



WHITE PAPER

Guide to **Serial Numbers** and **Lot Tracking** with QuickBooks Inventory Tracking

Best Practices for Accuracy, Compliance, and Efficiency

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Introduction

Many companies use QuickBooks for basic inventory management, but it has its limitations when it comes to tools that are critical for traceability, compliance, and managing recalls effectively. These gaps can slow down operations and make your business vulnerable to compliance risks.

This white paper is designed to give you actionable strategies for improving inventory accuracy and traceability using inventory tracking software that integrates with QuickBooks. We'll explore best practices for managing serial and lot numbers, highlight the risks of relying solely on QuickBooks, and show how SOS Inventory software bridges these critical tracking gaps.



The Role of Serial Numbers and Lot Tracking in Modern Inventory Management

Serial number tracking and lot tracking are both essential tools for precise inventory management. **Serial number tracking** assigns a unique identifier to each individual product. Lot tracking groups items produced or received together under a single batch number.

These systems are especially important in industries like manufacturing, food and beverage, pharmaceuticals, and electronics, where even minor errors can escalate into major operational, financial, or legal problems.

Here's why serial numbers and lot tracking matter:

Ensuring product traceability: Serial and lot tracking lets you pinpoint exactly where a product came from and where it is in your supply chain. This visibility is crucial for managing quality and identifying issues early.

Streamlining recalls: In the event of a defect or contamination, precise tracking allows you to isolate affected items quickly, minimizing disruption and cost.

Meeting regulatory compliance requirements: Many industries require strict reporting on product origins and movements. Proper tracking keeps you audit-ready and avoids penalties.

Maintaining customer trust and satisfaction: Customers expect safe, reliable products. Being able to trace and recall items quickly demonstrates your commitment to quality and transparency.



The Limitations of QuickBooks Alone

QuickBooks offers solid accounting features and basic inventory management, but it wasn't built for advanced serial number or lot tracking.

Key challenges of relying on QuickBooks alone include:

- **In ability to multi-location lot tracking capabilities:** QuickBooks does not track inventory across multiple warehouses or locations, making it difficult to maintain accurate stock levels and traceability in complex operations.
- **No built-in expiration date alerts:** For industries like food, beverage, and pharmaceuticals, managing expiration dates is critical. QuickBooks requires manual tracking, which increases the risk of missed dates and product spoilage.
- **Manual workarounds leading to errors:** Without automated serial or lot tracking, you may rely on spreadsheets or manual logs. These workarounds are prone to mistakes and slow down operations.
- **Lack of advanced barcode scanning features:** QuickBooks doesn't support robust barcode scanning for real-time inventory updates. Without it, processes are slower and the likelihood of data entry errors increases.



Common Mistakes and Their Impact

Without the right tools, even experienced teams can make mistakes. Serial number and lot tracking errors are particularly costly because they affect traceability, compliance, and operational efficiency.

Common mistakes include:

- **Not assigning unique serial numbers:** Skipping this step makes it impossible to track individual items through production, shipment, and sale.
- **Failing to track lots across locations:** Without consistent lot tracking, inventory errors multiply when products move between warehouses or stores.



- **Relying on manual data entry:** Manual processes are slow and prone to human error, creating inaccuracies that can escalate quickly.
- **Inconsistent naming formats:** Inconsistent labels or coding can confuse staff, misalign inventory records, and complicate reporting.
- **No real-time inventory visibility:** Without up-to-date data, you risk stockouts, overstock, and poor decision-making.
- **Skipping expiration date tracking:** Especially in food, beverage, and pharmaceuticals, failing to monitor expiration dates increases waste and compliance risk.
- **Limited recall readiness:** Without proper serial or lot tracking, isolating affected items during a recall can be slow, costly, and damaging to customer trust.

Proper tracking with the right software solution can prevent these errors, protect your bottom line, and ensure you're always ready for audits or recalls.

Best Practices for Accurate Serial Number and Lot Tracking

Serial number and lot tracking only deliver value when the process is accurate, consistent, and easy for your team to follow. Implementing structured, repeatable processes reduces these risks, boosts efficiency, improves customer confidence, and helps you respond quickly in the event of a recall.

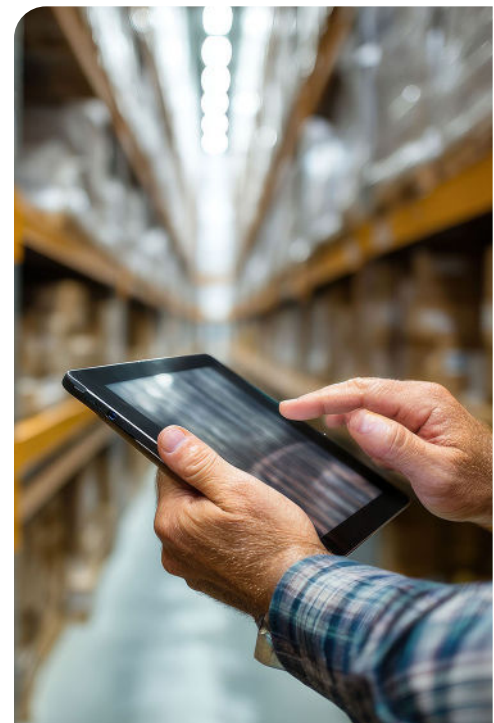
The following best practices will help you strengthen traceability, ensure compliance, and keep your inventory data audit-ready:

1. Standardize Naming Conventions

Inconsistent naming leads to duplicate records, confusion in reporting, and difficulty tracing products back to their source.

Best Practices:

- Create a documented format for serial numbers and lot codes (e.g., prefix for product category, date code, unique sequence number).
- Apply these rules across all systems—QuickBooks, SOS Inventory, and any third-party integrations—to avoid mismatched data.
- Train all team members on the standard and make compliance part of onboarding for new hires.

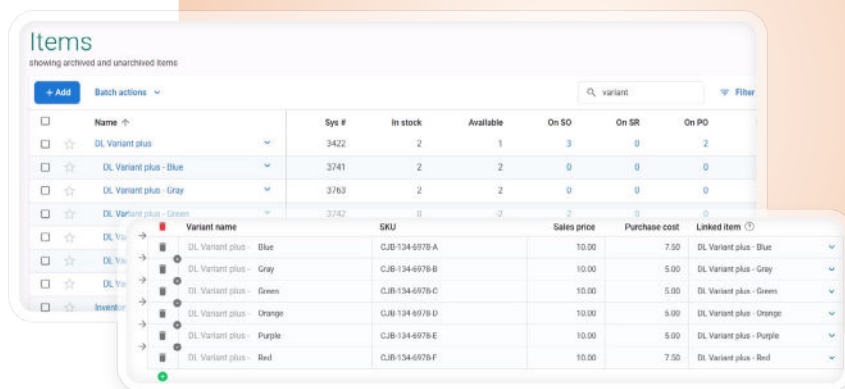


2. Automate Serial and Lot Number Assignment

Manual assignment is slow and prone to human error, especially when dealing with thousands of SKUs.

Best Practices:

- Use SOS Inventory's automated numbering feature to ensure each product receives a unique serial or lot code the moment it enters your system.
- Automate at the point of receiving goods to maintain accuracy from the start.
- Avoid “placeholder” numbers—these often create permanent data gaps.



3. Use Barcode Scanning for Accuracy

Typing errors, skipped entries, and misplaced items can cascade into major inventory inaccuracies.

Best Practices:

- Implement barcode scanning at every key touchpoint: receiving, picking, packing, and shipping.
- Integrate barcode scanning with SOS Inventory so updates sync with QuickBooks Online.
- Standardize label placement on products or packaging to streamline scanning speed and accuracy.

4. Track Expiration Dates Proactively

Expired products not only hurt your bottom line but can also create health and safety liabilities—especially in food, beverage, and pharmaceutical industries.

Best Practices:

- Capture expiration dates during receiving and store them in your lot tracking records.
- Use SOS Inventory's expiration alerts to flag products before they reach critical dates.
- Implement FIFO (First-In, First-Out) or FEFO (First-Expired, First-Out) workflows for goods with limited shelf life.

5. Maintain Integrated, Real-Time Data

When different teams work from disconnected spreadsheets or outdated reports, decisions are based on incomplete or inaccurate information.



Best practices:

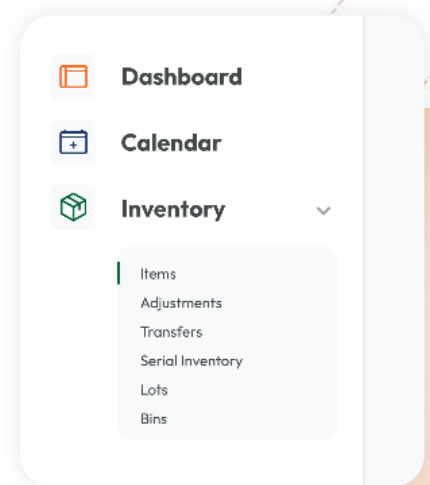
- Sync your inventory data across sales, purchasing, and fulfillment so all teams work from the same live data set.
- Leverage SOS Inventory's real-time QuickBooks Online integration to ensure financial and inventory records always match.
- Review and reconcile data regularly to catch and fix discrepancies early.

How QuickBooks Inventory Tracking Software Improves Accuracy and Compliance

QuickBooks add-on solutions like SOS Inventory take your tracking capabilities to the next level by ensuring accuracy, streamlining operations, and helping you stay compliant across all aspects of inventory management.

Key features include:

- **Automated serial and lot number generation:** Assign unique identifiers automatically to reduce manual errors and ensure every item is traceable from receipt to sale.
- **Multi-location and multi-channel tracking:** Maintain accurate inventory counts across warehouses, stores, and online channels.
- **Barcode scanning and real-time updates:** Capture inventory changes instantly at every touchpoint, from receiving to picking, packing, and shipping, so records are always current.
- **Expiration date alerts for compliance:** Monitor perishable or regulated products proactively with automated alerts.
- **Seamless integration with sales, purchasing, and fulfillment:** Keep all teams on the same page by syncing inventory and financial data.



Why Choose SOS Inventory for QuickBooks Users

SOS Inventory was designed to give growing businesses the tools they need to manage complex inventory, orders, and manufacturing processes efficiently.



With SOS Inventory alongside QuickBooks, you can:

- Scale your business with confidence: Manage growing inventory, orders, and manufacturing processes across multiple locations without losing control or visibility.
- Streamline your operations in the cloud: Centralize workflows for purchasing, sales, and fulfillment, so your team spends less time on manual tasks and more on growing your business.
- Integrate seamlessly with QuickBooks Online: Automatically sync financial data, eliminating duplicate entry and ensuring accurate, real-time reporting.
- Track every product in detail: Follow each item by serial number, monitor cost history, and make smarter decisions based on accurate, up-to-date data.
- Support multi-location and multi-channel operations: Keep inventory accurate and consistent across warehouses, stores, and online sales channels.

Precision Tracking with SOS Inventory

Avoiding inventory tracking mistakes isn't just about running a more efficient business. It protects your bottom line, keeps customers satisfied, and ensures compliance with industry regulations.

SOS Inventory solves the gaps in QuickBooks by giving you features like automation, real-time visibility, and precise control over your serial number and lot tracking.

With SOS Inventory, you can:

- ✓ Automate serial and lot number assignment to eliminate manual errors.
- ✓ Track inventory across multiple locations and sales channels with accuracy.
- ✓ Monitor expiration dates and receive alerts to maintain compliance.
- ✓ Sync seamlessly with QuickBooks Online for accurate financial and inventory reporting.

Companies in manufacturing, retail, healthcare, food and beverage, and more trust SOS Inventory to streamline inventory management, improve traceability, and support growth.

Schedule a demo to see how SOS Inventory can improve your serial number and lot tracking capabilities.

