

Jim2® Stocktake Preparation

This document will explain:

1. Why conducting stocktakes are important for your business.
 2. How to prepare for a stocktake in Jim2.
-

As your business trades throughout the year, stock is:

- purchased and sold
- stolen and damaged
- returned to suppliers
- transferred between locations
- loaned to customers

With all these movements, it is necessary to confirm stock quantities on a regular basis.

Stocktakes are undertaken to confirm that the asset value of your stock is accurate compared to your Jim2 balance sheet, and the quantity of stock is accurate compared to your Stock on Hand quantities in Jim2.

Outcomes of Stocktake

Your gross profit is based on the income from the sales you make, the cost of purchasing your stock, and the management of your stock. There is an impact on your profit when the value of the stock in your stocktake is less than your balance sheet expects, and the loss is recorded as a stock adjustment expense.

Stocktakes should be carried out throughout the year. The stocktake involves counting the stock quantities, and matching these to Jim2. The variances are then recorded as stock adjustments, and will alter your Balance Sheet, your Profit and Loss reports, and your Stock on Hand quantities.

Stocktake Sessions

In Jim2, a stocktake session can be run at any time, and for any selection of stock within a location. This means that you can stocktake the whole showroom, or just one stock code, and report the results in both the accounting and stock control sections of Jim2. This functionality allows you to conduct regular, cyclical stocktakes, which are easier than one annual stocktake.

When a stocktake session is commenced, all stock involved in the session is locked, ensuring accounting transactions can't be passed against these stock codes. When the count has been completed, the results of the count are confirmed, and the session is saved with a FINISH status.

The FINISH status of the stocktake session creates a stock adjustment on Booked, which you can view, investigate, and then FINISH. The finished stock adjustment will have either an expense or income value, which will be posted to your stock adjustment account. The relevant asset accounts in your balance sheet will also be adjusted, to record the variance of stock on hand.

Once the stocktake session has been finished, and the stock adjustment has been finished, you will have accurate stock quantities in Jim2.

Preparation for Stocktaking

Stocktaking requires planning and preparation. It is important that the stock included is tidied and made available for counting. Here is a checklist for Stocktake Preparation in Jim2:

- As many jobs as possible need to be invoiced.
- Minimal number of jobs not invoiced.
- All Purchase Orders on RECEIVED status (with appropriate tax invoices) should be changed to FINISH.
- Backfill all stock sold in Advance. On the ribbon, go to Stock > Extras > Backfill. Click Select All and click Backfill.
- Run a stock list, sorted by Stock On Hand. It is advisable to fix the negatives prior to conducting a stocktake session (transfer stock, or stock adjust, or finish a PO).
- Re-run the Backfill stock sold in Advance.
- Print a list of Stock Sold in Advance that cannot be backfilled. Go to the Management Tab > Reports > Stock Reports > Stock in Advance Liability. These stock codes will need to be excluded from the Stocktake session.

If possible, Finish any Stock Transfers that are on a status of Transfer so the stock appears in the correct stock location.

As stocktake sessions are conducted by stock location, it is important to suitably arrange the stock in each location. These locations typically include stores, showrooms, warehouses, damaged goods areas, company vehicles, warehouses, etc. Poor layout of stock will lead to a poor count. Areas of concern are stock on display (away from the general stock), stock that is in cabinets or drawers, stock on Point of Sale counters, stock in offices, stock on loan to customers or staff, and any stock supplied to jobs that haven't been invoiced.

Adding or managing a Stocktake Session

Once the preparation has been completed, a stocktake session can be commenced. To add a stocktake session, click on the Stock tab, then Stocktake, then Add. A stocktake session is by location, and further filtering can be applied. This filtering can include Report Level groups, allowing you to only require counting of particular product groups.

For the full functionality of Stocktake sessions, see Jim2 Help (F1).

Managing your work practices after completing a Stocktake Session

Once you have completed a stocktake, your company's work practices will then influence the accuracy of your stock records. Accurate management will then allow you to accurately report stock valuations based on the information contained in a number of Jim2 reports, as well as the Jim2 General Ledger. Poor work practices will quickly lead to incorrect stock valuation reporting.

For further assistance or information please call Happen Business 02 9570 4696 or email support@happen.biz