

R. INVENTORY OF SUPPLIES

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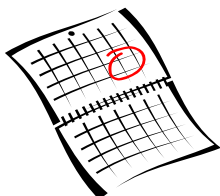
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Critical Dates



- **July 10, 2009** – Last date to Submit Inventory Report

In order for the Comptroller's Office, Bureau of Accountancy (BOA) to prepare the City of New York's annual financial statements, according to generally accepted accounting principles, it is required that the City record the total amount of its inventory on its Statement of Net Assets in the Comptroller's Comprehensive Annual Financial Report. It is therefore necessary that all City agencies submit the value of its materials and supplies inventory as of June 30, 2009, based on a physical count. The value of stamps on hand as well as the amount in all postage meters must be reported. In addition, agencies that do not have a storeroom (and each department orders its own supplies) should count the amount of supplies on hand at year-end for all departments to arrive at the agency's June 30th total inventory amount submitted to the Comptroller's Office. Agencies may use either of two inventory systems: Periodic (physical) or Perpetual to value their year-end supplies, materials and postage.

Periodic - A physical inventory should be taken on June 30th. A written procedure describing how the physical inventory was taken must be available for review to support this valuation.

Perpetual - A portion of the materials and supplies may be counted and verified periodically during the year. The count does not have to be repeated again at June 30, 2009. The value determined under the perpetual system must be submitted with an indication of the date(s) of the last physical count and verification.

An estimated value of the supplies inventory is not acceptable under either inventory system.

These instructions apply to expense and capital budget items as well as unissued supplies in warehouses and supply rooms. The physical count must be observed and attested to by responsible agency personnel. (See the accompanying sample form).

Inventory detail with calculations, invoices, and other documentation used to compute the value of the inventory must be retained by the agency to be available for audit.

The valuation method used must be specified, e.g. First-in, First-out Method (FIFO)- the inventory remaining on hand is presumed to consist of the most recent costs, Moving-Average Method- the ending inventory is costed at the moving-average unit cost for the period. Last-in, First-out Method (LIFO), the inventory remaining on hand is presumed to consist of the earliest cost. Please indicate if the valuation method currently used is different from the prior year and include an explanation why the inventory valuation method was changed.

Those agencies which have capital projects should submit separate forms for their capital budget inventory and for their expense budget inventory.

