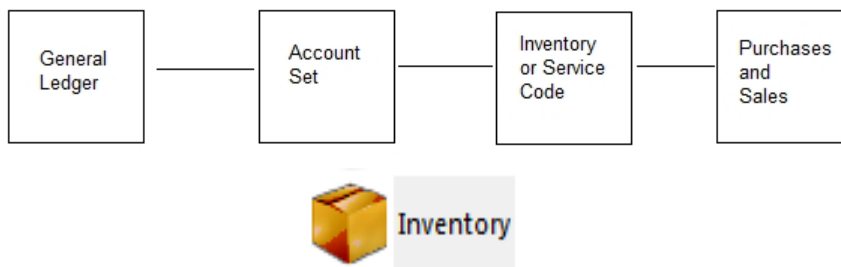




## Level 2 Intermediate Palladium Training

### INVENTORY



The Inventory & Services list in Palladium allows you to purchase and sell goods and services. Each inventory (stock) and service (non-stock) item is linked to an account set to tell Palladium how to process a particular transaction. Optionally, you can also categorize your inventory & services to offer a secondary reporting solution based on a different line of business principal.

#### HOW INVENTORY LINKS TO THE LEDGER

When you are setting up Palladium it is important that the financial manager creates the appropriate account sets that will be used later to create inventory and service items. While this is an extra management step, it does afford some control over the item creation process. The staff creating items does not need to know the underlying accounts to use, they simply just pick the correct account set. Also, if the financial manager decides to change accounts later, they only need to update the account set and all items linked to that set are automatically updated.

Having all your sales and purchase transactions linked to a item code also make is much easier to do reporting. You can run your sales and profitability reports on any code in the system. If this item code was not enforced, you could have figures that don't balance or that could not be reported on properly. You must have an item (inventory or service) for all items you buy and sell though the sales and purchases windows (please see the sales and purchases sections in this manual for more information on this topic).

## **MAKING THE LEDGER WORK FOR YOU**

You can have a single ledger account for revenue and expense called "sales revenue" and "purchases expenses". You can then create a single account set called "account set" and link everything in your inventory to this account set. This allows you the greatest speed in setting up Palladium (it should only take about 2 minutes). However, with this setup you will only know your sales totals and your purchases totals. What happens if stock goes missing? What happens if your gross profit percentage drops? You will have no way to determine what line of business (line of items you sell) are causing the problem.

A better solution is to segment your business into the different lines and have a ledger account set for each of them. If you are selling toys for example, you may have "video games", "puzzles", "board games", and "dolls / doll houses". Each of these lines of business will have an asset account, revenue account, and expense account. You then create an account set with the names listed above (video games, etc.). You then capture your items and link them to the appropriate account set. While this method does take more planning and time to setup, you will be rewarded in the long run by being able to see how well your business is doing in each of these areas and also the amount of stock (value) you are holding in each area.

## **Inventory & Service Items List Window**



Once you decide how to organize your inventory list, and have added the accounts you require, and created account sets and linked these accounts to the account sets ( See account sets ) you can add your items to Palladium Accounting. You can add the list all at once, or gradually, during day-to-day buying and selling. From the Inventory menu, select Inventory & services. A item list will appear as follows:

Image	Number	Description	Available	Allocated	On Hand	Purchase Order	Value
	29292929	Test Item	0	0	0	0	r0.00
	40004	Yamaha Conversion	-1	0	-1	0	r0.00
	62199	Milk	-11	0	-11	0	r0.00
	65000	Barcode Item	-8	0	-8	0	r0.00
	777779	Interest Billing					
	A00-61312-00	A00-61312-01	-17	0	-17	0	r0.00
	A00-61312-01	SPACER	0	0	0	0	r0.00
	A00-61460-01	BALL JOINT ASSY	0	0	0	0	r0.00
	A00-61510-50-29 ...	WHEEL ASSY	-2	0	-2	0	r0.00
	A00-61527-00-29 ...	PLATE, STEERING	0	0	0	9	r0.00
	A00-61541-50-29 ...	COLUMN, STEERING	0	0	0	0	r0.00
	A00-61624-60	BOW EYE	0	0	0	0	r0.00
	A00-61626-40	BOW EYE 1	0	0	0	0	r0.00
	A00-62771-30	WASHER	0	0	0	0	r0.00
	A00-62858-01	A00-62858-02	0	0	0	0	r0.00
	A00-62858-02	PLATE	0	0	0	0	r0.00
	A00-68242-81	FUEL GAUGE SENSER UN	0	0	0	0	r0.00
	A07-0E100-1L-4A ...	DISCONTINUED	0	0	0	0	r0.00
	A07-0E100-1L-9C ...	DISCONTINUED	0	0	0	0	r0.00
	A07-0E100-2L-4A ...	DISCONTINUED	0	0	0	0	r0.00

In the list window you will see all your items and a summary of the totals to the right of the item description. You will only see stock totals for inventory items not services. If you click on an item to highlight it, you will also see the detail of each item in the lower pane. This shows you the quantities and values in each location (warehouse) for this item. Note, each location has its own costing and that costing is determined by weighted moving average. Your cost for an item may vary based on which location you are currently working with while invoicing.

## List Window Functions

As with all Palladium list windows you have the option to add a new item, select an item and press edit to edit them, and select an item and press delete to remove an item. You can only remove an item that has not been used, or, has had all its transactions cleared (after 2 years).

## List Window Searching

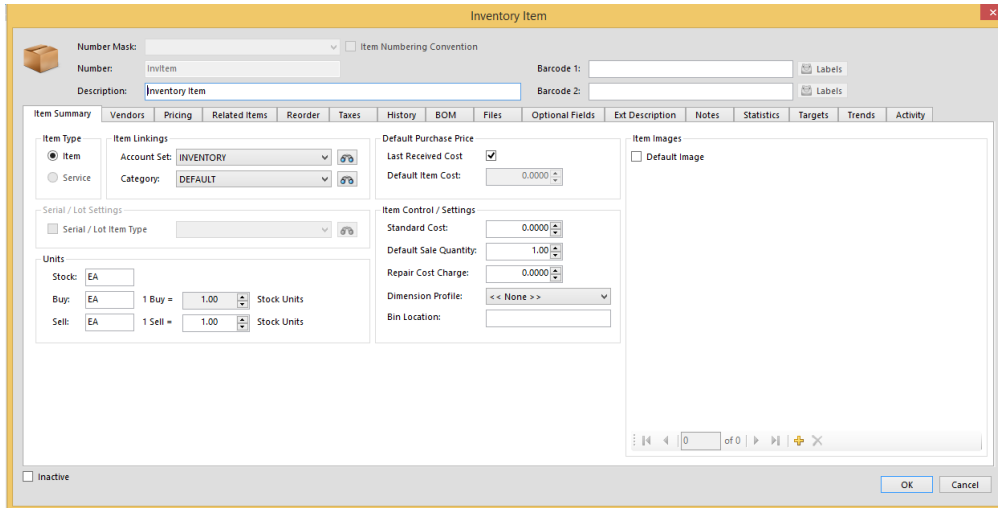
As with all Palladium list windows there is the ability to do an advanced search (click the yellow binocular button). This allows you to search for items inside text (not just the start of text) and also search by optional fields.

## List Window Filtering

As with all Palladium list windows, by default, your inactive items remain hidden. To see inactive items click the orange clock ("show inactive items"). The icon next to the item will also show an orange clock so that you can quickly identify which items are set inactive.

## Adding and Editing Inventory & Service Items

From the list window click new or edit to see the item window as follows:

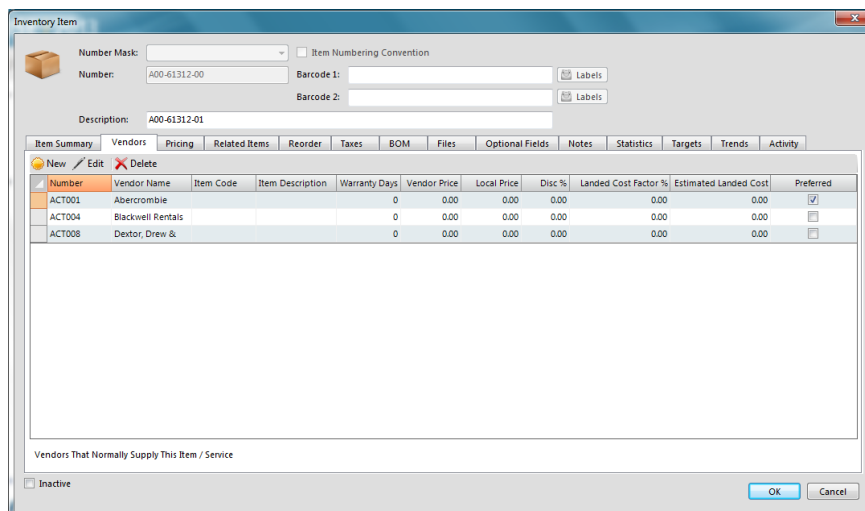


On the main window you first enter a stock number. This is the number that will be used though the system to enter orders and invoices and run reports. This number must be unique in the system. You can then enter the barcode and description.

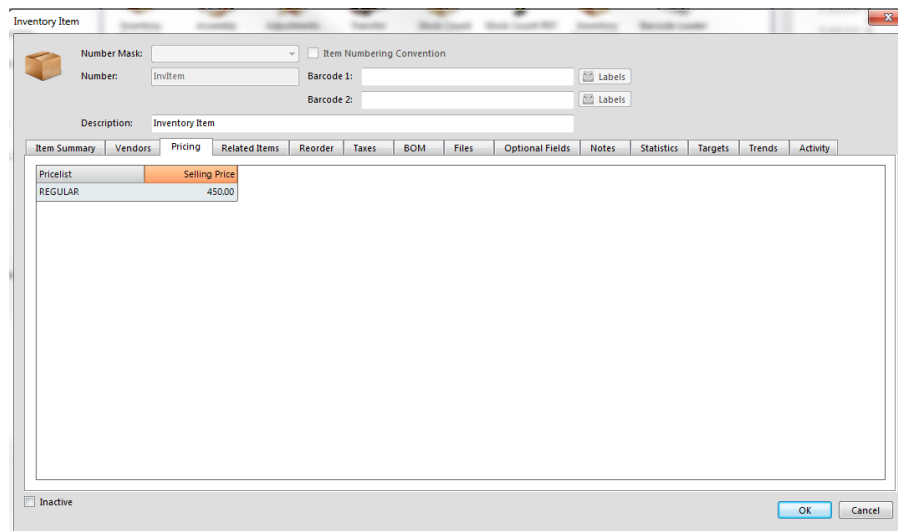
On the summary tab you determine what type of item it is (item - stock) or (service - non-stock), you can setup a purchase relationship, link your account set and category, and determine what costing system is used when doing purchase orders. If you check the auto box, Palladium will keep track of what you last paid for the item and enter this as cost in all your new purchase orders. If you regularly receive price lists from your suppliers, you may want to manage this manually by clearing the check box and entering the cost. There is also a price updater to assist you in quickly changing these on a company level.

The final option is the selling price. If you clear the "allow non-admin users to change selling price" check box, then only administrative users will be allowed to change the selling price. If checked, anyone can change the selling price.

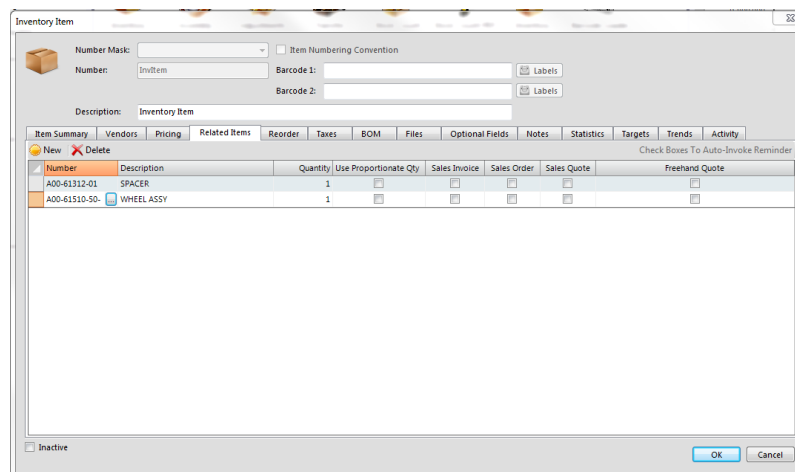
The vendors tab allows you to specify which vendors normally supply this item. This information is used for filtering items during the order process and also for the automated order system.



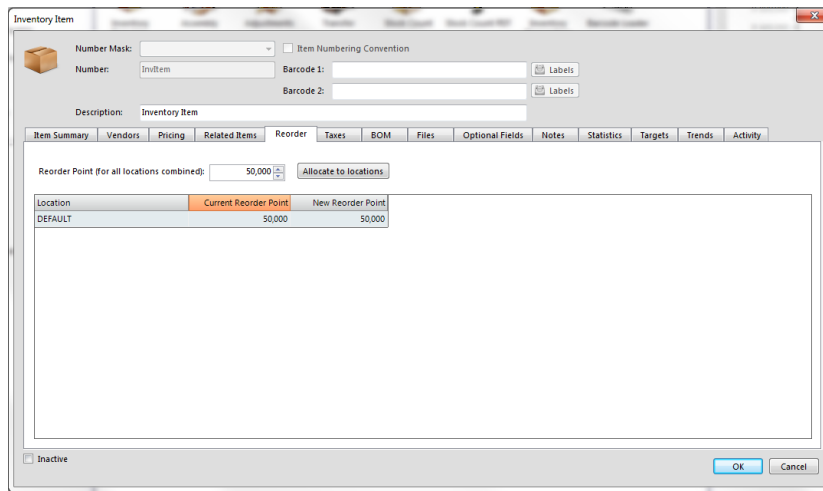
The pricing tab will show you all the price lists you have setup in the system. You can then enter the selling price for the item for each price list. To add price lists, see the price lists section in this guide. You should enter the selling price exclusive or inclusive of sales taxes (VAT) depending on how you setup your selling taxes. For more information about sales taxes, see sales taxes in this guide.



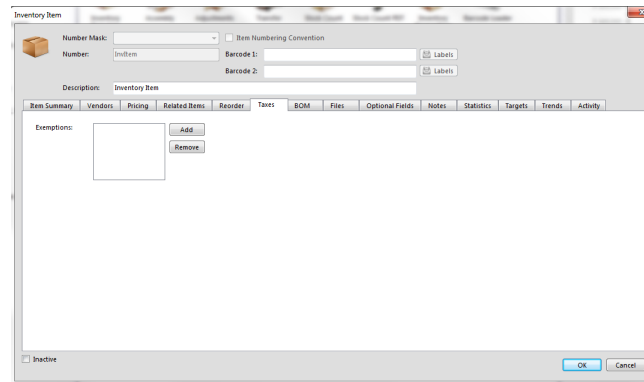
The related items tab allows you to insert related items that you would like the system to prompt to you to sell to a customer when purchasing that particular item.



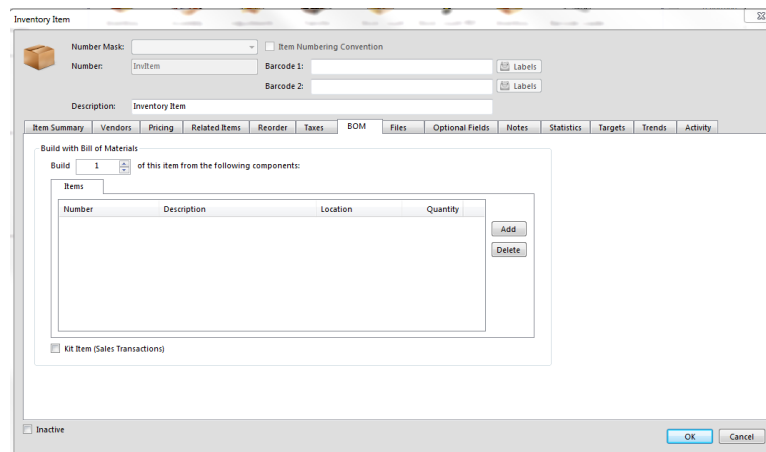
The reorder tab allows you to set reorder points for this item. These figures are used when running your quantity reports to assist staff in ordering more stock and knowing when to order. You can set a reorder point per warehouse (location) or for the company as whole and allocate them automatically to each location.



The taxes tab provides a place to designate that this item is exempt from sales taxes. If you set exemptions here, they will override any other taxes in the system and no tax will be charged for this item, for the authorities listed here.

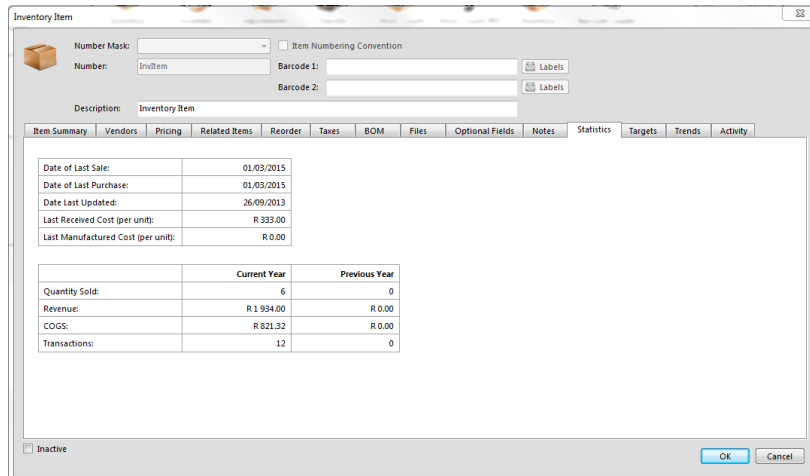


The bill of materials tab provides a place to list your component materials that go into this item. If this item is created by combining several different items, you can enter the components here and the quantities of each that make this item. This list of components will be shown when doing item assembly manually. If you check the auto build check box, when you sell this item, Palladium will automatically build a new item for each sale using the component recipe listed here.



The optional fields tab allows you to enter more information about your items. You can then do advanced searches to search by these fields. If you were a CD shop, you could enter the artist, title, theme, etc. here for easy searching and locating. You can also use these optional fields for reporting purposes as well.

In the statistics tab, you can see stats of that particular item on-the-fly. Information such as last date or sale, date last purchased, last date updated, etc.

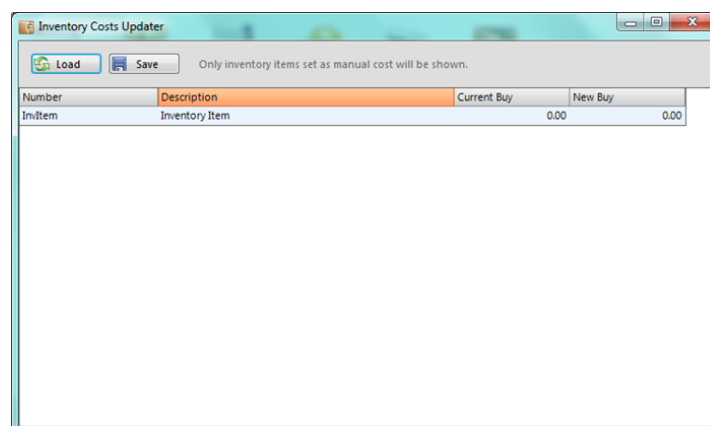


## Costs Updater



Item Cost Updater

You can quickly update costs for items using the costs updater. To access this function, press the update costs button on the top of the inventory & services list window. The following window will appear:



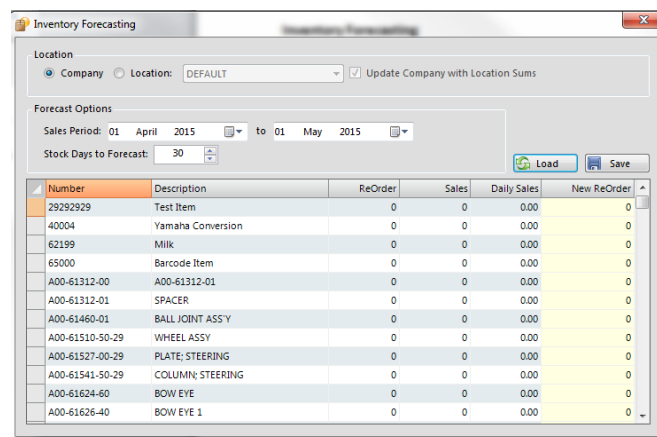
Please note: only items that are set to manual cost (have their auto cost check box cleared) will appear here. You can enter the new buying cost here in the far right column. These costs are for new purchase orders and invoices only. Palladium accounting automatically keeps track of the

actual cost you pay for items and uses that weighted moving average cost in financial transactions. If you need to update the actual costs inside Palladium, you will need to do a stock adjustment instead.

## Inventory Forecasting



You can quickly update your inventory reorder points by using inventory forecasting. To access, press the forecast button on the top of the inventory & services item list. The following window will appear:



The first option is to determine if you will be forecasting for a specific location (inventory warehouse) or would like to forecast for all locations. This is important, as if a specific location is chosen, only sales in that specific location will be examined and only that specific location's reorder points will be updated.

## Using the Sales Period

The next option is to select the sales period. If you have a seasonal business, you may want to use sales from the previous year. If you don't have a seasonal business, you may want to examine the last quarter's sales. Only sales from this period will be examined when doing a forecast for suggested inventory holdings.

Stock days to forecast allows you to tell Palladium how many days you would like stock holding for. As example, if you regularly sell 100 units of an item per day (forecasted) and you tell Palladium to keep 60 days' worth of stock on hand, Palladium will multiply its forecast of  $100 \times 60 = 6,000$  units as your reorder point.

## Running the Forecast



Press the load button to examine sales, and report the results. Palladium will show you your daily sales of the item and also its suggested reorder point. When you press the save button, this reorder point will be saved to your inventory.

## Making the Forecast Work for You

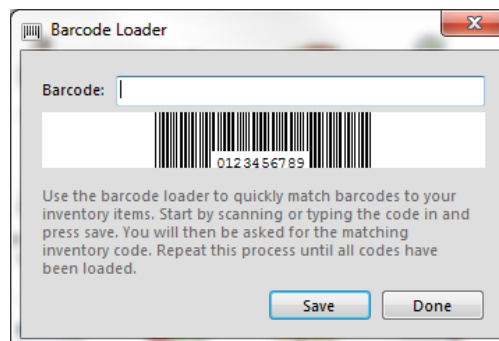
Once you have completed the forecasting function, you can use your inventory quantity reports to quickly show you which items have fallen below your reorder points, and to place orders for more stock. This function becomes very handy when you have long lead-times to obtain new stock and want to hold a specific number of days (usually your lead-times) of stock to ensure you don't run out of stock.

## Barcode Loader



Barcode Loader

You can quickly update your inventory by adding barcodes to any item. To access the barcode loader, press the barcode button on the top of the inventory & services item list. The following window will appear:



Use your barcode scanner to scan an item. If the item scanned matches your inventory list, you will be notified. Otherwise, you will be asked to select the item that you wish to link this barcode to. The barcode will be saved under the item you select. Please note, only items without barcodes will be shown for selection. If you don't see your item listed, then it must have an incorrect barcode loaded already. Edit the item and remove the barcode and try again.

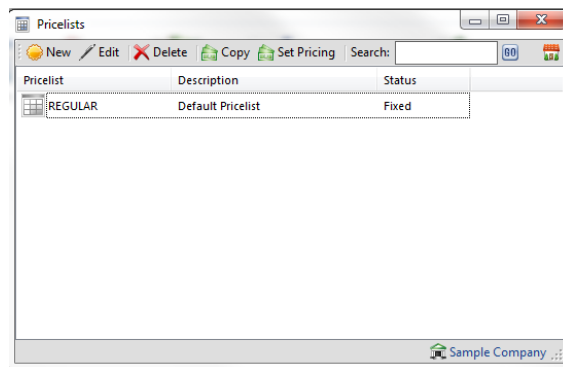
## Pricelists



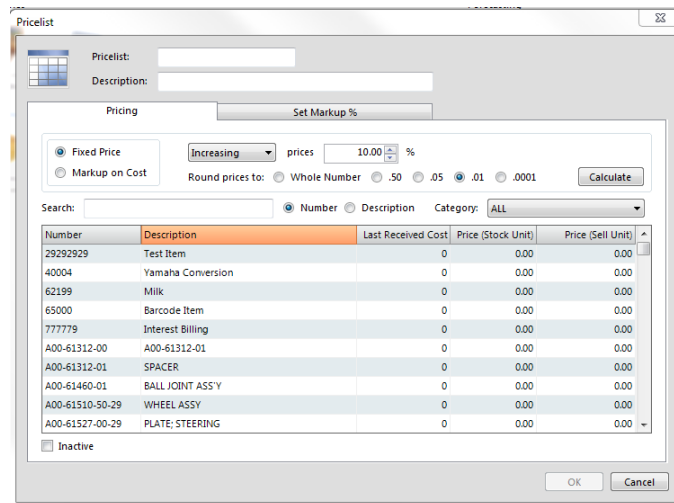
Pricelists

Pricelists are used in Palladium to keep track of your selling prices. You can have 1 pricelist (regular) which must be in the system at all times, but you can also add your own pricelists. Each customer you create in Palladium can then be linked to a pricelist. This pricelist determines that customer's selling price for any given item. On the sales window, you can also click the button in the unit price column and a window will appear showing all the pricelists for that particular item.

To access pricelists, click on the pricelists icon on the Inventory menu. The following window will appear:



By clicking new or edit as appropriate, the following window will appear:



Here you can set the pricelist name and give it a description. You will also be able to update your pricelist directly here by changing any of the prices in your items, or by increasing or decreasing by percentage automatically.

### Using the Pricelist Updater

On the pricelist list window, click the pricing button. The following window will appear:  
The updater will allow you to quickly change your pricelists automatically. If you wish to have a "less 10 percent" pricelist, first create that list. Then go into the updater and choose regular as the viewing pricelist and less 10 as your saving to pricelist. Then select decreasing and 10% and press the calculate button, then press save.

## SUGGESTIONS

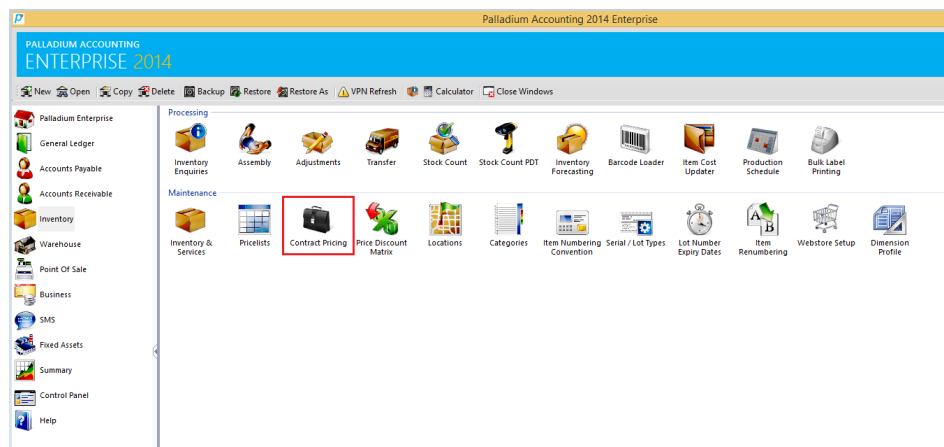
Your company may differ, but normally it is beneficial to use the set pricing system to set your standard markup into your regular pricelist. Once you have done this, you can then use the pricelist updater to move all your other pricelists as a percentage (up or down) based on the regular pricelist.

## Contract Pricing

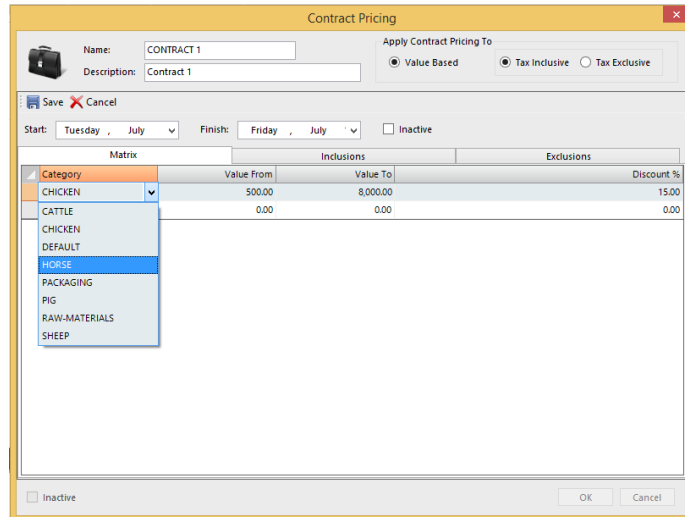
Palladium Accounting Enterprise has a new built-in feature called contract pricing. This feature allows you to set particular inventory items that are in specific inventory categories for discount for a certain period of time according to total invoice amount.

This is ideal if you want to promote bulk purchases for your company hence increasing revenue. This feature only extends to value based invoices, however it will expand to volume based invoices as well.

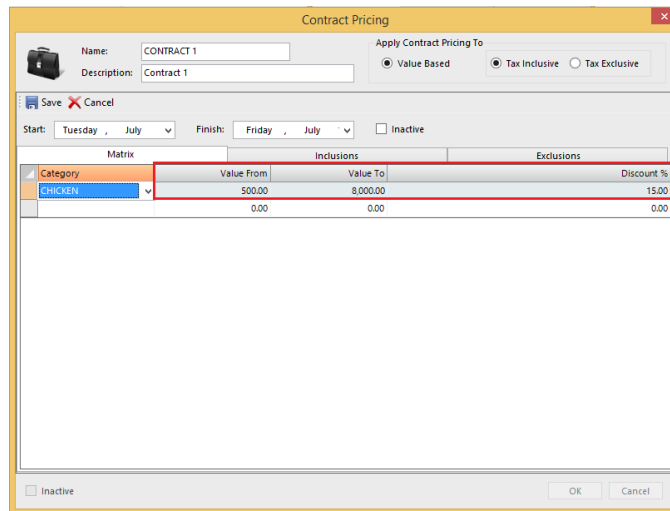
To access this feature, you would need to go to inventory | contract pricing:



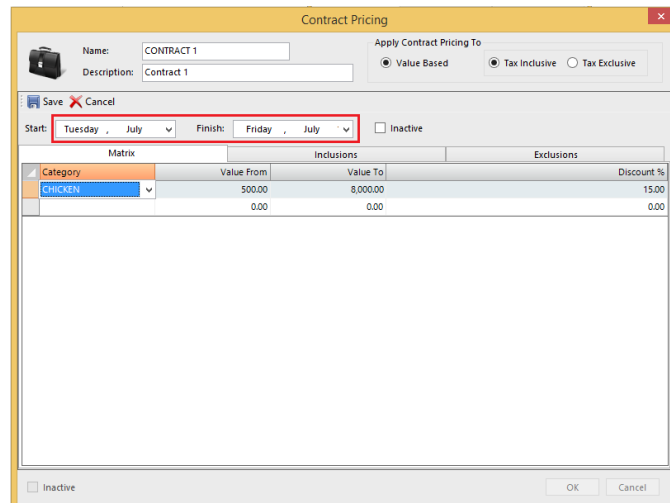
After selecting the Contract pricing option, you would need to set up a new contract pricing for that particular inventory category that you would like it to apply to. See screen below:



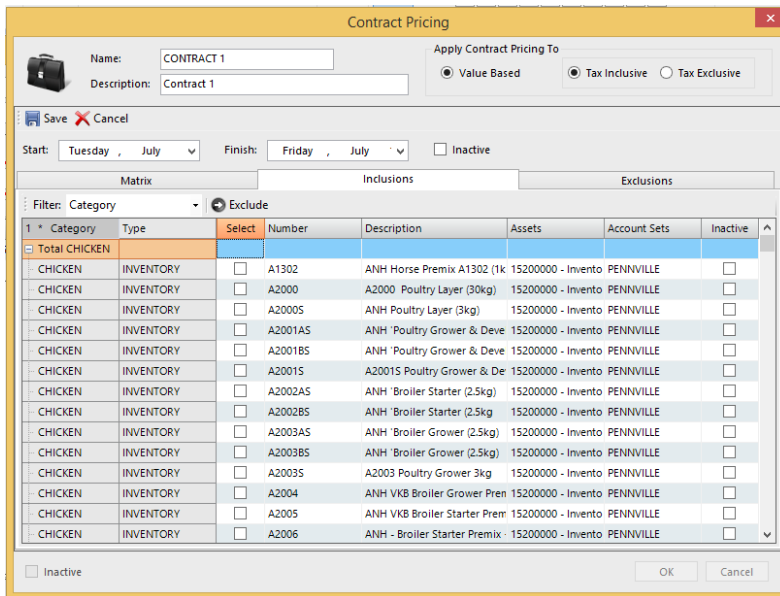
Once you have chosen the particular inventory category, you are able to input the “value from” and the “value to” amounts as well as the discount percentage. What this means is that palladium will pass a discount for invoices within the range of those two amounts:



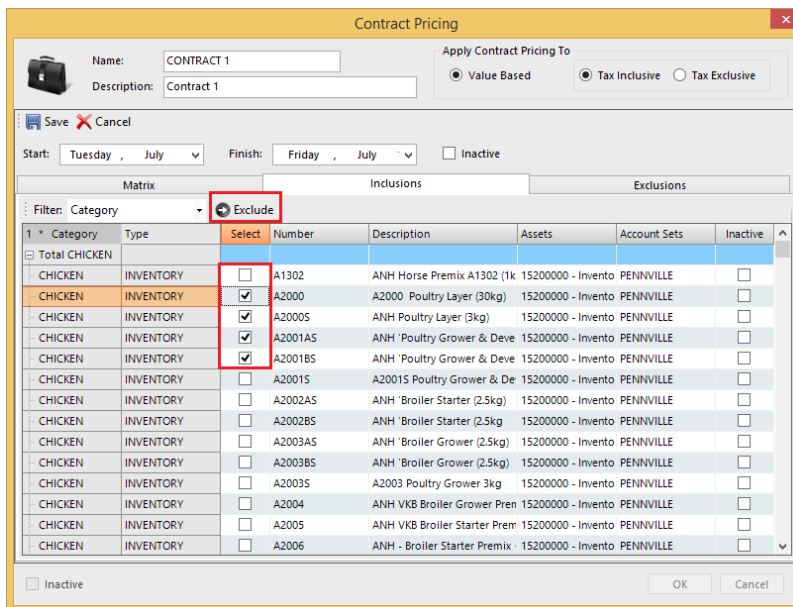
After keying in this information, you also have the option of selecting a date range of the duration you would like to run the “special” or the contract pricing for:

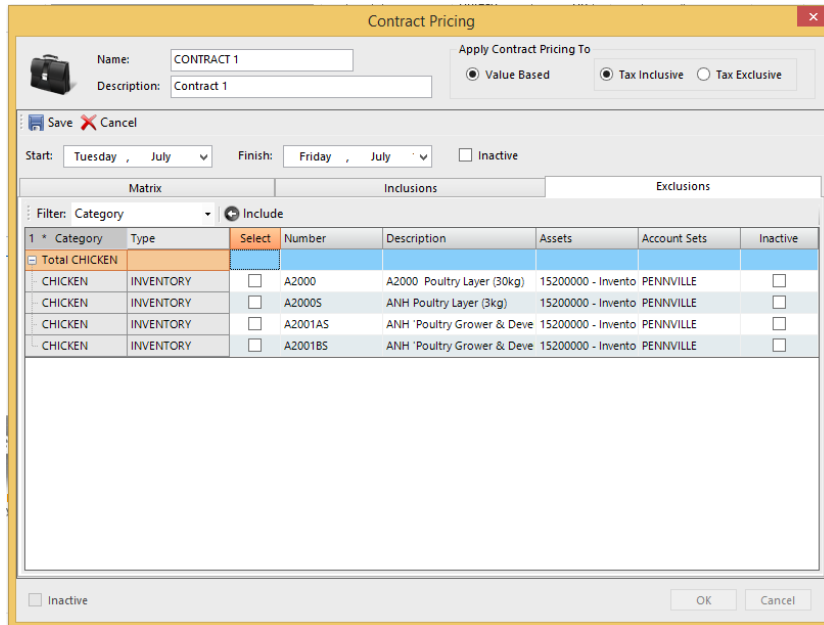


There are “inclusions” and “exclusions” tabs. Within these tabs, Palladium will basically list all the inventory items within that particular inventory category. Furthermore, you would have the option to choose which one you would like included and/or excluded for this particular contract pricing.

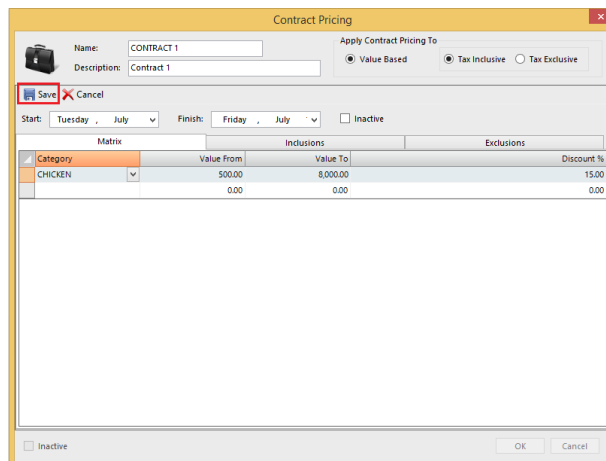


By default, all items within that inventory category will be included in the contract pricing. You do however have the option of choosing the items that you would like excluded and clicking the exclude tab. They will automatically be moved to the exclusions tab.

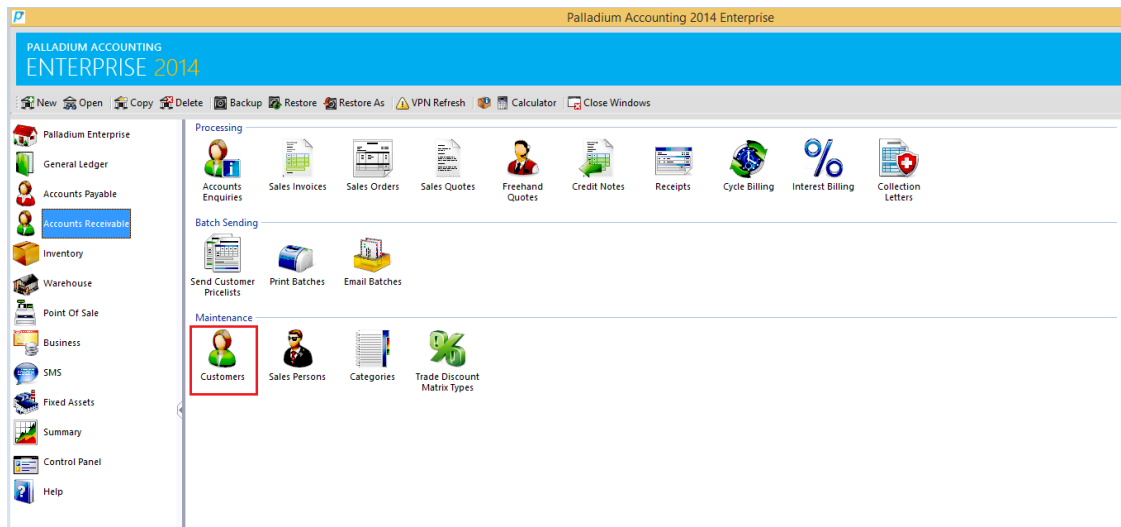




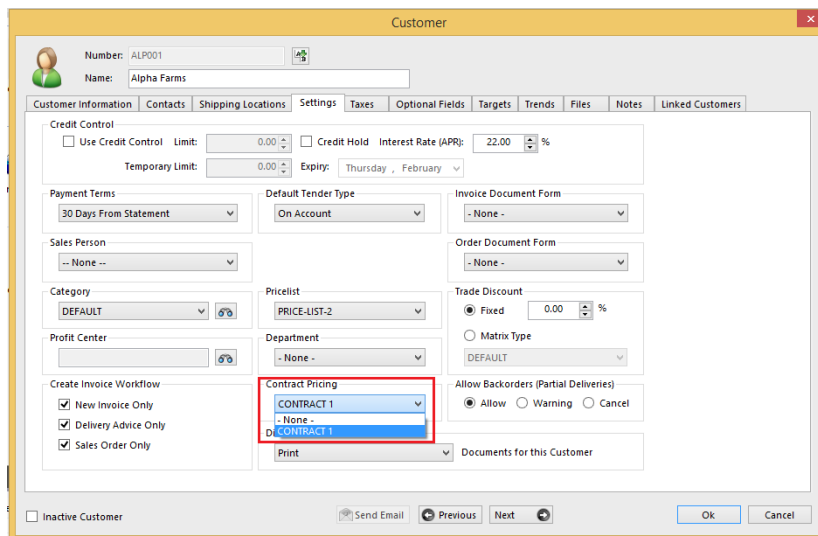
The items that have been excluded are now exempt from the contract pricing. Once this has been setup you the click on save then ok. The contract pricing has now been set up.



Before processing using the contract pricing that you have already set up, you need to assign it to the relevant customers that want it applicable to. For this to take effect, go to accounts receivable|Customers. You will then choose a customer.

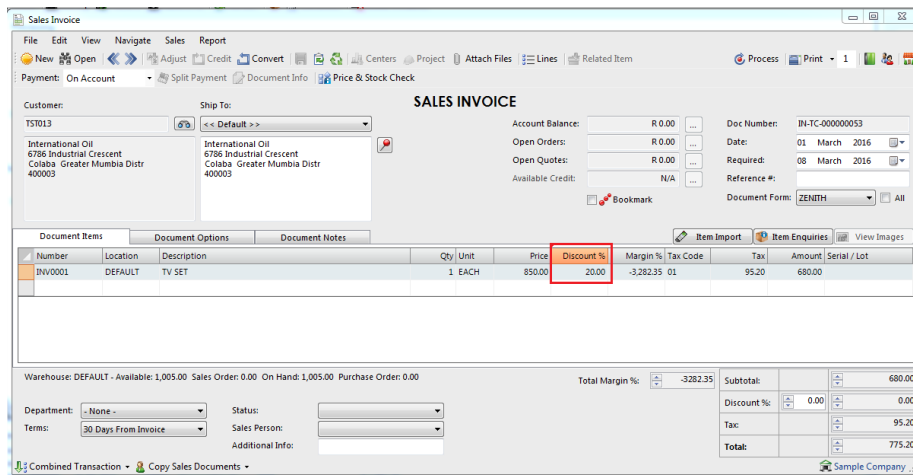


Once you have chosen a customer form you customer listing, you select the setting tab and go to contract pricing and assign that particular contract pricing that you want applicable.



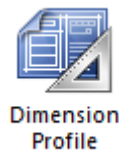
Once this has been done, you will now be ready to process with that applicable contract pricing parameters that you have set.

When processing an invoice, and when you choose a particular item that falls with that particular inventory category, it will pull the relevant discount percentage that you had set up.

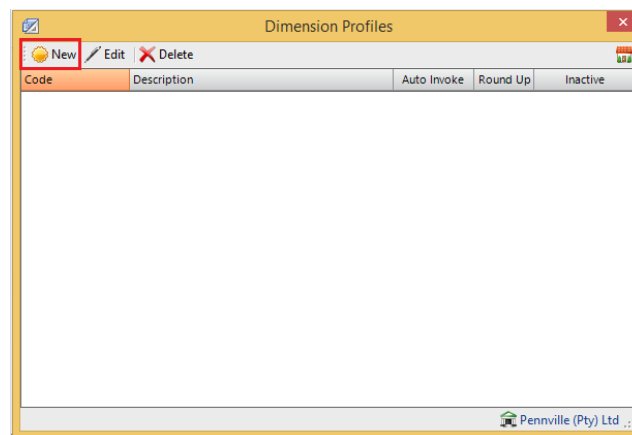


Please note that this is all dependants on the value amounts that you had set up in the beginning and need to be within that parameter. Furthermore, please remember that this discount is for the total invoice amount.

## Dimension Profile



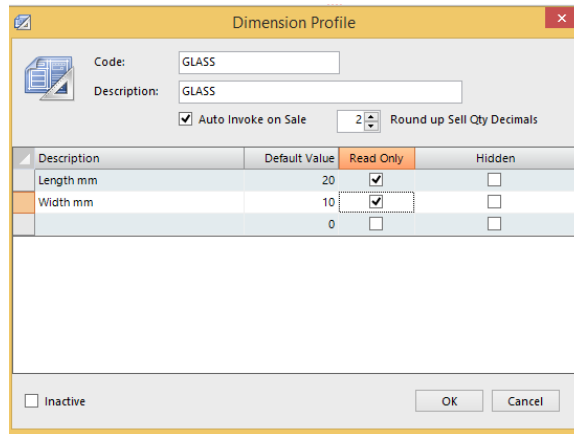
Palladium Accounting offers a functionality whereby you can setup different dimension profiles. This is useful if you are stocking inventory in large quantities (eg: metres), but then selling them off in smaller dimensions (eg: millimetres). To do this you need to setup a new dimension as per screen below:



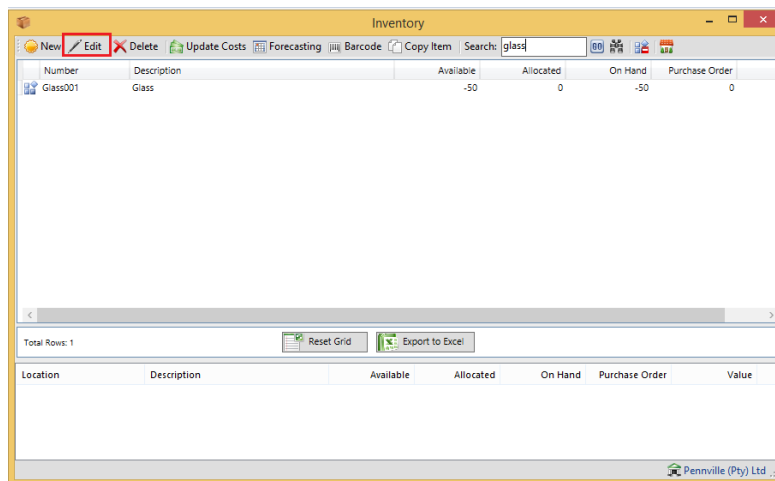
After clicking on the “New” button a screen will appear whereby you would need to give the dimension that you are setting up a dimension code and description. Should you want it to show automatically when processing, you would need to tick in the auto invoke tick-box.

In the description box, you would key in in what units of measure are you selling in (e.g.; either centimetres or millimetres) and the default value of each (e.g.: length, width or even breadth).

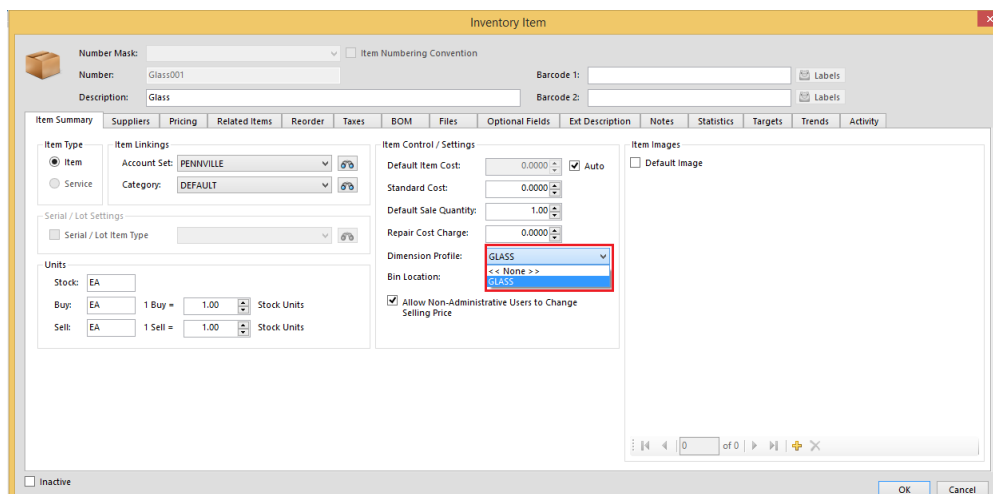




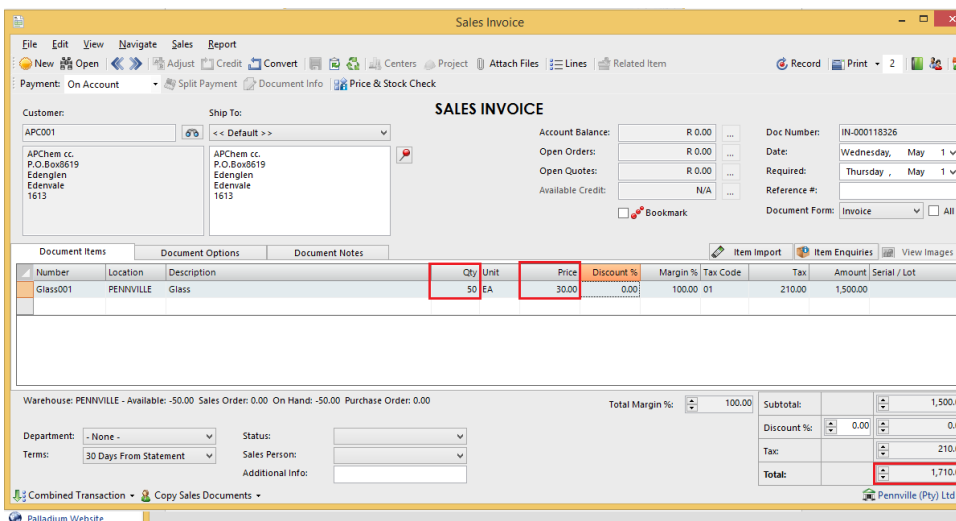
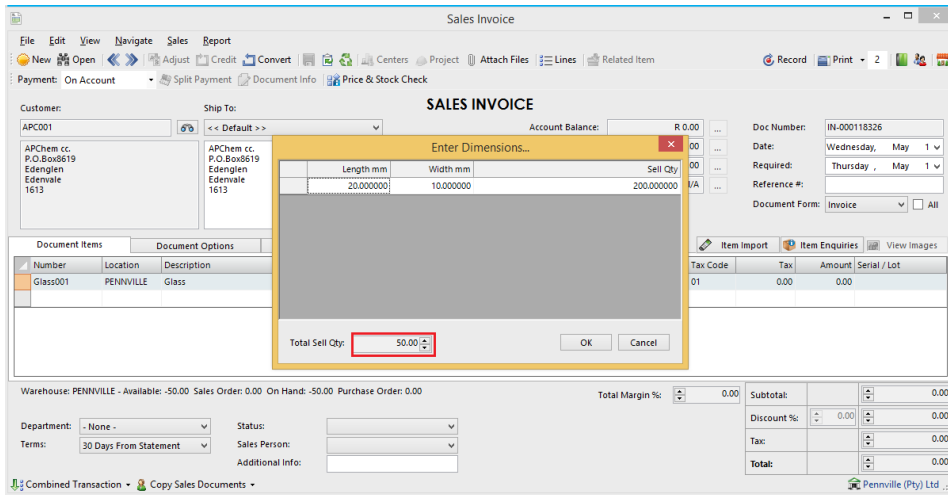
After this has been setup, you would need to assign it to that particular inventory item that you want it to be applicable to. To do this, you go to inventory & services, then select that item then edit:



At this point there would be a drop down option whereby you can assign the dimension profile to that inventory item.



Once this is done, the option of keying in the dimensions will appear when in the processing screen. You will be able to edit the size of the item you are selling/invoicing. You would need to key in the total quantity of the sale, then Palladium will calculate the total price per millimetre as well as the total quantity of the product it needs to take out of stock.

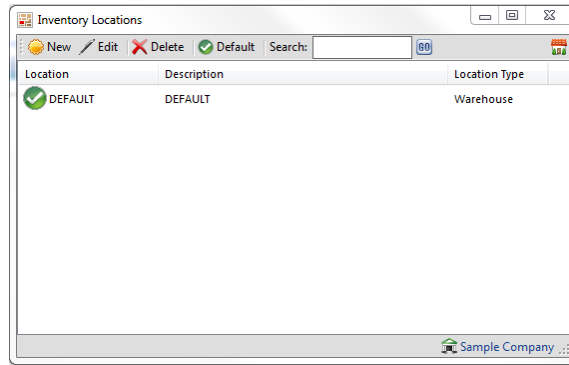


## Locations

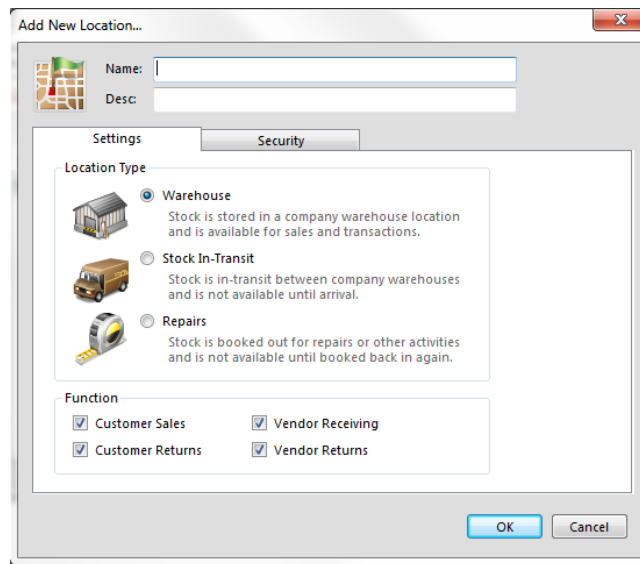


### Locations

In Palladium Accounting you can have multiple locations (warehouses) for your inventory. Before you can start using a new location it must be created (listed) in the locations list. You access the locations list by clicking on locations on the Inventory menu. The following window will appear:



The location with the red check next to it is your default location. This location will be used as default in all transactions that require an inventory location. To change the default location click on a new location to select it, and then press the default button. Click on new or edit (as appropriate) to bring up the next window as follows:



A warehouse location is a location that inventory can be sold from or purchased into. A stock in transit or repairs location cannot be used during sales and purchases transactions. These locations offer you the ability to keep your inventory off line while other activities are being done to them. You must use the transfer function to move inventory in and out of these locations. For more information see transfer in this section.

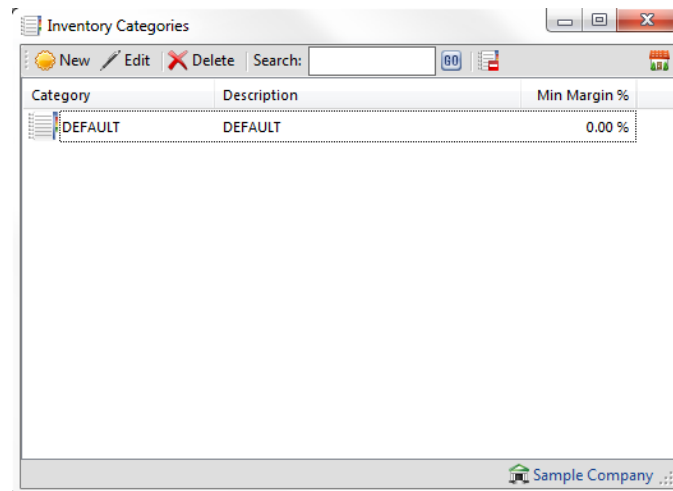
## Categories



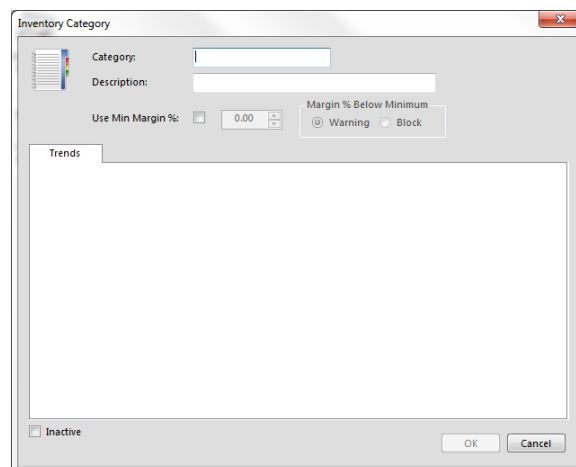
In Palladium Accounting you can run reports for your inventory and services by account set (financial) or by category. Your accounts departments may want to run reports by financial breakdowns but your sales or management departments may want to see reports differently.

This is where the category comes in. Also, you can filter your inventory selection windows by category.

You access the categories list by clicking on categories icon in the Inventory menu. The following window will appear:



By pressing new or edit as appropriate, the following window appears:



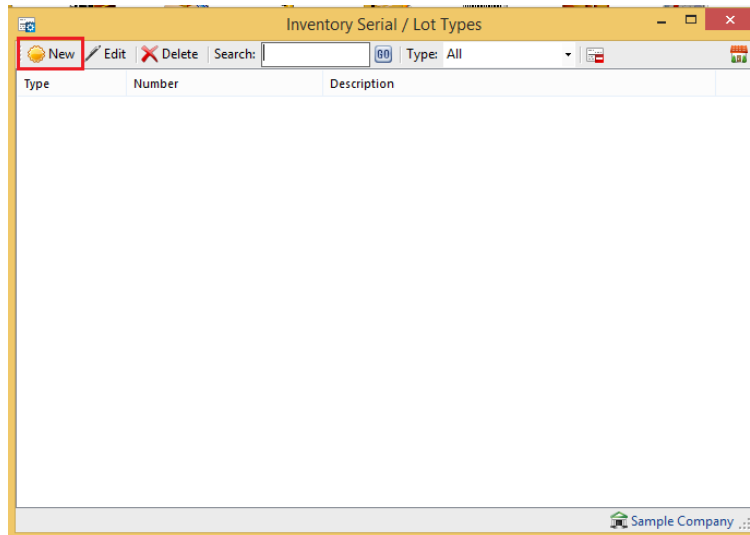
Here you can enter the category name and give it a description. You can also get quick sales information on the trends tab for this category for the current and previous year periods. You can also mark this category as inactive to not show it in the inventory and reports windows if you are not using it any further. You cannot remove a category that has been used until all inventory tracking data has been cleared for this category.

## Serial/ Lot Types

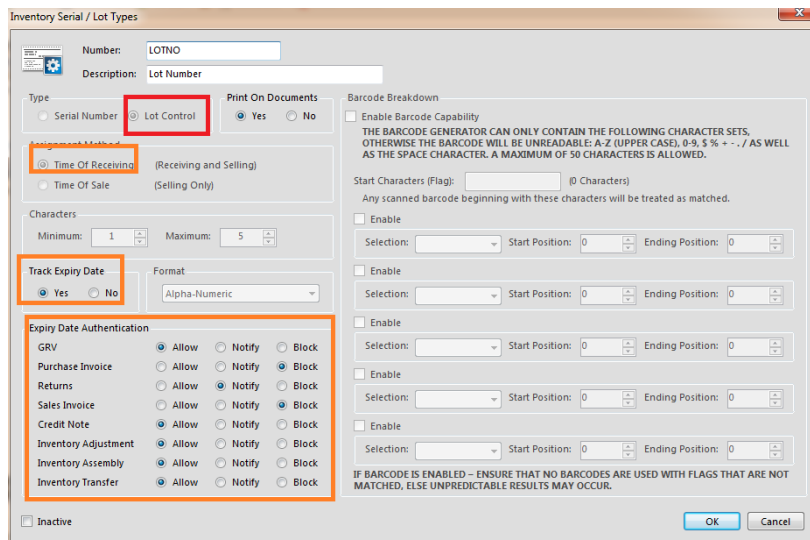


## Serial / Lot Types

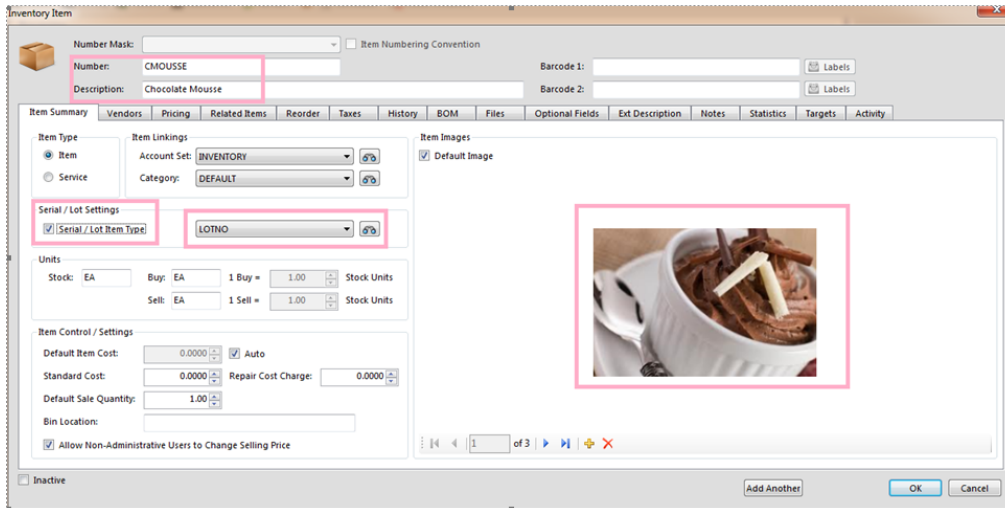
With this functionality, you can add serial or lot number to inventory items for them to be tracked. To do this you click on Serial/Lot types. Then selecting new:



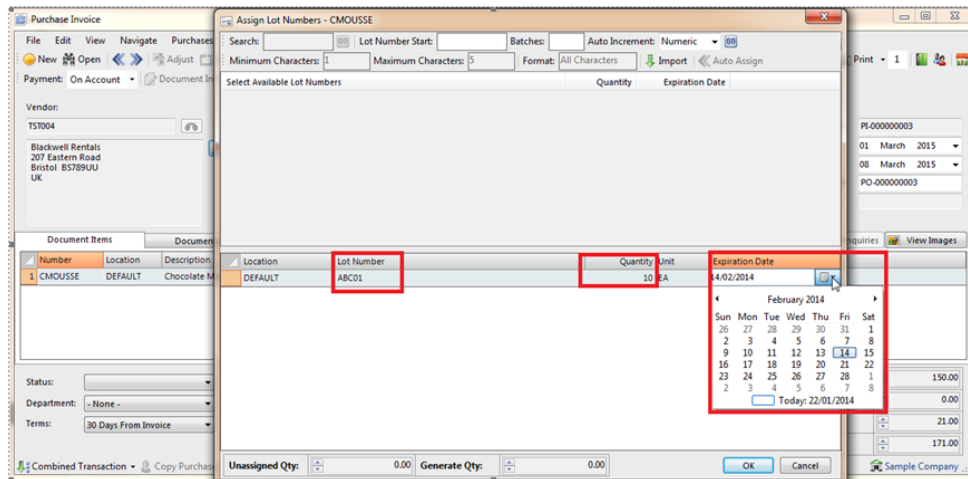
Once this is done, you can allocate a number and name the serial or lot item. There are parameters that you would need to set within this screen such as number of character, which documents you want it to be applicable to and whether it's a serial or lot number.



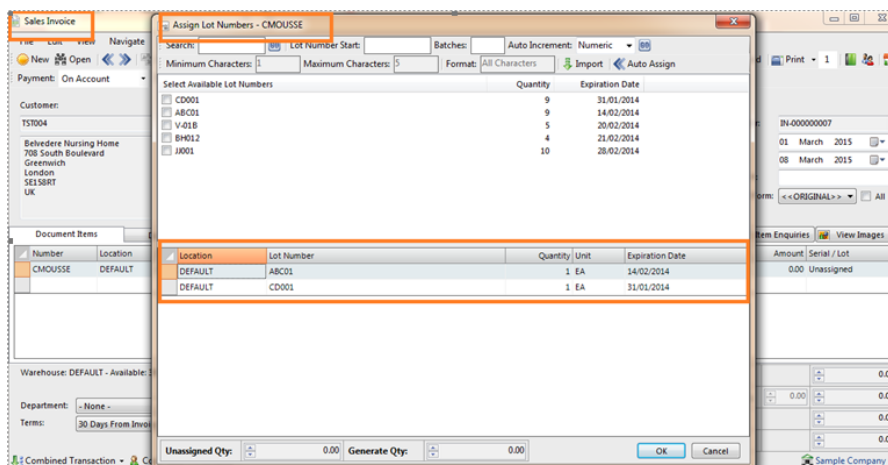
By stock item, you can choose whether the item allows Batch/ Lot Tracking.



At time of receipting stock, you have the option of typing your own LOT no. and specifying the expiry date:



And when selling, you can choose from multiple lot number, which even have different expiry dates:



## Item Assembly

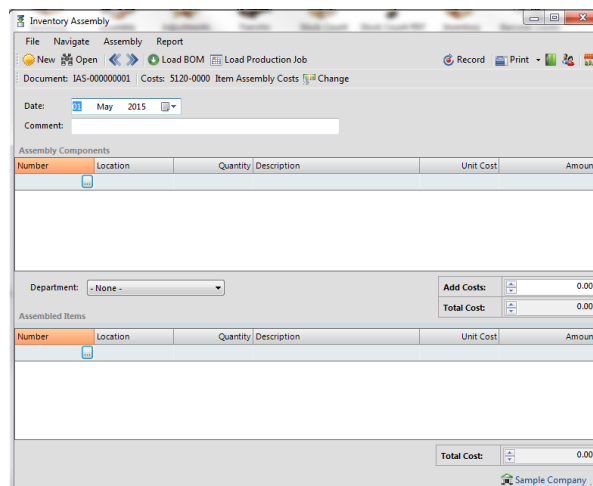


In Palladium Accounting you can assemble items in your inventory and make new items. If you assemble or build inventory items from components, Palladium Accounting can keep track of both the components and the assembled items. For example, assume you keep a supply of hinges, wood, and glue, which are used to build doors. Each time you build a door, you can enter a transaction in the Item Assembly window to:

- Reduce your stock for the components used in manufacturing.
- Account for additional costs, such as labour.
- Add the manufactured item to your stock.

Tip: If you are using Palladium Accounting and plan to manufacture or assemble this item often, you should consider setting up a bill of materials. Inventory Assembly may be more useful for items that you do not build on a regular basis, such as a special order. You should use bill of materials for items that you regularly build or assemble and then sell. By using a bill of materials, you save time when you next manufacture an item by recalling its entry with details already filled in. To set up a bill of materials, fill in the Bill of Materials tab in the inventory record.

You access the item assembly list by clicking on the item assembly icon on the Inventory menu. The following window will appear:



Here you add your assembly components (items that go into the finished product) and the assembled items (finished goods). You can also add additional costs at this time for packaging or labour. You must also select the appropriate location (warehouse) from which the items will be built up and stored into.

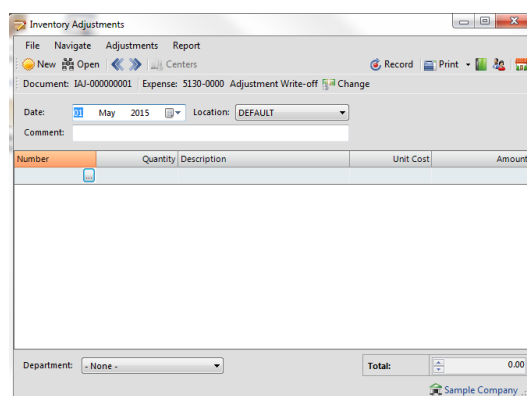
If your item has a bill of materials setup already, then press the load BOM button to automatically fill out this window for you. This saves you time from having to enter the materials for each build. You also have the option to use auto building, please see inventory for more information.

## Item Adjustments



In Palladium Accounting you can adjust items in your inventory to account for shrinkage or breakages. You can also add inventory back into stock to correct for bad stock counts or items that appear later for unknown reasons. You also use adjustments if you would like to change the values of your stock holdings for any reason.

You access adjustments by clicking on the adjustments icon on the Inventory menu. The following window will appear:



Here you select a location (warehouse) and then an expense account to use for the adjustment. You then select each item one at a time and either enter a positive quantity (adding stock) or negative quantity (removing stock) as appropriate and the value to use.

Please note: If you are removing stock (negative quantity) and sufficient stock value / quantity is not present, you may end up with a variance value. Palladium Accounting does not allow for negative stock values, only negative quantity. If you drive your inventory negative using adjustments, only the actual value of the inventory will be used versus the value you have entered here. Also, if you are moving stock positive and it currently is negative, Palladium will determine a cost of goods sold amount to bring the stock to zero, and then use the remaining value you specify to add stock into inventory (above zero). If you do not understand these terms, please ask your Palladium dealer to explain how this works and to assist you.

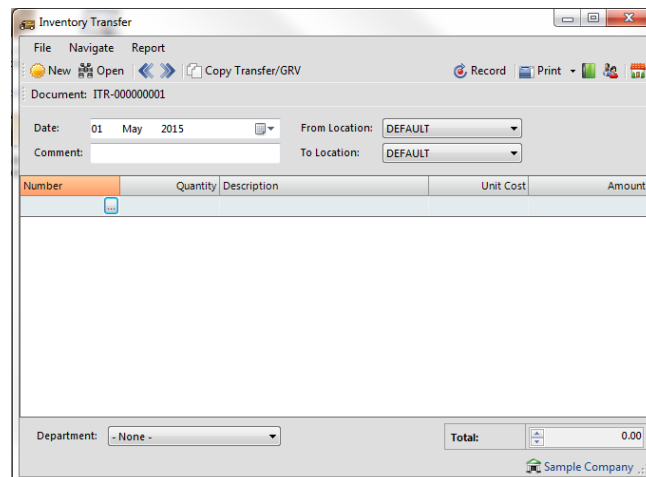
## Item Transfer





In Palladium Accounting you can transfer items in your inventory to a new location (warehouse). You can also transfer stock into a stock in transit location or to a repairs location. Stock transferred to these locations will not be available for sale until they are transferred to a normal warehouse again.

You access transfers by clicking on the transfer icon on the Inventory menu. The following window will appear:



Here you select the “from” location and the “to” location. You then enter the stock you wish to transfer and the value. Palladium bases the value on the “from” location for you automatically. You can then print a stock transfer slip to include with the stock being transferred from one location to another.

## Stock Count



Stock Count

In Palladium Accounting you can perform stock counts very easily. A properly managed stock system will afford you the best reporting for profitability possible. Having the correct stock figures are very important in any business.

You access the stock count module by clicking on the stock count icon on the Inventory menu. The following window will appear:

Stock Count

Search:

Date:  May 2015 Expense: 5130-0000 Adjustment Write-off

Comment:

Location:

Category:

Entry Method:  Actual  Variance

Show Inactive  Display Positive On Hand Quantities Only

Number	Description	Current Available	Current On Hand	Variance +/-	Actual
29292929	Test Item	0.00	0.00		
40004	Yamaha Conversion	-1.00	-1.00		
62199	Milk	-11.00	-11.00		
65000	Barcode Item	-8.00	-8.00		
A00-61312-00	A00-61312-01	-17.00	-17.00		
A00-61312-01	SPACER	0.00	0.00		
A00-61460-01	BALL JOINT ASSY	0.00	0.00		
A00-61510-50-29	WHEEL ASSY	-2.00	-2.00		
A00-61527-00-29	PLATE; STEERING	0.00	0.00		
A00-61541-50-29	COLUMN; STEERING	0.00	0.00		
A00-61624-60	BOW EYE	0.00	0.00		
A00-61626-40	BOW EYE 1	0.00	0.00		
A00-62771-30	WASHER	0.00	0.00		
A00-62858-01	A00-62858-02	0.00	0.00		
A00-62858-02	PLATE	0.00	0.00		

Department:

Sample Company

Note: You can print stock count sheets by selecting this report under the inventory tab, reports, lists heading, and then stock count sheets. These will assist you in collecting your appropriate numbers for entry into the stock count function window.

You first start by selecting the expense account to use for any amounts written off (or added). The next step is to select the appropriate location (warehouse) you are counting. You have the option of only counting a particular category of stock by selecting a category, or counting the entire location by selecting all - no filter.

The next step is to select your count entry method. They are as follows:

1. Actual: You will enter the actual stock quantity you counted. It is recommended that you close the business for stock count when using this method as that will afford you the ability to properly enter the actual quantity on hand and allow Palladium to find the differences.
2. Variance: Here you will enter only the variance. Such as -1 for one less or 5 to add 5 more into stock. You normally do not have to close the business to do this type of stock count. You simply print your stock count sheets with quantity on them. As you count, you determine the difference between what the sheet says you have in stock (say 10) and what you actually have in stock (say 8). You then enter the variance into the stock count window (-2) as example.

Note: If you are doing an actual count method, if you leave any item blank, it will automatically be adjusted to zero. If you are using the variance method, any blank lines will not be adjusted.

## Stock Count PDT

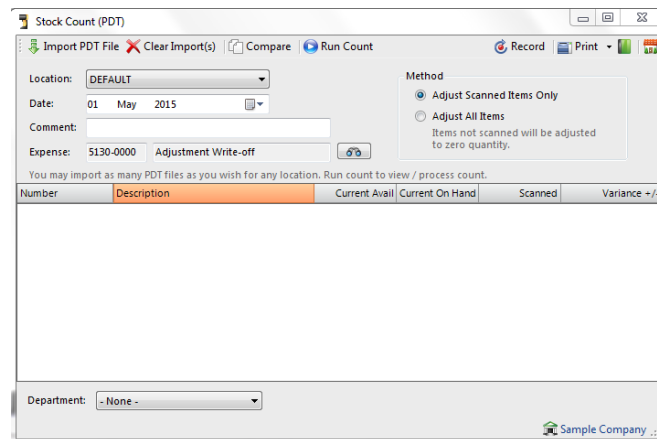


Stock Count PDT

In Palladium Accounting you can perform stock counts very easily. A properly managed stock system will afford you the best reporting for profitability possible. Having the correct stock figures are very important in any business.

The stock count PDT (personal data terminal) processing window allows you to use a data terminal for your stock counts. We recommend using a Cipher Labs 8001 unit for this purpose, but other units may work as well. Because the count is done through the import of a text file generated by the PDT unit, you can also use this module to import your stock counts as long as the file format conforms to the same standard as the PDT units file. For instructions on how to use the Cipher Labs 8001 data terminal, please see the section- Cipher Labs 8000 series instructions.

You access the stock count PDT module by clicking on the stock count PDT icon on the Inventory menu. The following window will appear:



## Understanding the Import Cache

As you count items you create a stock count import file on your PDT unit. You may have multiple units or persons counting stock, so Palladium will accept any number of import files before actually performing the stock count function. You import those files by pressing the import PDT file button on the top of the count window. This will allow you to browse to where the file is saved.

Here you are shown all the barcodes and quantities inside the PDT file. Palladium will also give you a summary of the file as to how many items it was able to match in your inventory and also the number of items you must match (barcode was not found). You match items by clicking the button in the number column and selecting the item from Palladium's item list. You only have to match items one time; Palladium will update the inventory item record with the barcode on matching. Only items without barcodes are shown in the match list. Once you have all your items matched, you press the import button.

You repeat this import procedure until all your files are imported (if you have more than 1).

## Clearing the Import Cache

Before you start a new count or to clear existing files inside Palladium you press the clear imports button. This removes any files that have been imported that Palladium is currently storing.

## Comparing Files

As a safety feature, you can have 2 different persons do stock counts on the same items or sections of your inventory. You can then have Palladium compare the 2 files with each other to see if there are any variances between them. Once you have determined that both files are correct, you can import one of them using the normal import procedures. You access this feature by pressing the compare button and then browsing for both files for Palladium to compare.

## Performing the Count

Once all the files have been imported and matched, you press the run count button to populate the screen and match your counts. The count at this stage is the same as the normal stock count. You must choose if you want items not scanned adjusted to zero (not found) or if you only want items scanned adjusted (if doing only a partial stock count). If you select adjust all items, any items not scanned will be adjusted to zero.

## Negative Inventory (Stocking Levels)

Palladium Accounting can operate in 2 stock level modes:

1. No Negative Stock Allowed - In this mode you will only be able to sell (or do purchase returns) for stock you actually have in the system. Your item costing and invoice GP reports will always be accurate.

2. Negative Stock Allowed - In this mode you can sell stock into the negatives. This is helpful when you receive stock but have not actually entered a purchase invoice for it (for many reasons). Your item costing will only be accurate if looking over a period of time and your GP by Invoice reports will not be accurate (if stock was not on hand at the time of invoicing).

You can setup your preferred operation mode under company options, inventory & services tab.

Please see company options under company setup for more information.

## Understanding the Accounting Principles behind Negative Inventory

When you buy and sell stock there are several accounting entries that take place. During a sale: the asset value of the stock is reduced (credited) and moved to your expense (cost of goods sold account - debited). The next entry is an entry to your accounts receivable account (or cash account if paying by cash method) for the full amount, and the full amount less taxes is recorded in your revenue account. The difference between this revenue and expense is your profit (referred to as gross profit or GP).

On this invoice we had a total of 67.90, the inventory cost was 31.56, the sales taxes were 8.34, the revenue was 59.56. The final entry was moving the asset value to expense (31.56). Our gross profit on this transaction was  $59.56 - 31.56 = 28.00$ . Depending on your taxation laws, you most likely will only pay taxes on the 28.00 profit on this transaction as the cost of the inventory offsets the revenue you made on it.

Here you can see that we had a total of 67.90, the inventory cost was 0.00 (not shown), the sales taxes were the same and the revenue was the same. Our gross profit on this transaction was  $59.56 - 0.00 = 59.56$ . Yes we do have cost for this inventory item, but that cost is not recorded at the time of the transaction as there was no inventory available to cost it at. If you are running negative inventory, it is very important you understand how this costing actually works. If you were to report on income for tax purposes at this point, you most likely would be paying taxes on the full 59.56 which is not correct as your cost has not been recorded yet. Please make sure that your entire inventory has been properly accounted for before reporting for income tax purposes.

## How Cost is adjusted once Stock Arrives

Taking the above example, say we now enter a purchase invoice for 10 of these items at a cost of 31.56 (you enter your purchase invoice under the purchases icon). Palladium knows that one of these items are in the negatives (we sold it in the second example) so it automatically enters 9 of them into stock and uses the last one to bring the stock back to zero. The value of the item that brought the stock to zero is expensed to your cost of goods sold account.

In the first example where we had stock available, Palladium costed 31.56 to the 5070-0000 account as cost of goods sold. In the second example we had no stock available, so there was no cost allocation. In this purchases example, you can see where the entry to 5070-0000 was made to bring the accounts current and account for the cost of the transaction of the second example.

## Understanding the Basics behind the Corrections

In the third example you saw how the costs were corrected to account for the second examples missing cost of goods sold. Your ledger reports (income statements) will now be correct. However, your GP by Invoice will not reflect the updated costs. Your GP by Invoice reports will still reflect zero cost. It is important you understand this so you don't make decisions based on flawed numbers. Palladium will not go back and find the sales invoices and adjust them. The other consideration is if we had assembled items for this item in negatives (or adjusted items, etc.)

Palladium will always correct the costs for items that bring your stock count to zero and then allow you to enter stock for the rest. If I wanted to assemble stock for this negative item, I should add the negative quantity to any amounts I wish to have remaining in positives so that when the assembly is finished I have the correct positive stock quantity.

## Customer Price Matrix



This feature allows you to tailor discounts by Customer and Inventory Category. It is available on all Purchase and Sales Documents. You therefore have the ability to create and manage discount

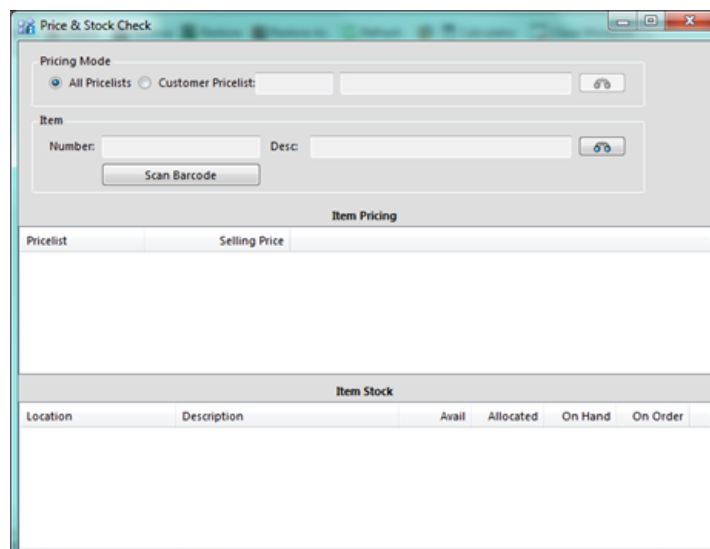
prices and adjustments for products in conjunction with customer and other market factors. This can be accessed on Inventory | Price Discount Matrix as shown below

Palladium offers the option to disallow specified users access to the feature. Therefore discount rates will always be captured by authorized users. You can set this up by going into Control Panel|Users|Access Rights for that user and uncheck the Price Discount Matrix option.



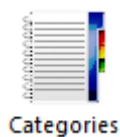
## Price & Stock Check

In Palladium Accounting you can quickly find current pricing information (for a particular customer price list or for all price lists) and check stock availability in each warehouse (location). You can access the price and stock check by pressing F4 in the home window, purchases window, or the sales window. You can also access it by clicking the price check button in the home window, or under the view menu in the purchases and sales windows. The following window will appear:



First select the pricing mode, and then select the item you wish to check on. The current pricing and quantities available will be shown.

## Customer Categories



Account Receivables can be grouped into different Categories for example Cash, Retail or Wholesale. These categories can be used in the following manner:

- View reports in category sequence
- Create a discount matrix per customer category and inventory category. This enables you to have volume based line item discounts.

## Delivery Routes



To setup delivery routes firstly go to Control Panel | Company Options | Optional tab  
You can capture the optional fields for delivery routes as shown below.  
Therefore when accessing Delivery Route option, you may capture the following information, for example categorising delivery route information as Local or Abroad.  
Therefore when selecting the Customer Account you may select the option for New on the Shipping Locations tab.

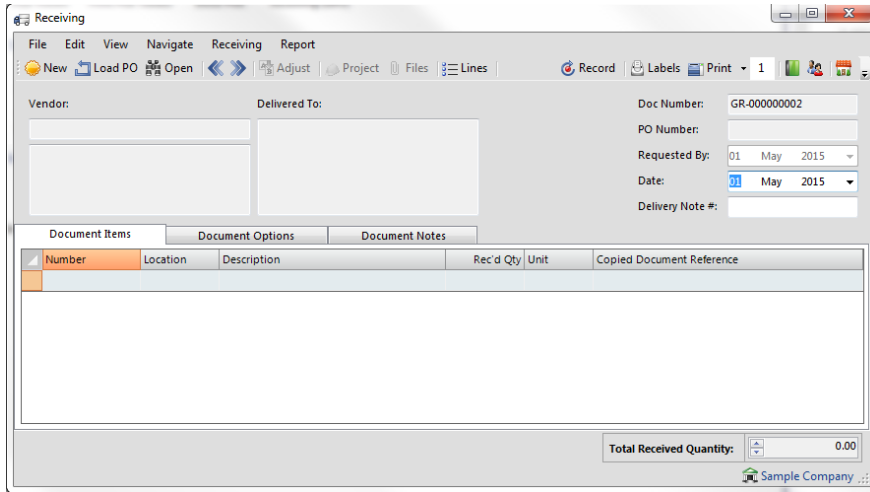
This screen will appear where you can choose the applicable delivery route for the customer. When processing a document for the customer, you may then choose to ship to the captured delivery location.

## Receiving (GRV)

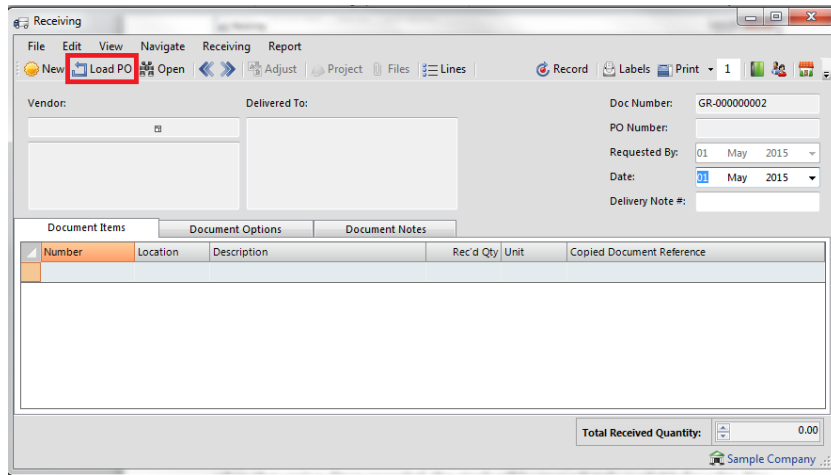


In Palladium Accounting you can receive stock on a GRV. This allows you to receipt stock in your warehouse using the stock from a purchase order, and into your inventory (at purchase order prices), making the stock immediately available for sale without using negative stock. Any stock received under a GRV will automatically be adjusted to the correct cost when the appropriate purchase invoice is entered.

The GRV function is accessible through the Warehouse menu.



To process a GRV, you would load a purchase order into the window, make any quantity corrections as necessary, and record it.



Any items not received on this GRV will remain on the purchase order to be received when they arrive. Once recorded, the stock will be immediately available for sales. You can also print barcode labels for your stock at this time, during receipt.

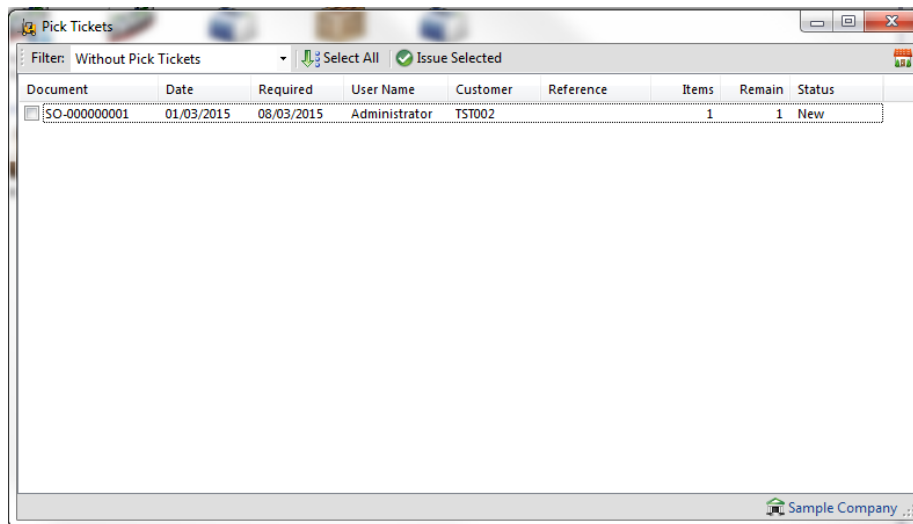
## Pick Tickets



Pick Tickets

In Palladium Accounting you can pick stock using pick tickets. These pick tickets are generated from sales orders and allow your warehouse staff to collect the stock (pick) and assemble for the shipment process.





You issue pick tickets to your warehouse by using the pick tickets icon. The above screen will appear. Check the sales orders that you would like to issue pick tickets for and press the issue selected button.

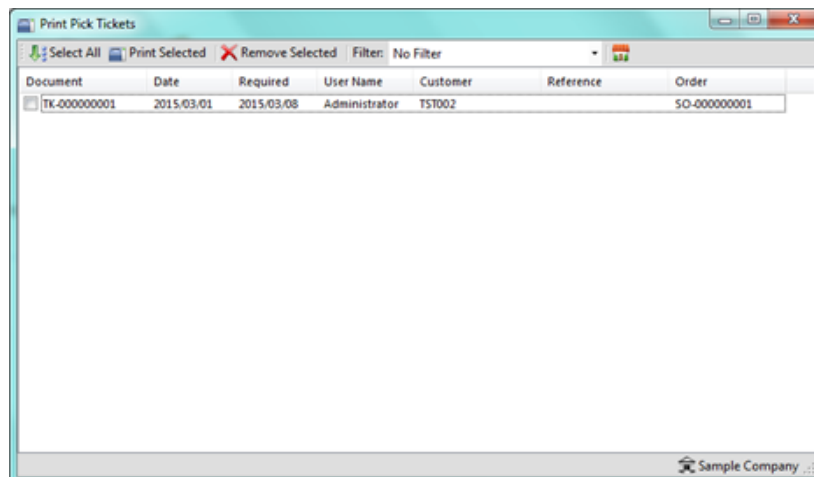
## Print Pick Tickets



Print Pick Tickets

Once you have issued pick tickets under the pick tickets icon, you can use the print pick tickets to actually print them and give them to your warehouse staff.

Press the print pick tickets icon and the following window appears:



Normally, your customer service staff will issue the pick tickets and the warehouse staff will print them. Having a separate place to print pick tickets allows your warehouse staff to monitor the queue for any new pick tickets to fulfil.

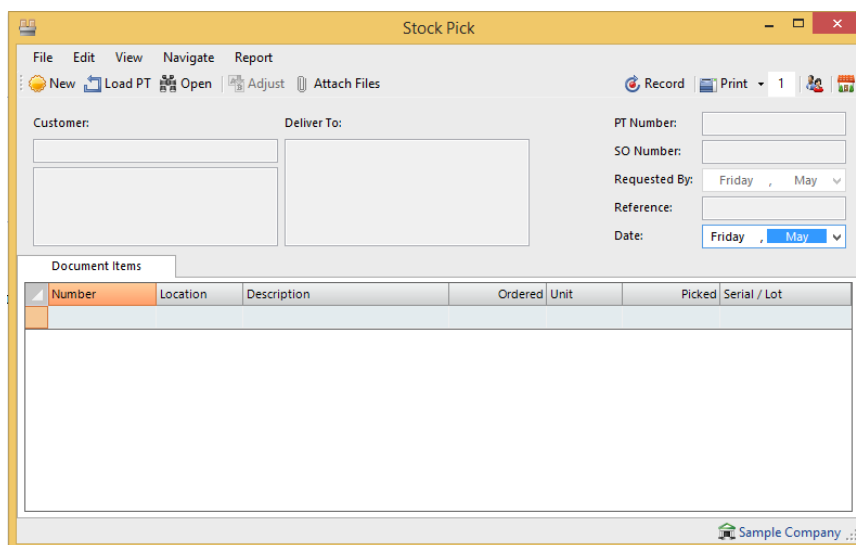
Select the pick tickets you would like to print and press the print selected button. When finished, press the remove selected to take them from the queue.

## Stock Pick



Once you have issued pick tickets and printed them, your staff will then attempt to pick the stock using the pick tickets. Once this process has been completed, you use the stock pick function to tell Palladium which items were picked and at what quantity.

Press the stock pick icon and the following window appears:



Number	Location	Description	Ordered	Unit	Picked	Serial / Lot
--------	----------	-------------	---------	------	--------	--------------

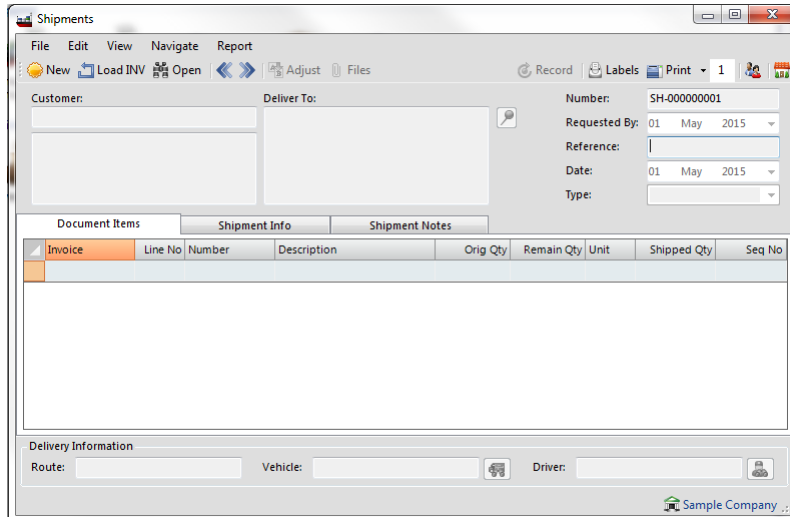
The first step is to load the pick ticket. Then proceed to enter the quantity picked under the "picked" column at the far right.

Any remaining items that were not picked, or not picked in full, will NOT remain on the picking ticket. You must go back and issue a new picking ticket for the sales order, and then print the picking ticket again (with only the backordered items) for backorder shipments. This basically starts the picking process over again by printing a new pick ticket with just the remaining items left on it.

## Shipments & Containers

The shipment and container modules allows you to specify what items have gone into which box (shipments) and which boxes have gone into which crates (containers). This allows you to print packing slips for each, with the original invoice numbers, values, weights, etc., on each document.

Multiple invoices can be shipped in the same shipment or container, but must be for the same customer. You access the shipments menu by clicking on the shipments icon in the warehouse module:

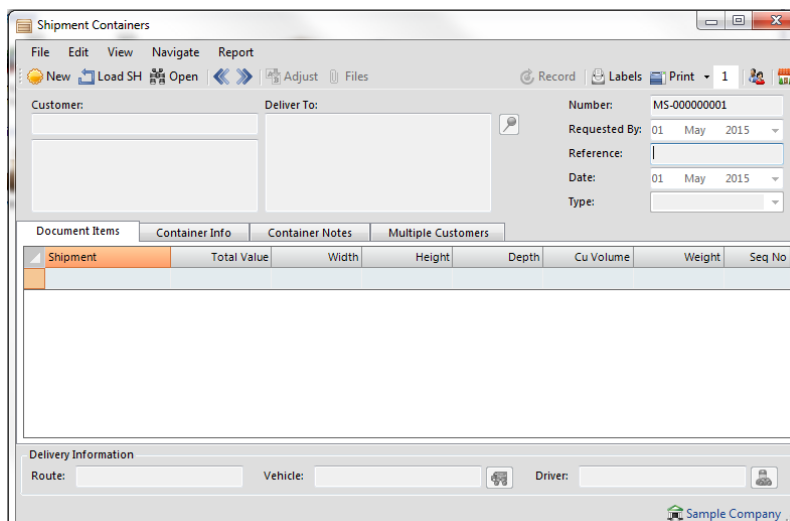


The first step is to load the invoice (this invoice should have been generated by the picking tickets as compared to the sales order, see using in AR for more information). You continue to load invoices until all of the items in the shipment have been loaded. Enter the quantity to ship at the end of each line. Note, you can load the same invoice more than once (on different shipments) to allow all the items to go into multiple shipments (boxes).

## Containers



The container function works exactly like shipments, with the exception is: you are loading shipments (done above) into containers versus invoices. You load each shipment into the container one by one, and Palladium will calculate the running weight, height, depth, and volume for the entire container (all shipments added together).



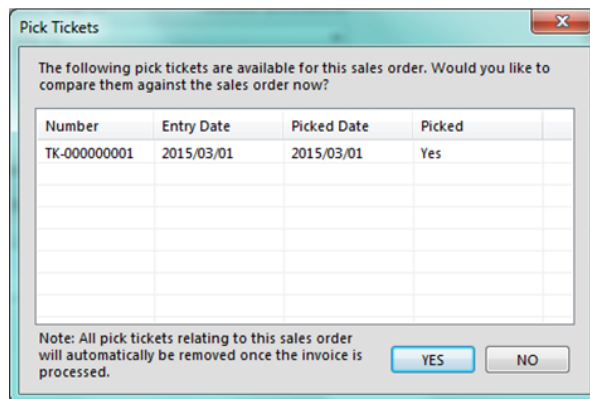
## Using Warehouse Data in Receivables

The warehouse module flows in the following order:

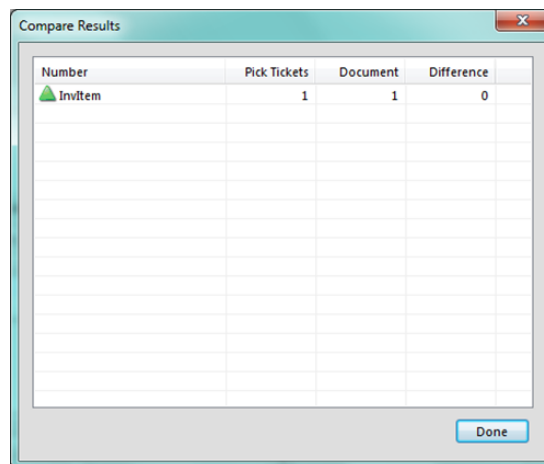
1. A sales order is generated.
2. A picking ticket is generated.
3. A picking ticket is printed.
4. The warehouse staff pick the order and record which items and quantities were picked.
5. A stock pick is entered based on the picking ticket.
6. An invoice is generated from the sales order, based on items and quantities that were reported on the stock pick.
7. A shipment is generated (optional)
8. A container is generated from shipments (optional)

## Converting Sales Orders with Pick Tickets Linked to Them

When you convert a sales order to an invoice, and that sales order has a picking ticket attached to it, you will see the following screen:



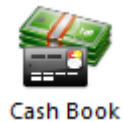
Click on the YES button to compare the customer's order (now showing on the invoice) to the actual items that were picked (picking ticket). The following window appears:



Here you can see the differences, and make the necessary corrections to the invoice before processing.

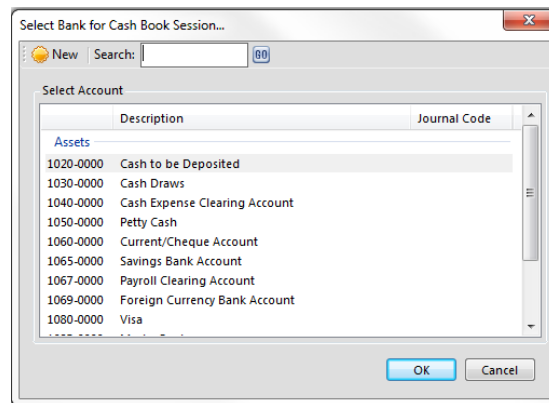
As with all Palladium transactions, any items left off the invoice will remain on the sales order. This sales order can then be used to generate new picking tickets (once the conversion process has taken place and the invoice generated from the first picking ticket).

## Cash Book

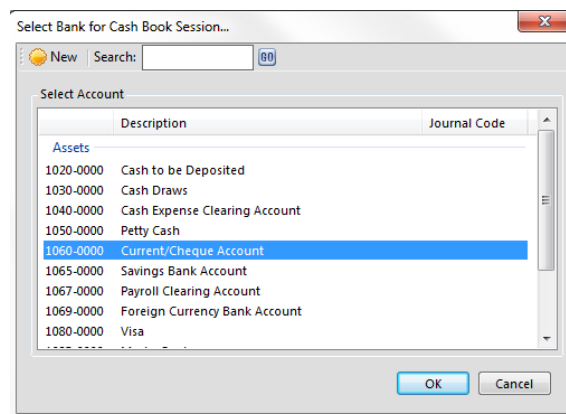


The cash book is used for companies that have multiple bank accounts. This allows (forces) users to select a bank account before processing can begin, and keeps the same bank account though the entire session. This prevents errors where the wrong bank account is used when processing multiple entries.

You access the cash book by clicking on the cash book icon in the home window. The following window will appear:



Select the bank account for this cash book session and press OK.



Date	Comment	Source	Journal	Deposits	Withdrawals	Balance
01/03/2015	Deposit	DP-000000002	34	0.00	70.00	37,195.02
01/03/2015	TST002 - ACME Novelty	Cash	35	0.00	386.46	36,808.56
01/03/2015	3009 - Cash Sales Account	IN-000000013	40	80,028.00	0.00	116,836.56
01/03/2015	Palladium	JE-000000009	41	8,000.00	0.00	124,836.56
01/03/2015	opopo	JE-000000010	42	0.00	7,980.00	116,856.56
01/03/2015	oolug	JE-000000011	43	0.00	600.00	116,256.56
01/03/2015	TST006 - Cavendish, Peter S.	RC-000000002	48	200.00	0.00	116,456.56
01/03/2015	TST006 - Cavendish, Peter S.	RC-000000003	49	0.00	100.00	116,356.56
01/03/2015	TST008 - DAB Collision Ltd	RC-000000004	51	200.00	0.00	116,556.56
01/03/2015	TST008 - DAB Collision Ltd	RC-000000005	52	0.00	100.00	116,456.56
01/03/2015	TST009 - Derby City Council	RC-000000006	54	200.00	0.00	116,656.56
01/03/2015	TST009 - Derby City Council	RC-000000007	55	0.00	100.00	116,556.56
01/03/2015	Bank Transfer	Bank Transfer	56	0.00	2,000.00	114,556.56
01/04/2015	TST001 - Ashburton Reinforcing	IN-000000019	57	0.00	1.02	114,555.54
01/04/2015	TST004 - Belvedere Nursing Ho	IN-000000020	58	0.00	3.15	114,552.39
01/04/2015	Correcting J57	IN-000000019	59	1.02	0.00	114,553.41
01/04/2015	TST001 - Ashburton Reinforcing	IN-000000019	60	0.00	1.02	114,552.39
01/05/2015	Bank Transfer	Bank Transfer	61	0.00	6,000.00	108,552.39
01/05/2015	Bank Transfer	Bank Transfer	62	0.00	6,000.00	102,552.39
01/05/2015	TST001 - Ashburton Reinforcing	RC-000000008	63	1,546.86	0.00	104,099.25

You then have access to all the normal cash book functions from inside the cash book window. All the functions (receipts, payments, etc.) will only allow the bank account you selected when you first entered the cash book.

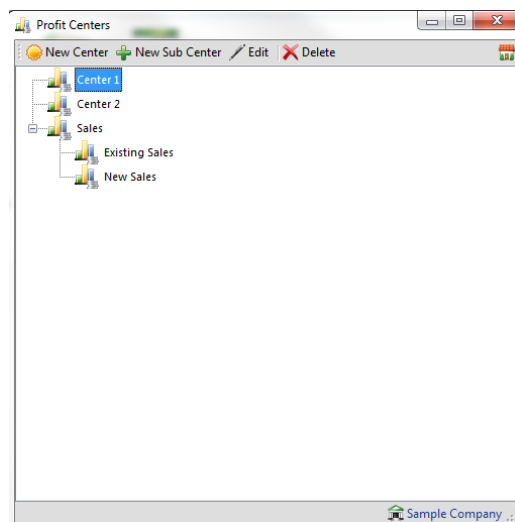
## Profit Centers (Projects / Job Costing)



Projects / Job Costing

In Palladium Accounting you can keep track of different cost centers by using the profit centers functions. As users enter transactions they allocate amounts to different centers and then you can report on these allocations later. You can generate income statements and allocation reports per center or for multiple centers at the same time.

You access the profit centers module by clicking on the profit centers icon on the General Ledger menu. The following window will appear:



In Palladium, the centers can be created up to 5 levels deep and all allocations roll up (not down) to any centers above them. If you allocate revenue to "Center 1d" as an example, this revenue will be reported in "Center 1" as well. If you don't require multi-level centers, you can create a new center for each entity and only have it one level deep.

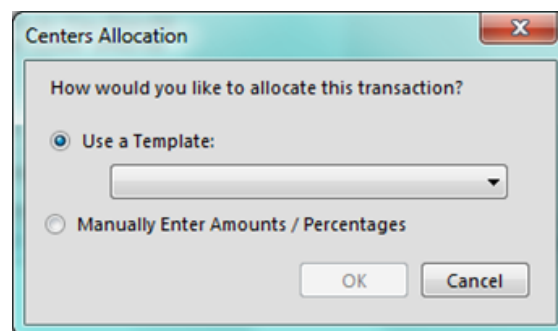
## Adding or Editing Centers

Click on new or edit as appropriate and the following window will appear:

Here you can see the location of the center (its parent center) and give the center a name. You can also budget this center as well for both revenue and expense. By using the budget function you will see the actual figures and the budgeted figures in the comparative income reports for this center.

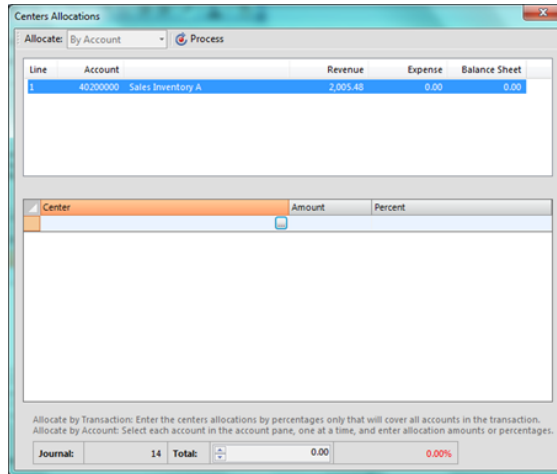
## Allocations

Users allocate transactions to centers by clicking on the centers button in any transaction window. You can also remind them to do allocations by setting this option under the company options window (please see company options for more information). Once the user presses the centers button (or automatically by option) the following window appears:



Here the user can choose an allocation template or do the allocation manually. For more information on templates, see that section that follows this one.

## Doing a Manual Allocation



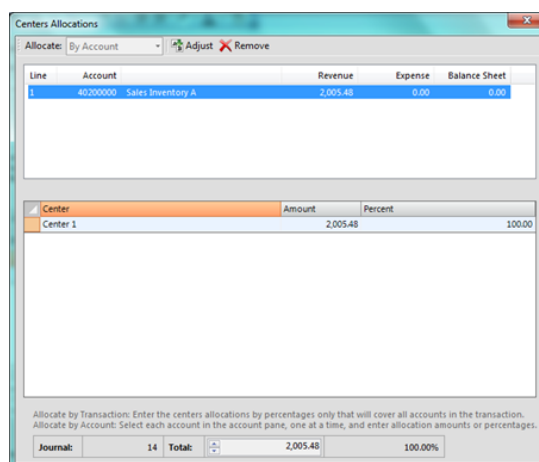
The manual allocation window allows the user to select if they want to allocate by account or transaction. If by transaction they only enter the split once under the center and amount / percent row. If by account, they must click each account separately and then allocate each account with a center and amount / percent. Note that multiple centers can be chosen for each account (by account) or for each transaction (by transaction). All allocations must add up to 100% for all accounts / or the transaction else a processing error will occur.

## Allocation by Template

If the user wishes to automatically allocate the transaction using a template, they just select the template name from the drop down list and press OK.

## Correcting or Removing an Allocation

If a correction is required to any allocation you can open the document in the transaction window and press the centers button. The current allocation method will be shown:



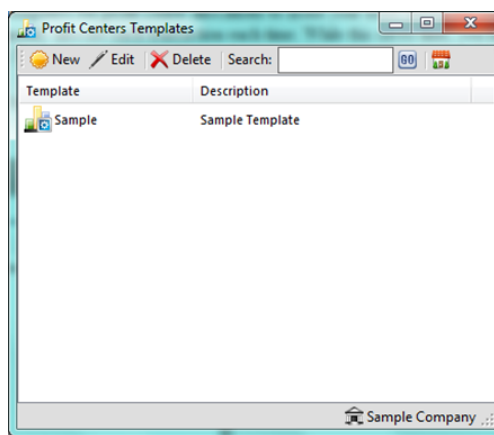


From this window you can adjust the allocation or remove it by pressing the corresponding button.

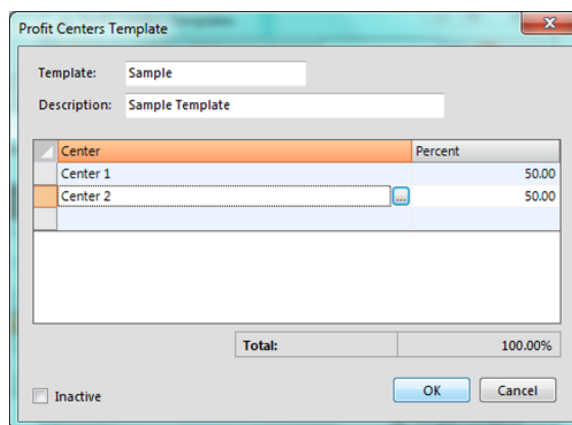
## Profit Centers Templates

In Palladium Accounting you can setup templates for profit center allocations to assist your users during the entry process. They can then select the template versus having the manually allocate each transaction each time. While this saves time, you may have instances where only a manual allocation will do. Profit Centers Templates are not mandatory, they just aid in entry and save entry time.

You access the profit centers templates by clicking on the profit centers templates icon in the home window. The following window will appear:



Here you press new or edit as appropriate and the following window appears:



Here you setup each center in the template and the predefined percentage for each. Any allocation performed using this template will automatically be split using the percentages listed here.

To add in entry, you can have only 1 center in the template and it's percentage as 100%. That way, users can easily select the center when they want to allocate the entire transaction to one center.