

Procedure(s) for 14.002 Consumable Inventory

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| Applies to: | All DOH employees | | |
| Contact: | Accounting Manager, Financial Services | | |
| Effective Date: | September 1, 2010 | Review Date: | September 1, 2013 |
| Supersedes: | DOH Policy 14.002 dated February 15, 1995 | | |

| Key Function | Activity | Person(s) Involved |
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| Update consumable inventory information annually | Perform physical count of consumable inventory | Accounting Manager, Accounting Services, Program Staff |
| Gift card/coupon distribution | Gift cards and/or coupons are provided to individuals or targeted groups to achieve program goals. | Program, Grants Management, Accounting Services |

DEFINITIONS:

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| <i>Consumable Inventories</i> | Consumable inventories are defined to be those assets consumed or expended in the day-to-day course of operations. Consumable inventory assets are subject to be valued and physically counted when the value in one location exceeds \$25,000. In calculating the balance on hand, items characterized by high turnover rate and extremely low unit cost, may be excluded. |
| <i>Gift Incentives</i> | Gift cards and/or coupons provided to individuals or targeted groups as an incentive to achieve program goals. |

PROCESS: Consumable Inventory

| Steps | Activity or Event(s) | Person(s) Involved |
|--------------|---|---|
| 1 | Identify consumable inventories to be counted, provide written instructions and necessary training to Accounting participants, prepare consumable inventory forms and records, plan and set time schedules for the count. | Accounting Services, Accounting Manager |
| 2 | Develop program inventory tracking system to include each item, number of items, and cost of each item to determine value of consumable inventory on hand | Program Staff |
| 3 | Provide access to consumable inventory stores, and observe and assist consumable inventory participants, as necessary. | Program Staff |
| 4 | Two people from Accounting Services will perform the physical count of the inventory, as close to June 30 th as possible. | Accounting Services |
| 5 | Provide the Accounting Services staff members with a report developed by the program that reflects a count of the current consumable inventory on hand. | Program Staff |

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| 6 | Observe and verify physical consumable inventory count, making necessary adjustments. Sign and date final physical inventory report. | Accounting Services, Program Staff |
| 7 | Assign cost to consumable inventory units and post changes to the general ledger. Certify the consumable inventory was completed and substantiated by an actual count and fair price to determine total cost. | Accounting Services, Accounting Manager |

[DOH 740-006 Procurement Request](#)

Gift Incentive Distribution Record– Program only

Gift Incentive Inventory Form – Program & Accounting Services

| Process: Gift Incentives to Achieve Program Goals | | |
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| Step(s) | Activity or Event(s) | Person(s) Involved |
| 1 | Identify need to provide gift cards and/or coupons to achieve program goal. | Program Staff |
| 2 | Review consistency with funding sources | Program Staff, Grants Management |
| 3 | Prepare Gift Incentive Inventory form identifying custodian, safeguarding procedures and distribution plan in conjunction with Accounting Services. This document would include a running inventory record for gift incentives. | Program Staff, Accounting Services |
| 4 | Accounting Services and the program will maintain joint custody of the gift incentive inventory in a secured area. The custodian is responsible for securing cards and/or coupons. The gift incentive inventory will reside in a locked box in Accounting Services. The key to the locked box will reside with the program. | Accounting Services, Program Staff |
| 5 | Purchase bulk gift cards and/or coupons through the standard procurement policy and procedure. Purchase orders will specify that gift cards and/or coupons are to be shipped to the Accounting Services Manager. | Program Staff |
| 6 | Distribute cards or coupons to participant in accordance with the plan. Ensure complete distribution by end of funding cycle. | Program Staff |
| 7 | Perform monthly inventory using Gift Incentives Distribution Record. Send a report of the monthly distribution to Accounting Services | Program Staff |
| 8 | Prepare journal voucher to record inventory activity based on report from program | Accounting Services |
| 9 | Conduct surprise reconciliation of program gift incentive inventory | Accounting Services |