# SCEIS Year-End Physical Inventory Closing FY25 (CO400)

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SC ENTERPRISE INFORMATION SYSTEM
THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION

*Revised 05.02.2025*

# Year-End Courses


## SCEIS Year-End Physical Inventory Closing FY25

Addresses the management and processing
of inventory at year-end (before June 30) and throughout the year.


## SCEIS Year-End Update Q&A FY25 [Review]

Self-review of year-end closing process for Finance, Grants and Logistics/Materials Management, including updates on changes for current fiscal year. For specific due-dates and other inventory year-end requirements, visit MySCLearning.

# CO400 Course Learning Objectives

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- Describe key inventory terms and concepts.
- Understand the physical inventory process.
- Describe and perform a physical inventory.
- Recognize “Slow Moving” and “Dead Stock.”

# Course Overview

SCEIS

Lesson 1: Key Inventory Terms and Concepts

Lesson 2: Physical Inventory Count Requirements

Lesson 3: Physical Inventory Process

Lesson 4: Slow Moving and Dead Stock

SCEIS Resources and Help

Lesson 1

# Key Inventory Terms and Concepts

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# Lesson 1 Learning Objectives

Understand key terms and concepts associated with performing physical inventory.

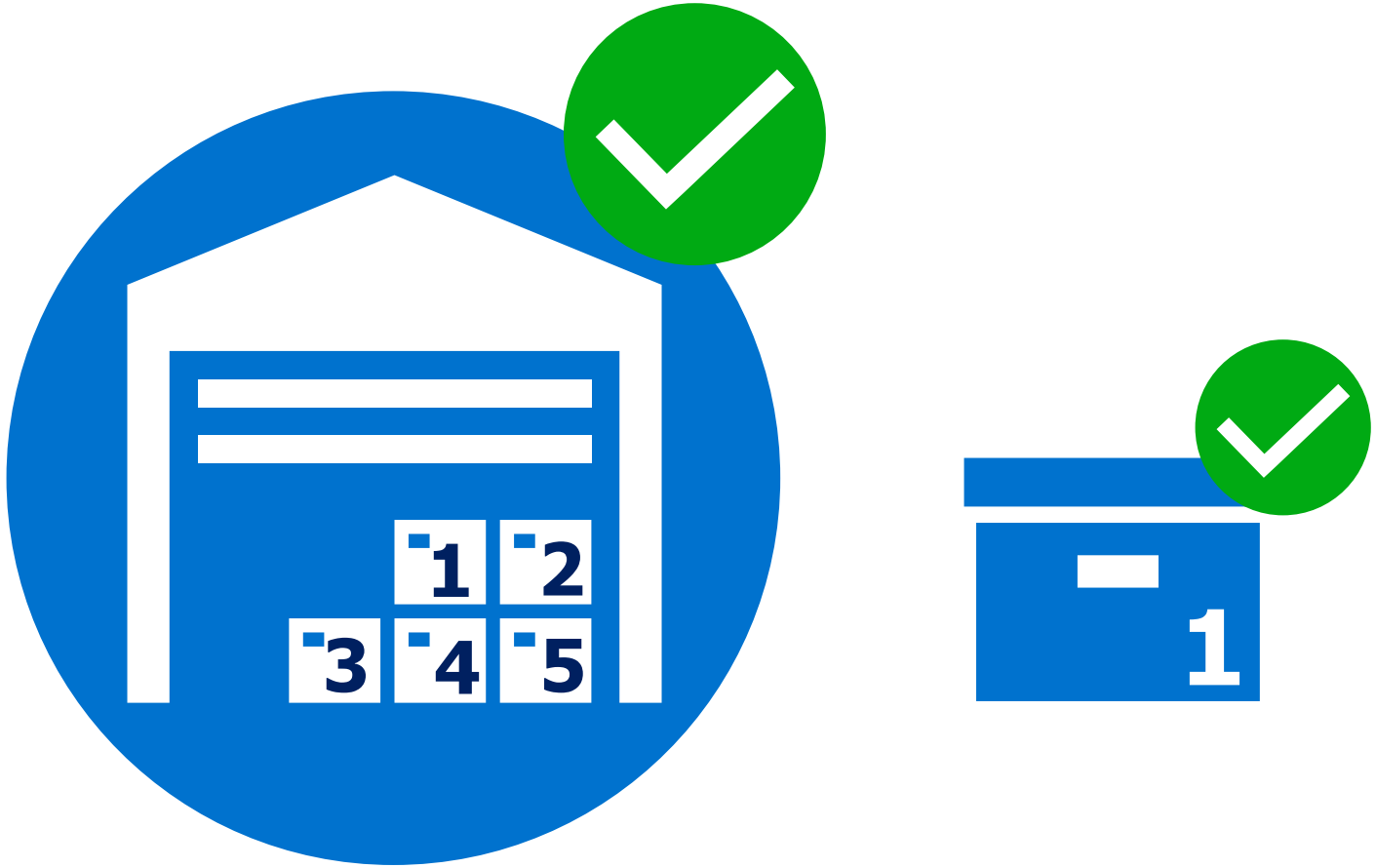
# Inventory Management

The functionality that revolves around the movement of materials in and out of a storage facility...

and the physical count of those items at regular intervals.

# Physical Inventory Spot Check/Cycle Count

A count that is performed for a specific item or subset of items.



# Overview

SC agencies have 52,000 unique materials in inventory.

135 inventory plants

maintain inventory for…

11 SC agencies

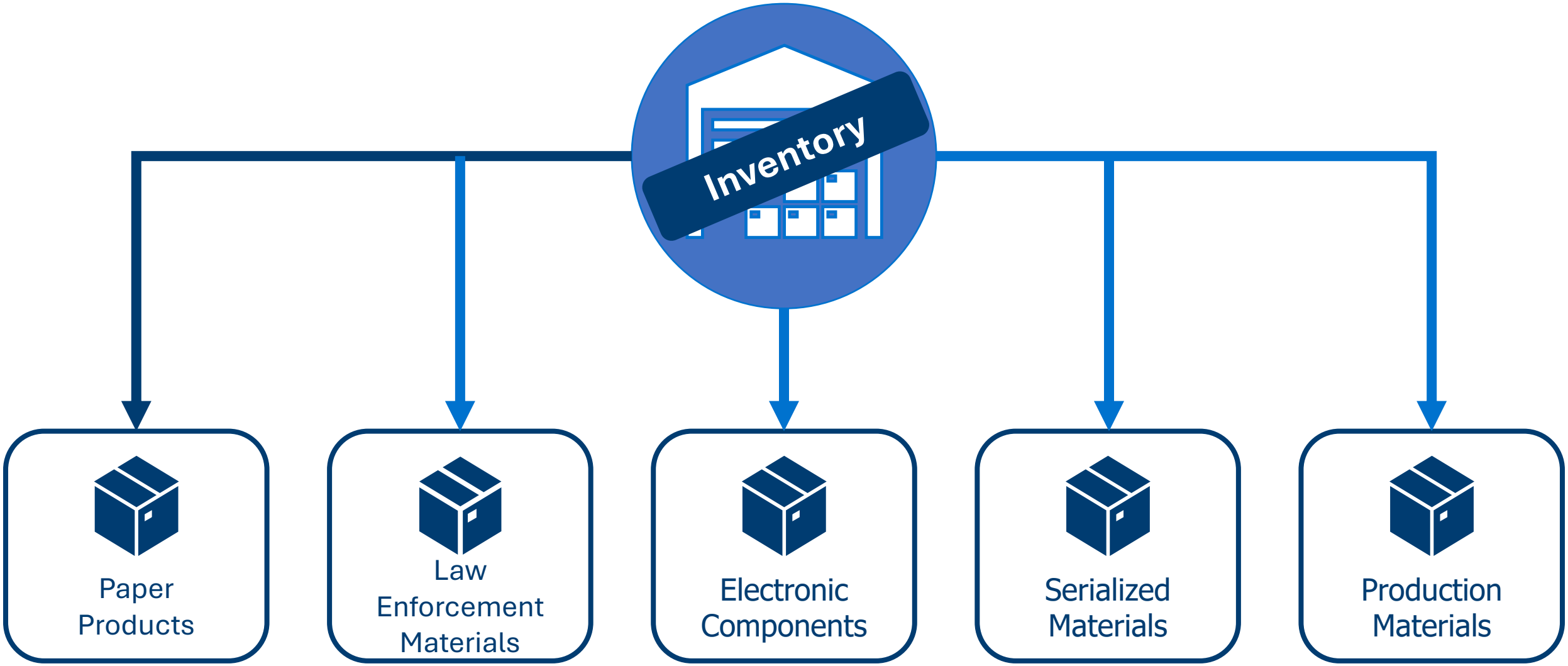
# Inventory Value

April 08

2025

Total inventory for the state was **$27,125,589.17.**

# Inventory Examples



# Inventory Terms and Concepts

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Physical Inventory Document

The physical inventory document is the central element of physical inventory management.

It is used to plan and carry out physical inventory.

It is used to enter count-related information.

# Inventory Terms and Concepts

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Plant

A plant is part of an organizational structure and is the highest organizational unit in the Material Management module.

It is a location that holds valued stock.

It is responsible for planning, procurement and distribution of goods and services to the resources of an organization under one company code.

# Inventory Terms and Concepts

Storage Location

A storage location is a location within a plant in which inventory is stored.

The physical location can be a room, a row of shelves, a racking system, bin, service van, etc.

# Inventory Terms and Concepts

Physical Inventory Count

Physical inventory is a process where a business physically counts its entire inventory.

In SCEIS, use transaction code **MI04**.

# Inventory Terms and Concepts

Physical Inventory Spot-Check

This is performing a stock count of a specific material or subset of materials.

In SCEIS, use transaction code **MI01** or **MI31**.

# Inventory Terms and Concepts

Physical Inventory Recount

This is performing a *recount* of stock on-hand and is done when there is a discrepancy in the initial count versus stock on-hand.

In SCEIS, use transaction code **MI11**.

# Inventory Terms and Concepts

Document Date

The document date is the date on which the original physical inventory document was created.

# Inventory Terms and Concepts

Planned Count Date

The date the inventory count is *planned* to take place.

It determines the fiscal year in which the physical inventory document is posted.

# Inventory Terms and Concepts

Posting Block

For materials listed in the **Physical Inventory Document**, the posting block indicates no movements can be posted for the duration of the **Inventory Count**.

The posting block should ***always*** be set when creating the inventory document.

# Inventory Terms and Concepts

**Physical Inventory Post**

This is the final inventory posting count in SCEIS.

These are the actual on-hand quantities determined during the Physical Inventory count/recount using **MI07**.

# Inventory Terms and Concepts

List of Inventory Differences Report

This report lists the differences between the Physical Inventory count and the stock on-hand quantity.

In SCEIS, transaction code **MI20** is used to compare the difference.

# Inventory Roles

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## Agency Inventory Administrator

Responsible for physical inventory, scrapping and managing inventory stock. The administrator can create good issues, receipts and stock transfers.



## Agency Inventory Receiver

Responsible for the receipt, verification and recording of materials coming into the warehouse.

## Agency Inventory Issuer

Responsible for issuing goods and conducting goods movement in SAP.



## Agency Inventory Adjuster

Responsible for conducting quantity adjustments, scrapping and price changes within the agency. At most agencies, it is the responsibility of agency FI personnel to update pricing if cost is amiss.

Lesson 2

# Physical Inventory Count Requirements

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# Lesson 2 Learning Objectives

Understand **full inventory** versus **cycle count.**

# Full Inventory vs. Cycle Count

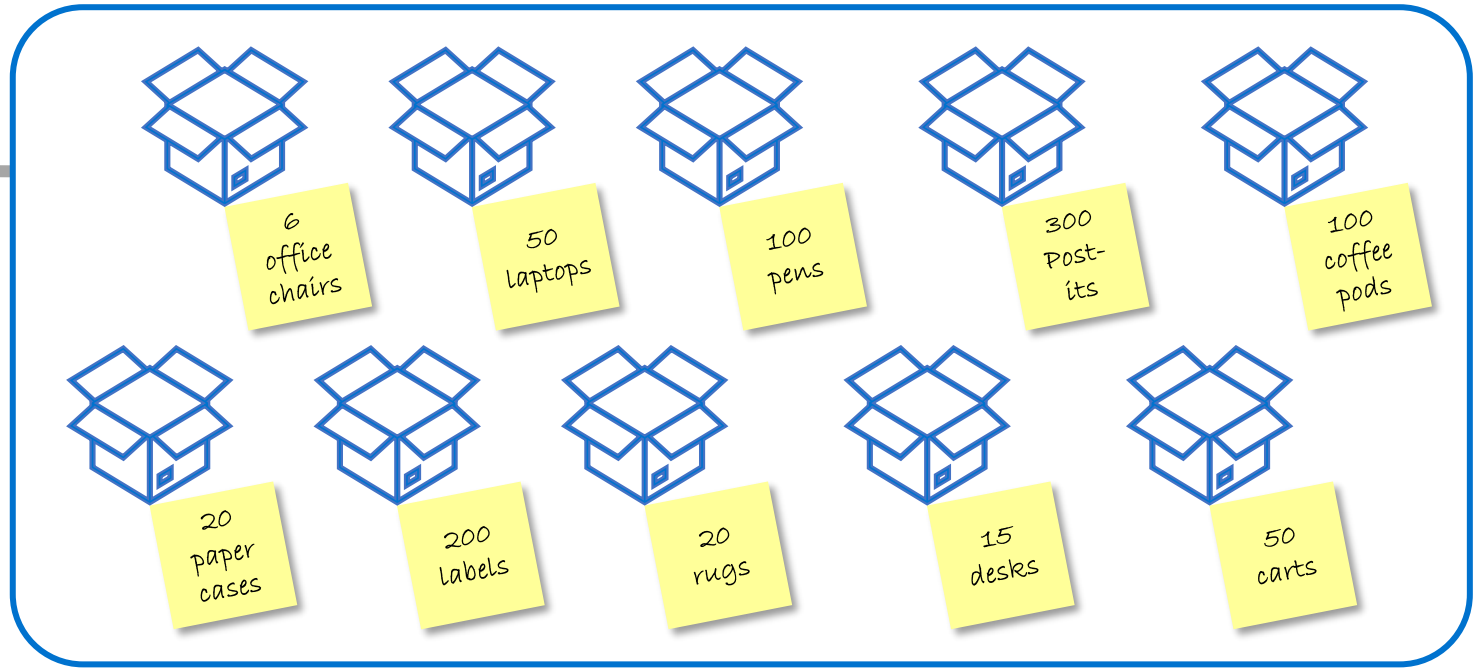
**Full inventory** is a count of all materials on-hand.

For example, a warehouse with 100 materials.

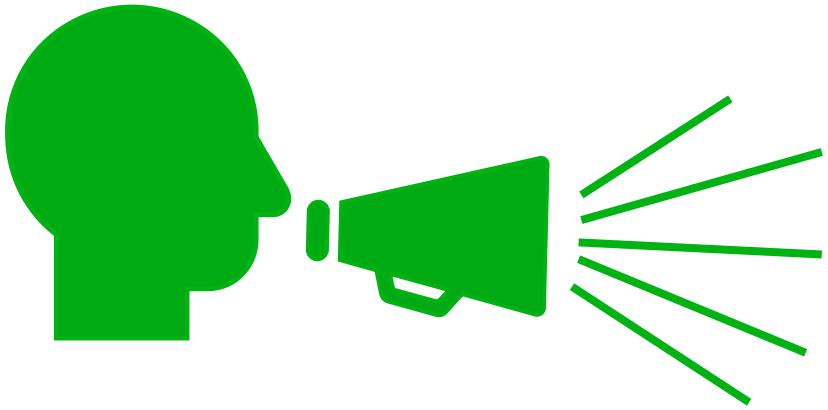
# Full Inventory vs. Cycle Count

**Cycle count** is the counting of a subset of inventory and can be used to identify issues specific to a material.

For example, selecting 10 sample materials from a warehouse.



# Physical Inventory Requirements

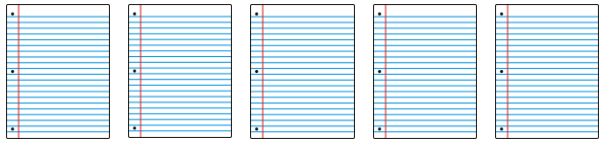


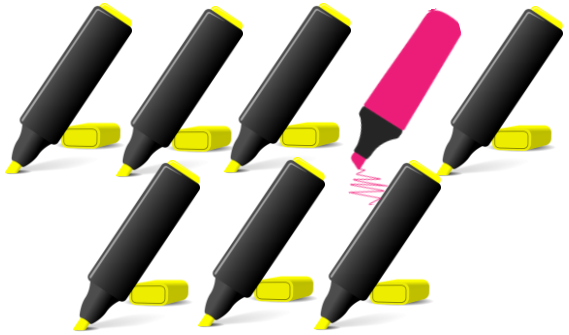
It is important that inventory counts recorded in SCEIS reflect ***what is on-hand***.

Inventory counts ***should not be recorded from existing stock numbers***.

Inventory ***should be blocked*** for an accurate count.

# Physical Inventory Requirements



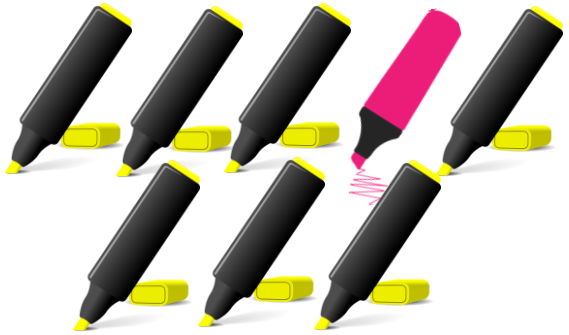


- [x] 4 Pens
- [x] 5 Packs of paper
- [ ] 8 Yellow highlighters
- [x] 3 Notepads

Once actual on-hand items are counted, if a discrepancy exists, a recount must be conducted, and a correction must be made in the SCEIS inventory system.

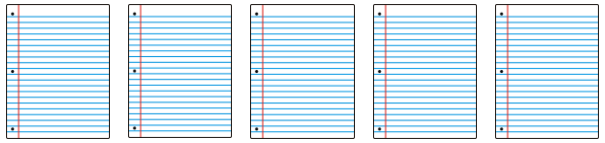
This allows inventory to reflect the actual on-hand balance.

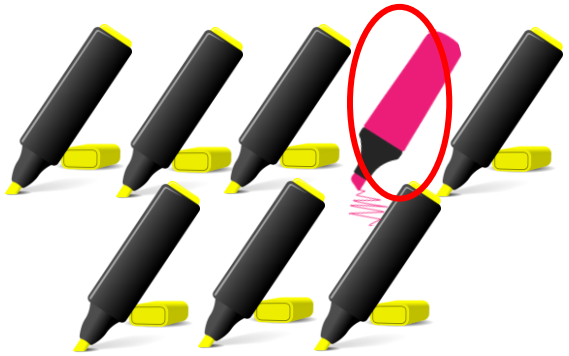
# Physical Inventory Requirements

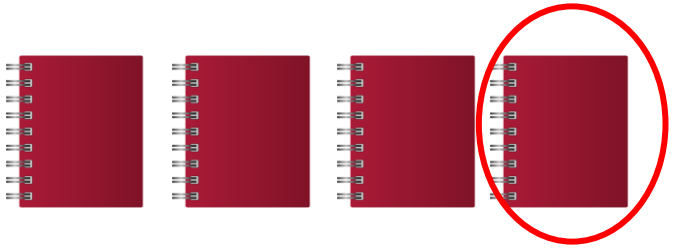


It is important to analyze the reason for differences between **counted items** versus **what is listed in SCEIS**.

# Physical Inventory Requirements







- [x] 4 Pens
- [x] 5 Packs of paper
- [ ] 8 Yellow highlighters
- [ ] 3 Notepads

The **overage** in count is as important to evaluate as **shortage**.

**Both** have a financial impact.

# Physical Inventory Requirements


Full inventory must be complete at year-end for every inventory material in the warehouse; but inventory ***can*** also be counted more often, if needed.

# Physical Inventory Requirements

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"There is no reporting threshold for inventory, therefore, all inventory should be reported at year-end. All auditors go by the best practice that inventory should be done as close to year-end as possible, preferably no earlier than April."

- Office of the Comptroller General

Lesson 3

# Physical Inventory Process

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# Lesson 3 Learning Objectives

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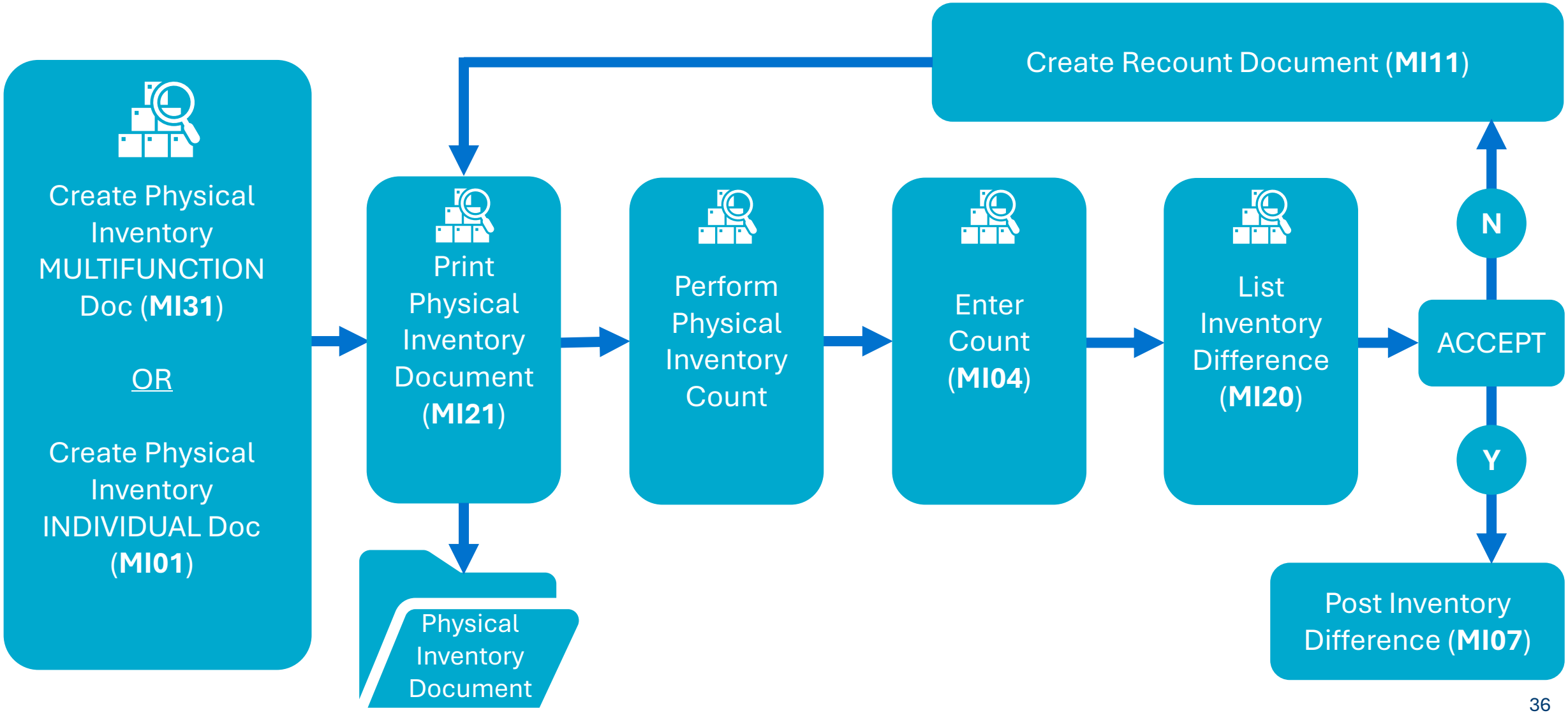
- Describe the physical inventory process.
- View the inventory movement in **MB51**.
- Conduct a physical inventory reconciliation.
- Conduct a physical inventory count.
- Recognize physical inventory documents that have not been counted.

# Physical Inventory Process: Year-End or Periodic

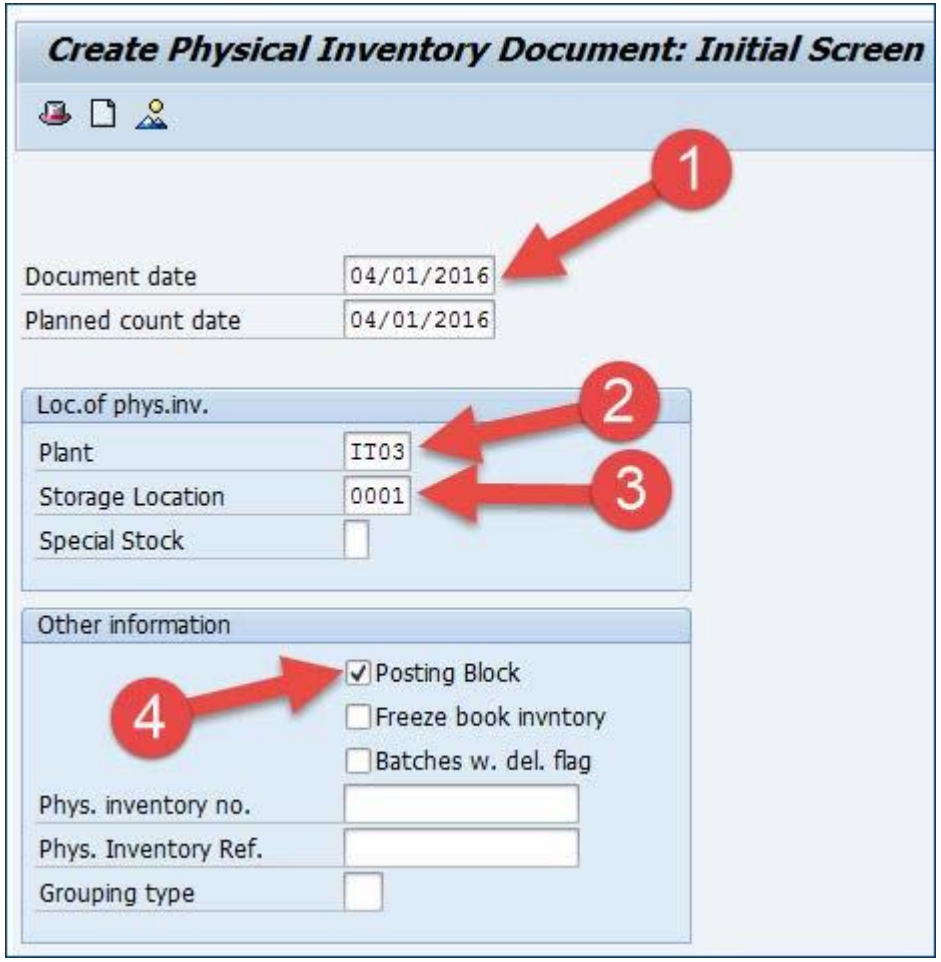


# Create Physical Inventory Document – MI01 (Individual Items)

From the initial screen for function **MI01**:

1. Enter the **Document date**.
2. Enter the **Plant** (code).
3. Enter the **Storage Location**.
4. Check the **Posting Block**.

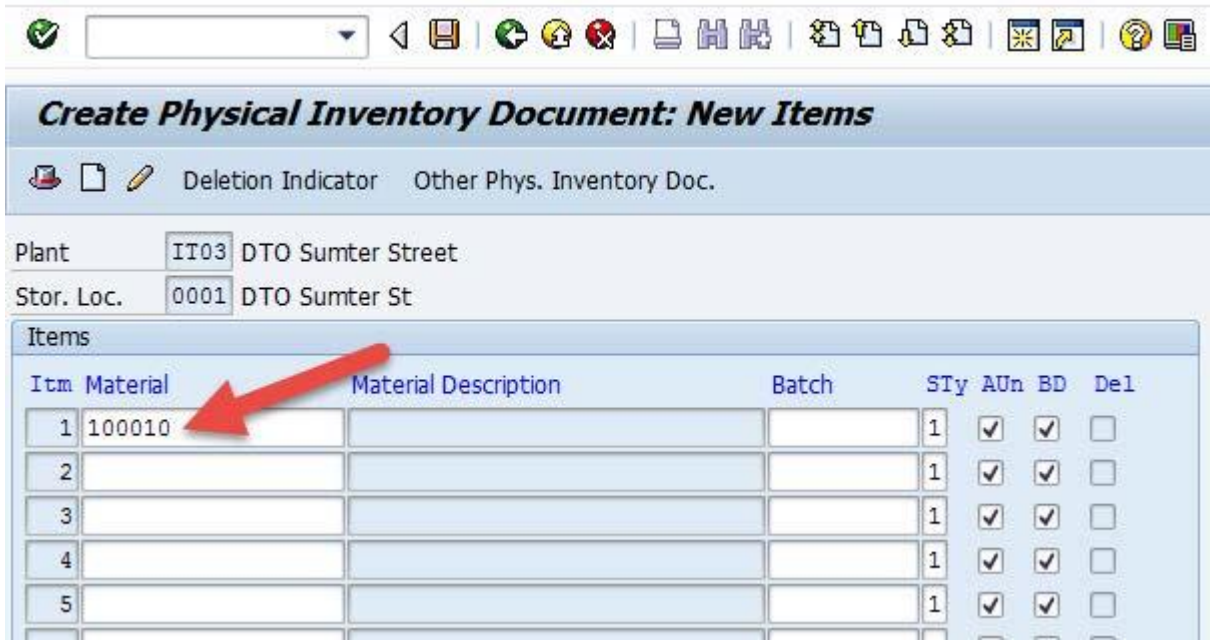
**NOTE**: Checking the **Posting Block** freezes any movement for the material during inventory.



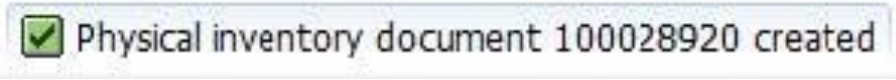
# Create Physical Inventory Document – MI01 (Individual Items or Subset)

The **New Items** screen displays.

Enter the material master number(s) for the planned count in the **Itm Material** field.



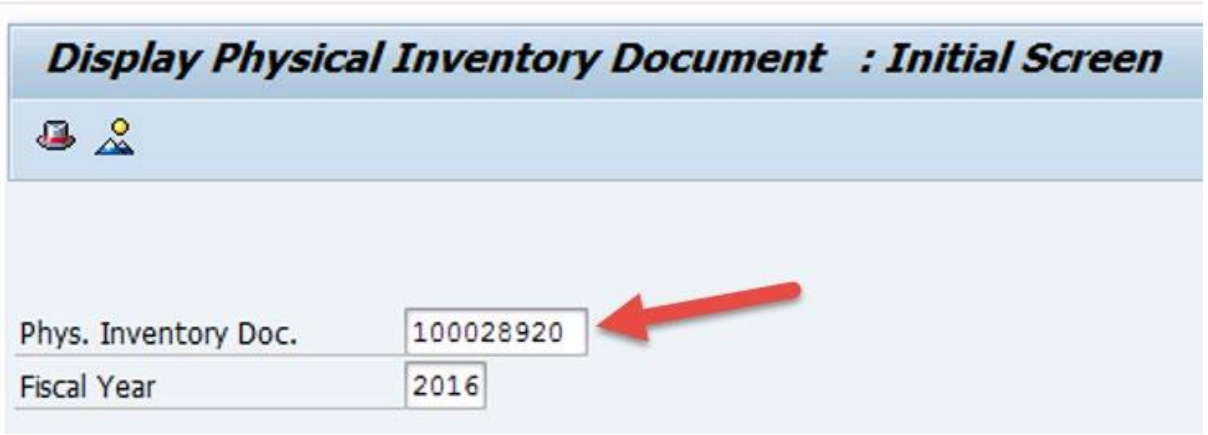

**NOTE:** Once the document is created, a confirmation message will display at the bottom of the screen noting that the Physical inventory document [number] was created.



# Display the Physical Inventory Document - MI03

SCEIS

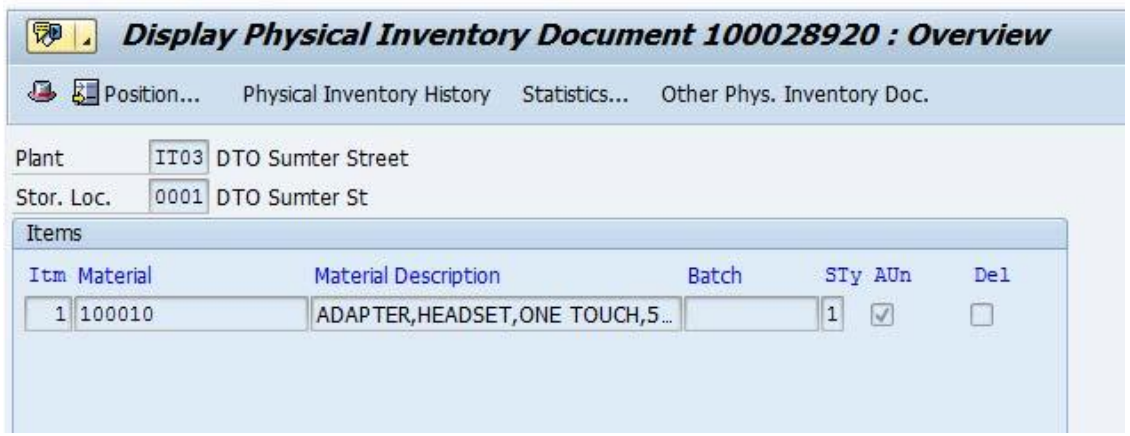
From the **Display Physical Inventory Document: Initial Screen** for function **MI03,** enter the number of the **Physical Inventory Document** to be displayed.



# Display the Physical Inventory Document - MI03

SCEIS

View the **Physical Inventory Document**.



# Create the Physical Inventory Document - MI31 (Multi-function)

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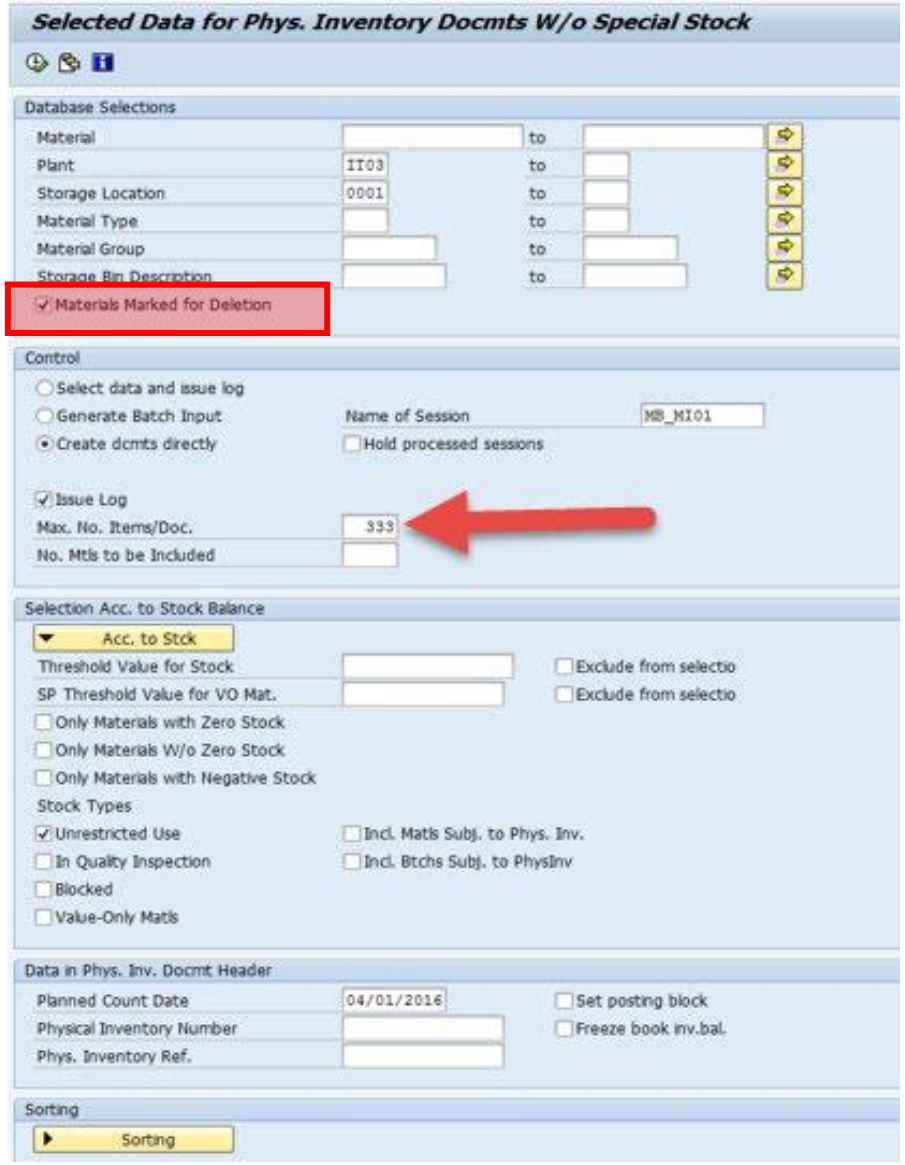
Create the **Physical Inventory Document**.

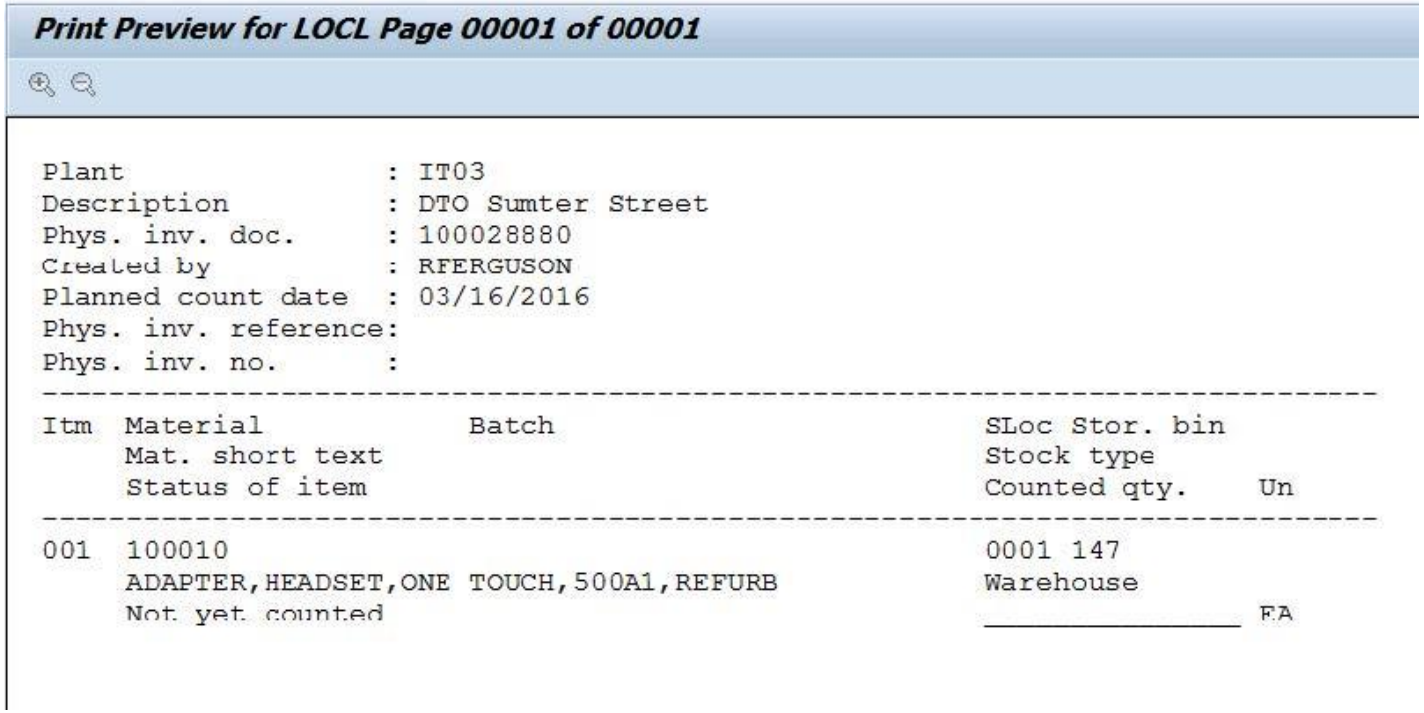
Uncheck the **Materials Marked for Deletion** checkbox **unless** you intend to include materials marked for deletion in your physical inventory.

Note: The maximum number of materials on an inventory document is 333. If there are more than 333, the system will generate enough documents to accommodate the inventory. For example, 999 materials would equate to 3 inventory documents with 3 different inventory document numbers.



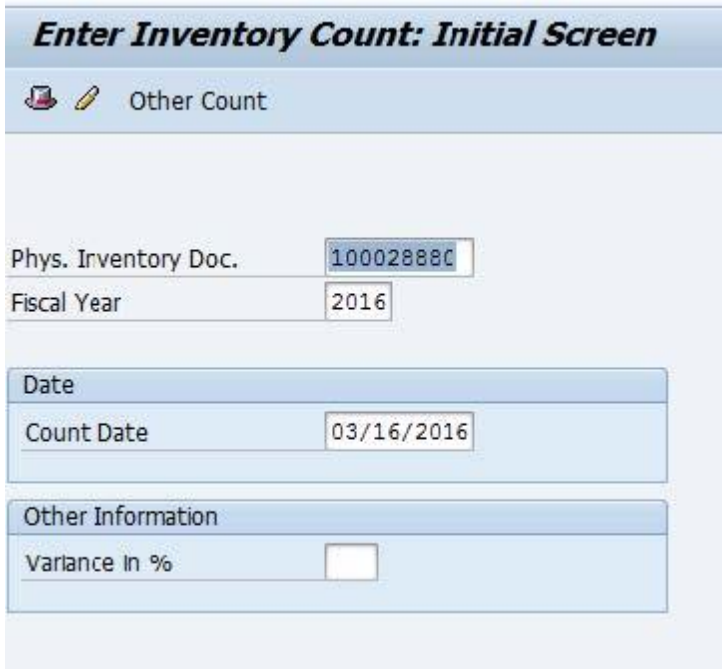
# Print the Physical Inventory Document - MI21 (Count Sheet)

Print the **Physical Inventory Document**.



# Enter Inventory Count – MI04

1. Enter the **Inventory Count** in the **Quantity** field.




# Enter Inventory Count for Serialized Materials – MI04

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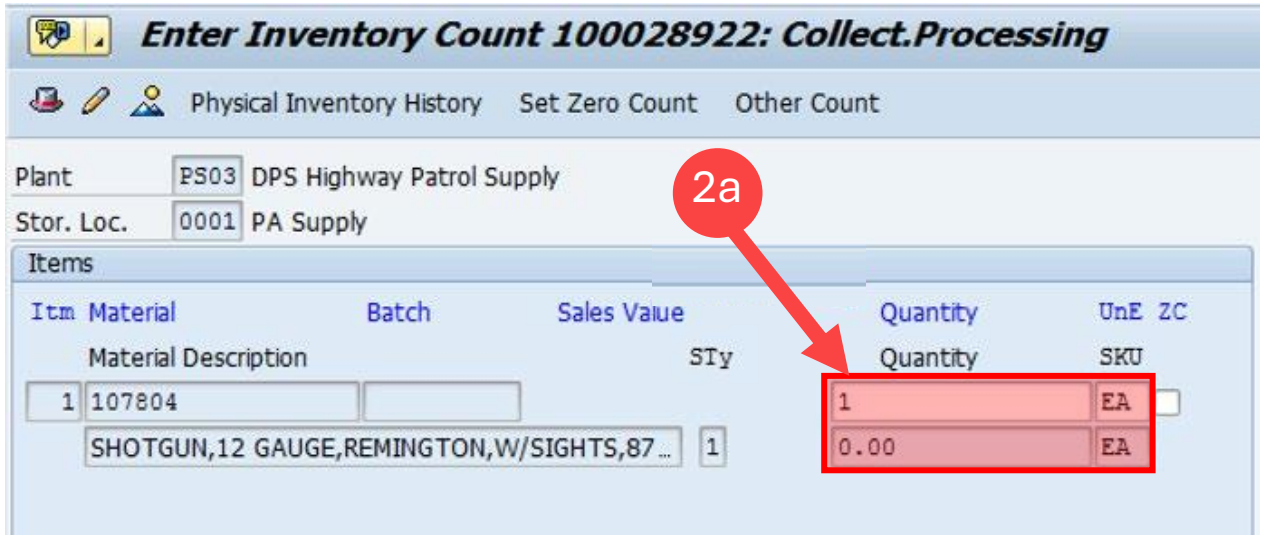
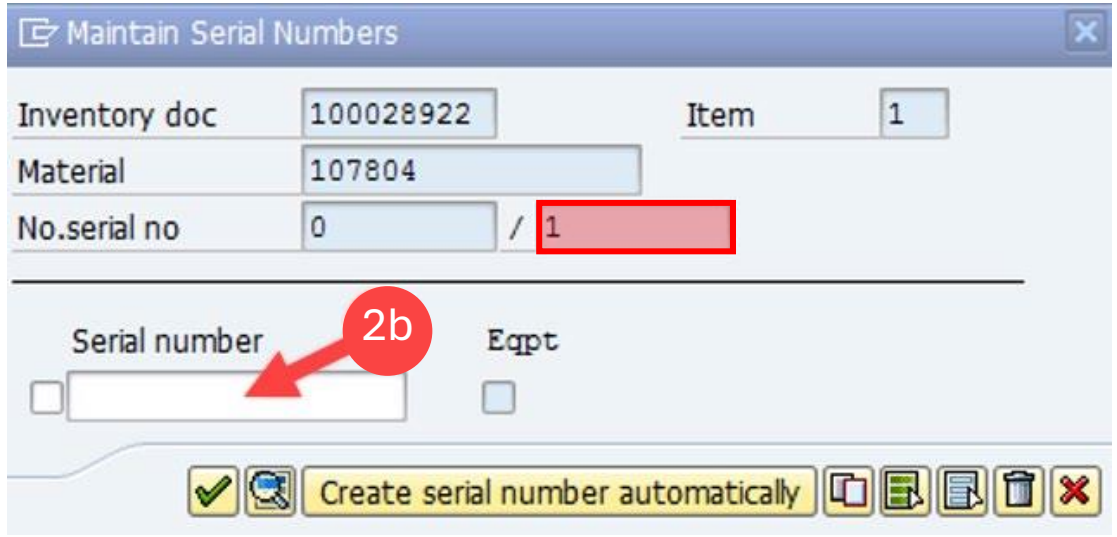
2a-b. Enter the **Quantity** and **Serial number** for each material on-hand that requires a serial number.

In this example, the quantity is 1 and requires one serial number. Should the quantity be 200 each, 200 unique serial numbers are required.

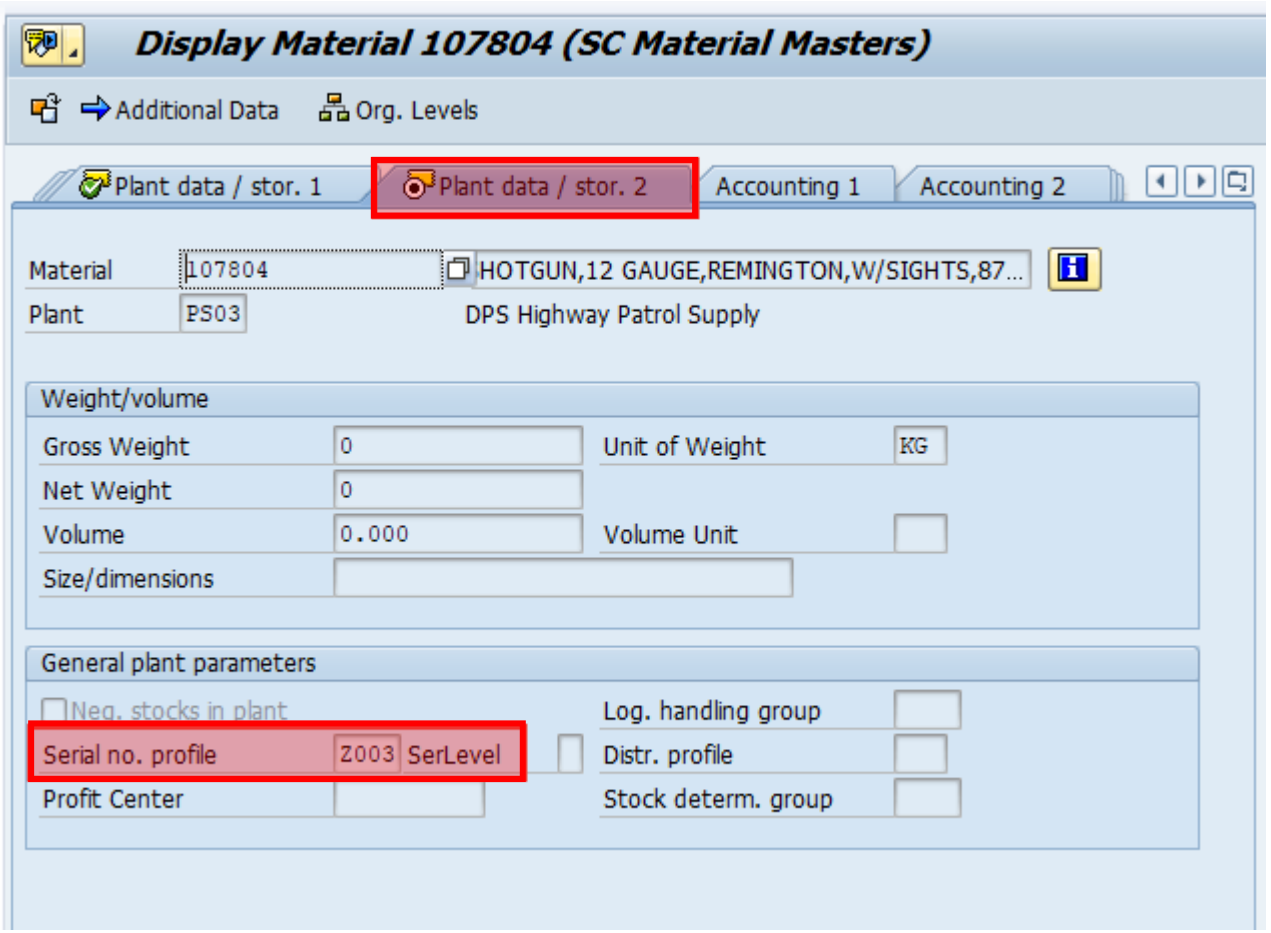



Note: The system will require the serial number of the material master to be entered.

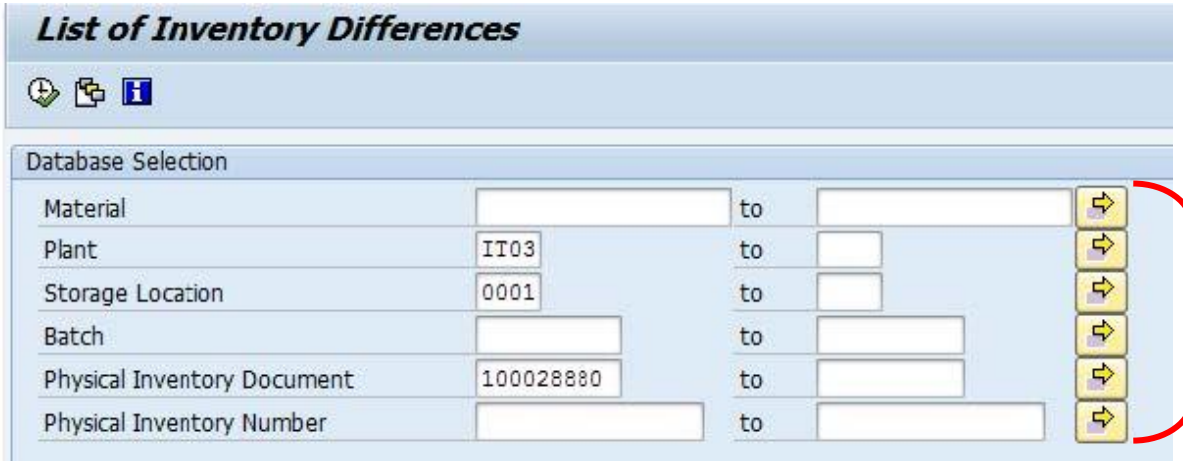
# Enter Inventory Count for Serialized Materials – MM03

The system knows a serial number is required because when the material master was extended by the AMML, they added a serial number profile under the Plant data/stor. 2 tab.

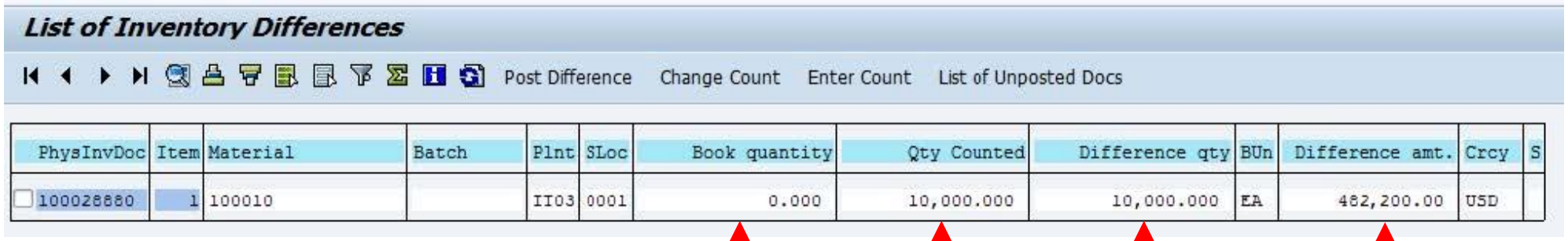


# Run the List of Inventory Differences – MI20

SCEIS




Select list of differences criteria.




Qty. SCEIS shows in stock.

Physical Inventory count.

Difference between count and stock shown in SAP.

Value of difference.

# Perform a Recount – MI11

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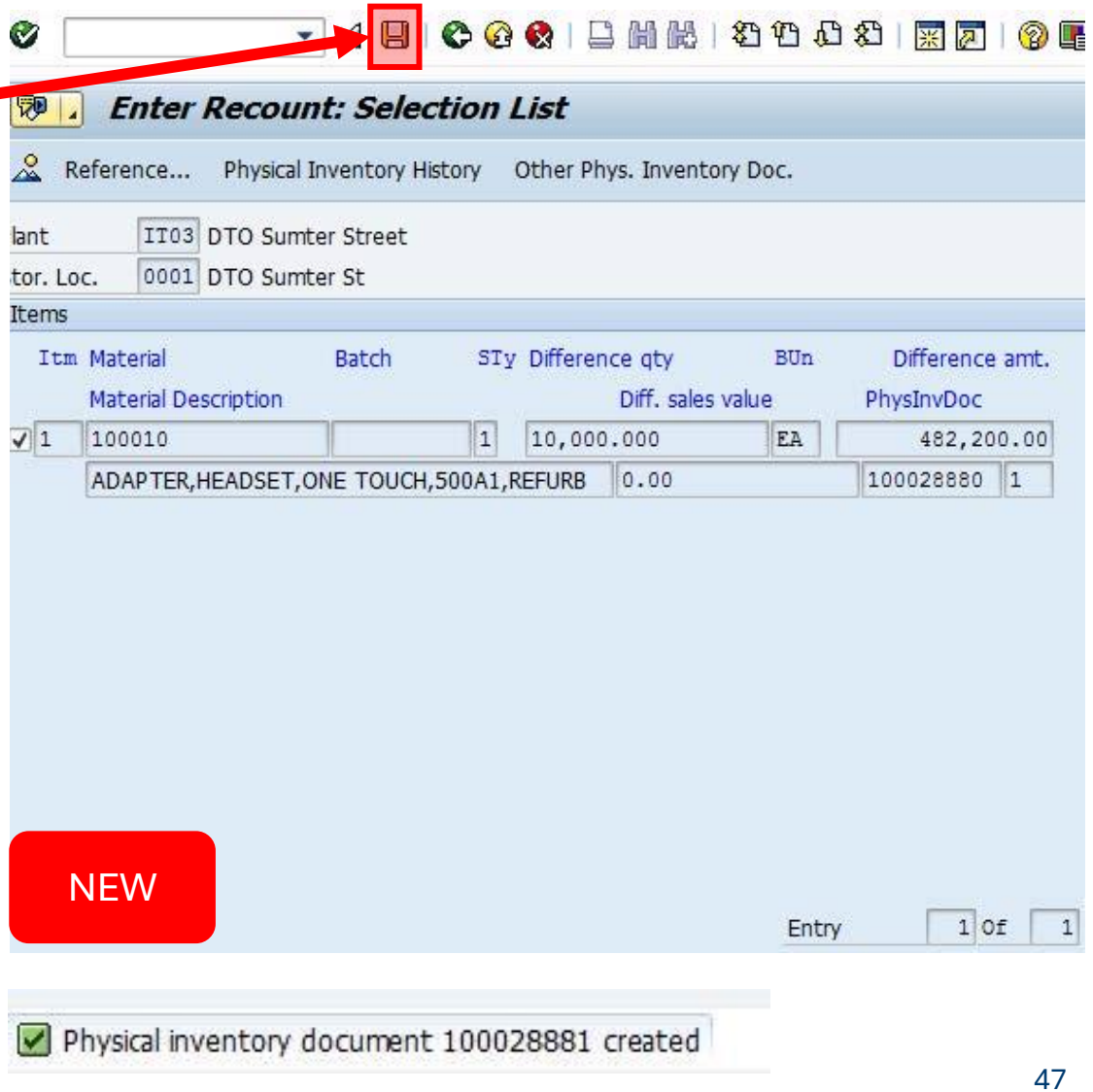
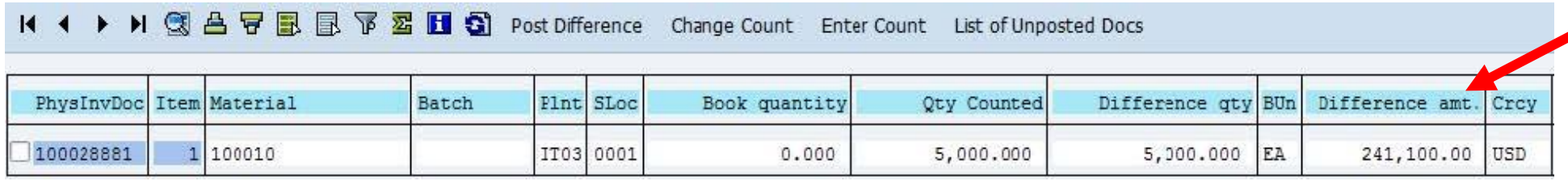
The **Save** function will create a new inventory document and close the existing one.



# View the Difference Report – MI20
# Enter Recount in MI04



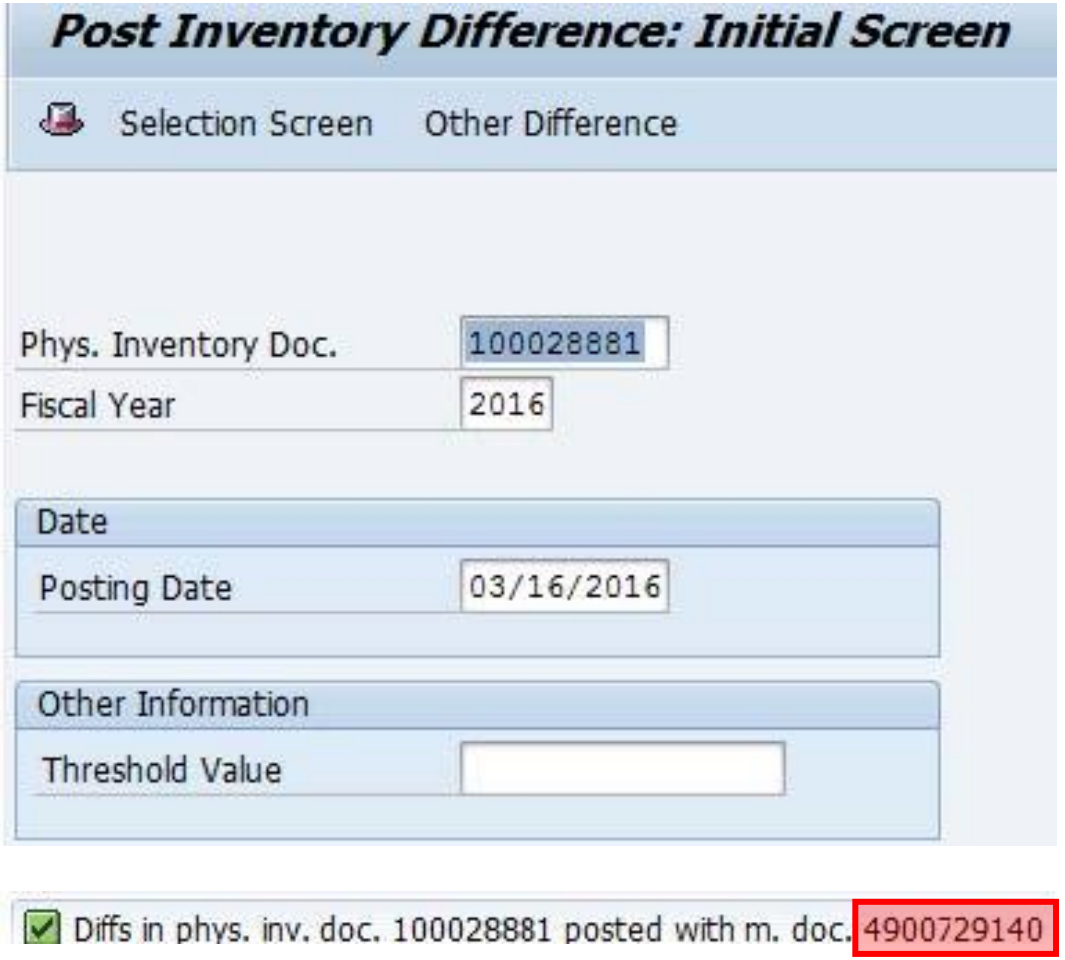

| PhysInvDoc | Item | Material | Batch | Plnt | SLoc | Book quantity | Qty Counted | Difference qty | BUn | Difference amt. | Crcy |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 100028881 | 1 | 100010 | | IT03 | 0001 | 0.000 | 5,000.000 | 5,000.000 | EA | 241,100.00 | USD |

1. Use **MI20** to view the Inventory Difference Report.


2. Use **MI04** to view the recount.

# Post Inventory Differences – MI07

Use **MI07** to Post Inventory Differences.

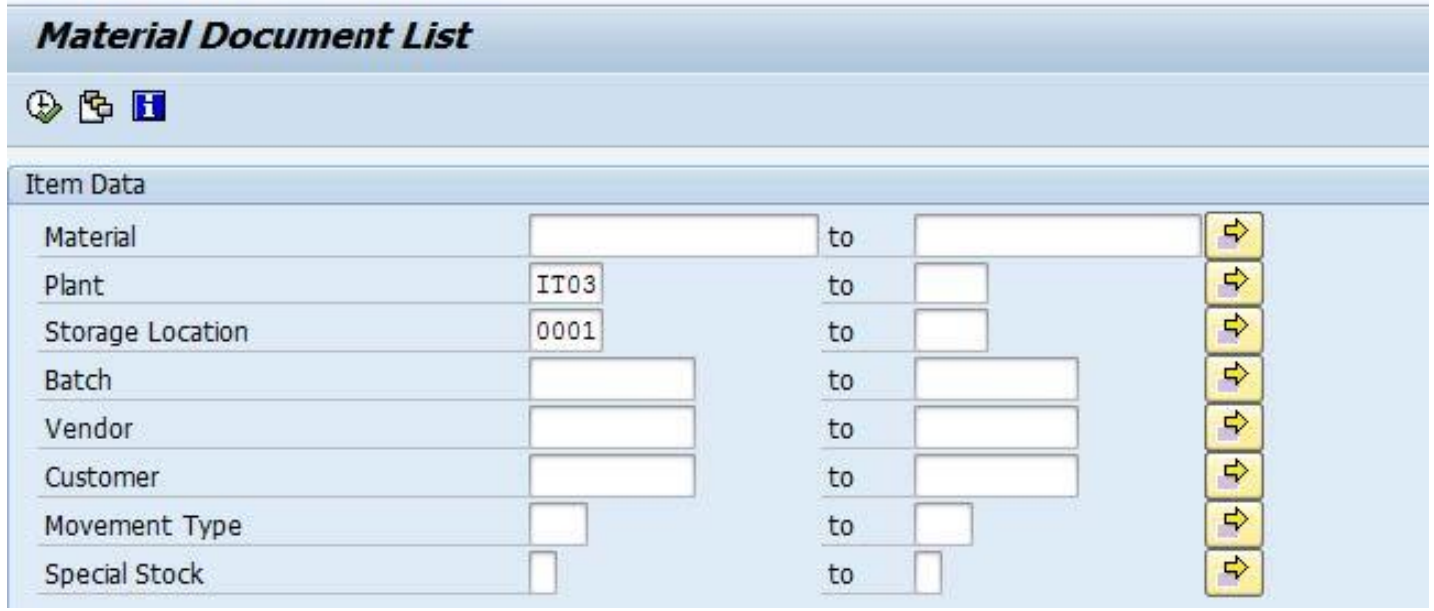



**Note:** A **49XXXXXXXX** Document Number is created, which is a **701** or **702** inventory movement.

# View Inventory Movement in MB51 by Plant/Storage Location

SCEIS

**Note:** 701 movement is an *inventory **IN** adjustment*.




**Note:** 702 movement is an *inventory **OUT** adjustment*.

| Material | Material Description | | | | | Plnt Name 1 |
|---|---|---|---|---|---|---|
| SLoc | MvT | S | Mat. Doc. | Item | Pstng Date | Quantity in UnE EUn | |
| 100010 | ADAPTER,HEADSET,ONE TOUCH,500A1,REFURB | | | | | IT03 DTO Sumter Street |
| 0001 | 701 | | 4900729140 | 1 | 03/16/2016 | 5,000.00 EA | |
| 0001 | 562 | | 4900666958 | 1 | 07/01/2015 | 10.00- EA | |
| 0001 | 562 | | 4900666157 | 1 | 06/27/2015 | 1.00- EA | |
| 0001 | 561 | | 4900666158 | 1 | 06/27/2015 | 1.00 EA | |
| 0001 | 601 | | 4900665142 | 1 | 06/24/2015 | 1.00- EA | |
| 0001 | 601 | | 4900622527 | 1 | 02/09/2015 | 5.00- EA | |

# Display OPEN Inventory Documents for Plant/Storage Location – MI22

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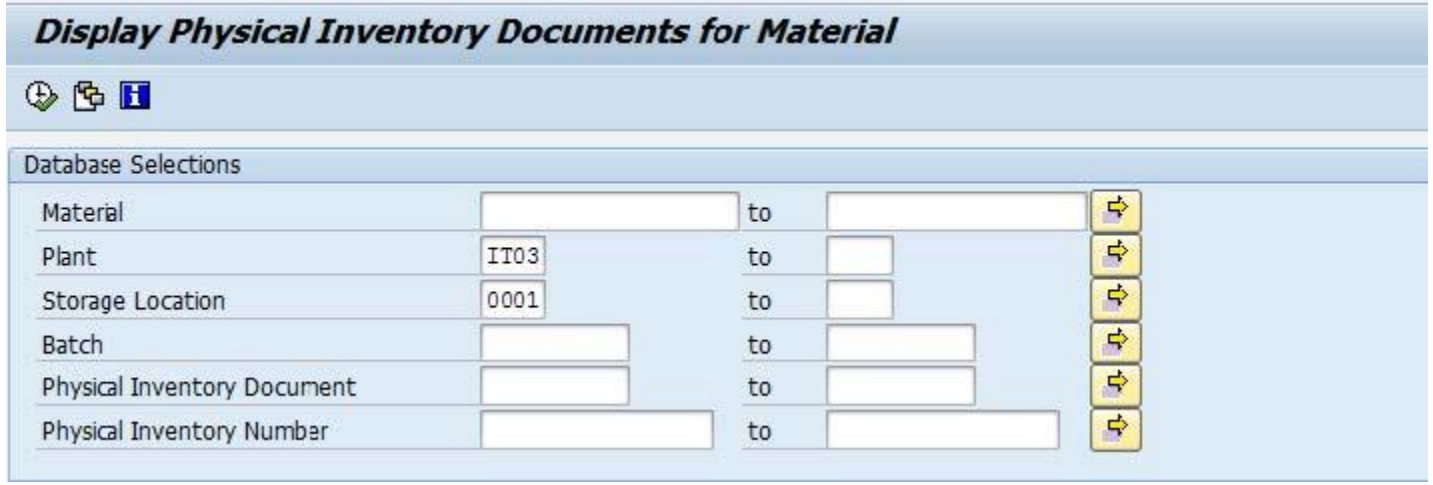


| | | | | | | |
|---|---|---|---|---|---|---|
| 100010 | | ADAPTER,HEADSET,ONE TOUCH,500A1,REFJRB | | | IT03 | 0001 |
| 100003808 | 2 | 2010.12 | 06/28/2010 | 06/28/2010 | 1 | |
| 100010721 | 2 | 2011.12 | 06/27/2011 | 06/27/2011 | 1 | |
| 100014967 | 2 | 2012.12 | 06/25/2012 | 06/25/2012 | 1 | |
| 100019061 | 2 | 2013.12 | 06/25/2013 | 06/25/2013 | 1 | |
| 100022683 | 2 | 2014.12 | 06/23/2014 | 06/23/2014 | 1 | |
| 100026772 | 2 | 2015.12 | 06/25/2015 | 06/25/2015 | 1 | |
| 100028880 | 1 | 2016.09 | 03/16/2016 | 03/16/2016 | 1 | Doc. Active |

Any Document marked "**Doc. Active**" is not a completed inventory document and **has not been posted**.

Lesson 4

# Slow Moving and Dead Stock

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# Lesson 4 Learning Objectives

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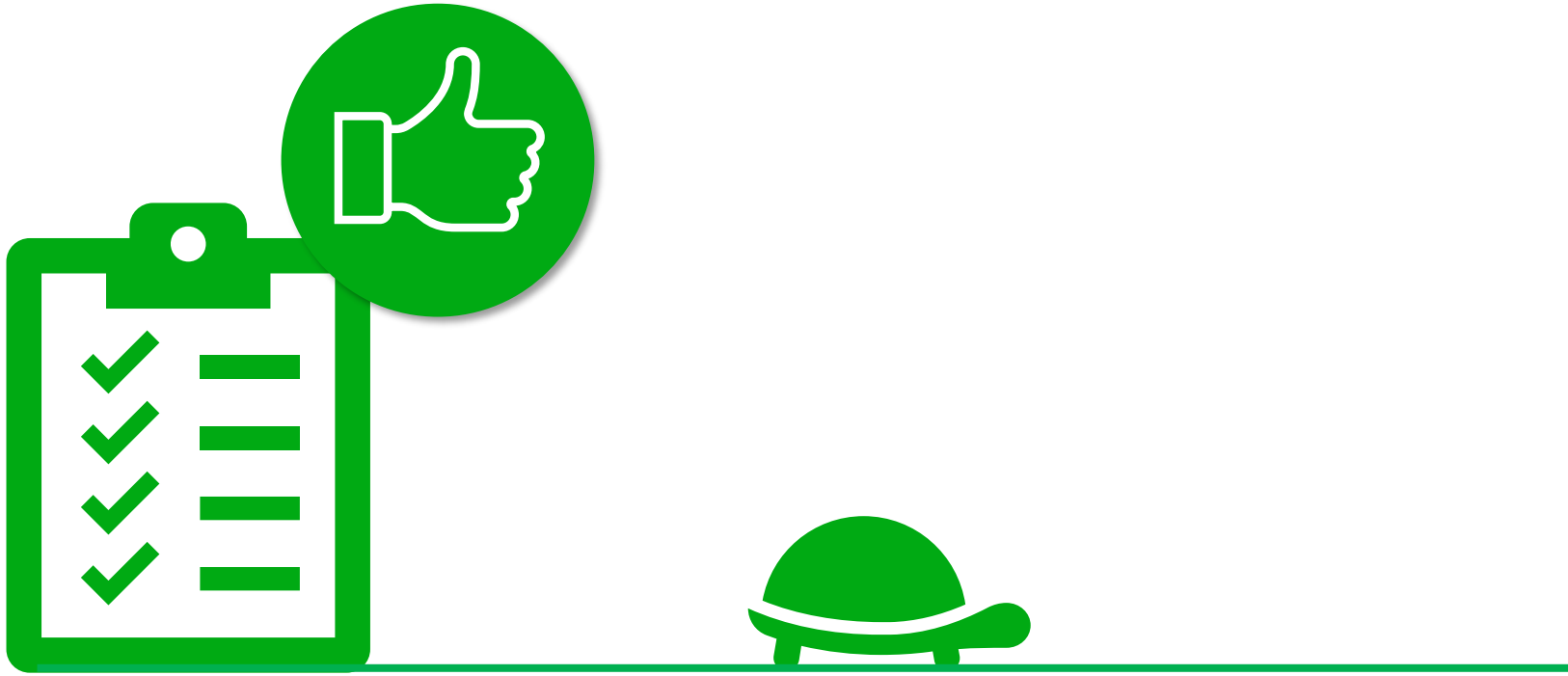
Describe and identify slow moving inventory in **MC46** by total value and individual material masters.

Describe what constitutes dead stock.

Identify dead stock in **MC50**, by total value and individual material impact.

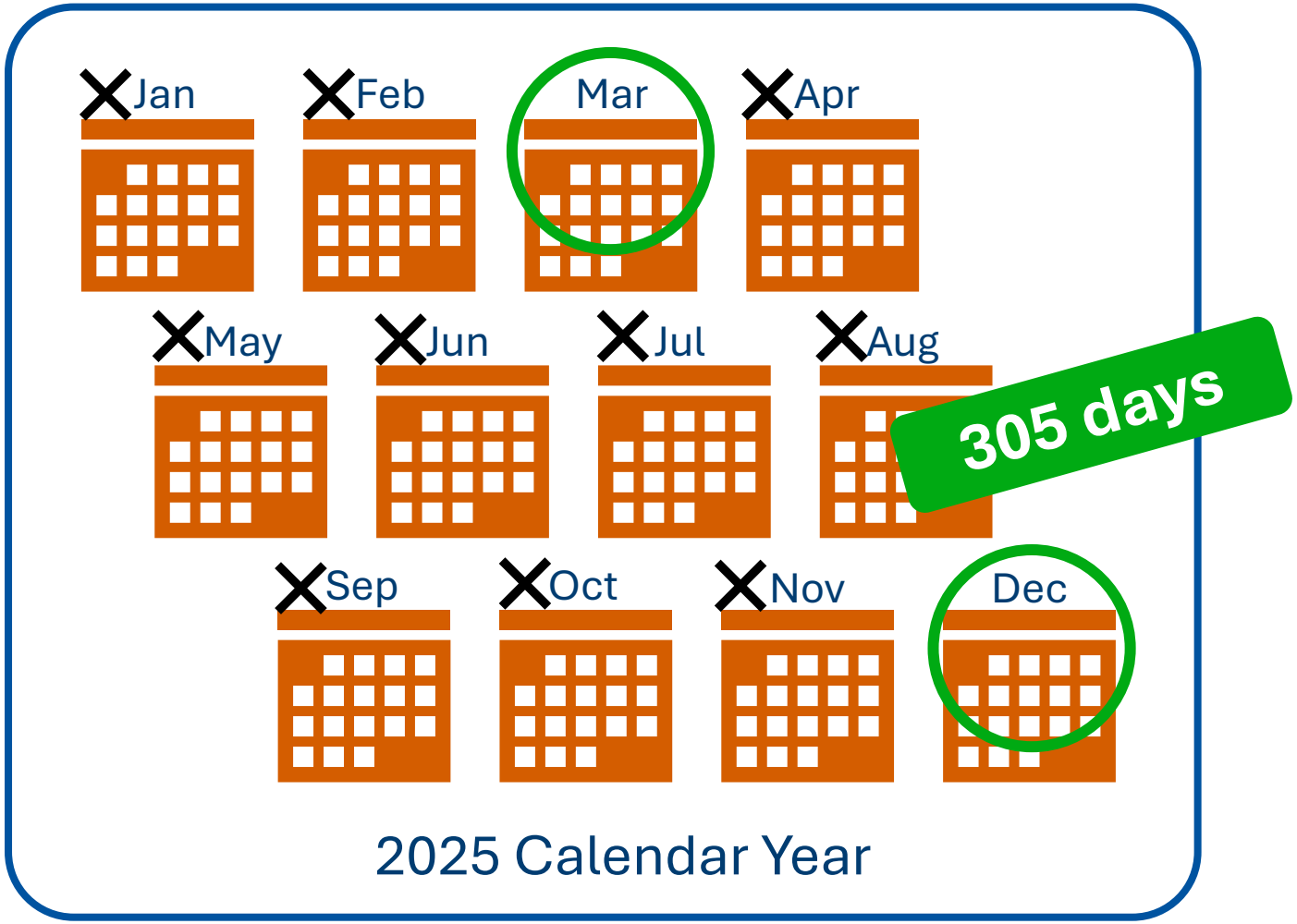
# Slow Moving Inventory – MC46

You have completed your inventory and are confident of the outcome. Now is the time to evaluate slow moving inventory.



# Slow Moving Inventory – MC46

The Slow Moving Inventory report counts the number of days since the last issue of each material.



# Slow Moving Inventory – MC46

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Slow moving inventory:


Takes up valuable warehouse space.

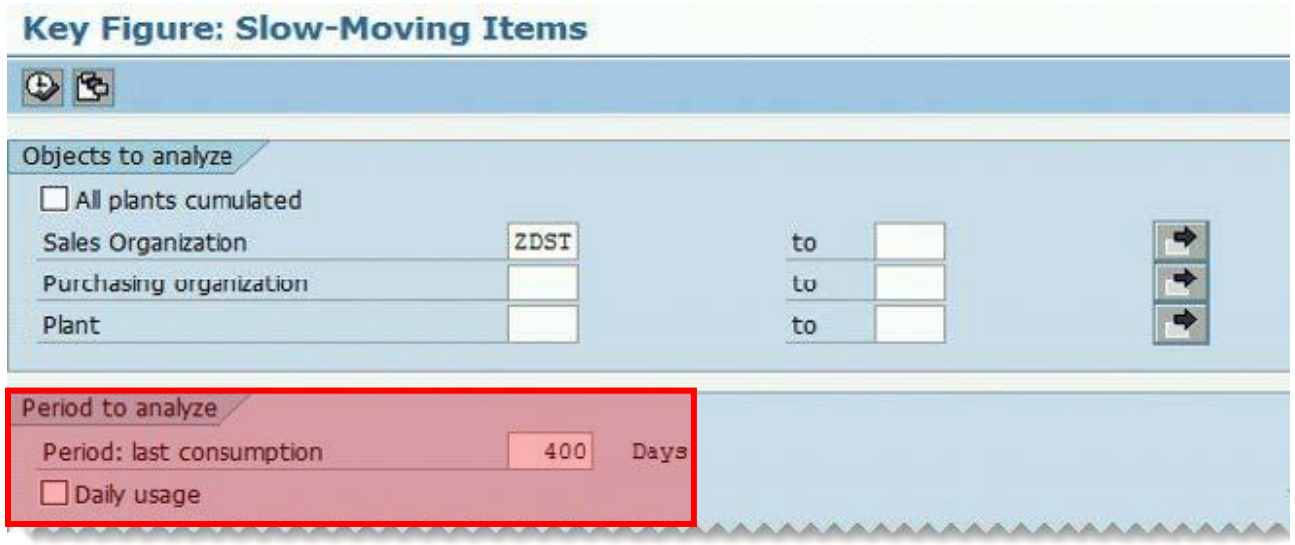

Ties up capital.

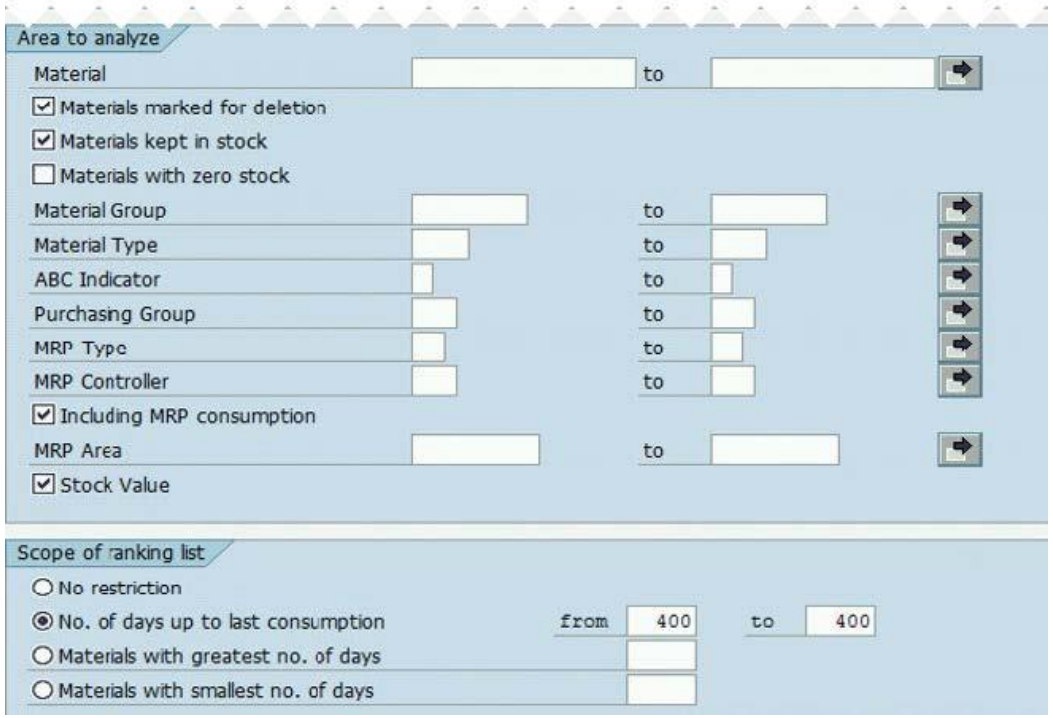

Should be monitored.


Material can be scrapped, sold to another plant, surplus to SC Surplus Property.

# Slow Moving Inventory – MC46

Use transaction MC46 to show **Key Figure: Slow-Moving Items**. In this example, **400 Days** is used to search the last consumption.



# Slow Moving Inventory – MC46

SCEIS

Note the **Stock value** is $155,517.03 based on using 400 days since the last consumption. There are 341 selected materials that have not been issued within the last 400 days.

**Key Figure: Slow-Moving Items**

ABC analysis | Classification | Double-line | Sort in desc. order | Sort in asc. order

Sales organization ZDST  Analysis date  04/26/2018

Analysis: Slow-moving item

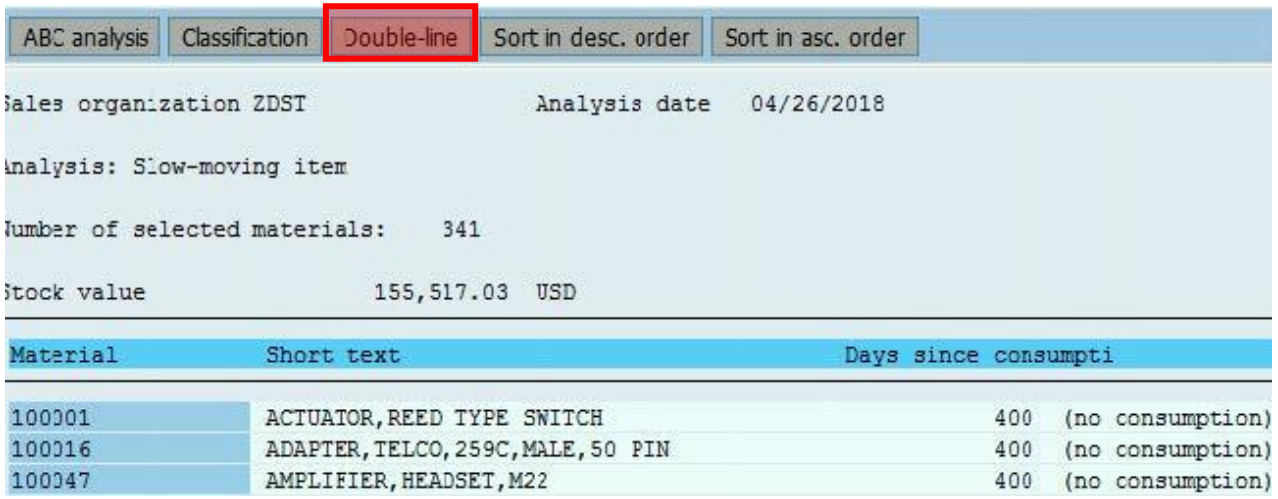
Number of selected materials:  341

Stock value  155,517.03  USD

| Material | Short text | Days since consumpti | |
|---|---|---|---|
| 100001 | ACTUATOR,REED TYPE SWITCH | 400 | (no consumption) |
| 100016 | ADAPTER,TELCO,259C,MALE,50 PIN | 400 | (no consumption) |
| 100047 | AMPLIFIER,HEADSET,M22 | 400 | (no consumption) |
| 100050 | BACKBOARD,107A1,WITH 09B BRACKET,BLUE | 400 | (no consumption) |
| 100085 | BATTERY,9 VOLT,RECHARGEABLE NIMH | 400 | (no consumption) |
| 100092 | BATTERY,FOR TRANSTALK,9031,8 HOURS,BLACK | 400 | (no consumption) |
| 100125 | BLADE,PUNCHDOWN,66,110 BLOCK | 400 | (no consumption) |

# Slow Moving Inventory – MC46

Clicking the **Double-line** option at the top of the screen will show the last movement date of a material.



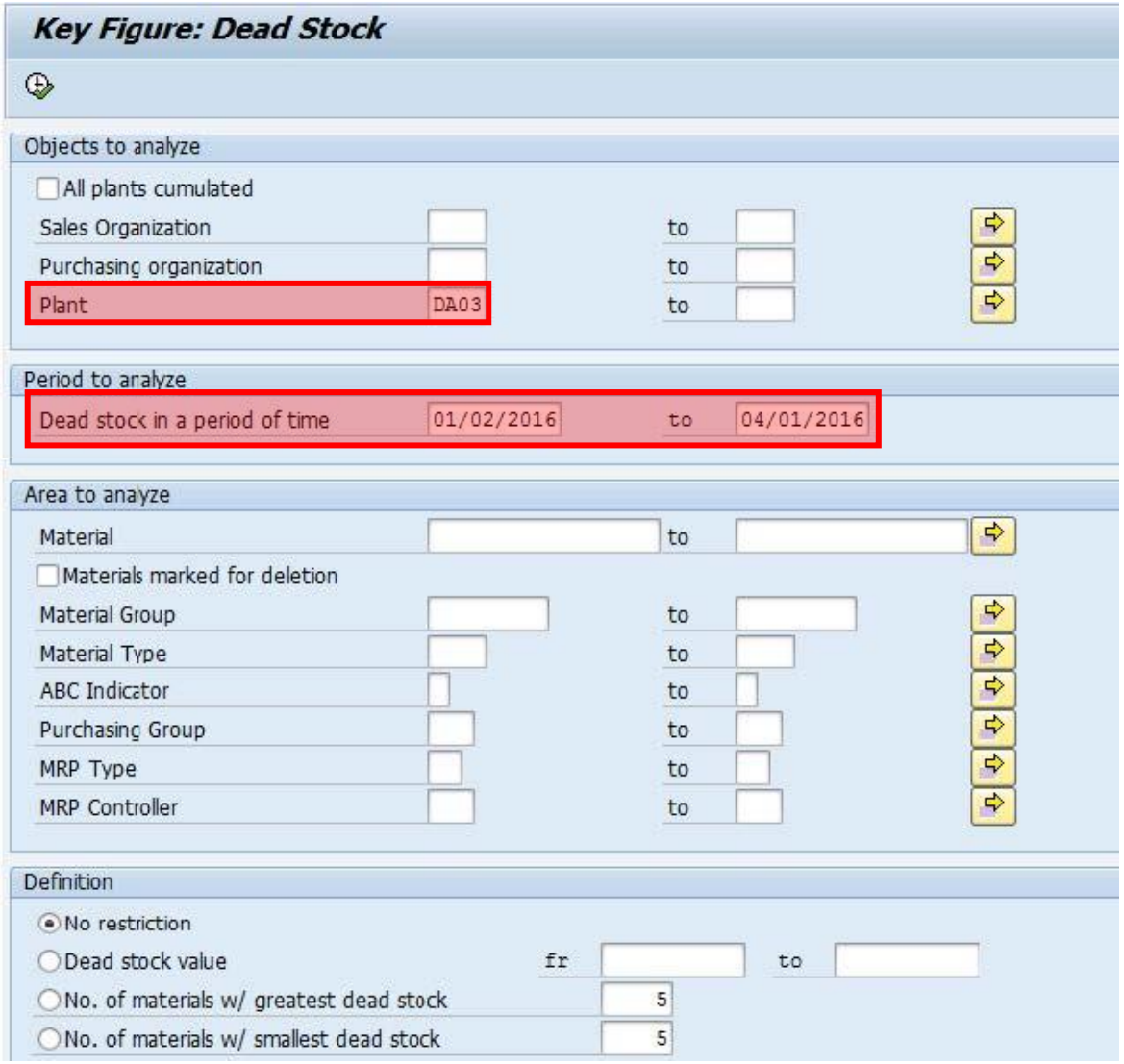


The last date of consumption was 03/22/2017.

# Dead Stock – MC50

Transaction **MC50** executes the **Key Figure: Dead Stock** report. It indicates the stock level for material over a period and identifies the lowest level reached for the material.

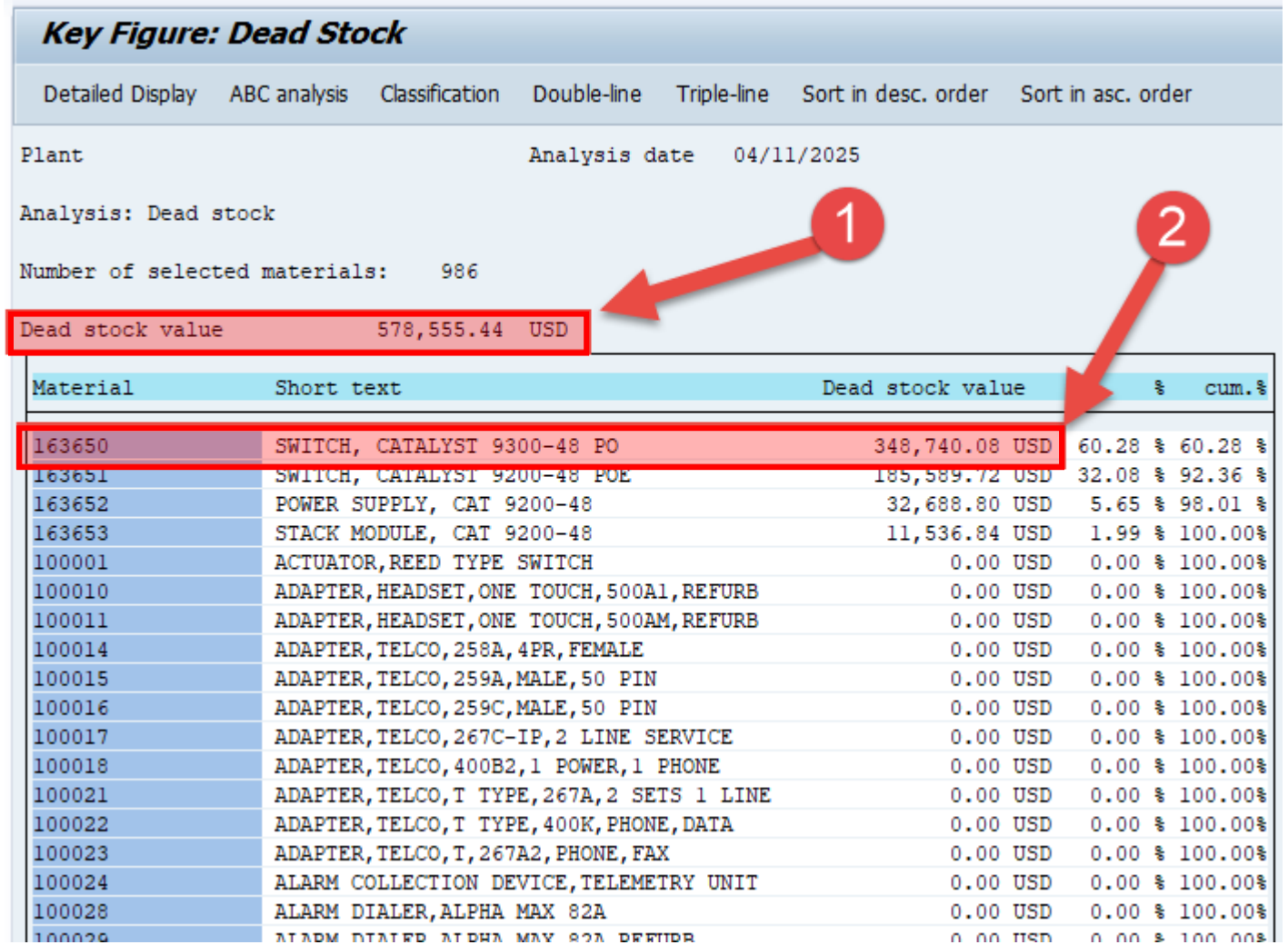
The lowest level is the dead stock quantity. The theory is that stock was not required. This can be searched by **Plant** or **Sales Organization**.



# Dead Stock– MC50

Notice the total **Dead stock value** (1) and the **Dead stock value** by material (2).

Material 163650 is an example of dead stock value by material.



***Key Figure: Dead Stock***

Detailed Display | ABC analysis | Classification | Double-line | Triple-line | Sort in desc. order | Sort in asc. order

Plant | Analysis date 04/11/2025

Analysis: Dead stock

Number of selected materials: 986

Dead stock value 578,555.44 USD

| Material | Short text | Dead stock value | % | cum.% |
|---|---|---|---|---|
| 163650 | SWITCH, CATALYST 9300-48 PO | 348,740.08 USD | 60.28 % | 60.28 % |
| 163651 | SWITCH, CATALYST 9200-48 POE | 185,589.72 USD | 32.08 % | 92.36 % |
| 163652 | POWER SUPPLY, CAT 9200-48 | 32,688.80 USD | 5.65 % | 98.01 % |
| 163653 | STACK MODULE, CAT 9200-48 | 11,536.84 USD | 1.99 % | 100.00% |
| 100001 | ACTUATOR,REED TYPE SWITCH | 0.00 USD | 0.00 % | 100.00% |
| 100010 | ADAPTER,HEADSET,ONE TOUCH,500A1,REFURB | 0.00 USD | 0.00 % | 100.00% |
| 100011 | ADAPTER,HEADSET,ONE TOUCH,500AM,REFURB | 0.00 USD | 0.00 % | 100.00% |
| 100014 | ADAPTER,TELCO,258A,4PR,FEMALE | 0.00 USD | 0.00 % | 100.00% |
| 100015 | ADAPTER,TELCO,259A,MALE,50 PIN | 0.00 USD | 0.00 % | 100.00% |
| 100016 | ADAPTER,TELCO,259C,MALE,50 PIN | 0.00 USD | 0.00 % | 100.00% |
| 100017 | ADAPTER,TELCO,267C-IP,2 LINE SERVICE | 0.00 USD | 0.00 % | 100.00% |
| 100018 | ADAPTER,TELCO,400B2,1 POWER,1 PHONE | 0.00 USD | 0.00 % | 100.00% |
| 100021 | ADAPTER,TELCO,T TYPE,267A,2 SETS 1 LINE | 0.00 USD | 0.00 % | 100.00% |
| 100022 | ADAPTER,TELCO,T TYPE,400K,PHONE,DATA | 0.00 USD | 0.00 % | 100.00% |
| 100023 | ADAPTER,TELCO,T,267A2,PHONE,FAX | 0.00 USD | 0.00 % | 100.00% |
| 100024 | ALARM COLLECTION DEVICE,TELEMETRY UNIT | 0.00 USD | 0.00 % | 100.00% |
| 100028 | ALARM DIALER,ALPHA MAX 82A | 0.00 USD | 0.00 % | 100.00% |
| 100029 | ALARM DIALER,ALPHA MAX 82A,REFURB | 0.00 USD | 0.00 % | 100.00% |

# Course Summary

SCEIS
SC ENTERPRISE INFORMATION SYSTEM
THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION

# Course Learning Objectives

SCEIS

- Describe key inventory terms and concepts.
- Understand the physical inventory process.
- Describe and perform a physical inventory.
- Recognize “Slow Moving” and “Dead Stock.”

# SCEIS Resources and Help

SCEIS
SC ENTERPRISE INFORMATION SYSTEM
THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION

# Any Questions?

Email your questions to the SCEIS Help Desk by **Friday, June 6, 2025**.
SCEIS.HelpDesk@admin.sc.gov

Questions will be compiled with the responses and posted by **June 13, 2025**, to the SCEIS Fiscal Year-End Guides webpage.

# SCEIS Resources and Help

- SCEIS website

  sceis.sc.gov

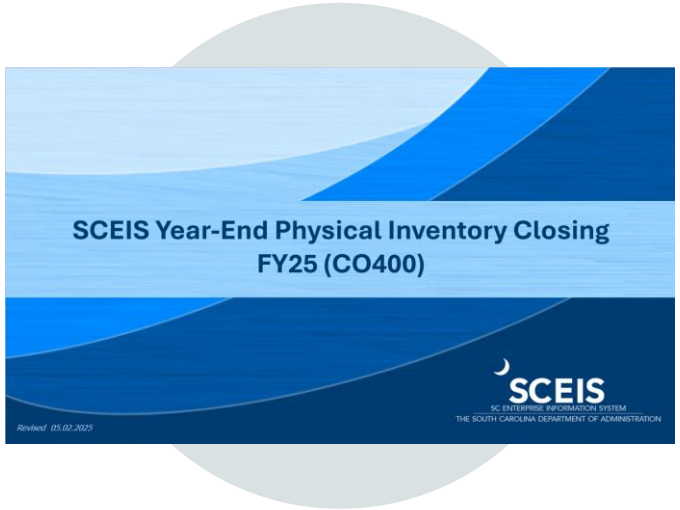
- SCEIS Updates webpage

  sceis.sc.gov/page.aspx?id=230

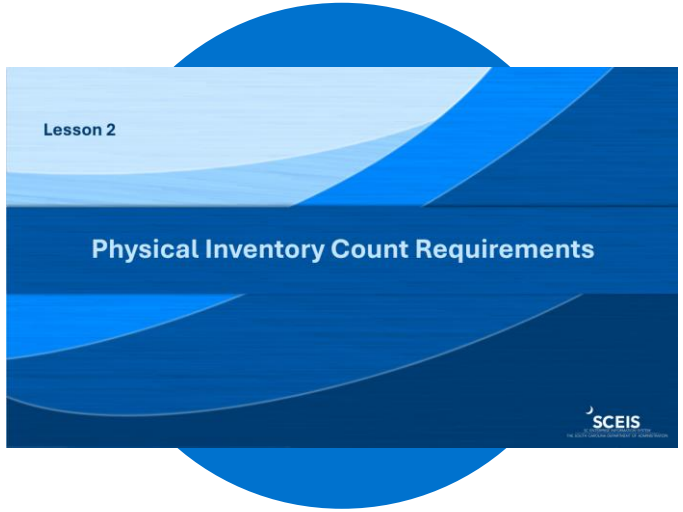
- SCEIS Training Schedule

  sceis.sc.gov/page.aspx?id=427

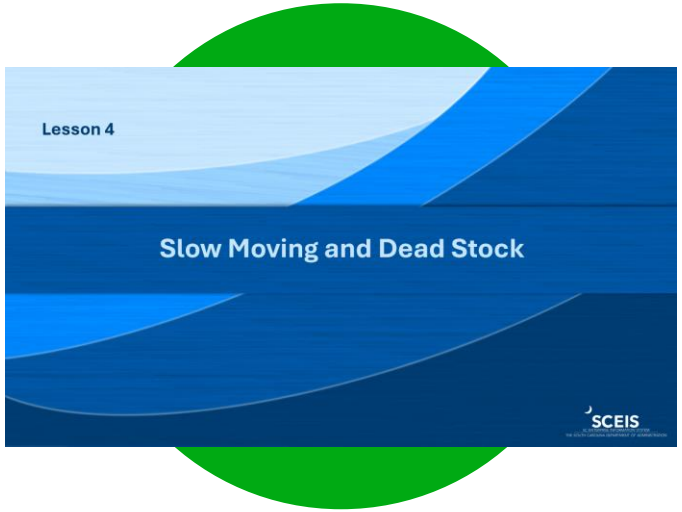
- Contact the SCEIS Service Desk
  - Service Request Form: sceis.sc.gov/requests
  - Phone: 803.896.0001, option 2

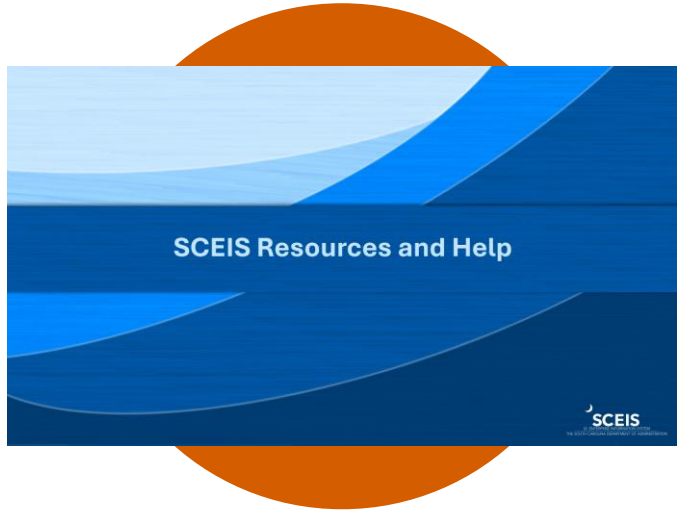

SCEIS Year-End Physical Inventory Closing
FY25 (CO400)
SCEIS
SC ENTERPRISE INFORMATION SYSTEM
THE SOUTH CAROLINA DEPARTMENT OF ADMINISTRATION
Revised 05.02.2025


Lesson 1
Key Inventory Terms and Concepts
SCEIS


Lesson 2
Physical Inventory Count Requirements
SCEIS


Lesson 3
Physical Inventory Process
SCEIS


Lesson 4
Slow Moving and Dead Stock
SCEIS


SCEIS Resources and Help
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