Annual Physical Inventory

Process and Best Practices
January 2020
Inventory Certification to State of Illinois

- NIU is required to perform an annual physical inventory and to provide the Illinois Department of Central Management Services (CMS) on an annual basis a listing of all equipment items valued at $1,000 or more and all equipment considered to be “high theft”.

- All inventory checks must include 100% of all State equipment subject to being reported to CMS. Both the location code and the identification number of each item of equipment must be verified.

- Reporting a loss ratio of one percent (1%) or greater of the dollar amount of inventoried items will trigger a re-inventory of high loss ratio location codes and a written explanation of loss will need to be provided to CMS.
Inventory Process & Best Practices

• Notify Property Control of changes to Responsible Officers and Secondary Contacts so the correct people receive the inventory reports and documents.

• Follow Instructions on the Inventory Notification email and the Explanation of Codes document found on the Property Control Website with regards to completing and turning in your inventory documents.

• Your inventory consists of 2 documents
  o Asset Listing – List of all tagged items in the inventory sector. Use for identifying location (building and room number) of each item. Asset listings of equipment will be provided to Responsible Officer’s and their secondary contacts by Property Control at the beginning of an inventory cycle.
  o Form 15 – Use for listing any discrepancies with the Asset Listing found during the physical inventory process.

• Inventory due dates are divided into 4 groups based on the total number of items assigned to each Responsible Officer. This determines the due date of the inventory. 1 – 300, 301 – 600, 601 – 900, 901+. The more items, the longer the Responsible Officer has to turn in their inventory.
Inventory Process and Best Practices

• Start your inventory early, don’t wait until it’s about due.

• Begin your inventory by going room by room in the building(s) in your area of responsibility. Note in the Location column on the Asset Listing, the Building and Room number where each tag number was found. Also complete the **found by** and **date found** columns on the Asset Listing.

• Keep track of your items when offices are moved or personnel changes occur. Often, people want to take items with them such as computers or furniture items. If allowed, make sure those tags get transferred to the new sector. Contact Property Control and we will transfer them.

• Make every effort possible to locate any missing inventory. Every missing item will require completing a **Missing Asset Internal Investigation Form** on Onbase explaining the circumstances surrounding the missing item and what preventative measures will be taken in the future. This form is routed to department directors, deans/AVPs and VPs for approval.

• Please see the [Property Control webpage](#) for forms, examples and a list of the university’s “high theft” items.
Tagged Equipment

**Equipment Worth $1,000 or More**

- Property Control tags equipment worth $1,000 or more with a white bar-coded label including a six-digit identification number and the words "Property of Northern Illinois University." This number allows an item to be cross-referenced with a purchase order. Numbers are applied to equipment with a label and/or an indelible marking pen.

**Equipment Worth Less than $1,000**

- Property Control does not tag equipment that costs less than $1,000. However, such equipment is still valuable, and the department making the purchase should tag it with a green label reading "Property of Northern Illinois University." These labels are available for free from Property Control. Keep them on hand so you can tag new equipment when it arrives.

Supervisors should inform employees who have the authority to purchase equipment (through the requisition process, with a P-Card, etc.) of this procedure.