



Annual Year-End Fact Sheets - Publication Inventory for Resale Reference Tool

This reference tool provides definitions, examples, and explanations which will hopefully be helpful when completing the Publications Inventory for Resale worksheet within the Fact Sheet Excel Attachment. If you have any questions as you read through this document, feel free to reach out to the applicable subject matter experts within University Accounting and Financial Reporting (UAFR) located in the link below:

- **Fact Sheets – UAFR Who to Ask List:** <https://www.obfs.uillinois.edu/accounting-financial-reporting/who-to-ask/types-questions#fact-sheets>

Publication Inventory for Resale - Definition

Inventory for resale is a general ledger asset used to record the value (at lower of cost or fair market value) of unsold goods and materials held for resale to both external customers and internal customers (such as other University units).

Publications are tangible issues of printed material (such as books, pamphlets, journals, magazines, cookbooks, etc.).

Publication inventory for resale is basically the combination of the above two definitions – i.e., a general ledger asset used to record the value (at lower of cost or fair market value) of unsold publications held for resale to both external and internal customers.

Requirement to Conduct a Physical Count of Publication Inventory for Resale as of June 30

Units with publication inventory for resale must annually conduct a physical inventory count of their publication inventory for resale on hand, as an accurate inventory for resale balance is required to be reported on the Fact Sheet Excel Attachment to represent the accurate value as of June 30.

If a physical inventory count is not able to be performed at the close of business on June 30, then any purchases of additional inventory for resale and/or any sales activity from the date of the physical inventory count through the close of business on June 30 must be tracked and reconciled. By doing this, you will be able to arrive at a reconciled balance which properly represents the correct ending balance of inventory for resale on hand as of June 30. Also, having the reconciliation available will be essential if your physical inventory count process is ever audited.

Examples of What Should and Should Not Be Reported as Publication Inventory for Resale

The following are some common examples items that should be recorded as publication inventory for resale on your Fact Sheet Excel Attachment:

- Publications held for resale, such as textbooks, magazines, or cookbooks sold to either external or internal customers.
- Publications held for resale, such as journals or pamphlets, sold to either external or internal customers.
- Publications included with the sale of other goods or services, such as a training guide sold along with the customer's registration for a workshop, conference, or training event.

However, it is also important to be aware of common examples of transactions that should **NOT** be recorded as publication inventory for resale, as these have been erroneously reported as publication inventory for resale in the past. See below for examples of transactions which should **NOT** be reported as publication inventory:

- Publications used as a consumable supply for your daily business operations (such as a reference book kept on hand within the office) should **NOT** be reported as publication inventory for resale, as these types of publications are not being sold to customers. They are simply being used as a consumable supply within the office for daily operations. Thus, a publication of that nature should be expensed when purchased and would **not** be included in your publication inventory for resale totals.
- Publications distributed for free as either a marketing tool or fundraising tool (such as publications given away to potential incoming students or potential donors) should **NOT** be reported as publication inventory for resale, as these publications are **not** being sold. These types of publications are being used as a consumable supply, and would be expensed when produced and/or purchased.
- Any other type of inventory held for resale which does **not** fit the definition of a publication should **NOT** be reported on this Publication Inventory worksheet. These other types of inventory for resale should be reported on the primary Inventory for Resale worksheet of the Fact Sheet Excel Attachment.

Completing Your Fact Sheet

Now that you understand the various definitions and examples which apply to this area, we are now ready to complete the Fact Sheet Excel Attachment. However, before we start to go through these required fields, please keep in mind the tips below:

- Make sure you are using the most recent version of the Fact Sheet Excel Attachment, which can be downloaded from the following web page:
<https://www.obfs.uillinois.edu/accounting-financial-reporting/year-end-procedures/fact-sheets/>
- When copying data over from another spreadsheet, paste the information in using the **Paste Values** option. This will help ensure the formatting and formulas on the Fact Sheet Excel Attachment are not altered.

Step 1: C-FOAPAL Information

Enter the complete C-FOAPAL into Columns A through G.

- The full C-FOAP (i.e., the Chart, Fund, Organization, Account, and Program code) is **required** to complete the year-end adjusting entries to Banner. However, the activity code and location code are optional.
- Enter the applicable expense Account code which was used to purchase or produce the inventory for resale. This is typically 187100, *Purchase of Goods for Resale*, for publications which were purchased for resale. However, other expense account codes may be appropriate as well (especially if the publications were produced internally).

For example, if your unit purchased textbooks to be held for resale, then you probably would have used the applicable 187100 (*Purchase of Goods for Resale*) expense account code when making your purchase. See below for an example of how this would look on the Fact Sheet Excel Attachment:

Chart	Fund	Organization	Account	Program
9	300300	123000	187100	123001

Step 2: Publication Title

Enter the name of the publication title in Column H. Be as descriptive as possible when listing the publication.

See below for a few examples of acceptable Publication Title descriptions:

Publication Title
Illinois Gardeners Quarterly
Guide to Mosquito Abatement
Illinois Horticulture Almanac

Step 3: Publication Date

The **publication date** is the original date that the publication was published or issued for public sale. This helps determine the age of the publication that is being held for resale, which may help factor into determining the fair market value.

Enter the original publication date using the MM/DD/YYYY format into Column I. If the exact original publication date is not known, then simply enter your best estimate. See below for a few examples of how this could look for a few different publications listed on a completed Fact Sheet Excel Attachment:

Publication Date
12/15/19
6/26/17
3/24/15

Step 4: Determining Ongoing Demand for the Publication

In order to help determine the fair market value of the publication, it is important to know whether or not there is still an ongoing demand for the publication. For example, do your customers buy this publication on a regular basis? If you sold out of this publication, would you purchase more copied in order to keep up with public demand? Is the publication still up-to-date and relevant?

Once you’ve thought about these questions and determined your answer, select either “YES” or “NO” from the drop-down menu in column J to indicate whether or not the publication has an ongoing demand. See below for an example of how this could look for a few different publications listed on a completed Fact Sheet Excel Attachment:

Is There Ongoing Demand for the Publication? <i>Select YES or NO from the drop-down menu in the rows below.</i>
YES
NO
NO

Step 5: Original Cost Per Issue

The next piece of information needed is the original cost per issue to either purchase or produce the publication held for resale. Enter this value into column K.

For example, if you purchased 100 copies of Publication A at \$5.00 each three years ago, and then purchased 50 copies of Publication B at \$4.25 each during the current year, then you would enter these values in column K as shown in the example below to report the original cost per publication:

Original Cost Per Issue	
\$	5.00
	4.25

Step 6: Quantity of Publications on Hand as of June 30

The final piece of information needed is the quantity of publications you had on hand as of June 30 as determined by your physical inventory count. Enter these totals for each unique publication into column L of the Fact Sheet Excel Attachment.

For example, if you had three different sets of unique publications on hand for resale, and you performed your physical inventory count on June 30 and found that you had 30 copies of Publication A, 112 copies of Publication B, and 37 copies of Publication C, then this is how you would list these results in column L of your Fact Sheet Excel Attachment:

Quantity of Publications on Hand as of June 30
30
112
37

Step 7: Review the Calculated Amounts in Columns M, N, and P

Once you have completed all of the necessary columns on this spreadsheet, your final step is to review the amounts which the spreadsheet has calculated in the areas with yellow shading within Columns M, N, and P. These amounts have been calculated from all of the information you have entered to ensure that the publications inventory for resale have been properly reported at the lower of cost or market value. These are the calculated amounts which UAFR will be using to post the final adjusting entries to the applicable operating ledger and general ledger account codes in Banner.

In accordance with past practices, if the publication is no longer sold on a regular basis and if there is not an ongoing demand for the publication, then the publication is devalued by 25% for each year following the publication date. This allows the inventory value to be written down to lower or cost or market.

It is helpful to review these to get yourself familiar with the amounts that will be recorded to your Fund in Banner, as well as to make sure the amounts do not greatly differ from what you were expecting to see.

Step 8: Save and Upload the Fact Sheet Excel Attachment to the Fact Sheet Application

The final step in this process is to save your updated Fact Sheet Excel Attachment (e.g., to your desktop or shared drive) and to then upload the completed Fact Sheet Excel Attachment to the Fact Sheet Application.

Also, before officially uploading your spreadsheet, be sure to review the other tabs of the Fact Sheet Excel Attachment to see if you have any other accruals, deferrals, or inventory for resale to report as well.

Then, once you have confirmed that all items have been properly added to your Fact Sheet Excel Attachment, you would then need to upload the updated spreadsheet to the applicable Fund's Fact Sheet within the Fact Sheet application and then submit to UAFR for review.

Note that UAFR commonly has questions, so also make sure that you are available for any subsequent questions that may come from UAFR.