## PHYSICAL INVENTORY

**POLICY**

The State Property Accounting Policies requires that the University to conduct an annual physical inventory of all capital and controlled personal property that is in the University's possession at a time of its own choosing. The University is to certify the results of the Annual Physical Inventory to the State Comptroller of Public Accounts describing the method used to verify the inventory no later than 20 days after the last day of the physical year (September 20th). All assets in service will be included in the inventory count. Individual departments will receive inventory report listing of in-service assets when they schedule to reserve a scanner. This process attempts to ensure that every capital and controlled asset is listed on the Property Management's Master Inventory Record and to account for each capital and controlled asset issued to a department.

**PROCEDURE**

The University uses the bar code scanning method to conduct the annual inventory in the following sequence:

1. There are 60 scanners available for check out each week, the department Property Custodian can contact Property Management to check out a scanner by providing the following information: your name, department ID(s) of inventory to be scanned, email address for scan results, and requested pick up date.

2. Annually, Property Custodians will be notified of the physical inventory, when bar code readers can be reserved to conduct their departmental inventory, and of applicable annual deadlines for completion of the annual inventory.

3. The Departmental Inventory Listing will be sent to the person who reserved the scanner along with detailed instructions prior to the initiation of the required annual property inventory. The inventory report will include, but is not limited to, these specific items:

- University Inventory tag number
- Acquisition date
- Description of the asset
- Location (department, building, and room number)
- Serial number, when applicable
- Historical cost of asset
- Asset Class Code (See Table Reference Material)

# PROPERTY MANAGEMENT GUIDELINES

REFERENCE MATERIAL TABLE:

| ASSET CLASS | DESCRIPTION |
|---|---|
| 1YR-M | 1 Year Missing - Documentation on File |
| 2YR-M | 2 Years Missing - Documentation on File |
| 3YR-M-DEL | Delete - 3+ Years Missing |
| ABD | Abandoned by Department |
| APPRAISAL | FY1991 Appraisals |
| AT | Assigned Tag |
| AVR | Appraisal Value Required |
| DAO | Donated to Assistance Organization |
| DBD | Disposed of by Department |
| DTDEE | Duplicate Tag/Data Entry Error |
| EHIT | Equipment Held-In-Trust |
| FIB | Fabrication-In-Progress |
| GFP | Government Furnished Property |
| LBI | Land, Buildings, Improvements, and Infrastructure |
| MAC | Music and Art Collection |
| NEU | New Equipment Untagged |
| OBSOLETE | Obsolete |
| OFF-CAMPUS | Off-Campus |
| OLD | On Loan from Department |
| PP | Personal Property |
| RTS | Returned to Sponsor |
| RTV | Returned to Vendor |
| RTWNT | Replace Tag with a New Tag |
| SALVAGE | Salvaged/Cannibalized |
| SAS | Sold - Authorized Sale |
| SCE | Surplus Capital Equipment |
| SOLD-LBS | Sold - Local Bid Sale |
| STOLN-PRD | Stolen - Pending Receipt of Documentation |
| STOLN-RTS | Stolen - Reported to State |
| TFR-ST-AGY | Transfer to State Agency |
| TRADE-IN | Trade-In |
| TSPM | Temporarily Stored at Property Management |

4. After the scanner is returned, Property Management extracts the scanned inventory report from the scanner. Once scanned inventory files are uploaded to PeopleSoft Asset Management, Property Management personnel will generate an inventory report for the Department and the inventory reports will be emailed to the department Property Custodian.

This report has **six** sections:

- **"Inventory Scanned List"** worksheet that identifies scanned items that match the departmental inventory listing.

- **"Off-Campus List"** worksheet that lists assets that were reported as off-campus equipment for the current fiscal year via the submission of Authorization Off Campus Property PRP-2 form. Please review the list thoroughly to help ensure accuracy. If the asset listed remains off-campus, place a check mark in the column titled "FYXX Form on File". If the asset listed has been returned, indicate so on the off-campus list and update the location (Building and Room Number) for each item.

- **"Previous Missing List"** worksheet that lists assets that were reported as missing during previous inventories. Please review the list thoroughly to help ensure accuracy. If the asset listed remains missing, place a check mark in the column titled "FYXX Item still Missing". If the asset has been found, indicate so on the missing equipment list and update the location (Building and Room Number) for each item.

- **"Inventory Not Scanned List"** worksheet that lists the items on the departmental inventory that were not scanned.

  ➢ If there are any item remaining as unverified (not scanned), the department will make a reservation for the use of a scanner to complete the inventory.

  ➢ If the department cannot locate the items, Missing/Stolen Forms or Transfer Forms must be submitted before the inventory can be considered complete. Transfer Forms must be signed by both the sending and receiving department, and must be confirmed on the receiving department's physical inventory.

- **"Scanned by List"** worksheet that lists items which were scanned, but are not on the departmental inventory listing.

  - ➢ If the scanned items not on the Departmental Inventory List were transferred to the department without submitting notification and documentation to Property Management, the Department should submit the Transfer Forms to Property Management. Transfer Forms must be submitted before the inventory can be considered complete.

  - ➢ If the scanned items not on the Departmental Inventory Listing do not belong to the department, provide a list of the Asset tag numbers and asset descriptions to Property Management by email so that they may remove those items from your scan results. Physical inventory cannot be considered complete until this request is received and completed.

- **"Disposed Items List"** worksheet that lists items that were scanned but were previously identified by the department as having being disposed. Disposed items do not appear on your active inventory and do not have to be scanned. However, if any of these items are still actively in service, please notify Property Management so that the items can be reinstated.

5. Department(s) must resolve the discrepancies by selecting the appropriate exception type of any condition, as applicable, and by providing a reasonable explanation in the Comment column.

6. Once the final Scanned Inventory is completed and all related forms are received (Missing/Stolen, Transfer, Surplus, updated Off-Campus Equipment forms), Property Management will send the department the final Property Listing.

7. Upon receipt of the executed Certification form and required documentation, Property Management will update the data in PeopleSoft Asset Management. Property Management will then send the final INVENTORY CONFIRMATION

8. After conducting the physical inventory, complete and submit the Certification of Departmental Physical Inventory form to Property Management. DocuSign account holder may use link to login: [certification-of-departmental-physical-inventory.pdf (uh.edu)](certification-of-departmental-physical-inventory.pdf).

  - ➢ This form requires the signature of the Property Custodian, the Department Manager/Director or the appropriate Division Supervisor.

  - ➢ This form is due to Property Management within 30 days of the Annual Inventory due date.

9. To help ensure the accuracy of the physical inventory, Property Management will conduct random audits of the inventory results during the physical year. The random audits may include one or more colleges and selected other departments, which will account for a minimum of 25% of the University's total assets included in the annual physical inventory.

   ➢ Property Management selects the 15 departments using a random number selection method. Once the department is selected, Property Management selects between 2 and 10 assets per Department to re-verify.
   ➢ If your department is selected, Property Management will contact you to schedule a time to view and confirm the assets existence and location.

❖ **Most Common Scanner Problem:**

- One of the most common scanner problems is when the scanner does not read the location tags in the doorways or equipment tags number. This can occur because the ink has dried out or the tag is damaged. The location can be keyed directly into the scanner or the department can submit a request for replacement tags to Property Management.