



October 27, 2014

Memorandum of Instruction

Subject: 100% Annual Inventory, 19-23 November 2014

Purpose

This document provides guidelines for conducting 100% physical inventories and is applicable to the National Institutes of Health (NIH) Supply Center.

Pre-Inventory Responsibilities

This planning is conducted prior to the physical inventory date to reduce the potential for inventory inaccuracies through (1) actions to ensure location integrity by resolving such situations as questionable identity of materiel in location; (2) to ensure to the extent possible that adjustments and sale transactions are posted to the record, in-transit receipts are stored in location, picks are shipped and confirmed, and related transactions are transmitted prior to physical inventory.

a. Business Operations

1. Notify customers of closure dates 19 –23 November 2014
2. Identify person for on-site support during inventory

b. Distribution Section

1. Ensure all orders are released, picked and delivered NLT 12:00pm, 18 November 2014
2. Ensure all materiel received prior to 18 November 2014 is on the shelf
3. Do not release picks
4. Provide by name list of personnel assigned to Count Teams.
5. Identify procedures for 2<sup>nd</sup> and if necessary 3<sup>rd</sup> count
6. NLT 18 NOV 2014, process all damaged, returns, and excess materiel

c. Inventory Management

1. Notify NBS Support Team: submit open help desk ticket requesting on site support prior and during inventory

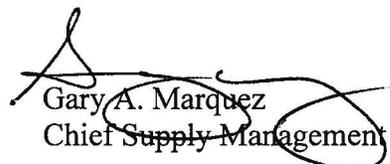
2. Identify procedures for transmitting inventory count sheets
3. NLT 18 November 2014, process all damaged, returns, and excess materiel
4. In coordination with the Distribution section, identify inventory count teams conducting the Physical Count
5. Provide summary memorandum of the inventory when completed to the Chief, Supply Center.

d. Procedures

1. On 19 November 2014, the 100% inventory will be conducted 7:00am – 3:30pm.
2. All physical counts will be blind counts; that is, personnel conducting physical counts shall have no prior knowledge or access to the on-hand quantity balance in the inventory records.
3. No movement of any inventory will be permitted during the physical count. Any items delivered during the physical count will be physically separated and labeled “DO NOT COUNT.”
4. Count Teams of two members will receive inventory count sheets for specific locations. One person will count the item; the second person will record the count and item information on the count sheet. If the Count Team is unsure of any information, please see supervising staff member.
5. All items must be counted. If an item is not on the inventory count sheet but in a location, add the item and the count to the count sheet.
6. Count Teams are responsible for all inventory count sheets assigned to the team. Ensure all completed inventory count sheets are signed and dated by each member of the team.
7. Inventory management will provide count sheets for a second count. Count Teams will be assigned different locations for the second count. If a third count is required, it will be completed by a member of the supervising staff.

e. Reconciling the Physical Inventory

1. Reconciliation is defined as the process of identifying, explaining, and correcting the differences between the physical count and the balance on hand in the stock record account. The Chief, Inventory Management will identify discrepancies and determine if causative research is required.
2. Causative research will be completed by the So-Bran personnel within 30 days of the completion of the physical inventory.

  
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Chief Supply Management Branch