

# INDIAN AFFAIRS MANUAL

- 3.1 Purpose.** This chapter establishes policy for the complete physical inventory of all System-controlled and stores account expendable material and supplies. The complete physical inventory is required to be conducted annually.
- 3.2 Scope.** This policy applies to Offices under the Assistant Secretary – Indian Affairs (AS-IA), including BIA organizations reporting to AS-IA Directors, the Bureau of Indian Education (BIE), and programs that are contracted under Pub. L. 93-638.
- 3.3 Policy.** APO's are responsible for carrying out the requirements of the annual physical inventory for programs under their respective jurisdiction; however they will require complete cooperation and support from regional, agency and program offices. The RPO's jurisdiction includes the Bureau of Indian Education (BIE), and the Office of Justice Services (OJS).
- 3.4 Annual Property Inventory and Certification Procedures.** A complete physical inventory of all System-controlled and stores account expendable material and supplies must be conducted annually. This includes such property identified as “government furnished property” under P.L. 93-638 contracts, grants, compacts, and/or co-operative agreements. All such property identified through the inventory process must be reconciled to and identified in FAS.
- IA's annual property inventory and certification procedure is an ongoing property management process, which requires constant monitoring and updating of records for both real and personal property assets throughout the year.
- Complete inventory and certification procedures can be found in the Property Management Handbook.
- 3.5 Special Inventories.** The APO will ensure that a special inventory is conducted by each CPO of all accountable property in his or her custody at least 14 days prior to transfer or separation. Property transfers for items physically in the possession of other employees shall be completed or the property returned, and items of property not accounted for at the time of transfer or separation shall be subject to the provisions for Reports of Survey.
- 3.6 Annual Inventory and Reconciliation.** The results of the annual and special physical inventories will be compared with the quantities recorded in the FAS and FFS accounts and other records that are maintained for inventory management purposes. Any differences between the physical count of property on hand and the quantity balance reflected in the property records will be promptly investigated to determine the cause of the differences, and to identify necessary improvements in the process to prevent errors, losses, or irregularities. Reports of Survey will be initiated to account for unresolved

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property shortages. Property records and the related general ledger accounts will be reconciled and brought into agreement.

- 3.7 Completion Date.** Annual physical inventories and adjustments to FAS are to be completed and reconciled by the **end of June**, each year. Routine actions within FAS should continue and additions and deletions should be completed in a timely manner to ensure completeness of the inventory before submittal of the annual certifications to Central Office, Division of Property Management (DPM) – Phoenix office by mid September. There are no extensions authorized, so plan accordingly.
- 3.8 Status Reports.** Beginning on **March 15 of each year**, status reports will be submitted to the DPM – Phoenix office on the **15<sup>th</sup> of every month** until the final certification is submitted.
- 3.9 Inventory Reports.** After the completion of the annual physical inventory and the reconciliation and adjustment of property records, the:
- A.** APO shall certify in writing to the PA that all inventories for which they are responsible have been conducted and that subsidiary property records reflect actual quantities on hand.
  - B.** Each PA shall certify in writing to the PMO, that all inventories have been conducted for the Region/Agencies and all other locations under his/her jurisdiction.
- \*Sample memorandum and certification statements can be found in the Property Management Handbook.
- 3.10 Inventory Document Retention.** All annual physical inventory documentation, including notes and/or printouts used in the inventory process will be retained until the third succeeding inventory has been completed. The earliest records may then be removed from the files.