

**Inventory of inventory items**

# What is inventory. Normative documents

**Inventory** is a way to identify the actual availability of pharmacy business assets, comparing them with accounting data in order to verify its reliability and safety of inventory items on a certain date.

The procedure for conducting an inventory of property and financial obligations is established:

- Federal Law No. 402-FZ of December 6, 2011 “On Accounting”
- Guidelines approved by the Order of the Ministry of Finance of Russia dated 13.06.95 No. 49 .

# Federal Law No. 402-FZ of December 6, 2011 “On Accounting”

## Article 11. Inventory of assets and liabilities

1. Assets and liabilities are subject to inventory.
2. During the inventory, the actual presence of the relevant objects is revealed, which is compared with the data of accounting registers.
3. The cases, terms and procedure for conducting an inventory, as well as the list of objects subject to inventory, are determined by the economic entity, with the exception of the mandatory inventory. Mandatory inventory is established by the legislation of the Russian Federation, federal and industry standards.
4. The discrepancies revealed during the inventory between the actual availability of objects and the data of accounting registers are subject to registration in accounting in the reporting period to which the date as of which the inventory is carried out.

# Assets and liabilities

- All property of the organization, regardless of its location, and all types of financial obligations are subject to inventory.
- The inventory of property is carried out according to its location and materially responsible person.

*Property* means :

- fixed assets,
- intangible assets,
- inventories,
- goods,
- cash,
- financial investments.

under *financial obligations* understand accounts payable and receivable, bank loans, cash loans.

## **The main tasks in conducting an inventory are:**

- identification of the actual availability of fixed assets, inventory items, cash, financial liabilities;
- control over the safety of material assets and funds by comparing the actual availability with accounting and reporting data;
- identification of inventory items that have lost their quality;
- identification of excess reserves and unused property;
- verification of compliance with the rules for the conditions of storage of inventory items, the rules for the maintenance and operation of equipment and other fixed assets;
- verification of the reality of the value of the property recorded on the balance sheet, receivables and payables

# Types of inventory

## Inventories are:

1. Scheduled and unscheduled (sudden violations in the turnover of inventory items, upon revaluation of goods upon discovery of facts)
2. Complete (continuous) and incomplete (selective)
3. Annual and periodic.

Currently, the number of inventory in the reporting year, the dates of the inventory, the list of property and financial obligations that are checked during each of them, is established by the head of the organization.

## **According to the legislation of the Russian Federation, in a number of cases, an inventory should be mandatory:**

- When transferring the property of an organization for rent, redemption, sale, when transforming a state or municipal unitary enterprise.
- Before the preparation of annual financial statements, except for property, the inventory of which was carried out no earlier than October 1 of the reporting year.
- When changing financially responsible persons
- When establishing the facts of theft, damage to property.
- During natural disasters, fires, floods.
- When liquidating an organization before drawing up a liquidation balance sheet.
- In case of collective financial responsibility (upon dismissal of more than 50% of its members or a change of leader, as well as at the request of one or more members of the brigade.

# Timing of the inventory

The timing of the inventory depends on the objects subject to inventory:

- objects of fixed assets at least 1 time in 3 years;
- inventories - at least 1 time per year (scheduled inventory prior to the preparation of annual financial statements);
- Medicines subject to subject-quantitative accounting, at least 1 time per month
- cash and strict reporting forms at the discretion of the head, but it is recommended at least 1 time per month;
- settlements with debtors, creditors and other settlements - at least once a year (recommended at least once a quarter).



# The procedure for conducting inventories

To conduct an inventory in a pharmacy, a permanent inventory commission is created, *consisting of* a director or deputy director, heads of departments, accountants, pharmacists and pharmacists.

The composition of the commission is approved by the pharmacy order. The absence of at least one of its members during the inventory makes it invalid. If there is a lot of inventoried property, inventory commissions are created by order of the pharmacy.

# The procedure for conducting inventories

To conduct an inventory, the director of the pharmacy must create conditions for a complete and accurate check of the actual availability of property within the prescribed time limits:

- a sufficient number of employees for counting, measuring, weighing material assets.
- availability of technically sound measuring and weighing instruments, containers, forms of documents. The Inventory Commission is fully responsible for the completeness and accuracy of entering data on the actual balances of inventory items into the inventories, the correctness and timeliness of the registration of inventory materials, and the derivation of its results.

The actual availability of goods and other property during the inventory is determined by the commission in the presence of financially responsible persons by mandatory calculation, weighing, measurement. It is not allowed to enter data on the balance of valuables in the inventory from the words of financially responsible persons or according to accounting data without checking their actual presence.

The head of the organization must create conditions for a complete and accurate check of the actual availability of property on time (provide labor for weighing and moving goods, technically sound weighing equipment, measuring and control instruments, measuring containers).

For materials and goods stored in undamaged supplier packaging, the quantity of these valuables can be determined on the basis of documents.

# Documentary decor:

Prior to the start of the inventory, materially responsible persons submit reports to the commission on the date determined by the inventory, with all receipts and expenditure documents, they are endorsed by the chairman of the inventory commission indicating “before the inventory on the date ....” This is the basis for the accounting department to determine book balances to start of the inventory.

Materially responsible persons give receipts (on the title page of the inventory list) that by the beginning of the inventory, all receipts and expenditure documents for inventory items have been handed over to the accounting department, all values have been credited to them.

## **Documentary decor:**

If the inventory is transferred to the next day, then the premises where inventory items are stored are sealed when the members of the inventory commission leave. Inventory lists in the process of conducting an inventory are stored in lockable cabinets or a safe. Inventories are compiled in 2 copies (when changing financially responsible persons in 3 copies), always in the presence of financially responsible persons. Inventories can be compiled manually or using computer technology. The names of inventory items and their quantities are indicated in the inventories according to the nomenclature and in those units of measurement in which they are taken into account.

On each page of the inventories, the number of serial numbers of the goods recorded on the page, the total of physical indicators, regardless of the units in which they were recorded on this page (pieces, kg, meters) are indicated in words - in the process of writing off the goods.

In the inventories, corrections specified by the members of the commission and materially responsible persons are allowed (the incorrect one is crossed out, the correct values are written, signatures are put).

**Descriptions are not allowed:**

1. Erasures and blots.
2. blank lines (they are crossed out if necessary)

On the last page of the inventory, a note is made about checking prices, taxing and counting the totals for all pages of the inventory, certified by the signatures of the persons who did this.

The inventories are signed by all members of the inventory commission and materially responsible persons. At the end of the inventory, the materially responsible persons give a receipt confirming the inspection of inventory items in their presence, the acceptance of the property for safekeeping in the inventory and the absence of claims against the members of the inventory commission. If the inventory was carried out when changing materially responsible persons, then the one who accepted it signs for receipt, and the one who handed over - for the delivery of inventory items.

If, after the inventory, the materially responsible person finds errors in the inventory, they must immediately, before opening the department, inform the chairman of the inventory commission about this, the commission checks the indicated error, if confirmed, corrects the errors in the inventory in the prescribed manner. At the end of the inventory, control checks of the correctness of the actual removal of residues can be carried out - before the opening of the pharmacy and in the presence of financially responsible persons.

# Special Inventory Cases

Commodity and material assets received during the inventory are accepted by financially responsible persons in the presence of members of the inventory commission and are credited according to the commodity report after the inventory.

During the inventory, these inventory items are entered in a separate inventory under the name "Inventory received during the inventory".

The inventory indicates the date of receipt, the name of the supplier, the date and number of the receipt document, the name of the goods, the quantity, price and amount.

At the same time, on the bill of lading, signed by the chairman of the inventory commission (or, on his behalf, a member of the commission), a note "after inventory" is made with reference to the date of the inventory on which these values are recorded.

# Special Inventory Cases

In case of a long-term inventory, in exceptional cases and only with the written permission of the head and chief accountant of the organization during the inventory, inventory items can be released by financially responsible persons in the presence of members of the inventory commission.

These values are recorded in a separate inventory under the name "Inventory released during the inventory." An inventory and expenditure documents are drawn up by analogy with documents for incoming commodity and material assets during the inventory.



## Special Inventory Cases

- Separate inventory lists are drawn up for property in safekeeping, leased.
- Medicinal products that are subject to quantitative accounting, expired, containers, are recorded on separate sheets of the inventory.

# Special Inventory Cases

The inventory of goods and materials that are in transit, shipped, not paid on time by buyers, consists in documentary verification of the validity of the amounts on the relevant accounting accounts, with a preliminary reconciliation of these accounts with the data of the organization that received or sent the goods with the drawing up of the "Act on Mutual Settlements".

For all these cases, separate inventory records are compiled:

In inventories for inventory items in transit, for each individual shipment, the following data is given: name, quantity and cost, date of shipment, as well as a list and numbers of documents on the basis of which these values are accounted for in accounting accounts.

In inventories for inventory items shipped and not paid on time by buyers, for each individual shipment, the name of the buyer, the name of inventory items, the amount, the date of shipment, the date of issue and the number of the settlement document are given

# Inventory of funds, monetary documents and forms of documents of strict accountability

The inventory of the cash register is carried out in accordance with the Procedure for Conducting Cash Operations in the Russian Federation.

Within the time limits set by the head of the enterprise, as well as when changing cashiers at each enterprise, an audit of the cash desk is carried out with a full sheet-by-sheet recalculation of cash and verification of other valuables in the cash desk. The balance of cash on hand is checked against the accounting data in the cash book. For the audit of the cash register, a commission is appointed by order of the head of the enterprise, which draws up an act. If the audit detects a shortage or excess of valuables at the cash desk, the act indicates their amount and the circumstances of the occurrence.

Responsibility for compliance with the Procedure for conducting cash transactions rests with the heads of enterprises, chief accountants and cashiers.

Banks systematically check the compliance of enterprises with the requirements of the "Procedure for Conducting Cash Transactions".

Persons guilty of repeated violation of cash discipline are held liable in accordance with the legislation of the Russian Federation.

Inventory of funds in transit is carried out by reconciling the amounts on the accounting accounts with the data of bank receipts, post office, copies of accompanying statements for the delivery of proceeds to bank collectors, etc.

An inventory of funds held in banks on settlement and special accounts is carried out by reconciling the balances of the amounts on these accounts according to the accounting department of the pharmacy with the data of bank statements.

# Calculation inventory

An inventory of settlements with the bank for loans, with the budget, buyers, suppliers, accountable persons, employees and depositors, other debtors and creditors is to verify the validity of the amounts on the accounting accounts.

The inventory commission, by documentary verification, must establish:

- ✓ the correctness of settlements with banks, financial, tax authorities, extra-budgetary funds, other organizations,
- ✓ the correctness and validity of the amount of debt for shortages and theft recorded in the accounting records;
- ✓ the correctness and validity of the amounts of receivables, payables and depositors, including the amounts of receivables and payables for which the limitation period has expired.
- ✓ For debts to employees, unpaid amounts of wages to be transferred to the account of depositors, as well as the amounts and reasons for the occurrence of overpayments to employees are revealed.
- ✓ When inventorying accountable amounts, reports on advances issued are checked, taking into account their intended use, as well as the amounts of advances issued for each accountable person (dates of issue, intended purpose).
- ✓ When inventorying debts for the supply of goods, the provision of works and services, a reconciliation is made between organizations and an “Act on Mutual Settlements” is drawn up. The inventory commission, on the basis of the act and other accounting documents, establishes the correctness of the calculations and determines the amount of receivables and payables .

# Inventory of fixed assets

Before starting the inventory, it is recommended to check:

- a) availability and condition of inventory cards, inventory books, inventories and other registers of analytical accounting;
- b) availability and condition of technical passports or other technical documentation;
- c) the availability of documents for fixed assets leased or accepted by the organization for storage. In the absence of documents, it is necessary to ensure their receipt or execution. If discrepancies and inaccuracies are found in accounting registers or technical documentation, appropriate corrections and clarifications must be made.

When inventorying fixed assets, the commission inspects the objects and enters in the inventory their full name, purpose, inventory numbers and main technical or operational indicators. When making an inventory of buildings, structures and other real estate, the commission checks for the availability of documents confirming that the specified objects are owned by the organization.

When identifying objects that are not accepted for accounting, as well as objects for which there are no or incorrect data characterizing them in the accounting registers, the commission must include in the inventory the correct information and technical indicators for these objects.

The evaluation of the unrecorded objects identified by the inventory should be made taking into account market prices, and the depreciation is determined by the actual technical condition of the objects with the registration of information on the assessment and depreciation by the relevant acts.

Fixed assets are entered into inventories by name in accordance with the direct purpose of the object. If the object has undergone restoration, reconstruction, expansion or re-equipment and as a result its main purpose has changed, then it is entered in the inventory under the name corresponding to the new purpose.

Machinery, equipment and vehicles are entered in the inventory individually with an indication of the factory inventory number according to the technical passport of the manufacturer, year of manufacture, purpose, capacity, etc.

Same-type items of household equipment, tools, machines, etc. of the same value, received at the same time in one of the structural divisions of the organization and recorded on a standard inventory card of group accounting, are carried out in inventories by name with an indication of the number of these items.

Fixed assets that at the time of the inventory are outside the location of the organization (cars, equipment sent for overhaul, etc.) are inventoried until they are temporarily retired.

For fixed assets that are not suitable for use and cannot be restored, the inventory commission draws up a separate inventory indicating the time of commissioning and the reasons that led these objects to become unusable (damage, complete wear, etc.).

Simultaneously with the inventory of own fixed assets, fixed assets that are in safekeeping and leased are checked. For the specified objects, a separate inventory is drawn up, in which a link is given to documents confirming the acceptance of these objects for safekeeping or for rent

**The discrepancies between the actual availability of property and accounting data identified during the inventory are regulated in the following order:**

1. Surplus - the actual availability is more than it is listed on the book. accounting - accrued, credited to the financial results of the pharmacy ( non-operating income)
2. Decrease - the actual availability is less than it is listed according to accounting data within the approved norms, is written off by order of the director of the pharmacy from the balance of materially responsible persons and to distribution costs. Waste rates are applied only in the prescription and production department in relation to prepared medicines in case of an actual shortage of goods.
3. Shortage of inventory items, cash, damage in excess of the norms of natural loss shall be attributed to the perpetrators, if they are not identified or the court refuses to recover from them, the losses are written off as non-operating expenses .

The results of the inventory should be reflected in the accounting and reporting of the month in which it was completed, the annual inventory - in the annual accounting. report - balance sheet.

To formalize the results of the inventory, the following is drawn up : "**Act on the results of the inventory**"

**The pharmacy maintains a register of inventories carried out** - the timing, results.

## **Synthetic accounting of inventory results**

Synthetic accounting results inventory

Account 94 "Shortages and losses from damage to valuables" account Active.

Debit turnover - reflects the presence of shortages of goods or completely damaged inventory items (at wholesale prices); for missing fixed assets in the amount of their residual value; for partially damaged inventory items - the amount of identified losses;

The account corresponds with the credit of the accounts of the specified values (01; 10; 41).

Credit turnover - reflects the write-off of amounts in the amount and amount accepted for the Debit turnover (within the norms of natural loss for distribution costs at wholesale prices, with the adjustment of the trade margin).

The balance of account 94 is the amount of shortfalls in excess of the norms of natural loss until the final decision of the administration on compensation for losses.



# Synthetic accounting of inventory results

Possible options:

1. The perpetrators have been identified - the shortage is compensated at their expense at the book value (goods - at retail price; fixed assets, materials - at residual value).
2. The perpetrators have not been identified - the shortage is written off to the results of financial and economic activities at the expense of balance sheet profit - non-operating expenses.

## **1. The identified shortage of goods is reflected in accounting (at wholesale prices)**

Debit of account 94 "Shortages and losses from damage to valuables"

Credit of account 41 "Goods"

## **2. The amount of trade overlays was written off for the missing amount of goods**

Debit of account 42 "Trade margin"

Account credit 41 "Goods" (the amount of the trade margin)

## **3. Identified shortage of goods within the norms of natural loss - attributed to distribution costs (at wholesale prices)**

Debit of account 44 "Sales expenses"

Account credit 94 "Shortages and losses from damage to valuables"

## **4. Attribution of the identified shortage in excess of the norms of natural loss, in the absence of guilty financially responsible persons or in case of refusal of the court to compensate for the shortage from financially responsible persons - to the results of financial and economic activities.**

Debit of account 91 "Other income and expenses"

Account credit 94 "Shortages and losses from damage to valuables"

# Synthetic accounting results inventory

## 5. Reflection in accounting of loss from shortage

Debit of account 99 "Profit and loss"

Credit of account 91 "Other income and expenses"

## 6. Identified shortage in excess of the norms of natural loss - attributed to the guilty persons - financially responsible persons (at retail prices)

Debit of account 73-3 "Settlements with personnel for compensation for material damage" (at wholesale prices)

Credit of account 94 "Shortages and losses from damage to valuables."

7. **The difference between the value (at retail prices) of the missing valuables** credited to account 73 "Settlements with personnel for other operations" and their value reflected on account 94 "Shortages and losses from damage to valuables" is credited to account 98 "Future income periods".

Debit of account 73 "Settlements with personnel for other operations"

Credit of account 98 "Deferred income".

8. **As the amount due from the guilty person is recovered**, the indicated difference is debited from account 98 "Deferred income" in correspondence with account 91 "Other income and expenses".

Debit of account 98 "Deferred income".

Credit of account 91 "Other income and expenses".

9. **The financially responsible person repaid the full amount of the shortage of goods or in excess of the norms of natural loss (at retail prices),**

Debit of account 50 "Cashier"

Credit of account 73-3 "Settlements with personnel for compensation of material damage"