

**City of South Bend
Administration & Finance Policy Manual**



2.6.2 Inventory Procedure Parks & Recreation Effective: January 1, 2010

Purpose: The purpose of this procedure is to define the administrative procedure, counting protocol, and unit responsibilities for the physical inventory of all units of the Parks & Recreation Division.

Scope: This statement applies to the Parks & Recreation Division of the City of South Bend.

Responsibility: This procedure is the responsibility of the Controller of the City of South Bend. Changes or revisions to this policy are affected only with the consent and approval of the Controller.

Effective Date: This procedure is effective January 1, 2010.

1.0 Inventory Procedures for Resale Merchandise in Park Department Locations

All inventories of merchandise for resale are subject to physical inventory control to ensure accountability, accuracy of asset records, accuracy of cost of goods sold, and to determine and account for inventory shrinkage.

2.0 Inventory Procedures

The following procedures are given in the order they are to be performed.

1. Managers are responsible for receiving, inspecting, counting and recording merchandise as it is delivered.
2. Compare items received against those listed on the Packing Slip. Note differences, if any, on Packing Slip and date and sign slip. Enter items and amounts into Receiving Log. Send Packing Slips and any Invoices included with the shipment to department accounts payable.
3. All inventory and supplies should be held in a secure area. This area should be restricted to authorized personnel only. A system for monitoring internal controls and procedures for staff must be implemented by each location that maintains inventory.
4. At the end of each month a physical inventory needs to be taken by two employees after the end of business on the last day of the month and before the beginning of the next day. In the event of a large inventory, a spot audit of the top 10-20 items of highest material value will be inventoried.

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Investigate and resolve discrepancies if possible. Damaged or obsolete items must also be noted and accounted for in the report.

5. This inventory, when completed, should reflect the cost of the remaining inventory. This inventory should be given to the manager and sent to the Park Office immediately upon completion of the physical inventory.

3.0 Inventory Valuation Method

The FIFO (first-in / first-out) methodology will be used. The average cost method will be applied to value the inventory.