



Fixed Assets Inventory Procedures

INVENTORY

Physical Inventory

Overview

- Physical inventories are conducted to verify the accuracy of the University's property records in the Banner Fixed Assets and Sage Fixed Assets Tracking modules, as well as the existence and activity status of the assets.
- Results of performed inventories provide an overall assessment of the effectiveness of property management and the level of compliance with established policies and procedures, as well as federal and state, and private granting agencies regulations.
- Verification letters are used for inventories of off-campus WFU owned properties.

Inventory Frequency and Schedule

- Property inventories are conducted at least every two years to comply with federal regulations.
- Developing and managing the schedule for physical inventories is the responsibility of the Fixed Asset Accountant. A copy of the inventory schedule is available on the Asset Management website.

Inventory Methodology

- Physical inventories are primarily done on a 100%, wall-to-wall basis, for assets meeting the criteria listed below. However, alternate methods such as sample inventories may be used for special inventories, if needed.

- The Fixed Asset Accountant and/or designee will partner with the Department Property Administrators (DPA) to conduct the physical inventories.
- Verification of the existence and accountability of the property is done through one of the following methods:
 - For equipment, electronic scanning of the barcode decal or barcode number and physical verification of specific attributes (see attributes below).
 - Review and data entry from a valid off-campus worksheet and/or sign-out logs (must have been updated within two (2) months of the inventory date).
 - Documentation in the Non-taggable Assets binder along with physical verification of the asset.
 - Other acceptable transaction supporting documentation, as agreed to between the DPA and the Fixed Asset Accountant.
- Attributes verified and reconciled to the property record include (at a minimum):
 - WFU Property Asset tag number
 - Description
 - Manufacturer
 - Model Number
 - Serial Number
 - Vehicle Identification number
 - Location
 - Use Status
 - Condition
 - Asset Tagability
- Preliminary results are reported to the DPA within 5 business days after the completion of the initial sweep through the department or designated area. Through this report, the DPA will be informed of any discrepancies and is responsible for providing resolution to each item listed.

Preparation for Inventory

- As with most tasks, preparation is a key factor to the success of the inventory process. In collaboration with the Fixed Asset Accountant, if departments follow a few routine steps, the inventory process should move very smoothly with minimal errors. To prepare, DPAs

should follow the checklist below (these tasks should be performed as a matter of routine, not just prior to the inventory):

- Identify non-taggable assets and ensure records correctly identify whether or not an asset is non-taggable
 - Ensure the Non-taggable Assets binder has been updated (all new non-taggable assets have a WFU Property asset tag in the binder and any disposed asset sheets have been removed from the binder and returned to the Fixed Asset Accountant)
 - Ensure all assets located off campus are identified on the Off-Campus Equipment Verification Worksheets and have been updated and signed by the DPA within the last 2 months
 - Update the Surplus Coordinator and/or the Fixed Asset Accountant continually throughout year as needed when disposals, transfers or impairments occur using the Fixed Asset Update Form.
- The Fixed Asset Accountant will contact the DPA by email approximately 1-2 weeks prior to the next inventory cycle to schedule the department's perpetual inventory. This email will include the current list of department assets, a schedule of dates and times available for inventory, physical inventory procedures and ground rules. The DPA will inform the FA Accountant or designee of the date and time selected as well as the meeting place for the inventory. The FA Accountant or designee will confirm this selection by sending a meeting request to the DPA, who will in turn, accept the request or make any needed changes.
 - A few weeks prior to the inventory, the DPA should:
 - Notify the Dean or Department Chair, colleagues, associates, fellow staff and faculty members of planned inventory dates. Methods to accomplish this include phone calls, email announcements, presentations at local staff meetings, and posting of information in labs/department areas.
 - Ensure the Non-taggable Assets binder is up-to-date and readily available for the inventory team.
 - Identify all locations of the Department's assets (including offices, storage areas, labs, off-Campus sites, etc.).
 - Collect and have copies available of the WFU Off-Campus Equipment Verification Worksheet for inventory purposes.

- Identify areas within your department that need special attention or precautions, such as:
 - Lab areas
 - Clean Rooms
 - Confined spaces
 - Biohazard areas
- A few days immediately preceding the physical inventory, the DPA should:
 - Remind colleagues, associates, fellow staff and faculty members of planned inventory dates
 - Arrange for escorts with the necessary keys, door codes, etc. to accompany inventory count teams on pre-scheduled inventory day(s)

Inventory of Assets Purchased with Grant Funds

- Each spring, a listing of the prior year grant purchased assets will be requested from the Grant Manager by the Fixed Asset Accountant for use in verifying said grant assets. The listing will be analyzed and sent to the respective DPA for verification that the grant assets are tagged and reside in their area. The listing will then be amended (if needed) and approved by the Principal Investigator and/or DPA and returned to the Fixed Asset Accountant.
- During odd date years (eg. 2015), a complete equipment physical inventory of grant purchased fixed assets will be performed. When the inventory is reconciled, the asset record will be updated in the Banner Fixed Asset and Sage Fixed Assets Tracking module to ensure compliance with federal property management requirements.
- The DPA and/or Surplus Coordinator will consult with FAR and/or ORSP prior to making any decision concerning disposing of or placing an asset purchased with grant funds in Surplus Inventory.

Disposals & Missing Assets

- The DPA is responsible for reporting all disposals, transfers, sales or discards of purchased equipment, using the required WFU Fixed Asset Update Form. The form should be completed with appropriate departmental approvals and any supporting sales documents, and forwarded to the Surplus Coordinator and/or the Fixed Assets Accountant, as well as the Manager of Grants Accounting for Restricted Fund purchased assets.

- If an asset is not located during the physical inventory, the DPA will make every attempt to locate the equipment, with the help of the Principal Investigator for grant funded assets. If the item is thought to be stolen, Campus Police will be notified immediately (See Fixed Asset Policy & Procedures section 4.2.3 Stolen Assets).
- The department will be given a period of 30 days to locate the items in question. If after 30 days the equipment cannot be located, a WFU Fixed Asset Update Form will be completed as noted above.
- If the items in question are still missing after 45 days, the asset will be removed from the Banner Fixed Asset module and the Insurance Administrator will be notified if the asset's value is over \$25,000. The Controller's Office may also submit a report to the Provost's Office, with a copy to the respective Dean and Senior Vice President/CFO.
- The Principal Investigator is responsible for notifying the sponsoring agency of any equipment loss or disposal of grant funded assets.

Inventory Results and Reports

- Results of a physical inventory are posted to the inventory module and reports are generated within 30 days after the completion of the reconciliation period.
- After analyzing the results for each inventory, corrective actions for property management practices may apply and the DPA for that department, along with the Fixed Asset Accountant, will work with each area to correct these problems.
- Periodic report distribution may include, but is not limited to, the following:
 - Accountable department DPA
 - Principal Investigator (where applicable)
 - Manager of Grants Accounting (where applicable)
 - Controller's Office
 - Dean or Department Chair
 - WFU Police Department (missing items thought to be stolen only)
- Content and format of periodic reports may vary, depending on the needs of the receiving party.