

# SOP: Par Stock and Reorder Level Monitoring

This SOP details the procedures for **par stock and reorder level monitoring**, including the establishment of optimal inventory levels, regular stock assessments, identification of reorder points, timely placement of purchase orders, and accurate record-keeping. The objective is to maintain adequate inventory to prevent stockouts and overstocking, ensuring smooth operations and cost-effective inventory management.

## 1. Purpose

To outline a systematic approach for maintaining optimal inventory levels and ensuring timely replenishment of stock items.

## 2. Scope

This procedure applies to all staff responsible for inventory management in the organization.

## 3. Responsibilities

- **Inventory Manager:** Oversees par level settings and monitors stock reports.
- **Storekeeper:** Conducts stock assessments, updates records, and initiates reorder requests.
- **Procurement Team:** Processes and follows up on purchase orders.

## 4. Definitions

Term	Definition
Par Stock	The minimum quantity of inventory that must be kept on hand at all times.
Reorder Level	The inventory quantity at which a new purchase order should be placed to replenish stock before depletion.

## 5. Procedure

1. **Establish Par Stock and Reorder Levels:**
  - Review past consumption rates, lead times, and criticality of items.
  - Determine par stock and reorder levels for each inventory item.
  - Document and communicate established levels to relevant staff.
2. **Conduct Regular Inventory Assessments:**
  - Perform daily/weekly stock checks as appropriate.
  - Record current inventory for each item.
3. **Monitor Reorder Points:**
  - Compare current inventory against reorder levels.
  - Identify items at or below reorder points.
4. **Place Purchase Orders:**
  - Initiate timely purchase requests for items meeting or falling below reorder levels.
  - Verify order quantities to restore inventory to par stock.
5. **Record-Keeping:**
  - Update inventory records after receiving new stock.
  - Maintain complete and accurate documentation of all inventory transactions.

## 6. Documentation and Forms

- Inventory Assessment Sheet
- Purchase Order Form
- Goods Received Note

## 7. Review and Audit

- Conduct quarterly audits on inventory records and procedures.
- Update par stock and reorder levels as needed based on consumption trends and operational changes.

## 8. References

- Inventory Management Policy
- Procurement Procedures Manual