

QUICKBOOKS ONLINE

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Managing Inventory

Learning Objectives

- Distinguish between inventory and non-inventory products
- Describe first-in, first-out inventory valuation
- Set up, order, receive and sell products
- Perform inventory adjustments
- Create product-related reports

Inventory Management

- Inventory encompasses...
 - purchasing, tracking and selling products
 - managing waste, loss
 - reporting on asset value, direct costs
- QBO uses first in, first out (FIFO) inventory cost method
- The Cost of Goods Sold (COGS) account increases when an inventory item is sold
- The difference between revenue and direct cost = profit
- Non-inventory products are inventory items you don't need to track

Inventory Management (cont.)

- Bundled inventory – a group of items for sale that has the same base price as all items individually
 - Price of a bundle can't be changed; base price is same as for all items individually
 - A bundle can contain 50 items max
 - To reduce price of a bundle, add discount to invoice or sales receipt
- Adjust inventory as needed

Inventory Purchases

- Send a purchase order (PO) to a supplier when you want to purchase a product/service
- POs are used for inventory and non-inventory products
- A supplier may add expenses to a PO for shipping, delivery, etc.

The screenshot shows a 'Purchase Order' form with the following sections:

- Supplier:** Organization of Outstanding Events (dropdown), Email (text field), and a 'Co/Bcc' link.
- Amount:** \$84.75 (displayed in the top right corner).
- Mailing address:** Organization of Outstanding Events (dropdown).
- Ship to:** Select customer for address (dropdown).
- Purchase Order date:** 31/08/2029 (text field).
- Shipping address:** Long for Success -- Event Planning, 5100 Spectrum Way, Cooksville ON L4W 5S2 (text field).
- Ship via:** UPS (text field).
- Tags:** Start typing to add a tag (text field) and a 'Manage tags' link.
- Category details:** A section with a 'Category details' header.
- Item details:** A table with columns: #, PRODUCT/SERVICE, DESCRIPTION, QTY, RATE (CAD), AMOUNT (CAD), SALES TAX, CUSTOMER, and CLASS.

#	PRODUCT/SERVICE	DESCRIPTION	QTY	RATE (CAD)	AMOUNT (CAD)	SALES TAX	CUSTOMER	CLASS
1	General services:Badges:Name	Name Badges	50	1.50	75.00	HST ON		
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At the bottom of the form, there are buttons for 'Add lines' and 'Clear all lines', a 'Subtotal' of 75.00, and a 'Your message to supplier' text field. The bottom right corner shows 'HST (ON) @ 13% on 75.00' and '9.75'.

Inventory Sales

- Selling inventory...
 - ...requires a Sales form with a product/service; no categories
 - ...is like selling a service
- Use the Credit Memo form to apply credit to open invoices when:
 - A customer returns an item
 - A customer was overbilled
- Use a Refund Receipt when refunding cash, debit or cheque that has been paid

Inventory Reports

- A Physical Inventory Worksheet is used to show what's in stock vs. what QBO shows as quantity on hand
- An Inventory Valuation provides info on inventory movement
 - There are Summary and Detail versions

Inventory Valuation Summary As of May 21, 2024				
	SKU	QTY	ASSET VALUE	CALC. AVG
▼ General services				
▼ Badges				
Name Badges	NB-476	3,150.00	4,725.00	1.50
Total Badges			4,725.00	
Guest Book	GB-623	20.00	250.00	12.50
Water Bottles - Generic	WB-1866	550.00	2,806.91	5.1034727
Total General services			7,781.91	
TOTAL			7,781.91	