

Standard Operating Procedure

Inventory Tracking and Supply Ordering Procedures

This SOP details **inventory tracking and supply ordering procedures**, covering methods for accurate inventory monitoring, stock level assessments, reorder point determination, supplier selection criteria, purchase order processing, receipt and inspection of supplies, and documentation practices. The aim is to maintain optimal stock levels, prevent shortages or overstock situations, and ensure timely procurement of necessary materials to support operational efficiency and cost management.

1. Purpose

Ensure effective tracking of inventory levels and prompt ordering of supplies to maintain seamless operations and cost efficiency.

2. Scope

This SOP applies to all staff responsible for managing, tracking, and ordering inventory and supplies.

3. Responsibilities

- **Inventory Managers:** Oversee inventory counts, assessments, and documentation.
- **Procurement Officers:** Order supplies, manage suppliers, process purchase orders.
- **Receiving Staff:** Receive and inspect all incoming supplies.

4. Procedure

4.1 Inventory Monitoring

1. Conduct **daily** or **weekly** physical inventory checks based on supply turnover.
2. Use inventory tracking software or manual log sheets to record stock on hand, in/outflow, and discrepancies.
3. Reconcile physical counts with recorded data and investigate any variances immediately.

4.2 Stock Assessment & Reorder Point Determination

1. Set minimum and maximum stock levels for each item based on usage trends and supplier lead times.
2. Trigger reordering when inventory reaches the predetermined **reorder point**.
3. Review reorder points at least quarterly to adjust for demand or process changes.

4.3 Supplier Selection Criteria

1. Assess suppliers based on reliability, pricing, product quality, delivery performance, and customer support.
2. Maintain an approved supplier list with documented evaluations and periodic reviews.

4.4 Purchase Order (PO) Processing

1. Prepare a purchase requisition specifying item details, quantities, and required delivery dates.
2. Obtain necessary authorization according to organizational policy.
3. Issue official purchase orders to chosen suppliers and file all related correspondence.

4.5 Receipt and Inspection of Supplies

1. Verify delivered items against the purchase order and packing list upon receipt.
2. Inspect goods for quality, completeness, and damage.
3. Document and promptly report discrepancies or issues to the supplier and management.
4. Update inventory records to reflect received stock.

4.6 Documentation & Record Keeping

1. Maintain accurate logs for all incoming and outgoing inventory.
2. File all purchase orders, receipts, inspection reports, and correspondence electronically or in designated binders.
3. Back up digital records regularly and retain physical records as required by company policy.

5. Forms & Templates

- Inventory Log Sheet
- Purchase Requisition Form
- Purchase Order Template
- Receiving/Inspection Checklist

6. Revision History

Date	Revision #	Description	Author
2024-06-10	1.0	Initial SOP creation	[Your Name]