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QuickBooks Reports Help You Maintain Balanced Inventory Levels

Running out of products too frequently? Having to sell cheap because inventory is overloaded? Use QuickBooks' reports.

It seems so simple in theory. Don't overstock goods because you'll tie up too much money and perhaps need a clearance sale to get rid of the excess. On the other hand,
don't let yourself run out of anything and lose orders.

In practice - especially if you stocks dozens or hundreds of items - it's impossible to ensure this if you're managing your inventory manually. Guesswork can be costly.

It's a complex element of accounting, but QuickBooks comes equipped with a handful of reports that can keep you on track. They don't teach you how to balance your inventory to improve profitability, but we can help with that.

Figure 1: *Be sure to enter a figure in the **Reorder Point** field so QuickBooks can remind you to reorder.*

Building Precise Records

There's a critical number in your item records that <u>must</u> be completed: Reorder Point. You'll see it at the bottom of the **Edit Item** window (click **Lists | Item Lists** and double-click on the correct entry or click **New** in the **Item** drop-down list). Without it, QuickBooks can't alert you when you're running low.

QuickBooks also tells you how many items are currently on hand. If you had reached the reorder point and created a purchase order, you'd see a number under **On P.O.**
Ideally, you would do this when you're first adding item records, but you can go back at any time and add it.

Rigorous Reporting

Running reports regularly will keep you apprised of your inventory status. To see what QuickBooks offers, click **Reports | Inventory** or go to the **Report Center**. Select **Inventory Valuation Summary**. You can also see this report in detail, but if you carry a lot of inventory, it's difficult to get a birds' eye view. Do run it, though, if you want to see the transactions that affected your inventory's value.

Rock Castle Construction
Inventory Valuation Summary
As of December 15, 2016

	Item Description	On Hand	Avg Cost	Asset Value	% of Tot Asset
Inventory					
Cabinets					
Cabinet Pulls	Cabinet Pulls	423	2.56	1,082.60	3.4%
Light Pine	Light pine kitchen c...	7	1,500.00	10,500.00	32.6%
Cabinets - Other	Cabinets	0	0.00	0.00	0.0%
Total Cabinets		430		11,582.60	35.9%
Door Frame	standard interior d...	23	12.00	276.00	0.9%
Hardware					
Brass hinges	standard interior b...	252	3.00	756.00	2.3%
Doorknobs Std	Doorknobs Part # D...	124	26.91	3,337.16	10.4%
Lk Doorknobs	Locking interior do...	122	35.27	4,302.35	13.4%
Hardware - Other		0	0.00	0.00	0.0%
Total Hardware		498		8,395.51	26.1%

*Figure 2: The **Inventory Valuation Summary** does just what the name says.*

In addition to what's pictured here, this report displays columns for **Sales Price, Retail Value** and **% of Total Retail.** As always, you can click **Customize Report** to change the date range.

Precise Tracking

The **Inventory Stock Status by Item** report should be consulted frequently. It tells you exactly where all of your items are in the pipeline.

Rock Castle Construction
Inventory Stock Status by Item
November 1 through December 15, 2016

	Item Description	Pref Vendor	Reorder Pt	On Hand	On Sales Order	Available	Order
Inventory							
Cabinets							
Cabinet Pulls	Cabinet Pulls	Patton Hard...	15	423	0	423	
Light Pine	Light pine kitchen c...	Patton Hard...	0	7	2	5	
Cabinets - Other	Cabinets	Thomas Kitc...	15	0	0	0	✓
Total Cabinets				430	2	428	
Door Frame	standard interior d...	Patton Hard...	25	23	0	23	✓
Hardware							
Brass hinges	standard interior b...	Perry Windo...	30	252	0	252	
Doorknobs Std	Doorknobs Part # D...	Perry Windo...	50	124	0	124	
Lk Doorknobs	Locking interior do...	Perry Windo...	50	122	0	122	
Hardware - Other		Patton Hard...		0	0	0	
Total Hardware				498	0	498	

Figure 3: This report provides a real-time update of the status of every inventory item.

Watch for checkmarks in the **Order** column; they appear when you've hit or exceeded your specified reorder point. Three other important figures populate columns in this report: the number on purchase order, the date the next shipment should arrive and average sales per week.

Reminders can come in quite handy here. To set them up, go to **Edit | Preferences | Reminders | Company Preferences**. And you'll find the most comprehensive view of your items in the **Inventory Center**. Go to **Vendors | Inventory Activities | Inventory Center**. This screen also provides quick access to commonly-used reports.

Inventory Information		Attach	Edit Item...	Reports

*Figure 4: The **Inventory Center** tells you everything you want to know about your items.*

Automate Your Inventory Reporting

Here's a quicker way to grab your reports:

- Go to **Reports | Memorized Reports | Memorized Report List.**

- Click the down arrow next to **Memorized Report** at the bottom and select **New Group**. Type in **Inventory** and click **OK.**

- Open an inventory report and click **Memorize**. The **Memorize Report** window opens. Check **Save in Memorized Report Group** and select **Inventory** from the drop-down list. Click **OK.** Repeat for others you want in this cluster.

- Click **Reports | Process Multiple Reports**. Select **Inventory** from the drop-down list and make sure that there's a check mark next to the reports you want. You can click on the dates in the **From** and **To** column to change them.

- Click **Display** or **Print.**

If you operate a product-based business, the success of your company depends in large part on your ability to find the sweet spot: neither too much nor too little inventory. It's an ongoing, daily challenge. Let us know if we can provide guidance on this critical balancing act.

Forward email