



Stock Takes

Each inventory department has to carry out a physical stock take at the 31st July as part of the year end procedures and update the Inventory module accordingly with the results.

However, there is nothing to stop you carrying out smaller stock takes throughout the year in order to manage your stores more effectively.

Practical hints and tips

Organising a cut-off period does not necessarily mean that you will have disruption to your normal counter services (ordering, booking in and issuing) but in practice halting things and having a dedicated and concentrated stocktaking period saves time and effort in the long run. Most importantly the cut-off must be accurate.



Plan Ahead

You will need to allow yourselves sufficient time to plan a cut-off period. A cut-off period will mean that you have a date at which you are recording the stock levels. It would make sense to tie this in with the end of an accounting period on CUFS i.e. As at the 31st Dec the stock level was...

In an ideal situation (if only) no issues or receipts would take place during your stock count, however this might prove too difficult. If it's not possible to bring things to a halt then try to have a good idea of what goods are expected to come in. Keep these items isolated from the main stock whilst the stock take takes place or alternatively mark them in some way so they are not counted.

Likewise (but a bit more difficult) with any issues during the stock take if you can work out what's likely to be issued then you can keep those items isolated or keep a track of what's issued and include it in the stock take. It may prove easier to ask people to anticipate their needs for a few days and issue it all in one go, effectively closing the issue service whilst you count, the practicality of this would depend on how long you think the stock take will take to complete.

Things to consider

- Are there any goods that do not belong to you on the premises? If so these will need to be isolated so they are not included in your stock count.
- Are there any goods belonging to you that are not on the premises? If so you will need to make arrangements to quantify these items and include them in your stock count.
- Will all of the items of a particular description be in one location? You may have pre-printed stock sheets, but it is generally best to count all the stock in an area and record that on the stock sheets, rather than move about the premises looking for stock line items from the stock sheet.
- You need to ensure that all the goods you own are counted, but importantly that they are only counted once.
- Do you have any perishable items? Things that may be passed their shelf life still in the stores, you will need to make adjustments for these accordingly. If you have Chemicals, have you got the COSHH sheets to hand that advises on shelf life?
- If any items are damaged or you have obsolete stock for which the net realisable value is below cost, you will need to identify such items in the stock count, and consider their realisable value.
- When deciding on your cut-off procedure, try to achieve as near to the ideal position as possible, otherwise you are going to have to make adjustments to calculate the correct cost of goods sold. If goods are included in the stock count, you need to ensure that the purchase cost is recorded in the period, and that the goods have not been recorded as sold or issued in the period.
- Ensure that you carry out your stock take in accordance with Health and Safety regulations e.g. if you are using a lift or going up and down stairs.

Tips

- Use a plan of the stock room to identify which stock sheets are for which area.
- Pre-number stock sheets then count the sheets 'out' and count them all back in again.
- Attach coloured stickers to stock items as they are counted, in order to identify them.
- Generally helpful for stock counters to work in teams of two, one counting the stock and the other recording the count, including the units being used, e.g. feet, metres, single units, boxes of 10 etc.