

INVENTORY CONTROL PROCEDURE

Introduction, Roles and Responsibilities

The effective maintenance and reporting of department fixed asset, maintenance material, equipment inventories and other agency's assets require teamwork between offices and staff. This procedure has been prepared to assist departmental personnel in the understanding of annual inventory, the maintaining, and the disposal of Housing Authority of the City of Hannibal's fixed asset, maintenance material and equipment inventories. Roles and responsibilities are assigned as follows:

Office of Accountant or Executive Director

- Responsible to review the accuracy and timeliness of department fixed assets inventory and monitor entry of assets into system (fixed assets=relations of furniture and computers, automobiles, riding mowers, trailers, phone or security system, and any equipments purchase of \$1,000.
- Department policies and procedures related to inventory with approval and/or assistance of Executive Director
- Enforce procedures within this agency that will provide for required equipment control and reporting
- Responsible to actively do and prepare reports as necessary then direct to appropriate department for purchasing request, receiving of shipment, location or relocation of assets, and disposal of assets
- Keeps records of disposal forms
- Update disposals of fixed assets in the fixed asset program
- Prepare annual write off list for each fiscal year ending 3/31 to Board of Commissioners and Agency's Annual Auditor
- Must follow policies and procedures of Procurement, Capitalization and Disposition

Office of Maintenance Supervisor

- Responsible for the accuracy and timeliness of maintenance physical inventory of materials and non-capitalized equipments (i.e. stoves, refrigerators, hot water heaters and major tools of less than \$1,000) Major tools=air compressor, push mowers, weed eaters, drill press, key machine, sewer auger, etc.
- Obtain HHA inventory number as needed from the Finance Department office and place on maintenance department equipments (to include on capitalized and non-capitalized equipments such as of major tools, if applicable)
- Responsible to actively do and prepare or have reports prepared as necessary then direct to appropriate department for purchasing request, receiving of shipment, location or relocation of assets and disposal of assets

- Responsible to prepare used inventory report of maintenance materials and appliances
- Responsible for accuracy of inventory used by properly documenting on work orders
- Remaining of completed work orders must be submitted to Administrative Assistant immediately by the first working day of the month prior to month and year end closing
- Annual physical inventory count of maintenance materials must be conducted with assistance of Administrative Assistant for Fiscal Year Ending 3/31
- Submit appliances report and non-capitalized major tools report to Administrative Assistant for Fiscal Year Ending 3/31
- Must follow policies and procedures of Procurement, Capitalization and Disposition

Office of Administrative Assistant

- Responsible for the accuracy and timeliness of department fixed assets inventory and monitor entry of assets into system (fixed assets=relations of furniture and computers, automobiles, riding mowers, trailers, phone or security system, and any equipments purchase of \$1,000, SEE CAPITALIZATION POLICY Section 4)
- Prepares and orders items needed from purchasing request of maintenance and administrative office of their necessary needs
- Responsible to order, stock and monitor office supplies
- Obtain HHA inventory number as needed and place on administrative office equipments
- Responsible for accuracy and timeliness in entering purchase orders and work orders of inventory items. Work orders must be obtained and entered into the system for appropriate month before month end closing by the first working day of that month
- Responsible to actively do and prepare reports as necessary then direct to appropriate department for purchasing request, receiving of shipment, location or relocation of assets and disposal of assets
- Assists with annual physical inventory count with Maintenance Supervisor for each Fiscal Year Ending 6/30
- Submits all documents of final inventory count, after adjustments, to the accountant or Executive Director for each Fiscal Year Ending 6/30
- Must follow policies and procedures of Procurement, Capitalization and Disposition
- Annual physical inventory with the Executive Director of fixed assets with assistant from all departments
- Obtain inventory report required by necessary departments at least annually for each fiscal year ending 6/30

All Other Staff

- Responsible to actively do and prepare reports as necessary then direct to appropriate department for purchasing request, receiving of shipment, location or relocation of assets and disposal of assets
- Purchasing Request (want or need list): All Maintenance Staff fills in items and information needed for ordering on Purchasing Request located in Maintenance Building. All Administrative Staff fills in items and information needed for ordering on Purchasing Request located in Administrative Assistant's office.
- Must follow policies and procedures of Procurement, Capitalization and Disposition
- Must verified HHA # on any new equipment received in your department, if HHA # is not placed then maintenance staff will report to Maintenance Supervisor and all other staff will report to Executive Director

Annual Equipment Audit

At least once a year, Housing Authority of the City of Hannibal's Inventory Control will conduct a "physical audit" each fiscal year ending 6/30 of all required equipments (fixed assets, appliances, and major tools category). The purpose of this physical audit is to verify the accuracy of the existing equipment inventory records. The Finance employee, Maintenance Supervisor, and/or Executive Director will conduct these physical audits with assistance of other staff; this will include the CAC Office, Police Substation, Community Center and Storages. The Finance employee or designee must complete all necessary updates for fixed assets and department's office equipment inventory before year-end closing and place a print out of fixed assets with other necessary documents in the inventory file then forward to the Accountant or Executive Director. The fixed asset report must be equal to or reconciled with the general ledger accounts and be verified by the Accountant or Executive Director. Maintenance Supervisor must update appliances and major tools reports before year-end closing and present to the Administrative Assistant to have place in the inventory file, after the review of the Executive Director. These reports will be available for the agency's annual audit made by an auditing firm.

Annual Maintenance Material and Appliances Audit

At least once a year, Housing Authority of the City of Hannibal's Inventory Control will conduct a "physical audit" each fiscal year ending 6/30 of all required maintenance materials and appliances considered as inventory. This includes an actual count of each materials and appliances conducted by the Maintenance Supervisor, Administrative Assistant and/or Executive Director.

Requirements for physical audit:

- Administrative Assistant and Maintenance Supervisor will establish an appointment to count inventory materials (towards last week of March or sooner if necessary)

- All work orders on hand must be completed in the system before physical count of inventory
- Administrative Assistant notify all staff of this appointment along with a notification of all completed work orders must be on hold until inventory is fully counted and updated in the computer system (**inventory must be updated in the system before March Accounts Receivable closing**)
- Maintenance Supervisor will do physical counts
- Once count is completed and updated, present reports and all documents to Accountant or Executive Director for year-end postings (*this report must show separately inventory materials amount and appliances on inventory amount*)

Theft/Loss of Housing Authority's Assets

It is each department's responsibility to report all actual or suspected losses to the Executive Director or appointed designee. The Executive Director and appointed designee will take necessary steps to recover the lost items. If items are not recovered then the items may be reported to the police as theft and will become a public record.

Items to be reported include, but are not restricted to:

1. Actual or suspected theft/loss of supplies and equipment
2. Theft or loss of keys to a secure area
3. Unauthorized or improper cash disbursements
4. Equipment retired from inventory that has not previously been reported as stolen or lost. Equipment in this category would include those items on inventory records that have not been found during three (3) or more prior annual inventories and are considered unaccountable
5. All other lost or stolen equipment items not listed
6. Losses or thefts other than equipment; examples of losses or thefts in this category would be burglary or other theft of cash or property, unexplained discrepancies in cash balances, unauthorized disbursements, employees improperly paid on agency payrolls, improper listing of time, or leave and accrual records resulting in overpayments, etc.

Completion of Forms Procedure

Purchasing Request (Form A)

This form will be placed in the maintenance building for request of maintenance checked as maintenance and one in the administrative office for request of administrative checked as administrative. This is for any request of supplies or equipments in need to order such as a "want list". Maintenance Supervisor will be responsible to either to present this form to Maintenance Director to place an order and Adm. Assistant will attach this to the pre-approved purchase order or the Maintenance Supervisor may proceed with the order, upon approval of Maintenance Director. All purchase orders; must be pre-approved by Executive Director. Office Staff will be responsible to obtain

this form and place order for administrative staff and attach to the pre-approved purchase order. Maintenance staff must report to Maintenance Supervisor of emergency items to be ordered immediately. Administrative staff must report to Executive Director of emergency items to be ordered immediately. This form will ensure that purchased items are charged to proper accounts such as inventory materials, maintenance materials, Public Housing, Section 8 and to whom the supplies goes to for the Administrative Staff person and Maintenance Supervisor to record and distribute accurately.

**Receiving of Shipment
Administrative Department (Form B)**

This form is to be used by all administrative staff. The responsible employee must sign this form and attach a packing list, if applicable and forward to the Administrative Staff person. Administrative Staff person is mainly responsible for distributing of shipment received, however other staff occasionally checks out the receiving products. This will give the Administrative Staff person knowledge of whom to direct to if there are any questions about products received. Before distributing any products, please see purchase orders with purchasing request pertaining to that order. Once this procedure is completed, this form and necessary documents must be attached to the purchase order waiting for an invoice.

**Receiving of Shipment
Maintenance Department (Form C)**

This form is to be used by all maintenance staff, other than Maintenance Supervisor. Maintenance Supervisor will use this form only if a packing list is not included upon receiving of shipment. The responsible employee must sign this form and attach a packing list, if applicable and forward to the Maintenance Supervisor. Maintenance Supervisor is mainly responsible for distributing of shipment received, however other staff occasionally checks out the receiving products. This will give the Maintenance Supervisor knowledge of whom to direct to if there are any questions about products received. Before distributing any products, please see purchase orders with purchasing request pertaining to that order. Once this procedure is completed, this form and necessary documents must be attached to the purchase order waiting for an invoice. *When the Maintenance Supervisor receives the shipment then the verification may be made directly with the purchase order.*

Location or Relocation of Assets (Form D)

There are times when assets are no longer needed by a department, but is still reusable by another department for future use or need to move an item(s) of assets from one location to another. This form is required for any Hannibal Housing Authority's owning of new capitalized and non-capitalized (if applicable) assets received or any current assets relocated for the Hannibal Housing Authority's Administrative or Maintenance

department, CAC office, Police Substation, Community Center and storage buildings. The responsible employee must complete and submit this form to the Finance Department. No used assets are to be relocated from storage without first speaking with the Finance employee or Executive Director. Some used assets in storage may be considered as disposal and written off waiting for a sale or auction. If such items are to be used in a future date, the Finance employee or Maintenance Supervisor, if applicable, must then add back in the inventory system. Such asset required for HHA # are furniture (excludes mounted cabinetry), filing cabinets, phones, cell phones (owning by HA), all computer field relations (excludes mouse, keyboards, speakers), typewriters, safe and any other equipment of \$1,000 or above. This procedure will have a more accurate inventory, knowledge and control of assets throughout the year with documentations of detail.

Disposal of Assets (Form E)

There are times when assets no longer have a useful life (the equipment is in poor or scrap condition). This form is required for any Hannibal Housing Authority owned assets to be disposed and written off. Employees must have a signature from the Executive Director or appointed designee before actual disposal is made and forwarded to the Finance Department to dispose from the fixed asset program for proper recording. The Executive Director, Maintenance Director or appointed designee will make the actual disposal. Any assets that are for a sale or auction have to be verified by the Executive Director before proceeding with the sale. This will include furniture (excludes mounted cabinetry), filing cabinets, phones, cell phones (owned by HA), all computer related items (excludes mouse, keyboards, speakers, internal parts), typewriters, safe and any other equipment of \$1,000 or above. This procedure will ensure a more accurate inventory, knowledge and control of assets throughout the year with documentations of detail.

Under no circumstances should any assets be placed in hallways or hazard areas to await disposal. To do so is in violation of Fire and Safety Rules