



## Illinois Department of Corrections

### Administrative Directive

Number: <b>02.82.114</b>	Title: <b>Reconciliation</b>	Effective: <b>1/1/2021</b>
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<b>Authorized by:</b>	<i>[Original Authorized Copy on File]</i> <b>Rob Jeffreys</b> Acting Director
<b>Supersedes:</b>	02.82.114A-J effective 1/1/1996

<b>Authority:</b> 730 ILCS 5/3-2-2	<b>Related ACA Standards:</b> 5-ACI-1B-01, 03, 07, 08, 11 – 14, 18 and 19
<b>Referenced Policies:</b>	<b>Referenced Forms:</b>

#### I. **POLICY**

Perpetual inventory records and accounting records shall be reconciled on a regular basis in accordance with the guidelines established in this directive.

#### II. **PROCEDURE**

##### A. **Purpose**

The purpose of this directive is to establish a uniform method for Business Offices to reconcile differences between perpetual inventory records and accounting records.

##### B. **Applicability**

This directive is applicable to all correctional facilities within the Department.

##### C. **Facility Reviews**

A facility review of this directive shall be conducted at least annually.

##### D. **Designees**

Individuals specified in this directive may delegate stated responsibilities to another person or persons unless otherwise directed.

##### E. **Definitions**

Systems Applications and Products (SAP) – a cloud based solution designed to support and integrate almost every functional area of the following business processes: procurement of goods and services, finance, accounting and human resources that is utilized through the Enterprise Resource Planning (ERP) System platform.

##### F. **General Provisions**

The receipt, issue or adjustment of any commodity item affects each record keeping system. It is essential that the perpetual inventory records reconcile to the accounting records to verify the accuracy and the value on hand.

##### G. **Requirements**

When a physical inventory indicates a difference between the perpetual inventory records and the actual quantity on hand, the Perpetual Inventory Clerk shall determine the cause and resolve the discrepancy using the following procedure.

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1. The Perpetual Inventory Clerk shall compare the Goods Receipts and Goods Issues posted for the item in the Systems Applications and Products (SAP) perpetual inventory records to the storeroom inventory records.
  2. If a Material Document, either a Goods Receipt or Goods Issue, was not posted, the Perpetual Inventory Clerk shall post the document.
  3. If a Material Document, either a Goods Receipt or Goods Issue, was posted in error, the Perpetual Inventory Clerk shall create a new Material Document to correct the error and maintain the correcting Material Document number with the inventory file.
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