

SOP: Inventory Tracking and Stock Replenishment

This SOP details **inventory tracking and stock replenishment** processes to maintain optimal stock levels, prevent shortages, and reduce excess inventory. It covers systematic recording of stock movements, regular stock audits, automated alerts for low stock, and efficient ordering procedures. The goal is to ensure accurate inventory data, timely restocking, and streamlined supply chain operations for improved business continuity and customer satisfaction.

1. Purpose

To outline standardized procedures for tracking inventory and replenishing stock, ensuring consistent supply and minimizing losses due to stockouts or overstocking.

2. Scope

This procedure applies to all staff involved in inventory management and purchasing within the organization.

3. Responsibilities

Role	Responsibility
Inventory Manager	Oversee inventory tracking, audits, and stock level reviews.
Warehouse Staff	Receive, record, and store goods accurately; report discrepancies.
Procurement	Place orders for restocking based on approved purchase requests and inventory levels.
IT/Systems Admin	Maintain and update inventory tracking systems and automated alert settings.

4. Procedure

4.1 Stock Tracking

- Record all stock receipts and issues in the inventory management system immediately upon transaction.
- Ensure all documentation (delivery notes, invoices, internal usage forms) is filed and reconciled daily.
- Label all incoming stock with item codes and locations.

4.2 Regular Stock Audits

- Conduct full stock counts at least quarterly; perform cycle counts of high-movement items monthly.
- Investigate and resolve discrepancies between physical counts and system records within two business days.
- Document audit findings and corrective actions taken.

4.3 Low Stock Alerts

- Set minimum and maximum stock thresholds for all items in the inventory system.
- Enable and monitor automated notifications for items approaching minimum stock levels.
- Review alerts daily and validate data accuracy before initiating reorder processes.

4.4 Stock Replenishment Process

- Generate purchase requests upon confirmation of low stock levels.
- Obtain approval from the Inventory Manager before procurement.
- Place orders with approved vendors and track order status regularly.
- Verify incoming shipments against purchase orders on receipt and update inventory records accordingly.

5. Documentation & Records

- All inventory transactions must be recorded in the inventory management system.
- Maintain records of purchase orders, delivery notes, audit reports, and discrepancy resolutions for at least 2 years.

6. Review & Continuous Improvement

- Review this SOP annually and update as necessary.
- Analyze inventory trends quarterly to identify areas for process improvement.
- Train staff annually on updates or changes to inventory procedures.

7. References

- Inventory Management System User Manual
- Procurement Policy
- Internal Audit Guidelines

8. Revision History

Version	Date	Description	Authorized by
1.0	2024-06-05	Initial SOP release	Operations Manager