

SOP Template: Item Limit Enforcement and Tracking Process

This SOP details the **item limit enforcement and tracking process**, encompassing procedures for setting item quantity restrictions, monitoring compliance, tracking inventory levels, managing alerts for limit breaches, and reporting discrepancies. The goal is to ensure adherence to established limits, optimize inventory control, prevent overstocking or shortages, and facilitate accurate record-keeping for efficient operational management.

1. Purpose

To establish a standard procedure for enforcing item quantity limits, tracking inventory, and reporting breaches or discrepancies within the inventory management system.

2. Scope

This process applies to all staff involved in inventory control, purchasing, receiving, and issuing items, as well as inventory auditors.

3. Definitions

- Item Limit:** The maximum or minimum allowable quantity for any inventory item as defined by management.
- Limit Breach:** When on-hand inventory exceeds the maximum or falls below the minimum established limit.

4. Responsibilities

Role	Responsibility
Inventory Manager	Set item limits, review reports, and investigate discrepancies.
Inventory Staff	Monitor inventory levels, respond to alerts, and update inventory records.
Purchasing Team	Order items in compliance with set limits.

5. Procedure

- Item Limit Setting/Review**
 - Inventory Manager sets or reviews min/max item limits in the system quarterly or as needed.
 - All changes are documented and communicated to relevant staff.
- Inventory Tracking**
 - Inventory levels are updated in real time as items are received, issued, or returned.
 - Designated personnel must enter all transactions into the inventory management system.

3. **Compliance Monitoring**

- System automatically or manually checks current quantities against set limits daily.

4. **Alert Management**

- System generates alerts for any limit breaches (overstock or shortage).
- Inventory staff reviews and addresses each alert within 1 business day.

5. **Discrepancy Reporting**

- Staff reports unresolved breaches/discrepancies to the Inventory Manager.
- Inventory Manager investigates, resolves, and documents corrective actions taken.

6. **Records & Documentation**

- Maintain item limit logs and any changes for at least 2 years.
- Keep discrepancy reports, corrective action records, and all alert responses on file.

7. **Review & Revision**

- Review this SOP annually or as process changes occur.
- Document and communicate all revisions to relevant staff.