Inventory management documents (i.e. GRN, CN & ADJ).

The Goods Received Note (GRN), Credit Note (CN), and Stock Adjustment (ADJ) are all essential tools for inventory management. They each play a pivotal role in maintaining accurate stock quantities in the system. All three documents are designed to interact with the inventory and adjust quantities based on different scenarios. They provide a structured way to manage inventory, ensuring that stock levels are always up-to-date and accurate.

Within the scope of these documents, a storeroom is defined as a specific area where stock quantities are localized. Irrespective of the type of document being created, quantities are invariably adjusted in relation to a storeroom within the system. In the event that only one storeroom is defined within the system, this singular storeroom is automatically designated as the document storeroom within the document variables section. Consequently, the storeroom selector is disabled under such circumstances.

Goods Received Note (GRN)

The Goods Receive Note is used when new stock arrives. When a GRN is created, the quantities specified in the document are added to the existing quantities in the system. For example, if the current stock level is -10 and a GRN is created with a quantity of 8, the new stock level becomes -2. This is useful when receiving new shipments or restocking inventory.

Credit Note (CN)

A Credit Note, while similar to a GRN, goes a step further by generating journal ledger entries in addition to managing stock movements. The resultant journal ledger entries enable the production of a creditors age analysis report, which is instrumental in monitoring creditor aging and facilitates decision-making for payments.

Stock Adjustment (ADJ)

The Stock Adjustment document is used to correct or update stock levels based on physical stock counts. Instead of adding to the existing quantities like the GRN, the Stock Adjustment document replaces the existing quantities with its own figures. For instance, if the current stock level is -10 and a Stock Adjustment is made with a quantity of 8, the new stock level becomes 8. This is particularly useful for correcting stock levels or updating inventory records based on physical stock counts.

Each of these documents serves a unique purpose and understanding their differences is key to effective inventory management. They provide a comprehensive toolset for managing inventory, ensuring accuracy, and maintaining financial records.

Revision #3
Created 2024-05-20 23:22:36 UTC by Thokozani Msebele
Updated 2024-05-21 01:41:27 UTC by Thokozani Msebele