

SOP Template: Stock Rotation (FIFO/LIFO) Guidelines

This SOP defines the **stock rotation (FIFO/LIFO) guidelines** to ensure proper inventory management and minimize product spoilage. It details the procedures for first-in, first-out (FIFO) and last-in, first-out (LIFO) methods, emphasizing accurate tracking, labeling, and handling of stock items. The goal is to optimize inventory turnover, maintain product quality, and prevent losses by systematically rotating stock based on arrival and usage dates.

1. Purpose

To establish standardized procedures for stock rotation using FIFO and LIFO methods to maintain product quality and reduce waste.

2. Scope

This SOP applies to all staff involved in inventory management, warehousing, and stock handling throughout the supply chain.

3. Responsibilities

- **Warehouse staff:** Follow rotation procedures, label items, keep accurate records.
- **Supervisors:** Monitor compliance, conduct periodic checks.
- **Inventory Manager:** Review and update SOP as needed.

4. Definitions

Term	Definition
FIFO (First-In, First-Out)	Oldest stock (first received) is used/sold first.
LIFO (Last-In, First-Out)	Newest stock (last received) is used/sold first.

5. Procedures

5.1 Receiving Stock

1. Inspect all items for damage or expiration date.
2. Assign clear, legible labels indicating:
 - Date of receipt
 - Batch or lot number (if applicable)
3. Update inventory records with relevant information.

5.2 Storage Organization

1. Arrange storage shelves and bins so that older stock is easily accessible for FIFO, or newer stock for LIFO (as per product requirements).
2. Implement visible signage or markers to assist staff in stock retrieval order.

5.3 Stock Rotation Process

FIFO Method (Recommended for perishable goods):

1. Identify products with the earliest receipt/use-by date.
2. Pick and dispatch oldest stock first for production or sale.
3. Regularly check for expired or soon-to-expire items and document discrepancies.

LIFO Method (For specific products, e.g., certain bulk materials):

1. Identify products with the latest receipt date.
2. Pick and dispatch the newest stock first.
3. Ensure rationale for LIFO usage is documented per item category.

5.4 Record Keeping & Documentation

1. Maintain up-to-date inventory logs for each item, tracking movement and usage dates.
2. Record any discrepancies, write-offs, or product disposals with reason codes.

6. Monitoring & Compliance

1. Supervisors to perform routine spot-checks on rotation practices.
2. Document and report deviations; implement corrective actions as needed.

7. Training

All relevant staff receive initial and refresher training on proper stock rotation procedures.

8. Revision History

Version	Date	Description	Author
1.0	[Insert Date]	Initial draft	[Insert Name]