



# Prévenir l'inventaire négatif dans les comptes standard NetSuite pour le commerce électronique

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## Introduction

Negative inventory occurs when the system's recorded stock for an item falls below zero – essentially showing you have sold more than you have on hand. In an eCommerce business, negative inventory typically indicates overselling or timing gaps in stock updates. NetSuite's standard functionality is designed to **prevent or warn against negative inventory** to maintain accurate stock levels and avoid overselling. By default, NetSuite will display warnings if a transaction would drive an item's quantity below zero, and with proper configuration it can block such transactions entirely [docs.oracle.com](https://docs.oracle.com). This article explains the mechanisms NetSuite uses to restrict negative inventory, the business implications of these safeguards, and strategies for managing stock so you can fulfill online orders without running into inventory roadblocks.

# How NetSuite Restricts Negative Inventory

NetSuite uses **inventory validation at multiple stages** – from order entry and item commitment through to order fulfillment – to ensure you don't accidentally ship more product than you have. Key built-in mechanisms include:

- **Inventory Level Warnings:** When entering transactions (like sales orders), NetSuite can alert users if the quantity being sold exceeds the quantity available. A popup will show the item's available stock, reorder point, and on-order quantity, prompting the user to confirm they want to proceed [docs.oracle.com](https://docs.oracle.com). For example, if you try to add 10 units to an order but only 5 are in stock, you'll get a warning. This doesn't stop the transaction by itself, but it raises immediate red flags to prevent accidental oversell.
- **Item Commitment Logic:** NetSuite allocates (commits) available inventory to sales orders based on configured rules. If there is not enough available stock, the remaining order quantity is marked as backordered (uncommitted) rather than subtracting into negative. The default commitment setting for new sales orders is "**Available Qty**", meaning NetSuite will commit as many units as are currently available and leave the rest unallocated (to be fulfilled later when stock arrives) [docs.oracle.com](https://docs.oracle.com). This ensures that at order entry, inventory counts aren't taken below zero – any demand beyond what's on-hand simply isn't committed. (Other commitment options are "Complete Qty," which commits nothing until the full quantity can be fulfilled, and "Do Not Commit," which commits nothing at all until manually changed [docs.oracle.com](https://docs.oracle.com).)
- **Fulfillment Restrictions:** NetSuite's fulfillment process can be configured to **block the creation of item fulfillments if there's insufficient committed stock. Specifically, the "Fulfill Based on Commitment"** preference under Accounting Preferences dictates what can be fulfilled:
  - **Limit to Committed** – Only allows you to create fulfillments for quantities that have been committed to the order. If an item on a sales order has zero committed (i.e. completely backordered), you cannot fulfill it until inventory is allocated to it. You will only be able to ship up to the committed quantity for each line [blog.concentrus.com](https://blog.concentrus.com). This effectively prevents users from shipping more items than are on hand.
  - **Allow Uncommitted** – Allows fulfillment creation for items that have some committed stock, and lets you increase the fulfillment quantity beyond the committed amount (but not above the ordered amount) [blog.concentrus.com](https://blog.concentrus.com). In other words, the line must have at least a partial

commitment to be fulfillable, but you could override and ship additional units (which could result in a negative inventory if those extra units aren't actually available).

- **Ignore Commitment** – Puts no restrictions based on commitments; any order line can be fulfilled regardless of whether stock was allocated or even available. This mode should be used with extreme caution, as it will allow saving a fulfillment that drives inventory negative [blog.concentrus.com](https://blog.concentrus.com). It's generally only useful in special scenarios (for example, a retail POS order where the customer physically has the item in hand, so you know it exists even if the system count is off [blog.concentrus.com](https://blog.concentrus.com)).

NetSuite's best practice for standard accounts is to use the "**Limit to Committed**" fulfillment setting in conjunction with proper inventory commitment. With *Limit to Committed*, the system *prevents creation of any fulfillment for which there is no allocated inventory* [docs.oracle.com](https://docs.oracle.com). In effect, if an eCommerce order comes in and there is not enough stock, the order will remain in a backordered state – and NetSuite won't let you record it as shipped out until you receive or add more inventory. This protects you from accidentally shipping into negative stock levels.

Additionally, NetSuite provides an optional (but free) SuiteApp called **Enhanced Validations and Defaulting** which can enforce stricter negative inventory rules. With this SuiteApp installed and its "**Prevent Negative Inventory**" preference enabled, NetSuite will **block** the saving of any transaction that would result in negative inventory for an item [docs.oracle.com](https://docs.oracle.com). In other words, not only will it warn you, it will refuse to save an item fulfillment, inventory adjustment, invoice, or other transaction that would push an item's on-hand quantity below zero. (If this preference is not enabled, NetSuite's native behavior is to allow the save with just a warning message [docs.oracle.com](https://docs.oracle.com).) This tool validates on-hand quantities at the line-item level and across locations to ensure no line in the transaction violates availability [docs.oracle.com](https://docs.oracle.com). For many eCommerce businesses, installing this bundle and turning on **Prevent Negative Inventory** is a wise choice to absolutely forbid negative stock situations.

## Key Inventory Settings to Configure

To make sure your NetSuite account is properly set up to avoid negative inventory issues, review and configure the following system preferences and features. These settings help align the system's behavior with the goal of never letting inventory quantities fall below zero:

### 1. **Enable Inventory Level Warnings (User Preference):**

NetSuite can warn users during transaction entry if an item is out of stock or below its reorder point. To enable this:

1. Navigate to **Home > Settings > Set Preferences** (this opens your personal preferences).

2. Go to the **Transactions** subtab, and under the **Warnings** section, check **Inventory Level Warnings**.

3. Click **Save**.

With this on, anyone entering a sales order or invoice will get a pop-up alert when the quantity entered exceeds what's available at the chosen location [docs.oracle.com](https://docs.oracle.com). It serves as a first line of defense by notifying sales staff of low stock before an oversell occurs.

## 2. Set "Fulfill Based on Commitment" to Limit to Committed:

As discussed, this accounting preference is critical for preventing negative stock from shipments. To configure it:

1. Go to **Setup > Accounting > Accounting Preferences**.

2. Click the **Order Management** subtab and find the **Fulfillment** section (see figure below).

3. In the **Fulfill Based on Commitment** dropdown, select **Limit to Committed**.

4. (While here, ensure **Allow Overage on Item Fulfillments** is unchecked unless you have a specific business case for shipping more than ordered).

5. Save the preferences.

*Example of NetSuite fulfillment preferences. "Fulfill Based on Commitment" is set to **Allow Uncommitted** in this screenshot, but for strict negative inventory control you should choose **Limit to Committed** [blog.concentrus.com](https://blog.concentrus.com). This ensures you can only create item fulfillments for quantities that are reserved/available, blocking any attempt to fulfill unallocated (and thus unavailable) stock.*

With **Limit to Committed** in effect, NetSuite will restrict fulfillments to only the committed quantity on each order line [blog.concentrus.com](https://blog.concentrus.com). Any items that are completely uncommitted (backordered) won't even appear on the fulfillment screen, and you can't accidentally increase the fulfill quantity beyond what was allocated. This effectively ties the shipping process to actual inventory on hand.

## 3. Enable Automatic Commitment of Stock to Orders:

Having the system auto-allocate inventory to sales orders ensures that as soon as inventory is available, it gets committed to open orders (based on your allocation rules). To check this:

1. In **Accounting Preferences > Order Management**, locate **Perform Item Commitment After Transaction Entry**.
2. Mark this checkbox to enable automatic commitments (if it isn't already checked).
3. Review the **Item Commitment Transaction Ordering** setting as well – by default NetSuite will allocate stock to orders by transaction date (first-come, first-served), but you can choose Expected Ship Date or Order Priority if your business needs a different allocation logic [docs.oracle.com](https://docs.oracle.com). For most eCommerce uses, ordering by date is common (fulfilling older orders first).
4. Save the preferences.

With *Perform Item Commitment* enabled, NetSuite will continuously update allocations behind the scenes. For example, if you receive new inventory or decrease an order's quantity, the system automatically reallocates stock to orders or frees it up for others [docs.oracle.com](https://docs.oracle.com). This helps keep the committed quantities accurate and avoids a scenario where stock arrives but isn't assigned to waiting orders. (If you prefer to allocate stock manually, you could leave this off and use the **Commit Orders** tool periodically, but most fast-paced eCommerce environments benefit from automation.)

#### 4. Install and Configure the Enhanced Validations (Prevent Negative Inventory) SuiteApp:

If you want an extra layer of control beyond the native preferences, use the **Enhanced Validations and Defaulting** bundle provided by NetSuite (it's free to install via the SuiteApp Marketplace). Once installed:

1. Go to **Setup > Company > General Preferences**, and click the **Custom Preferences** subtab.
2. Find **Enhanced Validations and Defaulting** section, and check the box for **Prevent Negative Inventory** [docs.oracle.com](https://docs.oracle.com). (If you don't see this option, it means the SuiteApp isn't installed yet [docs.oracle.com](https://docs.oracle.com).)
3. Next, enable the validation on the transaction types you care about. Navigate to **Lists > Enhanced Validations > Enable Validations > New**. On the form, select **Negative Inventory Validation** as the type, and choose the transaction forms (e.g. Item Fulfillment, Inventory Adjustment, Invoice, etc.) where it should apply [docs.oracle.com](https://docs.oracle.com). Save the validation rule.
4. (Optionally, disable NetSuite's native inventory warning pop-ups to avoid duplicate messages [docs.oracle.com](https://docs.oracle.com) – since the SuiteApp will handle the

alerting and blocking in one go.)

After this setup, whenever a user attempts to save a transaction that would result in negative inventory for any item line, they will be stopped with an error. This applies across all locations you select for validation, ensuring, for example, that a fulfillment cannot be saved if the on-hand quantity in that warehouse would drop below zero [docs.oracle.com](https://docs.oracle.com). This strict enforcement is valuable for eCommerce operations that want to **100% guarantee** no orders are processed against phantom stock.

## 5. Use the "Review Negative Inventory" Report (Periodic Check):

Even with all the preventative measures, it's wise to monitor if any negative inventory slips through (or existed prior to enabling the safeguards). NetSuite provides a standard report for this:

1. Go to **Transactions > Inventory > Review Negative Inventory**.
2. Set an "As of" date (e.g. today's date) to see any inventory items that have a negative available quantity up through that date.
3. The report will list any items with negative quantities on hand (by location if you use multi-location inventory) [consulesolutions.com](https://consulesolutions.com).
4. Use this list to investigate and adjust those items back to zero or a positive quantity. Typically, you would enter inventory adjustments or receive any missing inventory to correct the counts.

Reviewing negative inventory is actually recommended as part of the period-end close checklist in NetSuite [info.rfsmart.com](https://info.rfsmart.com). It helps catch any discrepancies so you can fix them before they affect financial statements. The goal, of course, is that with the preventive settings enabled, this report should ideally show no negative values – but it's good to verify.

By configuring these preferences and regularly monitoring, your NetSuite system will be tuned to prevent negative inventory in day-to-day operations. Next, we'll look at what these restrictions mean for the business and how to work within them effectively.

## Implications of Negative Inventory Restrictions for eCommerce

Preventing negative inventory is generally beneficial, but it does require eCommerce businesses to stay disciplined in their processes. Here are some key implications of NetSuite's no-negative-inventory policy:

- **Backorders and Customer Satisfaction:** If an online order comes in for an item that isn't actually in stock, NetSuite's restrictions mean you cannot fulfill that order until stock is available. This will create a backorder situation. From the customer's perspective, this could lead to delayed shipment or split shipments, potentially hurting satisfaction if not managed well [consulesolutions.com](https://www.consulesolutions.com). It's crucial to have customer service processes to communicate delays or partial shipments for backordered items.
- **Need for Accurate, Timely Inventory Updates:** Since you won't be allowed to ship what you don't have, your operations must quickly reflect reality in the system. If stock arrives in the warehouse but the receipt isn't entered in NetSuite, the system will still consider it unavailable and block fulfillment. Thus, warehouse and purchasing teams need to record item receipts promptly (using the actual receipt date) to keep inventory counts accurate [info.rfsmart.com](https://www.info.rfsmart.com). Any lag or inaccuracy in logging inventory can directly delay order fulfillment.
- **Sales May Be Lost or Delayed:** In an environment where overselling is completely prevented, you might miss out on sales if your eCommerce storefront isn't synchronized with NetSuite's inventory. For example, if NetSuite shows zero stock, ideally your website should show the item as out-of-stock to prevent orders you can't fulfill. If the integration isn't tight, customers might place orders for sold-out items and then face cancellations or delays. Proper integration and maybe a buffer stock setting on the website can mitigate this.
- **Increased Operational Costs for Urgent Replenishment:** When you do run out of an item that has open orders, you may need to expedite a purchase order or incur higher shipping costs to get the product in quickly and satisfy customers [consulesolutions.com](https://www.consulesolutions.com). This is a direct consequence of not being able to ship from negative stock (which is a good thing for accuracy, but it forces the issue of replenishment). Businesses should be prepared for rush ordering costs or consider safety stock levels to avoid stockouts.
- **Impact on Financials and Reporting:** Negative inventory wreaks havoc on inventory valuations and cost of goods sold (COGS) calculations. For instance, selling into negative inventory can lead to incorrect COGS because the system might temporarily value the sale at an old cost or zero cost until inventory is received later. By preventing negative inventory, NetSuite helps ensure that **financial statements remain accurate** – you won't end up with negative asset values for inventory on the balance sheet, and your COGS will be properly matched with the inventory that was actually in stock [consulesolutions.com](https://www.consulesolutions.com).

This avoids potential audit issues and the need for inventory value adjustments after the fact.

In summary, the restrictions NetSuite imposes (when configured properly) push the business to maintain good inventory hygiene: always know what you truly have, don't sell what isn't there, and update the system in real time. eCommerce companies need to align their customer expectations and internal workflows with these principles – for example, by clearly indicating on their web store when items are backordered, or by splitting shipments if part of an order is available – so that the customer experience remains positive even when stock runs out.

## Strategies to Manage Stock-Outs and Avoid Fulfillment Issues

No system setting alone can solve inventory shortages. Ultimately, managing around negative inventory comes down to operational strategies. Here are several best practices and workarounds eCommerce businesses can use to handle situations where demand exceeds supply, all while staying within NetSuite's constraints:

- **Prioritize Accurate Inventory and Fast Updates:** Your first line of defense is always to keep inventory records accurate. Ensure that **purchase orders are received in NetSuite as soon as product arrives** (or even just before arrival if you have advanced shipping notices). Use mobile scanners or quick data entry for receipts to minimize delay. Regularly perform cycle counts or physical counts to true-up inventory levels. The goal is to minimize instances where you *think* you're out of stock (and thus can't fulfill an order) when in reality the stock might be sitting on the loading dock unrecorded. By keeping on-hand quantities correct, you both avoid negative inventory and can fulfill orders without delay. NetSuite's tip here is to *"insist on prompt entry of item receipts"* and use the actual receipt date so inventory is available when it's physically in stock [info.rfsmart.com](http://info.rfsmart.com).
- **Use Partial Fulfillment and Backorders Wisely:** If an order contains multiple items or a quantity that can only be partially fulfilled, **ship what you have available now and backorder the rest**. NetSuite, with proper settings, will allow you to create a fulfillment for the in-stock items (or quantity) and leave the remainder of the order open. This is often better for customer relations than holding the entire order. Be sure to communicate with the customer that a second shipment will follow. NetSuite can send an automatic email for each fulfillment if configured [blog.concentrus.com](http://blog.concentrus.com), which helps keep the customer informed. By partial shipping, you avoid indefinite delays – the customer at least gets some of their items – and you only prevent negative inventory on the truly unavailable portion. Just take care to not invoice the customer for items until

they ship (unless they've agreed to prepay), which NetSuite's separate fulfillment/invoice process can handle.

- **Leverage Drop Shipping for Out-of-Stock Items:** Drop shipping is an excellent workaround when you don't have an item on hand but can source it quickly from a vendor. In NetSuite, a **drop shipment** means the vendor will ship the product directly to your customer, bypassing your inventory entirely [docs.oracle.com](https://docs.oracle.com). Because the item never enters your stock, you won't risk negative inventory on that SKU – the sales order is fulfilled via a linked purchase order instead of your warehouse. To use drop shipping:
  1. **Enable the feature:** Go to **Setup > Company > Enable Features**, under the **Items & Inventory** tab, and enable **Drop Shipments & Special Orders** (if not already enabled [anchorgroup.tech](https://anchorgroup.tech)).
  2. **Mark the sales order line for drop ship:** On the sales order, for the item in question, select **Drop Ship** in the *Create PO* column (you can do this when adding the item, or edit the line and choose Drop Ship) [docs.oracle.com](https://docs.oracle.com). If the item record has a preferred vendor, NetSuite will use that vendor.
  3. **Approve/save the order to generate the drop ship PO:** When you save the sales order (or approve it, depending on your workflow), NetSuite will automatically create a linked purchase order to the vendor for that item [docs.oracle.com](https://docs.oracle.com). The PO will list the customer's address as the ship-to (for drop ship), so the vendor knows to send it directly to your buyer.
  4. **Handle fulfillment and billing:** Once the vendor ships the item, you'll typically receive an invoice or confirmation. In NetSuite, record an Item Fulfillment for the sales order marked as a drop ship – this doesn't reduce any inventory, but it closes out the order as shipped. You can then bill the sales order as normal. (NetSuite may also allow creating the vendor bill directly from the PO, which would simultaneously mark the drop-ship item as fulfilled.)
- *Business note:* Drop shipping is great for avoiding stock-outs, but keep an eye on the margins and customer experience. The customer might receive multiple packages if part of their order was from your warehouse and part drop-shipped from a vendor. Also, ensure your eCommerce front-end can handle splitting orders or communicates that an item will ship separately. As long as those considerations are managed, drop shipping through NetSuite is a powerful tool to prevent negative inventory by **outsourcing fulfillment** for that line item.

- **Use Special Orders (Back-to-Back Purchasing):** Similar to drop shipping, a **special order** in NetSuite creates a dedicated purchase order for the item, but it is meant to be received into your inventory and then shipped to the customer. Special orders are useful if you want the item to come to your warehouse first (perhaps for quality inspection, kitting, or because you consolidate shipments). When you mark an item as **Special Order** on the sales order (in the Create PO column) [docs.oracle.com](https://docs.oracle.com), NetSuite will generate a PO to your vendor with your warehouse as the ship-to address [docs.oracle.com](https://docs.oracle.com). The item on the sales order remains unfulfilled (on backorder) until that PO is received into inventory. Once you receive the special order PO, NetSuite will automatically allocate it to the waiting sales order, and you can then fulfill the order to ship it out. Special orders ensure that even if you had zero on-hand initially, the demand is linked to incoming supply. This is a cleaner workaround than just waiting and hoping – it formally ties the customer order to a supply order. The trade-off is the customer must wait until you receive the item, but it guarantees fulfillment as soon as stock comes in, and it **avoids any generic negative inventory** since the item will only ship after the receipt. Use special orders for items you don't normally stock or to **handle one-off spikes in demand** without permanently stocking more inventory.
- **Perform Inventory Adjustments or "Pre-Receipts" When Necessary:** In some emergency cases, you might choose to temporarily adjust inventory in the system to allow a fulfillment to go through. For example, if you physically have the stock but for some reason it was not recorded (maybe a receiving clerical error or a system integration lag), you could do an **Inventory Adjustment** to increase the item's quantity on hand, fulfill the order, and then later correct the records if needed. Similarly, if you are certain inbound stock is arriving today, you might perform the item receipt in NetSuite a bit early (based on the supplier's confirmed shipment) so that the inventory is available for commitment and fulfillment. These tactics essentially **force the inventory count up** so the system won't consider it negative when fulfilling. To adjust inventory:
  1. Go to **Transactions > Inventory > Adjust Inventory** (or **Adjust Inventory Worksheet** for multiple items).
  2. Select the item and location, and enter the quantity increase needed (with a memo explaining the adjustment). Post the adjustment, which raises the on-hand balance.
  3. Proceed to fulfill the sales order as normal (now that inventory is available).

4. Later, if this was a temporary fix, ensure you receive the actual product or adjust back down so that inventory isn't overstated long-term.

- **Important:** Rely on adjustments sparingly and with proper approval. While they let you work around the system's block in a pinch, frequent manual adjustments can lead to confusion and audit issues. Always investigate why the negative inventory situation occurred – was it a timing issue, an integration gap, or a process lapse? – and address the root cause. The goal is to use real transactions (receipts, transfers, etc.) rather than adjustments, whenever possible. Think of this as a last resort to satisfy a customer order on time when the system's strict rules would otherwise stop you.
- **Maintain Safety Stock or Buffer in Online Availability:** To avoid ever hitting zero available inventory on fast-selling items, many eCommerce businesses maintain a small safety stock. NetSuite's **Reorder Point** and **Preferred Stock Level** settings can help alert you to replenish before you run out. But from an operational standpoint, you might also configure your eCommerce platform to display "out of stock" a bit early – for example, if you have 5 units left, mark the website as out-of-stock. This way, you always have a buffer of 5 units in NetSuite that can cover any edge cases (like an order that was just placed but inventory hasn't synced, or a last-minute quality issue with an item). This strategy doesn't involve NetSuite configuration per se, but it works hand-in-hand with NetSuite's prevention: by never actually letting NetSuite hit negative, you avoid triggering its restrictions while still protecting customer experience.
- **If Needed, Adjust Commit Settings for Special Cases:** In some scenarios, you may want to temporarily allow fulfilling uncommitted items – for instance, a one-time flash sale where you oversell and then quickly drop ship the remainder. In those cases, an administrator could switch **Fulfill Based on Commitment** to "Allow Uncommitted" or even "Ignore Commitment" just for that process, allowing fulfillments to go through, and then switch it back. However, this is generally not recommended for day-to-day operations because it opens the door to negative inventory [blog.concentrus.com](http://blog.concentrus.com). It's better to use the structured approaches (drop ship, special order, etc.) above. But it's useful to know the flexibility is there if your business absolutely requires it: NetSuite will warn you that you might create negative stock in those modes, so proceed with caution and make sure to rectify inventory with proper transactions afterward.

By implementing these strategies, eCommerce businesses can **avoid the pitfalls of negative inventory** while still meeting customer demand. The combination of NetSuite's configuration (to enforce discipline) and smart operational tactics (to fulfill orders through alternate means or timing) gives you

the best of both worlds: you protect your inventory accuracy and financial integrity, and you keep customers happy by finding ways to deliver products on time.

## Conclusion

NetSuite's standard accounts provide robust controls to prevent negative inventory, which is crucial for eCommerce operations where selling an item you don't actually have can lead to customer dissatisfaction and operational headaches. Through careful use of item commitment, fulfillment preferences, and (if necessary) added validation tools, NetSuite will proactively stop transactions that would result in negative stock [docs.oracle.com](https://docs.oracle.com). These controls enforce good practice – you always know when you're overselling so you can take corrective action immediately. The business implications mean you must stay vigilant with inventory updates and be ready with solutions like drop shipping or expediting orders to avoid disappointing customers [consulesolutions.com](https://consulesolutions.com).

Fortunately, NetSuite also offers flexible methods to work around stock-outs: you can redirect orders to vendors via drop shipment [docs.oracle.com](https://docs.oracle.com), create special supply orders on the fly, or adjust timing and inventory records to fulfill urgent sales. By configuring the system as described and following the outlined strategies, an eCommerce business can effectively navigate the challenges of high-volume online sales without ever falling into the trap of negative inventory. The end result is a more reliable inventory system, better alignment between what you sell and what you can deliver, and a smoother experience for both your operations team and your customers. Always remember that preventing negative inventory is not just a system setting, but a mindset of proactive inventory management – and with NetSuite's help, it's entirely achievable.

**Sources:** NetSuite Official Documentation on order fulfillment and inventory allocation [docs.oracle.com](https://docs.oracle.com), Oracle NetSuite Help Center guides on preventing negative inventory [docs.oracle.com](https://docs.oracle.com), and insights from NetSuite solution providers and experts on best practices for managing inventory in eCommerce [consulesolutions.com](https://consulesolutions.com).