

# 8-1 Central Stores and Warehouse Procedures

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## I. SHIPPING AND RECEIVING OPERATION

### A. Purpose

Central Receiving is responsible for receiving supplies, property and materials procured by the college. This department performs visual and physical inspections of items received and prepares verification receipt documents. This service function is responsible for warehouse storage, equipment distribution, equipment and supply deliveries.

### B. Procedure

1. Central Receiving receives a copy of all purchase orders from the College Purchasing Office. This copy is placed on file and used as a reference document for incoming supplies and equipment.

2. Upon receipt of freight packages, the quantity of items received is verified with the freight bill, a visual inspection for damage is performed of each package, a notation is made on the freight bill of damage observed. The delivery bill is then signed indicating acceptance of the packages.

3. Items received are verified with the purchase order. Items are inspected for physical damage, proper quantities, and compared to the purchase order to insure receipt of what was ordered. The purchase order is marked to indicate date of receipt and items received. The merchandise, along with a copy of Central Receiving's copy of the purchase order is delivered to the ordering department who must verify the items received and sign the P.O. returning it to Central Receiving within 48 hours. If it is not returned within 48 hours the receiving is presumed to be correct and at that time all data is entered into the system for update. A receiving report is generated and sent to Accounts Payable. Items purchased on a FLC P-Card will not be opened and inspected, that is the responsibility of the cardholder. When purchases are done on a P-Card there is no documentation for Receiving to verify that the order is correct and complete.

4. All items received are separated and delivered as necessary. Personal packages for FLC employees are delivered whenever possible but Central Receiving is not responsible for any damage or the loss of these packages. Personal packages for students are delivered to the campus Post Office, by United Parcel Service (UPS), for redistribution to the students. Packages addressed "Fort Lewis College" and those containing items requested on purchase orders must be opened, inspected, counted, checked to the purchase order, Receiving Report processed, and materials delivered as required.

## **II. SHIPPING AND RECEIVING DAMAGE OR SHORTAGES**

A. Packages, boxes, and equipment are visually checked for external damages prior to signing the freight delivery ticket. Shortages and visible damages are noted on the freight bill prior to the departure of the freight delivery agent.

B. All departments accepting property or items appearing to be in satisfactory condition and, upon unpacking these items, discovering any damage must notify Central Receiving as soon as possible, so a damage claim may be processed. All packing materials used with the damaged items must be retained as part of the claim evidence and returned with the item to the warehouse.

C. Damage and material shortage claims are not accepted by the carrier if more than 15 working days have elapsed since the item was received by the College.

D. Filing of all damage claims against carrier is the responsibility of the Central Receiving Department. Central Receiving personnel coordinate any claims against a vendor with the Purchasing and Accounting Departments.

E. Ordering departments are responsible for accountability of equipment, property, supplies, and materials when they accept physical custody.

F. Highly technical equipment, supplies and materials of a complex nature are retained in the warehouse after receipt from a vendor or carrier until the ordering department has been notified of its arrival. The department may inspect the items in the warehouse before delivery or have them delivered prior to their inspection. Items will not be retained in the warehouse for more than three (3) working days without being unpacked and inspected by either the department representative or warehouse personnel.

## **III. SHIPPING AND RECEIVING - CAPITAL EQUIPMENT AND OPERATION**

### **A. Procedure**

1. Separate all capital equipment from other supplies and equipment. Capital equipment requires special processing. It must have a state identification number applied to it and an Equipment Purchase Order card must be initiated prior to delivery or being placed in use. Capital equipment is defined as any item with a cost \$5000 or greater and with a life span of at least one year. A yearly inventory will be performed on all capital equipment to insure that the items are still on campus and in the proper buildings. It is the responsibility of the ordering department to notify Central Stores anytime capital equipment is moved from its listed location. Also, it is the Purchasing Director's responsibility to notify Central Stores and the Controller's Office if any capital equipment is disposed of.

2. Central Receiving schedules deliveries and routes all property, supplies and materials to the proper campus destination. All appropriate manuals should also be received and delivered prior to payment. Warehouse and delivery personnel operate trucks and delivery vehicles as necessary to effect the distribution of supplies and equipment in a safe and timely manner.

3. Upon delivery of property, equipment, materials, or supplies to the acquiring departments, a responsible individual must sign the delivery register indicating the property listed has been received and accepted.

4. Ordering department should never receive or accept a direct shipment from a distributor or vendor. If a department does pick up an item from a vendor it must immediately have Central Receiving process and receive the item.

#### **IV. SHIPPING AND RECEIVING - WAREHOUSE OPERATIONS**

##### **A. Procedure**

1. Central Receiving is responsible for the safeguarding and the warehousing of property, equipment, supplies, and materials. Warehouse personnel are also responsible for coordinating proper transfer or disposal action of equipment and supplies.

2. Warehouse personnel categorize and organize storage areas for efficient, logical, and safe storage of all supplies, including specialized stock. All product data sheets should be sent to the appropriate department.

#### **V. CENTRAL STORES**

##### **A. Purpose**

The purpose of Central Stores is to provide supplies and materials required and used in the operation of the college on a daily basis. Determination of items to be stocked in Central Stores is based on amounts and timeliness of usage. Central Stores should ideally meet an average turnover ratio of two times per fiscal year. Costs are charged to departmental budget at point of sale. There is no mark up on items inventoried in Central Stores.

##### **B. Procedure**

1. Anyone wishing to stock new items into Central Stores will need to fill out a Central Stores Stock Item Request Form. They will need to provide the rationale for having these as Stores items, the estimated shelf life for these items( i.e. how soon will they become obsolete), the difficulty or ease of obtaining these items, whether an item would constitute an emergency item, and the stock level and re-order point that should be attached to the item.

If it is determined that an item will be stocked the form will be signed and dated by both the requesting department and the Central Stores Purchasing Agent with all of the pertinent information included.

When a department has knowledge that an item will become obsolete or discontinued they should immediately notify Central Stores.

At the end of each year all Stores items will be evaluated to determine if they continue to meet the criteria necessary to remain in the inventory. That criteria will be primarily defined as turnover rate and/or critical nature of the items. If it is determined that the stock levels are too great or that an item either through obsolescence or lack of use should be discontinued or reduced then the requesting department will be billed for these items. These items will then be delivered to that department.

The Stores Purchasing agent will regularly monitor all re-orders and determine whether an item should remain in the inventory at a reduced amount or be deleted. Any changes in stocking will be communicated to the requesting department. The department head will have the opportunity to discuss this with the Stores personnel prior to the change.

2. Central Stores is closed the last two working days of each fiscal year for a complete inventory. During this time no requisitions will be filled nor will anything be received onto the system.

3. Items that through damage, loss, or extended shelf life become unusable are deleted through an inventory adjustment upon approval of the College Purchasing Director

4. All other adjustments to inventory must also have the approval of the College Purchasing Director.

## **VI. CENTRAL STORES - PURCHASING**

### **A. Procedure**

1. All purchasing for Central Stores will be done by the Purchasing Office which will provide a purchasing agent to be located in Central Stores for the purpose of making said purchases.

2. All purchase requisitions for items to be stocked in Central Stores must have the signature of the Central Stores Purchasing Agent, prior to acquisition.

3. Any deviation of purchases from established stock levels, reorder points and/or description items must have the approval of the Stores Purchasing Agent before any action is taken.

## **VII. CENTRAL STORES - PHYSICAL PLANT**

### **A. Procedure**

1. Central Stores provides a service counter requisition whereby foremen and their employees may requisition supplies and materials on a regular basis.

2. Central Stores can provide the Physical Plant office with a printed receipt for all requisitions on a daily basis. This receipt will either be given to the person requisitioning the supplies or is available to view the work order the item or items was charged to in TMA.

3. When the order is placed at the window it will be entered, at that time, into the system for the purpose of effecting individual department expense adjustments.

4. Any credits due to an item being, either, out of stock or at a volume less than requested will be immediately performed while the customer is present.

## **VIII. CENTRAL STORES - INTRA-CAMPUS**

### **A. Procedure**

1. All other campus requisitions, other than Physical Plant, must be submitted to the Central Purchasing Office for processing.

2. Requisitions are submitted online. Upon receipt of requisitions Central Stores fills the order and delivers the items to the appropriate department. Any items requested which are out of stock, are back ordered on the computer system. Upon receipt of back ordered items Central Stores completes the order and delivers them to the department.

## **IX. CENTRAL STORES - SURPLUS SALES**

### **A. Procedure**

1. The Central Stores Purchasing Agent, in concurrence with department heads, determines what is surplus and, with the approval of the Director of Purchasing, these items are then disposed of in accordance with State law.

2. Surplus inventory is warehoused in the Physical Plant and opened daily for sale to the public or, Fort Lewis departments may have access to these items for campus use only free of charge.

3. College employees purchasing surplus property will be required to sign a conflict of interest form stating that they had no role in the original purchase or the decision to dispose of the surplus item.

## **X. CENTRAL STORES - YEAR END INVENTORY**

The last two working days of the fiscal year (June 28-29 for example) Central Stores closes for year end inventory. No requisitions are filled, and no Central Stores items are received.

All updating/charging out or other data entry is stopped at closing of Central Stores on the previous evening (Wed 4:30 p.m. for example).

After the computer system has updated overnight, a que batch is run providing Central Stores with updated printouts for actual count inventory. A separate sheet is provided for each stores section. The sheet will contain stock number - complete description, quantity on hand and a column for actual count and a column for any discrepancy. The inventory print-out sheets are separated and taped to each stores section.

The person conducting the inventory counts all items and makes appropriate notations on the inventory sheet. At the conclusion of each section, the person dates and signs the inventory sheet.

At the conclusion of all inventory sections, all discrepancies will be double checked. The Central Stores Purchasing Agent will make appropriate adjustments and the Purchasing Director will approve all such adjustments to correct inventory records to actual count.

On July 1st after all corrections have been updated, a complete inventory print-out will be provided to comptroller and auditing personnel.

All print-outs, original documents, work papers, adjustments, and corrected inventory print-outs are placed on file in Central Stores office.