

INSTRUCTIONS FOR COMPLETING PHYSICAL INVENTORY OF SALABLE SCHOOL MERCHANDISE

Terminology:

Salable school merchandise consists of merchandise purchased for resale through the school store, vending machines, fund raisers, or by any other activity. To be included in the school inventory, the merchandise must be the property of the school and not owned by an outside vendor.

Instructions:

- I. Physical Inventory shall be taken:
 1. Semiannually as of December 31 and June 30, or more often at the discretion of the school.
 2. Of all salable merchandise on school premises, whether still in unopened bulk form and in stock or already for sale in vending machines and on shelves.
- II. The line **Inventory of** is used to indicate the general nature of the inventory.
Examples: School store, yearbooks, T-shirts, candy, soda.
- III. The line **Location** is used to indicate the physical location (room number, etc.) within the school building where the subject inventory is stored.
- IV. The line **As of Date** should be used to indicate the cutoff date at the end of the month for which the data was developed. Refer to I. 1. above for examples.
- V. Explanation of Columns:
 1. **Selling Price Per Unit** – shall be shown for each type of merchandise, not for inventory computation but for information and future audit reference.
 2. **Description of Merchandise** – insert the description of the merchandise.
Examples: Binder, notebook, 2-inch; paper, notebook, 3-hole; rulers, 12-inch; sodas, 12 oz., cans.
 3. **Type of Unit** – refers to the quantity contained in the word unit. Generally, this will be the unit in which this item is issued to customers.
Examples: Each, dozen, pack, bottle, box, pad, case, gross.
 4. **Number of Units on Hand** – insert the number, based on actual physical count, of the units on hand for sale, whether still in unopened storage boxes or loose on shelves.
 5. **Unit Cost** – shall be shown for each type of merchandise, from the latest invoice received from the vendor.
 6. **Total Cost** – is the number of units counted in column 4 multiplied by the cost per unit from column 5.