


Creating Inventory Items with Advanced A/R and Inventory

Document #:	3145	Product:	CenterPoint® Accounting with Inventory Module
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Items are used to maintain information about the products and services your business tracks. The information stored for each

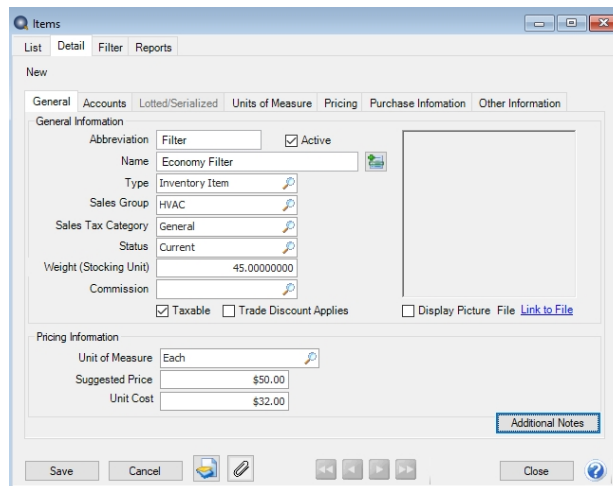
item is item type, an additional description that can be printed on sales invoices (click the Additional Description icon  to enter the additional description), sales group, sales tax category, sales account, weight, status, tax and discount information, item picture, sales price and levels, unit of measurement, suggested price, and unit cost. Items provide a way to track costs, quantity on hand, calculate prices and commissions, and can be used both when purchasing and selling.


Prerequisite

You must have the Inventory module purchased and registered in the Module Configuration Manager (File > Administration > Module Configuration Manager) to use all of the fields described in this topic. Without the inventory module, only a limited number of fields will be available in the items screens. Please refer to the standard Basic Items topic if you do not own the Inventory module.

Creating an Item

1. Select **Setup > Inventory > Items** or **Setup > Sales > Items**.
2. Click on the **New** button.



3. Assign an **Abbreviation** and **Name** for this item. The unique Name (up to 50 characters) identifies the item. It can include formatting characters such as hyphens, periods, and slashes. Both the Abbreviation and Name will be included when reviewing inventory reports and printing sales invoices.
4. If needed, an additional description field can also be used. To enter an additional description; click  and enter up to 3200 characters. The additional description can also be printed on sales invoices. Click **OK** when the additional description is complete. The additional description will only print on reports when the Additional Description column is added one of the sales item reports.

5. Select the **Type** of sales item this is. The options are:
 - » **Inventory Item** - Material items your business tracks quantities for.
 - » **Serialized Item** - Material items your business tracks quantities for and a serial number is required for each item. A specific cost assigned to each serial number. That cost is used when the item is sold instead of following the costing method assigned to the company.
 - » **Lotted Item** - Material items your business tracks quantities for and a lot number is required for each item. A lotted item allows you to group quantities of this item by a lot number. The specific cost assigned to a lot number if used when selling instead of the costing method assigned to the company.
 - » **Service Item** - Tasks you perform for customers, such as service warranties and repair services. They do not track quantities.
 - » **Service Item with Labor Cost** - Tasks that you perform for customers, such as painting, but you have labor costs involved. When the service is sold, the labor costs are deducted from the payroll expense account and posted to cost of goods sold.
 - » **Non-tracked Item** - Material items you sell but quantities are not tracked.
6. Select the **Sales Group** this item belongs to. When creating a new sales item, the sales group can determine the default accounts for Sales, Returns and Allowances, and Cost of Goods Sold and can have a sales commission attached to it. The sales group is also used for tracking sales on the Sales by Group report.
7. Select the **Sales Tax Category** this item belongs to. The sales tax category determines if the sales item is taxable and at what rate.
8. Select **Taxable** if the item or service is subject to tax when sold to customers that are not tax exempt.
9. Specify the stocking **Unit of Measure** for this item. The stocking unit of measure is the unit of measure used to count physical inventory and is used to display quantities on inventory reports. A Unit of Measure must be selected when saving a Serialized Item.
10. If Service Item with Labor Cost was selected as the Type for this item, enter the **Unit Cost** of the sales item. This should be the hourly labor cost that will be used when calculating the cost of goods sold for this item. The unit cost must be greater than or equal to 0.00. This field is optional for all other items.
11. Click the **Accounts** tab and assign the appropriate accounts. If a sales group was selected, some accounts may already be assigned for you, but can be overwritten.

The screenshot shows the 'Sales Items' dialog box with the 'Accounts' tab selected. The dialog has a title bar 'Sales Items' and tabs 'List', 'Detail', 'Filter', and 'Reports'. Below the tabs is a text field 'Economy Filter 17x85'. The 'Accounts' tab is active, showing a list of accounts to be assigned. The accounts are: Sales (HIAC Sales), Returns & Allowances (HIAC Sales), Inventory (Inventory), Expense (), Cost of Goods Sold (Cost of Goods Sold), Adjustments (Cost of Goods Sold), and Purchase Price Variance (Cost of Goods Sold). The 'Save' button is at the bottom left, and the 'Close' button is at the bottom right.

- » **Sales** - This account is credited when this sales item is sold on a customer invoice. This account is also debited when this sales item is returned on a customer invoice (credit memo).
- » **Returns & Allowances** - This account is not used at this time. It will be used for returns when the sales order module is added to CenterPoint.
- » **Inventory** - If the sales item is an Inventory, Lotted, or Serialized item, this account is required. This account is an asset account that is debited when you receive inventory and credited when you sell or use it.
- » **Cost of Goods Sold** - If the sales item is an Inventory, Lotted, Serialized, or Service with Labor Cost item, this account is required. This account is debited when you sell or use inventory.

- » **Adjustments** - If the sales item is an Inventory, Lotted, or Serialized type item, this account is required. This account is an expense or COGS account that is debited when inventory counts are adjusted down and credited when inventory counts are adjusted up. An offsetting entry is made to an inventory account.
- » **Purchase Price Variance** - If the sales item is an Inventory, Lotted, or Serialized type item, this account is required. This is generally assigned a COGS account. If an item is sold into the negative (a sale is entered for a quantity greater than is currently available in inventory), the system will automatically estimate the cost to use on that sale. Normally the estimated cost is the last cost. When a purchase is entered that brings the quantity on hand back to zero or a positive number, the system will do an automatic PPV for the difference between the purchased cost and the estimated cost.

12. Click the **Units of Measure** tab to define the units of measure that can be used for purchasing and selling this sales item and which of these is considered the default stocking, default purchasing, default selling, and default application unit of measure. Any of the available units of measure may be used as the purchasing and selling units of measure during transaction entry. The Units of Measure tab will not be available for Non-Tracked, Service Items, or Serialized Items.

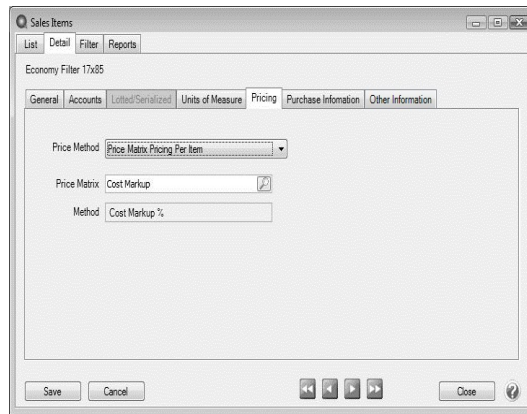
- a. In the first row of the grid, specify the UOM that will be assigned as the stocking UOM for this item (the stocking unit of measure is the unit of measure used to count physical inventory and is used to display quantities on inventory reports).

UOM	Conversion Factor to Stocking UOM	Stocking Unit of Measure	Purchase Unit of Measure	Selling Unit of Measure	Application Unit of Measure	Base Price	UPC Code
Each	1.00000000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.99	

- b. Always specify a **Conversion Factor** of 1 for this UOM that is used as the stocking UOM.
- c. If you will be calculating the price of this item based on the suggested retail price of the item, specify that suggested retail price in the **Base Price** field. The Base Price is otherwise optional.
- d. Select the **Stocking Unit of Measure** box.
- e. Repeat steps a-d for each additional UOM that can be used when purchasing, selling, or applying this item. For each additional UOM, specify the appropriate **Conversion Factor**. The conversion factor is used to identify the quantity difference between each UOM and the stocking UOM.

UOM	Conversion Factor to Stocking UOM	Stocking Unit of Measure	Purchase Unit of Measure	Selling Unit of Measure	Application Unit of Measure	Base Price	UPC Code
Each	1.00000000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9.99	
Box	6.00000000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	58.99	
Case	12.00000000	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	110.00	

- f. Select the **Selling Unit of Measure** box for whichever UOM is used most often when selling this item. Also select the **Purchase Unit of Measure** for whichever UOM is used most often when purchasing this item. If you are applying the item, select the **Application Unit of Measure** for the UOM used to apply the item.
13. Click the **Pricing** tab to specify the selling prices for the sales item. Depending on the option chosen, one can enter in a specific price or have it calculate from other fields assigned to the item. The options are:



- » **Fixed Pricing with No Qty Breaks** - Enter the selling price for this sales item for each Sales Price Level. The number of price levels is determined by the File > Preferences > Items > Price Levels > Pricing Levels preference setting.
- » **Fixed Pricing with Qty Breaks** - Enter the selling price for this sales item with the quantity break information for each Sales Price Level.
- » **Price Matrix Pricing per Item** - Select the **Price Matrix** you previously set up in Setup > Sales > Sales Price Matrixes. The **Method** will display the method you assigned to the sales price matrix. The options are: Fixed Price (No Qty Breaks), Fixed Price (With Qty Breaks), Gross Profit Margin %, Cost Markup %, and Base Price %.
- » **Price Matrix Pricing per Unit of Measure** - For each unit of measure you defined for this sales item on the Units of Measure tab, select the **Price Matrix** you previously set up in Setup > Sales > Sales Price Matrixes. The **Method** will display the method you assigned to the sales price matrix. The options are: Fixed Price (No Qty Breaks), Fixed Price (With Qty Breaks), Gross Profit Margin %, Cost Markup %, and Base Price %.
- » **Price Matrix Pricing per Location** - Allows you to assign different prices for the same items at different inventory locations.
- » **Price Matrix Pricing per Location/Unit of Measure** - Allows you to assign different prices for the same items at different locations and units of measure.
- » **Cumulative Quantity Pricing** - This pricing method can be applied to non-inventory item types and is set up similarly to the Fixed Pricing with Qty Breaks description above, however, the quantity break pricing is calculated cumulatively across multiple quantity breaks with an initial minimum price specified in the first break.
- » **Base Price + Additional Quantities** -
 - » **Pricing Examples:**
 - » Enter a Quantity of 3 for Sales Price 1 - the Extended Amounts = \$60.00 (Base Price)
 - » Enter a Quantity of 5 for Sales Price 1 - the Extended Amount = \$60.00 (Base Price).
 - » Enter a Quantity of 7 for Sales Price 1 - the Extended Amount = \$76.00 (\$60.00 for the first Quantity of 5 and an additional \$16.00 for the next Quantity of 2).

Items

List Detail Filter Reports

Economy Bicycle Package

General Accounts Pricing Other Information

Price Method: Base Price + Additional Quantities

Quantity More Than	But Not Over	Sales Price 1	Sales Price 2	Sales Price 3
0.00	5.00	60.00	50.00	40.00
5.00	10.00	8.00	7.00	6.00
10.00	999,999,999.0	7.50	6.50	0.00

Save Cancel [Navigation Buttons] Close

14. Click **Save**.

Note: Calculated item prices can be viewed for an item from the General tab of the Setup > Sales > Items or Setup > Inventory > Items by right-clicking and selecting **Price Lookup**.

15. Click the **Other Information** tab to enter up to five fields of Custom Field information. The fields will be available for entry if the Item Custom Fields Preference (File > Preferences > Items > Item Custom Fields) is set to use or require custom field information. Examples of custom field information are: color, additional measurement (such as the diameter of a pipe), the name of an alternate supplier, expiration date or spoilage information, etc.

16. Select an **Item** that can be used in place of the item being set up (substitute item). (optional).

Note: If you want to attach a document to this item, see the [Scan and Attach Documents](#) topic for detailed information.

17. Click **Save**.