

Hesabu ERP Inventory Management Manual

Stock and inventory

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Documentation version 1.0, published 17 November 2026. The screens in your own workspace may differ slightly depending on your plan and settings.

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Stock and inventory

- Creating items
- Warehouses and stock entries
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- Stock valuation and reorder levels
- Stock reports
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Stock and inventory

Items, warehouses, stock movements, counts, batches, valuation and reports.

Stock and inventory

Creating items

Set up the products and services you buy and sell, with groups, units, variants and prices.

Beginner · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Kuza** and **Enterprise** plans. It is not part of **Biashara**. Contact us if you want to upgrade.

Overview

An **Item** is anything you buy or sell: goods, raw materials or services. Items drive your stock, pricing and reports, so setting them up carefully pays off.

Prerequisites

The Stock Manager role, or Item Manager. You should know your **Item Groups** and **units of measure**.

Barcodes

Add the item's barcodes in the **Barcodes** table so you can scan it. See Barcodes and scanners.

Steps

Create an item

1. Search for **New Item**.
2. Enter an **Item Code**: a short, unique reference, for example `CEM-50`. You can type your own or let numbering choose.
3. Enter the **Item Name**, for example `Cement 42.5N, 50kg bag`.
4. Choose the **Item Group** (such as *Cement and Concrete*). Create it first if it does not exist.
5. Choose the **Default Unit of Measure**, such as *Nos* or *Kg*.
6. Tick **Maintain Stock** for goods you count. Leave it unticked for services.
7. In the **Inventory** section, set a **Reorder Level** if you want a warning when stock is low (see Valuation and reorder levels).
8. In the **Sales** and **Purchase** sections, set the **Standard Selling Rate** and default supplier if you wish.
9. Click **Save**.

Set a selling price

1. Search for **Item Price** and click **Add**.
2. Choose the item, the **Price List** (for example *Standard Selling*) and the **Rate**. Save.

Variants (sizes and colours)

1. Create **Item Attributes**, such as *Size* with values *S, M, L*.
2. On the item, tick **Has Variants** and add the attributes.
3. Click **Create**, then **Multiple Variants** to generate each combination.

Other units of measure

Add **UOM Conversion Details** to the item, so that you can sell by the *Box* and buy by the *Pallet*.

Practical example

The hardware shop creates `CEM-50`, `IRS-G28` (iron sheet gauge 28, 3m) and `NAIL-4IN` (wire nails 4 inch, sold by the kg). Each is in an item group, with a selling price. A *Delivery within Nakuru* service item has **Maintain Stock** unticked.

Important notes

- An item that has stock movements cannot easily have its code or stock setting changed. Plan before you start.
- Use clear, consistent names. Staff will search by them.
- Disable items that you no longer sell instead of deleting them.

Common mistakes

- Forgetting **Maintain Stock**, so stock is never tracked.
- Creating duplicate items for different sizes instead of using variants.

Next steps

Read Warehouses and stock entries.

Related documentation

- Warehouses and stock entries
- Batches and serial numbers
- Creating a sales invoice

Stock and inventory

Warehouses and stock entries

Move stock in, out and between warehouses, and understand which documents change your stock.

Beginner · About 20 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

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Overview

Your stock changes only when a **stock-moving document** is submitted. Most are created by buying and selling: Purchase Receipts add stock, Delivery Notes remove it. A **Stock Entry** handles every other movement.

Which documents change stock

Document	Effect
Purchase Receipt	Stock in
Delivery Note	Stock out
Sales or Purchase Invoice with **Update Stock** ticked	Stock out or in
Stock Entry	In, out or between warehouses
Stock Reconciliation	Sets stock to a counted value

Steps

Transfer stock between warehouses

1. Search for **New Stock Entry**.
2. Set the **Stock Entry Type** to *Material Transfer*.
3. For each item, choose the **Source Warehouse** and **Target Warehouse**, and the quantity.
4. Save and submit.

Other types

- **Material Receipt**: stock in with no purchase, such as a free sample or opening stock.

- **Material Issue**: stock out for another reason, such as damage or internal use.
- **Manufacture**, **Repack**: for production and repacking.

See where an item is

1. Open the **Item**. Use **View**, then **Stock Ledger** or **Stock Balance**.
2. Or run the **Stock Balance** report. See Stock reports.

Practical example

Stock in the showroom is low. The storekeeper creates a Material Transfer of 50 bags of cement from `Stores - HD` to `Showroom - HD`. The Stock Balance report shows Stores down 50 and Showroom up 50, with the total unchanged.

Important notes

- You cannot issue more than you hold unless negative stock is allowed in **Stock Settings**. Leave it off.
- Always add a **remark** to issues and adjustments, so the reason is recorded.

Common mistakes

- Typing a quantity in the wrong unit, such as bags instead of kg.
- Using a Material Issue to record a sale. Use a Delivery Note or an invoice.

Troubleshooting

If you cannot submit because stock is insufficient, check the Stock Balance for that warehouse. See Incorrect stock balances.

Next steps

Read Opening stock and stock counts.

Related documentation

- Warehouses and business locations
- Opening stock and stock counts
- Stock reports

Stock and inventory

Opening stock and stock counts

Load your starting stock and correct it after a physical count using Stock Reconciliation.

Intermediate · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

Included in the **Kuza** and **Enterprise** plans. It is not part of **Biashara**. Contact us if you want to upgrade.

Overview

Stock Reconciliation sets the stock of an item in a warehouse to the quantity you actually counted. Use it to load your **opening stock** when you start, and to correct the system after a physical count.

Prerequisites

Items and warehouses created. The Stock Manager role.

Steps

1. Search for **New Stock Reconciliation**.
2. Set **Purpose**: *Opening Stock* when you first start, or *Stock Reconciliation* for later counts.
3. Set the **Posting Date** (for opening stock, the day before you begin).
4. Click **Get Items** to load the items in a warehouse, or add rows by hand.
5. For each row, enter the warehouse, the real **Quantity** counted, and the **Valuation Rate** (cost per unit) when asked.
6. Check the **Difference Amount** at the bottom. For opening stock, choose the **Difference Account** *Temporary Opening*. For a later count, choose a stock adjustment expense account.
7. Save and submit.

Large lists can be loaded in bulk. Use **Data Import** with the Stock Reconciliation template, or the **Upload** option on the document.

Practical example

The hardware shop counts 760 bags of cement on the shelf, but the system says 770. The storekeeper creates a Stock Reconciliation for `CEM-50` in `Stores - HD` with quantity 760. The system books a 10-bag loss, valued at the item's cost, to *Stock Adjustment*.

Important notes

- Do a count when the shop is closed or movements are paused, so quantities are exact.
- Opening stock needs a **valuation rate** because it sets your stock's value in the books.
- Never keep adjusting stock to hide a problem. Find out why it differs.

Common mistakes

- Counting while sales are still being processed.
- Entering the system's quantity instead of the counted one.

Troubleshooting

See Incorrect stock balances.

Next steps

Read Batches and serial numbers.

Related documentation

- Stock reports
- Journal entries and opening balances
- Incorrect stock balances

Stock and inventory

Batches and serial numbers

Track expiry dates by batch and individual units by serial number.

Intermediate · About 15 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

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Overview

Some items need tracking beyond a total quantity.

- A **batch** groups units made or received together, usually with an **expiry date**. Use it for paint, medicines, food and chemicals.
- A **serial number** is unique to one unit. Use it for equipment, phones and anything with a warranty.

Steps

Turn tracking on for an item

1. Open the **Item**.
2. In the **Inventory** section, tick **Has Batch No**, or **Has Serial No**.
3. For batches, you can tick **Automatically Create New Batch** and set an expiry rule (**Shelf Life in Days**).
4. Save. This must be done before the first movement of the item.

Receive stock with a batch

1. On the **Purchase Receipt**, in the item row, enter the **Batch No** (or create one), and the expiry date.
2. Submit.

Sell by batch

1. On the **Delivery Note**, choose the **Batch No** to issue (the system shows the batches with stock, earliest expiry first).
2. Submit.

Serial numbers

1. On the receipt, enter one serial number per line in the **Serial No** box, one per unit.
2. On delivery, select the serial numbers being sold.

Practical example

The shop buys 100 tins of paint in batch `PNT-2026-11`, expiring in 24 months. Later, a customer reports a faulty tin. The batch number on the delivery note shows exactly which delivery it came from, so the supplier can be told.

Important notes

- Decide whether an item needs tracking **before** it has stock. Changing it later is difficult.
- Keep the **Batch** report for expiry management. Use the **Stock Ageing** report to spot slow-moving stock.

Common mistakes

- Tracking everything by serial number, which makes data entry heavy.
- Mixing batches in one stock line.

Next steps

Read Valuation and reorder levels.

Related documentation

- Creating items
- Warehouses and stock entries

Stock and inventory

Stock valuation and reorder levels

Understand how stock is valued, and set alerts so you reorder before you run out.

Intermediate · About 15 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

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Overview

Valuation is the cost the system puts on your stock, which matters for your balance sheet and for cost of goods sold. **Reorder levels** tell you when to buy more.

Valuation

Each item uses a **valuation method**, set in the item's **Inventory** section, or as a default in **Stock Settings**.

Method	How it works
FIFO	The oldest stock is sold first, so cost of goods sold uses the oldest purchase price
Moving Average	Each purchase changes the average cost per unit

Choose one and be consistent. Ask your accountant which suits your business.

Steps: set a reorder level

1. Open the **Item**.
2. In **Inventory**, find **Reorder level based on Warehouse** and click **Add Row**.
3. Choose the **Warehouse**, the **Reorder Level** (minimum quantity), and the **Reorder Qty** (how much to order).
4. Choose the **Material Request Type**: *Purchase*.
5. Save.

Automatic requests (optional)

1. Open **Stock Settings**.
2. Tick **Raise Material Request When Stock Reaches Re-order Level**, so a draft request is created when stock falls below the level.

3. Save.

Practical example

Cement is sold fast. The owner sets a reorder level of 200 bags and a reorder quantity of 500 for the main store. When stock falls below 200, a Material Request for 500 appears for the buyer to review.

Important notes

- Valuation cannot be changed easily once an item has stock movements.
- Set reorder levels from real sales history, not guesses.
- Check the **Stock Projected Qty** report to see stock on hand, on order and reserved.

Common mistakes

- Setting a reorder level without a warehouse.
- Ignoring the draft requests, which then pile up.

Next steps

Read Stock reports.

Related documentation

- Creating items
- The procurement cycle
- Stock reports

Stock and inventory

Stock reports

See what you hold, where, what it is worth, and what is moving or stuck.

Beginner · About 15 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

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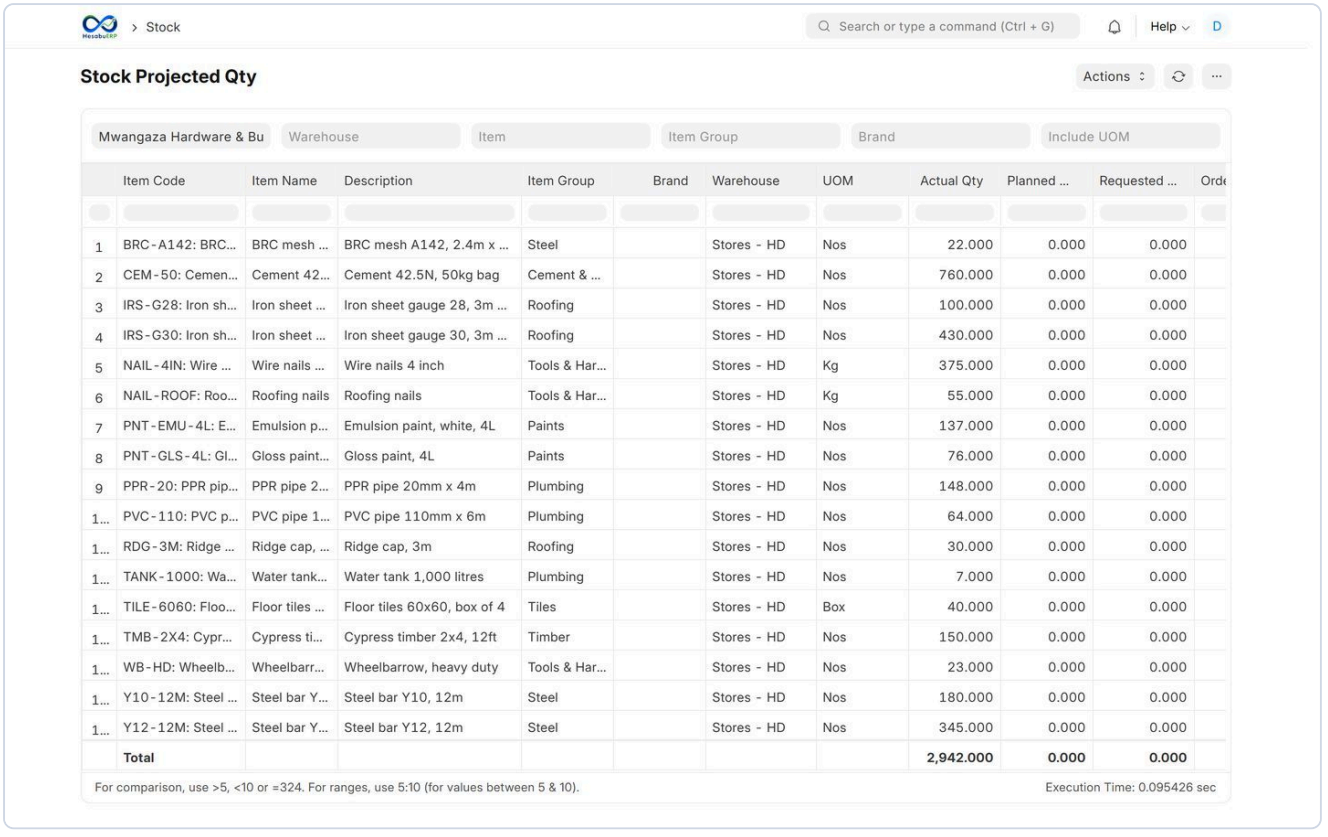
Overview

Stock reports are in the **Stock** workspace under **Reports**. They answer the daily questions: what do I have, where, and what should I buy.



The Stock Projected Qty report, listing each item with warehouse, actual quantity, planned and requested quantity.

The key reports

Report	It answers
Stock Balance	How many of each item are in each warehouse, and their value
Stock Ledger	Every movement of an item, with who and when
Stock Projected Qty	Stock on hand plus what is on order, minus what is reserved
Stock Ageing	How long stock has been sitting
Item Shortage Report	Items needed to meet orders but not available
Warehouse-wise Stock Balance	The total per warehouse

Steps

1. Search for the report, for example **Stock Balance**.
2. Set the **Company**, **From** and **To** dates, and optionally the **Warehouse** or **Item Group**.
3. Read the **Balance Qty** and **Balance Value** columns.
4. Click an item to open its ledger.
5. Use **Menu**, then **Export** to share it.

Practical example

On Friday, the owner runs **Stock Balance** filtered to the *Roofing* item group. 100 iron sheets of gauge 28 are left in Stores. He opens the **Stock Ledger** for that item and sees where the sheets went this week, then raises a purchase request.

Important notes

- Reports show submitted movements only.
- If numbers look wrong, check the filters (warehouse, company and dates) before suspecting the data.
- Compare the **Stock Balance** value to your **Stock** account in the Balance Sheet. They should match.

Common mistakes

- Reading the report for one warehouse and thinking it is the total.
- Forgetting to set the **To Date** to today.

Troubleshooting

See Incorrect stock balances.

Next steps

Move on to System administration.

Related documentation

- Running and saving reports
- Stock valuation and reorder levels
- Opening stock and stock counts

Stock and inventory

Barcodes and scanners

Give items barcodes, scan them at the till and in the store, and fix common scanner problems.

Beginner · About 25 minutes · Version 1.0 · Updated 17 November 2026

Plan availability

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Overview

A **barcode** is a code printed on an item that a **scanner** reads in a fraction of a second. Scanning is faster than typing and avoids mistakes. In Hesabu ERP you can scan at the point of sale and in the store, when you receive goods, move stock or count it.

How a scanner works

Most USB and Bluetooth barcode scanners behave like a **keyboard**. When you scan, the scanner "types" the number and presses **Enter**. Nothing needs to be installed. If you can type in a box, you can scan into it.

- **Handheld USB scanner:** plug it into the till computer.
- **Bluetooth scanner:** pair it with your computer, tablet or phone like a keyboard.
- **Phone camera:** some phones can scan with an app that types into the browser. Dedicated scanners are faster and more reliable for busy counters.

Prerequisites

- Items created. See Creating items.
- A scanner. Choose one that reads the codes on your goods (most read **EAN-13**, **UPC** and **Code 128**) and can add **Enter** after each scan.

Steps

Add barcodes to an item

1. Search for **Item** and open the item.
2. Scroll to the **Barcodes** table and click **Add Row**.

3. Enter the **Barcode** (the number printed under the stripes). Choose the **Barcode Type**, such as *EAN*, *UPC-A* or *CODE-128*, if the form asks.
4. Add a row for each different barcode, if the same item comes with more than one.
5. Click **Save**.

A barcode must be **unique**. Two items cannot have the same one.

Goods that already have a barcode

Use the barcode printed by the manufacturer. Enter the number exactly as printed. Scan it into the barcode box to avoid typing mistakes.

Goods without a barcode

You can make your own. Use a code such as the item code or a number you choose, and print it on labels (see below).

Scan at the till

1. Open the **POS** and open your shift. See Opening and closing a shift.
2. Click the item search box so the cursor is in it.
3. Scan the item. It is added to the cart. Scanning the same item again adds one more.
4. Continue scanning, then click **Checkout**. See Selling at the till.

Scan in the store

Many stock documents, such as **Purchase Receipt**, **Delivery Note**, **Stock Entry** and **Stock Reconciliation**, have a **Scan Barcode** box near the top of the form.

1. Open the document and click **Scan Barcode**.
2. Scan an item. A row is added, or the quantity goes up by one.
3. Check the quantities before you save and submit.

Scanning can also pick **batch** and **serial** numbers if those are barcoded. See Batches and serial numbers.

Use scanning for stock counts

During a count, scan each item and enter the counted quantity. See Opening stock and stock counts.

Print barcode labels

1. Decide whether you need labels for your own items, or only for goods with no barcode.
2. Use a label printer, or print labels from a print format. See Print formats and letterheads.
3. Test one label with your scanner before printing many.

If you need labels printed from Hesabu ERP, ask us. We can help set up a label format for your printer.

Practical example

A hardware shop imports 800 items with their manufacturer barcodes. At the till, the cashier scans a tin of paint, and it appears in the cart with its price. In the store, the storekeeper scans each delivery against the **Purchase Receipt**, and a count of the paint shelf takes ten minutes instead of an hour.

Important notes

- Keep one barcode for one item, and one item for one barcode (unless you intentionally add more rows).
- A scanner only reads what is printed. If the label is damaged or smudged, type the number or print a new label.
- Barcodes work with the **unit of measure**: if you sell by carton and by piece, ask us how your barcodes should be set, so a scan picks the right one.
- Fast scanning can add the same item twice by accident. Check the cart before taking payment.

Common mistakes

- Typing a barcode with a missing digit, so scans do nothing.
- Giving two items the same barcode, which stops you saving.
- Using a scanner that does not add **Enter**, so you have to press it yourself.
- Scanning while the cursor is not in the box.

Troubleshooting

Problem	What to check
Nothing happens when I scan	Click in the search or scan box first. Test the scanner in a text box such as Notepad. If it types nothing, check the cable or battery
The number appears, but the item is not added	The barcode is not on any item. Add it to the item. See above
The scanner types but the item does not add until I press Enter	Set the scanner to add Enter (suffix) after each scan. See its manual
The wrong item is added	Two items share a barcode, or the barcode was entered wrongly. Search for the number in the **Item** list
Letters appear as numbers, or the other way round	The scanner's keyboard layout does not match your computer. Set it to the same layout as your keyboard
It scans twice	The scanner repeats on a long press, or the label is read twice. Scan once and wait for the beep

Next steps

Read Selling at the till and the retail guide.

Related documentation

- Creating items
- Selling at the till
- Opening stock and stock counts
- Running a retail shop

Support

Call or WhatsApp 0117 801 786.
Support requests: https://www.hesabuerp.co.ke/support.html
Website: https://www.hesabuerp.co.ke
Online documentation: https://www.hesabuerp.co.ke/documentation/

When you contact us, please give your workspace address and a short description of what you were doing. A screenshot helps.