

**THE AGRICULTURAL FOUNDATION OF  
CALIFORNIA STATE UNIVERSITY, FRESNO**

**Inventory Policy**

It is the policy of the Agricultural Foundation of California State University, Fresno (Ag Foundation) to maintain adequate controls over inventory. This is accomplished by maintaining proper documentation and by performing periodic physical inventory counts according to the procedures below. Inventory records are kept for the following items, depending upon the enterprise: Livestock, Feed, Embryos, Semen, Supplies and Products.

**Procedures - Monthly**

1. For livestock and feed monthly inventories (Beef, Dairy, Horse, Sheep and Swine):
  - a. Enterprise managers are responsible for performing a physical inventory check by animal at the end of each month and creating an inventory listing/count of the animals on hand.
  - b. Enterprise managers are responsible for performing a physical check of feed inventory and listing the amount and type of feed on hand at each month end.
  - c. For inventory purposes, the transfer of title of livestock shall be deemed effective when the UARCO invoice is written.
  - d. Every month the enterprise manager will sign, date and submit the monthly livestock inventory listing and feed inventory to the Association Accounting Department within ten (10) calendar days of the month's end.
  - e. The Association Accounting Office will calculate the inventory value and compare it to the previous month end inventory value. The monthly change in inventory valuation (increase or decrease) will be posted to the enterprise's cost center.
  
2. For embryo, semen, supply and product monthly inventories (Farm Market, Dairy Industry and Winery enterprises):
  - a. On a monthly basis the enterprise manager is responsible for performing a physical inventory check and preparing a list of items on hand at each month end.
  - b. Every month the enterprise manager will sign, date and submit the monthly inventory listing to the Association Accounting Department within ten (10) calendar days of the month's end.
  - c. For Farm Market and Dairy Industry, independent monthly inventory counts should be performed, including one supervisor. Both persons verifying the inventory must sign and date the monthly inventory listing.
  - d. The Association Accounting Office will calculate the inventory value and compare it to the previous month end inventory value. The monthly change in inventory valuation (increase or decrease) will be posted to the enterprise's cost center.
  - e. Embryos not sold after three years will be given a book value of zero dollars for inventory valuation purposes.
  
3. Enterprise Managers are responsible for destruction or disposition of obsolete goods. Total cost of goods destroyed due to obsolescence is reported to the Chief Financial Officer of Auxiliary Services (CFO).

### Procedures – Year End

1. An annual physical inventory will be taken as near to the end of the fiscal year (June 30) as practical. The enterprise manager and a representative from the Association Accounting Department will perform this physical inventory. Additionally, a representative from the contracted external financial audit firm will be present at selected enterprises for the annual physical inventory.
2. The Association Accounting Office will calculate the inventory value and compare it to the previous year end inventory value. The yearly change in inventory valuation (increase or decrease) will be posted to the enterprise's cost center.



**INVOICE**  
**THE AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO**  
 2771 E. SHAW AVE.  
 FRESNO, CALIFORNIA 93710-8205  
 (559) 278-0800 Phone • (559) 278-0993 Fax

ENTERPRISE Meat Lab ACCT. 4921-5582

Customer's Order No. \_\_\_\_\_ DATE 6/17 2014  
 Name Farm Market Phone \_\_\_\_\_  
 Address \_\_\_\_\_ DL # \_\_\_\_\_  
 City \_\_\_\_\_ ST \_\_\_\_\_ Zip \_\_\_\_\_

CASH	CHECK #	C.O.D.	<b>CHARGE</b>	ON ACCT.	REFUND	SOLD BY <u>deaniga</u>
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QTY #	DESCRIPTION	AMOUNT
4.50 #	Beef New York Steaks @ 10.29/lb	\$46 30
9.15 #	Beef Ribeye Steaks @ 10.29/lb	\$94 15
78.40 #	Red Wine and Garlic Salmon @ 15.39/lb	\$1206 57
SALES TAX		
<b>TOTAL</b>		<b>1347.02</b>

**MEMO ONLY** received  
 JUN 18 2014  
 Auxiliary Services

**39601**

All claims and returned goods MUST be accompanied by this invoice.  
 Please pay from this invoice.  
 Buyer agrees to pay 1-1/2% interest (18% annual rate) to the charges beginning 30 days after the date of this invoice.

OFFICE COPY Received By Cathy C...

*Inventory movement*