UNIVERSITY OF South Carolina

Controller's Office – Capital Assets
Physical Inventory
Recording Physical Inventory Transactions as an Approver

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I.   Objectives

By the end of this procedure, you should be able to:

- Approve and Reject Physical Inventory Transactions
- Add required comments when rejecting an asset
- Use tools to more efficiently handle a large number of transactions

II.   Inventory Codes and Required Submissions

Inventory Code	Required Form/Email
Verified	No submission required
Transferred	Capital Asset Transfer Form signed by transferring and receiving departments
Consolidated Services	Form 7 signed by Consolidated Services
Lost and Destroyed	Form 8 and Police Report only required if net book value of asset is greater than $5,000
Stolen	Form 8 and Police Report
Cannibalized	Direct email notification

** All submissions to the Capital Asset Team can be sent to PHYSINV@mailbox.sc.edu.
** The Capital Asset Transfer Form can be found on the Controller's Office Capital Asset webpage.
** Form 7 can be found on the Purchasing Toolbox webpage in the Purchasing Forms section.
** Form 8 be found on the Purchasing Toolbox webpage in the Purchasing Forms section.

III.   Tips and Tricks

Here are a few tips and tricks that will help when reporting Physical Inventory Transactions:

- Keep ongoing records of when assets are transferred to or removed from your department. Be sure to obtain final signed copies of all forms for your own records.

- As assets are purchased, the Capital Asset Team will send pre-assigned tags to your department. When the tags are received be sure to attach to each asset and then take photos of the assets to help identify them in the future. Please send copies of the pictures to the Capital Asset Team, but also retain a copy for your own records as they will help with the annual university-wide Physical Inventory process.

- Be sure to utilize the Capital Asset Update form throughout the fiscal year to keep all asset data and identifiers up to date.

- Respond to and initiate any communications from and to the Capital Asset Team in a timely manner so that issues and questions can be resolved properly in accordance with Federal, State, and University policies.

- Complete your annual inventory by the prescribed deadlines.

- Use the **Apply to All** buttons in conjunction with the available filters where appropriate to expedite the annual Physical Inventory process.

IV.   Prerequisite

Before gaining access to the Physical Inventory pages, the Approver will need to be established with the Capital Asset Team. Communications will be sent on an annual basis to confirm those responsible for the annual Physical Inventory process. These will be sent to the Unit Business Officers.

Maintaining physical inventory is an ongoing process. Throughout the fiscal year, if inventory contacts change, be sure to notify the Capital Asset Team in a timely manner via email at PHYSINV@mailbox.sc.edu.

All inventory contacts will be notified in the 3rd quarter of the fiscal year when the annual Physical Inventory process is kicking off and when it is due. No additional assets purchased beyond this point will be included in the Physical Inventory process for the current fiscal year.

V. Update Physical Inventory Status

Inventory Users mark each asset as Verified, Transferred, sent to Consolidated Services, Lost, Stolen, Destroyed, or Cannibalized. Once an applicable INV Code is assigned, the Inventory User sets the status for the asset to Pending Approval, indicating to the Approver that the asset is ready for final review and approval.

The **Approver** will use the **USC Inventory Review & Update** page within Finance PeopleSoft to review each transaction and either Approve or Reject.

If a transaction is **rejected** by the Inventory Approver, the Inventory User will receive an email indicating that the transaction has been rejected. The Capital Asset Team will review the comments provided by the Approver for the asset marked as rejected. If applicable, they will reset the asset so that the Inventory User can update the INV Code and resubmit for approval.

Main Menu > Asset Management > Physical Inventory > USC Inventory Review & Update

Use the filters on the **Inventory Review** tab to reduce the number of assets displayed on the page. For example, an Approver may be responsible for several departments and would like to approve inventory by individual department. Filtering by department will allow the Approver to do this. Some Approvers may only be responsible for one department therefore filters will not be necessary.

Step 1: On the Inventory Review tab, click in the **Department** field and enter a department number.

Step 2: Click the **Apply Filter** button to return all the assets for the department entered.

Step 3: Click the **Show All Columns** arrow to populate the Chartfield and Comments columns on the Inventory Review page. This will allow you to scroll through the information without clicking those specific tabs.

Step 4: To ensure you are verifying assets for the department entered, scroll over to the **Department** field. Here you will see the department listed. You can also click through all of the data using the different tabs. However, you cannot update the INV Status from all 3 tabs. You will need to click back to the Inventory Review tab to make updates.

Step 5: To continue the review and approval process, scroll back to the INV Status and INV Code columns.

Step 6: Be sure to review the INV Code before approving. The Inventory Code options are: (Use the Required Form/Email table in section II. to determine what is required for each inventory type.)

- **Verified:** The asset was physically located.
- **Transferred:** The asset was moved to another department. To process this selection, a Capital Asset Transfer form is required.
- **Consolidated Services**: The asset was sent to Consolidated Services. In the course of scrapping, selling, or donating an asset, this would be the first step at the department level. The next steps would be performed by Consolidated Services while the asset is in their possession. Please contact the Capital Asset Team with any questions. To process this selection, a Form 7 is required.
- **Lost and Destroyed:** USC no longer possesses the asset because it was lost. Form 8 and Police Report only required if net book value of asset is greater than $5,000.
- **Stolen:** USC no longer possesses the asset because it was stolen. To process this selection, a Form 8 and subsequent police report is required.
- **Cannibalized:** USC no longer possesses the asset because it was dismantled and used for parts. The Capital Asset Team should be directly contacted before this action is taken.

Step 7: To approve, click the **INV Status** drop-down arrow and select the appropriate code for that specific asset. Select the **INV Status** for all assets on the list.

Note: If there are more than 50 transactions returned, use the scroll arrows to move through the pages.

Step 8: (Required) If one of the assets is rejected, a comment will be required so that the Capital Asset Team and the Inventory User are provided a reason for the rejection and understand what further action should be taken. Scroll to the **Comments** field for the rejected transaction to provide a reason for the rejection for the Capital Asset Team and Inventory User. This comment field allows Inventory Users, Approvers, and Administrators to communicate about a specific asset throughout the process. It follows the asset throughout the Physical Inventory process for the current fiscal year only.

Note: These comments are maintained within the Inventory page, but the Capital Asset Team is not notified of the existence of the comment and the comment will have no effect on the processing of the selected INV Code. Therefore, this space should be used mainly for why a Status or Code was rejected, general reminders, or additional information.

Step 9: When the comment is entered, scroll back to approve any remaining assets.

You have reviewed and updated the INV Status for each asset. Now it's time to save.

Step 10: Click the **Save** button at the top or bottom of the page.

Notice there is a link, **Contact Physical Inventory Support**, that can be used to contact the Physical Inventory team if you have questions.