



To: Files

From: Deirdre Delaney, Financial Analyst; Barbara Cevallos, Assistant Vice President and University Controller

Re: Physical Inventory Process (UMPO)

Date: May 4, 2020

Completion of the UMPO Count (every other year, on the odd year)

Purpose: Per the University's policy, an inventory of assets is required biennially (every other year). Assets required to be inventoried include all capital assets (items above \$5k), as well as laptops or computers and other devices that would store "sensitive" University information.

Background: As items are purchased at the President's Office, it is the responsibility of the Financial Analyst within the Controller's Office to ensure the following:

- Requisitions made by other departments utilize the proper account codes (capital vs non-capital equipment) and commodity codes
- Assign asset tag numbers (physically attach tags to equipment items purchased)
- Mark items as received in BuyWays for those items where a packing slip has been provided by the department and an asset tag has been assigned
- Record and maintain item records in Asset Management (AM) with relevant information for the count such as assigned asset tag number, department where the item is located, custodian, and serial number.
- Coordinate with departments to complete the physical inventory count biennially

Reconciliation: To perform the inventory count, the "Master Inventory Listing" (MIL) is prepared. This listing is pulled directly from AM. Prior to the count, a reconciliation is performed to ensure the listing is complete and accurate. The reconciliation includes the following:

- Reconciling capital assets to the "Capital Asset Listing" (CAL) provided by the Accounting Manager covering the fiscal year for which the inventory will be performed (eg 7/1/18-6/30/19).

- The CAL will be reconciled back to the financial statements of UMPO (The CAL includes only UMPO assets. Other assets held by UMBA on behalf of UMPO are inventoried and maintained by UMBA).
- There may be additional assets on the CAL as this listing includes assets disposed during the year. Those assets disposed are noted and the disposal date confirmed.

Physical Inventory: Once the inventory listing is obtained and verified for completeness, locations are verified with department heads and asset custodians. Once locations are verified, the financial analyst coordinates dates/times to physically view the items. All assets tags are scanned and the MIL is reviewed to ensure the information is accurate. Edits to locations or custodians are noted and adjusted in AM after the count. If a tag is not physically viewable (such as a drive within a server), the serial number will be used to match against the MIL.

If items are not found, the financial analyst coordinates with the custodian and department head to identify whether the item was reassigned, missed in the initial count, or requires disposal. When required, disposal forms are completed and signed by the custodian, department head, and financial analyst. After signed forms are received, the financial analyst will dispose of items in AM. Disposals are completed for those capital assets that are fully depreciated.

Preparation for the Physical Inventory:

The Controller's Office takes several steps prior to the close of the fiscal year to prepare departments for the upcoming inventory count. These steps include the following:

- January – the Controller's Office confirms with department heads their respective custodians listed in AM. This is done to ensure the communication for the upcoming inventory activities is provided to the appropriate parties.
- April – Department custodians are distributed their inventory listings including the inventory physically counted two years before and any changes (disposals or additions) since that time. The custodians are then asked to review the listing for completeness and accuracy and provide any edits to the listing by May 31st.
- May/June – the Controller's Office coordinates with the department custodians the timing of the physical inventory count (to be completed July-September). This is to give ample time for scheduling around vacations and upcoming priorities while also reminding each department custodian that the inventory needs to be completed within a certain period of time.