



# ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 2365

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CATEGORY: **Fiscal Management, Accounting**

EFFECTIVE: **7-01-85**

SUBJECT: **Stock Inventory Adjustment**

REVISED: **11-22-99**

## A. PURPOSE AND SCOPE

- To outline administrative procedures for processing adjustments to inventory stock quantities and for deletion of obsolete stock items from inventory.

## B. LEGAL AND POLICY BASIS

- Reference:** Board policy: G-4000.

## C. GENERAL

- Originating Office.** Suggestions or questions concerning this procedure should be directed to the Materiel and Procurement Services Department, Business Services Administration, Business Services Division, Administrative/Operational Support.
- All adjustments** to inventory stock quantities shall be processed as a charge (loss) or credit (gain) against a specific account number as provided in this procedure. Two account numbers per fund are established:
  - Inventory quantity adjustment**, due to unaccountable disappearance, breakage, spoilage, or reappearance of stock:

Fund	Account Number
Stores .....	554-AA-4513-7001
SIM .....	554-AA-4534-7001
Cafeteria .....	554-ZJ-4513-7001

- Obsolete inventory**, due to curriculum, technology, or district policy/procedure changes:

Fund	Account Number
Stores .....	554-AA-4512-7001
SIM .....	554-AA-4533-7001
Cafeteria .....	554-ZJ-4512-7001

3. **Prior to deletion of obsolete items from inventory**, the appropriate department/division head (indicated below) shall sign the cover memo for the adjustment form indicating approval:

Curriculum materials,  
SIM

instructional leader, site manager, or  
administrator, responsible area

Supply Center stock

Materiel and Procurement Services Manager  
and/or Business Services Deputy Administrative  
Officer

Cafeteria

Food Services Director, Business Services  
Division

4. **Access to Obsolete Stock.** Prior to public sale, school sites shall have access to all obsolete items not specifically prohibited from school site use. Notification of availability shall be by information circular.

#### **D. IMPLEMENTATION**

1. **Inventory Quantity Adjustments**

a. **Supervising stock clerk; Stores/Warehouse Section; Maintenance, Operations, Warehousing, and Distribution Department**

- (1) Initiates "Supply Services Inventory Adjustment" form (E.1.) when physical inventory reveals, or upon discovery of, discrepancy between stock register and actual shelf inventory.
- (2) Forwards form to the Stock Analysis Section, Materiel Control Unit, Materiel and Procurement Services Department.

b. **Stock Analysis Clerk, Materiel Control Unit**

- (1) Ensures that necessary information is input into appropriate database to adjust account and revise stock inventory.
- (2) After processing, matches stores invoices to original documents, attaches cover memo listing stock numbers of items requiring adjustments, and forwards to the Materiel and Procurement Services Manager.

**c. Materiel and Procurement Services Manager**

- (1) Reviews documents, approves quantity revision, and signs cover memo.
- (2) Each month forwards to the Fiscal Control Department, Finance Division, Administrative/Operational Support, a package of "Supply Services Inventory Adjustment" forms with stores invoices included.
- (3) Each month forwards to the Food Services Accounting Unit, Fiscal Control Department, copies of "Supply Services Inventory Adjustment" forms for stock classes 27 and 30.

**2. Obsolete Inventory**

- a. **Division/department head** sends written request to the Materiel and Procurement Services Department, indicating stock items to be considered obsolete and specifying method for discarding material.
- b. **Materiel and Procurement Services Manager** initials memo and forwards to the Stock Analysis Section.
- c. **Stock Analysis Clerk**
  - (1) Initiates Materiel Control Change Notice form indicating stock quantities and dollar value. Routes to the Warehousing and Distribution Supervisor, purchasing buyer, and Materiel and Procurement Services Manager for approval signatures.
  - (2) Initiates a "Supply Services Inventory Adjustment" form and adjusts inventory.
  - (3) After processing, matches "Supply Services Inventory Adjustment" form with stores invoices, and forwards monthly (in package form with cover memo attached) to the Materiel and Procurement Services Manager.
- d. **Materiel and Procurement Services Manager**
  - (1) Ensures that, when legally acceptable, method used for disposal of obsolete materials complies with method indicated by approving department/division head.
  - (2) Each month forwards to the Fiscal Control Department one copy of "Supply Services Inventory Adjustment" form with stores invoices.

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- (3) Prior to public sale, issues information circular notifying school sites of availability of obsolete items. *Items prohibited from school use shall not be included.* (C.4.)

**E. FORMS AND AUXILIARY REFERENCES**

1. Supply Services Inventory Adjustment form (supplied by the Stores/Warehouse Section).

**F. REPORTS AND RECORDS**

1. Supply Services Inventory Adjustment form (original retained by the Materiel and Procurement Services Department).

**G. APPROVED BY**



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Chief of Staff, Terrance L. Smith  
For the Superintendent of Public Education