

MRC/UVRI and LSHTM Uganda Research Unit



Uganda
Virus
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Institute



WAREHOUSE INVENTORY MANAGEMENT SOP		
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Warehouse Inventory Management SOP

Policy statement

This SOP establishes responsibilities, procedures and guidelines for managing receiving, storage, and issuing of supplies that are procured by or donated to MRC/UVRI & LSHTM Uganda Unit. These supplies may be needed for urgent use or to be kept for use at a future date.

Supplies procured by or donated to the Unit are managed by the stores whose main function is to provide support to the scientific research community by ensuring proper receiving, recording, storage, and issuing of projects stock.

To ensure smooth running of the scientific research and other operations, procedures and guidelines have been put in place to ensure there are sound stock control systems across all the Unit's stores that aim to maintain proper and accurate stock records, protect the quality of the projects stock and prevent loss through theft or spoilage.

This SOP applies to all staff involved in receiving, verification, storing, issuing, requesting and using the supplies at MRC Uganda Unit.

The responsibility for Receiving, Verification, Storage and Issuing of supplies lies with the stores staff, Field Station administrators and technical users.

Breaches of the policy will be dealt with under the disciplinary policy and /or as appropriate the Fraud Policy.

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1. Purpose

To describe the procedure and guidelines for Receiving, Storage and Issuing of supplies at MRC/UVRI & LSHTM Uganda Unit

2. Scope

This procedure is applicable for handling all the goods Received, Stored and Issued at the Unit.

3. Procedure

3.1 Introduction

The MRC/UVRI & LSHTM Uganda Unit store is responsible for receiving and inspection, storage, issuing and dispatch of supplies.

Circumstances under which goods may be received include; Delivered Purchase orders (local or international) that belong to the Unit, internal transfer orders from one location to another and donations to different projects or studies.

The procedure for Receiving, Storage, and Issuing of goods is outlined in the following sections.

3.2 Receiving and Inspection

At the time of delivery, the receiving officer should seek assistance from a user or representative from user department to help inspect and verify the supplies.

Against the Purchase Order for every shipment the receiving officer should;

- Verify that supplies being delivered have been procured for by or donated to the Unit using the delivery documents (Delivery note, packing list and invoice).
- Make sure he/she is receiving as many cartons, boxes, packs, kits or pieces as are listed on the delivery documents. Count items delivered **in** the Unit's recommended unit of measurement not according to the supplier packaging.
- Carefully examine each box, carton or piece for visible damage. If damage is visible, note it on the delivery note, have the delivery agent/driver sign the copy.
- Ensure that all cartons, packs or units delivered have a manufacturer's seal. If the seal is not there or is tampered with, ask for special inspection by the end user--do not accept such a shipment before end user certification.

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- Ensure that quality for conformance to the purchase order specification (grade, variety, type, Cat/Part no., expiry dates) is confirmed by the end user and he/she must sign all delivery documents.
- Sign the delivery documents only after being fully satisfied with the delivered goods and that they have been verified with and confirmed by the user.
- Write a goods return note for all the items that fail inspection and arrange return and or replacement with the supplier. Poor quality or damaged items should never be allowed inside the storerooms.

Goods Receipting in the System

- Verify unit prices and check for accuracy of the invoice total.
- Ensure that corrections if any are made and verified with the procurement team and the supplier.
- Errors or inconsistency in documents should immediately be communicated to procurement and the supplier to allow correction within 48 hours, and finance to ensure payments to the supplier are stopped before satisfactory resolution.
- Immediately after being fully satisfied that the delivered goods and documents are in order, the stores staff should goods receipt in the system (ERP) only those items that have been accepted and update the Excel PO Tracker on the intranet.
- A printout of the purchase receipt should be attached to the supplier invoice and delivery note and sent to accounts for payment processing not later than one day after receipt of shipment.

Deliveries Direct to End User

- Sometimes goods are delivered direct to the end user because of their temperature requirements, handling specifications, or are of a hazardous nature. In this case the responsible person should submit delivery documents to the stores within 24 hours after the delivery.
- The receiving officer must **sign** all documents accompanying the shipment, send originals to the store and keep at least one copy. It is very important for the receiving person to understand that his signature is the organization's formal acknowledgment of receipt of the items and the organization's obligation to make payment for the items.

Supplies with Inevitable Damage

- Where supplies are received and damage is not visible at the point of delivery but is detected at later date, the damaged items should be isolated and an inspection report written immediately detailing the nature of damage.

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- This may happen in the case of equipment, machines, computers or other specialized goods that are delivered sealed, and the defect is discovered at testing or installation.
- The procurement team should be informed by email to notify the supplier/carrier of the damage and request further inspection from the supplier where applicable. The Procurement team must contact the user to advise and seek advice regarding replacement/reorder.
- After supplier/carrier/inspector has come and inspected the damage, prepare damage report, and let both of you sign it. Write a Good's Return Note, attach it to damage report and make arrangements to return the damaged goods to the supplier.
- Make sure that damaged materials are not used or disposed of without permission by the supplier.
- Do not return damaged items without written authorization from shipper/supplier.

Receiving Report

- The stores staff should prepare a monthly receiving report noting all ORDERS received within a month, indicating partial and full shipments.
- However, where the shipment has wrong, poor quality or damaged items; errors and/or has discrepancies on the invoice or delivery note, a report should be prepared immediately at the time of receipt and sent to the supplier through procurement for action.

3.3 Storage

The primary objective of storage is to protect the quality of the items, have enough stock on hand, and prevent loss through spoilage and theft.

Control over items in storage is established by assigning responsibility to specific persons, maintaining proper storage conditions, and sound material handling procedures. Minimum operating requirements for storage include:

- Immediately after receiving and inspection. All items should be placed in their respective storage areas the same day.
- There should be a definite space in the storeroom for each project stock. In case of field stations, an up-to-date stock card should be placed on top of each item or in a convenient place where it can be accessed showing details of all transactions and the reorder level.
- All items should be stored according to their Lot/Batch numbers in a manner that will facilitate issuing on a "first in-first out" FIFO and "first expiry first out" FEFO basis.
- Cartons/boxes should be marked according to date received and project; neatly organized, with the oldest goods on top of stacks, and the most recently purchased goods at the bottom of stacks. Labels, Project and date-received markings must face right side up and out for identification.

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- Lists of items which are slow moving, expired, obsolete, and those with expiry dates of below six months should be generated quarterly and forwarded to the project heads for appropriate action.
- All items should be stored off of floor and aisles so that the floor can be swept and mopped. The most frequently used items should be located near the door or where they can be easily reached.
- Store heavy bulky items on the bottom and the lighter smaller items in high places.
- Half-full cartons should be clearly marked, and carefully stacked on top of full boxes.
- Drugs, reagents, acids and hazardous items should be isolated and kept in restricted areas to comply with the recommended storage requirements and also to prevent spoilage, contamination, and possible fire outbreak.
- Cold chain Items should be well organized in the cold room to provide air circulation; open containers should be immediately closed to prevent contamination.
- Storage areas should be neat and free from dust and vermin by cleaning and spraying regularly.
- All storage areas (dry, cold room) should be locked when unattended. No person other than authorized stores staff, or cleaner should be allowed inside the storerooms.
- A system to closely monitor stock movement should be put in place to prevent both stock outs and overstocking, and ensure there is enough stock on hand.
- Replenishments should be made timely based on reorder levels, safety stock and consumption patterns.
- Quarterly Physical inventories must be performed and a reconciliation report of the storeroom prepared at the end of each quarter to determine the effectiveness of physical control and security.
- Annual Physical inventories for all stock items must be performed to determine the Unit's closing inventory

3.4 Issuing stock out of the Storerooms

Minimal requirements for Issuing and Transfer of stock include;

- Specific stores persons should be responsible for issuing duties and are held accountable for any inventory discrepancies.
- A Stock or transfer requisition order should be initiated by the end user through the computer system (ERP), sent to the budget holder/project head for approval and there after becomes available project pickup in the stores.

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- Once the approval is obtained, the stores staffs are notified by the user or through the system notifications. At the time of issuing, the stores staff prints out two copies of the Project Pick up from the system on which he/she bases to pick stock from the storerooms.
- The issuing person should only pick the approved quantities of stock on the list out of the storeroom, take them to the issuing area where they are recounted and verified with the requester or representative. Where necessary, specific details like lot/batch numbers, expiry date should be noted.
- Thereafter the requester or representative signs both copies of the Project pickup to show his acknowledgement, keeps one copy and receives the issued items.

Important Points to consider during the issuing process;

- Issuing of stock must be done in the issuing area and not in the storerooms.
- Stock that expires or becomes obsolete with time should strictly be issued on a "first in-first out" or first expiry first out basis.
- Only the quantity of items requested for should be issued.
- No items or supplies should leave the storage areas without an approved project pickup or Transfer order.

Posting the Project pickup

- After issuing, the project pickup in the system should be adjusted to the quantities issued and posted the same day items are issued.
- For items going outside the unit's premises a gate pass should be prepared to allow them go through the security gate.
- Collected/issued project pickups should be filed as evidence of the transaction the same day items are issued.

3.5 Records and reports

- All MRC/UVRI & LSHTM Uganda Research Unit stock transactions are maintained on computerized stock cards; but where situation demands like in case of Field stations manual stock cards may be maintained.
- Records must be updated daily or as and when a transaction is made.
- The discrepancy on the stock cards and physical inventory must be reconciled immediately it is discovered. A file for reconciliations should be maintained by the Stores officer.
- Where the discrepancy cannot be reconciled, a written explanation should be prepared as a basis for adjustment.

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- A systematic filing system for all stores documents should be maintained and must be kept confidential.

3.6 Obsolete / Expired Stock

- Lists of items that are expired or damaged, items nearing expiration (6 months and below), stock for projects that have closed and stock that has been kept for over 12 months but no movement has taken place should be prepared at least twice a year.
- A detailed report of Obsolete / Expired, near expiry Stock should be submitted to management and; to relevant projects who will advise on whether the items are still needed and when they should be taken out of the store.
- Project heads will then be advised that if these items are not requested out of the store within the stipulated time, they will be listed for disposal.
- If after submitting the report there is no proper justification for continuing to keep such items in the store, the stores staff will write to management recommending their disposal to create more storage space.

3.7 Access Controls

- Only stores staffs have access rights to the main door of the stores building.
- All storeroom doors must be locked when unattended.
- Cleaners and other staff must be accompanied when inside the storerooms
- The door to the receiving area should always be closed and only opened when supplies are coming in or out of the store.
- At the end of each working day, the storekeeper should ensure that all store doors are properly locked and keys are kept in a secure place accessed only by authorised persons.

Related SOPs

- a. Goods Dispatch SOP*
- b. Goods Return SOP*
- c. Donations SOP*

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Appendix A:

MRC/UVRI & LSHTM INVENTORY DETAILED MANAGEMENT FLOW CHART

