

MEMORANDUM

Date: August 1, 2021
To: Deans, Directors and Department Heads
Subject: Reporting of Inventories on Merchandise for Resale and
Deadline: Consumable Supplies September 1, 2021

Inventories of consumable supplies and merchandise for resale as of August 31, 2021 are to be determined and reported to Financial Management Operations on FD403. Special care should be taken when preparing the inventory detail lists. All mathematical extensions should be checked for accuracy.

The original Form FD403, after certification by the department head or designated representative, together with the copies of the inventory detail must be received by Financial Management Operations on or before September 1, 2020. A certified copy of the original inventory listing and the detail should be maintained in the department. If there are no consumable supplies and/or merchandise for resale inventory, please state “None” on the form and return by the deadline.

CONSUMABLE SUPPLIES

Consumable supplies are items that will be used in the operations of your department only. Consumable supplies inventory should be reported if it is material to your operation and it totals at least \$25, 0000.00 (TAMU) and \$5,000.00 (TAMUG).

- Physical counts are to be made of all merchandise in storerooms or other places of storage, or taken from perpetual inventory records if these records have been compared with physical counts on a cyclical basis during the year. However, only material paid for or reported as account payable as of August 31 are to be included.
- Detailed listing of physical quantities, unit prices and extension for each classification of inventory should be attached to Form FD403.
- Unit prices should be those on the most recent vendor’s invoice or average cost detailed and complete records of cost are maintained.
- Insert total of detail listings (see above) in appropriate spaces on Form FD403.

MERCHANDISE FOR RESALE

Merchandise for resale pertains to departments whose primary function is to provide services to other departments, agencies, students or outside parties. Any dollar amount should be reported and all items purchased by departments for resale should be coded to a resale code when purchase is made. If purchased with a different code the department will need to specify which code it was purchased under.

The inventory should be reported at cost where a retail system is used. Please include the total and object code in the appropriated space on Form FD403 with supporting documentation attached.

*The attached form FD403 is also available on the web at:

https://uas.tamu.edu/financial-reporting/_media/fd403-year-end-notice.pdf