

POLICY

Effective Date: March 6, 2007

Approved By: President's Council

Authority: OFM – SAAM 85.56

Cancels:

See Also:

POL-U5346.05 INVENTORYING CONSUMABLE OR RETAIL ASSETS

This policy applies to all Financial Managers who manage consumable or retail assets owned by the university.

Definitions:

Consumable Assets – Inventory of consumable supplies, such as paper, files, toner, electrical parts, plumbing supplies, lumber, office supplies, etc., which are estimated to exceed \$25,000 in aggregate value. The inventory reflects the value of unused supplies on the date of the inventory and does not consider the value of supplies consumed over the course of time.

Retail Assets – Merchandise (books, clothing, etc.) held by a university department for resale to students, employees or the public.

Periodic Inventory Method – An inventory system whereby asset purchases are recorded in the Financial System as an expense at the time of purchase, and are adjusted annually when a physical inventory count is performed to reflect the assets remaining in inventory.

Perpetual Inventory Method – An inventory system whereby purchases are recorded as they occur as assets in an inventory system, and are adjusted annually if necessary when a physical inventory count of the assets remaining in inventory is performed.

Financial Repository – The university's primary system for recording, processing, and maintaining financial data.

- 1. Financial Manager Conducts Annual Physical Inventory Count of Consumable and Retail Assets**
- 2. Physical Inventory Should Be Conducted At Or Close To The End Of The Fiscal Year. Financial Manager May Choose Periodic or Perpetual Inventory Method**
The inventory method chosen must be used consistently from year to year.
- 3. Financial Manager Documents Physical Inventory Count And Required Adjustments To Financial Repository**

POLICY

4. **Accounting Services Monitors Inventory Adjustments**

Financial Reporting will regularly monitor adjustments to account for consumable and retail assets.

5. **Accounting Services Trains Campus on Inventory Process**