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Administrative Procedure # A R 5

Subject: Physical Inventory Counted by Scanpal using the Active POS System

Effective Date: May 25, 2017

Revision Date: December 19, 2017

Procedure Statement: To provide process for preparing and submitting Biannual Physical Inventory - using the Active POS System along with a Scanpal.

Definitions:

Physical Inventory: To physically count all of your retail merchandise and make a correct record of it.

Biannual: Count every six months.

Procedure: Biannual Physical Inventory is to be completed at the end of June and December. Active sends all reporting to the Accounting Department after inventory is completed. Active pulls statewide inventory at 7:00 P.M. on the last day of June and December.

Authority: (if applicable)

O.C.G.A. XXXXXXX
DNR RULES XXXXXXXXX

Attachments:

Attachment 1 - Counting Retail Inventory Using a Scanpal

Attachment 2 - How to Handle Pending Quantities

Attachment 3 - Removing Damaged Merchandise from Inventory

Attachment 4 - Merchandise Transfers

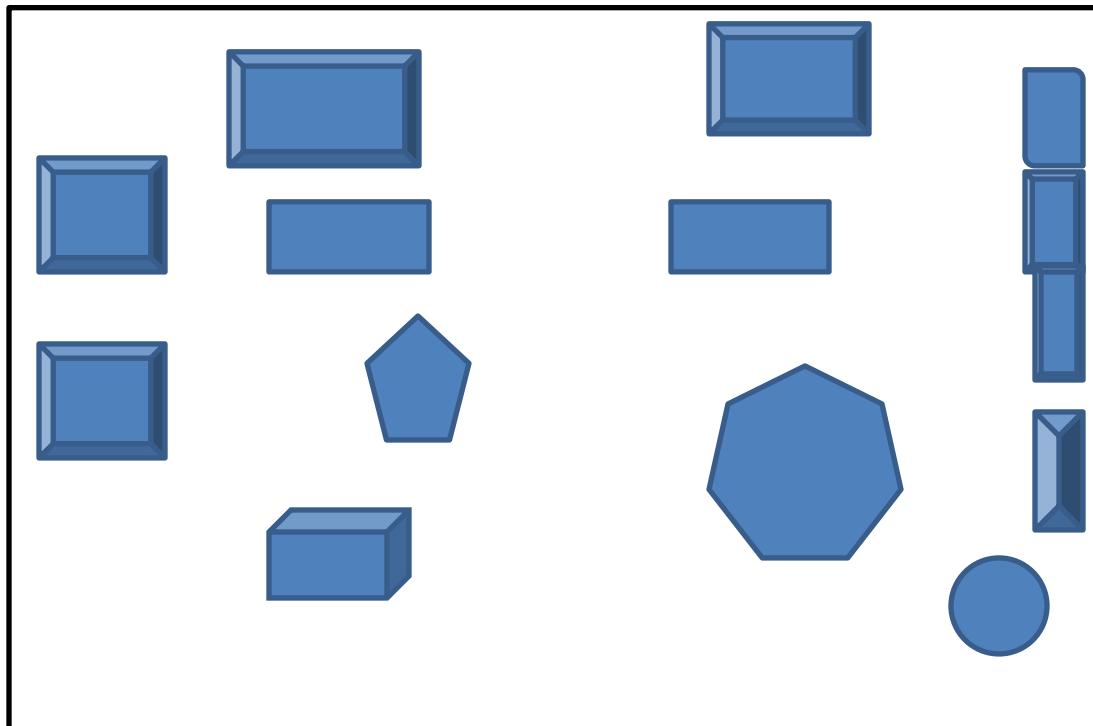
Overview of Inventory Process

Preparing for Inventory Day

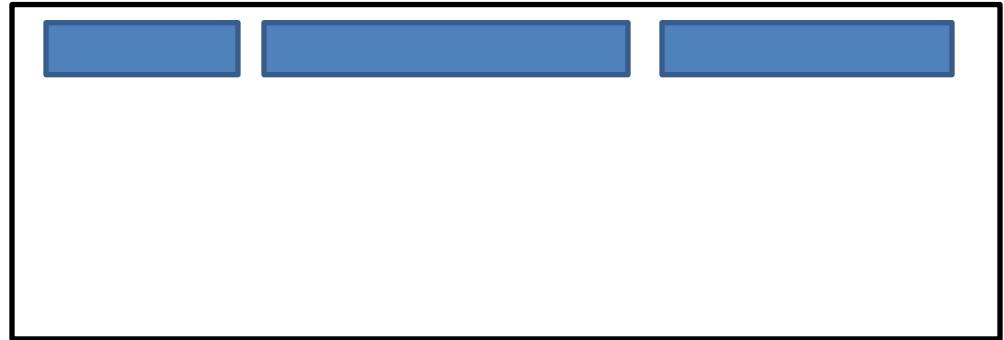
1. Coordinate your inventory date with the Retail Department and schedule your staff/volunteers to count merchandise and assist with the following steps.
2. Address pending quantities and damaged merchandise (See Attachments 2 and 3 for additional instructions).
3. Ensure all merchandise transfer forms are complete and entered into your inventory counts (See Attachment 4 for additional instructions).
4. Verify all merchandise is entered into your Active POS System and assigned to a Supplier with the correct cost.
5. Organize the store and stockroom, placing like items together for ease of counting.
6. Create a map of the fixtures in your store and stockroom (See Example 1 Below).
7. You may choose to count your stockroom before the day you count the sales floor, however, you must be sure the merchandise is not moved until your Scanpal counts are entered and reconciled.
8. Count your merchandise from left to right and top to bottom to move easily through the stockroom and store. Mark units as completed on your map after you count them. Mark shelves on the sales floor/stockroom as completed after they are counted as well (See Example 2 Below).

Example 1:

Store Map:



Stockroom Map:



Example 2:

Counted Sign:



On Inventory Day

1. Print Pre-Count Inventory List
2. Start Inventory Reconciliation in Active POS System
3. Count Merchandise Using Scanpal
4. Submit Final Scanpal File to Active
5. Print Inventory Variance List
6. Reconcile Inventory
7. Correct Items on Exception List
8. Re-reconcile Complete Inventory

Any Time Before Inventory End Date

9. Review Inventory Variance List
10. Perform Recounts
11. On June 30/December 31, Reconcile a Final Time
12. Print Final Inventory List
13. Run the Following Reports:
Inventory Valuation Report
POS Product Sold Summary Report

For Step by Step Instructions, Refer to Attachment 1 - Counting Retail Inventory Using a Scanpal