



Physical Inventory Policy

Policy Area: Accounting & Financial Reporting	Effective Date: 7/1/1995
Policy Sub Area: Capital Assets	Last Revision Date: 1/22/2007
Authority: G.S. 143D-6	Policy Owner/Division: Statewide Accounting

Policy

A physical inventory of capitalized and inventoried fixed assets is taken to verify that assets recorded are physically located in an agency. Inventories are taken at least annually.

The inventory is taken by someone who does not have custody of the assets, nor responsibility for receiving, checking in, tagging, and recording the assets.

If a capitalized or inventoried asset is missing at inventory, the Missing Asset Form is completed to document the reason for the missing asset.

It is recommended that a physical inventory of capitalized assets and inventoried items be taken each time there is a change at a management or supervisory level that has responsibility for the assets. The out-going and in-coming supervisor/manager should sign the Physical Inventory Worksheets. The signatures indicate they both know where the assets are located and that the count is accurate. It is kept on file in accordance with internal policies.

Procedures

NA

Accounting Guidance

NA

Related Documents (Memos/Forms)

[Separation of Duties Policy](#)

[Missing/Stolen Assets Policy](#)

Revision History

Date	Description
01/22/2007	Policy updates