

# Standard Operating Procedure (SOP): First-In-First-Out (FIFO) Inventory Management

This SOP details the **First-In-First-Out (FIFO) inventory management** process, ensuring that the oldest stock is used or sold before newer inventory. It covers procedures for organizing inventory, tracking product expiration dates, regular stock rotation, minimizing waste, and maintaining accurate records. The goal is to optimize inventory turnover, reduce spoilage, and maintain product quality across storage and distribution operations.

## 1. Purpose

To outline steps for implementing FIFO inventory management for optimal product quality, minimized waste, and accurate stock records.

## 2. Scope

Applies to all personnel involved in receiving, storing, handling, distributing, or recording inventory within the organization.

## 3. Responsibilities

- **Warehouse Staff:** Organized stock placement, stock rotation, and record updates.
- **Supervisors:** Training staff, monitoring compliance, and auditing inventory processes.
- **Inventory Managers:** Inventory review and periodic reporting.

## 4. Procedures

### 1. Receiving Inventory

- Label all incoming products with receipt date and expiration date (if applicable).
- Inspect for damage or expiration before acceptance.

### 2. Organizing Inventory

- Arrange products so that older stock is at the front and newest at the back of shelves or storage units.
- Clearly mark storage locations and product batches.

### 3. Stock Rotation

- During restocking, place new stock behind existing stock.
- Regularly check front stock for upcoming expirations and remove any expired items.

### 4. Tracking and Recording

- Update inventory management system upon receipt, removal, or disposal of inventory.
- Record product movement by lot/batch number and date.

### 5. Auditing and Review

- Conduct periodic physical inventory counts to verify compliance with FIFO and reconcile discrepancies.
- Report expired or unsellable stock for proper disposal.

## 5. Documentation

- Receiving logs
- Inventory movement records
- Expiration date tracking sheets

- Periodic audit reports
- Waste and disposal logs

## 6. Training

All relevant staff must receive training on FIFO principles, stock rotation, and record keeping upon hiring and annually thereafter.

## 7. References

- Inventory Management Policy
- Warehouse Safety Procedures
- Local Regulatory Guidelines on Storage and Expiry

## 8. Revision History

Date	Version	Description	Author
2024-06-10	1.0	Initial SOP draft	Inventory Manager