

SOP Template: Clearance Item Identification and Tagging

This SOP describes the process for **clearance item identification and tagging**, including the systematic inspection of items, criteria for clearance, proper tagging methods, documentation requirements, and communication protocols. The goal is to ensure accurate identification, appropriate handling, and efficient tracking of clearance items to maintain inventory accuracy and compliance with organizational standards.

1. Purpose

To define the standardized process for identifying, evaluating, tagging, documenting, and communicating clearance items within the organization to ensure control and accuracy of inventory.

2. Scope

This SOP applies to all staff engaged in inventory management, warehousing, and retail operations where clearance item identification and tagging are required.

3. Responsibilities

- **Inventory Staff:** Inspect and identify items qualifying for clearance, apply tags, and update documentation.
- **Supervisors/Managers:** Approve clearance item lists, ensure compliance with SOP, review records.
- **Store/Inventory Manager:** Oversee the process and communicate clearance activities to relevant departments.

4. Definitions

Term	Definition
Clearance Item	Inventory designated for discounted sale, removal, or special disposal due to overstock, obsolescence, damage, or expiry.
Tagging	The process of physically or electronically marking an item to indicate its clearance status.

5. Procedure

5.1 Systematic Inspection

- Conduct regular or as-needed inspections of inventory areas to identify potential clearance items.
- Check items for expiry dates, damage, slow movement, or organizational criteria for clearance.
- Complete a preliminary clearance inventory list for supervisor review.

5.2 Clearance Criteria

- Verify items against established clearance criteria, including:
 - Approaching expiry or end-of-life
 - Overstock (does not meet reorder or demand thresholds)
 - Discontinued or obsolete products
 - Damaged or opened packaging (if applicable)
- Document justification for clearance designation.

5.3 Tagging Methods

- Affix a visible, color-coded clearance tag to each qualified item, indicating:
 - Clearance status (e.g., "Clearance", "Discounted", "To Be Removed")
 - Date of tagging
 - Initials of staff or unique identifier
- For electronic systems, update the item status in inventory management software.
- Ensure tags are secure and legible.

5.4 Documentation

- Update clearance item log or inventory records, including:
 - Item description, SKU/ID
 - Reason for clearance
 - Date tagged
 - Staff responsible
- Obtain supervisor/manager review and approval.

5.5 Communication Protocols

- Notify relevant departments (sales, warehouse, management) of clearance items and effective dates.
- Coordinate with the sales team to update promotional materials or systems as needed.
- Ensure clear communication regarding removal, discounting, or disposal timelines.

6. Compliance and Records Management

- Retain clearance records per organizational policy.
- Periodically audit clearance logs for accuracy and process compliance.
- Report discrepancies or process deviations to management immediately.

7. References

- Inventory Management Policy
- Disposal of Obsolete Inventory SOP
- Record Retention Guidelines

8. Revision History

Date	Revision	Description	Approved By