

# SNU Stores: Standard Operating Procedures

Policy # AD503 Stores SOP V1.0

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# Policy Details

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## 1. OBJECTIVE

The objective of this Standard Operating Procedure (SOP) is to define the guidelines for effective management of Stores function in terms of receipt, storage and issue of materials. It also establishes a uniform process to facilitate swift handling and accounting of materials at the Stores of Shiv Nadar University (SNU).

## 2. SCOPE

This SOP covers receipts, storage, issuance, handling, status reporting and security requirements of Consumables (housekeeping, IT, etc.), Office Stationery, IT Peripherals, Laboratory equipment and consumables, Sports goods and Rejected materials. This list is not exhaustive and modifications may be made to the list as per the requirements of the University. Purchase department is the owner of the policy and any clarifications or exceptions should be routed to Purchase department.

## 3. GENERAL GUIDELINES

- 3.1. Only authorized members such as Store Keeper, Store Assistant etc. will have access to the Stores.
- 3.2. Stores will not be kept open or unattended at any point of time.
- 3.3. All materials will be issued on First-in-First-out (FIFO) basis.
- 3.4. All requisitioned materials will be received at the Stores and indenting member or department will be notified promptly on receipt.
- 3.5. All materials received by Stores will be inspected by Store Keeper along with indenting member.
- 3.6. All materials approved after inspection will be stored at the designated locations.
- 3.7. All materials rejected will be kept at a designated place for rejected material and arrangements for their disposal will be made on the recommendations of the Head of Purchase.
- 3.8. A Gate pass will be made for taking materials out of Stores. The Gate pass should be signed by authorized members only, such as Manager Purchase or the Head of Purchase.

#### 4. RESPONSIBILITIES OF STORES

- Receipt of incoming materials
- Inspection of all receipts from suppliers
- Storage and handling of material
- Identification of all materials stored
- Issue of materials to users
- Maintenance of Stock Ledger
- Stores accounting
- Inventory control
- Stock-Taking

#### 5. RECEIVING OF MATERIAL

Store members will inward materials after ensuring the following.

- 5.1. Supplier's Delivery Challan (DC) or Invoice bears the inward stamp and the reference number of purchase order.
- 5.2. In case a consignment is received without relevant documents or any discrepancy is noticed in documents, Purchase Manager has to be informed immediately for obtaining necessary documents for inwarding of material. Till the time all relevant documents are obtained, such material will not be inwarded and will be stored at a designated place especially earmarked for such kind of material.
- 5.3. Acknowledgement of receipt of consignments is subject to a final check and approval by the indenting member. A notation, to this effect must be stamped on each copy of DC or Lorry Receipt (LR) or Invoice as "Goods received subject to verification and approval".
- 5.4. All apparent damages, leakages or broken seals in the consignment received have to be immediately recorded in the DC or LR or Invoice and brought to the attention of the Purchase department.
- 5.5. Store members have to verify the identity of the materials received and ensure that the description of the materials received in the consignment and number of containers or packages received is in accordance with the details mentioned on DC, LR or Invoice.
- 5.6. Materials will be received during Store working days and hours i.e., Monday to Friday, 9 am to 5 pm (Stores will be closed on University Holidays).
- 5.7. All materials received will be booked in Stock Ledger Charge through means of a Good Receipt Note, GRN (Annexure 1). A copy of GRN has to be attached with DC or Invoice

as a token of receipt of material in good condition and as per specification. GRN's will be serially numbered.

- 5.8.** Store Keeper will inward the material within 24 hours of receipt by way of preparing of the GRN and signing at the relevant places. In case of goods which are directly delivered to the indenting member such as heavy equipment, Plant & Machinery etc., the indenting member or receiver has to inform Stores immediately on receipt of such goods. This is important to ensure that Stores prepares the GRN within 24 hours of receipt of the goods. Any exception to the 24 hours timeframe has to be approved by the respective Director of School or the Head of Enabling Function along with the Head of Purchase.
- 5.9.** All materials will be taken on stock ledger charge immediately as per format attached in Annexure 2. Ledgers will be maintained separately for each type of materials. Over writing, erasing or altering ledger entries is strictly prohibited. However, corrections can be made if required, and should be initialized by the Store Keeper.

## **6. STORAGE**

The term storage refers to the physical act of storing the materials in Stores on shelves, racks or storage cabinets etc. with the objective of retrieving them later for issuance to users. The following intents will be considered carefully while storing materials:

- 6.1.** Maximum utilization of space along with adequate care and protection of materials
- 6.2.** The storage system has to be such that it enables accurate identification of the materials stored, ease in storing and retrieving materials for speedy operations.
- 6.3.** Adherence to FIFO principle, as most materials have a shelf life.

## **7. ISSUES OF MATERIALS**

- 7.1.** Material will be issued on Materials issue slips (Annexure 3), signed by the indenting member and approved by the designated authority in the respective department as an acknowledgement of receipt and issuance. As an exception, materials may be issued on verbal instructions because of an emergency; but this has to be followed by written documentation within 24 hours of issuance.
- 7.2.** Directors of Schools or the Head of Enabling Functions will designate authorized members from their respective teams for approving Material issue slips of their departments. The list of authorized members will be provided to Stores to ensure no material is issued without proper authorization. Directors of Schools or the Head of

Enabling Functions will approve the Material issue slips in absence of authorized members.

**7.3.** All material issue slips will be serially numbered for tracking purposes.

**7.4.** In order to have proper accounting and control, stationery will be issued to departments on monthly basis. Departments have to provide their monthly requirement to Stores by the 25<sup>th</sup> of each calendar month. Stores will provide the required stationery within first week of the succeeding month. In case departments don't provide the requirement by the given schedule, Stores will order stationery as per previous months' requisition. Frequent issuance of stationery against off-hand requests should be avoided as much as possible.

**7.5.** Only items taken on stock ledger charge (stock register) will be issued.

**7.6.** Stock register will be updated immediately on issue of materials and reference of material issue slip number will be mentioned in the stock register against each issue.

## **8. RETURN OF REJECTED MATERIALS**

Rejections should be handled promptly and with good judgment. The responsibility for return of rejected materials lies with the Store Keeper and the inspecting member. When material rejection occurs, immediate action must be taken to return, replace or dispose of the rejection. These decisions on handling of rejected material have to be approved by the Purchase Manager.

In case there are any costs implications involved in disposing of the material which are not recoverable from the vendor, prior approval needs to be obtained from Purchase Committee for write off in books. If the cost implications of write off are more than Rs.25,000 in value, then the approval needs to be obtained from the Purchase Committee and the President.

## **9. STOCK VERIFICATION**

Physical Stock Taking is the process of comparing and recording physical stock with stock recorded in the Stock Ledger charger. The objective of stock taking is as follows:-

- To verify accuracy of the stock records.
- To disclose the possibility of fraud, theft, loss etc.
- To tell any weakness in the overall storage system and to make recommendations for improvements in SOP accordingly
- To enable better control of inventories.

Annual stock taking will be carried out before the closure of every financial year. During annual stock taking each item must be physically checked as per its unit of measurement and entry to the effect has to be made in the relevant ledger pages and initialized by the verifying member. Any discrepancies have to be recorded and immediately investigated. Writing off in the books of accounts in case of discrepancies has to be authorized by the President.

### **9.1. COMPOSITION OF TEAM FOR PHYSICAL VERIFICATION OF STOCK**

A cross functional team comprising of representative from Finance and Administration along with Manager Purchase will conduct the Physical stock taking audit annually on 31<sup>st</sup> Mar.

## **10. SAFETY AND SECURITY OF STORES**

The term Safety encompasses the safety of the materials, facilities and of the University members working in Stores.

### **10.1. ACCIDENTS**

It is the responsibility of the Store Keeper to prevent accidents. Accidents cause damage to materials, machines, facilities and injury to members. Thereby, it is necessary that all precautions are taken to avoid accidents. Some of the main causes of accidents of which store members needs to be thoughtful about are:

- Materials falling from racks
- Injury arising from lifting very heavy loads or normal loads unscientifically
- Injury resulting from lifting or handling of materials
- Injury from corrosive acids

Most accidents occur due to non-observance of precautions, carelessness and indiscipline. Store Keeper must educate, encourage and advise co-members to be sensitive towards this and give the highest priority to good housekeeping.

### **10.2. FIRE PREVENTION**

Major hazards in Stores relate to fire. It is necessary to take every precaution against fire and ensure that all fire regulations are strictly observed by all members. A foam extinguisher will be installed in Stores. Store members will be trained in firefighting and made aware of their responsibilities in case of fire break out. Fire is caused usually by accidents and all efforts should be made to prevent such accidents.

### **10.3. SECURITY OF STORES**

**10.3.1. Custody of keys:** All keys of Stores and stockyards are numbered and Store Keeper is responsible for them. During off-duty hours these keys will be kept with Security office. While collecting or depositing the keys, entries have to be made in a



register kept with Security and duly signed by the Store Keeper. Only authorized members by the Head of Purchase, such as Store Keeper, are allowed to handle store keys. In case Store key is lost, a detailed enquiry should be conducted and the locks changed, duplicate keys should not be made.

**10.3.2. Entry into Store Premises:** No one except those authorized members by the Head of Purchase will be allowed access into the Stores.

**10.3.3. Housekeeping:** Store Keeper is expected to maintain good housekeeping in the premises. A neat and orderly premise in addition to being a morale booster is an important element in accident prevention.

**10.3.4. Loss of Stores:** Any loss of Stores will be immediately reported to the Head of Purchase. When the member responsible for such loss is unable to explain the discrepancy, a declaration of loss for write off purposes will be submitted to the President for approval through the Head of Purchase. On approval, write-offs will be done and stock records adjusted accordingly.

## 11. ASSUMPTIONS

- 11.1. It will be the responsibility of Store Keeper to critically appraise existing procedures and make continuous efforts to promote efficiency and economy.
- 11.2. The procedure included in this SOP supersedes all previous practices on the subject.
- 11.3. The procedures covered in this SOP are meant to be exhaustive. Those not specified here will be dealt with in terms of general conventions already established.
- 11.4. Suggestions for improvements in the procedures on the basis of use and experience may be submitted to the Head of Purchase for validated incorporation in the next revision. Any modifications which may be desirable on priority will be acted upon immediately and necessary amendments to this SOP will be issued by the Head of Purchase.
- 11.5. Any Deviations or exceptions should be brought to the attention of the Head of Purchase for consideration.

# Annexure 1

## GOODS RECEIPT NOTE

<b>Supplier Name:</b> _____	<b>GR No:</b> _____	<b>Date:</b> _____
<b>Address:</b> _____	<b>Purchase Order No:</b> _____	<b>Date:</b> _____
	<b>Security Entry No:</b> _____	<b>Date:</b> _____
<b>Invoice / Challan No:</b> _____	<b>Date:</b> _____	<b>Road Permit No:</b> _____
<b>Department:</b> _____		

Description of Material	Unit	Identification No.	Quantity Received	Quantity Rejected	Quantity Accepted	Reason for Rejection

	<b>Name</b>	<b>Date</b>	<b>Signature</b>
<b>Received By:</b>	_____	_____	_____
<b>Approved By:</b>	_____	_____	_____
<b>Checked By:</b>	_____	_____	_____

## Annexure 2

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### STOCK LEDGER

Name of Article: \_\_\_\_\_

Date: \_\_\_\_\_

Audit by: \_\_\_\_\_

Date	Particulars	Bill no.	Receipt	Issue	Balance	Remarks

## Annexure 3

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### MATERIAL ISSUE SLIP

Department: \_\_\_\_\_

Date: \_\_\_\_\_

No: \_\_\_\_\_

S.No.	Material	Quantity Required	Quantity Issued	Remarks

Prepared by: \_\_\_\_\_

Approved by: \_\_\_\_\_

Issue by: \_\_\_\_\_

Received by: \_\_\_\_\_

## Annexure 4

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### STORES PHYSICAL STOCK TAKING

Date: \_\_\_\_\_

Audit by: \_\_\_\_\_

Sr. No.	Product Specification	Stock as per Ledger	Physical Stock	Difference, if any	Remarks