

How to Setup Cycle Counting



Introduction

What is Cycle Counting and how do I setup my inventory to do this?

Cycle Counting is an alternative method to doing an Annual Physical Count. Each day a portion of the inventory is counted and updated. This allows any errors to be found and corrected in a timely manner. Each inventory record is ranked as an A, B, or C item. The **A** items are counted four times per year. The **B** items are counted twice a year. The **C** items are counted once a year. The items can be ranked as A, B, or C by sales, gross profit, or the number of issues. **A** items are the top 20%, **B** items are the next 30% and **C** items are the last 50% of the items (this depends on the option selected for sales or gross profit).

These are the steps to setup Cycle Counting. **Note:** this is setup for each location.

Cycle Count Code

1 Main2 Price / Cost3 Purchase Information4 System Updated5 Miscellaneous

Location: 1Stock Number: 018-622062220 20' JORGENSEN BAND

G/L Control #INVENTORY

Safety Data Sheet☒ No☐ YesSafety data sheet not required

Freight Code☒ Reference Only☐ Add to Cost

Freight Cost.0000

Cycle Count CodeC - 1 cycle per yr

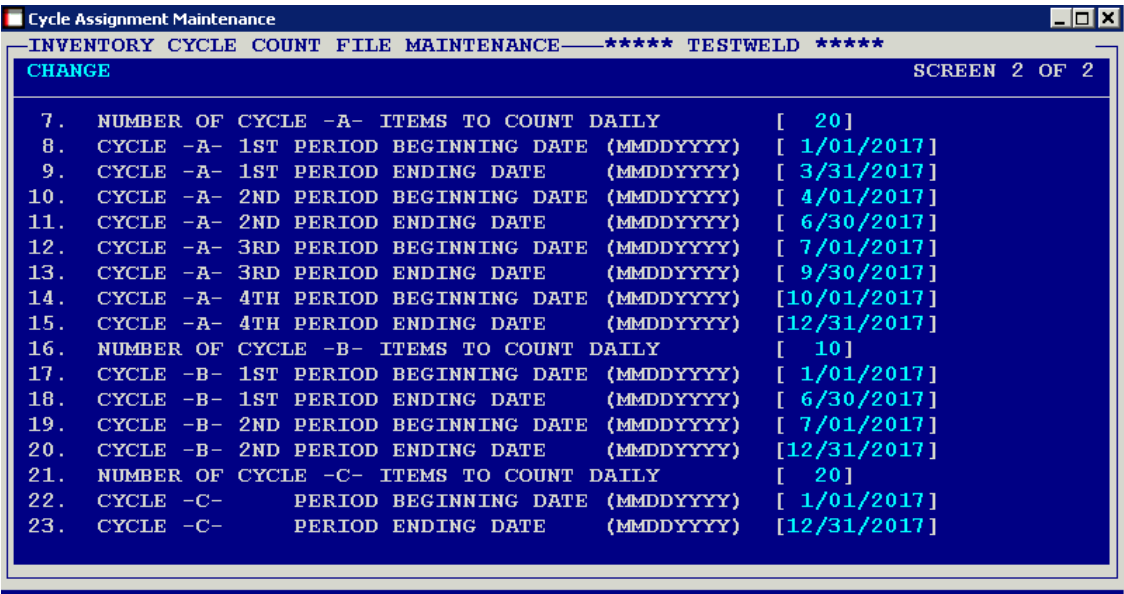
Hazmat Surcharge Code0*** Unknown ***

The cycle count programs are found on the **Inventory menu > Cycle Counting**

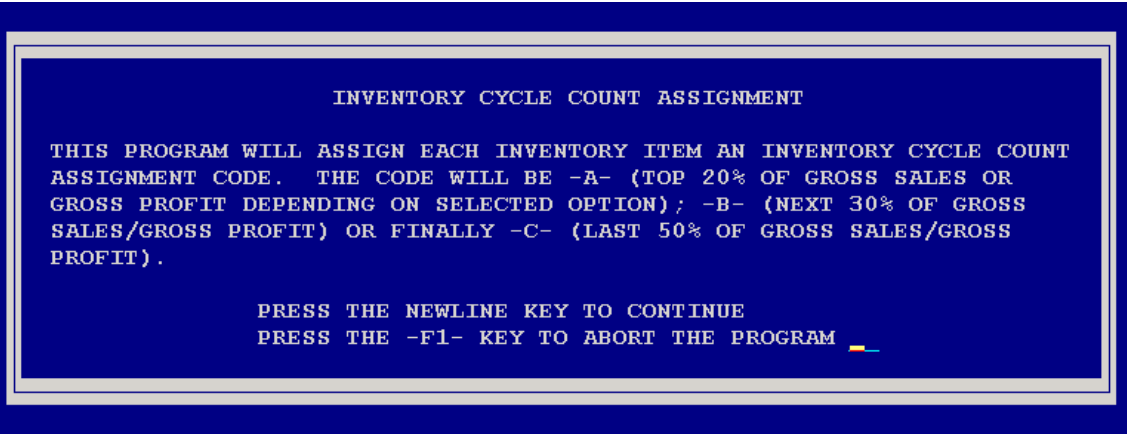


The first step in setting up the cycle count is to enter the dates that will be used for the cycle counting periods.

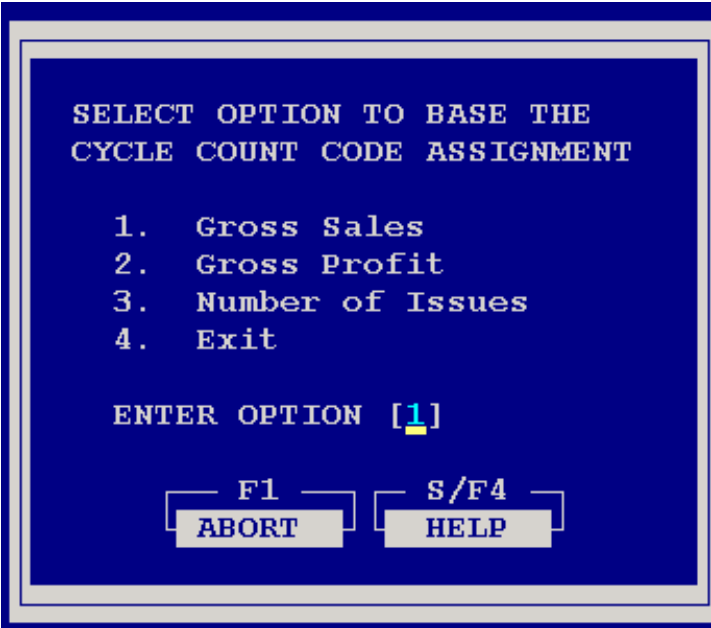
Note: Each year the dates will need to be changed to the current year.



The next step is to run the assignment program.



Then the operator will select the option to be used to rank the items.



When the program has finished running, it will display how many inventory items are ranked into each code.

Using these numbers the operator will determine how many A, B and C items will be counted each day.

A items will be divided by 60. (the average working days in a three month period)

B items will be divided by 120 (the average number of working days in a six month period)

C items will be divided by 240 (the average number of working days in one year)

In this example:

- $1,456/60 = 24$
- $2,183/120 = 18$
- $3,639/240 = 15$

NUMBER OF ITEMS ASSIGNED CYCLE COUNT CODES		
CODE -	A	1,456
CODE -	B	2,183
CODE -	C	3,639
TOTAL ITEMS		7,278
PLEASE RETAIN THESE TOTALS FOR FUTURE REFERENCES		
PRESS ANY KEY TO CONTINUE		

You can now go back into the **Cycle Count Maintenance** program and change the number of items to be counted for each code.

Note: if you have a large number of inventory items that are no longer used, then you would want to do some cleanup so that these items don't continue to show on your listings as items that need to be counted. You can check with your Support Representative about the best way to do this.

Also, items such as labor or repair can be coded in the Inventory Master file as non-stocked on the miscellaneous tab. This will stop them from printing on the listing as items to be counted.

***** TEST WELD *****					INVENTORY CYCLE COUNT LISTING		PAGE 2		
STOCK # ORDER					3/08/2017				
BIN #	L	STOCK #	DESCRIPTION	UNIT	CAT	CYCLE	COUNT 1	COUNT 2	INIT
1		066-13785	TC6S 6"X.025 KNOT WHEELS CTN		B				
1		066-13814	TS7 7" KNOT TYPE WIREWHE EA		B				
1		066-13874	.0118X8" KNOT TYPE WIREW EA		B				
1		069-27-663	WR REF 1/4-3/16 SQ 9/161 EA		A				
1		069-27-664	WR REF 3/8-5/16 X 1/4-3/ EA		A				
1		069-27-665	WR REF OFF 3/8-5/16 X 1/ EA		A				
1		069-64-623	TORQUE TESTER 1/4 IN DR5 EA		A				
1		069-64-633	TORQUE TESTER 3/8 IN DR2 EA		A				
1		069-64-637	TORQUE TESTER 3/8 IN DR1 EA		A				
1		069-64-647	TORQUE TESTER 1/2 IN DR2 EA		A				
1		069-64-657	TORQUE TESTER 3/4 IN DR6 EA		A				
1		069-64-830	TRQ MULT 750 FT/LB	EA	A				
1		069-67-785	PLR RIB LCK 20 W/GRIP	EA	A				
1		069-68-045	PLR RET RNG CM LK CONV . EA		A				
1		069-68-046	PLR RET RNG CM LK CONV . EA		A				
1		069-68-047	PLR RET RNG CM LK CONV . EA		A				
1		069-68-048	PLR RET RNG CM LK CONV . EA		A				

Each day the Cycle Count Listing is run, and will be used to count the items. This report can be run in inventory item, bin number, or vendor number order.

After the listing is completed, the Cycle Count File Maintenance is used to enter the counts.

CYCLE COUNT FILE MAINTENANCE			STOCK #	ORDER
1	1	005-4411238	2" FIXED EYE PULLEY/SGL	200.00
2	1	005-4411540	#173 1" SWIVEL EYE PULLE	23.00
3	1	005-4411840	3/4" #173 SWIVEL EYE PUL	2.00
4	1	005-4412740	1-1/4" SWIVEL EYE PULLEY	43.00
5	1	066-13682	6"DIA. KNOT WHEEL .0255/	88.00
6	1	066-13684	TS6 .016 KNOT WHEEL BRUS	1,002.00
7	1	066-13704	TC6 6"X.025 KNOT WHEEL B	28.00
8	1	066-13744	TS6S .0118/SS KNOT WHEEL	11.00
9	1	066-13754	TS6S .014/SS KNOT WHEELB	298.00
10	1	066-13764	TS6S .016"X1/2"X6" STAIN	888.00
11	1	066-13784	TC6S 6"X.025/SS KNOT WHE	7,777.00
12	1	066-13785	TC6S 6"X.025 KNOT WHEELB	3.00
13	1	066-13814	TS7 7" KNOT TYPE WIREWHE	3.00
14	1	066-13874	.0118X8" KNOT TYPE WIREW	3.00
15	1	069-27-663	WR REF 1/4-3/16 SQ 9/161	
16	1	069-27-664	WR REF 3/8-5/16 X 1/4-3/	

After the counts have been entered, they will need to be updated. This is on the **Inventory menu > Physical Count**.

Note: the comparison listing can be run to compare the on-hand amounts before and after.

The **Physical Count Update** will need to be run to update the inventory items. **Note:** the Inventory Master record and the Inventory Transaction History will be updated with a Physical Count adjustment.

Have questions? Feel free to [send us an email](#), we welcome the questions!

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