

# Physical Inventory Management vs. Inventory Adjustments

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The Physical Inventory Management utility is not intended to replace the original Inventory Adjustment feature. The following situations should be handled with Inventory Adjustments:

- You are adjusting just a few products, and extra time for research is not necessary.
- The new amount on hand should be the physical count in all cases.
- The adjustment is not being made from a physical count; for example, an adjustment to correct for a posting issue, or if product has been damaged and needs to be removed from your inventory but not returned to the vendor.
- You forget to freeze balances before the physical counts come back. In this case, you may also need to adjust the counts to take into account inventory changes made after the count was taken.