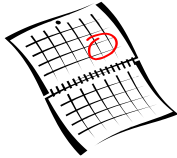


L. INVENTORY OF SUPPLIES

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Critical Date

- **July 31, 2026**– 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 (GAAP), it is required that the City record the total amount of its inventory on its Statement of Net Assets in the Comptroller's Annual Comprehensive Financial Report. A letter was emailed to Fiscal Officers of each Agency on June 1, 2026 to give advance notice of the requirements to report the inventory of supplies to our office. It is therefore necessary that all City Agencies submit the value of its materials and supplies inventory as of June 30, 2026, based on a physical count or other acceptable alternative as approved by BOA. Inventory consists of:

- The value of materials and supplies on hand for all agencies,
- The value of postage stamps on hand, and
- The amount in all postage meters.

In addition, Agencies that do not have a storeroom (and each Agency orders its own supplies) should count the amount of supplies on hand at year-end to arrive at the Agencies June 30, 2026, 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, or other acceptable alternative as approved by BOA, should be taken on June 30, 2026. A written procedure describing how the physical inventory was taken must be available for review to support this valuation.
- **Perpetual** - Detailed records are maintained on an on-going basis for each inventory item. The inventory balance is increased as items are purchased or inventoriable costs are incurred, and the balance is reduced as items are sold or transferred. Cycle counting may be used with the perpetual inventory system to supplement other control procedures and to spread the physical counting effort throughout a period. Cycle counting tests the reliability of the perpetual inventory system by physically counting a portion of inventory and comparing the quantity to the indicated perpetual records. The perpetual system generally makes the period-end cutoff process less burdensome.

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. FIFO, LIFO, Moving-Average or specific identification Method.

- **First-in, First-out Method (FIFO)** - the inventory remaining on hand is presumed to consist of the most recent costs.
- **Last-in, First-out Method (LIFO)** - the inventory remaining on hand is presumed to consist of the earliest cost.

Moving-Average Method - the ending inventory is valued at the moving-average unit cost for the period.

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. The instructions apply to both expense and capital budget items as well as unissued supplies in warehouses and supply rooms. Those Agencies which have capital projects should submit separate forms for their capital budget inventory and for their expense budget inventory.

Agencies that **do not have more than \$5,000** in total inventory (including postage) are not required to submit an inventory report. However, please contact us via email to notify us.



NOTE: Inventory supply cover sheet must be signed. Both the cover sheet and the spreadsheets must be sent via email to inventory@comptroller.nyc.gov .

