
1105 INVENTORIES OF MATERIALS

Effective: December 1986
Revised:
Last Reviewed: April 2017
Responsible Office: Comptroller
Approval: Comptroller

PURPOSE

Certain materials and supplies are held in inventory by the University and used for instruction, research and service related activities, and for resale.

POLICY

1. The Office of the Comptroller is responsible for accounting for inventory at the University. This responsibility is delegated to those departments maintaining inventories.
2. Departments with inventories will be responsible for maintaining detailed inventory records. These records must be reconciled monthly to the University's accounting system.
3. A physical inventory will be conducted and reconciled to the detailed inventory records at least quarterly by departments maintaining inventories. All adjustments resulting from a physical inventory must be recorded in the accounting system immediately.
4. Departments are responsible for identifying obsolete inventory which must be written-off when identified.
5. Inventories will be valued at the lower of cost or market with cost being determined by the First-in-First-Out (FIFO) method.
6. Inventory cost will be recorded as an expenditure when incurred. The Office of the Comptroller is responsible for determining the inventory balances to be recorded on the University's balance sheet.
7. Purchases of inventory items will be made through the Purchasing Department unless otherwise authorized by the Director of Purchasing.
8. Materials and supplies issued to University departments for instruction, research and service related activities shall be valued at cost as determined by the FIFO method.
9. Inventory items shall be maintained at levels which reflect prudent business practice.