**PURPOSE**

This policy provides guidelines for counting and valuing yearend inventory.

**SCOPE**

This policy should be known and understood by the following groups of individuals, responsible for the specific roles outlined below:

* **Department Chairs/Division Directors**
  + Review and be aware of this policy.
* **Department Administrators**
  + Perform or review the inventory counts and prepare or review the extended inventory worksheet.
  + Complete [JE template](https://www.creighton.edu/fileadmin/user/AdminFinance/Controller/docs/Forms/JV_Template_NEW.xlsx) with appropriate documentation to bring the general ledger account into balance with the extended inventory worksheet.
* **Accounting Services** 
  + Review the JE template and relevant documentation to ensure document is complete and the journal entry will make the ledger balance with the extended inventory worksheet.
* **Internal Audit Personnel, and Personnel who have responsibilities over inventory, or are involved with or have oversight of activities for inventory** 
  + Apply this policy in oversight of inventory and financial reporting

**POLICY**

In order to ensure that Creighton University’s year-end inventory balances are accurate, an annual inventory count must be performed for any inventory that exceeds $100,000 at year end.

Once the count is complete, the extended cost must be computed by multiplying the units counted times the cost of those units. This cost should be the most current price paid for the units. The report with each item description, unit cost and extended cost should then be totaled. This total should then be compared to the general ledger balance and a journal voucher prepared for the variance. The journal voucher and extended cost worksheet should be sent to accounting services by June 30 so it can be recorded in the proper year end records.

If an additional physical inventory count is taken in addition to the year-end count, the same procedures outlined in this policy should be followed.

**DEFINITIONS**

**Inventories** are items held for sale to an entity outside of Creighton University. These may include (but are not limited to) computers and computer accessories sold at the IJay store, medications sold at the CU Pharmacy and gold and other dental supplies used in patient care in the dental clinic.

**ADMINISTRATION AND INTERPRETATIONS**

Please contact Accounting Services for questions about this policy.

**AMENDMENTS OR TERMINATION OF POLICY**

The University reserves the right to modify, amend or terminate this policy at any time.