



Inventory Register Guide

A Guide for School & Department Managers

Finance

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1 The Inventory Register

1.1 Definition of an Asset

'Any durable item used in the running of a business and having a useful life of more than one year'.

1.2 Purpose of an Inventory Register

- To maintain an accurate and up-to-date record of assets within the University for security and information purposes
- To enable those assets which are capitalised to be properly accounted for in the University's annual accounts.
- To enable production of management reports.
- To improve accountability and promote custodianship.
- To facilitate planning based on replacement cycles.

1.3 Description of an Inventory Register

The Inventory Register is a database where each item is identified by a unique number. The register records detailed information about each item, which is updated on an on-going basis.

1.3.1 Inventory Included

The University holds 2 Inventory registers, one with Finance and the other with Information Services.

- Information Services currently register all computer equipment/accessories that are either centrally managed or purchased. This includes PC's, laptops, printers, scanners etc, all AV equipment/accessories including projectors, cameras, recorders, video cameras etc plus mobile phones & handheld palm equipment. All IT equipment and accessories must be purchased through Information Services and registered with them.
- Information Services register will be made available to all GCU departments by end 2009.
- The Finance Inventory register will hold all other equipment – lab/office/clinical/catering equipment not covered by Information Services.

To ensure a balance between manageability and usefulness only those assets or asset groups with a value greater than £1,000 for items on the Finance Inventory register, and greater than £200 for items on the Information Services Inventory register, shall normally be included. However at the School/Departments request, portable and lesser value items of a removable nature can be included for control purposes. A list of items that should be included/excluded is shown in Appendix A.

1.3.2 Inventory Group

A mechanism used to group assets of like description and value, with a combined value exceeding the asset register inclusion amount of £1,000 that would not otherwise be listed. An asset group will be included in the Asset Register as a single entry.

1.3.3 Information Held

The following details are held for each asset included on the Register:

Owning cost centre (*Finance Inventory Register only*)
Project Code (if applicable) (*Finance Inventory Register only*)
Unique asset code (Tag No. for asset marking)
Building & Room Location
Description of asset
Make & Model number (if applicable)
Serial number (if applicable)
Order Number
Purchase price
Invoice/Purchase Date
Asset Status (e.g. Obsolete, On Loan)

2 Inventory Control

2.1 Responsibility

It is essential that the accuracy of the Inventory Register be maintained within practical working limits. The University's Financial Regulations includes a section on fixed asset register (i.e. Inventory Register) whereby School/Department Managers shall be responsible for all assets under their control. The following procedures are intended to set out how this can be best achieved.

2.2 On-going Arrangements

2.2.1 New Inventory

Each quarter Finance analyses purchase reports from specific expenditure codes for all university budgets/project accounts to identify items to be included on the Inventory register. All relevant information is recorded from the invoices/orders and entered onto the system against the purchasing School/Department. A unique code is generated for each entry for which there is a corresponding barcode asset tag.

Every quarter (Aug, Nov, Feb & May) an Inventory label report, detailing all new items identified for inclusion on the Inventory register from the School/Department's revenue, project & capital budgets will be issued to Schools/Departments. The Inventory contact should then locate the items on the report and affix the

tag to the item. The location (building & room number) should be noted on the report together with any other useful information e.g. serial number, School/Department identifier (where School/Departments give their own number system to equipment), correct Inventory name.

This information together with any queries should be returned to Finance within one month of receipt of label report.

Additional Labeling

There may be occasions when labels need to be generated/affixed outside the usual quarters, e.g. Inventory to be located off campus, installation of full lab etc. In this instance the Inventory contact should request labels from Finance providing as much detail as possible (order number, delivery date purchase price) so that entries to the system can be made and label reports generated. Again location and other information (serial no., etc) should be returned to Finance once items are tagged.

There may also be instances where Schools/Departments have an item which is not on the Inventory list. This information should be passed to Finance with as much detail as possible and if it is decided it should be included then a label will be issued.

2.2.2 Inventory Disposals

When an asset is no longer of use to a School/Department it can be disposed of. All disposals of Inventory items must be made in accordance with the University's Financial Regulations. Where possible, assets should be disposed of by the School/Department at the best price available. Finance should be notified of any sale of Inventory using a Disposal of Inventory form and an invoice can be raised where applicable.

Where assets are considered to be obsolete Finance should be notified and method of disposal indicated (e.g. donated to School/community group, removed by central stores, skipped, recycled). Each disposal of an asset should be recorded on a Disposal of Inventory Form at time of disposal. Forms are available from the Finance website at the following link: www.gcal.ac.uk/fno/forms/mgt_unit

2.2.3 Transfer of Inventory

The Inventory Register provides a unique bar code to be applied using a tag to each Inventory item. This number will remain with the Inventory item no matter who owns the item or wherever it is located. Tags must not be removed or transferred to other Inventory items. Finance shall provide each School/Department, on at least an annual basis but more frequently if required, with a list of all Inventory items held on the Inventory Register.

Where Inventory items are permanently transferring ownership & location to another cost centre an Internal Transfer of Inventory form should be completed.

Where an item has only moved location but remains within the same cost centre, Finance should be notified by e-mail.

Where an item is temporarily on loan to another department this should be notified to Finance. This is to improve security of Inventory items and monitoring of Inventory items by Schools/Departments and Finance.

Transfers between Schools/Departments should be notified to Finance at the time of transfer on the relevant form available from the website: www.gcal.ac.uk/fno/forms/mgt_unit

2.2.4 Audit Check

The Inventory Register details shall be subject to periodic check by:

- The Audit Committee
- External auditors
- Internal auditors
- Finance

Bi-annually Finance will arrange to visit the School/Department to carry out an audit. The Inventory Contact will be issued with a list of items we wish to see prior to visit (roughly 10% of the total of Schools/Departments Inventory items will be chosen.) If a significant number of items are unable to be located a full School/Department check will be carried out and all 'not found' items will need to be identified by the School/Department.

A revised report will then be issued to School/Department Manager's with any changes resulting from the visit. School/Department Manager's should confirm and return the revised report to Finance.

Examples of forms are included in Appendix A of this document. All forms are available to download from the Finance Web Page – www.gcal.ac.uk/fno/forms/mgt_unit

Appendix A

Examples of items less than £1,000 to be included on the Inventory Register -

- ❑ Tools (pressure washers, drills)
- ❑ Lab equipment (e.g. microscopes, field analyzer, multimeter)
- ❑ Catering equipment (greater than £50)
- ❑ Domestic appliances (carpet cleaners, vacuum, floor polishers)
- ❑ Arc equipment (aero bikes, weights)

Examples of items excluded from the Inventory Register -

- ❑ Calculators/Adding machines
- ❑ Telephones/answering machines
- ❑ Kettles
- ❑ Lamps
- ❑ Crockery/Glassware
- ❑ Noticeboards

Groups of like items with a value greater than £1,000 in one location should be treated as one item and recorded on the register as such e.g.

5 x Microscope @ £250 each located in lab 2a: Total value £1,250

Disposal of Inventory (Sale)

Disposal by School/Department

Please update the following items on the Inventory Register

| Asset No | Asset Description | Disposal Date | Selling Price* | Finance Use | |
|----------|-------------------|---------------|----------------|-------------|--------|
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***Please attach invoice request form**

Disposal Approved By
(School/Department Manager)

Date

Please return completed form to the Management Accounting – Finance

