

SAM—INSTITUTIONAL STORES ACCOUNTING

PHYSICAL INVENTORIES

10860

(Renumbered 2/65)

At least once every three months a designated employee, preferably not the storekeeper or custodian of the property, will take a complete physical inventory of those commodities that are required to be accounted in the Purchased Stores Ledger (see SAM Section 10851). If it is unavoidable for other than the storekeeper or custodian to take the inventory, a realistic spot-verification of the inventory taking will be made by another employee designated by the business manager. The inventory may be taken on a cycle basis; i.e., one-third each month. Agencies may take a complete physical inventory once a month if their experience indicates that the monthly period is less time-consuming in the end because in their case the greater time required to trace errors on a quarterly basis outweighs the time saved in taking less frequent physical inventories. A detailed inventory plan similar to that described in SAM Section 8659 for equipment will be established and administered by the business manager.

The inventory will be taken after the storekeeper fills all the requisitions he can fill during the month. The person taking the inventory will sign the inventory listing and send it to the accounting office. The accounting office will compare the physical inventory to the book inventory. The accounting office will verify the recount of any items that are not in agreement. Any differences which cannot be located will be listed, together with any pertinent explanation, and sent to the business manager. The business manager, after he has satisfied himself as to the propriety of the adjustments, will authorize the adjustment of the stock records by signing the list of inventory adjustments and returning it to the accounting office. The accounting office will post the adjustments authorized by the business manager to the Purchased Stores Ledger and will retain the signed list.

Sheets for recording the inventory count can be prepared by (1) typing a list of items from the stores ledger leaving blank spaces as necessary for additional items and (2) duplicating the listing by mimeograph, ditto, etc.

At least once a year a physical inventory will be taken of those materials and supplies that are accounted in the Memorandum Stores Ledger. (See SAM Section 10852.) These inventories may be taken during the year as time permits. The accounting office and the business manager will give these inventories the same attention and provide for the same internal control as described above for the inventories of the Purchased Stores Ledger.

To the extent time can be made available, business managers will require that controlled inventories be taken once a year of materials and supplies that are not accounted in either the Purchased Stores Ledger or the Memorandum Stores Ledger. Sectional inventories may be taken without regard to the time inventories of other unrelated materials and supplies are being taken. The person taking the inventory will sign the inventory to indicate that it includes all the materials and supplies, as of the inventory date, that are not accounted in a stores ledger. These inventories will be reviewed to determine that the quantities on hand are consistent with the institution's needs. The business manager will notify the departmental headquarters of any excessive inventory for possible sale to other institutions. Receipts from such sales will be accounted as reimbursements.