

Stock valuation and reorder levels

Stock and inventory

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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

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

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