



Illinois Department of Corrections

Administrative Directive

Number: 02.85.110	Title: Inventory Procedures	Effective: 11/1/2021
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Authorized by:	<i>[Original Authorized Copy on File]</i> Rob Jeffreys Director
Supersedes:	02.85.110 effective 11/1/2000

Authority: 730 ILCS 5/3-2-2	Related ACA Standards: 5-ACI-1B-03, 13, 18, 19
Referenced Policies:	Referenced Forms: DOC 0016 – Store Receiving Report

I. **POLICY**

The Department shall conduct a regularly scheduled physical inventory at the Employees' and Individuals' Commissaries.

II. **PROCEDURE**

A. **Purpose**

The purpose of this directive is to establish a written procedure governing the responsibilities of staff for conducting a physical inventory at the Employees' and Individuals' Commissaries.

B. **Applicability**

This directive is applicable to all correctional facilities within the Department which operate an on-site commissary.

C. **Facility Reviews**

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

D. **General Provisions**

Some or all of the following steps may be combined or performed by the Fund Accounting and Commissary Trading System (FACTS).

1. Physical inventories shall be taken at the close of commissary operations on the last business day of each month or as close to the final day of the month as determined by the Business Administrator and Inventory Supervisor to best suit operational needs. The inventory shall be supervised by the Inventory Supervisor. Institutions using FACTS shall perform the inventory during the same month. The June 30 inventory shall be performed on that date. If June 30 falls on a weekend, the inventory shall be performed on the last work day preceding June 30.
 - a. Commissary sales activity may be halted early in the day if extra time is needed.
 - b. To ensure proper cutoff and inclusion of goods for costing of month end inventory, all goods received on the day of inventory shall be stored and recorded on the Store Receiving Report, DOC 0016, before the physical inventory begins.
2. Inventory not already stored by type shall be segregated, by type and description, and arranged in an orderly manner before the count begins. Damaged, spoiled or obsolete merchandise shall be segregated and counts and values of such items shall be recorded separately.

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3. Count Sheets such as the sample in Attachment A shall be used to record the inventory.
 4. The Inventory Supervisor shall assign specific areas of responsibility to individual counters.
 5. The counter shall:
 - a. Count and complete the following columns on the Count Sheet for each item:
 - (1) Item description.
 - (2) Unit of count.
 - (3) Number of units on hand.
 - b. After counting and recording all items in the specific area, the counter shall notify the Inventory Supervisor.
 6. The Inventory Supervisor shall verify count accuracy by conducting test counts of a representative number of items.
 - a. If any test count differs, another count shall be made to establish accuracy. If there are any material discrepancies between first counts and test counts, the Inventory Supervisor shall order a recount for the entire area.
 - b. If the count figure on the Count Sheet is changed, the corrected figure shall be initialed by the Inventory Supervisor.
 - c. When the Inventory Supervisor is satisfied that the count is accurate, the Count Sheets shall be given to a commissary employee.
 7. The assigned commissary employee shall:
 - a. Complete the net unit cost column on the Count Sheet, Attachment A, column 4, using the applicable net unit cost.
 - b. Calculate the value of the inventory on the Count Sheet, Attachment A, column 5, by performing the extensions to establish the inventory value. Number of units x net unit cost = value.
 - c. Total each inventory Count Sheet. Count Sheets for damaged, spoiled or obsolete merchandise shall be totaled and kept separate.
 - d. Total all inventory Count Sheets to arrive at the total physical inventory value and attach the adding machine tape to the Count Sheets.
 8. The Inventory Supervisor shall review the adding machine tapes and inventory Count Sheets and forward the inventory Count Sheets, including those for damaged, spoiled or obsolete goods, to the Business Administrator for preparation of the Income Statement.
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ATTACHMENT A

Sample Count Sheet

Item Description	Unit of Count	No. of Units on Hand	Net Unit Cost	Value
Pens--BIC fine-point - black	dozen	15	\$3.60	\$54.00
Pads--Ampad Embassy Ruled - canary	dozen	30	\$14.16	\$424.80

Item Description: Each inventory product, such as Pens--BIC fine-point - black, Pads-- Ampad Embassy ruled - canary, Candy bars--Snickers, or Soda-- Pepsi-Cola - 20 oz.

Unit of Count: For example, individual pieces, cartons, boxes, or cases, of each item to be counted.

Number of Units on Hand: Actual count of units on hand. For example: 15 dozen BIC fine-point pens.

Net Unit Cost: Current cost per unit.

Value: $\text{Number of Units on Hand} \times \text{Net Unit Cost} = \text{Value}$