

# Inventory Management Policy

## Purpose

Southeastern Oklahoma State University, as a state agency, maintains an inventory of moveable equipment to account for "state property" with an acquisition cost of \$5,000.00 or more. The cost of the equipment will include the purchase price, freight cost, insurance while in shipment, installation cost, and other cost incurred to get the equipment ready for actual use. The following guidelines are developed to protect the assets of the state, and to provide a uniform procedure in the accounting for such assets to the individuals who are responsible for the safekeeping of the inventory. Question regarding these guidelines should be directed to the Accountant in the Office of Finance.

## Responsibility and Accountability Policies

It is essential that all employees recognize the concept of institutional ownership and accountability with departmental responsibility. The department chair/supervisor/budget administrator is responsible for all equipment purchased for or assigned to the department and shall promptly report any acquisition, deletion (removal), transfer, or loss of equipment to the Accountant in the Office of Finance.

## Acquisition

Purchase of inventory items is the most common method of acquisition. When a piece of equipment is purchased, the department should complete 'Add Equipment' form to request inventory tags to be placed on the equipment item to establish identity and tracking, from the Accountant in the Office of Finance. Accountant will approve the "Add Equipment" form and assign an inventory tag then return copy to budget administrator along with an inventory tag to be placed on the equipment.

## Transfer of Equipment

Transfer of movable equipment shall not be made from building to building or from department to department within the same building without approval from Accountant in Office of Finance. Transfers should be requested by completing the 'Transfer of Equipment' form signed by both the transferring and receiving budget administrators then forward to Accountant in the Office of Finance for approval. Accountant will approve the "Transfer Equipment" form then return copy to budget administrators for transfer of equipment.

## Removal from Campus

Selling, trading, or disposing of an inventory item is not within the responsibility of the budget administrator's authority. This responsibility has been assigned specifically to the Purchasing Office. This policy also applies to the disposal of scrap, salvage, obsolete, and surplus items. If an item is to be removed from a department's inventory, the 'Deletion (Removal) of Equipment' form should be completed, requesting deletion of the item from inventory then forwarded to Accountant in the Office of Finance for approval.

Once approved by Purchasing, a copy of the approved 'Deletion (Removal) of Equipment' form will be returned to budget administrator. At that time, the maintenance department should be contacted to pick-up the items to be removed.

Surplus equipment will be disposed of through sealed bids or public auction.

Theft of equipment should be reported to Public Safety and Office of Finance (Accountant) as soon as item is discovered missing.

University owned or controlled equipment shall not be removed from the University premises except in cases where such equipment is to be used to carry out an instructional or University-sponsored activity scheduled off campus as a planned event of the University. The Vice-President of Business Affairs or his designee must give approval when university equipment is used off-campus.

The use of University vehicles is restricted to official University business.

### **Physical Inventory**

A physical inventory is conducted each fiscal year. All university departments are required to participate.

- A complete listing of inventory items will be sent to the budget administrator.
- From the listing sent by the Accountant, yearly inventory verification will be performed for all equipment for which budget administrator is responsible.
- All reconciliations to the inventory list should be itemized on the appropriate form (Transfer, Deletion, or a correction memo), signed by the budget administrator, and returned to the Accountant in the Office of Finance.
- The inventory database will be updated and reconciled, based on the information provided by the budget administrator.
- All listings, along with additions, transfers or deletions (removals), must be returned to the Office of Finance by the due date so that the inventory can be reconciled by June 30 of each fiscal year.