



# **Materials Management Knowledge Transfer Session**

## **PHYSICAL INVENTORY**

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**June 24, 2009**

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# Agenda

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- ④ Key Terms
- ④ Roles and Responsibilities
- ④ Physical Inventory Overview
- ④ Physical Inventory Process
- ④ Physical Inventory Walk-through
- ④ Questions



# Key Terms

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# Key Terms

SAP Term	Description
<b>Inventory</b>	Materials that are managed on a quantity and price basis or quantity only in storerooms and expensed at time of consumption.
<b>Plant</b>	An organizational unit for dividing an enterprise according to production, procurement, maintenance, and materials planning. A place where materials are produced, or goods and services are provided.
<b>Storage Location</b>	A location at which inventory is stored

# Key Terms cont.

SAP Term	Description
<b>Material Number</b>	<p>A 6-digit system assigned number that uniquely identifies a material in SAP.</p> <p>As a rule, a material master record must exist for each material managed in an enterprise. This record is stored under the material number.</p>
<b>Material Group</b>	<p>Key that is used to group together materials with similar attributes.</p>
<b>Physical Inventory Document</b>	<p>Count sheet generated by SAP to perform Physical Inventories</p>
<b>Physical Inventory Count</b>	<p>Performing a count of stock on hand</p>
<b>Differences List</b>	<p>Difference between Physical Inventory count and stock on-hand quantity in SAP</p>

# Key Terms cont.

SAP Term	Description
<b>Physical Inventory Recount</b>	Performing a recount of stock on hand
<b>Physical Inventory Post</b>	Posting in SAP of actual on hand quantities determined during Physical Inventory count / recount
<b>Physical Inventory Spot Check</b>	Performing a stock count of a specific item or group of items



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# Roles and Responsibilities

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# Roles and Responsibilities

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## 🌀 Agency Inventory Administrator

Responsible for all the inventory functions within an agency including:

- Receive and issue goods
- Perform physical counts, inventory adjustments and run reports
- Manage inventory scrapping
- Manage inventory stock levels including using reorder point planning

# Roles and Responsibilities cont.

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## 🌀 Agency Inventory Issuer

Responsible for creating goods issues and material transfers for inventory items

- Pick, pack, check, and ship material for goods movement
- May assist in the count and recount of physical inventory



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# Physical Inventory Overview

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# Overview

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- South Carolina agencies currently have approximately 40,000 materials in inventory
  - Canteen and food services supplies
  - Office supplies
  - Law enforcement materials
  - Inmate clothing and uniforms
  - Bus parts
  - Etc.

# Physical Inventory Notes

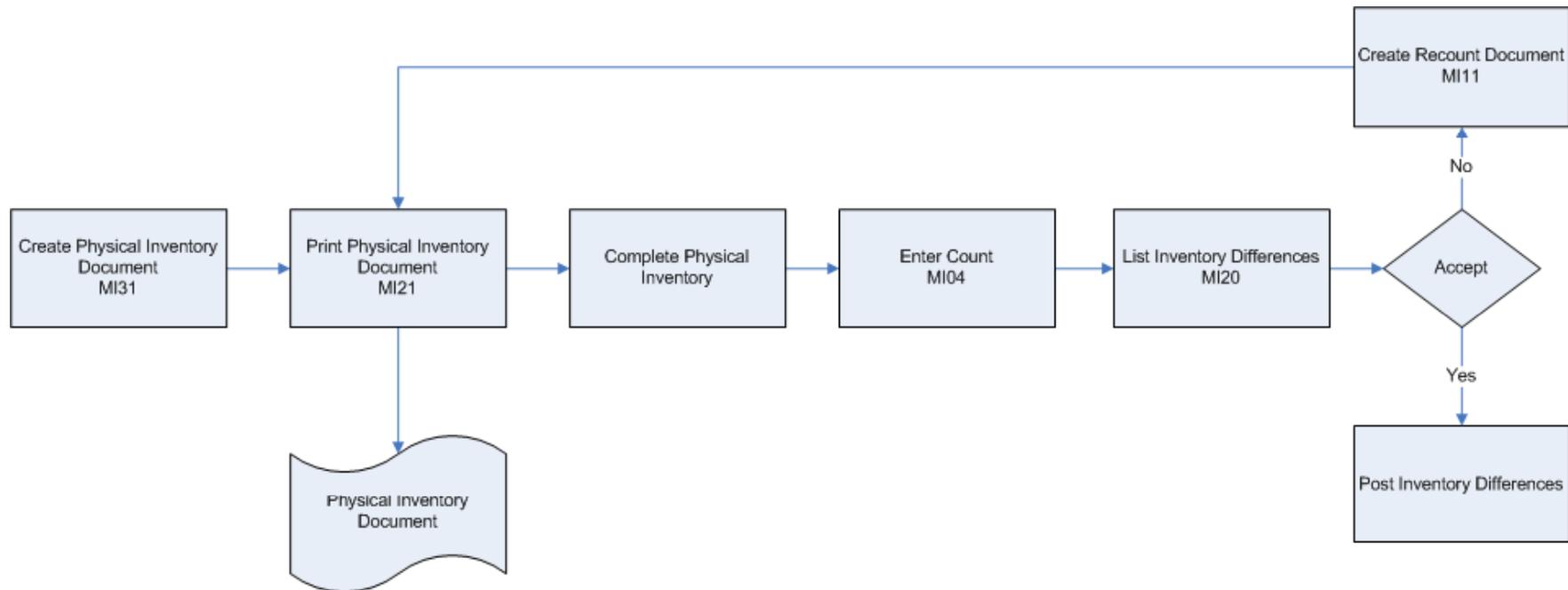
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- ① Actually counting the individual materials in stock at a particular date and time
- ① Important to ensure that what is recorded in SAP is actually what is on hand
- ① Must be done at least once each year for every material but can be done more often if needed

# Physical Inventory Notes cont.

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- ④ Once actual on-hand items are counted, corrections must be made to the inventory system so that the inventory system reflects the actual on-hand counts
  - ④ Analyzing the reason for differences between counted items and what is listed in the system is important
  - ④ Overage in count is as important to evaluate as shortage

# Physical Inventory Process



# MI01 – Create Physical Inventory Doc

**Create Physical Inventory Document: Initial Screen**

Document date: 06/22/2009  
Planned count date: 06/22/2009

**Loc. of phys. inv.**  
Plant: IT03  
Storage Location: 0001  
Special Stock:

**Other information**  
 Posting Block  
 Freeze book inventory  
 Batches w. del. flag  
Phys. inventory no.:   
Phys. Inventory Ref.:   
Grouping type:

# MI01 Terms

SAP Term	Description
<b>Document Date</b>	The date on which the original physical inventory document was created
<b>Planned Count Date</b>	The date on which the inventory count is planned to take place. This date determines the fiscal year where the physical inventory document is posted.
<b>Posting Block</b>	Indicates that no goods movement involving the materials listed in the physical inventory document can be posted for the duration of the inventory count.

# MI21 - Sample Count Sheet



## Print Preview of LOCL Page 00001 of 00001

Plant : IT03  
 Description : DSIT Sumter Street  
 Phys. inv. doc. : 100000013  
 Created by : SBEASLEY  
 Planned count date : 06/22/2009  
 Phys. inv. reference:  
 Phys. inv. no. :

Itm	Material Mat. short text Status of item	Batch	SLoc Stor. bin Stock type Counted qty.	Un
001	100020 CORD, PATCH, RJ45, CAT5E, BOOT, 25', BLUE Counted		0001 Warehouse	EA

# MI04 – Enter Count

### Enter Inventory Count: Initial Screen

Other Count

Phys. Inventory Doc. 100000015  
Fiscal Year 2009

Date  
Count Date 06/22/2009

Other Information  
Variance in %

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### Enter Inventory Count 10000015: Collect.Processing

Physical Inventory History Set Zero Count Other Count

Plant IT03 DSIT Sumter Street  
Stor. Loc. 0001 DSIT Sumter St

Enter Count

Itm	Material	Batch	Sales Value	Quantity	UnE	ZC
	Material Description		STy	Quantity	SKU	
1	100020			0	EA	<input type="checkbox"/>
	CORD,PATCH,RJ45,CAT5E,BOOT,25',BLUE		1		EA	

# MI20- Differences List

**List of Inventory Differences**

Database Selection

Material

Plant  to

Storage Location  to

Batch  to

Physical Inventory Document  to

Physical Inventory Number  to

Select Differences Report Criteria

**List of Inventory Differences**

Post Difference Change Count Enter Count List of Unposted Docs

PhysInvDoc	Item	Material	Batch	Plnt	SLoc	Book quantity	Qty Counted	Difference qty	BUn	Difference amt.	Crcy
100000015	1	100020		IT03	0001	182.000	100.000	82.000-	EA	813.84	USD

SAP On hand

Actual On hand

Difference

# MI07 – Post Inventory Differences

### Post Inventory Difference: Initial Screen

Phys. Inventory Doc.

Fiscal Year

**Date**  
 Posting Date

**Other Information**  
 Threshold Value

### Post Inventory Difference 100000015: Selection Screen

Plant  DSIT Sumter Street  
 Stor. Loc.  DSIT Sumter St

**Items**

Itm	Material	Batch	ST	Difference qty	BUn	Difference Amnt	Reas.
						Diff. Sales Value	
<input checked="" type="checkbox"/>	1	100020		1 3.000	EA	29.77	
						<input type="text" value="0.00"/>	

# Physical Inventory History

  <b>Display Physical Inventory History 100000015 / 001</b>			
<input type="button" value="◀"/> <input type="button" value="▶"/>		<input type="button" value="Other Item..."/>	<input type="button" value="Display Material Document"/>
Material	100020	CORD,PATCH,RJ45,CAT5E,BOOT,25',BLUE	
Location of phys.inv.			
Plant	IT03	DSIT Sumter Street	
Stor. Location	0001	DSIT Sumter St	
Stock type	Warehouse		
Promotions			
Phys.inv.status	Counted		
Count date	06/22/2009	Counted by	SBEASLEY
Quantities and values			
Quantity	185	EA	
Book quantity	182	EA	Ext.sales value 0.00
Difference qty	3.000	EA	Book value 0.00

# Any Questions?

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## 🌀 Post-work for Physical Inventory Session

- Review session content
- Conduct Survey Monkey Knowledge Check for Goods Issue/Goods Receipt Session
- Review Frequently Asked Questions (FAQs)
- Review demonstration documentation

Refer to [www.sceis.sc.gov](http://www.sceis.sc.gov). Click on *Knowledge Transfer Program*, then *Materials Management Knowledge Transfer*

# Contact us



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