

Title: INV102 INVENTORY COUNTS

Policy: All physical inventory will be periodically counted and reviewed on a frequent basis and under a common set of procedures and controls. Federally funded inventory will be counted biennially as required.

Purpose: To outline the actions to be taken to conduct an accurate physical count of all inventory items in order to verify the accuracy of the inventory ledger.

Scope: This procedure applies to all inventory items including all departments that carry an inventory and federally funded equipment inventory.

Responsibilities:

Department Supervisor/Clinic Executive Director is responsible for the actual count. The Supervisor/Director should be knowledgeable about the inventory items to be counted, the counting procedures used, and the location of all inventories. The Supervisor/Director is also responsible for forwarding all paperwork to accounting to ensure that inventory is documented and accounted for properly.

Borough Treasurer is responsible for cut-off procedures, ensuring proper inventory control and recording any necessary inventory adjustments into the accounting system.

Definitions: Cut-off refers to procedures which ensure that all items counted are owned by the Municipality and available for use.

Procedure:**1.0 INVENTORY TYPES**

1.1 There are two main categories of inventory:

- Inventory on hand for use (Public Works & Water Department parts, Clinic supplies)
- Federally funded equipment inventory (Emergency response equipment & vehicles, Waste Water Treatment Plant equipment, Clinic equipment)

1.2 Generally, a complete physical inventory is taken at year-end for inventory on hand for use. The ultimate objective is to arrive at a correct inventory value (correct quantity and correct cost) at a particular time. A complete physical inventory of federally funded equipment is done biennially (every two years) and submitted to the State of Alaska.

2.0 INVENTORY ON HAND FOR USE

2.1 All areas containing inventory should be organized to their optimal standard. All items should be organized with like items and clearly labeled for easy identification and accurate counting.

2.2 All loose inventory items should be removed from workstations or machines and neatly placed or stored into bins, shelves, racks, etc. Identical parts that are used in

multiple locations should (if practical) be combined into one storage area to facilitate ease of record keeping.

After grouping and organizing identical parts (i.e., on shelves or bins), all inventory items should be reasonably separated and identified/labeled to avoid any confusion between similar looking or types of parts.

- 2.4 All non-inventory, defective or obsolete parts should be clearly segregated from inventory items to be counted. These items should also be visibly marked or indicated to their nature (i.e., “Non-Inventory – Do Not Count”, “Defective”, etc.).
- 2.5 The results of the count should be compared to the inventory records and any variances investigated. After resolving any discrepancies, the inventory amounts carried in the computer system should be adjusted to agree with the results of the physical count.

3.0 FEDERALLY FUNDED EQUIPMENT INVENTORY

- 3.1 Federally funded equipment inventory will be periodically counted and condition reviewed on a regular basis, or every two years, consistent with the federal requirements under which equipment was granted. Reports are submitted to the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security and Emergency Management.

Revision History:

Revision	Date	Resolution #	Description of changes	Requested By
0	11/08/12	RES#12-22R	Initial Release	Heather Rodig
1	03/01/18	RES#18-03R	Review & update language	Heather Rodig
2	06/17/21	RES#21-20R	Review & update language	Heather Rodig
3	12/07/23	RES#23-33R	Review & update language	Heather Rodig

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