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Setting Up Shrinkage Types

Before you begin using the Physical Inventory subsystem, you must set up shrinkage types, which are the various causes for the fluctuation (usually decline) of an item's quantity on hand, such as theft, breakage, counting error, etc. You can define up to 20 different types of shrinkage to provide a high degree of detail for tracking shrinkage causes.

1. [Display the Inventory Maintenance window](#).
2. Click GoTo, and click Shrinkage History Type Assignments.
3. In the Type field, enter a single character to identify the shrinkage type. For example, you could assign B for "breakage."
4. In the Definition field, type a description to describe the type of shrinkage. Examples: Breakage, Theft, Store Use, Defective, etc. You can enter up to 15 characters in this field.
5. Repeat steps 3 and 4 to set up other shrinkage types.
6. Click Change to save your setup.