



SAND2016-8121C

Inventory Reconciliation Making it Work for You



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Value Through Professional
Asset Management

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Gaylord Opryland Resort, Nashville, TN
www.npmaconferences.org/nas

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

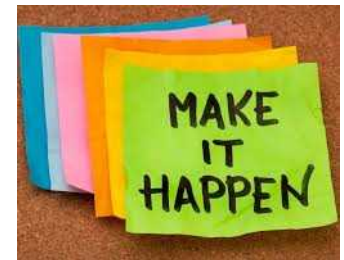
Inventory Phases

- 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



Your new BFF!

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.

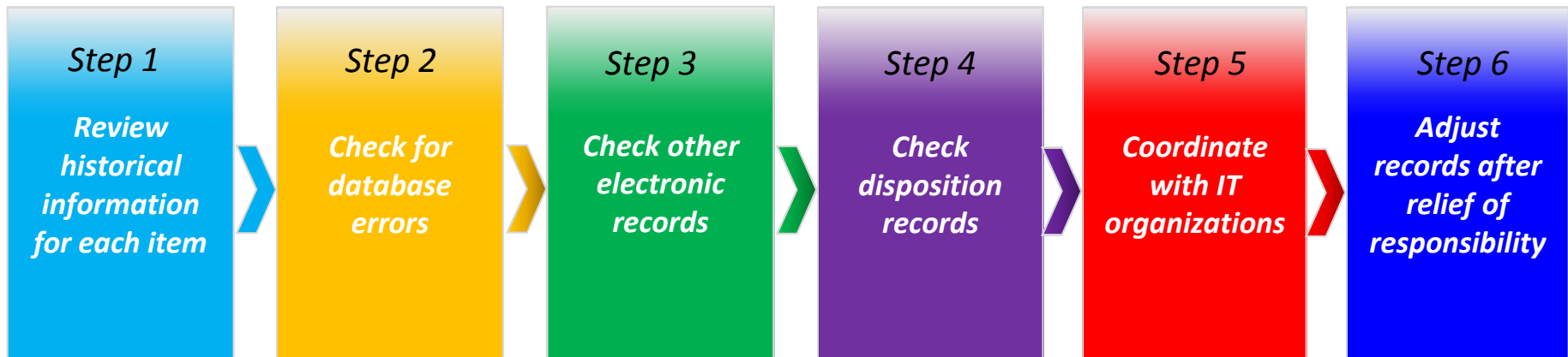
Ground Rules

- 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

Information Form for New Property Numbers

Today's Date: August 29, 2007

Does this Asset already have a Property # ? If Yes, the # is S890543 *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

Not in FAD

U.S. GOVT PROP

S890543

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 Cncl: 4 Promised Dt: 08-Sep-2015

#	Proj	Task	Gov Pri	Exp Type	Org	Qty	Rcvd	Bld	Amt	Requestor	Req
1	215 (Indirect)	10.05.02	None	Po Items Purchased	05527	4 (Cncl)	0	0	\$0.00	Deliver To 855.134.SA	1828014/Line 1

25K Status: Approve by [REDACTED] on 08-Sep-2015

Historical Information (cont'd)

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

Transaction History

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

Transaction Detail

Unit Change	Units	Assigned To Name	SNL Id	Location	Depreciation Acct
1	1	[REDACTED]	3143	1-SNLNM.891.3025..01733-I.ONSITE.S	0171.6900409999.01
1	1	[REDACTED]	3143	1-SNLNM.1005.OUTSIDE..01733-I.ONR	0171.6900409999.01

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 Inventoriable: 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: WESTINGHOUSE 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: SNLNM.865.8

Processed Information
Processing Person: [REDACTED] Processed Date: 21-Nov-2013
Processed Code: No I Do Not Have This Item Ar 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: W86441KG-W0H
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 Ar 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: SNLNM.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 Ar 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

Asset Details

Is that a space before the #?

Property Number	S925641	Description	DESKTOP
Prior Property #		Category	EQUIPMENT:EXPENSED.COM [...]
Serial Number	MXL0292886	Asset Key	SIP.YES.NWIS.ATTRACTIVE.SANDIA.0
Asset Type	Expensed	Units	1
Parent Asset		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# 8005569
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

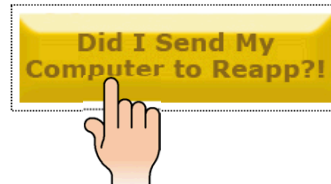
1 Item:

Total value of items: \$207,033.24

Item ID	Basic Details	Quantity	Property Details	Hazard Details
3	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)

Created	Property Number	TRIP #	Manufacturer	Other Manufacturer	Model	Serial Number	# Hard Drives Removed	Disposition
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	DSLDDGH1	1	Destroyed
10/8/2015	S940029	334134	APPLE		MACBOOK	SC02G63VLDRL	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

v8.00-COMain-30



4900 Pan American Freeway NE, Albuquerque, NM 87109
505.344.1812 | 505.344.1181 f www.bentleysauction.com

CO #:	6475
Date:	2/6/2013
Page:	46

Lot #:	Transaction Description	Amount	Lot #:	Transaction Description	Amount
407	Leica TM 1800 Surveying Equipment (print sequence:) 52857 (print sequence:) 52857		2280	Pallet: Office Supplies (print sequence:) 52867 (print sequence:) 52867	
2/8/2013	Invoice Sale Price(Qty=1) #25 - Lightglass Optics, McDowell, Jeff 505 281-1509 Jeff McDowell Lightglass Optics #21 Sandia Haven Drive Cedar Crest, NM 87008 Phone: 505 281-1509	100.00	2/8/2013	Invoice Sale Price(Qty=1) #20 - Master Products, Martinezalba, Alejandro 9156946320 Alejandro Martinezalba Master Products 178 citadel dr el paso, TX 79928 Phone: 9156946320	5.00
2/8/2013	Commission(Qty=1)	(42.50)	2/8/2013	Commission(Qty=1)	(2.13)

Bentley's Auction

Past Auctions > Catalog > Lot Result: 407 of 2721

Lot # : 407 - Leica TM 1800 Surveying Equipment



Seriously,
is that our
barcode?

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 (5-2007) 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

Form No. 505-044-0307

ACTION: ☐ TRANSFERRED ☒ **DESTRUCTION**

(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)	TOTAL COPIES	CLASS	TOTAL PAGES	DOC. DATE		
						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		2. DATE January 3, 2011
EXCESS PERSONAL PROPERTY		
J. 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 ACO494AL85000 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: wvdolst@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

Property Transfer List
Date: January 3, 2011

Holding Agency: Sandia National Laboratories/California
 Contract # DE ACO494AL85000, 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: wvdolst@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



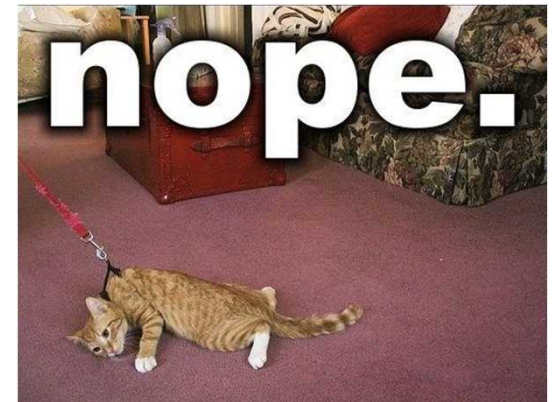
Step 5 – Coordinate with IT Department

- 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

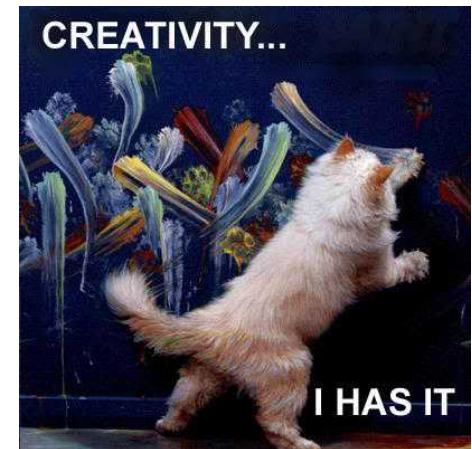
Summary

- 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