

	STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES		POLICY AND PROCEDURE NUMBER 11.03.021	PAGE 1 of 6
	Policy and Procedure		EFFECTIVE DATE December 15, 1993	
SUBJECT Physical Inventory Procedures		SUPERSEDES		DATED
TITLE State Equipment Fleet	CHAPTER SEF Procurement	APPROVED BY Signature on File		

I. Purpose and Scope:

Introduction:

SEF maintains a substantial inventory of parts and supplies to support the state's fleet of equipment. In order to preserve the integrity of this inventory and to satisfy audit requirements, it is necessary to account for the value and quantity of this inventory on a regular basis. This is accomplished by taking a physical inventory (count) of all SEF parts facilities on an annual basis.

The purpose of this procedure is to establish a uniform method of conducting the SEF Physical Parts Inventory.

Responsibility/Performance:

SEF Headquarters	Establish specific inventory procedures. Oversee the physical inventory process.
SEF District/Regional Manager	Ensure adherence to these procedures.
SEF Parts Manager	Conduct the physical inventory in accordance with these procedures.

Reference:

Department policy DPOL 11.03.002 Repair Parts, Warehousing, Purchasing & Inventory

II. Distribution

All holders of the Procedure Manual; all SEF Procedure Manual holders, SEF Parts Managers, and SEF District/Regional Managers.

III. Procedure:

A. Pre-inventory preparation

In order to achieve a successful physical inventory, certain preparations must be made. Data entry for all parts transactions (receipts, transfers, issues, adjustments, etc.) shall be completed prior to beginning the physical inventory process.

Warehouse layout regarding bin location and part identification must match the computer information for those same items in the Equipment Management System (EMS).

B. Physical count

1. Computerized count sheet is provided by EMS.
2. Conduct actual count, row by row, bin by bin, of all SEF parts facilities. The physical count will be conducted simultaneously at all primary SEF parts facilities. Remote parts facilities will be counted prior to the primary physical count. SEF District/Regional Managers, or their designees, are responsible to audit the physical counting process as it occurs.
3. Enter data from the physical counts into EMS.
4. Run the Inventory Variance Report. An EMS report is generated which shows the variance between the computer on hand quantities and the physical count quantities.
5. Report of Variance. A report that shows the variance by item level and parts facility, between original EMS quantity and actual physical count. At this point, any appropriate adjustments to the physical count as a result of faulty inventory procedures and/or mistakes, will be made.
6. A final Report of Variance will be run to show actual overages or underages in the inventory as revealed by the physical count.

C. Inventory reconciliation

1. Run the EMS Function Adjust to Physical Inventory, a report that adjusts the computer inventory to match the physical count. At the end of this process, the EMS computer quantities will exactly mirror the physical count sheet quantities.

2. The book value of the statewide inventory is adjusted and reconciled to AKSAS by SEF Headquarters staff.

D. Final inventory analysis and reporting

1. A final report of the physical inventory is prepared showing the ending inventory at each parts facility, variances in the physical inventory, problems (if any) with the count process, and other information pertinent to the results of the physical inventory.

E. Parts issue during inventory

Although provisions will be made to issue essential parts from stock during the inventory process, this activity should be kept to a minimum. Appropriate measures will be followed to account for parts issued and received during the inventory taking process.

IV. Attachments

Attachment A - Count sheet
Attachment B - Variance report
Attachment C - Adjustment report

State of Alaska

Department of Transportation & Public Facilities
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ATTACHMENT A - COUNT SHEET

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Inventory Count Sheets

SEF TEST COMPANY

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Item Description Class Wh ABC Phys Cycle U/M Location Physical Count Edit OK
Warehouse AA ANCHORAGE LAURENCE EVERETT 269-5936 Inventory Date

Item	Description	Class	Wh	ABC	Phys Cycle	U/M	Location	Physical Count	Edit OK
UNL	UNLEADED FUEL	002	AA	UNL	12	GAL			
46820	O	001	AA	DRD	1	EACH	01 A 05		
PF15	filter, Air	001	AA	FIL	1	EACH	B10		
PF14A	filter, Transmission	001	AA	FIL	1	EACH	B11		
PF15A	filter, Air	001	AA	FIL	1	EACH	B12		
PF16	filter, Oil	001	AA	FIL	1	EACH	B13		
PF14	filter, Transmission	001	AA	FIL	1	EACH	B20		
5630	GASKET	001	AA	FIL	1	EACH	UP 01		
BX161	BATTERY	001	AA	TUP	1	EACH	001		
452209	test part	001	AA	BLT	1	each	3 B		
PF2526	FILIER, AIR	001	AA	FIL	1	EACH	AC		
3000521	ROCKER SHAFT SEAL	001	AA	CUM	1	EACH	DWN		
TEST4	TEST ITEM	001	AA	FIL	1	EACH	F		
300026	ARCH PLATE	001	AA	FMC	1	EACH	UP		
10W-400	Oil, Multi-Grade	001	AA	OIL	1	EACH	Z		

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ATTACHMENT B - VARIANCE REPORT

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Physical Inventory Edit List

SEF TEST COMPANY

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APPROVED?

Item	Item ID	Description	Mfg Serial No	Class Status	Wh	ABC	Phys Cycle	U/M	Error/Warning/Message	Room Row	Scrn Shlf	Physical Count	APPROVED?	
Warehouse Number AA ANCHORAGE A														
PF72		Filter, Air		001	AA	FIL	1	EACH				5.00	.....
PF73		Filter, Oil		001	AA	FIL	1	EACH				3.00	.....
PF74		Filter, Oil		001	AA	FIL	1	EACH				2.00	.....
PF75		filter		001	AA	FIL	1	EACH				2.00	.....
R235R85/16		Tire, Mud and Snow		001	AA	FIR	1	EACH				4.00	.....
763B		EASY OUT		001	AA	TOL	1	EACH		001	A	05	2.00
46820		0		001	AA	DRO	1	EACH		01	A	05	5.00
PF15		Filter, Air		001	AA	FIL	1	EACH				3.00	.....
PF14A		Filter, Transmission		001	AA	FIL	1	EACH				5.00	.....
PF15A		Filter, Air		001	AA	FIL	1	EACH				5.00	.....
PF16		Filter, Oil		001	AA	FIL	1	EACH				5.00	.....
PF14		Filter, Transmission		001	AA	FIL	1	EACH				3.00	.....
5630		GASKET		001	AA	FIL	1	EACH				10.00	.....
BX161		BATTERY		001	AA	TUP	1	EACH				2.00	.....
XTC69		description		001	AA	DES	1	EACH				1.00	.....
BKY849		proctoscope		001	AA	PRO	1	EACH				2.00	.....
452209		test part		001	AA	BLT	1	each				3.00	.....
PF2526		FILTER, AIR		001	AA	FIL	1	EACH				5.00	.....
3000521		ROCKER SHAFT SEAL		001	AA	CUM	1	EACH				2.00	.....
TEST4		TEST ITEM		001	AA	FIL	1	EACH				3.00	.....
300026		ARCH PLATE		001	AA	FMC	1	EACH				2.00	.....
10W-400		Oil, Multi-Grade		001	AA	OIL	1	EACH				12.00	
1148		filter, Oil		001	AA	FIL	1	EACH				5.00	

ATTACHMENT C - ADJUSTMENT REPORT

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SEF TEST COMPANY

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Adjust to Physical Inventory Audit Report

Item No	Description	WH	Unit	Prior Qty	New Qty	Var Qty	Var Amount
10W-400	Oil, Multi-Grade	AA	EACH	3.0000	12.00	9.00	4.79
1148	Filter, Oil	AA	EACH	0.0000	5.00	5.00	13.75
1515	FILTER, OIL	AA	EACH	0.0000	10.00	10.00	182.65
300026	ARCH PLATE	AA	EACH	8.0000	2.00	6.00-	156.00-
3000521	ROCKER SHAFT SEAL	AA	EACH	7.0000	2.00	5.00-	438.25-
31P	BATTERY	AA	EACH	1.0000	1.00	0.00	0.00
452209	test part	AA	each	0.0000	3.00	3.00	120.00
46820	O	AA	EACH	4.0000	5.00	1.00	125.65
5630	GSKI	AA	EACH	6.0000	10.00	4.00	120.00
56768	Plate, Thrust	AA	EACH	6.0000	2.00	4.00-	42.35-
58754	SCREW, A BIG ONE	AA	EACH	0.0000	2.00	2.00	80.00
7638	EASY OUT	AA	EACH	3.0000	2.00	1.00-	2.50-
763C	EASY OUT	AA	EACH	6.0000	2.00	4.00-	11.00-
BK7849	proctoscope	AA	EACH	4.0000	2.00	2.00-	215.16-
BK761	BATTERY	AA	EACH	2.0000	2.00	0.00	0.00
LAURIE'S TEST	test purchase part/issue to wo	AA	EACH	0.0000	2.00	2.00	5.06
PER-29	Filter, Oil	AA	EACH	4.0000	5.00	1.00	1.55
PER-30	Filter, Oil	AA	EACH	3.0000	5.00	2.00	2.98
PF14	Filter, Transmission	AA	EACH	7.0000	3.00	4.00-	4.04-
PF14A	Filter, Transmission	AA	EACH	0.0000	5.00	5.00	5.75
PF15	Filter, Air	AA	EACH	11.0000	3.00	8.00-	8.72-
PF15A	Filter, Air	AA	EACH	0.0000	5.00	5.00	0.00
PF16	Filter, Oil	AA	EACH	0.0000	5.00	5.00	0.00
PF16A	Filter, Oil	AA	EACH	0.0000	5.00	5.00	0.00
PF17	FILTER, OIL	AA	EACH	19.0000	2.00	17.00-	19.93-
PF17A	FILTER, OIL	AA	EACH	23.0000	2.00	21.00-	31.50-
PF17B	FILTER, OIL	AA	EACH	25.0000	2.00	23.00-	31.23-
PF17C	FILTER, OIL	AA	EACH	2.0000	2.00	0.00	0.00
PF25	FILTER, OIL	AA	EACH	17.0000	5.00	12.00-	27.12-
PF2525	FILTER, AIR	AA	EACH	1.0000	5.00	4.00	4.00
PF2526	FILTER, AIR	AA	EACH	3.0000	5.00	2.00	2.80
PF2527	Filter, Air	AA	EACH	52.0000	2.00	50.00-	60.00-
PF25A	Filter, Oil	AA	EACH	0.0000	2.00	2.00	0.00
PF27	Filter, Oil	AA	EACH	48.0000	2.00	46.00-	46.00-
PF72	Filter, Air	AA	EACH	0.0000	5.00	5.00	12.75
PF73	Filter, Oil	AA	EACH	0.0000	3.00	3.00	6.75
PF74	Filter, Oil	AA	EACH	0.0000	2.00	2.00	4.70
PF75	Filter, Oil	AA	EACH	0.0000	2.00	2.00	4.00
R235R85/16	Fire, Mud and snow	AA	EACH	0.0000	4.00	4.00	296.60
TEST14	TEST ITEM	AA	EACH	4.0000	3.00	1.00-	0.00
XTC69	description	AA	EACH	4.0000	1.00	3.00-	113.61-

-- Item Class Code Totals --> 269.0000 149.00 120.00- 213.64-

001 PARTS INVENTORY Grand Totals --> 213.64-