

SOP Template: Inventory Availability Check and Allocation Guidelines

This SOP details the procedures for **inventory availability check and allocation guidelines**, including steps for verifying stock levels, prioritizing allocation based on demand and urgency, coordinating with procurement and warehouse teams, and maintaining accurate inventory records. The objective is to ensure optimal inventory management, reduce stockouts, and improve order fulfillment efficiency.

1. Purpose

To establish a standardized process for checking inventory availability, allocating stock based on prioritization, and ensuring proper coordination and record-keeping to optimize inventory management and order fulfillment.

2. Scope

This SOP applies to all staff involved in inventory management, including warehouse, procurement, and sales departments.

3. Responsibilities

- **Warehouse staff:** Regularly update and provide accurate inventory levels.
- **Procurement team:** Coordinate resupply for low-stock items.
- **Sales/Order management:** Initiate allocation requests and communicate order urgency.
- **Inventory manager:** Oversee and approve allocation decisions and monitor inventory records.

4. Procedure

1. Inventory Availability Check

- Access the inventory management system to review real-time stock levels.
- Physically verify inventory for high-demand or low-stock items if necessary.
- Identify items below reorder thresholds for replenishment consideration.

2. Demand and Urgency Assessment

- Review pending orders and their priority levels (e.g., customer urgency, contract obligations).
- Evaluate special requests (e.g., expedited shipping, VIP customers).

3. Stock Allocation Guidelines

- Allocate available stock first to high-priority orders.
- Distribute remaining inventory to standard orders based on order date (FIFO or LIFO as per policy).
- If stock is insufficient, partial allocation may be considered and affected parties notified.
- Escalate conflicts or unresolved allocation issues to the inventory manager.

4. Coordination with Procurement and Warehouse

- Communicate inventory needs and shortfalls to the procurement team for timely replenishment.
- Coordinate with the warehouse for item picking and dispatch according to allocation plan.

5. Inventory Record Maintenance

- Update all inventory movements (receipts, allocations, dispatches) in the management system without delay.
- Perform regular audits to ensure record accuracy and investigate discrepancies.

5. Documentation

- Inventory checklists or system reports
- Order allocation logs
- Stock replenishment requests and purchase orders
- Audit and discrepancy reports

6. Review and Updates

This SOP should be reviewed annually or upon significant process/system changes and updated as necessary.

7. Appendix

Term	Definition
FIFO	First In, First Out (inventory rotation method)
LIFO	Last In, First Out (inventory rotation method)
Reorder threshold	Predetermined stock level triggering replenishment action