Asset, Attractive Items and Inventory Management Procedure

Policy Code: FN1835

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Purpose

Federation University Australia has a significant investment in its fixed assets, portable and attractive items and inventory. The Financial Management Act 1994 establishes the framework under which the University must operate to ensure that this investment is properly managed, controlled and recorded.

Scope

This Procedure applies to all property defined as fixed assets, or portable and attractive items and inventory. This Procedure applies to all staff who purchase, acquire, dispose of, keep and/or manage/allocate these assets and items.

Legislative Context

- Financial Management Act 1994

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td>Asset Register</td>
<td>A University wide register held within the COO showing the assets that are owned. It consists of clearly stated</td>
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Warning - Uncontrolled when printed! The current version of this document is kept on the FedUni website.
<table>
<thead>
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<td><strong>Term</strong></td>
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</tr>
<tr>
<td>Attractive Item Register</td>
<td>Is a local register held within each School/Faculty recording the receipt, movement and disposal of non-consumable items of a portable and attractive nature.</td>
</tr>
<tr>
<td>Consumable Items</td>
<td>Items with a life expectancy of one year or less are considered to be consumable items. Eg: stationery, cleaning supplies.</td>
</tr>
<tr>
<td>Cyclical Stocktake</td>
<td>Where only part of the stock is counted at any one time, but these counts are carried out on a regular, scheduled basis eg: weekly, monthly.</td>
</tr>
<tr>
<td>Depreciation</td>
<td>A reduction in the value of an asset that occurs over time as the asset gets older or as wear and tear occurs.</td>
</tr>
<tr>
<td>Fixed Asset (also known as a non-current asset)</td>
<td>Any item, which has a life expectancy (i.e. usage period) of more than one year, with an individual value of $5,000 or greater. Eg: plant or equipment, buildings, vehicles. Individual Library books will also be considered as Fixed Assets. (This definition excludes intangible assets).</td>
</tr>
<tr>
<td>Full Stocktake</td>
<td>Where every item is counted. Full stocktakes are undertaken annually.</td>
</tr>
<tr>
<td>Intangible Assets</td>
<td>An asset that is not physical in nature. Items such as patents, trademarks, copyrights, software, goodwill and brand recognition are all common intangible assets. For intangible assets only major software items over the value of $100,000 will be considered for capitalisation.</td>
</tr>
<tr>
<td>Inventory - Stock</td>
<td>Everything you use to make your products, provide your services and to run your business is part of your stock.</td>
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<tr>
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<td>There are 4 main types of stock:</td>
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<tr>
<td></td>
<td>Raw materials and components – ready to use in production;</td>
</tr>
<tr>
<td></td>
<td>Work in progress – stocks of unfinished goods in production;</td>
</tr>
<tr>
<td></td>
<td>Finished goods ready for sale;</td>
</tr>
<tr>
<td></td>
<td>Consumables.</td>
</tr>
<tr>
<td>Portable and Attractive items</td>
<td>Items that do not meet the asset capitalisation threshold and, consequently are expensed in the year of acquisition. The following statements also help determine what a portable and attractive item is:</td>
</tr>
</tbody>
</table>
Term | Definition
---|---
(It is at the discretion of the Associate Director Financial Accounting & Systems and in exceptional high risk cases non-consumable items valued less than $300 may be deemed as portable and attractive items for the purposes of this policy.) | • Is a non-consumable with a value between $300 and less than $5,000 (excl GST)
• has an attractive nature
• prone to misappropriation for private use or theft
As the name suggests, these are items with an attractive nature, such as mobile phones, laptops, video camera, projectors, printers and software.

Spot Check | Where, in a particular area, stock is checked for discrepancies.

Stocktake | A count and check of goods on hand ready for sale or use or in storage.

Actions

All Assets & Inventory

Acquisition

The authority to purchase all assets is vested in nominated positions as outlined in the University’s Delegations-Contract, Financial, Staffing & Tender Policy.

In making the decision to acquire an asset the following fundamental principles should be carefully considered:

a. Budget funding has been approved by Budget Advisory Committee.
b. The purpose for which a fixed asset is required is in keeping with the objectives of the University and will provide significant, direct and tangible benefit to it.
c. The purchase is absolutely necessary as there is no alternative University asset that could be upgraded or adapted.
d. The fixed asset is appropriate to the task or requirement and is cost effective over the life of the asset.
e. The fixed asset is compatible with existing equipment and will not result in unwarranted additional expenditure on other assets or resources.
f. Space and other necessary facilities to accommodate the asset are in place.
g. The most suitable and appropriate type, brand, and model etc. has been selected.
h. The University’s procurement procedure has been followed.

Acquisitions from Consulting Funds

Where Portfolio/Faculties or Sections have established consulting fund accounts from which assets, e.g. computers, are purchased the asset must be recorded in either the Asset Register or the local Portable and
Attractive Items Register and is subject to the provisions of this procedure. The asset purchased from a consulting fund account remains University property.

**Acquisitions from Research or Trust Funds**

All assets purchased from funds administered by the University are formally the property of the University (except where an agreement to the contrary is part of the conditions associated with a particular contract). Assets purchased in this manner are University property and must be recorded in either the Asset Register or the local Attractive Items Register and are subject to the provisions of this procedure.

**Utilisation**

All assets should be used for the purposes for which they were acquired. Asset performance should be regularly reviewed by users to identify under-utilised and under-performing assets. The reasons for this should be critically examined and appropriate action taken by the areas in which these asset are budgeted too.

**Maintenance and Repairs**

All plant and equipment should be maintained in good working order by care and servicing as recommended in manufacturer's manuals. The most efficient repair and maintenance strategy needs to be established and adopted. An operation and maintenance plan establishing responsibility and standards for the level of use, condition, servicing and performance should be developed. Supplier Maintenance Contracts should be obtained where considered to provide the most economic servicing and repair. A record of such contracts should be maintained to avoid needless expenditure on non-contracted repairers. Similarly, warranties applying should also be recorded. This responsibility remains with the areas in which these assets were budgeted too.

**Safeguard**

All staff are responsible for the security, care and protection of University assets. Every person who utilises the property of the University should do so with utmost care and consideration and in a manner which ensures the property will be subjected to the minimum wear and tear and safeguarded against theft and damage. University assets may only be removed from University premises with appropriate approval.

The safeguard of equipment, such as PCs, laptops, tablets, mobile phones and cameras, is particularly important not only because of their attractive and portable nature but also because of the confidential information that they may contain. Steps must be taken to limit the risk of loss or theft including:

a. keeping offices locked when unattended and when travelling;

b. not leaving items unattended in public places, particularly in motor vehicles;

c. in the case of portable items, such as laptops, tablets and cameras etc., when travelling, by transporting them in other than normal laptop bags or cases and removing all confidential information not required for the trip.

**Staff should only travel with University assets whilst on official University business only.**

**Portfolio/Faculty or Section Contact**

A responsible officer or staff position/s is to be nominated in each area (where necessary on a campus by campus basis) to have responsibility for managing the assets for that area, ensuring compliance with related procedures, performing stocktakes and being a local contact for the Associate Director, Financial Accounting & Systems.
Insurance

The University insures all assets subject to significant risk. However, all losses are subject to a deductible amount per claimed event. The excess amount is variable depending on the type of claim being made. A full Insurance schedule is available from the Finance Directorate. As a result, the University will only receive the insurance replacement value less the deductible amount.

Reconciliation to General Ledger

A nominated Finance Officer is responsible for reconciling the Fixed Asset Register with the General Ledger asset accounts on a monthly basis. Any discrepancies arising are investigated and corrective action taken to bring the two records into balance.

Disposal of Assets

Authority to Trade-In, Sell, Dispose or Destroy Assets

The authority to trade-in assets, destroy or otherwise dispose of assets is outlined in the Delegations- Contract, Financial, Staffing and Tender Policy. All such disposals, with the exception of the following, are subject to written advice from operational areas and are to be co-ordinated by the Associate Director Financial Accounting & Systems. An Asset Disposal Form is available at the Finance Forms page or by clicking the following link: Asset Disposal Form.

- Motor Vehicles: All business use motor vehicle disposal is co-ordinated through Smartfleet, the University's nominated fleet manager.

- Computing Equipment: The ICT directorate coordinates the disposal of all University non leased IT assets. Details of the ICT asset disposal process are located on the ICT website.

- Land: is co-ordinated by the University’s Legal Office.

- All other Plant and Equipment will be subject to whichever of the following below methods offers the best return to the University. Disposal is to be coordinated by the individual area through Facilities Services.

Tender

Where the calling of tenders is the desired method of disposal, the University's procurement procedures must be strictly observed.

Private Sale

This method is only acceptable in a limited number of circumstances e.g.

a. there is only one apparent customer;

b. there is an established market price for the asset;

c. the cost by sale by another means would likely exceed the anticipated proceeds; or

d. a sale to an educational or charitable organisation is contemplated.

Donation
Donations to charities or community organisations should only be considered where no sales market exists or where the costs of alternate methods of disposal exceed the expected proceeds. All donations are required to be pre-approved by the Vice Chancellor & President.

**Destruction**

Disposal by this method should only be used when all other methods have been explored. All arrangements for destruction must be carried out under the supervision of the Associate Director, Financial Accounting & Systems and be performed by Facilities Services.

**Transfers within the University**

Often particular assets considered obsolete or surplus to requirements in a particular operational area may be of value and use to another operational area. Where it appears that this may be the case, advice should be provided to the Finance Directorate and individual areas will arrange an internal University advertisement via Fed News seeking expressions of interest.

**Transfers to Other Organisations**

Should an asset have been purchased from funding provided for a research project and this project subsequently is transferred to another institution or organisation, the following conditions must apply before the assets may be transferred:

a. the particular grant or contract must contain a condition that the asset is not the property of the University; and

b. the asset must have been purchased from external research funds and agreement must be reached between the University and the other institution or organisation for the transfer of these assets. The Vice Chancellor & President, Chief Operating Officer/Chief Financial Officer or, Associate Director Financial Accounting & Systems, are delegated to commit the University in such negotiations.

**Theft and Loss of Assets**

Theft, loss or malicious damage of University assets should be immediately reported to the Police. The matter should also be reported to the Dean or Director of the Faculty/Section along with the Associate Director Financial Accounting & Systems and Insurance Officer. The Dean or Director is to prepare a written report for submission to the Director Financial Accounting & Systems or Chief Operating Officer/CFO seeking approval for either write-off action and/or for submission with subsequent insurance claims.

**Authority to Write-off Plant and Equipment Losses, Thefts or Destruction**

The delegated authority to approve write-offs in respect of plant or equipment losses, thefts or destruction, that all reasonable recovery action has been taken, is outlined in the Delegations-Contract, Financial, Staffing & Tender Policy. For the purposes of the Delegations, the monetary limit relates to the original purchase price of the plant or equipment.

All exercises of this delegation are to be reported to the Finance Committee.

**Proceeds on Sale of Assets**

Any revenue obtained from the disposal of an asset will in normal circumstances be credited to the Cost Centre/Project which originally funded the asset.

**Fixed Assets**
Recording of Assets

Individual Assets costing $5,000 or more and having a useful life of more than one year must be recorded in the Fixed Asset Register maintained within the Finance Directorate. These assets are depreciated over their useful life. Assets costing less than $5,000 are treated as 'non-capital' items and are expensed at the time of purchase. Individual Assets with a value of between $5,000 and $50,000 purchased with Research Grant Funds will be recorded on the Fixed Asset Register and fully depreciated on purchase. Individual assets with a value greater than $50,000 purchased with Research Grant funds will be depreciated over the life of the initial Research Project.

The account code used for all asset purchases is 7004. The Fixed Asset Officer will verify these items and allocate them accordingly.

Updating the Asset Register

The Finance Directorate must be advised of the details of any new asset over $5,000 in value.

New assets purchased by way of an official University Purchase Order or payment made through the Accounts Payable section are automatically identified as part of the operational processing within the Finance Directorate. Assets received by way of donation, construction or purchased by University issued Corporate Cards with a value in excess of $5,000 must be the subject of advice from the nominated responsible officer within each Portfolio/Faculty or Section. An Asset Acquisition Form is available on the Finance Forms page.

a. Donated Assets - assets donated to the University with a value in excess of $5,000 must be entered into the Asset Register. Advice by way of a completed Asset Acquisition Form must be provided to the Associate Director, Financial Accounting & Systems.

b. Leased Assets - Only assets approved by the Chief Operating Officer/Chief Financial Officer which are subject to a Finance Lease are entered into the Asset Register.

c. Assets on Loan to University - Assets on loan to the University are not added to the Asset Register. They should be recorded on the local Portfolio/Faculty and Section register and shown as 'On Loan to University'.

d. Additions to existing assets - Upgrades or additions to existing assets over $5,000 in value and upgrades or additions that will take the original asset value over the $5,000 threshold by its inclusion must be added to the Asset Register. Advice by way of a completed Asset Acquisition Form must be provided to the Associate Director Financial Accounting & Systems.

e. Constructed Assets - Assets which are constructed within the University are to be entered into the Asset Register when the value of that asset exceeds $5,000. Advice by way of a completed Asset Acquisition Form must be provided to the Associate Director Financial Accounting & Systems.

f. Part Payment for Assets - Assets for which deposits etc, have been paid are not added to the Asset Register until full payment has been made and the asset is installed and ready for use.

Depreciation of Assets

Depreciation is the accounting process used to allocate the cost to particular accounting periods of 'using up' the service potential of the asset over its useful life. The University depreciates those assets deemed to be depreciable on a straight-line basis over the estimated useful life of the asset.

As a guideline the following rates are applied:
### Computer Systems

<table>
<thead>
<tr>
<th></th>
<th>20% - 33%</th>
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</thead>
<tbody>
<tr>
<td>Library - Books</td>
<td>12.5%</td>
</tr>
<tr>
<td>- Periodicals</td>
<td>20%</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>20%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>6.67%-33%</td>
</tr>
<tr>
<td>Plant, Machinery &amp; Operating Equipment</td>
<td>6.67%-25%</td>
</tr>
<tr>
<td>Buildings</td>
<td>Based on Economic Life of Building</td>
</tr>
</tbody>
</table>

Assets purchased under a Research Grant will be depreciated over the initial term of the Research Contract.

Land, works of art, precious objects and rare books forming part of the Library Collection and non-current assets classified as held for sale are not depreciated. Depreciation charges commence from date of purchase. All depreciation accounting is processed centrally by the Finance Directorate.

### Periodic Valuations

Asset values and their remaining useful lives need to be regularly reviewed to ensure that they reflect a true financial position.

The Associate Director Financial Accounting & Systems arranges for valuations, by an independent professional valuer, of land and buildings, artwork and precious objects. Any changes resulting from the periodic valuation are reflected in the Asset Register.

### Assets on Loan Outside University

**Loans to outside institutions and individuals** - items lent to other organisations or individuals outside the University require adequate all-risks insurance to be taken out by the borrower and approval is required in accordance with Disposal of Assets of the Delegations-Contract, Financial, Staffing & Tender Policy. All expenses associated with the removal and returns are at the cost of the borrower.

**Assets held off-campus** - University assets may be installed/located off-campus if such location is justified and is approved by the relevant Senior/Deputy Vice Chancellor, Vice Chancellor & President, Dean or Director. Persons removing items off campus and/or loaning items off campus are personally responsible for items under their control and are also liable for any loss or damage not recoverable from the University's insurers.

Loans likely to exceed six months must be recorded on the University Asset Register and therefore advice needs to be provided to the Associate Director Financial Accounting & Systems. Loans under six months need only be recorded within the area of responsibility. A local "Register of Assets on Loan" should be maintained by each Dean/ Director for such purposes. It is suggested that at a minimum the following details need to be recorded:

- a. date of loan
- b. asset description
- c. asset serial No.
- d. asset No.
- e. borrower's name
f. borrower’s signature  
g. borrower’s location  
h. approving officer’s name and signature  
i. date of return  
j. acquitting officer’s signature  

A recommended spreadsheet format for asset on loan register is available at the Finance Forms page.  

Assets on loan are subject to periodic stocktake and their temporary return for this purpose may be required. Should a staff member holding an asset on loan leave the University then the relevant Dean or Director must ensure that the asset is returned prior to but not later than their last day of service.  

**Portable & Attractive Items**  

**Recording of Portable and Attractive Items**  

Those assets deemed a “portable and attractive item” must appear on a local Attractive Item Register maintained within the individual Portfolio /Faculty and Section. Items assessed as being high risk from theft or misappropriation, should be recorded even if below the $5000 threshold e.g. portable and common use items such as i-pads, mobile phones, cameras and printers, laptops and software.  

Attractive Item Registers should contain sufficient information to enable positive identification of assets. It is suggested that at a minimum the following details need to be recorded:  

a. a unique asset ID No.  
b. date of acquisition  
c. cost  
d. description  
e. serial number  
f. location  
g. assigned custodian  

A recommended spreadsheet format for a local Attractive Items Register is available on the Finance Forms web page.  

**Although portable and attractive items are assigned to a custodian, the item remains the property of the University at all times.**  

**Stocktaking**  

The physical counting of all stock that exists at a particular time allows us to compare figures to the stock records for the period of time covered by the stocktake. Conducting a stocktake allows accurate recording of what is actually on hand at each campus.
There are 3 main ways that stocktakes are undertaken: a full and cyclical stocktake and a spot check.

The Associate Director, Financial Accounting & Systems will coordinate stocktakes and provide appropriate documentation and support to facilitate a successful outcome. Such stocktakes will be subject to subsequent sample checking by delegated officers of the Associate Director, Financial Accounting & Systems.

A stocktake of fixed assets appearing on the University Asset Register (cost $5,000 and over) are to be undertaken on a progressive cyclical basis during the year or at a selected stocktake date. This will be coordinated and conducted by the Associate Director, Financial Accounting & Systems.

A stocktake of portable and attractive items (value below $5,000) appearing on a local Attractive Items Register, shall be conducted on an annual basis by the nominated responsible officer within the Faculty/Portfolio or Section. It is the responsibility of each operational area along with the assistance of the Associate Director, Financial Accounting & Systems to conduct, and maintain records of the check for audit purposes.

Inventory and stock control for FedUni Living areas will be conducted on a monthly basis. This will be divided into two sections:

- Stock on hand controlled through a POS system
- Calculating Food Costs and Inventory Turnover on raw materials: see following example calculation table below:

**Step 1:**

- Beginning Inventory $ XXX
- Food Purchased $ EEE
- Ending Inventory $ BBB

= Food Cost $ YYY

**Step 2:**

Food cost $ YYY/Serving Days ZZZ

= Daily Food Cost $ AAA

**Step 3:**

Ending Inventory $ BBB/Daily Food Cost $ AAA

= Days of Inventory on Hand CCC

**Step 4:**

# Serving Days DDD/Days of Inventory on Hand CCC

= Inventory turnover
Inventory & Stock Control Preparation & Conducting of Physical Stocktakes

Planning

This step is the most important procedure in conducting a successful stocktake count. Planning involves establishing priorities, assigning responsibilities, problem solving, determining the inventory method and coordinating all activities. The inventory date and time is also determined and communicated to all involved.

Responsibility for the control of the physical stocktake count rests with the Dean or Director of each area. A finance nominated responsible officer will oversee the process to ensure that planning is carried out and that stock counters are aware of Procedures. The nominated responsible officer will be responsible for co-ordination and completion of the physical inventory. All issues should be directed to the Associate Director, Financial Accounting & Systems for resolution.

Planning should include allocation of areas to be counted to individuals or teams of stock counters in order that a systematic approach is taken to ensure a full count.

Before a physical stocktake commences, the nominated responsible officer will be issued with written instructions of stocktaking count procedures. They will also be given verbal instruction to reinforce the instructions and ensure that they know what is required including follow up procedures for resolving variances.

Care should be taken to ensure that all stock to be counted is identified prior to the commencement of the physical count. This may include:

- Cleaning up the store area to ensure redundant stock and damaged stock returned to the store is disposed of and taken out of the inventory system.
- Ensuring that the receiving area is isolated from the store area and that any goods received prior to the count is identified and excluded from the count.
- Identify all locations in which stock is located and assign these areas to counting teams.

Instructions

Detailed stocktake instructions should be prepared and distributed by the nominated responsible officer to all involved in the count. These instructions will clearly define the roles and responsibilities of all involved in the count. A practice inventory counting session may be helpful to those who have not previously participated in a physical count.

Conduct of the Inventory Count

The Dean or Director will secure staff to participate in the stocktake count. He/She will coordinate with the Associate Director, Financial Accounting & Systems to ensure Finance Directorate staff are available to supervise the physical inventory and the follow up of variances.

On the day before the physical stocktake count, all stock will be checked to ensure that goods received are recorded in the relevant areas.

On the morning of the physical inventory the receiving area will be quarantined to ensure that any stock received is recorded in the relevant areas.

Staff conducting the physical stocktake will:
- be assigned areas to the count;
- be issued with stock count sheets by the nominated responsible officer.
- Count stock within the areas assigned. If the manual method of stocktake is used, care should be taken to correctly identify stock, carefully count and record stock ensuring that the quantities recorded is in the correct unit of measurement, eg: sheets, cartons, reams etc;
- Staff conducting the stocktake should sign the stocktake count sheets;
- Finance Directorate will supervise the count, to help verify that quantities recorded are correct;
- Mark stock once it has been counted to ensure it is only counted once;
- Investigate discrepancies as directed by the Dean/Director and recount stock as requested; and
- Ensure that all items within the assigned area are included in the count. If a person counting believes stock is damaged or obsolete, bring this to the attention of the Dean/Director to determine if it is to be included in the count.

The resposible officer will ensure that:
- Staff conducting the count are properly instructed in procedures;
- Quantities recorded are in the correct units;
- Variances are investigated;
- Independent observers and supervisors have adequate opportunity to participate in, supervise and conduct test checks on the physical inventory;
- Ensure that any proposed adjustments to stock are approved by the Dean/Director and other relevant delegate from the Finance Directorate; and
- Ensure that all steps of the stocktake process, including counts, investigations of variances, valuations and write offs are adequately documented.

Observation Tools and Supplies

If the manual method of stocktake is used; the nominated responsible officer will print stocktake count sheets; issue measuring instruments, clipboards, pens, and other items necessary to conduct the count. They will also determine how the stock or inventory will be listed i.e. by department using a standard spreadsheet, software package, alphabetical, by part name etc.

The Dean or Director or nominated responsible officer will ensure that prior to the commencement of the count all necessary preparation for the production of variances reports has been finalised.

Operations

The nominated responsible officer will:
1. arrange for operations to be preferably halted or at least conducted at a minimal level to reduce the movement of stock and inventory;
2. Prepare a log to document all movements of materials during the counting.

The Dean, Director or nominated responsible officer will ensure that the receiving area is isolated during the period of the count. It is also essential that all deliveries from stock take place the day prior to counting to ensure that only
essential deliveries take place on the day of the count. All such deliveries should be documented and care taken to ensure that they are correctly recorded for the stocktake.

Organise and Clean

Organising materials in storerooms will assist in efficient counting. Like items should be grouped together and any excess storage locations noted. In the days leading up to the count the store should be cleaned, obsolete and damaged stock identified and items of stock which are to be included in the count identified.

Preliminary Stock Estimates

Prior to stocktake, estimate stock inventory levels in each area for comparison with the actual count in order to test the reasonableness of the count. This assists in exposing counting mistakes and avails counters the opportunity to take corrective action.

During the physical stocktake, the responsible officer should observe that all stock has been marked as counted and follow up with the count team if stock is not marked.

Once the count is completed, all stock numbers will be compared to the perpetual inventory from the relevant system. Variances will then be investigated by the re-counting of stock on the ground, and the verification of the records of receipts and deliveries to ensure that no counting or cutoff errors have occurred.

Obsolete Stock

Identify obsolete stock and make arrangements to dispose of or exclude it from the physical count. Goods that are to be excluded should be clearly marked and preferably located away from other stock or inventory.

Administrative Office Supplies and Equipment

Office supplies not used in production or not held for resale such as pencils, paper, boxes of tissues, disks, etc, should be expensed when purchased and excluded from any physical stocktake count.

Identify Potential Problem Areas

Stock might provide counting problems (an example might be stock stored on shelves above head level, heavy or hazardous material). Resolve these problems by planning ahead how to handle them and ensure that participants are familiar with the inventory to be counted.

Adequate Supervision

All counting activities are to be adequately supervised. The responsible officer should evaluate the progress of the count. Any adjustments made in the prearranged procedures should be documented. To ensure the accuracy and validity of the physical count, an independent third party other than the nominated responsible officer for the inventory, e.g. personnel from the Finance Directorate area should be involved to oversee the count and perform sample checks.

Audit Function

Spot comparisons are to be made by the responsible officer of the completed stock count sheet with the stock on hand. Errors are to be corrected and evaluated as a basis for possible expanded sampling. If a master inventory
listing is available, the count sheet information should be compared to this record. Any discrepancies should be investigated and resolved.

Final Check

A final check by the responsible officer should be made before the release of an area to ensure that all stock, inventory has been included in the count and the area is safe to continue normal business.

Update Inventory

After all stock has been counted and discrepancies checked, two copies of a variance report will be copied by the independent party from the Finance Directorate overseeing the count. At this point, on the nominated responsible officer's authorisation, the stocktake will be closed and records updated to reflect the levels of the count.

The second report is to compare with the pre-stocktake, inventory valuation. The difference should match the total variance report.

Variance Approval

A copy of the variance report and stock valuation report with “Stock Take Check List” attached is then forwarded to the Associate Director, Financial Accounting & Systems by the responsible officer for perusal and comment. He/she may accept the adjustments or reject the stocktake or part thereof and appoint an independent person to enquire into the deficiency or result.

Evaluate Count Procedures

The Associate Director, Financial Accounting and Systems will evaluate the count procedures applied and determine how these procedures may be modified to improve the next count. The best time to make adjustments to the following year's inventory instructions is immediately after the current year's count is completed.

Supporting Documents

- Asset, Attractive Items and Inventory Management Policy
- Delegations- Contract, Financial, Staffing and tender Policy
- Purchasing, Procurement Policy and Procedures
- Inventory Control Register (Finance only)
- ICT Asset Disposal Process
- Asset Register (Finance Only)

Responsibility

The Associate Director, Financial Accounting & Systems is responsible for the development, compliance, monitoring and review of this Procedure. He/she is also responsible for putting in place systems and procedures to correctly account for the fixed assets of the University and maintaining the Asset Register.
Responsibility for the control and safe custody of portable and attractive item remains with the Portfolio/Faculty or Section who makes the purchase decision/acquires the item.

Each operational area will maintain a local Attractive Items Register to record and receipt movement and disposal of non-consumable items of a portable and attractive nature. This register will be subject to an annual stock take.

Stock and Inventory control within the FedUni Living Directorate will be co-ordinated by the Director of FedUni Living and the Associate Director, Financial Accounting & Systems.

All University staff who are involved in the purchasing, disposal, using, keeping, allocation and/or management of portable and attractive items are responsible for maintaining an up-to-date knowledge of this Procedure and associated Policy, to ensure the University can comply with legislative obligations regarding the holding and disposal of University property.

**Implementation and Communication**

The [Asset, Attractive Items and Inventory Management Procedure](#) will be communicated throughout Federation University via:

1. Announcement on the FedNews website;
2. ‘Recently Approved Documents’ webpage to alert the University-wide community of the approved Policy;
3. Information/Training Sessions; and/or
4. Inclusion in the University's online Policy Library;
5. Distribution of e-mails to relevant University Staff and Stakeholder.

**Forms/Record Keeping**

**Records Disposal**

<table>
<thead>
<tr>
<th>Title</th>
<th>Location</th>
<th>Responsible Officer</th>
<th>Minimum Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Disposal Form</td>
<td>Finance</td>
<td>Chief Operating Officer/CFO</td>
<td>7 years</td>
</tr>
<tr>
<td>Portable &amp; Attractive Item Register</td>
<td>Finance</td>
<td>Chief Operating Officer/CFO</td>
<td>7 years</td>
</tr>
<tr>
<td>Inventory Control Register</td>
<td>Finance</td>
<td>Chief Operating Officer/CFO</td>
<td>7 years</td>
</tr>
<tr>
<td>Asset Acquisition Form</td>
<td>Finance</td>
<td>Chief Operating Officer/CFO</td>
<td>7 years</td>
</tr>
<tr>
<td>Register of Asset on Loan</td>
<td>Finance</td>
<td>Chief Operating Officer/CFO</td>
<td>7 years</td>
</tr>
</tbody>
</table>

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