
	Title	Annual Inventories	Revision Date	##.##.22
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## 1. General

- 1.1. Inventories of distinct items are taken during the last week of the fiscal year.
- 1.2. The amounts recorded must be the balance remaining as of the close of business on last business day of the year (<MM/DD/YYYY>).
- 1.3. If an item can be counted before the last day because there will be little or no activity, that is the preferred method.
  - 1.3.1. Any inventory taken before the last day is adjusted for any amount of activity after it is taken, but prior to the close of business on the last day.
  - 1.3.2. Otherwise, the inventory is taken on the last business *or **BEFORE THE START OF THE NEW BUSINESS DAY OF THE NEW FISCAL YEAR*** <(MM/DD/YYYY)>.
- 1.4. Labor inventories (WIP) are valued at the average hourly rate for all Production employees (FT & PT) as calculated by the accounting department (please supply this figure NLT (MM/DD/YYYY) at noon).
- 1.5. Inventories of supplies and materials **owned by ABC** are valued at the cost as shown on the most recent invoice for each item as found by accounting (LIFO).
  - 1.5.1. These inventories must have counts as of 5 PM (MM.DD.YYYY) and turned into accounting no later than 8 AM (MM/DD/YYYY)
  - 1.5.2. They need to be valued and extended as part of the year-end closing with a due date of MM/DD/YYYY.
  - 1.5.3. Invoice research may take place anytime needed to meet that date.
- 1.6. Inventories of supplies and materials **owned by clients** are counted and recorded, but do not need to be given a value.
  - 1.6.1. The physical inventory counts are recorded into an “Inventory by location” as the first step (as of 5 PM MM/DD/YYYY).
  - 1.6.2. Each item inventoried is entered into a “Client Inventory” as the second step, due the third business day of the new fiscal year.
- 1.7. Each inventory taken is approved and signed by the department manager where the item(s) inventoried are found and are turned into accounting no later than the dates shown.

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## 2. Inventories to be Taken

- 2.1. **Work-In-Process Inventory:** one for each production department where one or more jobs have been started and/or completed (i.e., worked performed), but the **total job** is not completed (i.e., not closed and billed).
  - 2.2. **Work-In-Process, Unbilled Inventory:** one inventory of all jobs that are 100% complete in production but were *not billed* by the billing cut-off date shown on the “Accounting Calendar”.
  - 2.3. **ABC Supplies and Materials Inventory:** one for each production department; include the following items when at least a full box, carton or bundle or more\* are present:
    - 2.3.1. Toner
    - 2.3.2. Special <item>
    - 2.3.3. Shipping Boxes
    - 2.3.4. Major Repair Parts (over \$100 in value)
    - 2.3.5. <material type> (examples)
    - 2.3.6. ABC Stationery
      - 2.3.6.1. Letterhead
      - 2.3.6.2. Envelopes
      - 2.3.6.3. Brochures (list ea.)
    - 2.3.7. Any other item that has dollar value of \$100 or more and meets minimum quantity\*
  - 2.4. **Inventory-by-Location:** contents of every bin location and floor space in the warehouse, including all client material, ABC supplies and materials, and ABC equipment & furniture.
  - 2.5. **Client Inventory:** each client part found during the physical inventory recorded in {2.4}, one inventory sheet for each client.
3. Soft copies of all inventories and reports are saved in <network directory> and one hard copy of each provided to the Account Manager and one kept by each department manager for which an inventory was taken.
  4. If you have any, questions please discuss with the Account Manager.