

SOP Template: Supplies Inventory and Procurement Process

This SOP details the **supplies inventory and procurement process**, covering the systematic tracking of inventory levels, requisition of supplies, vendor selection and management, purchase order creation, receipt and inspection of goods, and record-keeping. The objective is to maintain optimal inventory levels, ensure timely procurement of quality supplies, control costs, and streamline operations to support business continuity and efficiency.

1. Purpose

To establish a standardized procedure for managing supplies inventory and procurement, ensuring the timely availability of quality supplies and efficient use of resources.

2. Scope

This SOP applies to all employees involved in supply inventory management and procurement activities within the organization.

3. Responsibilities

- **Inventory Officer:** Monitor inventory levels, update records, and report low stock.
- **Department Heads:** Submit requisitions for needed supplies.
- **Procurement Officer:** Evaluate vendors, process purchase orders, ensure timely ordering and receiving.
- **Finance Department:** Approve and process payments for procurement.

4. Definitions

- **Requisition:** A formal request for the purchase of supplies.
- **Purchase Order (PO):** A document authorizing a vendor to supply specified goods at agreed prices.
- **Inventory Threshold:** The minimum inventory level that triggers reordering.

5. Procedure

1. **Inventory Monitoring**
 - Regularly review inventory levels using the inventory management system.
 - Identify items nearing or below reorder threshold.
2. **Supply Requisition**
 - Department heads submit supply requisition forms to the Inventory Officer.
 - Inventory Officer verifies current stock and justifies the requisition.
3. **Vendor Selection and Management**
 - Procurement Officer reviews approved vendors list or identifies new vendors if required.
 - Solicit quotations from at least three qualified vendors where applicable.
 - Evaluate vendors based on price, quality, delivery terms, and reliability.
4. **Purchase Order (PO) Creation**
 - Procurement Officer prepares a PO, detailing items, quantities, prices, and delivery terms.
 - Obtain necessary departmental and finance approvals.
 - Send PO to selected vendor(s).
5. **Receipt and Inspection of Goods**
 - Upon delivery, Inventory Officer checks goods against the PO and delivery note.
 - Inspect goods for quality and quantity.
 - Document discrepancies or damages and notify the Procurement Officer and vendor immediately.
6. **Inventory Update and Record-Keeping**
 - Update inventory records to reflect new stock.
 - File all procurement documentation (requisitions, quotations, POs, delivery notes, and inspection reports) electronically and physically as per retention policy.
7. **Payment Processing**
 - Forward approved invoices with supporting documents to Finance for payment processing.

6. Documentation & Forms

- Supply Requisition Form
- Purchase Order Template
- Vendor Evaluation Checklist
- Goods Received Note
- Inventory Management Records

7. Review and Revision

This SOP shall be reviewed annually, or as needed, to ensure ongoing suitability and effectiveness.

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| SOP Version | 1.0 |
| Date of Issue | [Insert Date] |
| Prepared by | [Name/Title] |
| Approved by | [Name/Title] |