UNIVERSITY OF PANNONIA

Inventory Control and Inventory Preparation Policy of the University of Pannonia

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The Inventory Control and Inventory Preparation Policy of the University of Pannonia (hereinafter referred to as: “Regulation”) issued by the University of Pannonia (hereinafter referred to as: ”University”) on the basis of the University’s Organisational and Operational Rules (hereinafter referred to as: “OOR”), Part I Organisational and Operational Rules of Procedure (hereinafter referred to as: “OORP”) approved by the Senate of the University of Pannonia and adopted by the Foundation for the University of Pannonia acting as the operator exercising founders’ and ownership rights (hereinafter referred to as: “Operator”) and on the basis of the resolution by the Board of Trustees on the rules of procedure for adopting the regulations of the University of Pannonia by the Board of Trustees is as follows:

Chapter I: General Provisions

1.§ Introduction

(1) The University is a higher education institution operating as a public benefit organisation, which, as an economic entity, is subject to Act C of 2000 on Accounting (hereinafter: ‘Act’). The Act lays down the reporting and book-keeping obligation of economic operators, the principles to be observed in the course of the compilation of reports and the keeping of books, the rules established upon such principles, as well as disclosure, publication and audit requirements. In accordance with the provisions of Section 14 (4) and (5) of the Act, the University shall prepare, as provided for in the Act, its accounting policy considering the specificities and the circumstances of its economic operation, and, as in this context, its Inventory Control and Inventory Preparation Policy.

(2) Pursuant to Article 7 (2) of the Accounting Policy of the University of Pannonia, the mandatory accounting regulations related to the accounting policy are issued as separate regulations.

2.§ Regulation Purpose

(1) The purpose of the Regulation is to set out in writing the rules governing the recording of inventories itemised in the balance sheet as part of the annual

report, the taking of inventory and valuation of the assets in inventory, and the rules applicable to persons responsible for these duties, thereby helping to ensure that the reports give a true and fair account of the assets, liabilities, financial position and income of the University.

(2) The purpose of the Regulation is to strengthen the protection of assets by regulating inventory responsibilities.

3.§ Scope of the Regulation

(1) The scope ratione personae of the Regulation extends to all Faculties, comprehensive organisational units, organisational units as well as to employees of the University, regardless of whether they are employed by or work in another capacity for the University.

(2) The scope ratione materiae of the Regulation includes assets and liabilities presented in the accounting balance sheet, which forms part of the University's reports, and assets not included in the balance sheet by value but only recorded in volume.

4.§ Persons Responsible for Drawing Up the Regulation

(1) The Chancellor is responsible for setting the main directions of the Regulation, while the Director of Economic Affairs is responsible for the preparation, amendment and implementation of the Regulation, under the authority delegated to him/her by the Chancellor.

5.§ Material Jurisdiction

(1) The Chancellor, who may delegate this task to the Director of Economic Affairs, is responsible for ordering the tasks involved in taking of inventory and for taking decisions relating to the inventory valuation.

6.§ The Obligation to Taking an Inventory

(1) With an effective inventory date of 31 December of each year, the University is required to take an inventory of the assets and liabilities shown in the balance sheet.

(2) The University shall verify the accuracy of the data included in the inventory by taking stock of the inventory.

(3) The inventory taken confirms the accuracy of the assets and liabilities entered in the balance sheet. The inventory must include assets in quantity and value, and liabilities in value, in an itemised and verifiable manner.

(4) The University makes use of the option provided under Section 69(3) of the Act, according to which, if the institution keeps continuous quantitative records, a quantitative recording of inventory must be performed at least every three years.

(5) The University maintains an annual inventory of financial fixed assets, stocks, receivables, securities, cash and cash equivalents, accruals and deferrals, equity, provisions and liabilities, by way of reconciliation.

(6) The University takes an inventory of intangible and tangible fixed assets every two years by quantitative recording of inventory and annually by way of reconciliation.

Chapter II: Rules of Taking Inventory

7.§ Content and Format Requirements for the Inventory

(1) The inventory shall be:

a) complete,

b) itemised,

c) verifiable.

(2) Based on the requirements of completeness and itemisation, the inventory must include all assets and liabilities to be shown in the University's balance sheet, so that the balance sheet can be compiled and supported by appropriate groupings and aggregations. The accounting principles directly linked to itemisation and completeness are the principles of ‘true and fair view’, grossing up, clarity and valuation on an item by item basis.

(3) Based on the principle of ‘true and fair view’, the items recorded in the books and included in the financial report must be found as in fact being in existence and tenable, and must be verifiable by outsiders.

(4) Pursuant to the principle of grossing up, the debts or claims of the same debtor or creditor arising from several accounts must not be set off against one another and must be shown gross in the inventory.

(5) According to the principle of clarity, the inventory taking activity must be carried out in a concise, comprehensible and orderly manner.

(6) Assets and liabilities must be recorded and valued on an item by item basis during the accounting and reporting process. Inventory valuation means the determination of the value of the assets and liabilities inventoried, by means of item by item verification.

(7) Formal requirements for the inventory taking:

a) clear and full completion of supporting documents and documentation as required,

b) completion and attachment of necessary opinions,

c) signing the inventory taking documents.

(8) The inventory documents shall contain the following:

a) the place where the inventory was taken,

b) the start and end date of inventory taking, the effective inventory date,

c) a precise definition of the assets and liabilities, or groups of assets and liabilities included in the inventory,

d) the serial numbers of the supporting documents (inventory sheets) used,

e) the quantity, unit price and total value of assets and liabilities inventoried actually found,

f) an itemised statement of inventory discrepancies (shortages and surpluses),

g) the signatures of the persons carrying out and verifying the inventory taken and of the head of the organisational unit.

8.§ General Rules for Taking Inventory

(1) Inventory taking schedule

An inventory taking schedule must be drawn up before inventory is taken. The inventory taking schedule shall include the planned start and end dates of all work processes related to the preparation, recording and valuation of the inventory and its verification. The inventory taking schedule is prepared by the Directorate for Economic Affairs 30 days before the inventory taking.

(2) The schedule shall include:

a) the assets and liabilities to be inventoried,

b) the effective inventory taking date,

c) the inventory zones,

d) the date of taking the inventory (defined by day),

e) the start and end date of inventory taking,

f) the deadline for evaluation of inventory taking,

g) the deadline for the preparation of the final inventory reports.

(3) Instructions for inventory taking

In the zones indicated in the inventory taking schedule, the inventory taking is carried out in accordance with the inventory taking instructions.

(4) Inventory can be taken by:

a) quantitative recording,

b) way of reconciliation.

(5) Actual quantitative (direct) recording: determination of assets by quantity of items, weight or mass by counting or weighing.

(6) Methods of quantitative recording:

a) recording independent of records,

b) counting and weighing all assets to be inventoried and entering them, together with their identification data, on the inventory documents,

c) taking inventory based on records,

d) comparing and reconciling the quantities recorded in the analytical accounts with the quantities found (audit).

(7) Groups of assets to be inventoried by quantitative recording:

a) tangible assets,

b) tangible assets of small value,

c) stocks,

d) cash.

(8) Reconciliation means the comparison of the general ledger records with the analytical records or with the documents (bank statements, reconciliation letters, calculations, etc.) which serve to corroborate the correctness of the accounting.

(9) Methods of reconciliation:

a) internal reconciliation,

b) reconciliation letter,

b) special reconciliation.

(10) Groups of assets to be inventoried by reconciliation: intangible assets, financial fixed assets, receivables, securities, liquid assets on accounts, accruals and deferrals, equity, liabilities.

(11) Inventory zone

At the University, the inventory zones are the same as the organisational units. Inventory zone means a physically isolated or separable area (SAP site), identified and identifiable by an identification number in the central analytical asset register.

If the status of the organisational units changes (merger, dissolution, etc.) the inventory zones must be adjusted accordingly.

In order to ensure better organisation and control of work and to reduce the time needed for performing inventory taking, heads of organisational units may set up subzones within the inventory area. For accounting purposes, the inventory zone shall be the unit of account.

Inventory zones help to ensure the completeness of the inventory.

(12) Date of taking inventory

The inventory must be carried out within the timeframe specified in the annual inventory taking schedule.

The inventory taking activity must be preceded by the tasks set out in the Asset Disposal Regulation.

The inventory must be carried out on a predetermined calendar day (effective inventory date) in the whole University or in individual units, so that all assets, including assets not included in the balance sheet, and liabilities are inventoried.

The completion of the inventory must be noted in the closed analytical records. The inventory quantity and value of assets shall be established from the analytical records reconciled with the general ledger records as per the last day of the year.

If the inventory taking is not been completed for any reason, or if the audit has established that the inventory data are disputable, the assets in the inventory unit concerned (premises, area, etc.) must be partially or totally inventoried anew.

If, after the inventory has been taken, the inventory controller detects any discrepancies that materially affect the integrity and accuracy of the inventory taken, he/she must suspend the inventory taking.

The suspension must be reported to the Director of Economic Affairs, who must ensure that the reasons for the suspension are remedied and decide on the conditions and date for resuming the inventory taking.

9.§ Types of Inventory Taking

(1) Types of inventory taking:

a) Asset inventory: documentation supporting the validity of the annual balance sheet.

b) Transfer inventory: established when there is a change in the employee(s) responsible for the assets or there is a change in the operation of the organisational unit (e.g. move, separation, merger).

c) Inventory of third party assets: an inventory of assets held by the University but not owned by the University.

d) Extraordinary inventory: inventory ordered by the Chancellor in the case of the existence or occurrence of extraordinary, special, unique economic events.

(2) The inventory discrepancy is the difference between the quantity determined during the inventory taking and the quantity in the accounting records. The value of the inventory discrepancy is the value of the difference in quantity determined during the inventory taking calculated based on the recorded unit price.

(3) An inventory shortage is defined as a shortage in assets, materials and stocks duly received in inventory, which exceeds the natural quantitative deterioration and expected spill during processing.

10.§ Duties and Responsibilities Related to Inventory Taking

(1) The Chancellor is responsible for authorising the accounting clearance of inventory discrepancies reported by the Director of Economic Affairs.

(2) The Director of Economic Affairs has the power delegated to him/her by the Chancellor and based on the proposal of the Directorate for Economic Affairs to:

a) set the annual inventory taking schedule,

b) designate the inventory zones,

c) centrally control the inventory taking,

d) order a repetition of the inventory taking,

e) arrange the inventory valuation,

f) identify the inventory discrepancies, authorise offsetting,

g) inform the Chancellor about inventory shortages and the enforcement of financial liability,

h) take decision or give authorisations in the cases specified in the Regulation (e.g. changes to deadlines).

(3) The deans and the head of the comprehensive organisational units are responsible for:

a) determining the stocks which may be offset against each other, on the basis of proposals from the heads of the organisational units under his/her supervision,

b) notifying the Directorate of Economic Affairs in the event of an inventory shortage,

c) the establishment and enforcement of liability for inventory shortage on the basis of the Collective Agreement, the Employment Requirement System,

d) taking action to eliminate the causes of discrepancies.

(4) The Department of Legal Affairs and Procurement is responsible for:

a) Enforcement of liability for inventory shortages as defined in the Act, the Employment Requirement System or in the Collective Agreement, subject to the approval of the Chancellor, in the context of compensation proceedings or before a court.

b) Initiation of misconduct or criminal proceedings under the Employment Requirement System on the basis of the facts (omission or act) found, subject to the approval of the Chancellor or, in the case of the academic area, the Rector.

(5) The head of the unit responsible for the inventory (the comprehensive organisational unit, organisational unit/institute, department, division) is responsible for:

a) organising the management and safekeeping of assets within the organisational unit,

b) notifying to the Directorate for Economic Affairs in the event of a change of the asset manager in the organisation,

c) the designation of the asset manager and the inventory takers, laying down the rights and obligations of the mandate, and the responsibilities,

d) preparing the inventory taking and providing the required personnel and materials for a swift and accurate performance of the inventory taking,

e) proposing compensation,

f) investigating the causes of inventory discrepancies within 15 days of the reconciliation,

g) appointing the inventory controllers.

(6) The inventory officers (deans, heads of comprehensive organisational units, heads of organisational units) are responsible for:

a) the protection of assets of the University in the organisational unit under their control,

b) providing the necessary prerequisites for the performance of the inventory takers' and the inventory controller's inventory-related tasks,

c) preparing and carrying out the inventory taking in his/her organisational unit in accordance with the Inventory Control and Inventory Preparation Policy and the inventory taking schedule.

(7) Inventory takers are responsible for:

a) establishing the actual stock of assets and liabilities according to the Inventory Control and Inventory Preparation Policy and the annual inventory taking schedule, and for the quantitative inventory based on the actual measurements and counting,

b) carrying out the necessary administrative work during and after the inventory taking.

11.§ Preparing the Performance of the Inventory Taking

(1) Before the inventory is taken:

a) surplus assets and the their possible use or disposal has to be assessed,

b) it has to be ensured that the necessary staff and work tools are available for taking the inventory,

c) an inventory taking schedule shall be drawn up.

(2) The Directorate for Economic Affairs shall ensure that the central analytical records are kept up to date and that the forms are supplied on the basis of the effective inventory date specified in the schedule.

(3) The head of the organisational unit shall ensure that by the date of inventory taking:

a) the records are updated,

b) the reconciliation of inventory records of assets and stocks to be inventoried is checked.

(4) During the preparation of the inventory taking, it must be ensured that:

a) assets are separated correctly,

b) own and third party assets are separated and marked accordingly,

c) assets stored in third party locations are accounted for,

d) excess assets/supplies are handed over to the Logistics Department of the Department of Legal Affairs and Procurement (hereinafter: “Logistics Department”),

e) the items to be inventoried are placed separately in accordance with their quality, size and type,

f) new and used stocks are separated,

g) stocks are separated by type,

h) dead stock, assets of reduced value and assets to be scrapped are identified.

12.§ Conditions of Inventory Taking in Terms of Personnel

(1) The actual performance of the inventory by inventory zones is the responsibility of the inventory taking teams. Inventory taking teams should be established by inventory zones. The inventory taking team consists of the following members:

a) the head of the inventorying unit,

b) the inventory takers,

c) the inventory controller.

(2) An employee of the Logistics Department takes part in the work of the inventory taking team, who counts the assets to be inventoried with using a barcode scanner.

(3) When setting up the inventory taking team, special attention should be paid to ensuring that members of the inventory taking team have sufficient local and professional knowledge of the inventory zone. Members of the team must accept and comply with the mandate unless there is a conflict of interest.

(4) Before starting taking the inventory, the head of the inventory taking team shall inform the head of the organisational unit, the inventory controller, the asset manager, the staff member of the Logistics Department and the collaborating employees about the inventory taking process. The provisions of the Regulation, the inventory taking tasks (method of inventory, duration of the inventory, etc.), the responsibilities of the inventory takers must be made known to the persons involved in taking the inventory. It is also useful to evaluate the experience gained during the previous inventory taking.

(5) The inventory taking is carried out under the direction and control of the head of the inventory taking team by the staff of the organisational units, primarily the asset managers, and the staff members of the Logistics Department.

(6) It is the responsibility of the asset manager or the staff member of the Logistics Department to ensure that:

a) the assets subject to inventory taking can be located without loss of time,

b) tools are available for taking the inventory,

c) the supporting documents that provide credible documentation of discrepancies with reconciled records (e.g. university equipment stored in a third party location, third party equipment stored at the University) are available,

d) the asset identification numbers are placed so they are immediately recognisable.

(7) The head of the inventory taking team directs, supervises and participates in the inventory work in the inventory zones.

(8) If the head of the inventory taking team, while monitoring the execution of the inventory taking, discovers inventory taking in conflict with regulations, he/she shall draw the attention of the Director of Economic Affairs to this fact in writing. The head of the inventory taking team is responsible for ensuring compliance with the Regulation and other instructions, and for the authenticity of inventory documents and their compliance with formal requirements.

(9)The inventory controller is involved in the whole process of the inventory taking work of the organisational unit.

The main tasks of inventory controller are:

a) to check that the inventory is properly prepared and that prerequisites are in place,

b) to check the accuracy of quantitative records and their compliance with professional norms,

c) to verify the correctness of all calculations and valuations related to the inventory,

d) to check that inventory taking complies with regulations and that data recorded in the detailed inventories are aggregated correctly.

The inventory controller shall report any shortcomings in the preparatory work for the inventory taking which require action to the head of the organisational unit. Observations shall be recorded and these records shall be kept as an annex to the summary of inventory taken.

(10) Conflict of interest rules:

a) An employee of his/her own organisational unit may not be an inventory controller in his/her own department.

b) A person who is financially responsible for the asset (inventory controller) must not be inventory taker.

c) A person involved in the evaluation of the inventory taking may be an inventory taker.

(11) The employee designated by the head of the organisational unit must participate in the inventory taking work.

(12) Inventories may be taken only on the basis of a written order.

Chapter III: Taking Inventory of Assets and Liabilities

13.§ Taking Inventory of Measurable, Countable Assets

(1) During the inventory taking process and in accordance with the prescribed inventory taking method:

a) the quantity of the asset on the inventory must be established,

b) it must be verified that the inventory documents contain the identification data, unit of measurement and quantity of the assets,

c) it must be verified that all assets have been inventoried,

d) the inventory documents must be signed,

e) an inventory taking summary shall be drawn up on the basis of the inventory record sheets,

f) the inventory summary shall be reconciled with the audited inventory documents,

g) the inventory must be evaluated,

h) it must be established within 20 days from the date of taking the inventory, whether any shortage or surplus compared to the analytical records has been found, the reasons for the discrepancies shall be recorded in a report, and the inventory closing report shall be drawn up at the end of the inventory taking.

(2) In the case of fixed assets with a unique registration number, the counting shall be carried out by scanning the barcode with the optical reader provided for that purpose.

14.§ Taking Inventory of Fixed Assets

(1) The inventory of intangible assets – intangible property rights, intellectual products and other intangible assets – involves identifying and reconciling the values in the books and analytical records, and checking the existence and completeness of the documentation.

(2) The detailed and analytical accounts shall be set up in such a way that, in accordance with the provisions of the Act, the relevant data for the balance sheet and the notes can be provided without separate collection.

(3) In the case of tangible assets, such as immovable property, machinery, equipment and tools, vehicles, breeding animals, investments, advances on investments, the inventory may be drawn up on the basis of analytical records kept continuously and accurately in accordance with the accounting principles. In this case, the tangible assets may be entered in the inventory from the analytical records at their value at the balance sheet date.

(4) The inventory of financial fixed assets – participating interests, long-term loans – means the reconciliation of the analytical records with the contracts and the statements of accounts.

(5) Method of taking the inventory of fixed assets

No.	Description	Method of taking the inventory	Organisational unit obligated to take stock of inventory	Comments
1.	Intangible assets	by way of reconciliation	all inventory zones	by identifying and reconciling the values in the analytical records
2.	Tangible Assets			
2.1	Immovable property			
2.1.1	Land	by way of reconciliation	Technical and Operational Directory /Asset Management and Technical Department (hereinafter: “AMTD”)	land registry data, based on individual records
2.1.2	Plots	by way of reconciliation	AMTD	land registry data, based on individual records
2.1.3	Buildings, building accessories	by way of reconciliation	AMTD	based on site plans

2.1.4	Other buildings	by quantitative recording	AMTD	based on site plans, maps
2.2	Machinery, equipment, tools	by quantitative recording (by reading the barcode)	all inventory zones	independently of the register, by ex post comparison with the register
2.3	Vehicles	by quantitative recording (by reading the barcode)	all inventory zones	by simultaneous comparison with records
2.4	Assets in course of construction	by way of reconciliation	AMTD	by reconciling with accounts and analytical records
3.	Financial fixed assets	by way of reconciliation	Directorate for Economic Affairs	by reconciling with analytical records

15.§ Taking Inventory of Stocks

(1) An inventory of stocks shall be made with the effective date of the balance sheet date, with the following breakdown:

a) Purchased goods, stocks (forms, PR products)

b) Finished products.

(2) The organisational unit shall inform the Directorate for Economic Affairs of the inventory having been completed and its results.

(3) Method of taking the inventory of stocks

No.	Description	Method of taking the inventory	Organisational unit obligated to take stock of inventory	Comments
1.	Goods (forms, PR products, books)	by quantitative recording	all inventory zones	The inventory is recorded independently of the records.

16.§ Taking Inventory of Non-Countable Assets and Liabilities

(1) Receivables shall be inventoried annually by way of reconciling the related documents and analytical records.

(2) After the inventory (reconciliation) of the receivables recorded in the accounts of debtors and customers, the customer shall be informed by sending them a balance for reconciliation. A receivable shall be deemed to be accepted if the customer does not object to it by the deadline specified in the reconciliation letter and/or settles the debt by the date of preparing the balance sheet.

(3) Taking the inventory of securities recorded under current assets shall be reconciled with the analytical records. The analytical records must contain the following data:

a) identification data,

b) the nominal value of the security,

c) the amount at the time of purchase,

d) the purpose of the loan,

e) the expiry date,

f) the amount of interest,

g) the value of any impairment losses.

(4) Securities shall be shown in the inventory at book value.

(5) The inventory of funds shall be carried out with the effective date of 31 December of each year by reconciliation, with a recorded audited inventory in the case of cash on hand.

(6) The balances of the bank accounts held with the account-keeping credit institution shall be inventoried annually by way of reconciliation with the last statement of account as of 31 December or the last statement of account of the current year.

(7) Deferred expenses and accrued income are inventoried on the basis of the analytical accounts.

(8) Methods of taking the inventory of financial assets, receivables, deferred expenses and accrued income:

No.	Description	Method of taking the inventory	Organisational unit obligated to take stock of inventory	Comments
1.	Financial assets	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records
2.	Receivables			
2.1	Receivables from customers	by way of reconciliation	Directorate for Economic Affairs	based on the relevant invoices, statements of balance and accounts
2.2	Other receivables	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records and contracts
3.	Deferred expenses and accrued income	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records

(9) Reconciliation involves first comparing the assets and liabilities with the relevant analytical records and then reconciling the analytical records with the general ledger.

The analytical records can be regarded as the inventory.

(10) Taking the inventory of equity shall be carried out annually by way of reconciliation. The inventory taking shall be carried out by reconciling the analytical records and the general ledger records.

(11) Taking the inventory of provisions shall be carried out annually by way of reconciliation. The inventory taking shall be carried out by reconciling the analytical records and the general ledger records.

(12) Only liabilities which the University has recognised as binding on itself and which have been performed may be included in the balance sheet.

(13) Taking the inventory of liabilities shall be carried out annually by reconciliation with the analytical records and the supporting documents, and disputed items shall be settled in the time available before the balance sheet is drawn up. Only approved and accepted data can be included in the balance sheet.

(14) Payables to suppliers (liabilities for the supply of goods and services) shall be entered in the inventory, itemised by supplier, including the invoice number, amount and due date. The authenticity of the recorded value data must be verified by reconciliation (current account reconciliation). Only accepted data can be included in the balance sheet.

(15) Other payables (e.g. advances received) are inventoried at year-end on the basis of the analytical records updated continuously.

(16) Accrued expenses and deferred income are inventoried on the basis of the analytical accounts.

(17) Method of taking the inventory of equity, liabilities, accrued expenses and deferred income:

No.	Description	Method of taking the inventory	Organisational unit obligated to take stock of inventory	Comments
1.	Equity	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records
2.	Provisions	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records
3.	Liabilities			
3.1	Trade payables	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records
3.2	Other payables (pl. advances received)	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records
4.	Accrued expenses and deferred income	by way of reconciliation	Directorate for Economic Affairs	on the basis of the analytical records

17.§ Aggregation, Processing and Retention of Inventories

(1) On completion of the inventory taking, it shall be verified that

a) the inventory has been taken by all inventory taking teams in the inventory zones,

b) the inventory has been taken in accordance with professional standards and complied with laws and the inventory taking rules,

c) the documents generated during the inventory and the faulty or unused printed forms have been returned in full.

(2) The results of the inventory shall be recorded by the inventory takers on the inventory sheets, item by item. All pages of the inventory sheets must be signed

by the inventory takers, the asset manager and the head of the organisational unit.

(3) A summary inventory of the department shall be drawn up from the duly completed inventory sheets.

(4) The inventory summaries shall be reconciled by the inventory takers with the records of the organisational unit and the inventory discrepancies shall be recorded. The inventory summary is signed by the head of the inventorying organisational unit, the inventory controller and the head of the inventory taking team.

(5) The inventory sheets of the organisational unit shall be submitted to the Directorate for Economic Affairs for the purpose of establishing the results of the inventory.

(6) A proposal for offsetting any surplus/shortage shall be submitted together with the inventory sheets.

The shortage may be offset by a surplus only in the case of stocks and tangible assets of the same category, with approximately similar value, quality and utility and which are therefore easily mixed up, are interchangeable, substitutable, and are normally stored on the same premises.

(7) The Director of Economic Affairs shall ensure that the inventory sheets are retained for 10 years.

18.§ Tangible Assets Provided for Personal Use

(1) Based on the relevant Chancellor's instruction, tangible assets issued to employees for personal use are registered and documented at the University in the Nexon Labour Registry System (NEXON).

(2) The Directorate of Human Resources Management (hereinafter referred to as "DHRM") is responsible for keeping a register of tangible assets issued for personal use.

(3) With regard to University assets made available for personal use, the form entitled "Handover and receipt of tangible assets issued for personal use" available on the website of the University (DHRM documents) must be completed and sent to the DHRM.

(4) The user is financially responsible for the preservation of the asset handed over for personal use and the preservation of its condition.

(5) The head of the organisational unit is financially responsible and accountable for the preservation of all assets that have not been handed over for personal use, as well as for the preservation of their condition.

(6) During the inventory process, the head of the organisational unit is responsible for ensuring that employees using assets handed over for personal use present those assets to the inventory takers at the time specified in the inventory taking schedule.

(7) If the personal use of the asset ceases (including termination of employment) or a new use is established, the head of the organisational unit must immediately notify the DHRM by providing the relevant documentation for the purpose of making the necessary modifications in the records.

19.§ Tangible Assets Serving Environmental Protection Directly

(1) After the completion of the actual quantitative inventory taking and the evaluation of the inventory taking, a special count of the tangible assets serving environmental protection directly shall be made.

(2) Pursuant to Section 94 (1) of the Act, details of tangible assets serving environmental protection directly must be described in the notes to the annual report.

(3) In order to comply with the legal requirement, an inventory of tangible assets serving environmental protection directly is carried out after the inventory of above mentioned assets has been taken and evaluated. Once the inventory has been evaluated, the asset list sent by the Directorate for Economic Affairs to the organisational units must be used to identify the tangible assets serving environmental protection directly.

(4) It is the responsibility of the head of the organisational unit (inventory officer) to determine the tangible assets serving environmental protection directly.

20.§ Establishment of the Inventory Result

(1) The Directorate for Economic Affairs is responsible for reconciling the aggregated inventory data of the organisational unit with the general ledger and analytical records and for establishing the inventory result, which may be

a) matching inventory,

b) inventory surplus,

c) inventory shortage.

Once the inventory taking has been completed, the Directorate for Economic Affairs notifies the organisational unit of the results of the inventory.

(2) In the event of an inventory surplus or shortage, the head of the organisational unit shall promptly investigate the reasons for the discrepancy. The result shall be recorded in a report.

The report must be sent to Directorate for Economic Affairs.

(3) Liability for inventory shortages shall be determined by the Dean, the head of the comprehensive organisational unit, the head of the organisational unit, in accordance with the provisions of the Labour Code, the Collective Agreement and the Employment Requirements System, after obtaining a juridical opinion.

21.§ Inventory Control

(1) Inventory taking is an important means to safeguard University property and ensure the accuracy of the balance sheet, particular care shall therefore be taken to monitor the performance of taking inventory. The head of the organisational unit is required to check the performance of the inventory taking as provided for in this Regulation as part of the workflow control.

(2) Part of the workflow control is the activity carried out in the inventory taking team with the participation of the inventory controller.

(3) The Director of Economic Affairs, with the assistance of the employees of the Directorate for Economic Affairs in charge of the inventory, shall carry out random controls on the inventory work carried out in each inventory zone.

22.§ Liability for Inventory Shortages

(1) Irrespective of fault, the employee shall be liable to pay full compensation for any loss or damage in the event of a shortage of assets received with a duty to return or account for them, which he/she keeps in his/her permanent custody, uses or handles exclusively.

(2) The employee shall be exempted from liability if he/she proves that the loss was caused by an external factor beyond his/her control or that the employer failed to ensure safe custody.

(3) If the damage, i.e. the inventory shortage, was caused by several persons acting in unison, the liability for damages shall be proportionate to the amount of each person’s wage.

(4) The head of the organisational unit shall be responsible for inventory shortages as set out in the University's Employment Requirement System and the Collective Agreement.

Chapter IV: Other Special Rules

23.§ Inventory of Library Books

(1) The inventory of the library stock shall be taken in accordance with KM-PM Joint Decree No. 3/1975. (VIII.17.), the Organisational and Operational Rules of Procedure of the Library and Knowledge Centre of the University of Pannonia.

24.§ Inventory of Books Purchased with Grant Funding

(1) Books purchased with grant funding are recorded and accounted for under Fixed assets if they have been included in the plans as purchases of tangible assets on the basis of the tender guidelines and the tender budget (due to their long-term use and the obligation related to the maintenance period).

(2) The rules for taking the inventory of books purchased with grant funds are described in Chapters II and III of this Regulation.

Chapter V: Forms Used

25.§ Availability of Forms

(1) The required, applicable forms/printed material are available on the University's website (www.uni-pannon.hu):

University Organisations / Directorate for Economic Affairs / Documents

Chapter VI: Final Provisions

26.§ Entry Into Force, Approval

(1) The University promulgates and publishes this Regulation on its website (www.uni-pannon.hu).

(2) By virtue of Resolution No. 209/2024. (X.31.), this Regulation has been adopted by the Senate at its meeting on the 31st October 2024.

(3) This Regulation shall enter into force on 1 December 2024.

(4) This Regulation shall remain in force until further notice.

(5) Simultaneously to this Regulation entering into force, the Inventory Control and Inventory Preparation Policy of the University of Pannonia adopted by Resolution No. 198/2023. (X.26.) of the Senate shall cease to have effect.

Veszprém, 31st October 2024

Dr. János Abonyi	Zsolt Csillag
Rector	Chancellor

On behalf of the Foundation for the University of Pannonia, as Operator, approved by:

Veszprém, 31st October 2024

Dr. Péter Bartus

Director of Operations