

SAM – INSTITUTIONAL STORES ACCOUNTING

PURCHASED STORES INVENTORY

10861

(Revised 8/1970)

Purchased Stores Inventory materials and supplies on hand at the end of the fiscal year that belong to institutional farming and processing operations will be priced. Materials and supplies on hand that relate to other operations will not be priced.

The inventory will be priced by (1) multiplying the units on hand by the appropriate unit price as described in the next paragraph, (2) recording the result of this multiplication under the last balance in a stock record for the commodity, (3) running a tape to determine the value of all the commodities, and (4) adding 5% for sales or use tax to the amount determined, if appropriate.

Unit prices to be used are as follows:

1. Use the price shown on the latest purchase order prior to June 30.
2. If items posted to the Purchased Stores Ledger card consist solely of donated federal surplus property, use the fair value shown on the latest invoice from the Department of Education.
3. If items posted to the Purchased Stores Ledger card consist of both (a) federal surplus property and (b) purchased or other donated items, use the price shown under either "1" or "2", whichever is more appropriate.