

INVENTORY AND SCRAPPING REGULATION
(Consolidated version with amendments)

1. The general rules and accounting requirements of inventory

According to the provisions of Act C of 2000 on accounting (hereinafter: Accounting Law), an inventory must be compiled at the end of the year that contains the assets and resources of the Association on the balance sheet date in quantity and value, item by item and in a verifiable manner.

The balance sheet items of the public benefit report shall be supported by an inventory. When drawing up an inventory, the regulations of paragraph 69 shall be applied.

If the Association does not keep a quantitative register in accordance with the accounting principles, or it does not continuously keep this register, the Association shall be obliged to check the authenticity of the data entered into the inventory by taking an inventory, prior to compilation of the inventory. The Association shall take an inventory by coordination for the balance sheet date of the financial year with quantitative recording, and for tools and liabilities recognised at value only, as well as for tools stored in a foreign place – deposited securities in portfolio management, asset management and other tools not included in funds – and for dematerialized securities.

The aim of the inventory:

- ensuring the authenticity of the public benefit balance through determining the correct assets and resources;
- auditing the accounting and records and facilitating the strengthening of certificate discipline;
- the protection of property and the accountability of those who are financially responsible;
- identifying stocks with reduced value and unused tools.

2. The detailed rules of the inventory

The inventory of the Association happens annually on the record date of December 31. A prohibition of asset movements is in force during inventory.

The following shall be inventoried by an actual quantitative recording and supported by appropriate documentation:

- intangible assets,
- tangible assets,
- works fine art,
- tools recorded in quantities, not exceeding the specific procurement value of 200,000 HUF.

The inventory of the tools stored in a foreign place shall be prepared, signed as a confirmation and sent to the Association by the person responsible for storage.

The inventories of tangible assets are carried out every 3 years physically (by counting items) and during the interim period, inventories are carried out by coordination, which is a comparison of the analytical records with the general ledger.

Stocks shall be inventoried at the end of each year prior to the preparation of the balance sheet in physical quantity and value.

Other assets and resources shall be inventoried by consultation at the end of each year prior to the preparation of the balance sheet.

3. Valuation of the inventory

3.1 The determination of the differences in stocks of tangible assets

After finishing the inventory, the data of the inventory shall be coordinated with the accounting records, and the reason for the difference determined in the protocol shall be investigated. After the investigation, a protocol shall be drawn up and in case of a deficiency, liability for damages shall be determined. A final decision on the accountability for deficiencies and surpluses shall be taken and subsequently attached to the protocol.

The surplus assets shall be provided with an inventory number and a statement shall be prepared of these. Only fair value adjusted for inventory differences shall be recorded in the annual public benefit balance sheet.

3.2 Determining the stocks unaccounted for

The value of stocks shall be determined line by line basis, as the multiplication of the quantity and the registry unit price, and the value data shall be summarised page by page. The aggregated inventory value shall be compared to the analytical stock records. The inventory differences shall be determined during comparison. Only the value of stocks adjusted for differences shall be recognised in the balance sheet.

4. The general rules of the scrapping

Both the Companies Act and the Accounting Law emphasize the responsibility for association property. To be able to take the responsibility by the leaders of the Association in this field, it is advisable to precisely regulate

- the order of continuous identification of useless assets;
- the criteria and general conditions of becoming useless;
- the order of separation, storage and registry of the identified assets;
- the possible way of sales;
- the rights and tasks of the persons responsible for the conduct and audit of the recovery and scrapping operation;
- the way in which the recovery operation is carried out and recorded, considering that every reasonable step shall be taken to ensure recovery and that scrapping does not mean physical annulment or rendering it useless;
- evaluation in relation to utilisation; and
- the method of financial clearance of utilisation and scrapping.

4.1 Grouping useless assets

Useless assets may include:

- intangible assets,
- tangible assets,
- materials.

4.2 Identifying and utilising useless assets

Criteria for becoming useless: a tool is considered useless if it is declared useless by a representative of the Association based on an appropriate proposal from the employee or committee in charge of utilisation and scrapping.

It is correct to classify stocks at least once a year before taking inventory:

- which tools became useless,
- which tools became unsalable?

In accordance with the requirements of the legislation, the identification, utilisation and scrapping of surplus tools and stocks are the responsibility of the President and the Director of the Association.

At sale, they may be sold for an excess compensation of property, under certain conditions, in a circle selected by the President or the Director. The parties shall agree on the amount of the reimbursement, the date of handover, the method of payment and the deadline within the framework of the payment regulations. It is a general consideration that the selling prices shall be higher than the waste price.

The method of utilising surplus properties and the selling price shall always be approved by the President or the Director. An invoice shall be issued of the sale and the property can only be transferred against the paid invoice.

4.3 Sale at a devaluated price

In case of sale to the Association at an appropriate price, the surplus properties may be sold at a devaluated price, which requires the permission of the President or the Director.

An invoice of the sales shall be issued. A copy of it shall go to

- the buyer,
- the accountant,
- the treasurer,
- the scrapping committee.

4.4 Scrapping

It is right to discard tools if

- if they were declared as useless, but the sales attempt has been unsuccessful;
- if they became useless for normal use, i.e. they became waste;
- the tangible assets became worn out during normal use;
- if they became useless during harmful events.

Scrapping does not mean physical annulment, except for mandatory cases. The Association is usually scrapping once a year, but it is compulsory to scrap the tools separated and collected for this purpose prior to the inventory.

4.5 The financial-accounting clearance of utilisation and scrapping

The results of the utilisation and scrapping carried out as described shall appear in the accounting of the Association.

The provisions of the Accounting Act shall apply to the accounting of the amounts received as a result of the recovery and scrapping operation, and to the execution of the sold assets from stock.

Date: Budapest, 25 May 2022

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dr. Tamás Tóth
president

The amendments are adopted by the General Assembly Decision No

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Budapest, 14 September 2020

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dr. Tamás Tóth
president

INVENTORY OF SCRAPPED TANGIBLE ASSETS

Registration number	Name	Gross value (HUF)	Net worth (HUF)	Reason for becoming waste	Utilisation method
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Altogether:

Date:

Signatures:

Central European Service for Cross-Border Initiatives

**FROM SCRAPPING OF TANGIBLE ASSETS
INVENTORY OF THE RECOVERED MATERIALS**

Tangible assets		Materials recovered from scrapping			
Name	Mean of recovery	Name	Quantity	Unit price	Value (HUF)

Altogether:

Date:

Signatures:

Central European Service for Cross-Border Initiatives

**PROTOCOL
on the scrapping and devaluation of stocks**

Made: on day month year in the warehouse (office space) of

Present participants:

On behalf of the Scrapping Committee (name, function):

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.....
.....
.....

on behalf of the supervisory body (name, function):

.....
.....

The Scrapping Committee (hereinafter: Committee) establishes that the authorisation of scrapping/devaluation to be carried out in the present procedure falls within the competence of

The Committee inspected the prepared inventories, examined the justification of their justification/devaluation.

The Committee recommends
the scrapping of stocks listed in Annex 1,
the devaluation of stocks listed in Annex 2 and
the treatment of stocks listed in Annex 3 as waste.

..... is
responsible for taking the necessary measures (stocking, sale, annulment).

Signatures:

I agree with the contents of the scrapping protocol, I approve the scrapping/devaluation or annulment of the stocks listed therein.

I order the changes to be passed through the registers and the utilisation of the stocks that can be recovered from scrapping.

Date:

.....
the representative of the Association

Central European Service for Cross-Border Initiatives

INVENTORY OF SCRAPPED STOCKS

Registration number	Name	Quantity	Unit price (HUF)	Value (HUF)	Reason for becoming waste	Utilisation method
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Altogether:

Date:

Signatures:

Central European Service for Cross-Border Initiatives

INVENTORY OF DEVALUATED STOCKS

Registration number	Name	Quantity	Registry Unit price/Value (HUF)	Devaluated Unit price/Value (HUF)	Difference (HUF)
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Altogether:

Date:

Signatures:

Central European Service for Cross-Border Initiatives

**FROM SCRAPPING OF THE STOCKS
THE RECOVERED WASTE MATERIALS**

Means of recovery	Recovered materials			
	Name	Quantity	Unit price	Value HUF

Altogether:

Date:

Signatures:

Central European Service for Cross-Border Initiatives

ANNULMENT CERTIFICATE

The signatories to this Protocol declare, conscious of their responsibility, that the following tools in the approved scrapping protocol, which may not be used as utility material or waste material, and may not or shall not be used or sold in other ways, have been annulled in their presence in accordance with fire and health regulations:

Name	Quantity	Unit price (HUF)	Value (HUF)	Annulment method
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Altogether:

Date:

Annulled by:

Authenticating signatures:

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Forms used for inventory MSZ 8154-80***S. f. (standardised form) 14-10***

Inventory ticket for recording properties (buildings, structures, plots)

S. f. (standardised form) 14- 11

A block of inventory tickets (for recording tangible assets)

S. f. (standardised form) 14-12

Inventory ticket and protocol for the inventory of motor vehicles

S. f. (standardised form) 14-13

Inventory sheet for recording machinery and equipment

S. f. (standardised form) 14-14

Inventory sheet for recording spare engines

S. f. (standardised form) 14-15

Inventory sheet and summary for machinery and equipment

S. f. (standardised form) 14-16

A statement on a shortage or surplus of tangible assets

S. f. (standardised form) 14-17

Inventory sheet and summary for recording means of production

S. f. (standardised form) 14-19

Inventory ticket for recording stocks

S. f. (standardised form) 14-20

Inventory form of stocks

S. f. (standardised form) 14-21

Inventory sheet and summary for recording stocks

S. f. (standardised form) 14-30

Inventory sheet for recording goods and packing

S. f. (standardised form) 14-31

Inventory sheet and summary for recording goods and packing

S. f. (standardised form) 14-36

Inventory sheet

S. f. (standardised form) 14-40

Inventory sheet for recording goods and packing

S. f. (standardised form) 14-68

Record sheet of tangible assets by unit (by district)

Central European Service for Cross-Border Initiatives

**..... ANNUAL
INVENTORY INSTRUCTION**

I specify the tasks of conducting an inventory as follows.

1. In order to properly record the inventory, the necessary scrapping shall be carried out in all cases before starting the inventory.

Responsible:

Deadline:

2. The inventory manager(s) shall record the stock movements on the boards before starting the inventory, then close the boards.

Responsible:

Deadline:

3. During the inventory, the warehouses shall be kept closed, no administration shall be made to record stock movements. As a preparation for the inventory, inventory managers shall organise and classify the tools to be inventoried before the date of the inventory. The last certificates (income, expenditure, repossession) shall be marked before the inventory.

Responsible:

Deadline:

4. During inventory, issuing an inventory ticket is compulsory/*not compulsory*. The members of the inventory and the Inventory Committee shall be responsible for the regularity of the inventory recording and the correct issuance of the inventory forms. Corrections to the inventory certificates shall only be made by crossing out the incorrect data so that the flawed data remains legible.

Responsible:

Deadline:

5. An inventory was made of the following with a record date of

a) among stocks:

- materials,
- workplace supplies;

b) among other tools:

- the employees' debts,
- buyers,
- the suppliers,
- treasury,
- bank account,
- other assets and liabilities;

c) among tangible assets:
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d) among foreign-owned stocks:
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6. The start time of the inventory:
The completion date of the inventory:
The deadline for submitting the certificates:
The deadline of inventory evaluation:

7. The members of the Inventory Committee and the inventory managers are responsible for finalizing the inventory on time, the leaders of the committee and the inventory managers are responsible for submitting the inventory certificates on time, and the chief accountant is responsible for completing the inventory evaluation on time.

8. The events of the inventory shall be recorded in a final inventory report.

9. This inventory instruction is supplemented by an inventory schedule that records the dates for the inventory and the composition of the inventory committees.

Date:

.....
the representative of the Association

Central European Service for Cross-Border Initiatives

**..... ANNUAL
INVENTORY SCHEDULE**

The inventory shall start on day month year and end on day month year.

The inventory shall be carried out in the following inventory areas and dates with the contribution of the inventory managers of the area:

Inventory areas number, name	Inventory Committee composition	The date of inventory
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The inventory evaluation shall be prepared until day month year, and the final protocol shall be prepared until day month year.

The differences arising during inventory shall be cleared in accounting until day month year at the latest.

Determining liability for the differences: day month year.

Date:

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the representative of the Association