

Northeastern State University
Inventory Management
April 2010

Northeastern State University is required to maintain a record of movable equipment. For this purpose, each item is tagged, coded and recorded. Inventory processes are administered through University Purchasing and the Business Affairs office, with the assistance of the Campus community.

Account Sponsors are responsible for all equipment purchased for or assigned to their department. Acquisition, transfer, or loss of equipment should be reported promptly as detailed below.

The University maintains inventory records of:

- Any item that has an acquisition cost of at least \$2,500, and is a complete and independent item which does not lose its identity or become a component part of another item.
- Vehicles, regardless of acquisition value.
- Equipment donated to the University for its use and benefit. Donations to the University must comply with the published policy requiring that donations be coordinated through the NSU Foundation.

Acquisition

Purchase of inventory items is the most common method of acquisition. When an encumbrance for a piece of equipment is received by University Purchasing, an inventory tag number is assigned.

Once Accounts Payable has processed payment for the item, University Purchasing will contact the home department to schedule a time to affix the inventory tag to the item. After the tag has been applied to the item the Account Sponsor will receive a confirming email with the item's tag number, description, and location. This information should be reviewed and confirmed by the responsible department. Any corrections to the location or designation of responsibility to another account should be sent immediately to Purchasing as a reply to the original email.

University Purchasing will provide the Business Affairs office the information gathered during the tagging of the inventory item.

There are many times when the equipment item cannot be physically tagged. Examples include electronic equipment with size or delicacy concerns that would render a tag not possible, or software which physically cannot be tagged. To allow departments to indicate this status, a series of equipment object codes ending in '10' has been established. Use of one of these codes will allow the equipment to be recorded but not require the issuance of a tag.

Inventory Change

Items may be transferred to other departments by completion of an Inventory Change Form. This form may be found on the NSU website under Purchasing or may be requested from University Purchasing.

Both the Account Sponsor relinquishing the item and the Account Sponsor assuming responsibility for the item must sign the form.

The Account Sponsor has authority to move equipment within management units without completion of an Inventory Change form when both the equipment and the units are within his/her responsibility. However, the Account Sponsor will be responsible for locating the equipment during annual physical counts. If the move is expected to be permanent, the Account Sponsor should submit an Inventory Change Form to change the item location recorded in the University records.

Account Sponsors who frequently purchase equipment which will be immediately placed with other departments are reminded to complete and remit the Inventory Change Form at the time the equipment is received and distributed to those departments. This will allow the University records to reflect the correct location and responsibility.

Removal from campus

University owned equipment, as well as any other University property, may not be removed from campus except when necessary to carry out an instructional or University sponsored activity scheduled off-campus as a planned event of the University.

Removal from inventory

Disposing, selling, trading, or deleting from inventory of any item of University-owned equipment is not within an Account Sponsor's authority. This policy also applies to the disposal of scrap, salvage, broken, obsolete, or surplus items other than the routine disposal of spent operating supplies. Departments should contact University Purchasing to remove all non-supply items from inventory, send to surplus, or discarded. A completed Inventory Change Form is required for items to be scheduled to be picked up. University Purchasing will forward the completed forms to the Business Affairs office.

Theft or disappearance of property must be reported to NSU Campus Police immediately upon discovery of loss. Campus Police will create an Incident Report. A copy of this Incident Report and an Inventory Change form referencing the loss is required to be sent to the Business Affairs office by the Department to be relieved of responsibility for the asset.

Physical inventory

A physical inventory will be conducted annually. Each department will be contacted when their physical inventory is scheduled. Participation is not optional, however the Business Affairs office will make an effort to consider your department business cycle while scheduling the inventory.

During a physical inventory, a listing of inventory items will be provided to each department. The departments will be requested to confirm the accuracy of their list by locating each item on the list. Tag numbers on the list should match the tag physically on the equipment. Any discrepancies should be noted by the Account Sponsor and the report returned to the Business Affairs office.

After the inventory is completed and changes have been posted to the Business Affairs records, an updated listing of equipment will be provided to each Account Sponsor. Interim equipment listings may be requested from Business Affairs by the Account Sponsor as needed.

University assets remain the responsibility of the Account Sponsor until removed from inventory. Proper documentation from the Account Sponsor will be required for removal from inventory. Questionable or suspicious loss of assets may trigger further investigation and/or personnel action.

Surplus property

Items that have been transferred to the Warehouse as surplus are available to other departments of the University. Departments can request any available equipment by completing an Inventory Change Form and making arrangements with University Purchasing for transfer.

Items remaining in the Warehouse will be sold at periodic public auction.