

DHARMA GATE BUDDHIST COLLEGE
Inventory and Disposal Regulations¹⁷³

Approved by

Approved by

Gábor Karsai
On behalf of the College

László Mireisz
On behalf of the Maintainer

Effective date of the regulation:

This regulation is effective from December 15, 2017.

From this date, the previous regulation is no longer in effect.

The *Tangible Assets Inventory Regulations*- shall be updated whenever changes in legislation impact the existing rules, or when changes in the College's operations or specific circumstances make it necessary. In case of amendments to the law, the changes must be implemented through the accounting policy within 90 days following the effective date [Accounting Act, Section 14, Subsection (11)].

The content of the *Tangible Assets Inventory Regulations* must be communicated to all employees who have tasks or responsibilities related to the safeguarding and inventory of tangible assets.

¹⁷³ Adopted by the Senate in its Resolution No. 45/2017 (12.14.) of 14 December 2017, and the Regulation was reviewed by its Resolution No. 50/2025 of 29 September 2025 and confirmed by the signature of Rector Gábor Karsai.

DHARMA GATE BUDDHIST COLLEGE
Tangible Assets Inventory Regulations

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1. Introduction

The tasks related to the inventory and stock-taking of the assets of Dharma Gate Buddhist College—hereafter referred to as the College—must be performed in compliance with the Accounting Act (Act C of 2000, as amended), applicable internal regulations on the College's bookkeeping and asset protection, and the current Accounting Policy outlining the duties of both management and staff.

To comply with the inventory requirements of the Accounting Act, the College conducts a reconciliation between the general ledger and the detailed records as of the financial year's balance sheet date.

The requirement to prepare an inventory on the balance sheet date covers:

- tangible assets

- intangible assets
- invested financial assets
- inventories
- bank accounts
- cash desks
- securities
- receivables
- liabilities.

2. Participants in the inventory of tangible assets and the applicable general rules

2.1. Purpose of the Tangible Assets Inventory Regulations

The purpose of the Tangible Assets Inventory Regulations is to provide reliable and accurate information about the College's financial position. It sets out the rules for preparing tangible asset inventories in accordance with the relevant laws and the Accounting Policy.

The regulation also outlines the procedures for resolving discrepancies, including shortages, surpluses, and similar situations.

2.2. Definition and Types of Inventory

2.2.1. Definition of Inventory and Inventory Activities:

An inventory is a record that itemizes the College's assets by quantity and value as of a specific date, providing a verifiable account.

The term inventory also covers the adjusted and verified summaries prepared from analytical records that align with the general ledger following the inventory process.

During the inventory process, the College physically verifies the actual quantity of assets in its possession or use as of the inventory date.

To guarantee the accuracy and reliability of quantity and value records, as well as the precise awareness and protection of assets, inventories must be performed periodically or whenever events call for an extraordinary inventory.

2.2.2. Types of Inventory:

Based on the timing of the inventory:

- **Balance sheet date inventory:** an inventory of all assets performed on a specified cut-off date, coinciding with the closing of analytical records for balance sheet preparation.
- **Interim inventory**, conducted for the following special reasons:
 - **Planned inventory**, carried out as outlined in the annual audit schedule.
 - **Inventory due to extraordinary events** occurring or anticipated (natural disasters such as floods, storms, earthquakes, etc.) (fire incidents, crimes against property, etc.).
 - **Handover inventory**, conducted when an employee leaves or joins, involving the transfer or receipt of tangible assets within their responsibility.

The inventory process can be classified by purpose as:

- **Stock-taking** (based on reconciliation or records), carried out using a comprehensive inventory sheet containing complete data. At this stage, the existence, quantity, and condition of the fixed assets listed in the inventory sheet are checked. (In these cases, Annex IV. is used).
- **Initial (record-independent) stock-taking**, where the items found, along with their quantity and condition, are recorded on a blank inventory sheet. (In these cases, Annex V. is used).

2.3. Territorial Scope of the Tangible Assets Inventory

The stock-taking must cover all sites, premises, areas, leased properties, institutions, and event venues where any fixed assets of the College may be located.

2.4. Formal and substantive requirements for fixed asset stock-taking:

2.4.1. Formal Requirements for Inventory

During stock-taking, the required records and other documents must be completed clearly in accordance with the provisions of the policy and must bear the authenticating signatures of the preparers.

2.4.2. Content requirements for the inventory:

- Completeness of the inventory: it must include all fixed assets of the enterprise as of the date of the stock-taking.
- Accuracy of the inventory: each inventory must reflect reality, showing the actual quantity and condition of the assets found during the stock-taking.
- Clarity of the inventory: the inventory lists must present the assets in a clear and organized manner, by stock-taking location, including an identifier, description, asset group designation, and, where necessary, a remark on their condition.

Since the fixed assets have individual identifiers, they may not be consolidated even within their respective groups.

2.5. Participants in the stock-taking process, their tasks and responsibilities

Tasks of the participants in the stock-taking process:

- participate in the inventory meeting, where they must learn how to complete the inventory records and the techniques of conducting the stock-taking,
- during the stock-taking period, they must be present at the designated time and place of the stock-taking and may leave during working hours only with the permission of the the inventory inspector,
- carry out the stock-taking in the order specified by the inventory inspector, without omissions.

Those participating in the stock-taking are responsible for:

- for the proper and accurate completion of the inventory records, and
- for the precise compliance with the instructions given at the inventory meeting.

Participants in the stock-taking:

2.5.1. Inventory Officer

They are named individually in the managerial order initiating the inventory (Annex I).

Supervises the stock-taking process. Decides on any issues that arise during the stock-taking. Responsible for the smooth execution of the stock-taking process, for the participants, for the preparation of the documents, and for the proper handling of observations made during the processing of the inventory (disposal, recording, recommendations for action, etc.).

Ensures the issuance and collection of the controlled-use records used during the stock-taking, as well as their proper authentication (signature, stamping, etc.), and also verifies their uniqueness and completeness.

The inventory officer ensures that the participants in the process are trained during the preparation of the inventory.

During the stock-taking, continuously and item by item, the inventory officer checks the accuracy of the completion of the records. Carries out random checks on the accuracy of the quantity recordings, the proper identification of the inventory items, etc.

After the completion of the stock-taking, verifies the completeness of the inventory recording. In the event of an irregularity, error, or other problem, takes action to ensure the continuation of the stock-taking process.

2.5.2. The inventory inspector

Responsible for the accuracy and authenticity of the entries on the inventory sheets.
Prepares the inventory report upon completion of the stock-taking.
Carries out the identification of the fixed assets with the assistance of the inventory officer.

Records in the inventory sheet the identified fixed asset, its quantity, and condition, and takes photographs showing the inventory item and its identification number for documentation purposes.

If any deficiencies, possible misuse, or violations of the rules are detected during the stock-taking, they must take the necessary action and notify the inventory officer.

2.5.3. inventory coordinator

During stock-taking, verifies the presence and identity of the fixed asset listed in the inventory or records at its location. Usually the responsible manager of the given room, area, workplace unit, brand representation, etc.

In preparing the inventory, coordinates in advance with the responsible custodians, and during the inventory or inspection personally presents the fixed assets to the inventory inspector.

Carries out stock-taking in the order specified by the inventory inspector, without omissions.

2.5.4. the asset custodian

The responsible custodian is financially accountable for the fixed asset entrusted to them, for its condition, and is typically the one who uses it.

During the stock-taking, presents it to the inventory officer.

2.6. Definition, provision, registration, completion, and retention of inventory records and forms

Scope of inventory records and forms

Inventory records are essential tools for carrying out the inventory process.

The records used to document the inventory process may include forms and various documents (e.g., inventory sheets, fixed asset cards \[and their extracts], declarations, minutes, letters of authorisation, inventory instructions, photographs, fixed asset inventory bar code labels, etc.).

During the stock-taking, a standard form or a computer-generated form produced by the administrative system may be used, provided it is numbered and recorded.

Forms and records used during stock-taking:

- Inventory instructions (Annex I),
- Letter of authorisation (Annex II),
- Completeness statement(s) of the inventory officer(s) (Annex III),
- Inventory sheets – according to the type of inventory (Annexes IV and V);
- The inventory report, prepared upon completion of the stock-taking by the inventory inspector(s) and

the inventory officer. The inventory sheets, minutes, findings, and recommendations generated

during the stock-taking are included as annexes.

2.6.1. Registration of stock-taking forms

The forms and records used in the stock-taking are classified as controlled-use forms and records subject to accountable registration.

Before using stock-taking forms and fixed asset labels, their numbering sequence must be verified for continuity.

For each stock-taking unit, the stock-taking records must be issued to the inspector carrying out the process, with a receipt provided in acknowledgment.

Any shortage or other discrepancy must be recorded in a report by the inventory officer and the inventory inspector.

Any canceled or unused inventory forms must be reported and returned to the person in charge of managing the forms. These forms must be marked in the register as “canceled” or “unused.”

2.6.2. Requirements for completing and signing the forms

The inventory sheets must be completed in such a way that they cannot be altered or corrected without detection.

The forms, as inventory records, must be completed by machine or with a ballpoint pen; graphite pencils may not be used.

Data entered on the inventory sheet may not be corrected by scraping or erasing.

Incorrect data may only be corrected by a single strikethrough with the correct data written above it.

The forms used for stock-taking must be completed clearly and appropriately, and must include:

- the name of the stock-taking unit to which the stock-taking applies,
- the start and end dates of the stock-taking, and
- the inventory reference date.

Any blank lines on the inventory sheets must be invalidated by crossing them out diagonally.

The inventory forms must be signed by both the inventory officer and the inventory inspector to certify the accuracy of their contents.

Signatures must be legible, and initials may not be used.

2.6.3. Retention of Inventory Documents

Stock-taking records must be retained for at least 10 years in accordance with the provisions of the Accounting Act.

3. Fixed asset stock-taking process:

3.1. Initiation of the Inventory process

The authorised person initiates the inventory by issuing the inventory instructions (Annex I). The inventory instructions may be issued by the College’s financial director and the Rector.

The heads of each area, together with the area’s inventory officers, request the financial director to order the stock-taking for their area, stating the reason and/or purpose. The inventory instructions (Annex I) must include the following:

- the list of stock-taking units,
- the name of the inventory officer,
- the name(s) of the inventory inspector(s),
- the stock-taking schedule, listing the tasks to be carried out along with their specified start and end dates,
- the scope and method of stock-taking for the various fixed assets (if necessary),
- any specific instructions for execution (if applicable).

The authorised person ordering the inventory issues the personalised letters of authorisation (Annex II) to the inventory inspector(s) and inventory officer(s). Scheduled inventories (year-end, periodic, etc.) must be ordered at least thirty days before their start date.

In the event of an extraordinary occurrence, the inventory must be ordered immediately, taking into account the possibilities for its execution.

3.2. Preparation and organisation of the stock-taking process

The preparation work is primarily an organisational task, during which the specific tasks, required tools, and responsible persons are clearly defined.

Tasks to be carried out during the preparation phase:

- Ensure the necessary personnel conditions for the proper execution of the stock-taking and designate the participants. The required workforce must be provided from the available staff and/or by involving contracted personnel.
- Ensure in good time the availability of the necessary forms, records, updated lists, registers, room layouts, etc.
- Ensure the availability of the necessary work equipment (barcode scanners, camera, etc.), other technical devices, auxiliary materials, marking materials, etc.
- Stock-taking zones/units must be set up so that they are physically distinct areas.
- Ensure the segregation of fixed assets included in the inventory for the duration of the stock-taking.

3.3. Execution of the inventory, counting, and documentation

The timing of the inventory count should, as far as possible, be arranged so that conditions remain unchanged and work in the area is not unnecessarily disrupted.

Fixed assets written down to 0 must be handled in the same way as other fixed assets during stock-taking.

If the inventory instructions require photographic documentation, the stock-taking of each room must begin with taking panoramic photos that clearly show the items and their arrangement. Photographs of the inventoried fixed asset must be taken so that both the asset and the label indicating the stock-taking are clearly visible. If necessary, multiple photographs should be taken from different angles. The photo numbers must also be recorded on the inventory sheet next to the fixed asset.

Verification — record-based — stock-taking

The inventory inspector records the date and time of the start of the stock-taking and completes the current inventory sheet (Annex IV).

During the stock-taking, the inventory inspector identifies the fixed asset with the assistance of the inventory officer. Inspects the fixed asset, paying particular attention to its condition.

Records the identified fixed asset on the inventory sheet, along with information indicating its condition.

Marks the completion of the fixed asset's stock-taking by attaching the label indicating it has been inventoried.

If specified in the inventory instructions, photographs are also taken to document the stock-taking, and their identifiers/numbers are recorded next to the fixed asset.

When closing the inventory sheet, the inventory inspector records the completion date and time, signs the sheet, and has it signed by the inventory officer as well.

Has the inventory officer also sign the completeness statement.

Initial — record-independent — stock-taking

The inventory inspector records the start of the stock-taking and completes the current inventory sheet (Annex V).

During the stock-taking, the inventory inspector — with the assistance of the inventory officer, if available — records the fixed asset on the inventory sheet, including information describing its characteristics and condition (size, colour, type, condition, etc.). Inspects the fixed asset, paying particular attention to its condition.

Marks the completion of the fixed asset's stock-taking by attaching the label indicating it has been inventoried. If required, takes photograph(s) and records their number/identifier next to the fixed asset.

When closing the inventory sheet, notes the date and time of closure, then signs it — and, if the inventory officer was present and assisted in the stock-taking, has them sign it as well.

Has the completeness statement signed by the area's inventory officer.

3.4. Closing the inventory, processing (evaluating) the inventory data, recommendations, proposals

Closing the inventory

The stock-taking must be completed by the deadline specified in the instructions. By the deadline, a closing report must be prepared, accompanied by the properly completed inventory sheets, as well as any minutes, documents, photographs, and other materials generated during the stock-taking.

The report must include:

- An itemised statement of the quantities and condition of the College's inventoried fixed assets as of the inventory reference date,
- An itemised list of shortages or surpluses, along with an explanation of the discrepancies (e.g., arising from administrative errors or careless handling, etc.),.
- The records and documents completed during the stock-taking (e.g., photographs, etc.);
- The observations, proposals, and recommendations made during the inventory,
- The signatures of the inventory custodian(s), the inventory inspector(s), and the inventory officer(s).

Processing of inventory data

The method of processing the inventory data depends on whether or not the College maintains continuous analytical records (quantitative or both quantitative and value-based) that include all changes to the inventoried assets.

If the College maintains records of the inventoried assets in accordance with the provisions of the Accounting Act, the processing must involve

reconciling the actual assets found during the stock-taking with the data in the records, and in the event of discrepancies, the records must be corrected to reflect the actual data within 8 days after closing the inventory.

3.5. Inspection of the stages of the stock-taking

Inspecting the preparation and execution of the inventory count is a task requiring on-site verification and falls under the responsibility of the inventory officer.

In doing so, they must check:

- compliance with the stock-taking schedule,
- whether the assets designated for stock-taking are in a condition that allows them to be measured or counted,
- through spot checks, verify the accuracy of the inventory count — ensuring that the methods used comply with regulations, that descriptions and identification data are correct and complete, that quantitative data is accurate, and that inventoried fixed assets are properly labelled, etc.,.

3. Actions following the closing of the inventory (addressing shortages or surpluses, disposals, measures, recommendations, etc.)

Findings from the stock-taking — such as shortages or surpluses — must be settled in the accounting system's records within 8 working days after the closing of the inventory.

Surpluses must be recorded as income, while shortages must be removed from the records on the basis of a disposal report.

The causes of the inventory shortage and the responsibility must be determined.

Observations from the stock-taking, along with recommendations regarding work organisation, performance, and asset security, must be forwarded to the relevant parties for their use.

Disposal

Any fixed assets that are unneeded or no longer usable must be written off from the records through disposal, either before or after the inventory.

During disposal, a report must be prepared that includes the exact identification of the fixed asset, its storage location, value, condition, any related documents, reports, photographs, etc., as well as the recommendation for the asset's disposal. The report must be signed by the asset custodian, the inventory coordinator, and the company's authorised manager (managing director / financial director / chief accountant).

The financial director of the College decides on the further disposition of the disposed assets — sale, destruction, etc. Disposal may not be carried out at the same time as stock-taking!

Disposal or recording may only take place before or after the inventory, and must be based on a report.

5. Ongoing tasks related to fixed asset records

The staff member responsible for the records must continuously monitor changes related to fixed assets and record them in the registers they maintain:

- enter new fixed assets into the fixed asset register (completing the fixed asset card, etc.),,
- record any change in the status of a fixed asset (investment, repair, renovation, disposal, etc.);

- monitor changes in the identity or status of asset custodians and inventory coordinators (e.g., appointment of a new custodian, departure of a responsible staff member, etc.);
- update the register of rooms to reflect any changes, and assist with administrative tasks related to staff departures and arrivals (such as assets to be returned or received for safekeeping, etc.);

6. Rules for determining inventory shortages involving labour law or civil law liability

For the purpose of establishing liability, the inventory shortage is the portion of the inventory discrepancy that exceeds the allowable shortage.

When determining a shortage or inventory shortage that entails liability for damages under labour law or civil law (together referred to as “inventory shortage”), the following procedure must be applied:

- The amount of the inventory shortage must be recorded in a separate report for each inventory coordinator and for each person with custodial responsibility for the asset.

The report must include the following details: – the place and date of the report’s preparation,

- the names of those present,
- the name of the asset custodian (or, where applicable, the inventory coordinator) and the person exercising the employer’s rights,
- the amount of the inventory shortage determined — item by item — as chargeable to the asset custodian (and, where applicable, its cause),
- the statement of the asset custodian (acknowledging, denying, or partially acknowledging responsibility, etc.),,
- the signatures of those present — and, if applicable, of any witnesses.

The inventory officer or the person ordering the inventory must prepare the report within 8 working days after the evaluation.

Based on the report, the inventory officer and the person who ordered the inventory initiate the process of establishing liability and, if necessary, determine responsibility and the amount of compensation.

An employee is liable to pay compensation for damage caused by wilfully breaching obligations arising from their employment. The employer is responsible for proving the employee’s fault.

The liability of the asset custodian and/or the inventory coordinator for an inventory shortage may be: – labour law custodial liability, or
– labour law inventory liability, or
– civil law liability for damages and/or –
criminal liability.

For matters concerning liability for inventory shortages and custodial responsibility, the relevant provisions of the Labour Code (Act I of 2012 on the Labour Code) apply—specifically, Sections 182–188 on inventory liability and Sections 180–181 on custodial liability. If labour law liability does not apply, the general provisions of the Civil Code (Act V of 2013 on the Civil Code, Section 6:518) shall be followed, as well as the terms set out in the employment contract.

INVENTORY INITIATION ORDER

for the inventory as of the cutoff date of ... 20...

1.) Taking into account the provisions of the Inventory Regulations, the physical inventory count shall cover the following assets.

The inventory shall be conducted in the designated manner
based on the records / independently of the records.

2.) The inventory must be carried out in the following inventory zones and at the specified times by the responsible inventory inspector(s):

Inventory unit(s):

3. Inventory officer:

4. Inventory inspector(s):

5. Inventory start time:

6. Inventory completion time:

7. The preparation of inventory personnel must be completed by 201.....-ig

8. The evaluation of the inventories must be completed by 2011..... -

9. The final report must be prepared by 2011.....-.

Budapest, 2011.....

.....

Signature of the person

ordering the inventory (I approve the inventory initiation order):

Budapest, 201

.....)

Annex II.
Appointment letter for Inventory
inspector

LETTER OF AUTHORIZATION

..... (name) (position)
. I hereby commission that, in the inventory to be conducted as of the cutoff date
201....., in the inventory zone, as inventory
inspector, the inventory-related tasks be carried out in accordance with the provisions of the
Inventory Preparation and Inventory Policy, as well as the instructions set forth in Inventory
Instruction No.

Budapest, 201.....

.....
Person ordering the inventory

Annex III.
Inventory officer completeness statement

STATEMENT

..... (name) (position) I hereby
declare, fully aware of my responsibility, that during the inventory held on the day
of 201.... in the inventory zone,
I presented all inventory items.

Budapest, 201.....

.....
Inventory coordinator

inventory Sheet used for

**Verification/R
econciliation**

Inventory sheet identifier:			
Inventory start date:			
Inventory completion date:			
Room name:		Code:	
Name of Inventory inspector			
Name(s) of Inventory			

Num ber:	Inventory number:	Name:	Quantity :	Actual quantity:	Barcode number:	Notice:	Photograph number:	

Date: Budapest, 201.....

Inventory coordinator _____ Inventory inspector

Inventory sheet to be used for recording inventories
(For subsequent reconciliation with the
records)

**Inventory
Sheet** (for recording
inventory)

Inventory sheet identifier:		
Inventory start date:		
Inventory completion date:		
Room name:		
Name of Inventory inspector		
Name(s) of Inventory officer(s):		

Num ber:	Inventory number:	Name:	Asset group:	Actual quantity:	Barcode number:	Notice:	Photograph number:	

Date: Budapest, 201.....

Inventory inspector

Inventory coordinator Inventory officer

Prepared in Budapest on 30 October 2017.

Effective as of 15 December 2017.

Adopted by Senate Resolution No. 45/2017 (12.14.), reviewed by Senate Resolution No. 50/2025 of 29 September 2025, and confirmed by the signature of Rector Gábor Karsai, Rector.

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