

Prepared by General Accounting and Loan Collection Office
This is a new Procedure.

A8.636

A8.600 Accounting

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A8.636 Supply Inventory

1. Purpose

This instruction explains what inventorial supplies are, what they are used for, and why it is recorded in the financial system.

2. Definitions

Inventorial Supplies - Un-issued materials from units such as central stores, department storeroom/stockrooms, production facilities, health centers, food service units, printing/press operations, etc., which are charged to other departments, external agencies or customers as part of departmental operations.

3. Objective

To account for and report supplies as an asset of the University.

4. Guidelines

- a. Inventorial supplies shall be subject to an annual inventory and valuation.
- b. Values are to be based on cost utilizing generally accepted accounting principles, e.g. First In First Out or weighted average. If cost cannot be readily determined, any other method consistently applied which reflects renewable valuation should be used.

Initial inventory valuation shall be submitted on a journal voucher with a detailed list of supplies and amounts.

Annually the fiscal officer or resale supply custodian shall submit a journal voucher to reflect the annual increase or decrease in the Financial Management Information System. Refer to APM Section A8.671 Year-End Accounting Data.

- c. Programs may maintain internal records for control of non-inventorial supplies. These records will not be required for financial reporting.