

## Supply Fund Physical Inventory Management

### 1. PURPOSE:

This bulletin provides Department of Veterans Affairs (VA) Supply Fund policy regarding the management of physical inventory and the method for performing the inventory.

### 2. BACKGROUND:

An inventory count must be taken by the medical centers and the distribution/service centers on a quarterly basis and reconciled to the general ledger. There must be written documentary evidence of supervisory review of the reconciliation. This is particularly necessary at fiscal year end when the inventory must be performed just prior to year end. If there are a number of days that lapse from the time the final year end inventory is taken to the actual end of the fiscal year, then receipts and usage for those lapsed days must be taken into consideration. This inventory consists of medical and general supplies.

### 3. INVENTORY PROCEDURES:

The following steps should be adhered to for performing inventories counts:

- a. Count the inventory utilizing an inventory count list.
- b. This count must be certified by a manager/supervisor.
- c. Submit a copy of the certification and the inventory count list to the Veterans Health Administration Cooperative Facilities (VACO 10F), the Office of Acquisition and Materiel Management (049M), and the Supply Fund Fiscal Office (VACO 049F).
- d. If the inventory balance needs to be adjusted, a recap of the adjustment needs to accompany the certification and inventory count list.
- e. The inventory balance should never equal a negative balance. ~~This is not authority for a non-Supply fund appropriation/fund to pay for shortages, expired items, or damaged goods.~~

**OA&MM Bulletin 07.03**

If these instructions are not followed, and the appropriate information is not furnished to the Supply Fund Fiscal Office, then the medical center not following these instructions will not be allowed use of the Supply Fund for posted stock.

**4. RESPONSIBLE OFFICES:** VA medical centers.

**5. REFERENCES:**

VA Directive 4520, paragraph 2.e. MP-4, Part V, Chapter 7, VA Handbook 7127/3. VHA Handbook 1730.2, Bulletin 07.02

**6. QUESTIONS:** Questions concerning this bulletin should be addressed to:

VACO Fiscal	Ron Sires	(202) 273-8082
VACO Fiscal	Don Hufford	(202) 273-6125
VHA CLO	Garth Glenn	(202) 254-0447
VACO OA&MM	Freddie Martinez	(202) 273-6119
VACO OA&MM	Robert McKenna	(202) 273-6116

Steve Graves  
Supply Fund Chief Financial Officer