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ITEM No. 3704/52

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19 Mar  
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RUMANIA

ADMINISTRATION

INDUSTRY

Raw Materials

Rules Regarding The Inventories Of Raw Material.

SOURCE ROME: No information available

DATE OF OBSERVATION: 1951

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The control system of the planned industries in Rumania has become a nightmare for those who have to apply it. The following report on the Rumanian Cabinet's decisions gives an idea of the poor conviction with which the executors of "socialist" production work.

Decision No. 617 regards the obligations of State-concerns and cooperative economic organizations to keep "the inventory" of raw materials, in conformity with "the regulation regarding raw materials.

The Vice-President of the Council of Ministers and Minister of Finance, on the basis of the Decision No. 1,636 of the Council of Ministries, published in the Official Bulletin No. 289 of December 1948, refers to the adoption of a "standard" accounting method.

Section 1: "Upon publication in the "Official Bulletin" of the present decree, the State and cooperative firms and organizations, as well as the concerns attached to social organizations are obliged to keep "an inventory" according to the rules for inventories of raw materials in State concerns and organizations."

Section 2: "The management supervising the "quotas" of production and issuing the accounting rules is charged with the enforcement of the present decree.

Issued at BUCHAREST on 1 April 1951 by LUCA Vasile, Vice-President of the Council of Ministers and Minister of Finance."

Rules

regarding the "inventory" of the raw materials in the State and cooperative firms and economical organizations.

I) General Rules.

1) The principal aims of the raw material "inventory" are:

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- a) to ensure the safety of socialist property and to institute controls of the traffic and of the correct use of raw materials, auxiliary materials, fuels, spare parts, inventoried goods of little value and of short duration, clothing and protective goods, packing, semi-finished goods, etc;
  - b) to obtain exact data on the quantity of raw materials lying in depots and in charge of managements at any time and without having continually to draw up inventories;
  - c) to be able to control the stocks of raw materials;
  - d) to verify in time the raw materials no longer used in the respective concerns, in order to exploit them for the total utilization of internal reserves.
- 2) The following rules must be followed for a rational organization in the depot's administration:
- a) the raw materials must only be kept in isolated and safe depots, specially set up for this purpose and able to guarantee the quantitative and qualitative integrity of the raw materials;
  - b) the depots will be provided with shelves, shelved cupboards, drawers, etc. for the keeping of materials in good condition;
  - c) the depots will also be provided with weighing and measuring instruments. No goods may be received or handed out before being measured or weighed;
  - d) the depots will be organized for groups of raw materials, according to the necessities of distribution; the goods must be placed on shelves, etc. in such a way as to ensure receiving, distributing, checking and controlling operations in the shortest possible time, as well as free access to every kind of goods. To this end the lay-out of raw materials in each warehouse will be planned;
  - e) a label or list must be placed on each shelf where the goods are kept, bearing the code number of the goods corresponding to the catalogue of the raw materials, belonging to the concern;
  - f) inflammable or explosive materials must be kept in special depots separated and isolated from the others;
  - g) "bulk" materials, which cannot be stored in enclosed depots, will be kept separately and having regard to special safety rules (against fire, burglary) and easiness of access etc;
  - h) materials not belonging to the concern, but entrusted to it for the purpose of processing or safe-keeping, or awaiting return, will be kept separately;
  - i) each depot will have a particular code number, which will be reproduced on all documents relating to that particular depot;

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j) incoming or outgoing goods will be entered in the document relating to them according to the rules established at the time of the transfer. Delivery or acceptance of goods without documents is severely forbidden;

k) raw materials must only be accepted by the depot manager, no other person is entitled to accept them without previously informing him. Any irregular acceptance of materials will be considered a subtraction of such and the guilty party will be punished according to the Penal Code;

l) acceptance, delivery and safekeeping of materials is entrusted to certain defined persons who are materially and legally responsible for the same.

2) The management of the concern must draw up:

a) the price list for all kinds of materials (distinguishing them by size, kind and quality) used by the concern; this price list must be used by all the workshops and sections;

b) the exact time list when delivery of materials to every workshop or section of the concern must take place;

c) a list of employees authorized to send out materials from depots;

d) the required amount of every kind of material, which must be provided by the Supply Service.

3) The inventory of the depot materials and the concern's accounting are organized and managed by the chief accountant according to rules. His orders as regards the materials' inventory must be carried out by the workshops and sections in the concern.

4) In order to establish a rational comparison between inventories and actual stocks and to make them tally, total, partial or test check-ups must be effected periodically.

II) Documents relating to warehousing of materials.

All documents relating to materials purchased or collected by the concern, such as invoices, bills of lading, etc. must be handed over to the Supply Service.

III) Depot Materials' Inventory.

All materials delivered to the depots must be carefully checked as to kind, quantity and quality, according to the accompanying documents (invoices, bills of lading, checking lists, specifications, acceptance orders for materials without covering documents.) The material can only leave the depot for:

a) delivery to the concern's sections or workshops;



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- b) delivery to third parties for processing purposes;
- c) transfer of materials from one depot to another of the same concern;
- d) deliveries outside the concern only in cases provided for by law in force or permitted by supervising bodies.

The depot head or manager, on the basis of the depot's lists, is obliged to inform the Supply Service in time whenever stock goes under the minimum or over the maximum quantities as well as stocks that do not fluctuate at all.

IV) Inventory of materials in relation to the concern's accounting.

v) The checking of the incoming and outgoing materials by the accountancy department.

The accountancy department must advise the management of the concern of any infringement of rules for the drawing up of documents in order to have the responsible parties punished.

EVAL. COMMENT: confirmed by documentary evidence.