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STOCK TURN

Bottom Line Up Front: ROM 3 Stock Turn objective for Fiscal Year 2019 will remain 3.50.

Future calculation: The Stock Turn objective for Fiscal Year 2020 and beyond will be 4.00. The computation will revert to the ROM II formula.

Disregard the following:

Chapter 3, Par. 3301, Sub-Par.3 in SHIP'S STORE AFLOAT NEXCOM NOTICE 4062 and Ship's Store Bulletin SS18-008 – FY19 STOCK TURN.

Key Points on ROM 3 Stock Turn:

Stock turn is a measurement of the movement of stock through the ship's store. A minimum stock turn of 1.33 per accounting period is required. This minimum is established based on the following:

The accounting period is four months long.

The maximum inventory allowed is a three-month supply of ship's store stock. Ideally, the inventory should be expended one and one-third times during each accounting period. A stock turn of 1.33 per accounting period will result in four (4.0) stock turns per year.

How do I calculate my Stock Turn?

Stock turn is computed by dividing the cost of sales and, the total dollar value of the stock expended by the inventory at the beginning of the accounting period.

Stock turn formula. At the end of the accounting period, stock turn for ship's store stock is computed using the following formula:

Total of NAVCOMPT Form 153 Lines B10 + B14 + B15 + B19 + B21 + B22 (minus the automated accounting adjustment as reported on the B22 Report) + B23 + B25 + B27 divided by Line B08 equals stock turn.

If you should have any questions or concerns please contact SHC Huff at <u>Geanice.Huff@nexweb.org</u> or SHC Hardimon at <u>Larry.Hardimon@nexweb.org</u>

