

Requisitions would also be costed at the standard prices of the items on the requisition, extended, summarized and entered into the control accounts.

Thus, the control accounts would always represent the value (at standard prices) of the items that should be in stores. Whenever the standard price of an item was adjusted, a corresponding adjustment would have to be made to the control account. This adjustment would be equal to the number of items on hand times the amount by which the standard price was changed. An adjustment would also be required any time a physical inventory was taken and the quantity shown on the records was adjusted to agree with the amount actually on hand.

Each month the costed requisitions would be sorted by responsibility centre, totalled for each centre, and the resulting amounts made the basis of a journal entry by the Comptroller of the Treasury charging the respective responsibility centres and crediting the working capital advance.