



Policy Title: Physical Inventory Policy	Effective Date: 7/1/2014
Policy Number: FA-PO-1212	Date of Last Review: 12/1/2024
Oversight Department: Financial Reporting	Next Review Date: 12/1/2027

1. PURPOSE

The *Physical Inventory Policy* provides guidance on the physical inventory process to assist the University in the proper safeguarding, maintaining, tracking, and reporting of University assets.

2. APPLICABILITY

The *Physical Inventory Policy* is applicable to any division or department in possession of University assets that are capitalized or controlled.

3. DEFINITIONS

Asset: Any equipment item, or personal/real property, whether tangible or intangible, owned by or in the possession of the University.

Banner Fixed Asset Module: The University's system of record for capital and controllable assets to meet federal, state, and University requirements.

Capitalized Assets: Assets with an expected useful life of greater than one year and with a value or cost of \$5,000 or more at the date of acquisition.

Controlled Assets: Equipment Trust Fund (ETF) or certain other assets costing less than \$5,000 that the University has determined should be tracked and tagged similar to capitalized assets in order to maintain proper control and accountability.

Equipment Liaison: The individual designated by each department that is responsible for accurately monitoring all asset activity within that department. Equipment Liaisons are University employees whose regular duties consist of managing the department's assets and acting as the point of contact concerning status changes of assets.

Equipment Trust Fund (ETF): A program administered by the State Council of Higher Education for Virginia (SCHEV) that provides an additional funding source that allows higher education institutions to purchase equipment for instructional use through leasing agreements with the Virginia College Building Authority. Equipment purchased with ETF monies is not owned by the University until the leasing agreement for a particular allocation has been satisfied. In addition to general rules applicable to all equipment, specific guidelines apply to the acquisition, maintenance, and disposal of ETF equipment.

Physical Inventory: The process conducted by the Equipment Liaison and a Financial Reporting employee in which a physical identification of each tagged asset is completed.

Tagged Assets: Assets that meet University criteria for tracking purposes either as capitalized or controlled assets. Such assets are assigned a unique identification number so that the asset can be maintained, tracked, and reported in the Banner Fixed Asset Module.

4. POLICY

A physical inventory of tagged assets is required at least once every two years in order to properly safeguard assets and maintain fiscal accountability.

5. PROCEDURES

All procedures related to this policy are contained in the [Radford University Equipment Liaison Handbook](#) and must be followed.

6. EXCLUSIONS

None

7. APPENDICES

Appendix: [Radford University Equipment Liaison Handbook](#)

8. REFERENCES

[Commonwealth Accounting Policies and Procedures \(CAPP\) Manual, Topic 30305 – Cardinal, Capitalized or Controlled Assets](#)

[Commonwealth Accounting Policies and Procedures \(CAPP\) Manual, Topic 30505 – Cardinal, Physical Inventory](#)

9. INTERPRETATION

The authority to interpret this policy rests with the President of the University and is generally delegated to the Vice President for Finance and Administration & Chief Financial Officer.

10. APPROVAL AND REVISIONS

The *Physical Inventory Policy* was submitted to and approved by the President's Cabinet at the meeting held on June 17, 2014. President Kyle signed the *Physical Inventory Policy* on June 17, 2014.

In July 2016, the *Physical Inventory Policy* and related procedure were reviewed by the oversight department. Minor editorial changes were made, but no substantive changes were made that would affect the content or intent of the policy.

Effective December 4, 2018, the *Physical Inventory Policy* was reviewed by the oversight department and the Office of Policy and Tax Compliance. The policy was modified to conform to the most recent University policy template.

Effective December 1, 2021, the *Physical Inventory Policy* was reviewed by the oversight department and the Office of Policy and Tax Compliance. No revisions were needed.

In December 2024, the *Physical Inventory Policy* and related procedure were reviewed by the oversight department. No changes were made.

For questions or guidance on a specific policy, contact the Oversight Department referenced in the policy.