

# Inventory Record Keeping is Essential!

We noticed you have a **MANUAL RECORD-KEEPING** system.

Maintaining good records is essential for your business. Should you ever suffer a covered cause of loss, your records prove what pledged and or unpledged items have been lost as well as their established value so that your claim can be settled quickly. If you are unable to prove which items are missing and or existed, payment for your loss will be delayed and even possibly denied by the carrier. Maintaining current inventory records is also required by your insurance policy.

Here is a **HANDY CHECKLIST** that may help you determine if your present record-keeping method is adequate. You should also consult your local accountant or a professional who can evaluate your current record-keeping system.

- ✓ Our inventory system Includes a detailed listing of all unpledged goods (owned items) which are currently up for sale, as well as all pledged goods (pawned items) being held for collateral, on memo or consignment. A detailed listing which includes an established value and history of the item and a complete physical description.
- ✓ We maintain copies of all purchase invoices, sales receipts and an annual physical inventory listing of all unpledged goods and copies of all pawned tickets.
- ✓ Even though our system is manual, we have a perpetual inventory system or an equivalent. Meaning we track all items coming in and out of the store as the transactions occur. If an item is sold, it is removed from our inventory.
- ✓ If a pledged item is not redeemed, it is transferred to our unpledged inventory system with an established value and complete description.
- ✓ We perform a physical inventory at least once a year.
- ✓ Our accountant has reviewed the current recordkeeping method.
- ✓ It is our practice to store off-site a copy of our annual physical inventory records.
- ✓ All documentation relating to our pawn and owned records are kept in a fireproof safe. Any computer backup tapes and or files are also kept in safe or off-site.

## Special Reminders

- ✓ Remember to keep all inventory records for at least a **minimum of 7 years**. If you have owned items (unpledged goods) that are older than seven years, maintain those inventory records until they are sold.
- ✓ Always keep your records **separate from your merchandise, minimizing the possible chance of your records being stolen or damaged**.
- ✓ A **back up of your records should be stored off-site**. Annual physical inventory reports should also be stored off-site from your business.
- ✓ Store all important records in a **fire-resistive safe**.