CHAPTER 10

PERFORMING PHYSICAL INVENTORIES

Section I

Overview

★ RESPONSIBILITIES

Keeping property records up to date is a big job. One way to find out if your storage records are correct is for you, as storage supervisor, to conduct an inventory. An inventory is the physical count of supply items on hand at your storage facility. It is important that the quantity and type of items you show on hand on the stock record match the quantity and type of items you count in your storage facilities. When these totals do not match, it is your job to find the mistakes. To help locate the mistakes and correct them, you must make a complete physical inventory. Before you begin the inventory, you must take certain actions. You must make a physical location survey to ensure all supplies are in the correct locations and the locations match the locator deck. You must make sure all identification labels and bin placards are correct. You must also post all new data before you begin the survey. To do this, you and the accountable officer should work with the receiving section to setup a cutoff date for posting changes to the locator file. If you are operating under SARSS-1(I) automated system, ensure that all personnel responsible for operating the TACCS/SARSS equipment are familiar with the automated procedures as outlined in ADSM 18-L19-AJH-BUR-EM. (NOTE: It is particularly important that bar code readers be inspected for operational readiness prior to training and conduct of inventory. Also ensure that you have enough batteries on hand to power the bar code readers.) You should develop a plan (or update the written SOP) for conducting the inventory and the location survey. The plan should include the following:

- A time frame schedule for the location survey.
- Cutoff dates for the receiving, storage, shipping, stock location, and data processing sections so that records can be brought up to date before the survey and the inventory.
- A time frame schedule for the inventory.
- Appointment of a survey supervisor.
- Organization and appointment of the survey team. You should tell how you determined the number and grades of personnel required. You should also list special equipment needed, the areas of responsibility for each person on the team, the reporting date and place, and the schedule for the team members.
- An outline for the training of survey and inventory personnel. All personnel involved in a location survey or an inventory need training to perform all counts and complete all records correctly. Use the checklist in Table 10-1, page 10-2 to help set up a training program for your personnel.
- Assignment of an inventory voucher number.
- An explanation of how to prepare and distribute the survey work cards, work card decks, and location survey listings.

• An explanation of how to report, control, and verify the inventory findings.

• An explanation of how to notify customers and other unit personnel of the delayed processing of requests and issues that will occur during a wall-to-wall inventory.

• If LOGMARS-T bin labels are used, ensure that damaged or missing labels are replaced prior to conducting location survey and inventory.

NOTE: You should include the announcement of your DSU closing in the installation daily bulletin to notify all interested units and personnel. AR 25-30 governs daily bulletin entries and explains format. A sample announcement might read: Consolidated Supply Warehouse, Building 7166, will be closed 12-16 October 19XX for annual inventory. Issues will be limited to requests with UND A and PDs 01, 02, and 03.

★ *Table 10-1. Inventory training checklist*

☐ What is the purpose of the inventory/location survey?

☐ How does the inventory/location survey relate to normal storage operations?

☐ What are the duties and responsibilities of the inventory/survey supervisor and team members, the accountable officer, the storage supervisor, and the stock record supervisor during an inventory/survey? (Need to include duties and responsibilities of personnel when using automated procedures.)

☐ By what date must the inventory/survey supervisor and team members be trained?

☐ How long will the inventory last? What are the beginning and ending dates? How much additional time will be required for corrective action?

☐ Will your unit use its own personnel for the inventory/survey?

☐ What additional personnel do you need to complete the inventory/survey? How do you obtain them?

☐ What inventory training aids do you need? What aids are available?

☐ What other assistance is available for training?

☐ What controls need to be set up to ensure proper inventory/survey counts?

☐ How is a location survey conducted?

★ *Table 10-1. Inventory training checklist (continued)*

☐ What are the different kinds of inventories? When does your DSU perform each type? Are personnel trained for all types?

☐ Do inventory/survey personnel understand the stock location numbering system?

☐ Do inventory/survey personnel know how to recognize improper or unsafe storage practices? Do they know how to report them?

☐ Are serviceable and unserviceable supplies stored in separate locations?

☐ Are all broken and damaged items classified or repaired?

☐ Are all supplies in the correct locations? Do these locations match the locations on the locator file?

☐ Do personnel know how to recognize and compare stock numbers, nomenclature, and other entries on labels, packages, and count cards?

☐ Do inventory personnel know how to count and report the correct number of items in a package or on a pallet?

☐ Do inventory personnel know how to record recount information on location survey and inventory cards?

☐ Do the inventory supervisor, the storage supervisor, the accountable officer, and the stock control supervisor know how to reconcile storage records with inventory counts and with accountable records?

☐ Are personnel using LOGMARS-T properly trained in its use and functions?

PHYSICAL INVENTORIES

Inventories play an important part in keeping your storage and financial records straight. Without inventories, you would not discover posting errors. Some ways inventories help you are listed below.

• They find storage problems and errors. See Table 10-2.

• They find the total quantity of supplies on hand.

• They compare and adjust the recorded stock balances to match the on-hand quantities.

• They give the accountable officer the information he needs to compare his records with the records of the finance and accounting office during the annual audit.

PREPARATION

You and your personnel must ensure all inventories are thorough and conducted step by step. Keep in mind that your total inventory period must not exceed five workdays. This does not include the time that you and your personnel spend getting ready for the inventory or taking corrective actions after the inventory. As storage supervisor, you must publish an annual inventory schedule. Be sure to show the date of each inventory and list the types of items to be inventoried Distribute these schedules to all of your customer units. Table 10-3 lists inventory frequencies. Before you can decide what type of inventory to conduct, you need to know the number of transactions your DSU processes, quantity of items your DSU stores, kinds of supplies your DSU stores, and the mission of your DSU. You also need to know what coordination with other sections you will need before you begin the inventory. The three basic types of inventories at the DSU level are described below.

Scheduled Wall-to-Wall Inventory

In this type of inventory, you count all items in the entire storage section as of a certain date. During the inventory, you will not process receipts, and you will not issue stockage items unless they have PDs 01, 02, or 03 or are NMCS transactions. You can continue to process and issue nonstocked items not listed in your stock location files.

Table 10-2. Storage problems and errors

ERROR/PROBLEM	DESCRIPTION
Mixed stock.	Two or more national stock numbers stored in one location.
Questionable condition of items in stock.	Damaged items that need to be technically inspected to find out if they are unserviceable.
Questionable identity of items in stock.	Items that do not have stock numbers on their containers or that cannot be identified by storage personnel.
Unclear markings on containers or packages.	Containers or packages that do not have readable labels to help identify the items.
Improper stacking of supplies.	Supplies not stacked neatly and uniformly. Improper stacking can hide containers and crush or break supplies.
Multiple open boxes of supplies.	Boxes that have items missing. This can cause incorrect inventory counts or improper issues.

Table 10-3. Frequency of inventories

TYPES OF SUPPLIES	FREQUENCY	AUTHORITY
Sensitive items (items shown on the AMDF with SEC 1, 2, 3, 4, 5, 6, 8, N, P, Q, and R)	Quarterly	DA Pam 710-2-2
Controlled substances and tax-free alcohol	Quarterly	AR 40-61
Hazardous items	Quarterly	AR 40-61
Precious metals	Varies	AR 40-61
Medical items		AR 40-61
Communication security items	Semiannually	TB 380-41
Weapons and ammunition	Quarterly	AR 190-11 AR 710-2
Selection items	As directed by commander	AR 710-2 DA Pam 710-2-2

NOTE: All other items are inventoried ANNUALLY. Sample inventories are NOT permitted.

Scheduled Cyclic Inventory

You conduct this type of inventory weekly, monthly, or quarterly. In this inventory, you count only a part of your DSU authorized stockage and nonstockage items within a set timeframe. It is easier to conduct this type of inventory if you limit it to a specific storage area, a certain type of item, or a certain group of supplies. The two disadvantages to a scheduled cyclic inventory are explained below.

• Since inventory count cards are made only on those items listed on the stock record, the scheduled cyclic inventory does not account for unrecorded stock items. Also, since the primary location is the only location recorded on the ABF, you must instruct your inventory personnel to count all alternate locations for that particular item. Alternate locations are posted on the location placard or loose issue label located at the primary location and also on the alternate location card

for that particular stock number and condition code located in the locator deck.

★ • All locations are recorded on the ABF in SARSS. When an inventory on a stock number is initiated, all locations will be identified on the Inventory Count Control Document or downloaded to LOGMARS-T equipment. When operating with SARSS, there is no need to look manually for alternate locations.

• You must keep your DSU open for business during a cyclic inventory to process any item not involved in the inventory. You must also process inventory items if they have PDs 01, 02, and 03.

Special Inventory

A special inventory is not a scheduled inventory. You conduct a special inventory when you need to

count a certain item for a specific reason. These reasons are listed in Table 10-4. You must keep your DSU open for normal business during the special inventory to process all requests for items not being inventoried. If you receive a request for an item that is being counted hold it until after the inventory is finished. Make an exception when the request has a PD of 01, 02, or 03 or is an NMCS request. You have only 72 hours to conduct a special inventory. If you conduct an inventory because of an illegal forced entry into the warehouse, the SSA commander will decide which transactions the SSA will process and how long the SSA maybe nonoperational.

★ **NOTE:** You must conduct an unscheduled inventory each time you process a total or partial MRD. Count only the item in question, and compare this count with the quantity listed on the stock record.

★ Inventories Under the SARSS-1(I) Automated System

Although many of the measures taken to prepare and conduct an inventory are standard, there is specific procedural guidance for conducting inventories within the SARSS-1(I) automated system. It is in ADSMs 18-L19-AJH-BUR-UM and 18-L19-AJH-BUR-EM.

★ *Table 10-4. Reasons for a special inventory*

- A credit balance on hand occurs (negative balance).

- A materiel release denial occurs.

- A location survey finds an item in an unrecorded location or in an incorrect location.

- There is evidence of forced or unauthorized entry.

- The commander or an accountable officer directs that an inventory be conducted.

- There is a change of accountable officer.

Section II
The Location Survey

PREPARING FOR SURVEY

Before you and your personnel begin the inventory, you must conduct a location survey to make sure all data have been posted to the records and that all supplies are in the correct locations. A location survey is a check of the storage locations against the locations listed on the locator deck and stock records. During the survey, you compare the supplies in storage with the data on the locator cards to ensure they match. If there are any mistakes in the NSN, condition code, quantity, security code, or type of item, you must make these changes before the inventory begins. Chapter 6 explains how to make location changes. As storage supervisor, you must update or write an SOP covering all parts of the location survey. Be sure to include--

- Purpose and objectives of the survey.
- Time frame outline for conducting the survey.
- Assignment of survey supervisor and survey team.
- Cutoff dates for shipping and receiving sections.
- List of areas not included in the survey.

• Reporting date, reporting point, and schedule for survey team members.

• Explanation of training for survey team members.

• Explanation of the duties of the survey team members.

★ PERFORMING THE SURVEY

A location survey is a physical check of actual storage locations against items recorded on the ABF. This survey is very important to ensure storage of items in the locations identified on the ABF. It is usually done once a year or prior to a wall-to-wall inventory. Also, during daily operations, it maybe necessary to relocate items to store material correctly. Report these location changes promptly to the SCS, MMC, or the SARSS document control section. To conduct the survey, the survey teams compare each location survey work card with the data on the bin label or item placard at each storage location. The procedures they use for locating, marking, and recording the storage locations and errors depend on whether your DSU uses pre-printed or handmade location survey work cards and location listings. Specific procedural guidance for conducting the location survey within SARSS-1(I) is in ADSMs 38-L19-AJH-BUR-UM and 18-L19-AJH-BUR-EM.

USING HANDMADE LOCATION SURVEY WORK CARDS

If your DSU keeps a manual locator file or if it does not use a locator deck, your location survey teams must write all the location data on blank DA Forms 2000-3. You must also give these cards serial numbers for control purposes. Number the first card 00001. (NOTE: This change deletes Figures 10-1 and 10-3.)

NOTE: Sometimes it is not convenient for a DSU to use DA Form 2000-3 for the location survey. When your unit is not using DA Form 2000-3, be sure your local storage SOP explains what form and procedures to use.

PROCESSING MANUAL LOCATION SURVEY WORK CARDS

The survey supervisor should check the location survey work cards (DA Forms 2000-3) to ensure they are in the correct serial number order and no cards are missing. The supervisor should make a note of the beginning and ending numbers for later reference. For example, if the last card is numbered 02508, all cards from 00001 to 02508 must be turned in when the survey is finished. The supervisor should also record the survey date and starting time. He should give each survey team a stack of cards to use to record the location information. He should log the cards out by listing each soldier's name and card numbers. Survey teams should go to each location. They should first ensure the information on the label and card matches the supplies in the location. Then they copy the information from the bin label or placard onto a survey work card. If there is more than one NSN in a location, the team should contact the storage and survey supervisors. The supervisors will check the locator deck for the correct locations of the items and move the supplies to the right places. If there are supplies in a location that does not have a bin tag or placard, the survey team should notify the storage supervisor. He will help identify the supplies and have a bin label made. The team then copies the information onto the survey work card. As the teams copy the information from the locations onto the cards, they should place the completed cards at the locations where they can be seen easily. This will let other teams know that the locations have been checked. Figure 10-2, page 10-9 shows the positioning of the work cards. After the teams finish, the survey supervisor should check the storage areas to make sure all locations have cards. If a location has no DA Form 2000-3, the supervisor must send one of the survey teams to the location to make a new survey work card. After checking all locations, the supervisor should have the survey teams collect the cards in location sequence. Then the supervisor should check both used and unused cards by serial number to see if any are missing. The survey supervisor then records the survey completion time. If any cards are missing, the teams must make a thorough search for them. If a missing card cannot be found, the survey supervisor

should make a replacement, using a blank DA Form 2000-3. You must number the new card with the serial number of the missing card. Then the supervisor sends a survey team to the location that is without a card to fill out the new card from the data on the bin label. After all the cards are turned in, the survey supervisor checks the cards to see that they are filled out correctly. He then sends them to the locator section. The locator clerk puts the cards in the same location order as the active locator file. He compares them to see if any locations are missing or if there are differences in entries, such as nomenclature, NSN, or condition code. If there are differences between the cards and the locator file, the locator clerk must notify the storage supervisor of the problems. The supervisor sends a survey team to the location to check the card to see if any of the information was copied wrong. If no mistakes were made, the storage supervisor must have storage personnel make the necessary corrections to the locator deck so the data on the deck will match those given on the stock location survey cards. Chapter 6 explains how to make location additions, deletions, and changes. The storage supervisor must also have storage personnel correct any problems found during the location survey, such as mixed stock, unidentified stock, open containers, and items in more than one location. After checking all cards and correcting all problems, the survey supervisor will send the stock location cards through the storage supervisor to the SCS. The SCS will make the necessary additions, deletions, and changes to the stock records and return the cards to the storage supervisor. The storage supervisor should file the survey work cards in the completed survey file until completion of the the next location survey.

USING PREPRINTED LOCATION SURVEY WORK CARDS

If your DSU works under the automated system of DS4, the location survey work cards will be printed by machine. The stock control or ADP section of your DSU will make a copy of all cards in the original locator deck in location order, using DA Form 2000-3. The survey teams will use blank cards to list data for any location that has no preprinted location survey

card. The ADP section will also prepare three computer printouts when it makes the location survey cards. The first printout is in NSN sequence and lists all the survey work cards. The second is in location sequence and also lists all the survey work cards. The third is a location error list of all errors recorded on the ABF. Refer to TM 38-L32-12, Chapter 7, for an explanation of the location error list. When you get the location survey work cards and the printouts from the ADP section, you must first correct all the errors that are annotated on the location error list. Once all errors are corrected and the corrections noted on the printouts that are in NSN and location sequence, give one copy of each printout and the survey work cards to the survey supervisor. Be sure both of you update and correct your printouts as the survey teams check each location.

★ USING SARSS LOCATION SURVEY LISTING

If your DSU works under the SARSS automated system, the location survey will be output in computer printout format. PCN: AJH-104 will be in location sequence. PCN: AJH-113 will be in stock number sequence. TM 38-L19-2 gives a detailed explanation of these listings. *NOTE: No cards will accompany these listings.* (NOTE: This change deletes Table 10-5.)

★ CORRECTING LOCATION SURVEY PROBLEMS AND STORAGE ERRORS

During the physical location survey, the survey teams will usually find storage problems such as mixed and unidentified stock and other minor errors. If these problems are found in a location survey where manually completed cards are used, the survey teams should contact the survey supervisor. He should keep track of the problems and their locations and work with the storage supervisor to make sure they are corrected.

COMPARING SURVEY RESULTS WITH STOCK RECORDS (MANUAL PROCEDURES)

After the survey teams have finished the survey, you and the stock control supervisor need to compare the survey results with the stock records. Do this AFTER

making all corrections and posting them to the new locator file. You and the stock control supervisor must match stock number, location, UI, and condition code of all changed and corrected locator cards with the stock records. Table 10-6, page 10-10 shows you what actions you must take when the stock records and the location survey cards do not agree. Before you take the cards to the SCS, your stock locator clerks will need to check each corrected locator card against the AMDF to ensure the NSNs and other codes agree. They should make necessary changes to the locator cards at this time. When matching the locator cards against the stock record, change the stock record if the data do not match. The stock control supervisor will leave the quantity blank on the new stock record card until a physical inventory is taken. After reconciling the stock record and the locator file, you must ensure posting of all changes to the location deck, the bin labels and placards, materials in storage, and any other records your locator section may use.
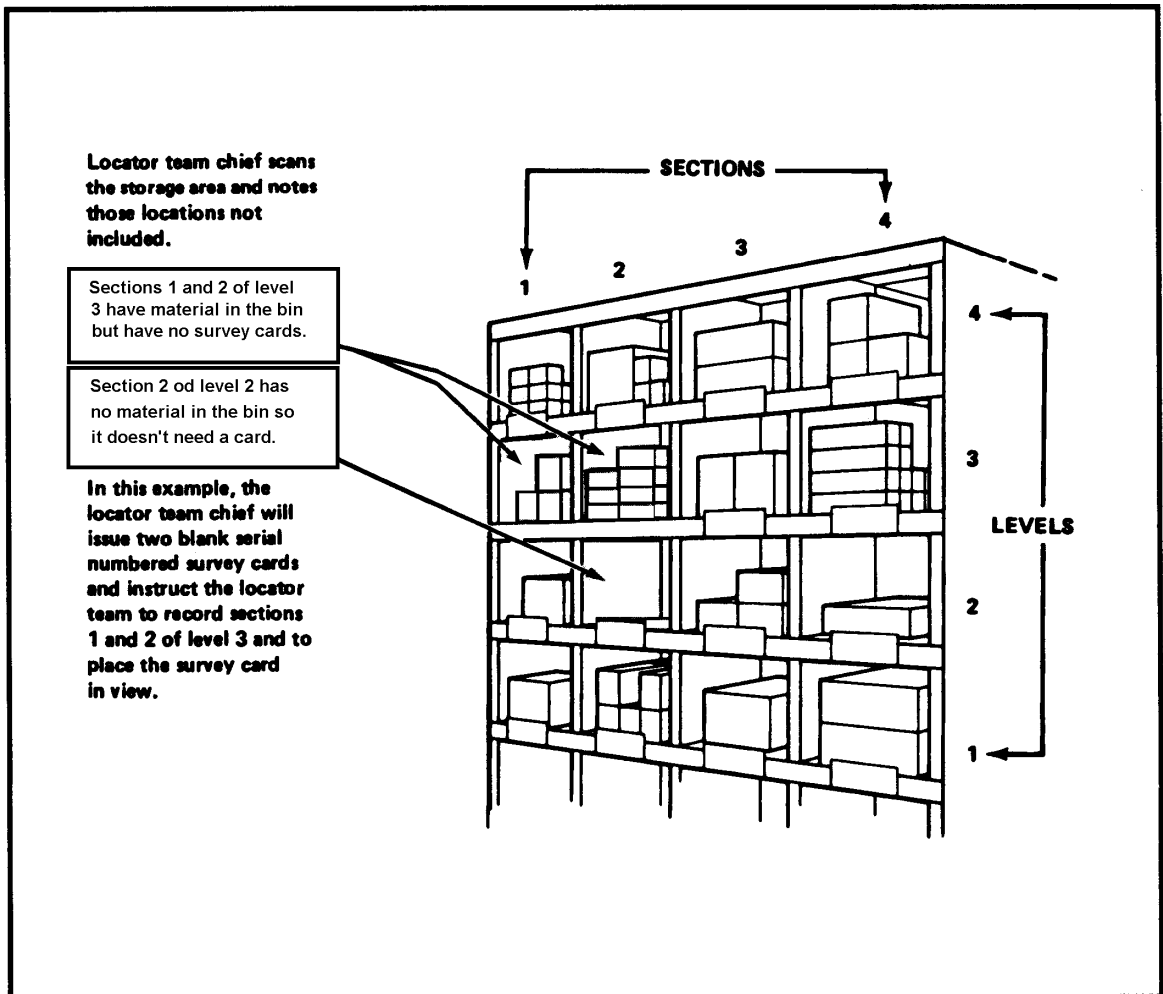
Figure 10-2. Positioning of completed location survey work cards

Table 10-6. Locator card and stock record card reconciliation table

	STOCK NUMBER	LOCATION NUMBER	NOUN NOMEN	UNIT OF ISSUE	ACTION REQUIRED
LOCATOR CARD MATCHES STOCK RECORD CARD	Yes	Yes	Yes	Yes	None.
	Yes	No	Yes	Yes	Change stock record card location number to agree with locator card.
	Yes	No	No	Yes	Same as above. Verify with AMDF. If stock record card is correct, change locator card, bin tag, and material. If stock record card is not correct, change stock record card.
	Yes	Yes	No	Yes	Same as above.
	Yes	No	No	No	Same as above.
	No	NA	NA	NA	Verify with AMDF. If stock number is changed, correct locator card, bin tag, and material, then match to stock record card. If stock number is valid and no match to stock record card, prepare new stock record card.

Section III
Preinventory Procedures

SETTING UP CONTROLS

The actions you must take before the inventory begins are as important as the counting of supplies. You must work with the other section chiefs to setup reasonable cutoff dates. On these dates, you must stop all incoming receipt documents and related actions so the inventory records can be caught up to a specified date. You decide on a specific beginning date for the inventory and a date for reconciling balances. It is a

good idea to know these dates at least 30 days before the inventory cutoff time so you can notify all supported units that will be affected by the inventory. Table 10-7 shows all the actions you will need to coordinate when you plan an inventory. You can use this as a checklist.

SETTING CUTOFF CONTROLS ON RECEIPTS

You will need to work with the accountable officer and the stock control, shipping, storage, and receipt section chiefs to decide on a cutoff date for receipts. You must decide if the receipt section will begin using a receiving cutoff control register on the cutoff date. This register makes it easier to keep up with the status of all documents your DSU receives during the inventory period. There is no set format for the register. Figure 10-4, page 10-13 shows a sample register. Actions you need to take when you receive documents before the cutoff date, and those you need to take when you receive documents after the cutoff date, are described below.

Documents Received Before the Cutoff Date

Once the cutoff date is set, the receipt section must mark or stamp all incoming documents "BEFORE INVENTORY." This helps separate those

receipts from the ones received after the cutoff date. On the cutoff date, the receipt section must hold all new documents until after the inventory. By keeping the stock record and the locator deck frozen until after the inventory is completed, you will keep the inventory count the same throughout the inventory period. The day before the inventory begins, you must check to ensure all documents marked "BEFORE INVENTORY" have been posted. Compare the receiving control register with the stock record. All items listed on the register should also be listed on the stock record. Also, check the storage section to ensure all supplies received before the cutoff date have been moved from the receipt section into storage locations. Your receiving section will process all nonstockage list items as normal since they do not affect the ABF.

Documents Received After the Cutoff Date

Your receiving section soldiers must mark "AFTER INVENTORY" on all documents received tier the cutoff date. They must also separate these documents from those marked "BEFORE INVENTORY" so they will not be counted. To help the inventory teams, you should move all documents and items received after the cutoff date to a separate storage area. If you do not have enough room to set these items aside, ensure each item involved is marked with a "DO NOT INVENTORY" sign.

Table 10-7. Coordination of activities for an inventory

☐ Conduct location survey.

☐ Establish shipping cutoff. On cutoff date, freeze the posting of MROs. Use shipping cutoff control register to process and/or account for outstanding MROs.

☐ Establish receiving cutoff. On cutoff date, freeze new receipts and segregate. Process all old receipts. Use receiving cutoff control register to trace postings to stock records.

☐ Stock records section posts all receipts after cutoff date.

Table 10-7. Coordination of activities for an inventory (continued)

☐ Cutoff date.

☐ Process outstanding MROs.

☐ Conduct physical inventory. Perform recounts where necessary. Reconcile outstanding MROs for bulk items.

☐ Post accepted count cards to stock records. Prepare IAR.

☐ Lift the freeze on issuance of MROs.

☐ Lift the freeze on receipts.

☐ Prepare reports of survey.

☐ Perform inventory recomputations.

☐ Resume normal operations.

☐ Turn in excess according to AR 710-2.

NOTE: Workdays required will vary according to size of inventory and transaction volume.

DATE RECEIVED	STOCK NUMBER	DOCUMENT NUMBER	QUANTITY	DATE POSTED TO STOCK RECORD
OCT 83	2820002824466	41950001	5 EA	3 OCT 83
OCT 83	2910001642232	42010001	1 EA	3 OCT 83
OCT 83	5		16 EA	
OCT 83	5		20 DZ	3 OCT 83
24 OCT 83	7840009261492	42200007	8 EA	
24 OCT 83	9695000382197	42290001	12 EA	7 OCT 83

These "floating reciept documents" must be located and posted to stock record cards before the inventory.

Figure 10-4. Receiving cutoff control register

SETTING CUTOFF CONTROLS ON MATERIEL RELEASE ORDERS

You and the accountable officer need to decide on a cutoff date for processing MROs. (They are described and explained in Chapter 8.) After this date, the stock record section must post only MROs for high-priority (PDs 01, 02, and 03) requisitions or for nonstocked items. You also need to decide if the SCS will use an MRO cutoff control register during the inventory. This register helps keep track of all MROs and shows you which ones have been filled. There is no set format for the register (manual procedures only). Figure 10-5 shows a sample MRO register that includes all the information you will need to list. If you decide to use a register, the stock control supervisor must ensure that personnel number and date all MROs they receive daily. Your personnel must list, by serial number, all MROs sent to the pickup point before the cutoff date in the Date To Shipping/ Pickup Point column of the register. On the cutoff date, you and the stock control supervisor must check the register to ensure all MROs listed have been sent to the pickup or shipping section. If you find MROs with no entry in the Date To Shipping/Pickup Point column, you will know that these MROs have not been processed. You and the stock control supervisor must locate and account for all MROs that are outstanding. To ensure that the listed supplies are ready for inventorying, you must change the count in the SCS and send the MRO back to the receiving section or move the supplies and the MRO to the issue/ shipping section. If you have any MROs that are outstanding for items such as lumber or barricade materials, send the MROs to the SCS or to the inventory supervisor so the inventory count can be changed. Because of their size, do not send these items to the issue point for loading. Therefore, even though the MROs have been processed, count bulk items as part of the stored supplies since they are kept in the storage section until they are loaded.

GETTING AN INVENTORY VOUCHER NUMBER

You will need to contact the stock control supervisor for an inventory voucher number before the inventory begins. A special number from the DA Form 272 (Register of Vouchers to a Stock Record Account) is assigned for each inventory.

CONTROL NUMBER	STOCK NUMBER	DOCUMENT NUMBER	QUANTITY	DATE TO SHIPPING/ PICKUP POINT
0001	2820004449618	32010002	3 EA	4 OCT 83
0002	2821001162213	32010001	2 EA	
0003	4718001821419	32000001	5 EA	4 OCT 83
0004	5625002162981	32010008	1 EA	4 OCT 83
0005	32180019618		EA	4 OCT 83
0006	11260000026		A	4 OCT 83
0007	99673	32010001		OCT 83
0861				
0862	2736002198736	32020001	2 EA	
0863	6119001963745	32190001	2 EA	
0864	7536002011918	32190001	5 DZ	21 OCT 83
0865	8210001962222	32200001	1 EA	23 OCT 83

These outstanding material release orders must be processed or accounted for before the inventory.

Figure 10-5. MRO cutoff control register

When you and the inventory supervisor get the inventory count cards and the machine listings, you will find this number on each card and on each page of the listing. You will use this number later when you make stock record adjustments with DA Form 444 (Inventory Adjustment Report) and DA Form 4697 (Department of the Army Report of Survey). Figure 10-6 shows entries on a DA Form 272.

PREPARING INVENTORY COUNT CARDS

When your DSU accountable officer receives the MRO cutoff dates, he tells the ADP section or the SCS to make inventory count cards. These are preprinted DA Forms 2000-3 for the inventory teams to use to record the supply count during the inventory. Figure 10-7 shows preprinted (machine-prepared) and manually-prepared inventory count cards. The SCS will make a card from each item listed on the stock record to be inventoried. The data to be listed on a preprinted card and a manually-prepared card are given below.

Preprinted Cards

Preprinted cards must include the following:
- DIC YDK.
- NSN.
- UI.
- Quantity.
- Inventory voucher number.
- Inventory cutoff date.
- Inventory serial number.
- Storage location.

- DSU code.
- Condition code.
- Storage location code C (if location changed).
- Inventory count code.
- Date posted and counter's signature.
- Date and recorder's signature.

The SCS puts the cards in location order. They are numbered from 0001 to 9999 so you can tell how many items will be involved in the inventory. This helps the inventory supervisor keep track of the cards. The SCS also puts serial numbers on some blank cards so that the inventory teams can make a card for any item that does not have a preprinted card.

Manually-Prepared Cards

If your DSU does not have the use of ADPE, your ADP and SCS personnel must work together

to fill out the inventory count cards by hand. You must check the cards to make sure they have the following:

- DIC YDK.
- Special interest code.
- Supply category of materiel code.
- Pilferable item code.
- NSN, MCN, or MPN.
- UI code.
- Voucher control code.
- Inventory cutoff date (Julian date).
- Inventory count serial number.
- Storage location.
- DSU code.
- Condition code.
- Inventory count code (1, 2, or 3).

Ensure count cards are made for all items on the stock record, even those that show a zero balance. When your personnel have completed the cards,

DODAAC	PAGE NUMBER			SUPPLY SUPPORT ACTIVITY		REGISTER OF VOUCHERS TO A STOCK RECORD ACCOUNT	
WK4ABC	5			156TH MAINT BN		FOR THE USE OF THIS FORM, SEE DA PAM 710-2-2, THE PROPONENT AGENCY IS THE OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS.	
DATE	SERIAL	PD	DATE COMPLETE	TO/FROM	STOCK NUMBER	ITEM NOUN	REMARKS
3159	7002	D	3/89	AKZ	6140000572553	BATTERY	
3230	7001	D	3285	AKZ	6140000572553	BATTERY	1ST PARTIAL REC'D 3246
3323	7001			59I	5330007998905	PACKING	
3323	7002			59E	5935008126347	CONNECTOR	
3323	7003	D	3343	N32	5962008168858	MICROCIRCUIT	
3323	7004	C	3323	B16	7920011016686	BRUSH	SHIPPED TO WK4987
3323	7005			AKZ	2940000000145	FILTER ELEMENT	
3323	7006			59E	5955000037594	CRYSTAL UNIT	
3323	7007			59G	6220000253675	CAP	
3323	7008			59G	6220000253697	LENS	
3323	7009	D	3010	AKZ	6140000572553	BATTERY	
3363	7001	D	3363	B17	2995000282242	CLUTCH	FOUND ON INSTALLATION
3363	7002			59C	2510000306537	REAR WINDOW	
3363	7003	D	3021	AKZ	6140000572553	BATTERY	

DA FORM 272
JAN 82

EDITION OF DEC 57 IS OBSOLETE.

Figure 10-6. Entries on a DA Form 272

Figure 10-7. Preprinted and manually-prepared inventory count cards

they must put them in location order and number them. Be sure they also number some blank cards for the inventory teams to use. After the inventory count cards are completed and numbered, you must give the stack to the inventory supervisor. He will check them and then issue them to the inventory teams to use to record the supply count.

PREPARING INVENTORY COUNT CARD CONTROL LISTINGS

At the same time they make the inventory count cards, the ADP or SCS of your DSU will also make two separate control listings from the information on the count cards. If your DSU does not have ADPE available, your ADP and SCS personnel must work together to prepare two listings manually. One of these listings will go to the inventory supervisor for controlling the inventory. The other will go to the accountable officer for accountability adjustments and budget reporting. Ensure these listings do not include items in the RX, CIF, QSS, SSSC, and shipping and receiving sections.

Accountable Officer's Listing

This listing must include the following:
- Count card serial number.
- NSN of item.
- Name of item.
- UI.
- Condition code of item.
- Security and pilferage code of item.
- Unit price.
- Recorded balance on stock record.
- Location code.

Figure 10-8 gives an example of a page of the control listing made for the accountable officer. He must keep this list in a secure place. He must not let storage personnel use it. He will use the listing when he reports and reconciles his records with the installation FAO.

Inventory Supervisor's Listing

This listing has less detail than the listing the accountable officer needs. Figure 10-9 gives an example of a page of the control listing made for the inventory supervisor. His list must include the inventory count card serial number, NSN of item, name of item, and location code. After completing the listings, the SCS will send them to you along with the inventory count cards. Check them to ensure they are ready for the inventory. Give them to your locator clerk to check against the location file. He compares the cards, the listings, and the locator file to see if there are any differences. The clerk also must check to see if there are any locator cards that have multiple locations in the locator deck. If so, he checks to see if inventory count cards have been made for these locations. If a locator card has no matching inventory count card, the next numbered blank count card must be filled out using the information on the locator card. After checking the cards, the locator clerk will give the count cards and listings back to you. After you have looked over the listings and cards for any mistakes, give the accountable officer a copy of the listing. As soon as you give the inventory supervisor the listing and the deck of inventory count cards, the inventory can start.

PREPARING STORED ITEMS FOR INVENTORY

You must try to maintain stored supplies in the most secure manner possible. As storage supervisor, you must also ensure your personnel use the proper storage techniques and that they follow all guidelines given in DOD 4145.19-R-1 for storing supplies. However, before each inventory, there are special actions to take that will make the inventory go smoothly and quickly. These actions will also help ensure an accurate inventory count. You must ensure—
- All supplies are properly identified and clearly marked.
- All supplies not to be counted are marked with DO NOT INVENTORY signs.
- All supplies are stored in the least number of separate locations.
- All opened containers either contain the quantity listed or have the new quantity marked on the outside of the container.
- All supplies stored on pallets are placed neatly and uniformly to make counting easier.
- All members of the inventory teams are given enough on-the-job training to do the following: Fill out inventory count cards correctly, identify all items being inventoried, and count all types of packaged items. They must know and follow safety and security requirements.

VOUCHER NUMBER 350
PAGE 1 OF 3

NOUN	*STOCK NUMBER	*UNIT OF ISSUE	*COND CODE	*LOCATION NUMBER	*COUNT CARD SERIAL NUMBER	UNIT PRICE	RECORD BALANCE	COUNT QTY	QTY OVER/ SHORT	EXTENDED DOLLAR VALUE QTY OVER/SHORT
Spring	1040000100047	EA	A	WO135	001	.50	0010			
Mod Kit	1560000105476	EA	A	LO348	002	1.65	0015			
Mod Kit	1560000105476	EA	F	LO349	003	1.65	0002			
Tire Pnue	2610000234692	EA	A	K7714	004	.95	0000			
Shim	2510002340481	EA	F	P3326	1241		0009			
Gear	5310002378633	HD	A	B0024	1242	10.14				
Guide	2530002389139	PR	A	D0126	1243	1.50	0350			
Guide	2530002389139	PR	F	D0127	1244	1.50	0001			
Washer	5305002398038	HD	A	E0112	1245	.06	0000			
					1441					
					1442					
					1443					
					1444					
					1445					

OPTIONAL	1205	Serviceable count cards produced
	40	Unserviceable count cards procudced
	1245	Total count cards produced
	200	Blank count cards produced
	1446	Next count card number for voucher number 350

* Minimum entries for an automated system

Figure 10-8. Accountable officer's inventory count card control listing

VOUCHER NUMBER 350
PAGE 1 OF 3

NOUN	*STOCK NUMBER	*UNIT OF ISSUE	*COND CODE	*LOCATION NUMBER	*COUNT CARD SERIAL NUMBER
Spring	1040000100047	EA	A	WO 135	001
Mod Kit	1560000105476	EA	A	LO348	002
Mod Kit	1560000105476	EA	F	LO349	003
Tire Pneu	2610000234692	EA	A	K7714	004
Modifier	2510000875526	EA	A	WO126	005
Modifier	2510000875526	EA	F	WO127	006
Adapter	2840001112986	EA	A	B0252	007
Shim	2510002340461			P3325	
Shim	2510002340481	EA	F	P3326	1241
Gear	5310002378633	HD	A	B0024	1242
Guide	2530002389139	PR	A	D0126	1243
Guide	2530002389139	PR	F	D0127	1244
Washer	5305002398038	HD	A	E0112	1245

OPTIONAL   1205   Serviceable count cards produced
  40   Unserviceable count cards produced
  1245   Total count cards produced
  200   Blank count cards produced
  1446   Next count card number for voucher number 350

*Minimum entries for an automated system

Figure 10-9. Inventory supervisor's inventory count card control listing

Section IV
The Inventory

WORKING WITH KEY INVENTORY PERSONNEL

You work with many people when you set inventory controls and when you conduct the inventory. You need to know the duties of the major inventory personnel. They are described in this paragraph.

Inventory Supervisor

The inventory supervisor is assigned to the DSU accountable officer for the entire inventory period. He is in charge of the inventory and the inventory count teams. The inventory supervisor may not normally be assigned to your DSU. However, he will be attached to your unit until the inventory count is posted to the stock record. It is his job to instruct and train inventory count teams in the correct inventory procedures. He is responsible for controlling and checking all inventory count cards and control listings before, during, and after the inventory to ensure they are complete and without errors. You will need to help him with any storage problems or mistakes which the teams find and with any inventory difficulties.

Inventory Count Teams

These teams consist of a counter and a checker or recorder. Because wall-to-wall inventories are so large and must be completed within five working days, you may need six or more teams working at the same time. Normally, they may not be assigned to your storage section. If you do not have enough personnel to help with the inventory, you can borrow the teams from other supply and local activities such as your DSU SCS or the SSSC. The teams come under the direct control of the inventory supervisor.

Stock Control Supervisor

The stock control supervisor is one of the most important persons you work with in setting up and conducting the inventory. His section is in charge of making all inventory count cards, the control listings, and any other automated documents you may need. Section personnel are also responsible

for numbering the cards and listings with the inventory voucher numbers and serial numbers needed for control purposes. You work closely with the stock control supervisor when you set the cutoff dates and when you verify and post the inventory counts to the stock record. He helps you figure and prepare the inventory adjustments and budget information for the accountable officer.

ISSUING ITEMS DURING THE INVENTORY

If at all possible, your storage section personnel should not make issues during an inventory since the chance of making errors increases when issues are made while counting is in progress. However, you must fill all requests and issue supplies for high-priority items (PDs 01, 02, and 03) and NMCS items. If you receive a priority request for issue when the inventory teams are counting, the inventory supervisor should hand-carry the MRO to the storage location. If the requested item has already been counted, the inventory supervisor pulls the item from storage and subtracts the amount being issued from the total quantity listed on the count card. He must be sure to write the MRO document number on the count card when he writes the number of items he is subtracting. He can then move the item to the issue/shipping section. If an item being issued has not been counted, the inventory supervisor should write the amount that he is pulling from storage on the count card. He also should write a short note on the count card explaining what he did. Then he issues the items in the normal way and processes the MRO document following the instructions in this chapter. You may issue nonstockage list items processed through the receiving section to customer units since they do not affect the ABF. If your DSU works under an automated system such as SAILS or DS4, you may have to use a reverse procedure when you issue supplies during an inventory. This will freeze the inventory record until the count card is accepted. You make issues under this kind of system on a postpost basis. Do not record a

postpost transaction until after the inventory. Check TMs 38-L03-17 and 38-L32-12 for the procedures to use under SAILS and DS4 when you need to issue an item during the inventory.

INVENTORYING LUMBER

The general inventory procedures in this chapter also apply to inventorying lumber. Some special inventory differences to make your job easier are described below.

Measuring Lumber

When you speak of lumber size, you are talking about its thickness and width. For example, a 2- by 4-inch piece of lumber is actually 2 inches thick and 4 inches wide *before* it is milled. After it has been seasoned and milled, its thickness and width will be less. However, it is still called a 2 by 4. This is nominal thickness and width. You measure most lumber in the Federal Supply System in terms of board feet. Figure the board feet of a piece of lumber by multiplying its thickness (in inches) by its width (in inches) by its length (in feet) and dividing by 12. If you have more than one piece of lumber the same size, once you figure the board foot measurement of one piece, multiply it by the number of pieces. When you have a large quantity of lumber to inventory, use Table 10-8. This table shows the board foot calculations for different sizes of lumber.

Using Stock Records

You can find out how much lumber you have on hand by checking the stock records for the different types of lumber. Since all stock records are kept in NSN order, you need to know the NSN for each kind of lumber that you stock. To find the NSN for a piece of lumber, you need to know the size, kind, and use of the piece of lumber. You also need to know the FSC code. The FSC code for lumber is 5510. Get the other information by checking and measuring the lumber in question. When you have this information, check the Federal Supply Catalog identification listing. These listings are issued quarterly on microfiche. The SCS or the editing section of your DSU should have a copy. The listings are made in FSC-code sequence to help you locate items easily. Look under the FSC code 5510 until you find the description of the lumber you are inventorying. The description also will list the NSN. After you find the NSN, check the stock record for this number. It will give the total number of board feet which you have on hand for that piece of lumber.

Recording Lumber Counts

You inventory lumber by size and length. When you make a count card on lumber, you must relabel some of the columns. Figure 10-10 shows how to relabel the count card. It also shows which section of the card the inventory team fills out and which section the SCS fills out after the inventory.

PERFORMING THE INVENTORY

After completing the preinventory actions, you are ready to start the inventory. The inventory supervisor assigns the inventory teams to specific portions of the storage areas and gives them the count cards for those areas. He should log the names of the team members and the serial numbers of the count cards he gives them to his count card control listing. He will use this listing to keep track of all the cards. The steps in the inventory are described below.

Counting Stock

The teams go to the storage locations listed on the count cards. At each location, the counter reads aloud the location, stock number, and UI from the bin label and supply containers. The recorder compares this information with the data listed on the count card.

Loose stock. If the location is filled with loose stock, the counter will count each item and tell the recorder the total number of supplies in that location. Since the supplies are not in packages as listed on the count card, the team should write the word "LOOSE" on the card and enter the final count in the Total Quantity column. Figure 10-11 shows a count card prepared for loose stock.

Packaged stock. If the location has supplies that are in packages or boxes, the counter calls out the number of packages and the number of supplies in each package. The recorder writes this information in the correct columns and multiplies the two figures. He writes the total in the Total Quantity column. Figure 10-12 shows a count card prepared for packaged stock.

Table 10-8. Lumber measurement conversion table

NOMINAL CROSS SECTION	8 FEET	10 FEET	12 FEET	14 FEET	16 FEET	18 FEET
Inches	Board feet	Board feet	Board feet	Board feet	Board feet	Board feet
1 x 2	1 1/3	1 2/3	2	2 1/3	2 2/3	3
1 x 3	2	2 1/2	3	2 1/2	4	4 1/2
1 x 4	2 2/3	3 1/3	4	4 2/3	5 1/3	6
1 x 6	4	5	6	7	8	12
1 x 8	5 1/3	6 2/3	8	9 1/3	10 2/3	15
1 x 10	6 2/3	8 1/3	10	11 2/3	13 1/3	18
1 x 12	8	10	12	14	16	9
1 1/2 x 4	4	5	6	7	8	9
1 1/2 x 6	6	7 1/2	9	10 1/2	12	13 1/2
1 1/2 x 8	8	10	12	14	16	18
1 1/2 x 10	10	12 1/2	15	17 1/2	20	22 1/2
1 1/2 x 12	12	15	18	21	24	27
2 x 4	5 1/3	6 2/3	8	9 1/3	10 2/3	12
2 x 6	8	10	12	14	16	18
2 x 8	10 2/3	13 1/3	16	18 2/3	21 1/3	24
2 x 10	13 1/3	16 2/3	20	23 1/3	26 2/3	30
2 x 12	16	20	24	28	32	36
3 x 4	8	10	12	14	16	18
3 x 6	12	15	18	21	24	27
3 x 8	16	20	24	28	32	36
3 x 10	20	25	30	35	40	45
3 x 12	24	30	36	42	48	54
4 x 4	10 2/3	13 1/3	16	18 2/3	21 1/3	24
4 x 6	16	20	24	28	32	36
4 x 8	21 1/3	26 2/3	32	37 1/3	42 2/3	48
4 x 10	26 2/3	33 1/3	40	46 2/3	53 1/3	60
4 x 12	32	40	48	56	64	72
6 x 6	24	30	36	42	48	54
6 x 7	28	35	42	49	56	63
6 x 8	32	40	48	56	64	72
6 x 10	40	50	60	70	80	90
6 x 12	48	60	72	84	96	108
7 x 9	42	52 1/2	63	73 1/2	84	94 1/2
8 x 8	42 2/3	53 1/3	64	74 2/3	85 1/3	96
8 x 10	53 1/3	66 2/3	80	93 1/3	106 2/3	120
8 x 12	64	80	96	112	128	144

NOTE: This table should be copied and placed in the lumber storage area. It can be used in computing board footage if the number of pieces needed is known. Thus, 1,000 2 x 4's 12 feet long would contain 8,000 board feet of lumber.

These entries are made by the inventory team.

These entries are made by the stock control section.

1. Change number of pallets to number of pieces.
2. Change packages per pallet to length in feet.
3. Change quantity per package to board feet per length.
4. Change total quantity to total quantity in board feet.

Figure 10-10. Inventory count card relabeled for lumber

Palletized stock. If the supplies to be counted are stored in boxes on pallets, the counter calls out the number of pallets, the number of packages on each pallet, and the number of supplies in each package. The recorder writes this information in the correct columns, multiplies the figures, and writes the total in the Total Quantity column. If an inventory team has a preprinted count card with a location listed, make sure that the team checks all storage areas for missing supplies before it marks the quantity as zero. Figure 10-13 shows a count card prepared for palletized stock.

Completing the Count

After the team writes all the information on the count card, both the counter and the recorder should sign and date the card. Figure 10-14 shows a completed count card signed by the counter and recorder. They must place the card on the location where it can be easily seen. Then they go to the location listed on their next count card. When the count team has filled out all the cards, signed and dated them, and placed them at the locations, the inventory team will tell the inventory supervisor that it has finished the count.

Inspecting the Area

When all the teams have finished counting, the inventory supervisor must inspect the storage area to ensure all locations have a count card posted. If he sees a location without a count card,

Figure 10-11. Count card for loose stock

Figure 10-12. Count card for packaged stock

	NUMBER OF PALLETS	PACKAGES PER PALLET	QUANTITY PER PACKAGE	TOTAL QUANTITY
	1	20	2	40
	3	12	2	72
			TOTAL	112

Figure 10-13. Count card for palletized stock

	NUMBER OF PALLETS	PACKAGES PER PALLET	QUANTITY PER PACKAGE	TOTAL QUANTITY
	1	20	1	20
	1	13	1	13
			TOTAL	33

COUNTER AND DATE 3/57 Dick Green
RECORDER AND DATE 3/57 Paul Wilson

Figure 10-14. Count card completed by inventory team

he should give a blank, serial-numbered card to the count team and have them inventory the location and fill in all the identification data on the card. If the location is listed on his control listing, he can fill in the data before he gives the card to the count team. The inventory supervisor must list all missing count cards on his control listing. He must also list the inventory totals of any new cards that were made. The SCS will need this information to check the stock record and to make sure that these items are listed as part of the stock.

Completing the Inventory

The inventory supervisor must account for all count cards by serial number. He can use his control listing to check off the cards as he gets them. He should also check each card to see if it has been filled out correctly. Once all corrections are made, he should put the cards into location sequence. He can use his location listing to help determine the order in which they should go. After the cards are in order, he should give them to you to take to the accountable officer.

ACCEPTING THE COUNT

After the accountable officer receives the count cards, he checks off their serial numbers on his control listing. Once he is satisfied that no cards are missing, he writes the unit price and total quantity from the control listing onto each card. After he writes this data on the cards, he compares the total quantity the inventory team counted with the quantity that he wrote on the card. If the quantities match, he check marks the Accept box. He does the same for each card in the stack. Figure 10-15 shows sample cards, with matching and different totals, that have been accepted. If the count of the inventory team is different from the total listed on the control listing, the accountable officer must take the following steps:

 • Figure the amount short or over that the inventory team found for the item.

 • Figure the amount of money this overage or shortage represents by multiplying the difference by the unit price.

 • Write this figure on the count card.

If the quantities do not match, he can still accept the count if the adjusted value is $50 or less and the

item does not have an SEC on the AMDF of 1, 2, 3, 4, 5, 6, 8, N, P, Q, or R. CDA Pamphlet 18-1 explains these codes.

REQUESTING A RECOUNT (MANUAL PROCEDURES)

There are times when the inventory team count and the total listed on the accountable officer's control listing do not match. This does not always require a recount. Under certain conditions, the count can still be accepted as valid. However, the accountable officer *must* have the items recounted when it is determined that the adjusted value is more than $50 or the item is sensitive or controlled, To tell if the item is a sensitive or controlled item, the accountable officer checks the item NSN on the monthly AMDF. If the SEC column has a 1, 2, 3, 4, 5, 6, 8, N, P, Q, or R, the item is sensitive or controlled. The accountable officer checks the Recount box on the inventory count card and returns the card to you or the inventory supervisor. Figure 10-16 shows a count card marked for recount. When a recount must be made, you or the inventory supervisor needs to make up a new count card from the information on the control listing for each item to be recounted. Be sure you number the card with the same serial number as that on the original count card. You will also need to mark the number of the recount, such as 2, 3, or 4, in the Cnt No block of the count card. This shows how many times you have counted the items. The inventory supervisor gives the remade count card to a different team from the one that originally counted the items. The second team recounts the items and fills out the count card. When it has finished the count, the team gives the card back to the inventory supervisor. He will check it to make sure it is filled out correctly. If any two counts agree, the stock record officer accepts the recount. If the totals still do not match, the inventory supervisor will have a third inventory team recount the items and remake the cards until the total agrees with the control listing or until two recount totals match. (Each time a recount is made, make sure each stock n umber is checked for multiple locations. Stock placed in a separate location can cause the difference in quantity and can be corrected easily.) Figure 10-17 shows a completed recount card with recount quantity accepted.

Card 1 (top)

	NUMBER OF PALLETS	PACKAGES PER PALLET	QUANTITY PER PACKAGE	TOTAL QUANTITY
	1	2Ø	1	2Ø
	1	13	1	13
			TOTAL	33

Location: RØ145 Stock number: 6140 ØØØ5725 53 AEA Noun: BATTERY ØØ2 1 W K4A BC3Ø85ØØØ4

COUNTER AND DATE: Dick Gran 3Ø57
RECORDER AND DATE: Paul Wilson 3Ø57
ACCEPTED ✓   RECOUNT   SUSPEND
RECORDED BALANCE: 33   UNIT PRICE: 41.Ø1
QUANTITY OVER: Ø   SHORT: Ø
VALUE OVER: Ø   SHORT: Ø

/HPT 15745

Card 2 (bottom)

	NUMBER OF PALLETS	PACKAGES PER PALLET	QUANTITY PER PACKAGE	TOTAL QUANTITY
		12	12	144
		LOOSE	7	7
			TOTAL	151

Location: L1471 Stock number: 8315 ØØ2536 289 ARL Noun: TAPE TEXTILE Ø754 1 W K4 FTX 3Ø76-ØØ62

COUNTER AND DATE: Rex Michaels 3Ø77
RECORDER AND DATE: John Collins 3Ø77
ACCEPTED ✓   RECOUNT   SUSPEND
RECORDED BALANCE: 155   UNIT PRICE: 7.Ø3
QUANTITY OVER: SHORT: 4
VALUE OVER: SHORT: 28.12

/HPT 15745

Figure 10-15. Inventory count cards with accepted count totals

Figure 10-16. Count card marked for recount

Figure 10-17. Completed recount card with recount quantity accepted

COMPLETING THE INVENTORY

After the accountable officer accepts all inventory counts and corrects his control listing, he sends the count cards and the control listing to the SCS. The SCS then makes the necessary changes to the stock record at this time. DA Pamphlet 710-2-2, Chapter 9, explains how the information from the inventory is put onto the stock accounting record. After posting the inventory counts, you and the accountable officer lift the freeze on the receiving and issuing sections. They can begin processing requests and issues normally. Your personnel should process all DOS that were placed on hold during the inventory as soon as possible. Be sure to tell your personnel to watch for any new MROs that are dated before the inventory cutoff date. These are floating MROs. If your personnel find any of these MROs, they should bring them to you at once. You and the stock control supervisor must work together to cancel these old MROs and issue new MROs under the current date. After all inventory changes are made, the SCS sends the control listing to the depot that supports your DSU. Section personnel compare the inventory counts with their stock accounting record totals. If they find any major problems, personnel at the inventory control point can request a recount of all items in question. After the balances are checked, the inventory control point makes a special report on the inventories for all supported GSUs or DSUs. This report goes to the major Army commander so that he will know the status of supplies in his command.

EVALUATING INVENTORY PERFORMANCE

You need to set up a checklist of required inventory procedures so that you can tell how well your section personnel performed during the inventory and how well they understand their inventory duties. Table 10-9 is a checklist of performance standards for a properly conducted inventory. Use it to train your personnel in inventory procedures. You can also use it to set up inventory guidelines in your storage section SOP. This checklist gives you formulas to use when you figure inventory accuracy. You must furnish the accountable officer with these figures for his inventory reports. When you make up a checklist, be sure to leave room to write comments about some of the problems found during the inventory. You also will need room to list problems or areas not covered on the checklist. Your commander or accountable officer may want to use the checklist when he conducts briefings or prepares reports for staff visits or inspections.

Table 10-9. Sample inventory performance checklist

		YES	NO
1.	Are inventories conducted at least annually?	☐	☐
2.	Is there an IAR file?	☐	☐
3.	Are reports of survey filed with the IARs to support items disapproved?	☐	☐
4.	Does the report of survey have the same voucher number as the IARs?	☐	☐
5.	Are IARs supported by count cards?	☐	☐
6.	Are the following procedures explained in the inventory SOPs?	☐	☐
	a. Cutoff controls for receipts.	☐	☐
	b. Cutoff controls for issue/shipments.	☐	☐
	c. Preparation of inventory count cards.	☐	☐
	d. Preparation and use of inventory control listings.	☐	☐
	e. Conducting the inventory.	☐	☐
	f. Issuing during the inventory.	☐	☐
	g. Inventory adjustment preparation.	☐	☐
	h. After-inventory procedures.	☐	☐

Table 10-9. Sample inventory performance checklist (continued)

	YES	NO

7. Is the percentage of materiel release refusals less than two? . . . . ☐ ☐

$$\frac{\text{Total Materiel Release Refusals}}{\text{Total Materiel Release Orders}} = \text{Percent Materiel Release Refusals}$$

8. Is the percentage of inventory accuracy in the unit records 85 or above? . . . . ☐ ☐

$$\frac{\text{Total Items Correct}}{\text{Total Items Inventoried}} = \text{Percent Inventory Accuracy}$$

NOTE: Whenever an inventory is taken, you must take certain
precautions to reconcile count quantities with unposted receipts
and unprocessed MROs.

9. Is the percentage of inventory accuracy 85 or above for the following? . . . . ☐ ☐
    a. 100 lines inventoried from the records to the stock. . . . . ☐ ☐
    b. 100 lines inventoried from the stock to the records. . . . . ☐ ☐

10. Is the percentage of gross adjustments less than 20? . . . . ☐ ☐

$$\frac{\text{Total \$ Value of Adjustments}}{\text{Total \$ Value of Inventory}} = \text{Percent Gross Adjustment}$$

11. Is the percentage of net adjustments less than two? . . . . ☐ ☐

$$\frac{\text{Difference Between Shortages and Overages}}{\text{Total \$ Value of Inventory}} = \text{Percent Net Adjustments}$$