

Inventory Short Handling

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Purpose of this document

This document explains the inventory short & cut handling methods and processes in Ceres 4. Typically a short or a cut represents the difference in quantity between what an Agency Ordered and the food bank is able to physically fulfill.

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Purpose

The Inventory Short & Cut Handling functionality provides different methods that a food bank can select on a Location by Location basis on how to handle inventory shortages. Shortages for purpose of this functionality are defined as when the quantity shipped is less than the original order quantity on an Agency Order, Inventory Pick, or Warehouse Shipment. This allows for different processes based on how transactions are processed at different locations.

Further since most food banks do not allow for back orders of products in an inventory short situation, the Inventory Short Handling functionality also automatically clears the back order by updating and deleting the warehouse documents during posting.

An example of use of this capability would be:

1. An Agency Orders 10 cases of an Item
2. Available Quantity in Ceres is more than 10, but likely not much more.
3. The Order selector goes out to Pick the order and cannot find the 10 cases that were ordered.
 - a. If the selector can find some, but not all, that is called a Short
 - b. If the selector cannot find any of the Item, that is generally called a Cut
4. The difference between the quantity Ordered vs. the Quantity that can be found will flow to a designated Item Journal for the appropriate team to cycle count. While on the Journal, the cases won't be available for anyone else to order.

This functionality is especially important if you use Agency Express, and Agencies order near real time based on available quantity.

With the Object number below, the Inventory Short & Cut management described above is available to use in conjunction with Ship Option 1, 2 or 3 with Ceres 4. Each is described in more detail below.

Ceres Object release 4.01.20 is required for the functionality described in this document.

Inventory Short Handling Methods and Setup

1. The inventory short handling methods are defined on the Warehouse FastTab of each Location Card. The fields that support this functionality are Inv. Short Handling Method, Short/Cuts Template Name, and Short/Cuts Batch Name.

Warehouse

Require Receive:	<input type="checkbox"/>
Require Shipment:	<input type="checkbox"/>
Require Put-away:	<input checked="" type="checkbox"/>
Use Put-away Worksheet:	<input type="checkbox"/>
Require Pick:	<input checked="" type="checkbox"/>
Inv. Short Handling Method:	Clear to Item Journal
Bin Mandatory:	<input checked="" type="checkbox"/>
Directed Put-away and Pick:	<input type="checkbox"/>
Use ADCS:	<input type="checkbox"/>
Default Bin Selection:	Last-Used Bin
Outbound Whse. Handling Time:	
Inbound Whse. Handling Time:	
Base Calendar Code:	
Customized Calendar:	No
Use Cross-Docking:	<input type="checkbox"/>
Cross-Dock Due Date Calc.:	

Ceres	
Directed Picking Option:	Base
Abandoned Pick Handling Method:	
WAP Template:	KAN
Existing WAP Deletion Method:	Delete Existing WAP Lines
Palletized Items Only (WAP):	<input type="checkbox"/>
Create Pick by:	
Pick Creation Sort Order:	
Require Inv. Pick on Transfers:	<input checked="" type="checkbox"/>
Movement Xfer. Template Name:	TRANSFER
Movement Xfer. Batch Name:	KAN
ADCS Phys. Inv. Jml. Template:	PHYSICAL
ADCS Phys. Inv. Jml. Batch:	KAN
Shorts Cuts Template Name:	ITEM
Shorts Cuts Batch Name:	SHORTCUTS
Sug. Full Pallet from Put Away:	<input type="checkbox"/>
Drop Full Pallet to Pick:	<input type="checkbox"/>
Exclude from Voxware:	<input checked="" type="checkbox"/>

- In the Inv. Short Handling Method field, select how to handle inventory shorts when posting Agency Orders, pick documents, and shipment documents. This functionality also automatically clears any back orders (retained order demand) that were a result of the inventory shorts. The methods are:

None – When the quantity shipped is less (short) than the original order quantity, no updates are made to the order quantity during posting. This method applies to the to the Agency Order with Shipping Option 1, the Agency Order and/or Inventory Pick with Shipping Option 2, and to the Agency Order and Warehouse Shipment with Shipping Option 3. No backorder is created, since the documents will still be there with a pending Qty to Ship that will need to be cleared manually for some Ship Options. Once the Qty to Ship is deleted, then available inventory will increase for the item for the shorted amount.

Clear the Avail. Inventory - When the quantity shipped is less (short) than the original order quantity, the order quantity is set to the quantity handled/shipping during posting to reflect what was actually shipped. This method applies to the Agency Order with Shipping Option 1, to the Agency Order and/or Inventory Pick with Ship Option 2, and to the Agency Order and Warehouse Shipment with Shipping Option 3. In this instance, the fact the Order was shorted is not tracked. The inventory that was shorted will flow back to Available Quantity for the Item.

Clear to Item Journal – This option means you are actually using Inventory Shorts as described above. When the quantity shipped is less (short) than the original order quantity, the order quantity is set to the quantity handled/shipped during posting to reflect what was actually shipped. Plus a negative adjustment is automatically created in the Item Journal Shorts Cuts Batch for the short amount. Since the negative adjustments are not posted automatically, the entries will need to reviewed and posted manually in coordination with a cycle count. This method applies to the Agency Order with Shipping Option 1, to the Agency Order and Inventory Pick with Shipping Option 2, and to the Agency Order and/or Warehouse Shipment with Shipping Option 3.

- In the Short Cuts Template Name field, indicate the Item Journal Template that will utilized for inventory shorts/cuts. A Template must be setup when Clear to Item Journal is selected as the Inv. Short Handling method.

- In the Short Cuts Batch Name field, indicate the Inventory Journal Batch that will be utilized for inventory shorts/cuts. A Batch must be setup when Clear to Item Journal is selected as the Inv. Short Handling method. Generally food banks set up a new Batch for the recommended count to populate to, so that its purpose is clear.

Handling of Inventory Shorts

How the inventory shorts are handled and when the quantities are updated are based on the Inv. Short Handling Method and the Shipping Option. In the examples below, each Ceres Ship Option is described with each Inventory Short Set up choice. Make sure to reference the combination you selected above and the Ship Option you use for the matching Location. If you need help determining your current Ship Option, please contact your Ceres Support Provider.

Shipping Option 1- Agency Order Only

Shipping Option 1 allows for direct posting from the Agency Order without the need to create any warehouse documents. Thus any updates to the original quantity are handled on the Agency Order based on the Inv. Short Handling Method.

- Inv. Short Handling Method of None** – If the quantity shipped is less than the original order quantity, the Quantity on the Agency Order is not updated during posting to reflect what was actually shipped. This results in a remaining Qty to Ship that will need to be cleared manually. Once the Qty to Ship is deleted, then available inventory will increase for the item for the shorted amount.

Released Agency Order – 3 cases were ordered of which 2 were shipped

[AO-00774 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBOS	Test Clear Back Order Shop Loca...	76	3	2		SO1

Shipped Agency Order – Remaining quantity to ship of 1 which will need to be handled manually

[AO-00774 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBOS	Test Clear Back Order Shop Loca...	76	3	1	2	SO1

- Inv. Short Handling Method of Clear the Avail Inventory** – If the quantity shipped is less than

the order quantity, the Quantity on the Agency Order is set to the Quantity Shipped during posting to reflect what was actually shipped. Posting also clears the remaining Qty. to Ship so a back order is not created.

Released Agency Order – 3 ordered of which 2 were shipped.

[AO-00775 · Synergy Services-](#)

General							
Lines							
Line	Functions	Order	Find	Filter	Clear Filter		
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBOS	Test Clear Back Order Shop Loca...	73	3	2		SO1

Shipped Agency Order - Quantity on the Agency Order set to 2 to reflect what was actually shipped

[AO-00775 · Synergy Services-](#)

General							
Lines							
Line	Functions	Order	Find	Filter	Clear Filter		
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBOS	Test Clear Back Order Shop Loca...	73	2		2	SO1

3. **Inv. Short Handling Method of Clear to Item Journal** - If the quantity shipped is less than the original order quantity, the Quantity on the Agency Order is set Quantity Shipped during posting to reflect what was actually shipped, and a negative adjustment is created for the quantity that was shorted. Posting also clears the remaining Qty to Ship so a back order is not created. The negative adjustment created in the Shorts & Cuts Item Journal Batch is not posted automatically and will need to be addressed manually. Typically this is done in coordination with a daily cycle count of this Item, since it is at risk of being off.

Released Agency Order – 3 ordered of which 2 were shipped

[AO-00783 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO	Test Clear Back Order Item Pick R...	232	4	4		KAN

Shipped Agency Order - Quantity on the Agency Order set to 2 to reflect that quantity that was actually shipped

[AO-00775 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBOS	Test Clear Back Order Shop Loca...	73	2		2	SO1

Below is an example of the Item Journal with the proposed adjustments to be validated before the next days order fulfillment. If the negative adjustment is valid, the journal line should be posted. If it is incorrect and the item/ quantity is found, simply deleted the line.

Item Journal – Negative Adjustment created for quantity that was not shipped (shorted).

Edit - Item Journal - SHORTCUTS · Short/Cuts Journal								
HOME			ACTIONS			NAVIGATE		
Delete			Post			Post and Print		
Explosion BOM			Get Standard Journals...			Refresh		
Dimensions			Process			Page		
Batch Name: SHORTCUTS								
Line No.	Posting Date	Entry Type	Document No.	Item No.	Description	Location Code	Qu...	Unit of Measure Code
50000	1/24/2016	Negative Adjmt.	IGJ-00298	TEST-CBOS	Test Clear Back Order Shop Loca...	SO1	1	CASE

Shipping Option 2- Inventory Pick

Shipping Option 2 allows for the creation of at least one warehouse pick guide document for each outbound Agency Order. Thus any updates to the original order are handled on the Inventory Pick and then the Agency Order based on the Inv. Short Handling Method chosen for the Location.

1. **Inv. Short Handling Method of None** – If the quantity shipped is less than the original order quantity, the Quantity on the Inventory Pick is not updated during posting to reflect what was

actually shipped. This results in a remaining Qty to Handle/Ship that will need to be handled manually. Once the Qty to Ship is deleted, then available inventory will increase for the item for the shorted amount.

Released Agency Order – 4 cases ordered

[AO-00783 · Synergy Services-](#)

General								
Lines								
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO	Test Clear Back Order Item Pick R...	232	4	4		KAN	

Inventory Pick – 3 shipped leaving a remaining quantity to handle of 1 that will need to be addressed manually.

[Invt. Pick · PCK-01425](#)

General									
Lines									
Line No.	Source No.	Action Type	Item No.	Description	Pack Size	Quantity	Qty. to Handle	Qty. Handled	
10000	AO-00783	Take	TEST-CBO	Test Clear Back Order Item Pick ...	12 / 8 oz	4	1	3	

Shipped Agency Order – 3 shipped leaving a remaining quantity to ship of 1 that will need to be handled manually

[AO-00783 · Synergy Services-](#)

General								
Lines								
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO	Test Clear Back Order Item Pick R...	232	4	1	3	KAN	

2. **Inv. Short Handling Method of *Clear the Avail Inventory*** – If the quantity shipped is less than the original order quantity, the Quantity on the Inventory Pick and the Agency Order are set to the Qty to Handle during posting to reflect what was actually shipped. Posting also clears the Qty to Handle/Ship so a back order is not created. The available Inventory for the shorted Item is increased by the shorted amount.

Released Agency Order – 4 cases ordered

[AO-00777 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO	Test Clear Back Order Item Pick ...	246	4	4		KAN

Inventory Pick – 3 cases shipped

[Invt. Pick · PCK-01424](#)

General									
Lines									
Line No.	Source No.	Action Type	Item No.	Description	Pack Size	Quantity	Qty. to Handle	Qty. Handled	
10000	AO-00782	Take	TEST-CBO	Test Clear Back Order Item Pick ...	12 / 8 oz	4	3	0	

Posted Inventory Pick – Quantity reset to 3 to reflect what was actually shipped

[PCK+-00321](#)

General							
Lines							
Item No.	Description	Quantity	Unit of Measure Code	Pallet No.	Lot No.	Bin Code	Due Date
TEST-CBO	Test Clear Back Order Item Pick Req	3	CASE	1305-01646	LOT-03683	01-100-A	1/24/2016

Agency Order – Quantity reset to 3 to reflect what was actually shipped

[AO-00777 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO	Test Clear Back Order Item Pick R...	246	3		3	KAN

3. **Inv. Short Handling Method of Clear to Item Journal** - If the quantity shipped is less than the original order quantity, the Quantity on the Inventory Pick and the Agency Order are set to the Qty to Handle during posting to reflect what was actually shipped, and a negative adjustment is automatically created for the quantity that was shorted. Posting also clears the remaining Qty to Handle/Ship so a back order is not created. The negative adjustment is not posted automatically and will need to be addressed manually. Typically this is done in conjunction with a cycle count of the impacted Item. In the below example, 4 cases were ordered of which 3 were shipped.

Released Agency Order – 4 cases ordered

[AO-00777 · Synergy Services-](#)

General								
Lines								
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO	Test Clear Back Order Item Pick ...	246	4	4		KAN	

Inventory Pick – 3 case shipped

[Inv. Pick · PCK-01424](#)

General									
Lines									
Line No.	Source No.	Action Type	Item No.	Description	Pack Size	Quantity	Qty. to Handle	Qty. Handled	
10000	AO-00782	Take	TEST-CBO	Test Clear Back Order Item Pick ...	12 / 8 oz	4	3	0	

Posted Inventory Pick – Quantity reset to 3 to reflect what was actually shipped

[PCK+-00321](#)

General								
Lines								
Item No.	Description	Quantity	Unit of Measure Code	Pallet No.	Lot No.	Bin Code	Due Date	
TEST-CBO	Test Clear Back Order Item Pick Req	3	CASE	1305-01646	LOT-03683	01-100-A	1/24/2016	

Shipped Agency Order – Quantity reset to 3 to reflect what was actually shipped

AO-00777 · Synergy Services-

General								
Lines								
Line	Functions	Order	Find	Filter	Clear Filter			
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO	Test Clear Back Order Item Pick R...	246	3		3	KAN	

Below is an example of the Item Journal with the proposed adjustments to be validated before the next days order fulfillment. If the negative adjustment is valid, the journal line should be posted. If it is incorrect and the item/ quantity is found, simply deleted the line.

Item Journal – Negative Adjustment created for quantity that was not shipped (shorted).

Edit - Item Journal - SHORTCUTS · Short/Cuts Journal									
HOME		ACTIONS			NAVIGATE				
Manage			Process			Page			
Batch Name: SHORTCUTS									
Line No.	Posting Date	Entry Type	Document No.	Item No.	Description	Location Code	Qu...	Unit of Measure Code	
10000	1/24/2016	Negative Adjmt.	IGJ-00298	TEST-CBO	Test Clear Back Order Item Pick ...	KAN	1	CASE	

Shipping Option 3- Warehouse Shipment

Shipping Option 3 allows for the creation of a single warehouse shipment for multiple Agency Orders. Warehouse shipment facilitates a single step posting for the shipment and does not provide for staging. Thus any updates to the original order are handled on the Warehouse Shipment and Agency Order based on the Inv. Short Handling Method for any Location set up in this manner.

1. **Inv. Short Handling Method of None** – If the quantity shipped is less than the original order quantity, the Quantity on the Warehouse Shipment is not updated during posting to reflect what was actually shipped. This results in a remaining Qty to Hand to Ship that will need to be handled manually. Once the Qty to Ship is deleted, then available inventory will increase for the item for the shorted amount. In the below examples 5 cases were ordered of which 4 were shipped.

Released Agency Order – 5 ordered

[AO-00780 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO3	Test Item for Shipping Option 3	729	5			HOU

Posted Shipment – 4 cases shipped leaving a remaining quantity to ship of 1 that will need to be addressed manually

[WSHIP-00067](#)

General							
Lines							
Source Document	Source No.	Item No.	Description	Quantity	Qty. to Ship	Qty. Shipped	Qty. Outstanding
Agency Order	AO-00780	TEST-CBO3	Test Item for Shipping Option 3	5	1	4	1

Shipped Agency Order – 4 cases shipped leaving a remaining quantity of 1 that will need to be addressed manually

[AO-00780 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO3	Test Item for Shipping Option 3	729	5		4	HOU

- Inv. Short Handling Method of Clear the Avail Inventory** – If the quantity shipped is less than the original order quantity, the Quantity on the Warehouse Shipment and the Agency Order are set to the Quantity Shipped during posting to reflect what was actually shipped. Posting also clears the Qty to Ship so a back order is not created. The available quantity will go up by the shorted amount. In the below example 5 cases were ordered of which 4 were shipped.

Released Agency Order – 6 ordered

[AO-00781 · Synergy Services-](#)

General							
Lines							
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code
Item	TEST-CBO3	Test Item for Shipping Option 3	724	6			HOU

Warehouse Shipment – 5 shipped

[WSHIP-00068](#)

General							
Lines							
Line	Find	Filter	Clear Filter				
Source Document	Source No.	Item No.	Description	Quantity	Qty. to Ship	Qty. Shipped	Qty. Outstanding
Agency Order	AO-00781	TEST-CBO3	Test Item for Shipping Option 3	6	5	0	6

Posted Warehouse Shipment – Quantity reset to 5 to reflect what was actually shipped

[WPSHIP-00027](#)

General						
Lines						
Line	Find	Filter	Clear Filter			
Item No.	Description	Quantity	Unit of Measure Code	Pallet No.	Lot No.	
TEST-CBO3	Test Item for Shipping Option 3	5	CASE	1305-01682	LOT-03689	

Shipped Agency Order – Quantity reset to 5 to reflect what was actually shipped

[AO-00781 · Synergy Services-](#)

General								
Lines								
Line	Functions	Order	Find	Filter	Clear Filter			
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO3	Test Item for Shipping Option 3	724	5			5 HOU	

3. **Inv. Short Handling Method of Clear to Item Journal** - If the quantity shipped is less than the original order quantity, the Quantity on the Warehouse Shipment and the Agency Order are set to the Qty to Ship during posting to reflect what was actually shipped, and a negative adjustment is automatically created for the quantity that was shorted. Posting also clears the remaining Qty to Ship so a back order is not created. The negative adjustment is not posted automatically and will need to be addressed manually. Typically this happens in conjunction with a daily cycle count for the impacted Item. In the below example 5 cases were ordered of which 4 were shipped.

Released Agency Order – 6 ordered

[AO-00781 · Synergy Services-](#)

General								
Lines								
Line Functions Order Find Filter Clear Filter								
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO3	Test Item for Shipping Option 3	724	6			HOU	

Warehouse Shipment – 5 shipped

[WSHIP-00068](#)

General							
Lines							
Line Find Filter Clear Filter							
Source Document	Source No.	Item No.	Description	Quantity	Qty. to Ship	Qty. Shipped	Qty. Outstanding
Agency Order	AO-00781	TEST-CBO3	Test Item for Shipping Option 3	6	5	0	6

Posted Warehouse Shipment – Quantity reset to 5 to reflect what was actually shipped

[WPSHIP-00027](#)

General						
Lines						
Line Find Filter Clear Filter						
Item No.	Description	Quantity	Unit of Measure Code	Pallet No.	Lot No.	
TEST-CBO3	Test Item for Shipping Option 3	5	CASE	1305-01682	LOT-03689	

Shipped Agency Order – Quantity reset to 5 to reflect what was actually shipped

[AO-00781 · Synergy Services-](#)








General								
Lines								
Line Functions Order Find Filter Clear Filter								
Type	No.	Description	Available Quantity	Quantity	Qty. to Ship	Quantity Shipped	Location Code	
Item	TEST-CBO3	Test Item for Shipping Option 3	724	5		5	HOU	

Below is an example of the Item Journal with the proposed adjustments to be validated before the next days order fulfillment. If the negative adjustment is valid, the journal line should be posted. If it is incorrect and the item/ quantity is found, simply deleted the line.

Item Journal – Negative Adjustment created for quantity that was not shipped (shorted).

Edit - Item Journal - SHORTCUTS - Short/Cuts Journal

HOME ACTIONS NAVIGATE

 Delete
  Post
  Post and Print
  Explode BOM
  Get Standard Journals...
  Refresh
  Find

Manage Process Page

Batch Name: SHORTCUTS

Line No.	Posting Date	Entry Type	Document No.	Item No.	Description	Location Code	Quantity	Unit of Measure Code
20000	1/24/2016	Negative Adjmt.	IGJ-00298	TEST-CBO3	Test Item for Shipping Option 3	HOU	1	CASE

Related Topics:

1. Location Overview
2. Agency Order Overview
3. Agency Orders with Grants
4. Agency Express Managing Web Orders
5. Cancelling and Archiving Agency Orders
6. Item Journals