Order** to identify items needing restock.

This feature allows you to focus on specific aspects of your inventory for better management.