



Cycle Counting Process

QUICK REFERENCE GUIDE INV-44

INV

Purpose

The purpose of this Quick Reference Guide (QRG) is to provide step-by-step guidance on how to Manage ABC Class, Define Cycle Counts, Enter Count Results, and Approve Count in the North Carolina Financial System (NCFS).

This QRG is to be used in conjunction with Web-Based Trainings (WBT) **INV103-Warehouse Staff** and **INV110-Warehouse Approver** and Instructor Led Trainings (ILT) **INV105-Inventory Management** and **INV101-Inventory Agency Manager** as well as **INV-03, INV-15, INV-20, and INV-28** found here: <https://www.osc.nc.gov/training/ncfs-help-documents>.

Introduction and Overview

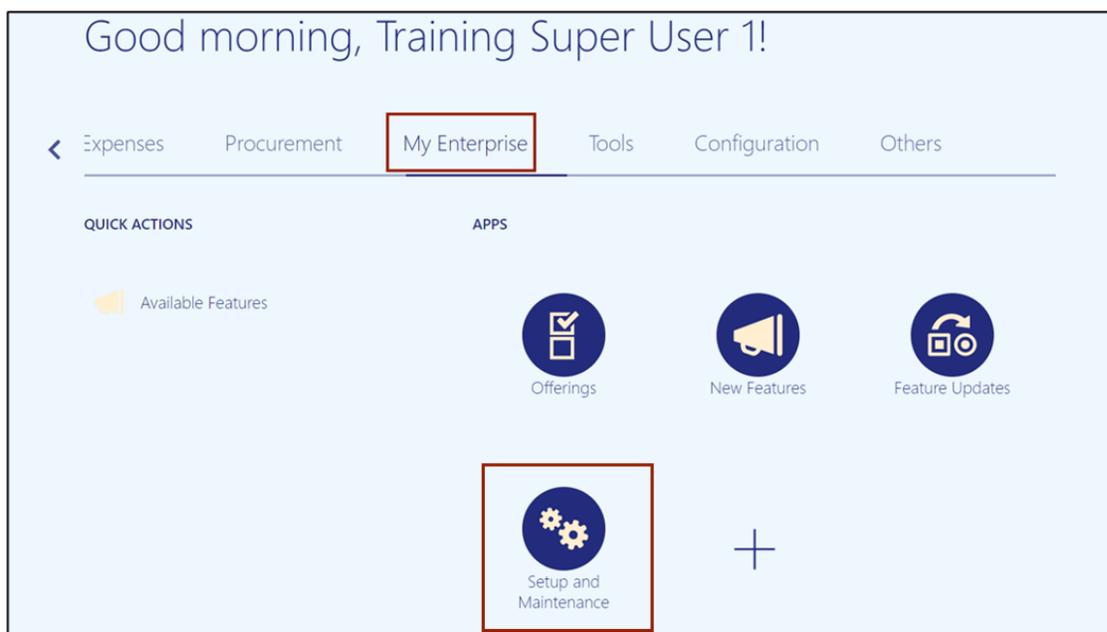
This QRG covers the cycle counting process for inventory agencies using NCFS. The cycle counting process is used to assess stock levels within an inventory organization and correct any discrepancies.

Manage ABC Classes, Assignment Groups & Classification Sets

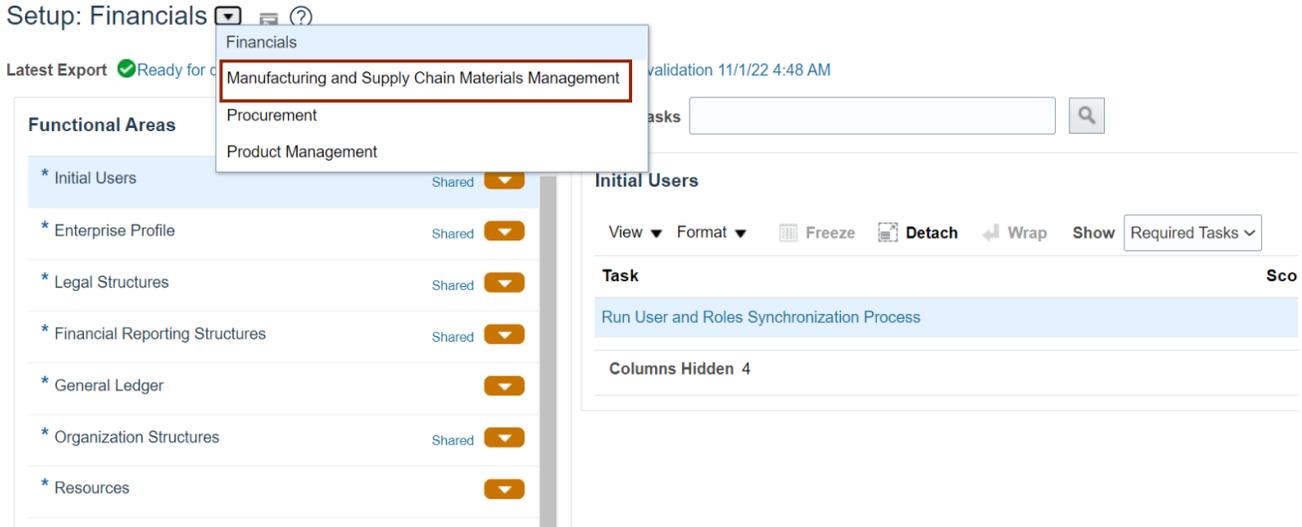
Note: This portion of the cycle counting process is managed by the Inventory Agency Manager security role user with associated course **INV101 – Inventory Agency Manager**.

To manage ABC classes, assignment groups & classification sets in NCFS, please follow the steps below:

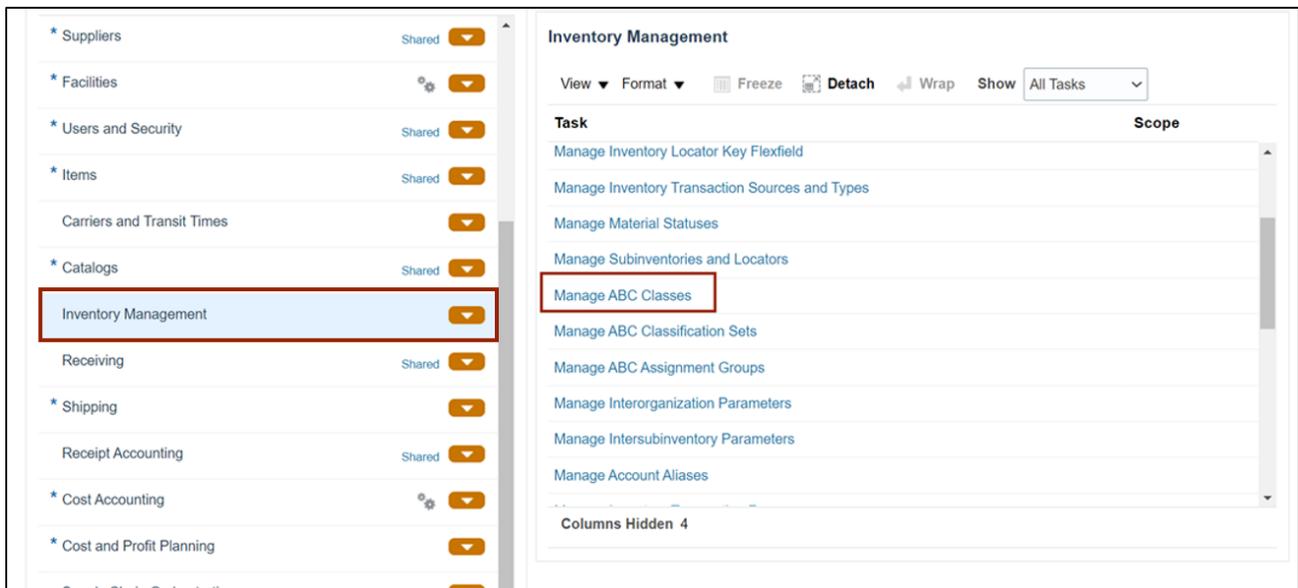
1. Log in to the NCFS portal with your credentials to access the system.
2. On the **Home** page, under the **My Enterprise** tab, click the **Setup and Maintenance** app.



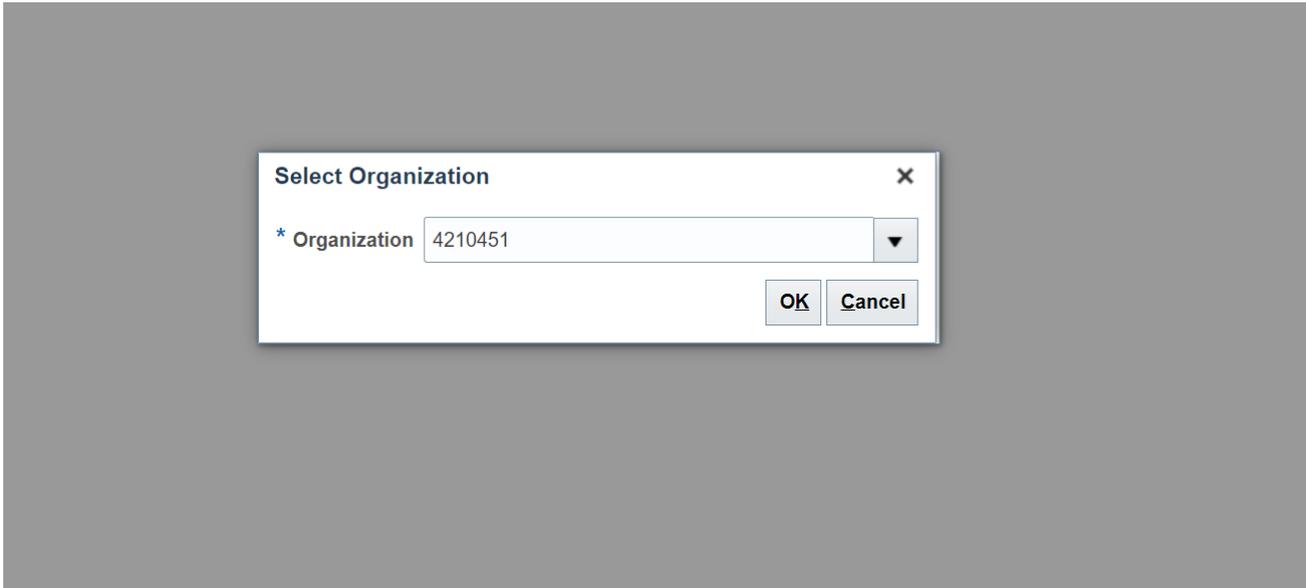
3. Select the **Manufacturing and Supply Chain Materials Management** option from the *Setup: Financials* drop-down choice list.



4. In the *Inventory Management* section, click the **Manage ABC Classes** link.



5. Select the **Organization**. In this example, we chose **4210451**.



6. On the **Manage ABC Classes** page, click the **Add [+]** Icon and enter the **ABC Class** and **Description**. Click the **Save and Close** button.

Manage ABC Classes ? Inventory Organization 4210451 [Change Organization](#) [Save](#) [Save and Close](#) [Cancel](#)

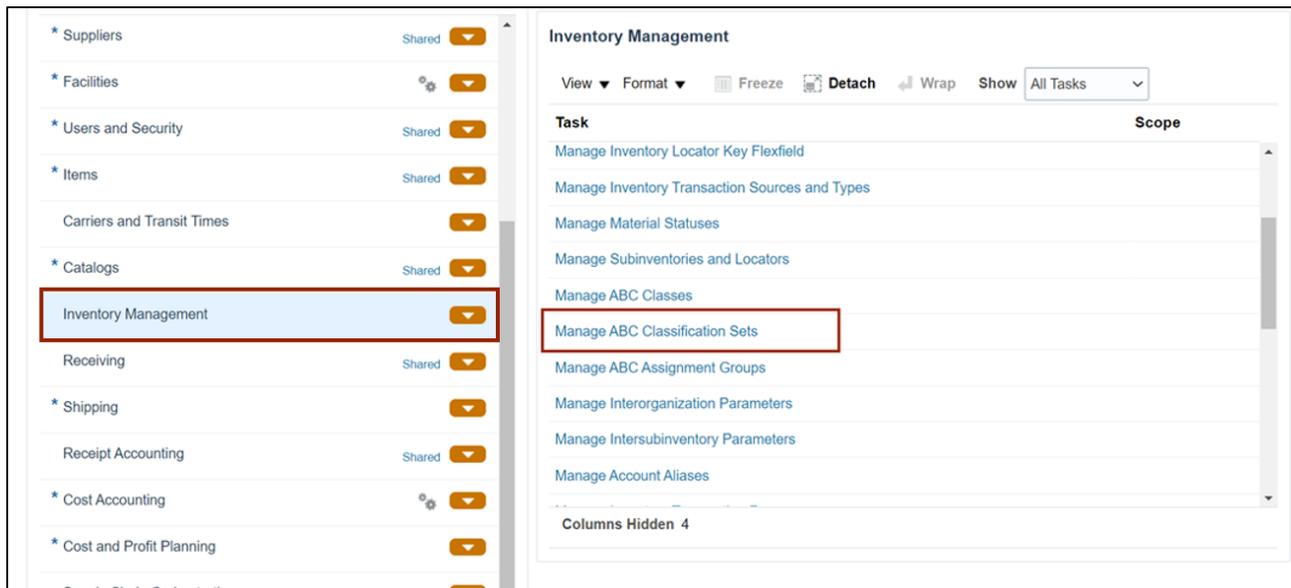
► Search

Search Results

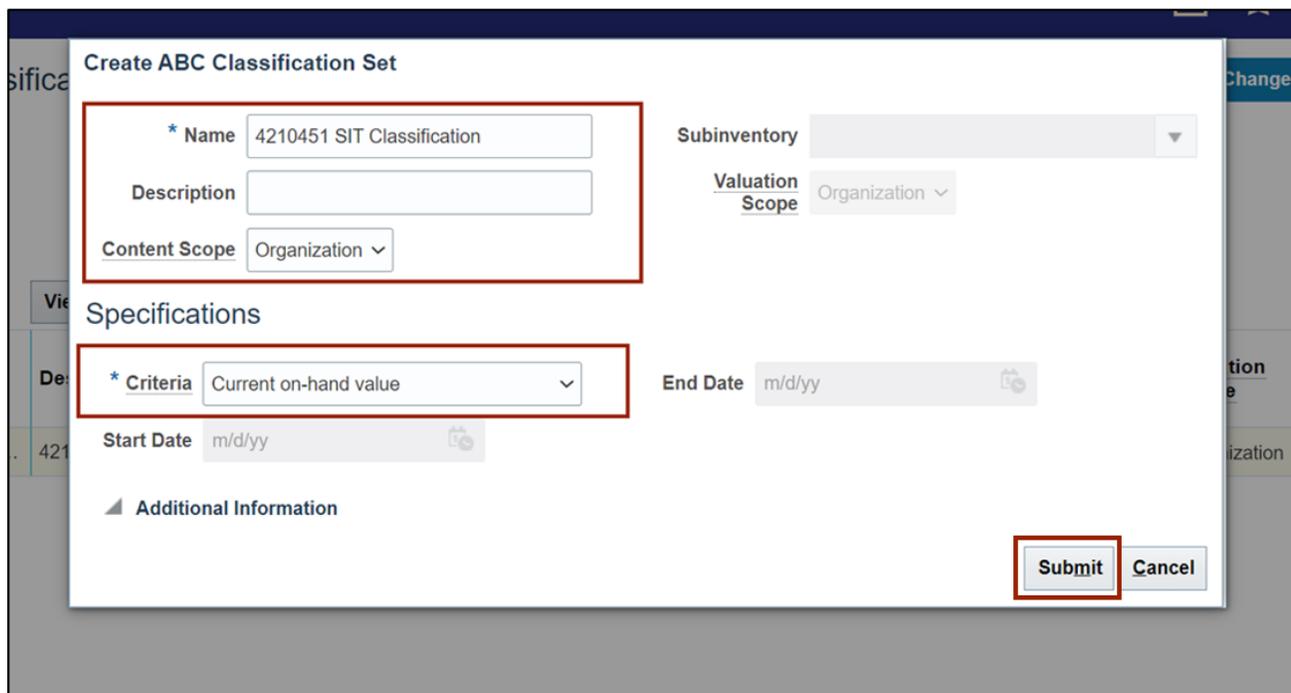
Actions ▼ View ▼ [+](#) ✕

* ABC Class	Description	* Start Date	End Date
<input type="text" value="Class A"/>	<input type="text" value="Most Important Items"/>	5/15/23	<input type="text" value="m/d/yy"/>
Class B	Medium Important Items	5/15/23	
Class C	Less Important Items	5/15/23	
A Class	High Value Items	12/19/22	
B Class	Medium Value Items	12/19/22	
C Class	Low Value Items	12/19/22	

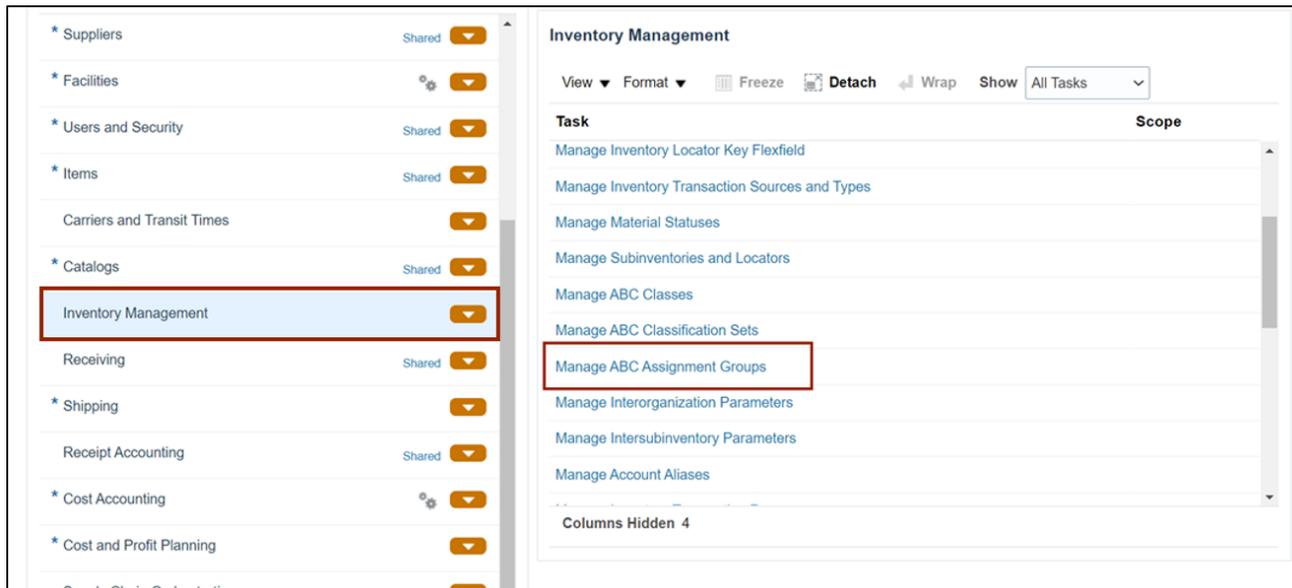
7. In the **Inventory Management** section, click **Manage ABC Classification Sets**.



8. Enter the information in **Create ABC Classification Set** section and the **Criteria** field. Click the **Submit** button. This redirects you to the **Set-up and Maintenance** page.



9. In the *Inventory Management* section, click the **Manage ABC Assignment Groups**.



10. Enter the **Assignment Group Name** and **ABC Classification Set**.

Create ABC Assignment Group Save Save and Close Cancel

Associate ABC classes with an ABC classification set. Prioritize items for individual tasks, such as planning or cycle counting, by associating them to specific ABC classes.

ABC Assignment Group

* Assignment Group Name

ABC Classification Set

Subinventory

Valuation Scope Organization

Additional Information

ABC Classes

Actions View + X

* Sequence	* Name	Description



11. In the **ABC Classes** section, click the **Add [+]** icon. Enter the required details and click the **Save and Close** button.

Create ABC Assignment Group ? Save Save and Close Cancel

Associate ABC classes with an ABC classification set. Prioritize items for individual tasks, such as planning or cycle counting, by associating them to specific ABC classes.

ABC Assignment Group

* Assignment Group Name

ABC Classification Set

Subinventory

Valuation Scope Organization

Additional Information

ABC Classes

Actions View + x

* Sequence	* Name	Description
<input type="text" value="30"/>	<input type="text" value="C Class"/>	Low Value Items
20	B Class	Medium Value Items
10	A Class	High Value Items

12. In the **Inventory Management** section, click the **Manage ABC Assignment Groups** link.

Suppliers Shared

Facilities

Users and Security Shared

Items Shared

Carriers and Transit Times

Catalogs Shared

Inventory Management

Receiving Shared

Shipping

Receipt Accounting Shared

Cost Accounting

Cost and Profit Planning

Inventory Management

View Format Freeze Detach Wrap Show All Tasks

Task Scope

- Manage Inventory Locator Key Flexfield
- Manage Inventory Transaction Sources and Types
- Manage Material Statuses
- Manage Subinventories and Locators
- Manage ABC Classes
- Manage ABC Classification Sets
- Manage ABC Assignment Groups**
- Manage Interorganization Parameters
- Manage Intersubinventory Parameters
- Manage Account Aliases

Columns Hidden 4

13. Click the **Perform ABC Assignments** button.

Manage ABC Assignment Groups ? Inventory Organization 4210451 [Change Organization](#) [Save](#) [Save and Close](#) [Cancel](#)

Search

Search Results ?

Actions ▼ View ▼ + ✎ ✕ **Perform ABC Assignments** Update ABC Assignments

Assignment Group Name	ABC Classification Set	Description	Criteria	Subinventory	Valuation Scope	Number of ABC Assignments
4210451 SIT AG	4210451 SIT Classificatio...	4210451 SIT Cl...	Current on-hand value		Organization	All

14. Enter the **Sequence** number and click the **Submit** button.

Perform ABC Assignments ? [Submit](#) [Cancel](#)

ABC Assignment Group Details

Assignment Group Name	4210451 SIT AG	Subinventory	
ABC Classification Set	4210451 SIT Classification Set	Total Items	517
Description	4210451 SIT Classification Set	Total Value	9,947,429.90USD

ABC Assignment Criteria

View ▼

Name	Sequence	Inventory Value (USD)	Item Percentage	Value Percentage	Item	Item Description
A Class	10	5,209,543.45	1.93	52.37	0002364	8 OZ. STYROFOAM DRINK CUP W/O LID AND HANDLES
B Class	<input type="text" value="20"/>	6,152,518.07	<input type="text" value="3.87"/>	<input type="text" value="61.85"/>	0001866	ORANGE JUICE, UNSWEETENED, 12/46 OZ CANS/CASE
C Class	517	9,947,429.90	100	100	0001798	TEST/TEST PPP

Define Cycle Count

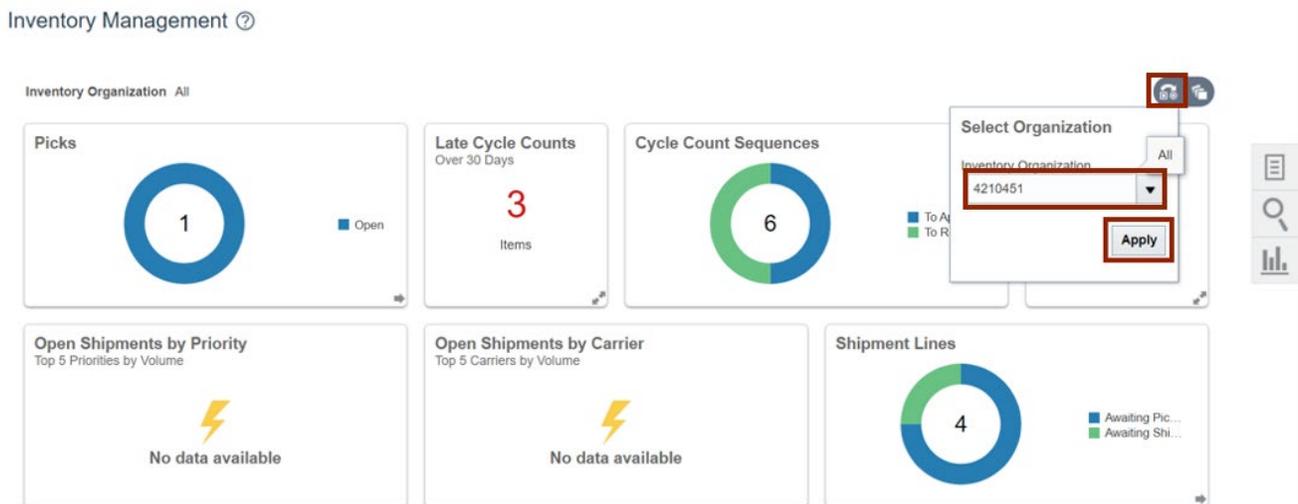
Note: This portion of the cycle counting process is managed by the Inventory Warehouse Manager security role user with associated course **INV105 – Inventory Warehouse Manager**.

To define cycle count in NCFS, please follow the steps below:

1. On the **Home** page, click the **Supply Chain Management** tab and click the **Inventory Management** app.



2. On the **Inventory Management** dashboard, click the **View By** [] icon. Click the *Inventory Organization* drop-down choice list, select the Inventory Organization. For this example, we choose **4210451**. Click the **Apply** button.



- Click the **Tasks** [] icon. Click the *Show Tasks* drop-down choice list, then select **Counts** and click **Create Cycle Count**.

Inventory Management [?](#)

Inventory Organization 4210451

Picks



1 Open

Late Cycle Counts
Over 30 Days

1 Items

Cycle Count Sequences



3

Open Shipments by Priority
Top 5 Priorities by Volume

No data available

Open Shipments by Carrier
Top 5 Carriers by Volume

No data available

Show Tasks Counts ▾

Cycle Counts

- Create Cycle Count
- Manage Cycle Counts
- Record Count Sequences
- Approve Count Sequences
- Review Count Interface Records

Physical Inventory

- Manage Physical Inventories
- Record Physical Inventory Tags

- Enter the **Count Name** in the *Count Name* field. In this example, we choose **4210451 SIT Cycle Count1**. Enter the *Description* as required. In this example, we entered **4210451 SIT Cycle Count1**.

Inventory Organization 4210451 [Change Organization](#)

1 2 3 4 5 6 7

Enter Primary Details Define Schedules and Approvals Define Parameters Define Item Categories Define Items in Item Categories Define Classes and Items Review

Create Cycle Count: Enter Primary Details [?](#)

Back Next Save Save and Close Cancel

* Count Name 4210451 SIT Cycle Count1

Description 4210451 SIT Cycle Count1

Cycle Count by Item Category

Subinventories to Count

Actions View  Include in Count Exclude from Count

Subinventory	Include in Count
01A1	—
01A2	—
01A3	—
01A4	—
01B1	—

- You can select a **Subinventory**. Either you can add them one by one, or you can hold the CTRL key and select **multiple Subinventories**, and then click the **Include in Count** button.

Subinventories to Count

Actions ▾ View ▾  **Include in Count** Exclude from Count

Subinventory	Include in Count
01A1	—
01A2	—
01A3	—
01A4	—
01B1	—
01B2	—
01B3	—
01B4	—

- Scroll down to the **Synchronize Count Classes and Items with ABC Group** section, then select the **ABC Assignment Group**.

For this example, we choose **4210451 SIT AG**. From the **Synchronization Mode**, select the **Complete** radio button.

Note: ABC Assignment Groups are an optional step. Cycle counts can be scheduled directly instead.

Synchronize Count Classes and Items with ABC Group 

ABC Assignment Group 4210451 SIT AG ▾ Synchronize ABC association

Synchronization Mode Append Changes Complete Delete additional items

None



7. Scroll up to the top of the page, click the **Next** button.

Inventory Organization 4210451 [Change Organization](#)

1 — 2 — 3 — 4 — 5 — 6 — 7
 Enter Primary Details Define Schedules and Approvals Define Parameters Define Item Categories Define Items in Item Categories Define Classes and Items Review

Create Cycle Count: Enter Primary Details ?

Back **Next** Save Save and Close Cancel

* Count Name Description

Cycle Count by Item Category

Subinventories to Count

Actions View

Subinventory	Include in Count
01A1	<input checked="" type="checkbox"/>
01A2	<input checked="" type="checkbox"/>
01A3	<input checked="" type="checkbox"/>
01A4	<input checked="" type="checkbox"/>

8. In the **Schedules** section, select the **Automatically schedule** check box. Click the **Frequency** drop-down choice list, then select **Daily**. In the **Approvals** section, select the **Approval Required** check box.

Inventory Organization 4210451 [Change Organization](#)

1 — 2 — 3 — 4 — 5 — 6 — 7
 Enter Primary Details Define Schedules and Approvals Define Parameters Define Item Categories Define Items in Item Categories Define Classes and Items Review

Create Cycle Count: Define Schedules and Approvals ?

Back Next Save Save and Close Cancel

Currency = US Dollar

Schedules ?

Automatically schedule

* Frequency

* Workday Schedule

Last Scheduled Date

Next Scheduled Date

Approvals ?

Approval Required

Approval Type Always If out of tolerance

Positive Adjustment Value Tolerance

Negative Adjustment Value Tolerance

- Select the **Always** radio button for **Approval Type** if not already selected. Click the **Next** button.

Inventory Organization 4210451 Change Organization

Enter Primary Details **2** Define Schedules and Approvals 3 Define Parameters 4 Define Item Categories 5 Define Items in Item Categories 6 Define Classes and Items 7 Review

Create Cycle Count: Define Schedules and Approvals ? Back Next Save Save and Close Cancel

Currency = US Dollar

Schedules ?

Automatically schedule

* Frequency

* Workday Schedule

Last Scheduled Date

Next Scheduled Date

Approvals ?

Approval Required

Approval Type Always If out of tolerance

Positive Adjustment Value Tolerance

Negative Adjustment Value Tolerance

- In the **Count Parameters** section, enter the **Starting Count Sequence** in the **Starting Count Sequence** field. For this example, we choose **1**. Enter the **Maximum Days Before Late** in the **Maximum Days Before Late** field. For this example, we choose **2** (**Note:** Leave the **Maximum Recounts** field blank.) Select the **Count Zero Quantity** check box.

Inventory Organization 4210451 Change Organization

Enter Primary Details Define Schedules and Approvals **3** Define Parameters 4 Define Item Categories 5 Define Items in Item Categories 6 Define Classes and Items 7 Review

Create Cycle Count: Define Parameters ? Back Next Save Save and Close Cancel

Count Parameters ?

* Starting Count Sequence

* Maximum Days Before Late

Maximum Recounts

* Start Date

End Date

Manual counts allowed

Manual Count Sequence Prefix

Count Zero Quantity

Display suggested quantity

Serialized items allowed

11. Click the **Save** button and click the **Next** button.

Count Parameters

* Starting Count Sequence: 1

* Maximum Days Before Late: 2

Maximum Recounts: []

Start Date: 5/15/23

End Date: m/d/yy

Manual counts allowed:

Manual Count Sequence Prefix: []

Count Zero Quantity:

Display suggested quantity:

Serialized Items allowed:

Last Saved 5/14/23 11:58 PM

12. In the *ABC Classes* section, provide the **Counts per year** for the ABC Classes in the **Counts per year** field.

For this example, we choose **A Class-200, B Class-150, C Class-100**

Note: Provide the **Adjustment Value Tolerance, Quantity Variance Percentage** and **Hit and Miss Percentage** fields if required). Click the **Next** button.

Note: ABC Assignment Groups are an optional step. Cycle counts can be scheduled directly instead.

ABC Classes

Actions View + X

* ABC Class	* Counts per Year	Adjustment Value Tolerance		Quantity Variance Percentage		Hit and Miss Percentage	
		Positive	Negative	Positive	Negative	Positive	Negative
A Class	200						
B Class	150						
C Class	100						



13. Review the details of the cycle count created. Additional details can be viewed by scrolling down.

Inventory Organization 4210451 [Change Organization](#)

1 2 3 4 5 6 7
 Enter Primary Details Define Schedules and Approvals Define Parameters Define Item Categories Define Items in Item Categories Define Classes and Items Review

Create Cycle Count: Review [Back](#) [Next](#) [Save](#) [Save and Close](#) [Cancel](#)

Currency = US Dollar

Count Details

Count Name 4210451 SIT Cycle Count1	Subinventories to Count 4
Description 4210451 SIT Cycle Count1	— Cycle Count by Item Category

Synchronize Count Classes and Items with ABC Group

ABC Assignment Group 4210451 SIT AG	— Synchronize ABC association
Synchronization Mode Complete	— Delete additional Items

Schedules

<input checked="" type="checkbox"/> Automatically schedule	Last Scheduled Date
Frequency Daily	Next Scheduled Date
Workday Schedule SHIFT SCHEDULE	

14. Click the **Save** button to save your cycle count.

Create Cycle Count: Review [Back](#) [Next](#) [Save](#) [Save and Close](#) [Cancel](#)

Currency = US Dollar

Count Details

Count Name 4210451 SIT Cycle Count1	Subinventories to Count 4
Description 4210451 SIT Cycle Count1	— Cycle Count by Item Category

Synchronize Count Classes and Items with ABC Group

ABC Assignment Group 4210451 SIT AG	— Synchronize ABC association
Synchronization Mode Complete	— Delete additional Items

Schedules

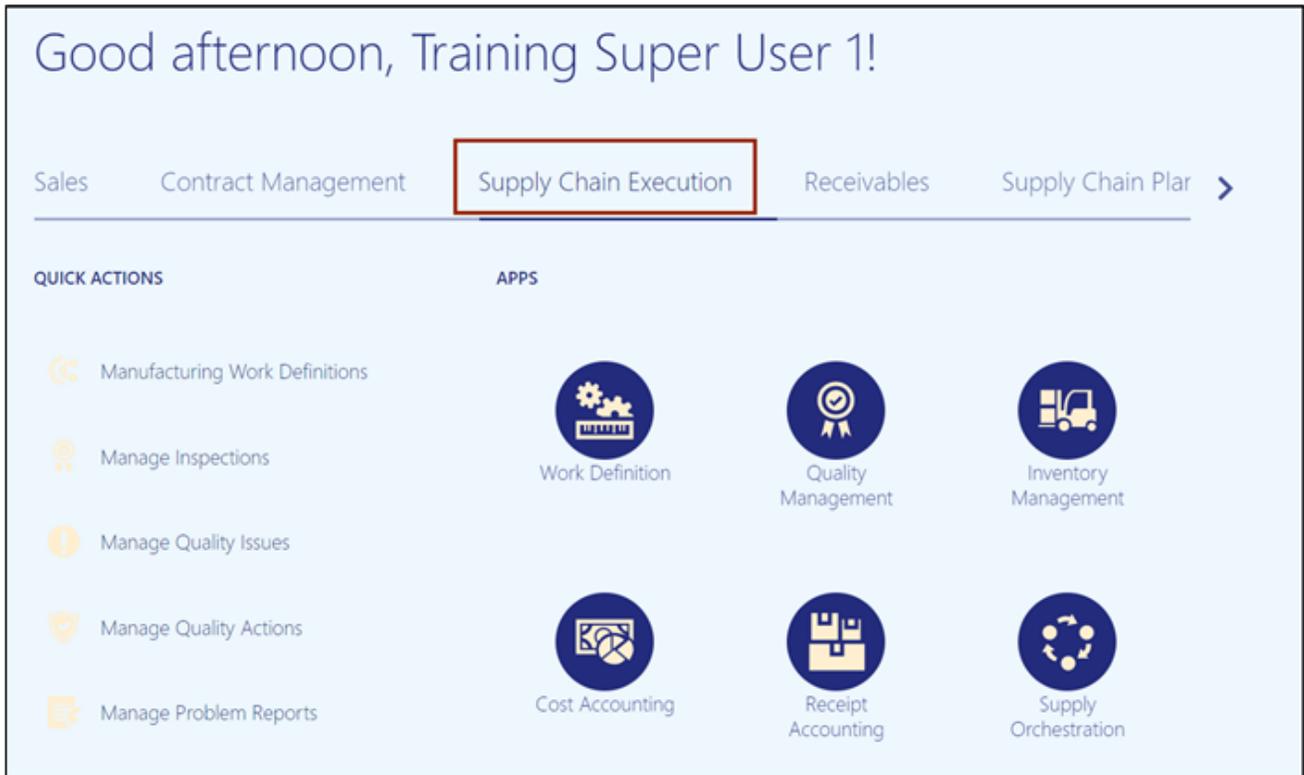
<input checked="" type="checkbox"/> Automatically schedule	Last Scheduled Date
Frequency Daily	Next Scheduled Date
Workday Schedule SHIFT SCHEDULE	

Enter Cycle Count Result

Note: This portion of the cycle counting process is managed by the Inventory Warehouse Staff security role user with associated course **INV103 – Inventory Warehouse Staff**.

To enter cycle count result in NCFS, please follow the steps below:

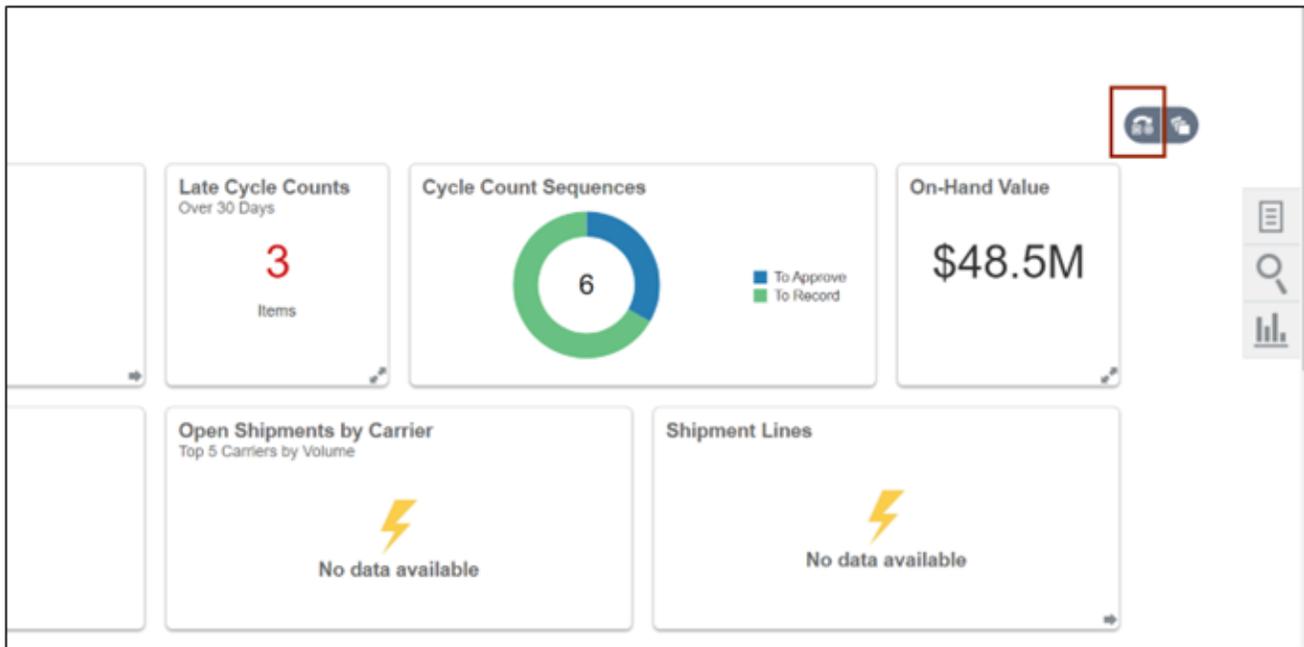
1. On the **Home** page, click the **Supply Chain Execution** tab.



2. Click the **Inventory Management** app.



3. On the **Inventory Management** page, click the **View By** icon [].



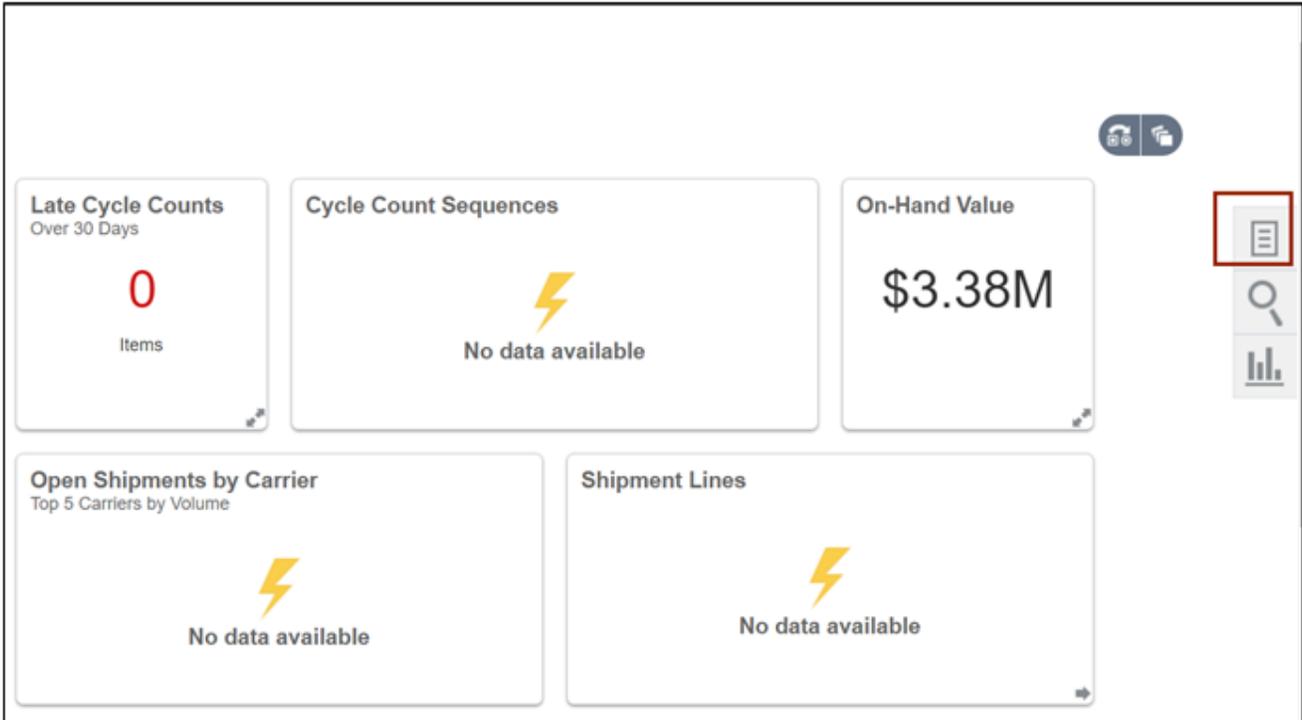
4. Enter the Inventory Organization.

The screenshot shows a dashboard with four main sections: 'Late Cycle Counts Over 30 Days' (3 Items), 'Cycle Count Sequences' (6 items, split into 'To Approve' and 'To Record'), 'Open Shipments by Carrier' (No data available), and 'Shipment Lines' (No data available). A 'Select Organization' dropdown menu is open, showing 'Inventory Organization' with '428305R' entered in the search field. The search field and the 'Apply' button are highlighted with red boxes.

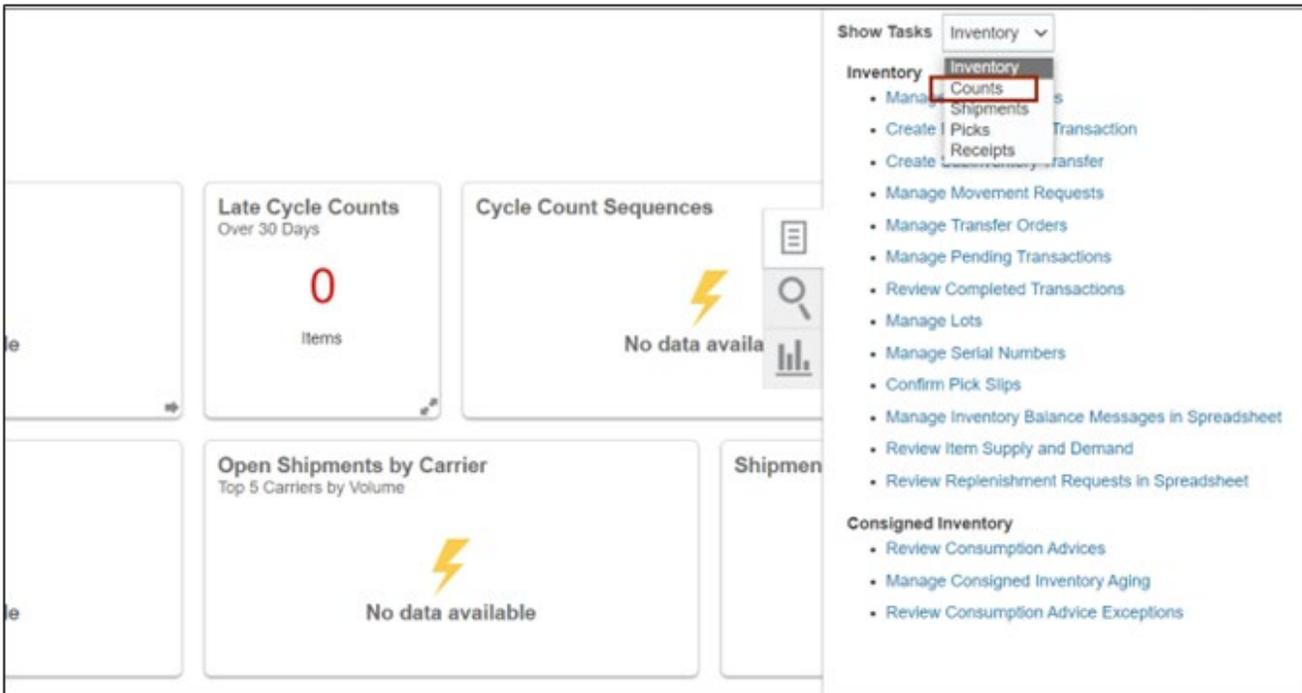
5. Click the **Apply** button.

This screenshot is identical to the previous one, but the 'Apply' button in the 'Select Organization' dropdown menu is now highlighted with a red box, indicating the next step in the process.

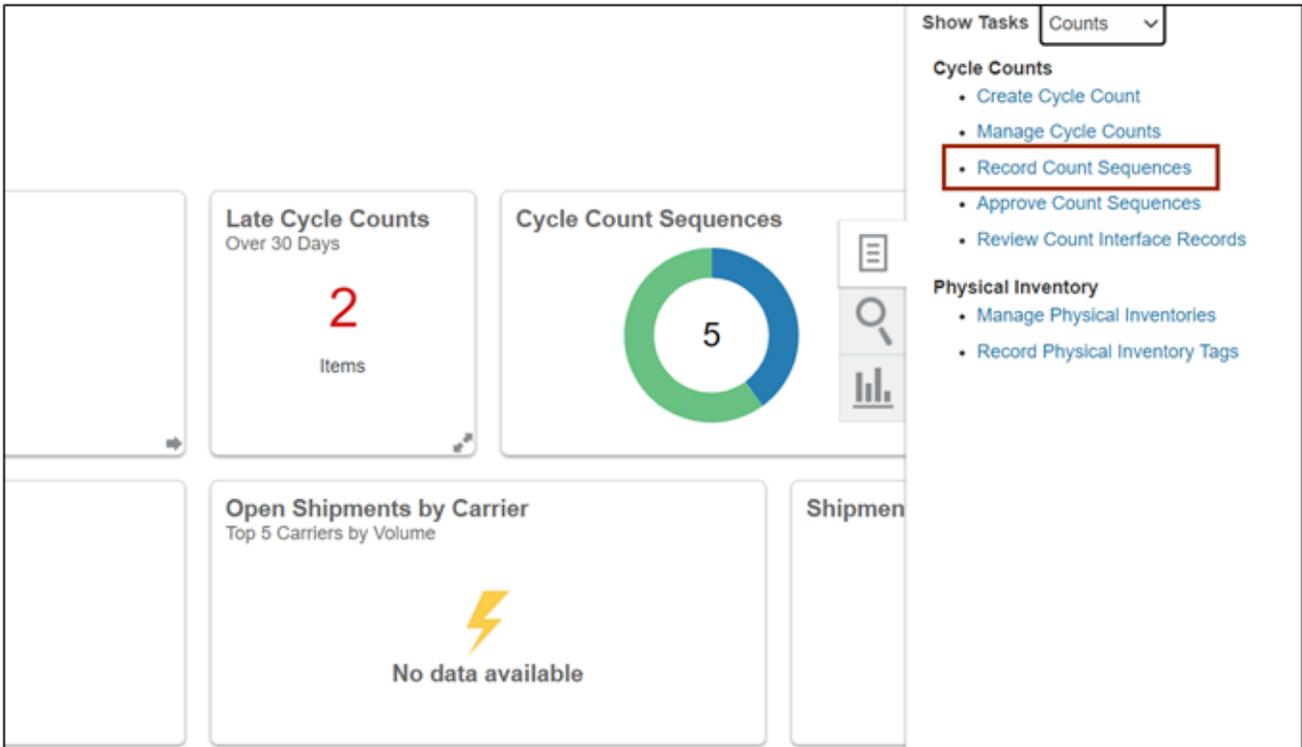
6. On the **Inventory Management** page click on the **Tasks** icon.



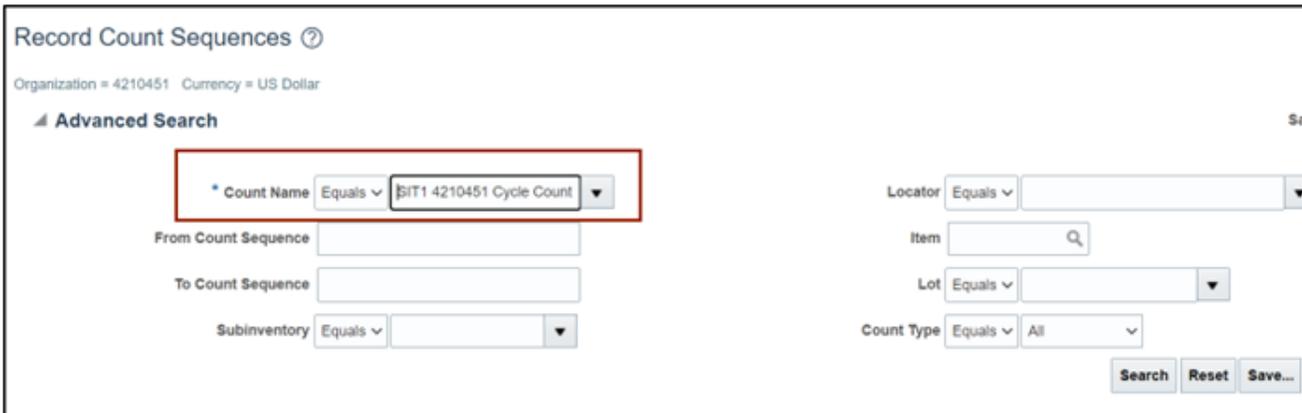
7. Select **Count** from the *Show Tasks* drop-down choice list.



8. From the **Cycle Counts** area, click **Record Count Sequences**.



9. On the **Record Count Sequences** page, enter the Count Name in the **Advance Search** criteria section.



Note: Count Name will be set up beforehand by the Warehouse Manager security role user.

10. Click the **Search** button.

Count Sequences ?

Organization = 4210451 Currency = US Dollar

Search

Count Name Equals SIT1 4210451 Cycle Count

Locator Equals

Item

Lot Equals

Count Type Equals All

Search Reset Save... Add Fields Reorder

11. Enter the **Count Quantity** and any required fields.

Record Count Sequences ?

Organization = 4210451 Currency = US Dollar

Advanced Search

Search Results: SIT1 4210451 Cycle Count

Count Sequence	Item	Count Quantity	Count UOM	Reason	Comments	Counted By	Count Date	Serial Numbers Required	Additional Information
53	P0011585	3	CASE	Missing		Super User 1, Traini	4/18/23	Not required	
57	P0002472		BOX			Super User 1, Traini	4/18/23	Not required	
59	P0011585		CASE			Super User 1, Traini	4/18/23	Not required	

12. Click the **Save** button.

Record Count Sequences ?

Organization = 4210451 Currency = US Dollar

Advanced Search

Results: SIT1 4210451 Cycle Count

Count Sequence	Item	Count Quantity	Count UOM	Reason	Comments	Counted By	Count Date	Serial Numbers Required	Additional Information
53	P0011585	3	CASE	Missing		Super User 1, Traini	4/18/23	Not required	
57	P0002472		BOX			Super User 1, Traini	4/18/23	Not required	
59	P0011585		CASE			Super User 1, Traini	4/18/23	Not required	

13. Click the **Submit** button.

Record Count Sequences ⓘ

Organization = 4210451 Currency = US Dollar

Advanced Search Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions

Count Sequence	Item	Count Quantity	Count UOM	Reason	Comments	* Counted By	* Count Date	Serial Numbers Required	Additional Information
53	F0011585	<input type="text" value="3"/>	CASE	Missing		Super User 1, Trainin	4/18/23	Not required	
57	F0002472	<input type="text"/>	BOX			Super User 1, Trainin	4/18/23	Not required	
59	F0011585	<input type="text"/>	CASE			Super User 1, Trainin	4/18/23	Not required	

Once submitted, the Cycle Count Approver will be notified to approve, reject, or request a recount of this cycle count.

Approve Cycle Counts

Note: This portion of the cycle counting process is managed by the Inventory Warehouse Approver security role user with associated course **INV110 – Inventory Warehouse Approver**.

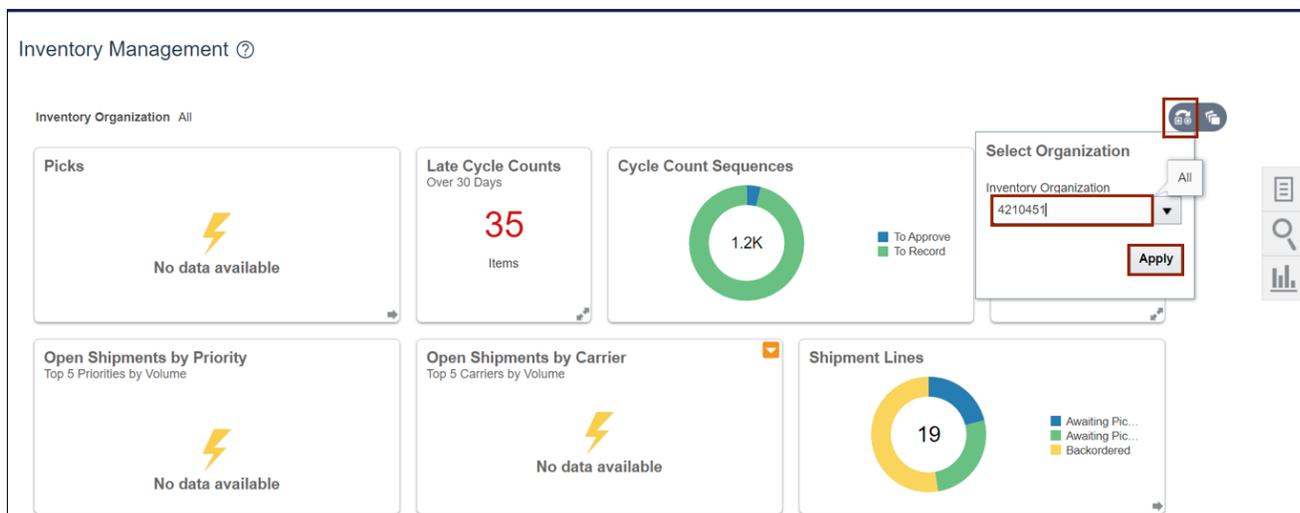
To approve cycle counts in NCFS, please follow the steps below:

1. On the **Home** page, under the **Supply Chain Execution** tab, click the **Inventory Management** app.

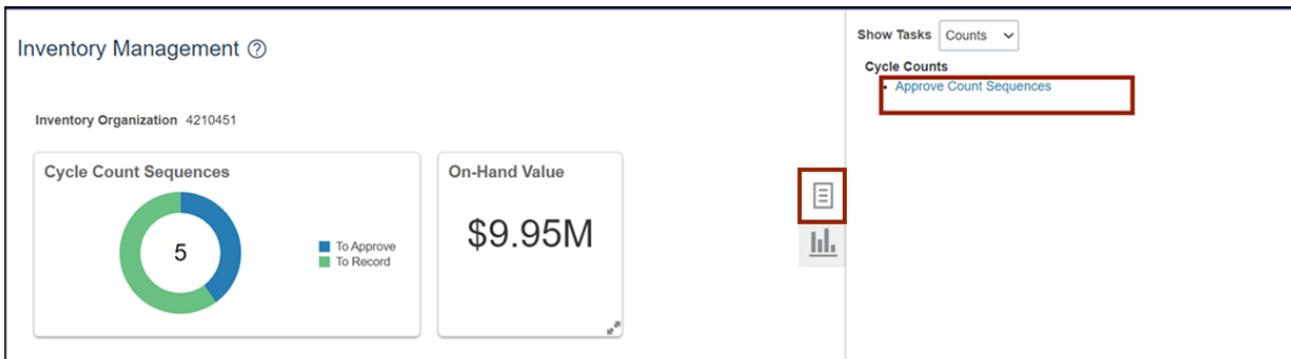


2. Click the **View By** [] icon and enter in the **Inventory Organization** number in the *Select Organization* pop-up box.

In this example, we chose **4210451**). Click the **Apply** button.



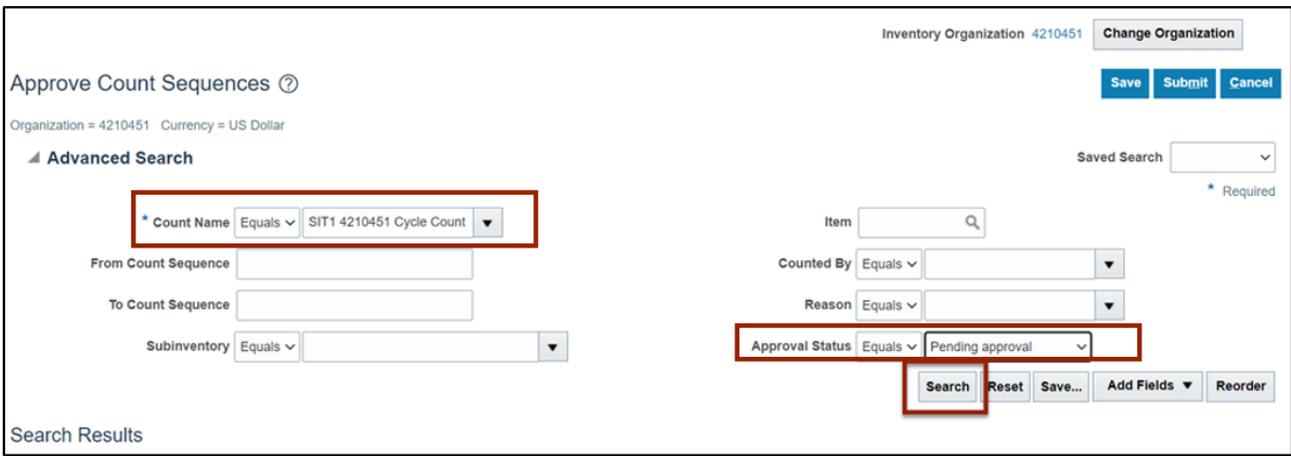
- Click the **Tasks** [] icon. Under the **Cycle Counts** section, select the **Approve Count Sequences** link.



- Select the appropriate **Name** from the *Count Name* drop-down choice list.

In this example we chose **SIT1 4210451 Cycle Count**) and **Pending Approval** option from the *Approval Status* drop-down.

Click the **Search** button.



- Select the **Count Sequence** that you want to view. Scroll to the right for more information and options.

Inventory Organization 4210451 Change Organization

Approve Count Sequences ? Save Submit Cancel

Organization = 4210451 Currency = US Dollar

Advanced Search Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions View Reject Recount Approve

Count Sequence	Item	Item Description	Category Name	Count Sequence Status	Count Quantity	Count UOM	Primary Suggested Quantity	Primary Adjustment Quantity	Deviator Adj Percentage	Adj Value
54	0015368	CARBON PENC...	141218-Coated ...	Pending approval	1,515	PACKAGE	1,512	3	0.19841	27.5
55	0002470	BIC METAL POL...	441217-Writing I...	Pending approval	5	BOX	875	-870	-99.42...	-5,4...

- Select a **Reason** from the drop-down list.

Approve Count Sequences ? Save Submit Cancel

Organization = 4210451 Currency = US Dollar

Advanced Search Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions View Reject Recount Approve

ity	Count UOM	Primary Suggested Quantity	Primary Adjustment Quantity	Deviator Adjustment Percentage	Reason	Comments	* Reviewed By	* Review Date	Serial Numbers Recorded
	PACKAGE	1,512	3	0.19841 27.541	<input type="text"/>		THORPE, MUHAM	4/20/23	Not requir
	BOX	875	-870	-99.42... -5,457.336			THORPE, MUHAMMAD	4/20/23	Not requir



7. Click the **Approve** or **Reject** or **Recount** button.

Inventory Organization 4210451 Change Organization

Approve Count Sequences ? Save Submit Cancel

Organization = 4210451 Currency = US Dollar

▶ **Advanced Search** Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions

Inventory Item	Primary Adjustment Quantity	Deviator	Adjustment Percenta Value	Reason	Comments	* Reviewed By	* Review Date	Serial Numbers Recorded	Recounts	Subinven
	3	0.19841	27.541			THORPE, MUHAMMAD	4/19/23	Not required	0	02E2
	-870	-99.42...	-5,457.336	<input type="text"/>	<input type="text"/>	THORPE, MUHAM	4/19/23	Not required	0	02I2

8. Click the **Save** button.

Approve Count Sequences ? Save Submit Cancel

Organization = 4210451 Currency = US Dollar

▶ **Advanced Search** Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions

ity	Count UOM	Primary Suggested Quantity	Primary Adjustment Quantity	Deviator	Adjustment Percenta Value	Reason	Comments	* Reviewed By	* Review Date	Serial Numbers Recorde
PACKAGE	1,512	3	0.19841	27.541	Missing	<input type="text"/>		THORPE, MUHAM	4/20/23	Not requir
BOX	875	-870	-99.42...	-5,457.336				THORPE, MUHAMMAD	4/20/23	Not requir

9. Click the **Submit** button to submit your selected action.

Approve Count Sequences ? Save Submit Cancel

Organization = 4210451 Currency = US Dollar

▶ **Advanced Search** Saved Search

Search Results: SIT1 4210451 Cycle Count

Actions

ity	Count UOM	Primary Suggested Quantity	Primary Adjustment Quantity	Deviator	Adjustment Percenta Value	Reason	Comments	* Reviewed By	* Review Date	Serial Numbers Recorde
PACKAGE	1,512	3	0.19841	27.541	Missing	<input type="text"/>		THORPE, MUHAM	4/20/23	Not requir
BOX	875	-870	-99.42...	-5,457.336				THORPE, MUHAMMAD	4/20/23	Not requir



Wrap-Up

This QRG covers the cycle counting process for inventory agencies using NCFs. The cycle counting process is used to assess stock levels within an inventory organization and correct any discrepancies.

Additional Resources

- INV 103: Warehouse Staff (WBT)
- INV 105: Inventory Management (ILT)
- INV 101: Inventory Agency Manager (ILT)
- INV 110: Warehouse Approver
- INV-03, INV-15, INV-20, and INV-28: <https://www.osc.nc.gov/training/ncfs-help-documents> (QRG)