



Physical Inventory Guide

Complete Guide to Conducting
Physical Inventory Counts

Innovative Programming Systems
Updated September 2026

Table of Contents

1. Introduction to Physical Inventory

1.1 What is Physical Inventory?

1.2 Why Physical Inventory Matters

1.3 Physical vs. Perpetual Inventory

2. Preparation

2.1 Planning Your Count

2.2 Pre-Count Checklist

3. Web Interface Setup

3.1 Downloading Inventory Pads from Your DMS (includes DMS-specific setup)

3.2 Lightspeed and Talon (File Import/Export)

3.3 Configuring Pad Settings

3.4 Printing Count Sheets

4. Scanner Setup

4.1 Starting Physical Inventory Mode

4.2 Scanner Settings

5. The Counting Process

5.1 Starting a Count Session

5.2 Scanning Bins and Parts

5.3 Entering Quantities

6. Handling Special Situations

6.1 Write-Ins

6.2 Misplaced Parts

6.3 Parts Not Found

6.4 Cores

7. Physical Inventory Reports

8. Reconciliation

9. Finalizing the Count

10. Best Practices

11. Frequently Asked Questions

1. Introduction to Physical Inventory

1.1 What is Physical Inventory?

Physical Inventory is the process of counting every part in your warehouse. The goal is to check that your system records match what is really on the shelves. Unlike daily perpetual counts, physical inventory is a full count of all parts. Most stores do it once or twice a year.

ScanIt Parts gives you tools and workflows built to make physical inventory fast and correct. You use handheld scanners to capture counts and track progress in real-time.

Key features for physical inventory:

- Run multiple scanners at the same time — assign zones and track each counter's progress
- Real-time dashboard shows zone completion, counts per hour, and active scanners
- Compare this year's results against prior years — ScanIt Parts keeps 5 years of PI data
- Works with all 7 supported DMS platforms (CDK, Reynolds, DealerTrack, Automate, AutoSoft, Dominion VUE, Lightspeed)

See the [Multi-Scanner Guide](#) and [PI Dashboard Guide](#) for more details.

1.2 Why Physical Inventory Matters

Correct inventory counts are key to your dealership's success:

Benefit	Impact
Financial Accuracy	Your inventory is a major asset. Correct counts make sure your financial reports reflect reality.
Tax Compliance	Many areas require a physical inventory count for tax purposes.
Order Optimization	Knowing true counts stops over-ordering (wasted money) and under-ordering (lost sales).
Shrinkage Detection	Physical counts reveal theft, damage, and other losses.
Customer Service	Correct stock levels mean you can promise parts to customers with confidence.

1.3 Physical vs. Perpetual Inventory

Aspect	Physical Inventory	Perpetual Inventory
Scope	Entire warehouse	Selected bins/areas
How Often	Once or twice a year	Ongoing (daily/weekly)
Duration	Depends on warehouse size	Minutes to hours
Operations	May need to slow or stop normal work	Normal work goes on
Purpose	Full check, financial reporting	Ongoing accuracy upkeep
Scanner Mode	Physical Inventory mode	Perpetual mode

2. Preparation

2.1 Planning Your Count

A good physical inventory needs careful planning. Think about these factors when setting a date:

Timing

- **Fiscal Year End** - Many dealers count near their fiscal year end for financial reports
- **Slow Periods** - Pick a time when business is slower if you can
- **Staff** - Make sure you have enough people to count
- **Weather/Season** - Think about how weather affects your warehouse

Resource Planning

Resource	What to Think About
People	Figure out how many counters you need based on warehouse size. One counter per pad is all you need — leads can send someone back to verify counts later.
Scanners	Make sure all scanners are charged and working. Physical inventory scanners have long battery life for all-day counting.
Time	Estimate how long counting will take based on part count. Typical rate: 200-400 parts per hour per counter.
Supplies	Have backup batteries/chargers ready. Print count sheets if you want a paper backup.

Zone Planning

Divide your warehouse into logical zones (pads) for counting:

- **By Aisle** - Each aisle becomes a separate pad
- **By Section** - Group related areas together
- **By Maker** - Count all parts for one make together
- **By Value** - High-value areas may need extra care

Tip: Smaller pads let more counters work at the same time. They also make it easier to track progress and find problem areas.

2.2 Pre-Count Checklist

Before Count Day

- ? Set count date(s) and tell all departments
- ? Plan warehouse zones/pads
- ? Assign counters and leads
- ? Create inventory pads in your DMS system
- ? Set up DMS link in ScanIt Parts (Create Inventory)
- ? Download pads from DMS into ScanIt Parts
- ? Run receiving to clear all pending shipments
- ? Finish all bin changes and moves
- ? **Make sure every bin location has a barcode label** — scanning bin barcodes is faster and more correct than typing bin numbers by hand. Walk each aisle and check for missing or damaged labels.
- ? Charge all scanner batteries
- ? Test all scanner devices

Missing Bin Labels? If a bin does not have a barcode label, print one from the **PI Bin Printing** section before counting starts. This must be done before count day — missing labels slow counters down and lead to errors from typing bin numbers by hand.

Count Day - Before Starting

- ? Receive all remaining shipments, then stop receiving
- ? Put any incoming orders on hold
- ? Run End-of-Day
- ? Hand out scanners to counters
- ? Give counters the Inventory Key# (or show the QR code to scan)
- ? Assign pads to counters
- ? Confirm all counters know the process

Important: Do not receive shipments or ship orders during physical inventory. Moving parts while counting leads to wrong results. If work must go on, set up clear "frozen" zones that get counted first.

3. Web Interface Setup

3.1 Downloading Inventory Pads from Your DMS

Inventory pads are created in your Dealer Management System (DMS) and then pulled into ScanIt Parts. Each pad stands for a zone or section of your warehouse that will be counted on its own.

Step 1: Create Pads in Your DMS

Before using ScanIt Parts, create your inventory pads in your DMS. The DMS will assign pad numbers on its own.

Tip: Check your DMS help files for steps on how to create physical inventory pads in your system.

DMS-Specific Setup Notes

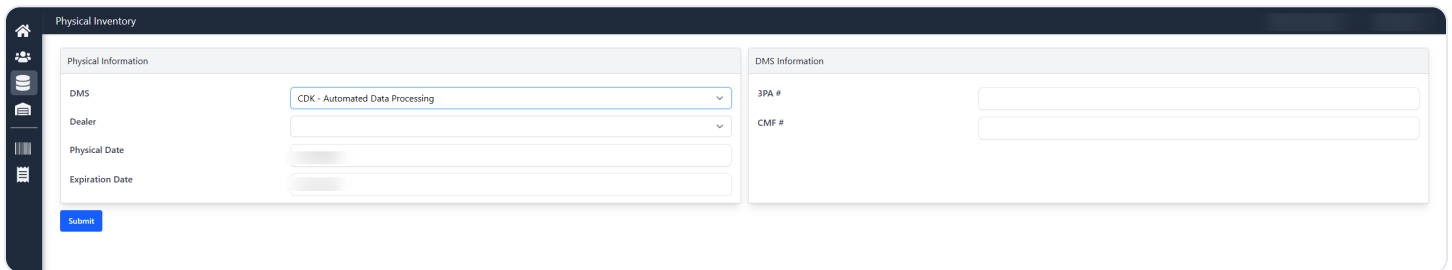
Each DMS connects to ScanIt Parts in a slightly different way. Find your DMS below for setup details.

DMS	Setup Details
CDK	Enter your CDK dealer number. ScanIt Parts pulls your inventory data and page file (pad/sheet layout) from CDK. Supports up to 3 bin locations per part.
DealerTrack (OpenTrack)	Enter your OpenTrack enterprise code and company number. ScanIt Parts pulls inventory lists and sheet data. Note: Only one inventory list can be active at a time.
Automate/Solera (OpenMate)	Enter your OpenMate ID. ScanIt Parts pulls sheet data and inventory details. Supports up to 2 bin locations per part.
Dominion VUE	Enter your Dominion VUE dealer ID. ScanIt Parts pulls inventory data with pricing. Inactive parts are skipped on their own. Supports more than one bin location.
Lightspeed	Lightspeed uses a different process — CSV file import/export. See Section 3.2 below for steps.

Note: Your DMS login details are saved in ScanIt Parts so you don't have to enter them each time. Only an admin can change DMS settings.

Step 2: Set Up DMS Link in ScanIt Parts

- 1 Log into the ScanIt Parts web interface
- 2 Click **Physical Inventory** in the nav menu
- 3 Click **Create Inventory**
- 4 Select your **DMS** from the dropdown
- 5 Enter your **DMS login details**:
 - Server/Host details
 - Login credentials
 - Any required settings
- 6 Click **Save** to store the settings



The screenshot shows the 'Physical Inventory' form in the ScanIt Parts web interface. The form is divided into two main sections: 'Physical Information' and 'DMS Information'. The 'Physical Information' section includes fields for 'DMS' (a dropdown menu with 'CDK - Automated Data Processing' selected), 'Dealer' (a dropdown menu), 'Physical Date' (a text input field), and 'Expiration Date' (a text input field). The 'DMS Information' section includes fields for '3PA #' and 'CMF #' (both text input fields). A 'Submit' button is located at the bottom left of the form.

Step 3: Download Pads from DMS

- 7 Once saved, ScanIt Parts can reach your DMS
- 8 Click **Download Pads** to pull pads from your DMS
- 9 Pick which pads to download into ScanIt Parts

Physical Inventory

Inventory **finished** posting took **8** seconds

Inventory Key: 90162421

Total Parts: 115 (186) Write-In Parts: 1 Total Pads: \$66,861.14
 Scanned Parts: 118 (185) Misplaced Parts: 14 Total Scanned: \$68,983.19
 Completed: 100% Parts to Post: 0 Difference: \$2,122.05
 Total Core Value: \$0.00

First Scan: 12-04-2025 06:12:13 PM Total scan time of **52 minutes** by 1 users
 Last Scan: 12-04-2025 07:05:02 PM

Bin Variances Scanned Variances EFS

Filter Bin...

Hide Verified

Bin	Part Count	Variance Count	Verified Count	Extended Cost	Variance Cost
1344C	3	1	0	881.75	322.08

Showing 1 to 1 of 1 results

3.2 Lightspeed and Talon (File Import/Export)

If your dealership uses **Lightspeed DMS**, the process is different. Instead of a direct link, Lightspeed uses CSV file import/export.

Step 1: Create Pads in Lightspeed

Create your physical inventory pads in Lightspeed DMS as you normally would.

Step 2: Export CSV from Lightspeed

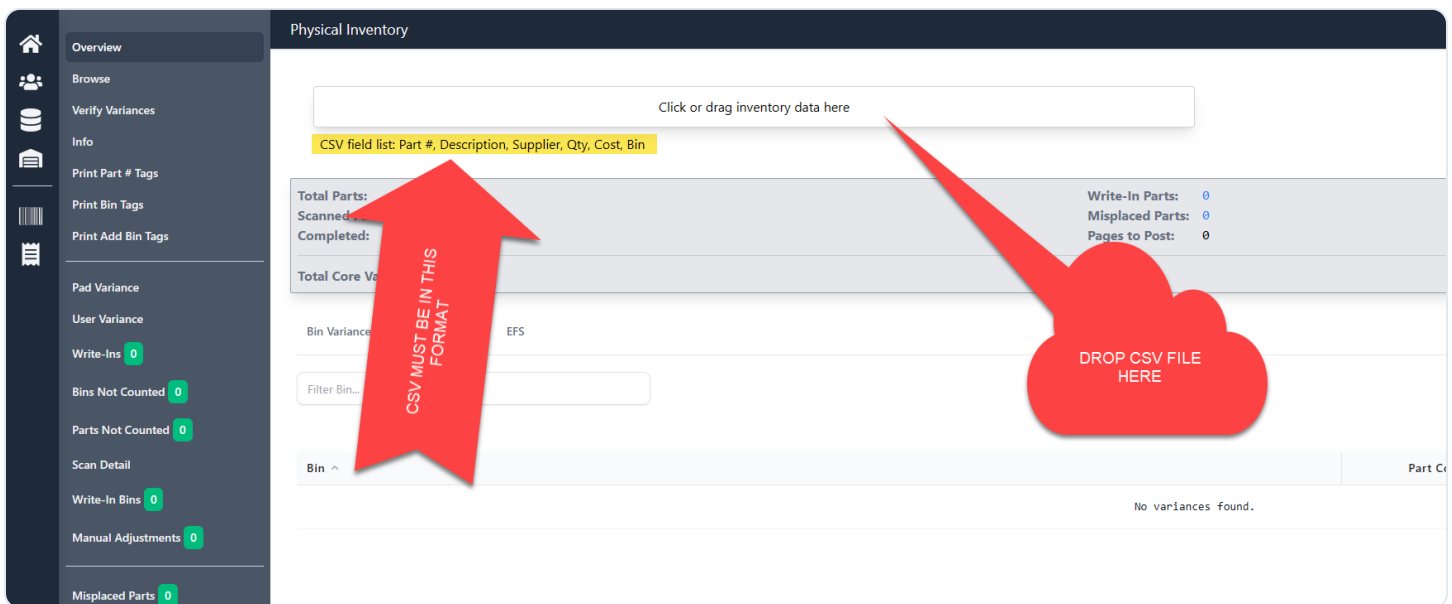
1 In Lightspeed, export your physical inventory data to a **CSV file**

2 Make sure the CSV file follows the required field layout (shown on the ScanIt Parts site)

Important: The CSV file fields must be in the exact order shown on the ScanIt Parts website. Files in the wrong format will not import right.

Step 3: Import CSV into ScanIt Parts

- 3 Log into the ScanIt Parts web interface
- 4 Go to **Physical Inventory**
- 5 **Drag and drop** the CSV file into the Physical Inventory page
- 6 ScanIt Parts reads the file and creates the inventory pads
- 7 Pads show up in your Physical Inventory dashboard



Counting Process

Once the CSV is imported, counting works the same as with other DMS systems:

- Counters log into their scanners
- Select the Inventory Key# (or scan QR code)
- Count parts as normal
- All standard features work (write-ins, variance tracking, etc.)

Step 4: Export Results and Import to Lightspeed

When counting is done and you're ready to wrap up:

- 1 Finish all counting and review in ScanIt Parts
- 2 Go to [Physical Inventory > Finalize](#)
- 3 Click **Download CSV** to export the counted amounts
- 4 In Lightspeed, **import the CSV file** to update your inventory

Note: After importing the CSV into Lightspeed, the Inventory Key# is closed in ScanIt Parts. All further reports and checks must be done in Lightspeed.

Talon Stores: Download ASC, Not CSV

Talon stores run the count through this same Lightspeed process — same pads, same scanning, same screens. Only the file at the end is different: **Talon will not read the CSV**. It takes a fixed-width **.asc** file.

- 1 On the download, choose **ASC** instead of CSV
- 2 Choose the **part number width** your Talon install uses — **18** (the default) or **17**
- 3 Read the on-screen summary, then download and import the .asc into Talon

The width has to match your Talon because the .asc file has no commas or tabs — every field sits at a fixed position, so if the part number column is the wrong width, every field after it lines up wrong. When you pick a width, ScanIt Parts reads your actual count at that width and shows the longest part number in the inventory, how many part numbers would be cut short, and how many would collide.

Never ignore a collision warning. Two part numbers that shorten to the same text merge into one line — that posts a count against a part number that does not exist, and leaves a real part uncounted. If you see a

collision warning, use the wider setting. Your choice is saved for the next count.

3.3 Configuring Pad Settings

Pad Status Types

Status	What It Means	What You Can Do
Not Started	Pad created but no counting yet	Edit, Delete, Start Counting
In Progress	Counting has started but is not done	View Progress, Add Counts, Pause
Completed	All bins in pad have been counted	Review, Compare, Recount
Reconciled	Differences reviewed and approved	Post Adjustments, Archive

Pad Options

- **Allow Write-ins** - Let counters add parts not on the expected list
- **Require Bin Scan** - Counter must scan bin barcode before counting parts
- **Blind Count** - Hide expected amounts from counters (best for accuracy)
- **Recount Threshold** - Flag for recount if the difference is over a set percent

Best Practice: Use "Blind Count" mode. This stops counters from being swayed by expected amounts. It leads to more correct counts.

3.4 Printing Count Sheets

ScanIt Parts is built for paperless counting. But you may want to print count sheets as a backup or for areas with poor Wi-Fi.

1 Select the pad(s) to print

2 Click **Print Count Sheets**

3 Choose print options:

- Include expected amounts (or leave blank for blind count)

- Sort by bin or part number
- Include part names

4

Click **Print** or **Export to PDF**

4. Scanner Setup

About Physical Inventory Scanners

Physical Inventory in ScanIt Parts uses dedicated handheld scanners. These are different from the scanner/printers used for daily work. Physical inventory scanners are great for counting because:

Feature	Why It Helps for Physical Inventory
Long Battery Life	Long battery life - lasts a full day without swapping
Light Weight	Much lighter than printer-equipped scanners, less fatigue during all-day counting
Tough Build	Drop-rated and dust/water resistant - built for warehouse use
No Printing Needed	Physical inventory is counting only - no labels needed

Tip: Physical inventory scanners run the same ScanIt Parts app. The workflow will feel familiar if you've used other ScanIt Parts scanners.

4.1 Starting Physical Inventory Mode

Your scanner is set up for Physical Inventory mode. When you log in, you pick which inventory to work on using an Inventory Key#.

1 Power on your scanner

2 Launch the ScanIt Parts app

3 Log in with your credentials

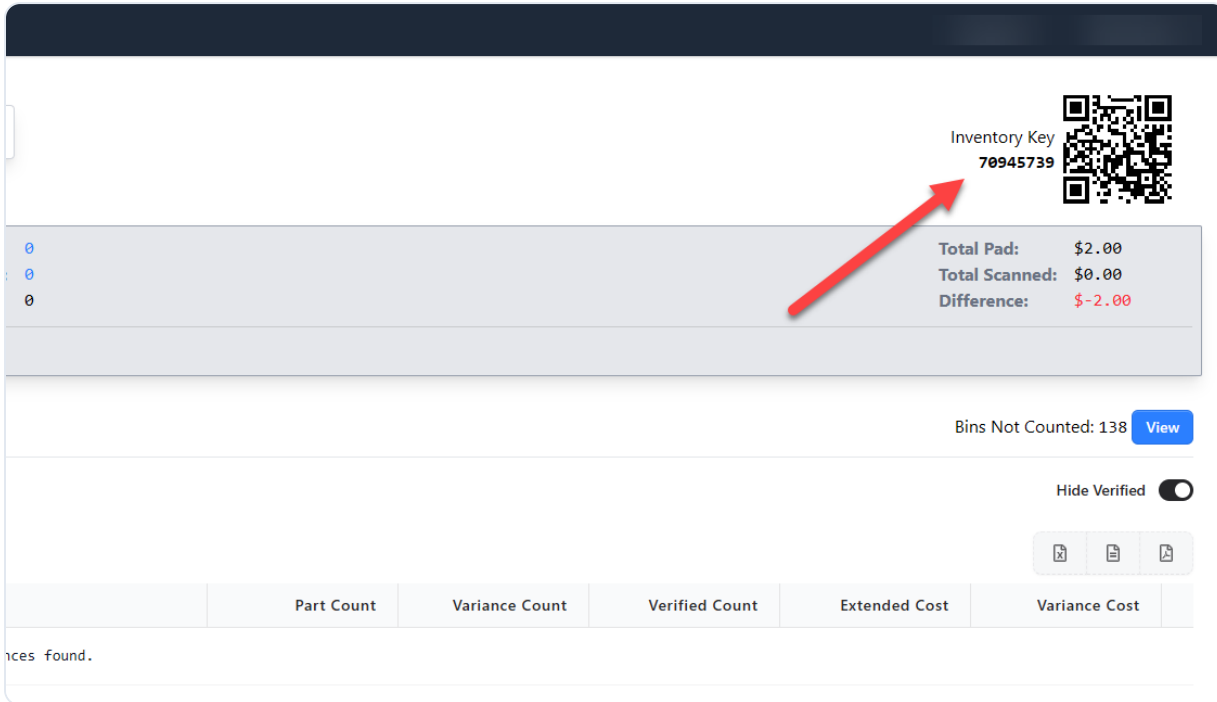
4 Select your **Inventory Key#**:

- **Type the Key#** - Enter the inventory key number by hand, OR
- **Scan QR Code** - Scan the QR code on the computer screen to select the inventory

- 5 The Physical Inventory main menu shows up for that inventory

Scanner - Login Screen

ScanIt Parts login screen showing username and password fields with Login button.



Multiple Inventories: Your dealership can run more than one physical inventory at the same time. Each one has a unique Key#. All your counts go to the Key# you picked until you switch to a different one.

Switching Between Inventories

If you need to work on a different physical inventory:

- 1 Tap the **menu icon** (three lines)
- 2 Select **Change Inventory**
- 3 Enter or scan the new Inventory Key#

Tip: Scanning the QR code is faster and avoids typing errors. Ask your lead to show the QR code on the computer screen for easy scanning.

Note: Physical Inventory uses dedicated scanners. Your daily work (Receiving, Bin Changes, etc.) keeps using your regular scanner/printers. This lets normal work go on in areas not being counted.

4.2 Scanner Settings for Physical Inventory

Physical Inventory Main Menu

Once in Physical Inventory mode, the scanner shows these options:

Option	What It Does
Select Pad	Choose which inventory pad to count
Count	Start or keep counting the selected pad
Write-In	Add a part not on the expected list
Pad Status	View progress and stats for the current pad
Settings	Set up counting options

Physical Inventory Main Menu

Scanner screen showing Physical Inventory header with menu options: Select Pad, Count, Write-In, Pad Status, and Settings buttons.

Counting Settings

Setting	Options	Tip
Quantity Mode	Count by 1 / Enter Quantity	Enter Quantity is faster when counting multiples
Confirm Each Scan	On / Off	Off for speed, On for more accuracy
Sound	On / Off	On - the beep helps confirm scans

5. The Counting Process

5.1 Starting a Count Session

1 From the Physical Inventory menu, select **Select Pad**

2 Choose your assigned pad from the list

3 Review pad details:

- Bin range
- Expected part count
- Current progress (if picking up where you left off)

4 Tap **Start Counting** (or **Resume** if you're coming back)

Select Pad Screen

Scanner showing list of available pads with their names, bin ranges, and status indicators (Not Started, In Progress with percentage). Selected pad highlighted.

5.2 Scanning Bins and Parts

Basic Counting Workflow

1 Go to the first bin in your area

2 **Scan the bin barcode** (if required by pad settings)

3 **Scan each part** in the bin

4 Enter the quantity you count by hand

5 Repeat for all parts in the bin

6 Move to the next bin and repeat

Counting Screen

Scanner counting screen showing current bin (A-05-2), Part # input field, scanned part information (Part #, Description, Expected Qty if not blind count), and Qty input field. Bottom toolbar with plus and mode toggle options.

Screen Details

The counting screen shows:

- **Current Bin** - The bin you're counting (top of screen)
- **Part # Field** - Scan or type part numbers here
- **Part Details** - Name and info for the scanned part
- **Quantity Field** - Enter your counted amount
- **Progress** - Parts counted in this bin and total pad progress

Recent Scanner Screen Changes

Physical Inventory was redesigned in a recent scanner app update. The buttons and steps work the same as before — only the look and a couple of shortcuts changed. Three things are worth knowing:

- **Progress bar** - While you are scanning a bin, a progress bar shows how many of that bin's parts you have scanned out of the bin total, so you can see how close the bin is to finished and know when to move on.
- **Previous Bins** - Recently counted bins are listed on the scan screen. **Tap any bin in the Previous Bins list to open it back up** — useful for correcting a bin you have already left.
- **Alert sound on pop-ups** - Messages that open on their own, such as **Wrong Bin** and **Part Not Found**, now play an alert sound. It is easy to miss a pop-up when you are scanning quickly and looking down at parts, so the sound stops you scanning past it.

5.3 Entering Quantities

Single Items

For parts with a quantity of 1:

- Scan the part
- If Quantity Mode is "Count by 1", it records quantity 1 on its own
- If Quantity Mode is "Enter Quantity", type 1 and confirm

Multiple Items

For parts with more than one unit in the bin:

- 1 Scan the part once
- 2 Count all units of that part in the bin by hand
- 3 Enter the total amount
- 4 Confirm the count

Tip: For bins with lots of parts, count in groups of 5 or 10, then add them up. This is faster and more correct than counting one by one.

Zero Quantity

If a part is on the expected list but not in the bin:

- Scan or enter the part number
- Enter quantity **0**
- This records that you looked for the part but did not find it

6. Handling Special Situations

6.1 Write-Ins

A **write-in** is a part the system does not know at all. When you scan a part and the system does not find the part number, you have a write-in.

Write-ins usually happen when:

- A part was never added to the system
- The part number on the item does not match any known numbers
- An old or dropped part stayed on the shelf
- A part from another place ended up in your warehouse

Write-In vs. Misplaced: If the scanner knows the part number but it's in the wrong bin, that's a *misplaced part* (see 6.2). A write-in means the part number itself is unknown to the system.

Recording a Write-In

1 Scan the part - scanner shows "Part Number Not Recognized"

2 Select **Add as Write-In**

3 Make sure the part number is right (check for scan errors)

4 Enter the amount found

5 The system saves the part number and bin location

Write-In Alert

Scanner popup showing "Part Number Not Recognized" message with options: "Add as Write-In", "Skip", "Re-scan". Part number displayed.

Note: For write-ins, the system only saves the part number and where it was found. It has no other details since the part is not in inventory.

6.2 Misplaced Parts

A **misplaced part** is a part number that **has a bin location in the DMS**, but was scanned in a bin that does not match it. The part is real and the DMS knows where it is supposed to be — it simply was not there.

When you scan a part and the system says it belongs in a different bin, you have a misplaced part.

The one exception — a part with no DMS bin cannot be misplaced. If the pad bin is blank, there is no correct bin for the part to be away from, so it does not count as misplaced. Those rows are **hidden by default** on the Misplaced Parts report; turn on **Include parts with no pad bin** to see them. This matters more than it sounds — blank-pad-bin rows can be close to half of a raw misplaced list, which is why the report leaves them out unless you ask.

Handling Misplaced Parts

Option	When to Use
Count in Current Location	Count it where you found it (most common during PI)
Flag for Later	Note the issue for bin fix after the count

Important: Do NOT move parts during counting. Count parts where you find them. Moving parts during physical inventory causes counting errors and mix-ups.

After the Count: Use the Misplaced Parts report to find all parts in the wrong spots. It shows **Make, Part #**, **Pad Bin** (where the DMS says it belongs), **Scanned Bin** (where it was actually found), **Scanned Qty**, **Scanned At** and **User**. Tick the rows you want and use **Change Selected Bin** to move those scans to the correct bin without rescanning anything.

Misplaced, write-in, write-in bin, multi-bin — the difference

These four come up constantly during a count and are easy to mix up. Each answers a different question.

Term	What it means	Report
------	---------------	--------

Misplaced part	The part IS in the DMS and HAS a bin there, but it was scanned in a different bin. A part whose DMS bin is blank cannot be misplaced.	Misplaced Parts
Write-in part	The part number is not in the DMS inventory at all. The counter adds it during the count. You must key these into your DMS by hand afterwards.	Write-Ins
Write-in bin	The bin location is not in the DMS. Either the scanner invented it on the fly, or the office pre-printed a tag with Print Add Bin Tags.	Write-In Bins
Multi-bin part	One part number stocked in more than one bin. Normal for fast movers and split stock.	Multi-Bin

Quickest way to keep them straight: ask whether the problem is the *part number* or the *bin*. Part number missing from the DMS ? write-in part. Bin missing from the DMS ? write-in bin. Both known but they disagree ? misplaced. Part in several bins ? multi-bin.

Multi-bin and misplaced overlap on purpose. A multi-bin part's bins may or may not match the DMS. A bin that matches is just a second stocking location and nothing is wrong. **A bin that does not match is also a misplaced part**, and that scan appears on the Misplaced Parts report too. Seeing the same part on both reports is expected, not a duplicate.

Write-In Bins: bins created by the scanner and bins pre-printed with **Print Add Bin Tags** both land on this report. Because printed tags were deliberate, they are **hidden by default** — the report shows only bins the scanner created unexpectedly, which is usually what you want to review. Turn on **Include added bin tags** to see the printed ones as well.

6.3 Parts Not Found

When you can't find a part that should be in a bin:

- 1 Double-check the bin - look behind and under other parts
- 2 Check nearby bins - it may be slightly misplaced
- 3 If truly not found, enter quantity 0

- 4 Add a note if helpful (e.g., "Checked entire section")

Common Reasons Parts Are Missing

- **Just sold** - Check if it sold today or yesterday
- **In another spot** - May have been moved and not updated
- **In someone's cart** - Check with pickers/counter staff
- **Received wrong** - May have been labeled wrong during receiving
- **Shrinkage** - Theft or damage not reported

6.4 Cores

Cores (rebuilt parts returned for credit) have a different value than regular parts. They must be counted apart during physical inventory.

Scanning Cores

ScanIt Parts can spot and track cores during physical inventory:

- 1 Scan the core part number
- 2 The scanner sees that it is a core
- 3 Enter the number of cores found
- 4 Cores are tracked on their own in inventory reports

Why Cores Matter: Cores are worth less than new or rebuilt parts. Correct core counts make sure your inventory value reflects what you really have.

7. Physical Inventory Reports

ScanIt Parts has several reports to track progress and review results during and after physical inventory.

Viewing Physical Inventory Reports

- 1

Go to **Physical Inventory** in the web interface
- 2

Click **Reports**
- 3

Select the report type
- 4

Set filters (pad, date range, etc.)
- 5

Click **Run Report**

Available Reports

Report	What It Shows	When to Use
Pad Variance Report	All differences by pad, with expected vs. counted amounts and dollar values	During review to look at gaps
User Variance Report	Differences grouped by counter, useful for finding who needs more training	After counting to check counter accuracy
Write-Ins Report	All unknown part numbers found during counting (part number and bin only)	To look into unknown parts not in the system
Parts Not Counted	Parts on expected lists that were not scanned	Before wrapping up to make sure nothing was missed
Misplaced Parts	Parts found in spots different from system records	To plan bin fixes after counting

Inventory Analysis	Summary stats: total counted, total variance, variance percent, dollar impact	Summary for management
Progress Report	Counting progress by pad and overall	During counting to track how much is done
Recount List	Parts flagged for recount due to large differences	To assign follow-up counts

Physical Inventory 0% complete: 138 bins to count \$-2.00

Pad Variance
List of all variances for the current inventory pad.

Bin: Part #: Over / Under:

Minimum Quantity Variance (+/-): Minimum Cost Variance (+/-): ☐ Hide Verified Variances

☐	Pad Bin	Make	Part #	Scanned Bins	Pad Qty	Scanned Total	Variance	Cost	~ Difference	
☐	K2	HD	41000445A KIT,CONT PDL,JCDE BAND K2		8	0	- 8	452.96	-3,623.08	✓
☐	BL5	RF	4024-5762 2024+ STAGE 2 KIT		3	0	- 3	948.68	-2,845.89	✓
☐	G1	HD	41001141 S.E. PAD STREET TUNER		9	0	- 9	314.97	-2,834.73	✓
☐	BL7	HD	92500077 KIT,PWR PRFR UPGR,120,STA		1	0	- 1	2,623.25	-2,623.25	✓
☐	BL3	PA	1900-1271 SKD 213 BLK FLT 17-19		2	0	- 2	1,168.34	-2,336.68	✓
☐	BHTOP	PA	2110-1800 SHOCKS REV0-ARC RR 34 HD		2	0	- 2	1,135.00	-2,270.00	✓
☐	35	HD	60010-576 BATTERY,38AH,SEALED		16	0	- 16	127.56	-2,040.96	✓
☐	35	HD	60010-576 BATTERY,SEALED,17,5AH		19	0	- 19	98.96	-1,880.24	✓
☐	BL5	HD	10700128 KIT,ROM ENTEC RESC CNTRL		1	0	- 1	1,868.74	-1,868.74	✓
☐	H5	HD	6200004700ART POMBAULTARMY,PCHQUART		257	0	- 257	7.11	-1,827.27	✓
☐	T2	HD	41200045A T200,RS,100/1000PVC BBN		7	0	- 7	254.14	-1,778.98	✓
☐	BL3	PA	1900-2060 Kishner 213 Road Stage 2 R		2	0	- 2	812.88	-1,624.16	✓
☐	H5	HD	620001000ART LUBREGANT,100TH,1500		163	0	- 163	9.96	-1,623.48	✓
☐	TICA	HD	A1000077		6	0	- 6	369.86	-1,619.16	✓

Report Filters

- **Pad** - One pad or all pads
- **Counter** - One user or all users
- **Variance Type** - Over only, Short only, or All
- **Variance Threshold** - Only show differences over a set amount
- **Make** - Filter by maker
- **Date Range** - When counts were recorded

Exporting Reports

All reports can be exported for further review:

- **Excel** - Full data for spreadsheet work
- **PDF** - Formatted for printing and filing

- **CSV** - Raw data to import into other systems

8. Reconciliation

Reconciliation is the process of reviewing differences found during counting. You look into gaps and decide which changes to accept.

Reconciliation Workflow

1 Go to [Physical Inventory > Reconciliation](#)

2 Select a finished pad to review

3 Look at each variance:

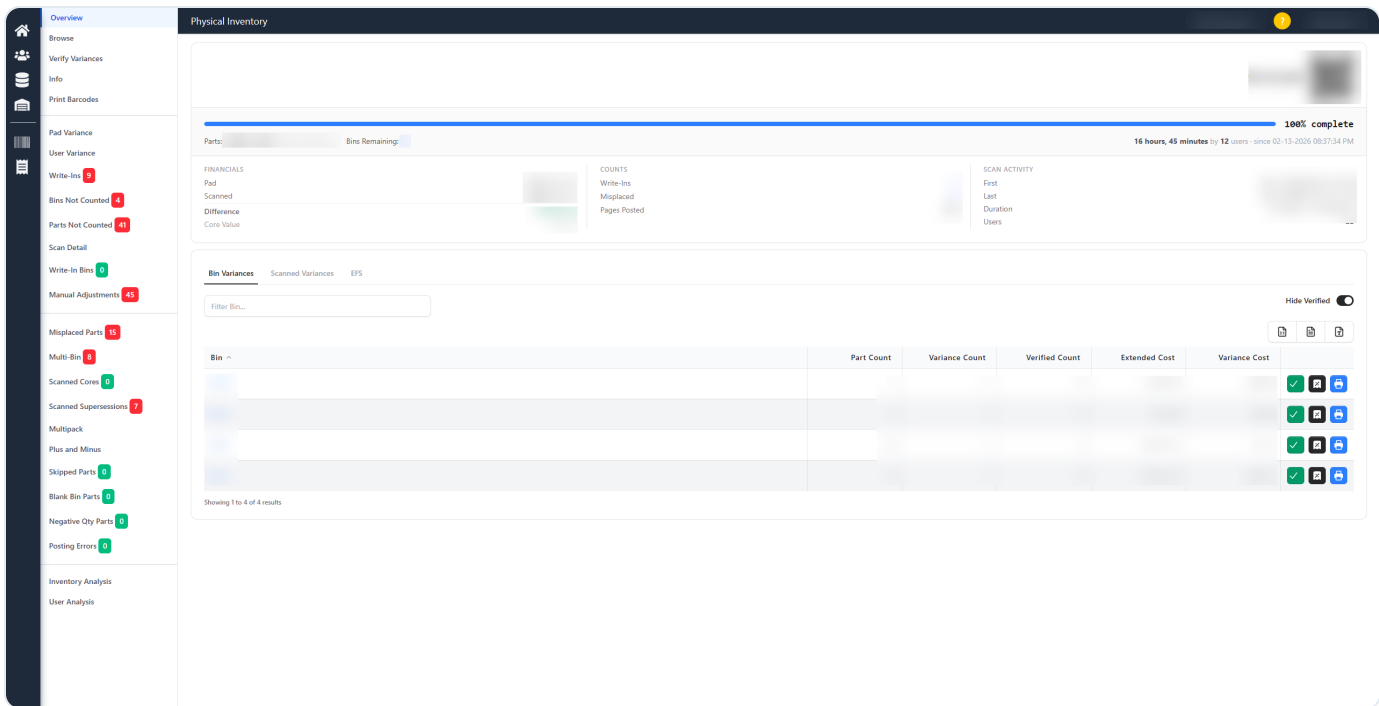
- Part number and name
- Expected vs. counted amount
- Dollar impact
- Counter notes

4 For each variance, choose an action:

- **Accept** - Count is right, adjust inventory
- **Reject** - Keep the system's amount
- **Recount** - Flag for a follow-up count

5 Add notes to explain your choices

6 Submit when done



Reconciliation Guidelines

When to Accept a Variance

- Counter is skilled and reliable
- Variance lines up with known issues (e.g., recent theft case)
- More than one counter or recount shows the same result
- You found a clear reason for the gap

When to Reject a Variance

- Signs point to a counting mistake (swapped numbers, wrong unit of measure)
- Recent sales or receipts explain the gap
- Part was being moved (being picked, in transit)

When to Recount

- Large gap with high dollar impact
- Variance seems unlikely
- Counter was new or had trouble
- Counter asked for a double-check

Important: Write down your choices and reasons. You may need to explain variances to managers, auditors, or for tax purposes.

Looking Into Variances

Before accepting large variances, check these common causes:

What to Check	How
Recent Sales/Receipts	Review receiving, sales, and transfers in the past 30 days
Posting Errors	Check if any updates failed to post to the DMS
Duplicate Parts	Look for the same part in more than one bin
Special Orders	Check if the part is set aside for a customer order
Returns	Make sure returns were added back to inventory the right way

9. Finalizing the Count

Pre-Finalization Checklist

Before Finalizing

- ? All pads show 100% complete
- ? Parts Not Counted report shows zero items (or items are explained)
- ? All variances have been reviewed (accepted, rejected, or recounted)
- ? Recounts have been done and reviewed
- ? Large variances have been looked into and noted
- ? Write-ins have been checked and approved
- ? Management has reviewed summary reports

Posting to Your DMS

Once the review is done, counted amounts are posted to your DMS. **How this works depends on your DMS.** Some post counts as you scan (real-time). Others wait until you click a button at the end (batch post).

How Each DMS Posts Counts

DMS	Posting Method	What Happens
CDK	Batch Post	Click Post Qty when all counting is done. ScanIt Parts sends counts in groups of 1,000 parts at a time. The maker code is added back to each part number before posting. CDK must finish its processing step before posting can start.
DealerTrack (OpenTrack)	Real-Time	Counts post sheet by sheet as scanning wraps up. Each time a sheet is done, ScanIt Parts sends it to OpenTrack right away. You do not need to click Post Qty.
Automate/Solera (OpenMate)	Real-Time	Counts post sheet by sheet as scanning wraps up. Works like OpenTrack — each sheet posts on its own when done. You do not need to click Post Qty.
Dominion VUE	Batch Post	Click Post Qty when all counting is done. ScanIt Parts sends counts in groups of 250 parts at a time.

Lightspeed	CSV Export	ScanIt Parts does not post to Lightspeed directly. Instead, click Download CSV to export your counts, then import the CSV file into Lightspeed by hand. Talon stores choose ASC instead of CSV and pick a part number width. See Section 3.2 for details.
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Real-Time DMS Users (OpenTrack, OpenMate): Your counts are sent to the DMS as you go. You can check your DMS during counting to see posted sheets. If a sheet fails to post, ScanIt Parts flags it so you can retry.

Batch Post DMS Users (CDK, Dominion VUE): Do NOT click Post Qty until all counting and review is done. Posting is final — you cannot undo it or post again for the same Inventory Key#.

Posting Steps (Batch Post Method — CDK, Dominion VUE)

- 1 Go to **Physical Inventory > Finalize**
- 2 Review the summary:
 - Total parts adjusted
 - Net quantity change
 - Net dollar impact
- 3 Click **Post Qty** to send amounts to the DMS
- 4 Confirm the posting
- 5 Wait for posting to finish (may take a few minutes for large inventories)
- 6 Look for the success message

IMPORTANT - One-Time Post: You can only post from ScanIt Parts to the DMS **one time**. Once posting is done, the Inventory Key# is closed and you cannot post again. Make sure all counting and review is

done before posting.

After Posting - Inventory Closure

Once posted to the DMS, the Inventory Key# is **closed** in ScanIt Parts:

What You CAN Do	What You CANNOT Do
View variance data in ScanIt Parts	Scan any more parts for that Inventory Key#
Use the DMS for reports	Change amounts in ScanIt Parts
Run physical inventory reports in the DMS	Post more changes from ScanIt Parts

After Posting: ScanIt Parts is fully done with this physical inventory. You can still view variance data. But all reports and checks must now be run in your DMS. ScanIt Parts can no longer update the DMS values for this inventory.

Post-Count Tasks

Return to Normal Work

- 1 Return physical inventory scanners to storage
- 2 Go back to receiving shipments on your regular scanners
- 3 Release any held orders
- 4 Run End-of-Day

Follow-Up Actions

- **Move Misplaced Parts** - Use Bin Changes to fix part locations
- **Update System Records** - Fix any bin assignments that were wrong
- **Review Core Counts** - Check core inventory apart from regular parts due to different values
- **Look Into Shrinkage** - Follow up on losses you can't explain

- **Training** - Fix any process issues found during counting

Archive Reports

Save these reports for your records:

- Final Variance Report (all pads)
- Inventory Analysis Summary
- Write-Ins Report
- Posted Adjustments Report
- Before and after inventory values

10. Best Practices

Before the Count

- **Clean and organize** - Neat bins are faster and easier to count
- **Clear pending work** - Finish receiving, finish bin changes
- **Train your counters** - Go over the steps with all staff
- **Test gear** - Make sure all scanners work right
- **Charge batteries** - Fully charge all scanner batteries the night before

During the Count

- **Use blind counts** - Hide expected amounts for more correct results
- **Count everything** - Don't skip empty bins or assume counts are right
- **Don't rush** - Getting it right matters more than speed
- **Take notes** - Write down anything unusual
- **Speak up** - Report problems to leads right away
- **Stay hydrated** - Counting is tiring work

Counting Accuracy Tips

Tip	Why It Helps
Count twice	A quick recount catches simple errors
Group and multiply	Counting groups of 5 or 10 is faster and more correct than singles
Move counted parts aside	Stops double-counting or missing items
Use a pattern	Left to right, top to bottom makes sure nothing is missed
Good lighting	Better sight means fewer errors

Verifying Counts

For high-value or high-risk areas, have a lead verify counts after the fact:

- **Counter** - One person counts each pad on their own

- **Verifier** - A lead spot-checks high-value or high-variance bins after counting

This keeps your team small while still catching errors. The whole point of scanning is to reduce manpower — one counter per pad is all you need.

Common Mistakes to Avoid

Mistake	How to Avoid
Scanning wrong barcode	Scan the part barcode, not the bin or shipping label
Swapped numbers	Double-check the amount before confirming
Skipping bins	Count in order, mark bins as done
Counting units vs. packs	Clarify whether counting single pieces or full packages
Missing hidden parts	Look behind, under, and between visible items
Counting during movement	Freeze warehouse work during the count

Keeping Accuracy Year-Round

Physical inventory accuracy starts with daily habits:

- **Perpetual counting** - Regular cycle counts between physical inventories
- **Proper receiving** - Correct counts when parts arrive
- **Bin discipline** - Parts in the right spots
- **Correct transactions** - Right picks, returns, and transfers
- **Regular review** - Fix gaps right away

Goal: With good daily habits, your physical inventory should confirm what the system already shows - few surprises and minimal changes needed.

11. Frequently Asked Questions

General Questions

Q: What is the difference between Physical Inventory and Perpetual Inventory?

A: Physical Inventory is a full count of your entire warehouse. It is usually done once or twice a year for financial reports. Perpetual Inventory is ongoing cycle counting of selected areas. It keeps accuracy up all year long. Physical Inventory uses a special scanner mode with different steps built for full warehouse counting.

Q: Can I use Physical Inventory for just part of my warehouse?

A: Yes. You can create pads for certain bin ranges only. But for a true physical inventory for tax purposes, you should count all of your stock.

Q: How long does a physical inventory take?

A: It depends on your size and number of counters. A rough guide is 200-400 parts per hour per counter. A dealership with 10,000 parts and 4 counters might finish counting in 1-2 days. Add more time for the review step.

Scanner Questions

Q: What is the Inventory Key#?

A: The Inventory Key# is a unique ID for each physical inventory. After logging in, you must pick which inventory to work on by typing the Key# or scanning the QR code. All your counts are saved under that Key#. This lets you run more than one inventory at the same time.

Q: How do I get the Inventory Key#?

A: Your lead will give you the Inventory Key#. You can type it by hand or scan the QR code on the computer screen. Scanning is faster and avoids typing errors.

Q: Can I switch between different inventories?

A: Yes. Use Menu > Change Inventory to switch to a different Key#. This is handy if you're helping with more than one count or need to move between areas.

Q: What if my scanner loses Wi-Fi during counting?

A: The scanner stores counts locally until the link comes back. Your work is not lost. Once it reconnects, data syncs on its own. But fix the link soon so progress tracking stays up to date.

Q: Can more than one person count the same pad?

A: No. Each pad goes to one counter. This avoids double-counting and keeps the team small. Leads can view any pad's progress in real-time and send someone back to verify specific bins if needed.

Q: What is the difference between "Count by 1" and "Enter Quantity" modes?

A: In "Count by 1" mode, each scan adds 1 to the amount on its own. In "Enter Quantity" mode, you scan once and then type the total. "Enter Quantity" is faster for bins with many of the same part.

Q: My scanner battery is low. Will I lose my counts?

A: No. Physical inventory scanners last 8+ hours on a charge. But if you do need to swap, just log back in. Your counts are saved to the server. You can pick up where you left off on any scanner.

Counting Questions

Q: What should I do if the scanner doesn't know a part number?

A: This is a "write-in" - a part that doesn't exist in your system. Select "Add as Write-In" and enter the amount. The system saves only the part number and bin location since it has no other details. Write-ins are tracked on their own for follow-up.

Q: How do I count cores?

A: Scan the core part number like any other part. ScanIt Parts spots cores on its own and tracks them apart since they have different values than regular parts.

Q: What if I find parts in the wrong bin?

A: If the scanner knows the part but says it belongs elsewhere, this is a "misplaced part." Count it where you found it - do NOT move parts during counting. The system notes where you counted it. After posting, use the Misplaced Parts report to fix bin locations.

Q: A part doesn't scan. What should I do?

A: Try changing your scan distance (6-8 inches usually works best). If the barcode is damaged, type the part number by hand. If you still can't tell what the part is, add it as a write-in with a note.

Q: Should I count parts on special order shelves?

A: Yes. Count all parts in your area, including special order spots. The system knows these parts are set aside for customers.

Q: What about parts in pick carts or at the counter?

A: Ideally, stop all movement during counting. If parts are in transit, work with pickers and counter staff to account for them. Either put them back in bins before counting that area, or note them on the side.

Report Questions

Q: What reports should I run during counting?

A: Run the Progress Report often to watch how things are going. It shows which pads are done, in progress, and not started, plus the overall percent done.

Q: What reports do I need for the review step?

A: The key reports are: Pad Variance Report (shows all gaps), Write-Ins Report (unknown parts found), and Parts Not Counted Report (items missed). Run these before you start the review.

Q: How do I export reports for my accountant?

A: All reports can be sent out as Excel, PDF, or CSV. Click the Export button on any report and pick your format. The Inventory Analysis report gives a summary good for financial review.

Reconciliation Questions

Q: What does "Verify Variance" mean?

A: It means you've checked the variance and confirmed the count is right. This marks it as ready for posting. Variances should be checked before you finalize.

Q: Can I change a count after it's been sent in?

A: Yes, before you finalize. You can ask for a recount on any part during the review. After posting, changes need a separate inventory fix.

Q: What if I don't agree with a variance?

A: During the review, you can accept, reject, or ask for a recount on any variance. If you reject it, the system keeps its amount. Write down your reason for audit purposes.

Finalization Questions

Q: Can I undo posted changes?

A: No. Posting is final and can only be done once. After posting, the Inventory Key# is closed in ScanIt Parts. You cannot scan more parts or make changes for that inventory. Any fixes after posting must be done in your DMS.

Q: What happens after I post to the DMS?

A: ScanIt Parts is fully done with that physical inventory. You can still view variance data. But all reports and checks must be done in your DMS. ScanIt Parts can no longer change DMS values for that Key#.

Q: How do I switch the scanner back to normal mode?

A: Physical Inventory uses dedicated scanners that are separate from your daily scanners. When the count is done, just put them back in storage until the next count.

Q: What should I do after physical inventory is done?

A: Key tasks after the count:

- Put physical inventory scanners back in storage
- Start receiving and shipping again
- Fix bin locations for misplaced parts
- Deal with damaged items found during counting
- Save all reports for your records

ScanIt Parts

Physical Inventory Guide

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