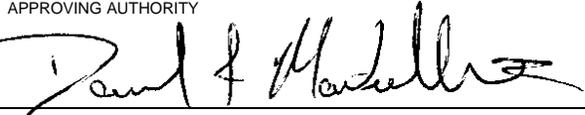


 Corrections and Community Supervision DIRECTIVE	TITLE Inventory Control		NO. 2945
			DATE 3/18/2016
SUPERSEDES DIR #2945 Dtd. 12/31/2013	DISTRIBUTION A	PAGES PAGE 1 OF 5	DATE LAST REVISED
REFERENCES (Include but are not limited to) Comptroller's User Procedure Manual, Vol. XI, Sections 3.04 and 3.05; Directives #2794, #2944, #4908, #4929; 6NYCRR, Part 613	APPROVING AUTHORITY 		

- I. PURPOSE:** To describe and provide guidelines for maintaining a system of inventory control over supplies and materials throughout correctional facilities, Community Supervision area offices, and Central Office. Accountability of supplies, materials and goods purchased with State funds is essential to ensure that the assets are appropriately safeguarded from theft or misuse, and is consistent with New York State Internal Control Standards.
- See Directive #2944, "Equipment Control," for equipment inventory controls.
- II. APPLICABILITY:** To all Department of Corrections and Community Supervision (DOCCS) employees.
- III. RESPONSIBILITY**
- A. Deputy Superintendents, Bureau Chiefs, and Unit Heads: Shall ensure that inventories are scheduled and accomplished within their operational areas in accordance with the general provisions of this directive.
- B. Business Office, Community Supervision Area Office, and Central Office: Appropriate supervisory staff shall maintain perpetual inventory systems and documentation on purchases and receipts. Accordingly, staff may be expected to assume a supervisory role in the completion of both physical inventories and documentation audits. Staff from all areas of a facility or area office may be recruited to perform actual counts and audits subject to the policies set forth below.
- IV. POLICY**
- A. Schedule: A schedule of inventories of supplies and materials will be followed to ensure that:
1. Strict accountability is maintained;
 2. Sufficient but not excessive quantities are available; and
 3. All supplies and materials are properly safeguarded.
- B. Standards: The inventory control system shall implement the following standards:
1. All supplies and materials received by the facility must be counted and inspected on receipt, with any discrepancies promptly reported;
 2. Perpetual inventory records must be maintained;
 3. Storage areas must be properly secured to restrict unauthorized access;
 4. Issuances from inventory must be supported by signed requisitions;
 5. A periodic physical count must be taken of all items in inventory; and

6. Counts must be compared to inventory records and reconciled as necessary.

- C. Perpetual Inventory Record: An ongoing record containing the amount of a specific supply or material currently on hand that is continuously maintained by adding quantities to the inventory as they are received and subtracting quantities as they are issued for use or consumption.

This inventory record should not be maintained by staff directly in charge of or assigned to the area in question. In those circumstances where perpetual inventory records must be maintained by staff who work with the inventoried materials (e.g., maintenance, pharmacy), periodic documentation audits shall be conducted (see Section IV-F below).

- D. Independent Physical Inventory: A periodic physical count of supplies and materials on hand.

A physical inventory shall be conducted by an employee who is not assigned to the operational area being inventoried.

Each employee designated to conduct an inventory shall prepare and sign a written report of findings.

Each facility, Community Supervision area office, and Central Office shall maintain a schedule for all physical inventories which prescribes the inventory date(s) and the job title(s) of the employee(s) who are responsible for conducting each one.

- E. Reconciliation of Inventory Discrepancies: A comparison of the counts obtained by an independent physical inventory with the quantities listed in the perpetual inventory. This must occur immediately after the independent physical inventory is completed.

If there are count differences, an immediate attempt should be made to resolve the differences through recount. If, after recount, differences remain between the count and the record balance, the physical count figure is the factual one and the inventory record must be amended.

Any amendment to the record balance must be supported by a document which is approved by appropriate supervisory staff.

When significant discrepancies between these inventory records are detected, an investigation must occur resulting in a written explanation of overages or underages (or reconciliation). The written investigation report must be forwarded to the Deputy Superintendent responsible for the operational area. Remedial action should be taken to correct the cause of the differences identified by the investigation. See also Directive #2794, "Reporting Losses."

- F. Documentation Audit: A review of the transaction records of a number of randomly selected items beginning, for a typical example, with their purchase order requests, and tracking them through the approval process, receiving, posting to a perpetual inventory, and stocking (by physical count) or issue.

A documentation audit shall be conducted by an employee who is not assigned to the operational area being inventoried.

V. DEPARTMENTAL SYSTEMS

A. DOCCS Automated Inventory System: Facilities are required to use the Department's computerized system for maintaining perpetual inventory records of:

- Clothing
- Commissary
- Food
- Housekeeping Supplies, and
- Office Supplies

Questions concerning utilization of this system should be referred to Information Technology Services (ITS) staff @ ServiceDesk@DOCCS.ny.gov.

B. Pharmacy, Maintenance (MP2): Facilities are required to use the automated pharmacy and maintenance inventory control systems where they have been installed.

VI. **EQUIPMENT CONTROL**: Specifications for equipment inventory and control are set forth in Directive #2944, "Equipment Control."

VII. **AREAS TO BE INVENTORIED/INVENTORY FREQUENCY**: Independent physical inventories should be conducted and reconciled to the perpetual inventory records within the minimum frequencies for the areas listed below. If significant inventory discrepancies arise in an area, a documentation audit must be completed the following month, and the next physical inventory of that area taken at a shorter interval (see Sections IV-E and IV-F above). Not all areas are applicable at every facility, local area office, or Central Office.

Daily:

Fuel Oil and Petroleum Products – Vehicle Fueling Tanks Stored Below Ground***

Weekly:

Fuel Oil and Petroleum Products – All Tanks Stored Below Ground***

Monthly:

Arsenal	Fuel Oil – Stored Above Ground
Commissary	Linen and Bedding
Diesel Fuel	Pharmacy**
Drug Testing Kits	State Shop (New/used Clothing)
Employee Dining Room (if applicable)	Storehouse (food) (every 28 days)*
Facility Gasoline	Training Ammunition

Quarterly:

Dental Unit (see Directive #4929)	Parole Clothing
Household Supplies	Storehouse (non-food)
Office Supplies	

Biannually:

Automotive

Quartermaster

Annually:

General Equipment

Pharmacy**

Maintenance Stores*

*Additionally, five randomly selected items from these inventories shall be spot checked by documentation audit on a monthly basis by members of the Internal Control Committee as part of their participation in the local system of internal controls in accordance with Directive #6920, "Internal Controls."

**Licensed facility pharmacy or HUB dispensing pharmacy inventories shall be scheduled as follows:

Monthly:

Controlled drugs, needles, and syringes: In accordance with Directive #4929, "Controlled Drugs, Needles, Syringes & Sharps," these shall be maintained on a separate manual perpetual inventory record and each item physically counted and reconciled each month.

Both formulary and non-formulary drugs shall have a documentation audit of a number of randomly selected items. Additionally, a pharmacy documentation audit shall include the issuance of the prescription to the inmate. Central Pharmacy can provide reports and assistance in the audit process.

Annually:

The total pharmacy inventory shall be counted and reconciled once each year. The contents of partial containers of noncontrolled drugs may be estimated to the nearest tenth.

***See NYS Department of Environmental Conservation's Petroleum Bulk Storage Regulations (6 NYCRR Part 613) for additional monitoring requirements.

Accounting for fuel oil is required at applicable facilities. Refer to Office of General Services (OGS) Purchasing Memorandum CL- 687 dated February 20, 2007.

VIII. SCHEDULING/MANAGEMENT OF INVENTORIES

- A. Monthly inventories should be conducted as close to the last day of the month as possible.
- B. Quarterly inventories should be conducted in March, June, September, and December.
- C. Biannual inventories should be conducted in June and December.
- D. Annual inventories may be subdivided when necessary to even the workload (e.g., the pharmacy which requires an annual physical count may be subdivided into quarterly or monthly parts as long as the schedule and procedure ensure that all items will have been counted and reconciled within the annual time specification).
- E. Wherever stocks or storehouses are centralized in a HUB, business staff from surrounding facilities may be recruited to assist or supervise scheduled physical inventories.

- F. In accordance with Directive #2944, all items of equipment (except furniture) shall be inventoried on at least an annual basis. All items of furniture shall be inventoried at least once every two years.
- G. Food inventories should be taken on the last Friday (day 26) of each 28-day cycle.