

STOCK RECORDS FOR JEWELLERS

You buy insurance for peace of mind. It makes sense to keep good records so you can make the best use of the cover you have purchased and substantiate the value of any loss.

Your policy with T H March & Co Limited contains a condition that you:
"..keep detailed stock records of all sales, purchases and other transactions, and that such records shall be available for inspection by the underwriters or their representatives in case of a claim being made under this insurance".

Good stock records:

- speed settlement of claims.
- ensure full settlement of your losses according to policy coverage.
- and provide valuable management information.

Insurers will often agree to handle a claim despite poor records, but poor records may:

- delay settlement.
- create additional work for you in quantifying your claim at a time when you may already be under pressure from loss of stock, damage to premises or with distressed staff.
- lead to a compromise settlement.

There are many ways of keeping good records. Different types of business may need different methods. The minimum acceptable to HMRC for VAT purposes is likely to be inadequate for insurance purposes since HMRC records do not expect the sale of an item to be linked to its original purchase record.

If in doubt, your usual Account Executive will be happy to guide you, but remember we are not accountants, and only a detailed examination of your procedures by an accountant can confirm whether there are any loopholes in your systems.

Wherever possible, systems should create records naturally. If staff have to remember to put something on a special list, mistakes will be made, and sooner or later the system will fail or fall into disuse.

For retail jewellers, a good point-of-sale-linked stock control computer system, especially with bar coded recognition of tagged stock items, will take care of most of these requirements and provide much additional benefit, but it still needs to be set up and operated correctly.

Where the stock record system is not maintained automatically via point-of-sale tills, the handwritten or computer record should be marked up promptly. Sending records of sales and purchases away to a bookkeeper to calculate a claim will delay settlement