Ball State University
Purchasing Services
Policy: Year-End Inventory Policy

General

This policy provides accounting guidance for determining items that should be inventoried, valuing inventory, recording the inventory in our accounting system, and managing the inventory.

The purpose of year-end inventory is to promote consistency and accuracy in the valuation and recording of the Central Stores inventory and to ensure that the inventory is properly safeguarded.

Procedure:
1. Work with the University Auditor’s department to determine time of end of year inventory audit, at the beginning of May.
   a. Communicate and distribute the dates to the Accounting and Controller’s office.
2. Central Stores closure dates for year-end inventory will be communicated to campus by the first week of June by these resources:
   a. Posted on SciQuest
   b. Posted on the community board
   c. By email
3. The Central Stores Coordinator will be in communication with suppliers to work on delivery dates and getting all invoices sent to Accounting.
4. Central Stores stock will be minimized to reduce the amount of inventory on hand.
5. A week before the audit, Purchasing Service will post notification of closures dates and times at the Central Stores sales window.
6. Central Stores will close two days prior the end-year inventory audit to start the inventory process and will stay closed until the audit is completed.
7. Central Stores Coordinator will print off blank Physical Inventory Location Sheets
8. Purchasing Services Employees involved in the inventory Count:
   a. Assistant Director of Purchasing Services
   b. Material Handler Supervisor
   c. Central Stores Coordinator
   d. Material Handler Group Leaders
   e. Material Handlers
9. SciQuest orders may be entered by departments but will remain in pending order status until the year-end inventory has been completed.
10. After Central Stores has pulled all the SciQuest orders from previous night’s approval, Purchasing Service employees will start the physical counting of Central Stores.
   a. Verification that all received stock is shelved. All other incoming stock will be placed in a staging (holding) area in the Central Receiving until year-end inventory is complete.
   b. The Physical Inventory Location Sheets will be divided up within the group.
   c. Once an employee is done counting, they are to return the forms to the Central Stores Coordinator to verify the counts are correct.
      i. If the counts are wrong, the physical inventory location sheet will be given to another employee to count.
   d. Once all the physical Inventory counting is done. The Central Stores Coordinator will print off the inventory location report to have it ready for the auditors.
      i. No items are to be removed from the shelves in Central Stores until the end-of-year audit is completed by the University Auditors.

11. The day of the end-of-year audit, The University Auditors will check product identification, perform random physical counts, and review the reporting process.
   a. If the Auditors find a discrepancy with the inventory counts during the audit, the Central Stores Coordinator will be notified and the correct changes will be made.

12. Once the End-Year Inventory is completed and approved by the University Auditor:
   a. Central Stores Coordinator will make a copy of the Physical Inventory Location Report to give the auditors.
   b. Central Stores Coordinator will create a book with the Physical Inventory Location counts from the team listed on #8, an updated Physical Inventory Location Report (copy of what is given to the auditors), an Inventory Adjustments Report, and an Inventory Audit Report.
   c. A copy of the complete book from item b above will be made and supplied to the Controller’s Office by the Director of Purchasing Services.

System:
The Central Stores ERP software is eRportal from Lumin Software Inc. It is a web based software that is managed by Purchasing Services
**Responsibility:**
Central Stores Coordinator  
Material Handler Supervisor  
Assistant Director of Purchasing Services  
Director of Purchasing Services  
Director of Finance  

**Other Departments Affected:**
All Campus Departments