

# Module

## Stock Control

**SoEasy**<sup>TM</sup>  
accounting.com

Version 2010

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SoEasy Accounting  
Small Business Training Program

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First published in 2009 by SoEasyAccounting.com Ltd

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Document Reference 32Stock.doc  
Last revision: 7 March 2010

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### Learning Outcomes

In this lesson you will learn how to manage your stock within SoEasy Accounting.

### Requirements and Prerequisites

- You should have completed the module “Products and Services Register”

### Video

There are videos available on this subject.

## Introduction

Managing stock can be a difficult task but it is a very important one. A great deal of company profit can be tied up in stock and incorrect management of stock can cause devastating results.

The basic rules of stock management are:

- a) Buy it low, sell it high
- b) Keep stock levels to the minimum
- c) Avoid and monitor for theft of stock
- d) Buy on consignment where possible
- e) Have policies for managing perishable goods
- f) Perform a stock take at the end of each month
- g) Immediately return stock that is damaged or faulty
- h) Have stock purchasing and management policies

## The Stock Management Process

Stock management within SoEasy can be best understood by reviewing the physical process of what happens to stock as it is moved through the system.

### Stage 1 A product's details is loaded into the SoEasy Products and Services Register

This process involves adding the details of the product against a supplier inside SoEasy's database. The process is covered in great detail in the "Products and Services Register Module" so please make sure you have completed this module.

### Stage 2 Stock Control

When setting up the product into the Register, it must be identified as being a "Stock Controlled Item".

Products & Services Register window showing product details for 'GOOD CAR REPAIRS LTD'. The 'Control stock?' checkbox is highlighted with a red box and a yellow arrow labeled '1', indicating it must be checked for stock control.

### **Stage 3            Setting current stock values**

When adding a product to the Products and Services Register for the first time, you can set the Stock on Hand values. You can edit this value at any time.

Important Notes

- a) Every action against the movement of stock causes an Audit Trail record (See Audit Trail subject later)
- b) The cost price loaded into the Products and Services Register is a very important value as it is used to value the stock during reporting

### **Stage 4            Quoting**

If you provide a customer with a quotation, stock is not deducted from the Products and Services Register until the quotation is converted into an Invoice.

### **Stage 5            Invoicing**

When adding or editing items on an Invoice, stock is adjusted accordingly. The Audit Trail monitors and reports on every movement including editing and deleting an item from an invoice.

### **Stage 6            Credit Notes**

If you issue a Credit Note to a customer, the stock is replaced in the Products and Services Register

### **Stage 7            Losses**

You can recode stock wastage, destruction, or theft in several ways:

- a) Make a zero values invoice against a customer called "Wastage". (Add them to the database.)
- b) Go into the "Products Register Menu screen" (the first screen that appears when you go into the "Products Register" from the main Platform screen. Select the "Stocktake" button  
Select the "Lost Stock" button and process the lost stock

### **Stage 8            Receiving Stock**

SoEasy has an Ordering System which you can use to order and receive stock in. (See the "products and Services Register manual for details on how to use the feature).

Many organisations do not order stock through the SoEasy ordering system as it is inconvenient to do so.

There are several other methods provided for loading in stock:

#### **Method 1:        Update Non Ordered Stock**

- a) Platform Main Menu
- b) Products
- c) Order System
- d) Update non-ordered stock

#### **Method 2:        Creditors**

- a) Platform Main Menu
- b) Creditors
- c) Update Stock (bottom left of screen)

### **Stage 9            Stocktake**

It is very important to perform a regular stocktake as this is the only way to truly ensure you have an accurate stock value in your books.

You will find the stocktake system in the following section of the program:

- a) Platform Main Menu
- b) Products
- c) Stocktake

The recommended method is as follows:

- a) Print out a "Stocktake Form"
- b) Work through your stock and write down on the form, the visible quantities of stock on the shelves
- c) Consider the results. Do you feel that there have been items lost, stolen? If so take appropriate action
- d) Select the "Update Stock from above Form" button and enter the values of counted stock

### **Stage 10           Reporting**

Stock reports are available at both the Stocktake screen and the standard Platform Reports section.

### **Conclusion**

The above 10 stages cover the areas of stock management except for the analysis of stock movement which is covered in the next topic.

## Stock Audit Trail

The Stock Audit Trail feature provides you with a historical transaction by transaction analysis.

- a) Platform Main Menu
- b) Products
- c) Stock Audit

### Resetting the Stock Audit Trail

If this is the first time you have used the Stock Audit Trail feature it can be a good idea to reset the audit's values by:

- a) Go to the Stock Audit screen
- b) On the top left menu there is an option called "Utilities"
- c) Select "Recalculate Audit"

This will clear the audit trail and create an opening entry for each of your stock controlled products in the Products Register

It is a good idea to reset the audit trail after each stocktake as it will keep the information fresh

### Analysing the Stock Audit Trail

In the Stock Audit Trail screen there are two useful features that will assist you to analyse the audit trail:

1. **Filter** which allows you to pick a product code and see its movement
2. **Export** which exports the entire audit to a spreadsheet for detailed analysis

## Suspicion of Theft

Stock is commonly the greatest area of theft in a business. Before taking any action against an employee for such a suspicion you should engage the services of one of our technical team to review your information.

Systems that are correctly set up can identify which computer, user, time, date and activity was performed and there are many audit trails operating behind the scenes inside SoEasy and so there is more than one way of analysing data.

## Stock Control

As was detailed earlier, Stocktaking is a vital part of Stock Control and should be performed on a regular basis. Even a weekly check on a random product can have its benefits. A stock take must be performed at the end of the Financial Period.

## Accrual Reporting

The value of your stock inside SoEasy is captured each time you perform the End of Month Debtors Statement procedure.

This value is used for accrual reporting.

You can find this information at:

1. Platform Main Menu
2. Reports
3. Debtors
4. Historical Statement Summary

It is best to export the values if you wish to analyse them.

You can change a particular value by selecting it with your mouse.

If you are performing accrual report procedures you are prompted with the closing value of stock for the specified period of the report. You can change this value but it is the value of closing stock as listed inside the Historical Statement Summary or the value of the Products Register if there is no value listed in the summary report.

## Conclusion

SoEasy's Product Register is a very comprehensive system with many features and functions. To manage your stock control you must be conversant with the Products Register and also maintain your stock system.

The three biggest problem areas for managing stock are:

1. Not receiving stock into the system when received in Inwards Goods
2. Not performing a regular stocktake
3. Theft and loss of stock

If you establish procedures for managing these areas your stock control will be far more effective.