

Anderson School District Five

The Warehouse



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Warehouse Inventory System

An extensive inventory of items used by schools and departments is maintained by the Warehouse using a computerized Warehouse/Inventory System Module in CSI. The Warehouse inventory consists of approximately 500 different line items and collectively, is valued at approximately \$200,000 dollars. It covers a wide variety of office, instructional, computer, safety, recreational and janitorial supplies,

The Warehouse maintains a perpetual inventory system to:

- Facilitate charges to user schools and departments,
- Maintain a usage history by stock item, and
- Provide for inventory control and accounting with computerized inventory control techniques.

The Warehouse attempts to maintain an inventory control policy that:

- Provides for a “closed stores system concept” wherein inventory areas are secured with only Warehouse personnel stocking and issuing stock items, and
- Provides minimum inventory investment and maximum inventory turnover to ensure the greatest ROI.

The CSI Warehouse/Inventory System manages all inventory functions, including the receipt of inventory stock items, stock issues to schools and departments, reconciliation of inventory items, and automatic re-order notification when additional items need to be ordered.

The *Warehouse Manager* oversees the receiving, pulling, issuance, delivering and physical reconciliation of inventory. In addition, the Warehouse Manager maintains records showing “proof of delivery” of all orders. The *Purchasing Department* is responsible for ordering/replenishing items as well as the accounting aspect of the inventory itself. This includes authorizing the payment of invoices as well as “posting to ledger” which bills user schools and departments. The *Purchasing Department* is also responsible for fiscal year-end close-out of the Warehouse inventory. Separation of duties in this area is very important.

The Warehouse Catalog

A Warehouse Catalog that lists all items stocked in inventory is available electronically on the Warehouse/Inventory Module in CSI. District personnel can print copies of the Warehouse Catalog from this site. It is very specific in that it lists all stock numbers, a complete description of each item, and the unit price to be charged to the school or department. Having an electronic Warehouse Catalog allows for instantaneous updates. As prices and descriptions are updated; as inventory is received, as new products are added and/or old products deleted from inventory, these changes are immediately reflected. Therefore the Warehouse Catalog is always accurate and up-to-date.

Items listed in the Warehouse Catalog are ordered electronically using the Warehouse/Inventory Module in CSI. If an item is not listed in the catalog, it must be purchased through the normal procurement process using a purchase order.

How to Order From the Warehouse

When placing an order using the Warehouse/Inventory Module in CSI, a Requisition number is automatically assigned to each order. Funds are automatically encumbered when a Requisition is generated. A properly completed and authorized Requisition must be received before any item(s) will be picked and delivered.

Electronic Warehouse Requisitions, once completed, are retained in the system until processed by Warehouse personnel.

Requisitions are processed daily; usually each morning. However in emergency situations, Warehouse Requisitions can be processed immediately upon request. When processed a Warehouse Requisition generates a "PICKING TICKET". A "PICKING TICKET" is an actual list of the various stock items being ordered. It reflects the specifics of the order including the order date, the account number to charge, quantity, unit of measure, description, price and delivery point. The "PICKING TICKET" is printed in 2-parts and it directs the picking, packing and delivery of the order. Once an order is "picked", it is staged and prepared for delivery. Each Warehouse order is check carefully prior to delivery to the end user. **NOTE:** Orders can be picked-up by the ordering school or department however it is imperative that this be reflected on the Warehouse Requisition at the time the order is generated.

Verification of Items Delivered

It is the goal of the Warehouse to deliver stocked items within two to three business days after receipt of the order. When an order is delivered, the person receiving the order must provide a receiving signature on the "PICKING TICKET". When possible, the person receiving the order should not be the same person who submitted the electronic Warehouse Requisition. It is the responsibility of each receiver of inventory items, to carefully check the delivery he or she is signing for to make sure it is accurate. Please contact the Warehouse immediately should you find discrepancies such as overages, shortages, damages, etc.

Out of Stock Items

From time to time, when an end-user is keying in an electronic Warehouse Requisition, notice will be given that an item is out of stock. When this occurs, the Warehouse/Inventory Module will not allow the item to go on "backorder". Therefore, the school or department will need to re-order said item at a later date.

While every attempt is made to stock adequate quantities so as to avoid out-of-stock situations, they are inherent. Many factors such as shipping delays, market volatility and availability can contribute to "stock outs." When confronted with this type situation, Warehouse and Purchasing personnel work hard to get the stock item into inventory. Feel free to contact Warehouse or Purchasing personnel immediately when a "stock out" notice appears for an item that is needed urgently. It is possible that special arrangements can be made to get the item(s) in.

Returns for Credit or Exchange

Any item that has been ordered in error, or in the wrong quantity, or is damaged when delivered, or is not suitable for its intended use may be returned to the Warehouse for credit or exchange. Each item being returned must be listed on the "Warehouse Stock Return Form #265" indicating all appropriate information and sent in to the Warehouse within 45 days. The form must be signed by the appropriate principal or supervisor and approved by the Director of Purchasing.

If an item is large, upon the timely receipt of a completed "Warehouse Stock Return Form #265", Warehouse personnel will gladly pick up the item. Items that are old, outdated or that were damaged while in use are not acceptable and will not be considered for credit nor exchange. In these instances, the requester will be notified. In addition, All returns and exchanges must take place within the same fiscal year.

NOTE: The "Warehouse Stock Return Form #265" is listed in the Purchasing/Warehouse Section of under Administrative Documents of the District Intranet/Employee Portal Link which can be found on the District Homepage.

Procedures for Re-Stocking Inventory

Minimum and maximum order quantities are based on the availability of stock on hand, lead-time needed to purchase more stock, shelf life and need throughout the District.

Based on visual monitoring and pre-determined re-order points, the Warehouse Manager submits a Stock Re-order List to Purchasing. This list reflects quantities, stock numbers and the description of all items needed. Purchases of stock items are handled in accordance in District Procurement Guidelines. After the appropriate procurement method has been employed, a 5-part purchase order is generated and distributed as follows:

White:	Vendor Copy
Blue:	Department Copy
Yellow:	Receiving Copy
Goldenrod:	Purchasing Copy
Pink:	Accounting Copy

The Receiving Copy of the purchase order is retained in the Warehouse until the items listed on said purchase order are delivered to the Warehouse. Deliveries are verified for accuracy using the Receiving Copy of the purchase order. If determined to be complete, the Receiving Copy of the purchase order is signed by Warehouse personnel and submitted to Purchasing. At this point,

Purchasing personnel by way of the Warehouse/Inventory Module in CSI, electronically "RECEIVES" the item(s) into Inventory. Once this process is complete Purchasing personnel reconciles the Receiving Copy of the purchase order to the Vendor's Invoice. Provided there is a complete "match", Purchasing personnel submits the Receiving Copy of the purchase order along with the Invoice to Accounts Payable, therefore authorizing payment to the vendor.

Should there be a discrepancy between what is listed on the purchase order and what is actually received, Purchasing is notified of such discrepancy and works with the appropriate vendor to get a resolution.

Special Circumstances

If a significant quantity of an item(s) is needed, rather than deplete inventory, the end user should contact the Warehouse so that special arrangements can be made. This does not apply to items required to open school each year. In addition, the Warehouse in most cases can accommodate the delivery of "Rush" or "Emergency" orders; however, these types of requests should be kept to a minimum and limited to extreme circumstances.

New Stock Items

End-users may request that new items be considered for inventory in the Warehouse. Requests for new items are evaluated in terms of projected usage, space requirements, availability, shelf life, quantity discounts, and potential for multiple-user usage. Approved additions to inventory will be stocked at minimum levels. If the new item is approved for addition but is not used based on projections and within a reasonable amount of time, once depleted, the Warehouse will no longer stock said item. Should there be no activity for two consecutive years, said item will be removed from stock and charged to the schools/departments of the end-user(s) who made the request. The removed item will then be returned to the requesting schools/departments.

Limits on Stock Withdrawals

Electronic orders for supplies from the warehouse should be limited to immediate need and should not be used for stock-piling purposes. Warehouse stock levels are set to ensure the rapid turnover of items, so that "fresh" supplies are available for users at all times.

Security of Warehouse Inventory

All warehouse stock items, with the exception of janitorial paper products, are kept in a secure location in the basement of the District Office. Currently, there isn't a sufficient amount of space to store the janitorial paper products, however Warehouse personnel attempts to position these items away from "high-traffic" areas.

In addition to Warehouse and Purchasing personnel, District employees who have unlimited access to the secured area of the Warehouse include the District Office custodian(s) and personnel from Buildings and Grounds.

Inventory

Year-end Inventory takes place the last week of each fiscal year. A physical count of the entire Warehouse stock is taken by the Warehouse Manager and his staff. Any variances between the physical count and the computerized inventory count are noted and adjusted accordingly by the Purchasing Specialist. The Purchasing Specialist prepares the final Balance Sheet which reflects the dollar value of Inventory on hand and the dollar value as shown in the computerized Warehouse/Inventory System. On the last working day of the fiscal year, all physical inventory counts are transferred over into the new fiscal year.

“Spot-check” Inventory is done throughout the year by the Warehouse Manger and staff. Selected stock items are physically counted and the actual quantity on hand is compared to the count as shown in the computerized Warehouse/Inventory Module.

Adjustments to Inventory During Fiscal Year

Occasionally during the year inventory counts have to be adjusted due to miscounts, damaged goods, donated items, system errors and etc. The Warehouse Manager submits an Inventory Adjustment Form and said adjustment is made in the Warehouse/Inventory Module by the Purchasing Specialist. Adjustments to Inventory must be approved by the Director Purchasing.

Annual Audit of Warehouse Inventory

An audit of the Warehouse inventory shall be made annually by independent auditors. Prior to the audit, the Warehouse will cease processing requisitions. A notice will be sent to all users stating times and dates. During this interim period, only emergency requisitions will be processed. Any new shipments will be set aside and entered into inventory when normal operations are resumed.

Write-off of Inventory Items

Usage of inventory items are monitored closely. Reasons why inventory is written off include:

- Lack of activity for two consecutive years
- Obsolete
- Usage date of item has expired
- No longer usable due to shelf life
- Damage

The process of “writing-off” inventory is done annually, after the Purchasing Specialist has carried out all accounting procedures for the Warehouse for that particular fiscal year which includes the balancing of the Warehouse inventory to the Warehouse account.

The Warehouse Manager compiles a list that reflects the quantity on hand, the description and the value of each item(s) being recommended for “write-off”. This list is submitted to the Director of Purchasing who then reviews it and makes a determination. A copy of the final list of items to be written off is approved by the Director of Purchasing and forwarded to the Executive Director of Operations. The ending balance of the Warehouse is then adjusted by the total dollar value of the write-offs.

Year-end close out of the Warehouse is prepared and carried out by the Purchasing Specialist. All close-outs records and files are maintained in the Purchasing Department.

Records

Picking Tickets - Maintained in the Warehouse for a period of five (5) years.

Warehouse Purchase Orders - Are kept for five years. The current year and the 2 prior years are classified as “active” files and are maintained in the Purchasing Department. The remaining are archived in the basement and are destroyed after the 5th year.

Year-end Closeout – Records and reports are maintained in the Purchasing Department for a minimum of five (5) years.

Training

Training is provided for new employees to include bookkeepers, secretaries and administrators. “Refresher” training is also available upon request. The majority of training is one-on-one, at your site, on your computer, in your work environment however we provide group training as well. Simply contact the Purchasing Department to schedule the training method you feel will best meet your needs. Most training is conducted by the Purchasing Specialist however the Warehouse Manager and Director of Purchasing are available as well.

Quality Assurance

The quality of items purchased for the District is our primary concern. Therefore, we welcome feedback regarding opinions and experiences with current stock items and recommendations for future stock items. Contact the Warehouse Manager should you have any questions or concerns.