

SAND2016-8121C

Inventory Reconciliation Making it Work for You

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Sandia National Laboratories



*Value Through Professional
Asset Management*

AUGUST 29 - SEPTEMBER 1, 2016
2016 National Education Seminar (NES)
Gaylord Opryland Resort, Nashville, TN
www.npmaconferences.org/nes

Inventory Goals

- As a Property Manager what's your primary inventory goal?
 - Find your stuff
 - Reconcile physical assets with the property record
 - Identify property no longer there
 - Unrecorded retirements
 - Lost property
 - Reduce bottom-line shortages

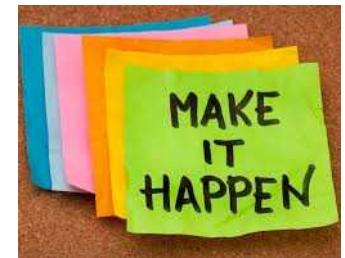
Inventory Phases

- Plan
- Conduct
- Reconcile
- Report



Our Story – why reconciliation is important to us

- Baseline of 60,000 assets valued at >\$760M
- Tasked with challenge of locating 22,000 additional assets valued at \$800M
 - Had not been subject to inventory since 2007
- Total population >\$1.5B
- At end of inventory and beginning of reconciliation period we were heading for our biggest write-off ever!! (\$15M still outstanding)
- Went into overdrive with an aggressive reconciliation plan
 - In two weeks our team reduced the inventory write-off by 76% (\$3.6M)
 - Overall inventory scores >99.8%



Inventory Reconciliation



What is Reconciliation

- Component of all physical inventories
- Arguably considered the most important phase of an inventory
 - Can be fast & easy or difficult & time-consuming
 - Done well, can be exceptionally effective in reducing bottom-line shortages

Settle or resolve discrepancies between or among records, ledgers, and/or actual inventories.

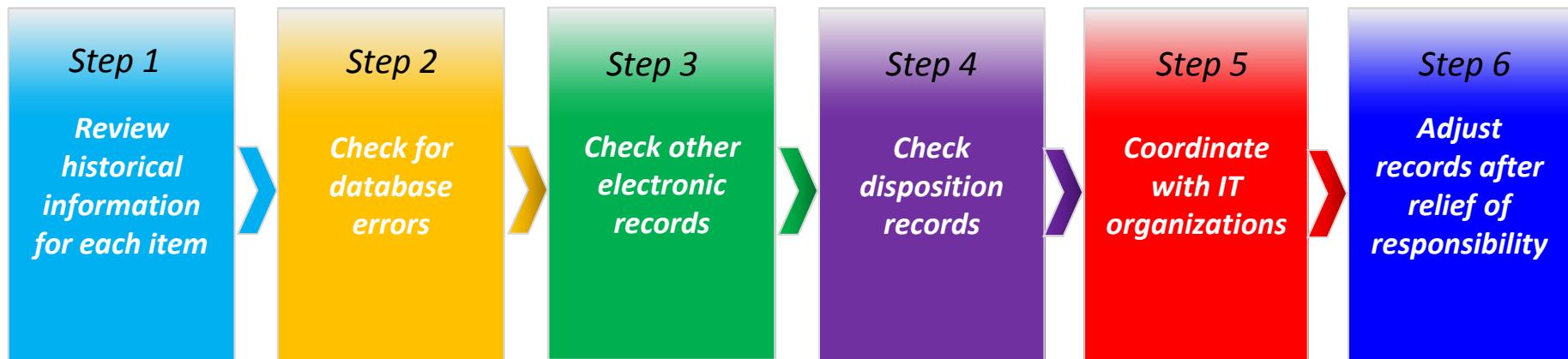
Ground Rules

- Don't begin a reconciliation activity too early in the inventory cycle
 - Can get bogged down if you try reconciliation activities too early with too many items
- Supporting documentation
 - Ensure you have enough information to back-up removal of items from inventory holdings
- Make sure someone has physically tried to locate the property before reconciliation efforts are used



Reconciliation Steps

- Successful reconciliation requires following a defined set of steps to try & resolve inventory discrepancies
- Steps may vary depending on organizational size, quantity of items to reconcile, and what types of items and discrepancies are seen



Step 1 - Historical Information

- Assume nothing, always check
- Purchasing documentation
 - PO
 - Original record creation (input) form

PO Line, Shipment and Distribution Information

#1 References CPA 1417819, (This line is cancelled) Description: Dell Latitude E6540 Standard										
Category: COMPUTER DESKTOP			Type: GOODS - UNCLASSIFIED							
Unit EACH		Qty: 0	Price: \$1,764.01	Line Amt: \$0.00			Price Type:			
Ship# 1	Ship To: SANDIA LABS - ABQ	Qty: 4	Ship Amt: \$0.00	Qty Rcvd: 0	Qty Billed: 0	Qty Cncld: 4	Promised Dt: 08-Sep-2015			
#	Proj	Task	Gov Pri	Exp Type	Org	Qty	Rcvd	Bld	Amt	Requestor
1	215 (Indirect)	10.05.02	None	Po Items Purchased	05527	4 (Cndd)	0	0	\$0.00	Deliver To 855.134.SA 25K Status: Approve by [REDACTED] on 08-Sep-2015
										Req 1828014/Line 1

Information Form for New Property Numbers

Today's Date: August 29, 2007 S890543 U.S. GOVT PROP
S890543

Does this Asset already have a Property # ? If Yes, the # is N/A ✓

Property Information: S890544

Owner's Name: [REDACTED]

Organization #: 02555 Phone #: 844-1665

Mail Stop #: 1455

Description: Invision SR 3D Printer
(replacement unit since original did not work)

Building/Room #: 905/1106

Serial #: XTA2697

Manufacturer: Source Graphics

Model #: Invision XT

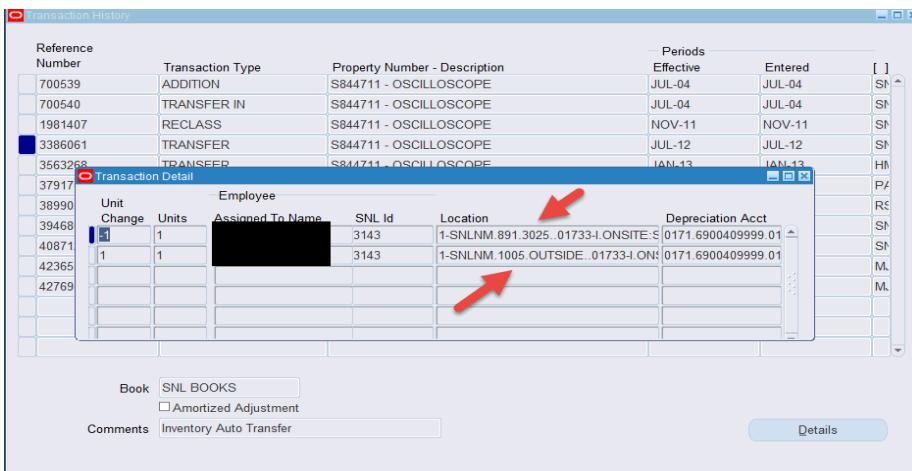
Original Acquisition Date: 8/17/06 (replacement unit since original did not work)

Original Acquisition Cost: \$ 63,950.

P.O. #: 617619

Historical Information (cont'd)

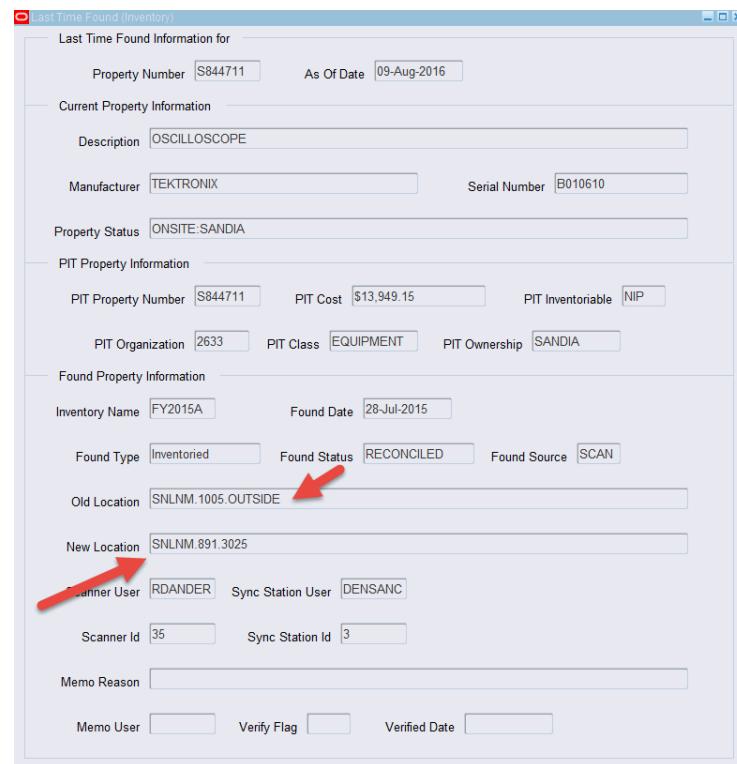
- Previous inventory scans/locations
 - When and where was the item last physically located?
- Transaction history
 - Are there differing locations/owners?



Reference Number	Transaction Type	Property Number - Description	Periods Effective	Entered	[]
700539	ADDITION	S844711 - OSCILLOSCOPE	JUL-04	JUL-04	SN
700540	TRANSFER IN	S844711 - OSCILLOSCOPE	JUL-04	JUL-04	SN
1981407	RECLASS	S844711 - OSCILLOSCOPE	NOV-11	NOV-11	SN
3386061	TRANSFER	S844711 - OSCILLOSCOPE	JUL-12	JUL-12	SN
3563268	TRANSFER	S844711 - OSCILLOSCOPE	JAN-13	JAN-13	HM
37917	Transaction Detail		Employee		
38990	Unit Change	Units	Assigned To Name	SNL Id	Location
39468	1	1		3143	1-SNLNM.891.3025.01733-I.ONSITE:S
40871	1	1		3143	1-SNLNM.1005. OUTSIDE..01733-I.ON
42365					0171.6900409999.01
42769					

Book: SNL BOOKS
 Amortized Adjustment
Comments: Inventory Auto Transfer

Details



Last Time Found (Inventory)

Last Time Found Information for

Property Number S844711 As Of Date 09-Aug-2016

Current Property Information

Description OSCILLOSCOPE

Manufacturer TEKTRONIX Serial Number B010610

Property Status ONSITE:SANDIA

PIT Property Information

PIT Property Number S844711 PIT Cost \$13,949.15 PIT Inventorable NIP

PIT Organization 2633 PIT Class EQUIPMENT PIT Ownership SANDIA

Found Property Information

Inventory Name FY2015A Found Date 28-Jul-2015

Found Type Inventoried Found Status RECONCILED Found Source SCAN

Old Location SNLNM.1005.OUTSIDE

New Location SNLNM.891.3025

Scanner User RDANDER Sync Station User DENSANC

Scanner Id 35 Sync Station Id 3

Memo Reason

Memo User Verify Flag Verified Date

Historical Information (cont'd)

- Accountability Statement Responses
 - Check for documented issues that may not have been resolved
 - Demolished by facilities
 - Confiscated by the FBI
 - In custody of Eric Smith/Raytheon

Last Time Processed (Accountability Statements)

Search Criteria	
Property Number	S537178
As Of Date 09-Aug-2016	
Property Information	
Description	TRANSFORMER POWER
Manufacturer	WESTINGHSE
Serial Number	ZBR07961
Property Status	
ONSITE: SANDIA	
PIT Information	
PIT Date	04-Nov-2013
PIT Property	S537178
PIT Organization	01512
PIT Cost	\$12,637.00
PIT NBV	\$0.00
PIT Person	[REDACTED]
PIT Assigned	01515
PIT Location	
SNLNLM.865.8.	
Processed Information	
Processing Person	[REDACTED]
Processed Date	21-Nov-2013
Processed Code	
No I Do Not Have This Item At	Sub Code
Cannibalized, Dismantled, or Destroyed	
Processed Text	
demolished by Facilities; they should have removed it from inventory	

Last Time Processed (Accountability Statements)

Search Criteria	
Property Number	S886087
As Of Date 09-Aug-2016	
Property Information	
Description	LAPTOP
Manufacturer	APPLE
Serial Number	W86441KH0H
Property Status	
ONSITE: SANDIA	
PIT Information	
PIT Date	04-Nov-2013
PIT Property	S886087
PIT Organization	01132
PIT Cost	\$2,514.02
PIT NBV	\$0.00
PIT Person	[REDACTED]
PIT Assigned	06111
PIT Location	
SSTP.518.1183.	
Processed Information	
Processing Person	[REDACTED]
Processed Date	14-Nov-2013
Processed Code	
No I Do Not Have This Item At	Sub Code
Other (Use ONLY If Above Reasons Do Not Apply)	
Processed Text	
This property is part of a criminal investigation and was confiscated by the FBI	

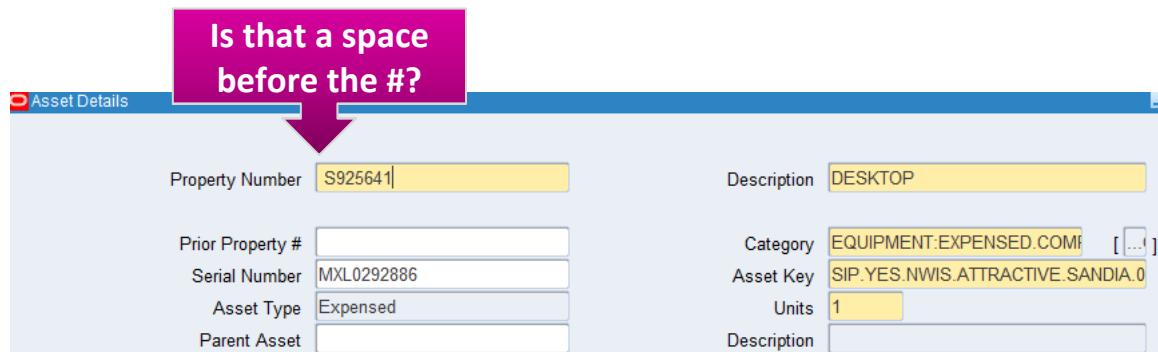
Last Time Processed (Accountability Statements)

Search Criteria	
Property Number	S612886
As Of Date 09-Aug-2016	
Property Information	
Description	SPECTROGRAPH SYSTEM
Manufacturer	SPECTRL DY
Serial Number	NONE
Property Status	
ONSITE: SANDIA	
PIT Information	
PIT Date	04-Nov-2013
PIT Property	S612886
PIT Organization	01353
PIT Cost	\$57,377.17
PIT NBV	\$0.00
PIT Person	[REDACTED]
PIT Assigned	01353
PIT Location	
SNLNLM.962.1411-F-Raytheon-Ktech/Eric Smith	
Processed Information	
Processing Person	[REDACTED]
Processed Date	06-Nov-2013
Processed Code	
No I Do Not Have This Item At	Sub Code
Other (Use ONLY If Above Reasons Do Not Apply)	
Processed Text	
In custody of Eric Smith/Raytheon-Ktech (505-998-5830)	

Step 2 - Database Errors

- Was the item added under a different property identification number in error?
 - Perform a duplicate serial number search
- Was the original property identification number changed & not corrected in the database?
- Human error may play a role

Is that a space before the #?



Asset Details

Property Number	S925641
Description	DESKTOP
Prior Property #	
Serial Number	MXL0292886
Asset Type	Expensed
Parent Asset	
Category	EQUIPMENT:EXPENSED.COM
Asset Key	SIP.YES.NWIS.ATTRACTIVE.SANDIA.0
Units	1
Description	

What's a 'tick' mark doing here??

S924591'

Step 3 – Check Electronic Records

- **Shipping Records**
 - Query property ID number in electronic shipping records to determine if the item left the corporation
 - Return to vendor
 - Traded-in
 - Loaned to another agency
 - Repair/calibration
- **Other electronic records**
 - Vendors
 - Loans

SHIP FROM:
Sandia National Laboratories on behalf of the
U.S. National Nuclear Security Administration
1515 Eubank SE
Albuquerque, NM 87123

Shipper 220288
Commercial Invoice
Current Ship Status: Shipped

Shipper Submitted By:
Montoya,Lupe Annette 09339
lamont@sandia.gov
505.845.7716

SHIP TO:
Spirent Communications
26750 Agoura Road
Calabasas, CA 91302
US
RMA/RGA Number: 8005569

Deliver to: RMA# 80005569
Phone: (818) 676-2300
Email:
Dept:
Bldg / Room:
Mail Stop:

Submitted: 2014-06-25
Date Expected at Destination: 2014-06-30

Production-Related: N

For Shipment Processing Use

Date Shipped: 2014-06-27
Carrier: FedEx
Mode: Ground
Tracking No(s): 2674428746

Total No. Packages: 1
Total Weight: 95.0 lbs
Total Cubic Dim: 0.0 cubic ft

Ship Reason: Return defective items to a manufacturer or reseller
RMA Number: 8005569

1 Item:

Total value of items: \$207,033.24

Item ID	Basic Details	Quantity	Property Details	Hazard Details
3	PROPERTY NUMBER: S919842 NETWORK TESTER Unit Cost: \$207,033.24 Total Value: \$207,033.24 Classification: Unclassified	1 each	Property Number: S919842 Return Information: Not returning (Return defective items to a manufacturer or reseller)	None

Step 4 – Check Disposition Records

- What kind of disposition records do you keep?
 - Sanitization/destruction records (computing items)



(COMPUTERS THAT DON'T HAVE A PROPERTY NUMBER WILL BE COLORED IN RED)		TRIP #	Manufacturer	Other Manufacturer	Model	Serial Number	# Hard Drives Removed	Disposition
Created	Property Number							
10/8/2015	S930185	334011	DELL		LATITUDE E6510	C1DCMM1	1	K-12
10/8/2015	S917127	333359	DELL		E4300	D1Y2VK1	1	Destroyed
10/8/2015	S939092	333359	DELL		LATITUDE	506HYQ1	1	K-12
10/8/2015	S955127	334732	DELL		LATITUDE E6530	7PD78V1	1	K-12
10/8/2015	S950452	333585	DELL		LATITUDE	DW44PS1	1	K-12
10/8/2015	S951126	333822	LENOVO		T420	41786VU	1	K-12
10/8/2015	S908427	333930	DELL		M6300	DSDLGH1	1	Destroyed
10/8/2015	S940029	334134	APPLE		MACBOOK	SC02G63VLDRJL	1	Destroyed
10/8/2015	S956977	333535	DELL		LATITUDE E6330	DM3XTV1	1	K-12
10/8/2015	S928167	334011	DELL		E6410	45BSMM1	1	K-12
10/8/2015	S930434	332	DELL		LATITUDE E4310	G4LRMM1	1	K-12
10/8/2015	S949198	334032	DELL		M6300	HNX0BG1	1	Destroyed
10/12/2015	S934979	334127	DELL		DCSM1F	84FTCP1	1	K-12
10/12/2015	S934979	334127	DELL		DCSM1F	84FTCP1	1	K-12
10/12/2015	S954977	333394	DELL		D09M	5G747V1	2	Sanitized
10/12/2015	S954977	333394	DELL		D09M	5G747V1	2	Sanitized

Check Disposition Records (cont'd)

- Auction manifests (could the item have been sent to auction without the property ID number being identified)

Consignor Settlement																									
Bentley's			NAA Auctioneer																						
4000 Pan American Freeway IIE, Albuquerque, NM 87109 505.344.1181 505.344.1181 f www.bentleysauction.com																									
Lot #: 407 Transaction Description: Leica TM 1800 Surveying Equipment (print sequence: 52857 (print sequence: 52857																									
<table><thead><tr><th>Amount</th><th>Lot #:</th><th>Transaction Description</th><th>Amount</th></tr></thead><tbody><tr><td>100.00</td><td>2280</td><td>Pallet: Office Supplies (print sequence: 52867 (print sequence: 52867</td><td></td></tr><tr><td>2/8/2013</td><td>2/8/2013</td><td>Invoice Sale Price(Qty=1) #25 - Lightglass Optics, McDowell, Jeff 505 281-1509Jeff McDowell Lightglass Optics #21 Sandia Haven Drive Cedar Crest, NM 87008 Phone:505 281-1509</td><td>5.00</td></tr><tr><td>2/8/2013</td><td>2/8/2013</td><td>Commission(Qty=1)</td><td>(42.50)</td></tr><tr><td></td><td></td><td>Commission(Qty=1)</td><td>(2.13)</td></tr></tbody></table>						Amount	Lot #:	Transaction Description	Amount	100.00	2280	Pallet: Office Supplies (print sequence: 52867 (print sequence: 52867		2/8/2013	2/8/2013	Invoice Sale Price(Qty=1) #25 - Lightglass Optics, McDowell, Jeff 505 281-1509Jeff McDowell Lightglass Optics #21 Sandia Haven Drive Cedar Crest, NM 87008 Phone:505 281-1509	5.00	2/8/2013	2/8/2013	Commission(Qty=1)	(42.50)			Commission(Qty=1)	(2.13)
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2/8/2013	2/8/2013	Commission(Qty=1)	(42.50)																						
		Commission(Qty=1)	(2.13)																						



Check Disposition Records (cont'd)

- Unrecorded retirements
 - Was the item sent to your recycle facility
 - Was it on a previous years' lost/stolen write-off
 - Was it sent for destruction
 - High risk destruction
 - Hazardous waste
 - Classified destruct

SA 2900-J (8-2009) Supersedes (3-2007) issue

RECEIPT FOR CLASSIFIED INFORMATION (RCI)

NOTE: To assign a Serial Number for this form use your Classified Work Station (CWS) Number, a hyphen, this month, a hyphen, today's date, a hyphen, and a sequential number (two digits).
Example: 0354-06-17-01

ACTION: <input type="checkbox"/> TRANSFERRED <input checked="" type="checkbox"/> DESTRUCTION		FAX: 000-000-0000						
(AVOID ANY REFERENCE BELOW WHICH MIGHT REQUIRE CLASSIFICATION OF THIS RECEIPT.)								
UNIQUE ID # OR N/A IF NOT APPLICABLE (You must fill in this field.)	UNCLASSIFIED TITLE(S), descriptor(s) and/or other identifier(s)	ADDITIONAL INFORMATION (if needed)	T O T A L C O P I E S	CLASS	TOTAL PAGES	MO.	DAY	YR.
N/A	S908058, HARD DRIVE		1	CNSI	----	-	-	-
N/A	S887818, LAPTOP		1	CNSI	----	-	-	-
N/A	S945825, LAPTOP		1	CNSI	----	-	-	-
N/A	S957320, LAPTOP		1	CNSI	----	-	-	-
	-----Last Item-----		-	-----	-----	-----	-----	-----

Check Disposition Records (cont'd)

- Was it transferred to another agency

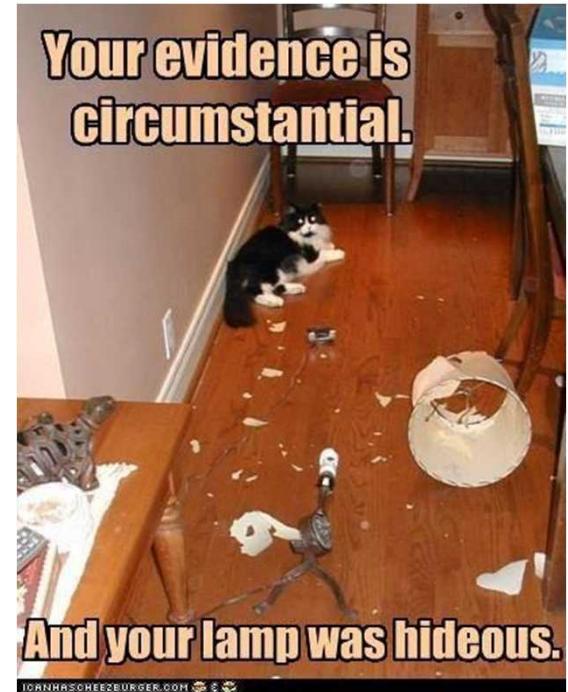
STANDARD FORM 122 JUNE 1974		1. ORDER NO. DHS SAIC-01-03-2011
GENERAL SERVICES ADMINISTRATION	TRANSFER ORDER	
FPMR (41 CFR) 101-32.306 FPMR (41 CFR) 101-43.315	EXCESS PERSONAL PROPERTY	2. DATE January 3, 2011
3. To: General Services Administration* Billie J. Hayes - Email: billie.hayes@gsa.gov Area Property Officer, 4W/MB-15 450 Golden Gate Ave San Francisco, CA 94102 Phone 415-522-3045/Fax 415-522-3043		
4. ORDERING AGENCY (Full name and address)* Contract # HSHQDC-10-C-00176 Department of Homeland Security - Activity Code 303100 Domestic Nuclear Detection Office 245 Murray Lane SW, Washington, DC 20528-7100 POC: Austin Kuhn Email: austin.kuhn@dhs.gov 202-254-7619 office / 202-510-0284 cell Property POC: Marissa Giles Email: Marissa.Giles@dhs.gov 202-254-7615 office / 202-525-9300 cell / 202-254-7747 fax		
5. HOLDING AGENCY (Name and address)* Contract # DE AC0494AL85000 Sandia National Laboratories (SNL) - Activity Code 899105 7011 East Avenue Livermore, CA 94551-0969 POC: Patrick Doty Email: fpdoty@sandia.gov 925-294-4634 office Property POC: Wendy Dolstra Email: wdolst@sandia.gov 925-294-1244 office		
6. SHIP TO (Consignee and destination)* Transfer in place: Science Applications International Corp (SAIC) 10260 Campus Point Dr San Diego, CA 92121		

Yes, it was

DEPARTMENT OF HOMELAND SECURITY Property Transfer List Date: January 3, 2011					
Holding Agency: Sandia National Laboratories/California Contract # DE AC0494AL85000, Activity Code 899105 7011 East Avenue Livermore, CA 94551-0969 POC: Patrick Doty Email: fpdoty@sandia.gov TEL: 925-294-4634 Property POC: Wendy Dolstra Email: wdolst@sandia.gov TEL: 925-294-1244					
No.	Property Number	Property Description	Manufacturer Name	Model No.	Serial No.
1	S813004	Glove Box	Terra International	---	5400-043518521
2	S815800	Diamond Wire Saw	Laser Technology West	206041	206041 1292

Check Disposition Records (cont'd)

- Was it traded-in
- Was it returned to vendor
- Was it destroyed in test or cannibalized for parts
- If it was sent for repair or upgrade, was the same item returned



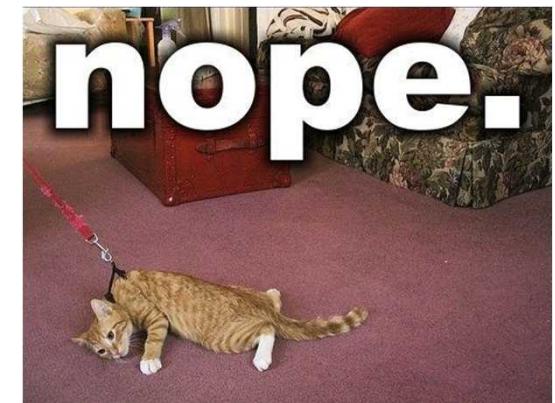
Step 5 – Coordinate with IT Department

- Work with your Information Technology (IT) department to determine if there is a way to electronically ‘ping’ remaining computing assets to check for network connectivity
 - They can usually tell you when & where it was last active on the network
- If the asset is currently active on the network it can likely be physically located



Know When to Call It!!

- Thorough inventory reconciliation can become costly
- Pull the strings, follow your leads, but at some point you are going to have to declare that you are finished!



Step 6 – Seek Relief of Responsibility

- Once your reconciliation efforts have been exhausted
 - Seek relief of responsibility for discrepancies you have been unable to reconcile through your appropriate chain of command
 - Adjust your records to reflect your final count
 - Complete write-off retirements
- Conduct lessons-learned
 - Document the issues that you identified
 - Define process improvements that can be instituted prior to the next inventory cycle
 - Assign actions
 - Track actions to ensure improvements are made

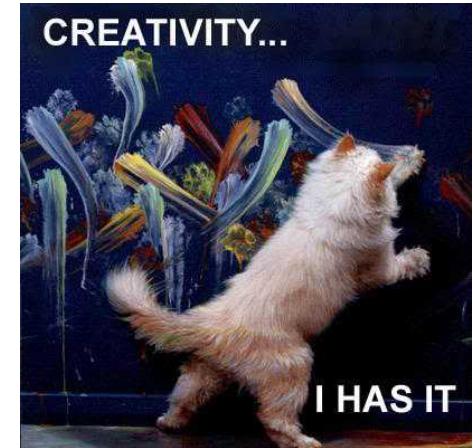
Summary

- Property inventory reconciliation can be extremely effective at reducing bottom-line shortages & helping you reach your inventory goal



Summary (cont'd)

- Can provide valuable information on where your major issues lie
 - Can use this information to continuously improve your management & tracking of property
 - This in turn will reduce your inventory & reconciliation level-of-effort
- Get creative
 - Determine what will work best for you and your site



Questions/Dialogue

- What reconciliation activities do you perform
- Have you found something that is just outstanding