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Why Is Negative Stocks Occurring in Our System, Despite Setting To Disallow Negative Stock?

First of all, note that check to disallow negative stocks happening are done only at point of stock issuance. It does not check on incoming stocks. With this, the following scenarios can still happen:-

1) BACK-DATED EDITS

You could have a very normal looking stock ledger, like this:

Date	Trn No	Incoming	Outgoing	Balance	
25-Oct	SE-123	25 Bottles	-	25 Bottles	
28-Oct	CR-456	-	6 Bottles	19 Bottles	
30-Oct	CR-567	-	19 Bottle	0 Bottles	
02-Nov	IT-234	50 Bottles	-	50 Bottles	(*) on 4-Nov the system shows a balance of 40 Bottles
04-Nov	CR-678	-	10 Bottles	40 Bottles	
CLOSING		75 Bottles	35 Bottles	40 Bottles	

Assuming user logs in on 4-Nov, and EDITS a back-dated transaction CR-567. He increased the quantity to 22 Bottles. The system allows (because the stock balance check is on the current login-date (which is 4-Nov and the system shows available balance of 40 bottles). Note that if user had done that edit on 30-Oct (where available stock balance then was 19 bottles), the system would have blocked the edit.

The resultant Stock Ledger is now:-

Date	Trn No	Incoming	Outgoing	Balance	
25-Oct	SE-123	25 Bottles	-	25 Bottles	
28-Oct	CR-456	-	6 Bottles	19 Bottles	
30-Oct	CR-567	-	22 Bottle	-3 Bottles	(**) Offending stock ledger, which shows negative 3 pieces
02-Nov	IT-234	50 Bottles	-	47 Bottles	
04-Nov	CR-678	-	10 Bottles	37 Bottles	
CLOSING STK (4-Nov)		75 Bottles	68 Bottles	37 Bottles	

Even though the net closing stock on 4-Nov is still positive, the stock costing on 30-Oct had gobe awry. This is a result of allowing a back-dated transaction to be edited and the impact of it. For better integrity of stock costing, please disallow back-dated edits for staff. If this is needed for operational reasons, remember to replenish any negative stock status and re-calibrate correctly the stock ledger.

2) INCOMING STOCK ADJUSTMENT

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Refer to the original stock ledger in at the beginning of this document. Assuming user discover that product in Stock Transaction (IT-234, created on 2-Nov)was an erroneous entry. On 4-Nov, he performs a back-date adjustment to IT-234, and deletes away the item in the stock transaction. The resultant stock ledger is:-

Date	Trn No	Incoming	Outgoing	Balance
25-Oct	SE-123	25 Bottles	-	25 Bottles
28-Oct	CR-456	-	6 Bottles	19 Bottles
30-Oct	CR-567	-	19 Bottle	0 Bottles
02-Nov	IT-234	-	-	0 Bottles
04-Nov	CR-678	-	10 Bottles	-10 Bottles
CLOSING		25 Bottles	35 Bottles	-10 Bottles

> (***) After IT-234 has item deleted, the stock ledger goes negative here

Alternatively, someone may change the incoming SE-123 quantity, and this same impact will occur. Please note incoming stocks are not subjected to the negative stock rule, and such adjustments will suddenly create a negative stock situation.

REMEDY:-

1. IF YOU CAN BAR BACK-DATED EDITS;

Go to SYSTEM -> User Maintenance -> Security Tab -> Uncheck the right to allow user back/post-dated transactions. When this user logs in, he will be restricted to enter only current-dated transactions.

2. IF YOU CANNOT BAR BACK-DATED EDITS;

Remember you cannot sell what you do not have. Replenish each stock item that went negative on each day. If there are back-date impacts, perform a Recalculate Product Cost and repost the transactions. The Recalculation will re-arrange chronologically the stock ledger andf cost out correctly for you the item.

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