

SOP: Inventory Stock Rotation and FIFO (First-In, First-Out) Procedures

This SOP details the **inventory stock rotation and FIFO (First-In, First-Out) procedures**, establishing systematic methods for organizing, managing, and rotating stock to ensure older inventory is used before newer supplies. It covers stock identification, tracking, shelf life management, proper storage techniques, regular audits, and documentation practices to minimize waste, prevent product obsolescence, and maintain optimal inventory accuracy and efficiency in stock handling.

1. Purpose

To establish a consistent process for inventory rotation using the FIFO method, ensuring that the oldest inventory items are used, picked, or shipped first, thereby reducing waste and maintaining product quality and compliance.

2. Scope

This SOP applies to all staff involved in the storage, movement, management, and audit of inventory in the facility's storerooms, warehouses, and supply areas.

3. Responsibilities

- **Warehouse/Stockroom Staff:** Implement FIFO practices during stocking, picking, and restocking.
- **Supervisors/Managers:** Oversee compliance with this SOP, ensure training, and lead audits.
- **Inventory Control Team:** Maintain accurate records and perform periodic audits.

4. Definitions

Term	Definition
FIFO (First-In, First-Out)	An inventory control method where the oldest stock is used/sold first.
Shelf Life	The length of time inventory remains usable or saleable.
Stock Rotation	The systematic movement of products to ensure FIFO utilization.

5. Procedures

1. Stock Identification & Labeling

- All inventory items must be clearly labeled with receipt date, batch number, and/or expiry date.
- Use standardized labels and barcodes wherever possible.

2. Receiving & Placement

- Upon receipt, inspect inventory for damage or discrepancies.
- Place newly received stock behind existing stock or in designated locations to ensure older stock is in the picking path.

3. Stock Picking

- During picking or restocking, always select items with the oldest receipt date or earliest expiry date first (FIFO principle).

4. Shelf Life Management

- Monitor stock with expiry dates closely, prioritize items near expiry for use or sale.

5. Storage Techniques

- Arrange shelves and bins to maximize product visibility and accessibility for FIFO rotation.
- Avoid over-stacking that could obscure older stock.

6. Audits & Verification

- Conduct regular inventory audits (monthly or quarterly) and spot checks for FIFO compliance.
- Document and correct deviations from FIFO procedures.

7. Documentation

- Maintain accurate receiving, movement, and usage logs.
- Update inventory records promptly after each transaction.

6. Records

- Inventory receiving log
- Stock movement/picking sheets
- Audit checklists and reports
- Expiry date tracking registers

7. Training

All staff involved in inventory handling must be trained on FIFO procedures and proper stock rotation techniques upon hiring and during annual refreshers.

8. Revision History

Date	Revision	Description	Approved By
2024-06-04	1.0	Initial release	[Name/Position]