



**Afghanistan Educational & Health Development Aid
(AEHDA) Organization**

Warehouse Inventory Management Policy

Approved by:

Chair of BoD

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Forward Note

Dear Esteemed Team Members,

It is with a profound sense of responsibility and commitment that we introduce the Warehouse Inventory Management Policy of the Afghanistan Educational & Health Development Aids Organization (AEHDA). This pivotal policy underscores our shared dedication to maintaining the highest standards of ethics, transparency, and accountability in all our warehouse operations.

As custodians of AEHDA's mission and values, the Board of Directors (BoDs) is unwavering in our commitment to cultivating an environment where every team member embraces the imperative of ethical conduct within our warehouse management. This policy serves as a foundational framework, ensuring that our organization operates in adherence to ethical principles and in full compliance with relevant standards in our inventory management processes.

The Warehouse Inventory Management Policy encapsulates the collective AEHDA, expertise, and best practices of our dedicated warehouse team. It provides a comprehensive set of guidelines and procedures that govern our approach to inventory management, reflecting our steadfast commitment to fostering a warehouse environment characterized by integrity and respect.

We strongly encourage each of you to acquaint yourselves with this policy, by adhering to these principles, we fortify the foundation upon which our shared mission thrives in the realm of warehouse operations.

Should you have any questions, require clarification, or wish to contribute insights to enhance any aspect of this policy, we invite you to connect with the Policy Review Committee or the Board directly. Your perspectives and feedback are crucial as we continually strive for excellence in upholding our commitment to ethical conduct and efficiency in warehouse management.

Thank you for your unwavering dedication to the mission of HAS and the positive impact we collectively aspire to achieve in our warehouse operations. Together, we are shaping a warehouse culture that reflects our commitment to professionalism, integrity, and shared success.

Warm regards,

Chairman of the Board of Directors
Afghanistan Educational & Health Development Aids Organization (AEHDA)

1. Introduction

The Warehouse Inventory Management Policy and Procedures of the Afghanistan Educational & Health Development Aids Organization (AEHDA) serves as a foundational framework for the efficient and effective management of inventory within the organization and warehouses. This document outlines the principles, responsibilities, and processes governing the receipt, storage, tracking, and distribution of goods and supplies within HAS warehouses.

1.1 Purpose and Scope

The purpose of this policy is to establish standardized guidelines and best practices for the management of inventory within HAS warehouses. It encompasses all stages of the inventory management process, from procurement and receiving to storage, tracking, and distribution. This policy aims to ensure transparency, accuracy, and accountability in inventory-related activities.

1.2 Objective

The primary objective of this policy is to:

- Streamline inventory management processes to enhance operational efficiency.
- Facilitate accurate tracking and reporting of inventory levels.
- Minimize the risk of errors, loss, or mismanagement of inventory.
- Comply with legal and regulatory requirements pertaining to inventory management.

1.3 Applicability

This policy applies to all HAS personnel involved in any aspect of inventory management, including but not limited to Warehouse Officer, Procurement Officers, Program Managers, and Logistics Team members. It is binding within all HAS-operated warehouses and storage facilities.

1.4 Definitions

- **Inventory:** All goods, materials, and supplies procured or donated by HAS for its operations, whether for immediate use or for future projects.
- **Warehouse Officer:** The designated individual responsible for overseeing all warehouse operations, including inventory management.

- **Procurement Officer:** The individual responsible for procurement activities, including the acquisition of inventory items.
- **Program Managers:** Staff overseeing specific programs or projects that involve the use of inventory items.
- **Logistics Officer:** The designated individual responsible for the logistical aspects of inventory management, including transportation and distribution.
- **Storage Facilities:** Any designated areas or structures used for the storage of inventory items, including warehouses, stockrooms, and temporary storage locations.

2. Roles and Responsibilities

Effective inventory management at HAS relies on clearly defined roles and responsibilities assigned to individuals and teams within the organization. Each role is essential in ensuring the seamless flow of inventory-related activities.

2.1 Warehouse Officer

The Warehouse Officer is responsible for the overall management and operation of the warehouse facilities.

Responsibilities:

- Overseeing the receipt, storage, and distribution of inventory items.
- Ensuring the warehouse is organized and compliant with safety standards.
- Coordinating with other departments to meet inventory demands.
- Implementing inventory control measures, such as cycle counting and stocktaking.
- Reporting inventory discrepancies and implementing corrective actions.

2.3 Procurement Officer

The Procurement Officer plays a pivotal role in the acquisition of inventory items.

Responsibilities:

- Collaborating with program managers to determine inventory needs.
- Conducting procurement activities, including vendor selection and negotiations.
- Ensuring the timely delivery of inventory items.
- Verifying the accuracy and quality of received inventory.
- Maintaining procurement records and documentation.

2.4 Program Managers

Program Managers oversee specific programs or projects that involve inventory items.

Responsibilities:

- Identifying inventory requirements for their respective programs.
- Collaborating with the Procurement Officer to procure necessary items.
- Ensuring proper utilization and allocation of inventory.
- Reporting any program-specific inventory issues to the Warehouse Officer.

2.5 Logistics Officer

The Logistics Officer is responsible for the transportation and distribution of inventory items.

Responsibilities:

- Coordinating the movement of inventory from warehouses to program sites.
- Ensuring timely and efficient delivery to designated locations.
- Implementing secure and efficient transportation practices.
- Reporting any transportation or distribution challenges.

This Roles and Responsibilities section outlines the key individuals involved in inventory management at HAS, along with their respective roles and responsibilities. Clear delineation of responsibilities is essential for effective inventory control and accountability within the organization.

3. Inventory Classification

Proper classification of inventory is crucial for effective management and allocation of resources. The following categories define various types of inventory items:

3.1 Critical Items

Critical items are essential inventory that directly impact the organization's ability to carry out its humanitarian missions. These items are indispensable for the success of AEHDA's programs and projects.

Characteristics:

- Limited availability from suppliers or donors.
- High cost or significant value in relation to program objectives.
- Time-sensitive nature, requiring strategic planning and careful management.

3.2 Non-Critical Items

Non-critical items comprise inventory that, while important, are not directly tied to the immediate success of ongoing programs or projects. These items support operational functions but are not indispensable for mission-critical activities.

Characteristics:

- More readily available from a variety of sources.
- Lower relative cost or value compared to critical items.
- Can be sourced locally or through standard procurement processes.

3.3 Perishable Items

Perishable items include inventory that has a limited shelf life and is subject to degradation or spoilage if not used promptly. These items require special handling and timely distribution to ensure their suitability for use.

Characteristics:

- Subject to expiration, deterioration, or spoilage.
- Typically, food, medical supplies, or other time-sensitive resources.
- Strict adherence to first-in, first-out (FIFO) procedures is essential.

3.4 Non-Perishable Items

Non-perishable items encompass inventory that does not have a limited shelf life and can be stored for extended periods without deterioration. These items are more stable and can be part of long-term planning.

Characteristics:

- Do not spoil or degrade over time.
- Include durable goods, equipment, and non-food supplies.
- Typically, not time-sensitive.

3.5 Hazardous Materials

Hazardous materials encompass inventory items that pose risks to health, safety, or the environment if not handled, stored, and disposed of properly. These items require special consideration and adherence to safety protocols.

Characteristics:

- Pose potential risks to human health or the environment.
- Include chemicals, fuels, medical waste, or other potentially dangerous substances.
- Strict compliance with safety and environmental regulations is imperative.

This Inventory Classification section provides a detailed explanation of the various categories of inventory items. Clear classification ensures that appropriate management practices are applied to each type, optimizing resource allocation and ensuring operational effectiveness.

4. Receiving and Inspection

Efficient and accurate receiving and inspection processes are crucial for maintaining the integrity of the inventory. This section outlines the procedures for receiving, inspecting, and recording inventory items at HAS.

4.1 Receiving Procedures

- **Receipt Notification:** Upon notification of an incoming shipment, the Warehouse Officer will be informed of the expected delivery.
- **Receiving Area Preparation:** Ensure that the receiving area is clean, organized, and equipped with necessary tools for unloading and inspection.
- **Verification of Shipment:** Check the received shipment against the accompanying documentation (e.g., packing list, waybill) to confirm the accuracy of items, quantities, and specifications.
- **Unloading and Transfer:** Safely and efficiently unload the shipment, ensuring that fragile or sensitive items are handled with care. Transfer inventory to the designated storage area.
- **Initial Inspection:** Conduct a preliminary visual inspection for any signs of damage, leakage, or visible discrepancies. Document any noticeable issues.

4.2 Inspection and Quality Checks

- **Detailed Inspection:** Inspect each item against established quality standards and specifications. Check for any defects, expiration dates, or other relevant criteria.
- **Sampling (if applicable):** For large quantities of identical items, consider conducting sampling inspections to ensure overall quality compliance.

- **Functional Testing (if applicable):** Test equipment or machinery to verify that they are in working order and meet operational requirements.
- **Reporting Non-Conformities:** If any items do not meet quality standards, record and report the non-conformities to the appropriate parties for further action.

4.3 Documentation and Recording

- **Item Verification and Counting:** Verify received quantities against the provided documentation. Count and cross-check items to ensure accuracy.
- **Record Keeping:** Document all pertinent information, including item descriptions, quantities, lot numbers, serial numbers (if applicable), and any discrepancies identified during inspection.
- **Quality Assurance Records:** Maintain a separate section for quality-related records, detailing inspection results, any non-conformities, and actions taken.
- **Signatures and Approvals:** Obtain necessary signatures and approvals from designated personnel to confirm receipt and inspection completion.

This section outlines the step-by-step procedures for handling incoming inventory items, ensuring their quality and accuracy, and maintaining comprehensive records. Adherence to these procedures will contribute to effective inventory management within HAS.

5. Storage and Climate Control Standards

Effective storage practices are essential to ensure the safety, accessibility, and preservation of inventory items. This section outlines the standards for storage and shelving within HAS warehouses.

5.1 Space Utilization and Organization

- **Layout and Flow Planning:** Design warehouse layouts to optimize storage space, accessibility, and workflow efficiency. Consider factors such as aisle width, stacking height, and aisle designations.
- **Labeling:** Clearly label storage areas, shelves, and bins with item descriptions, codes, and locations. Implement a standardized labeling system for easy identification.
- **Categorization:** Organize inventory based on categories, usage frequency, or other relevant criteria. Implement a zoning system to streamline picking and restocking processes.

5.2 Climate Control and Environmental Considerations

- **Temperature and Humidity Control:** Implement climate control measures, if necessary, to maintain optimal storage conditions for sensitive items. Monitor and regulate temperature and humidity levels as needed.
- **Ventilation and Air Quality:** Ensure proper ventilation to prevent the buildup of moisture, odors, or contaminants. Implement air filtration systems if required.
- **Environmental Compliance:** Adhere to all environmental regulations regarding storage practices, especially for hazardous materials.

This section provides detailed guidelines for the selection, maintenance, and organization of storage systems within HAS warehouses. Adhering to these standards will contribute to efficient and safe inventory management practices.

6. Inventory Tracking and Control

Accurate and efficient tracking of inventory is essential for maintaining optimal stock levels and preventing discrepancies. This section outlines the methods and procedures for tracking and controlling inventory within HAS.

6.1 Cycle Counting

- **Frequency and Schedule:** Determine the frequency of cycle counts based on the nature of inventory items and operational requirements. Develop a regular schedule for conducting cycle counts.
- **Random Sampling and Selection:** Use a systematic approach to select items for cycle counting, ensuring that all inventory items are covered over time.
- **Documentation and Reconciliation:** Document cycle count results, including any discrepancies identified. Investigate and resolve discrepancies promptly. Update inventory records accordingly.

6.2 Stocktaking and Physical Inventory

- **Planning and Preparation:** Schedule periodic stocktaking events to conduct thorough physical inventories. Allocate resources and assign responsibilities for the process.
- **Verification and Accuracy Checks:** Physically verify the presence and condition of each item against recorded inventory levels. Identify and investigate any discrepancies.
- **Adjustment and Reporting:** Make necessary adjustments to inventory records based on stocktaking results. Generate reports summarizing the findings and any required actions.

6.3 Stock Cards

Stock Cards, also known as inventory cards or stock record cards, serve as detailed records of individual item transactions within the warehouse or storage facility. The purpose of these cards is to provide a systematic and organized means of tracking the movement of items, ensuring accurate inventory control and facilitating informed decision-making.

6.3.1 Content of Stock Cards:

Stock Cards contain the following essential information:

- **Item Details:** Name, code, description, and unit of measurement for each item.
- **Beginning Balance:** Initial quantity of the item on hand at the start of a specified period.
- **Receipts:** Records of item receipts, including quantity received, supplier/vendor, date, and associated costs.
- **Issuances:** Details of item removals or usages, including quantity, purpose, recipient, and date.
- **Returns:** Information on any items returned to inventory, including quantity, reason, and date.
- **Ending Balance:** Remaining quantity of the item on hand at the end of a specified period.

6.3.2 Maintenance and Accessibility

Stock Cards must be kept up-to-date by designated personnel responsible for inventory management. They should be stored in a secure location with controlled access to prevent unauthorized alterations or removal.

6.3.3 Review and Analysis

Regular review of Stock Cards is essential for identifying trends, discrepancies, or anomalies in item movement. The information gathered from Stock Cards aids in decision-making regarding reordering, storage adjustments, and usage planning.

6.3.4 Integration with Inventory Management System

Stock Cards may be maintained electronically within the Inventory Management System, ensuring real-time accuracy and accessibility if the level of inventory increased in future.

This section provides detailed procedures for implementing methods like cycle counting, and stocktaking. Adherence to these procedures will contribute to accurate and reliable inventory management within HAS.

7. Stock Rotation and FIFO/LIFO

Proper stock rotation ensures that inventory is used in an organized and efficient manner. This section outlines the methods and procedures for stock rotation, including the FIFO and LIFO methods, as well as expiry date management.

7.1 First-In, First-Out (FIFO) Method

The First-In, First-Out (FIFO) method is an inventory management approach where the oldest items are used first. In the context of an HAS, FIFO helps prioritize the distribution of received goods based on their acquisition or receipts dates, ensuring timely utilization and minimizing waste.

This method is particularly suitable for items such as clothing, educational materials, and medical supplies, where maintaining the chronological flow of inventory supports efficient resource utilization aligned with the organization's mission.

- **Application of FIFO:** Implement the FIFO method for inventory items with expiry dates or perishable attributes. Ensure that older stock is used or distributed before newer arrivals.
- **Storage Arrangement:** Arrange inventory on shelves or in storage areas in a way that allows for easy access to older stock. Label items with clear expiry date information.
- **Monitoring and Enforcement:** Regularly monitor inventory to ensure adherence to FIFO principles. Train staff on the importance of FIFO and conduct periodic audits to verify compliance.

7.2 Last-In, First-Out (LIFO) Method

In the context of an HAS, the Last-In, First-Out (LIFO) method, which assumes that the most recently acquired or received items are the first to be used or distributed, may not be as practical. Utilizing a LIFO approach might lead to challenges in tracking and ensuring timely use or distribution of goods, potentially impacting the AEHDA's mission. Therefore, HAS

often lean towards other inventory management methods (FIFO) that prioritize fairness, transparency, and optimal resource utilization.

7.2.3 LIFO Justification:

HAS will clearly define and communicate situations where the LIFO method is appropriate. And will provide justification for the use of LIFO over other methods.

7.3 Expiry Date Management

Expiry date management is a crucial aspect of inventory control, especially for products with limited shelf lives such as pharmaceuticals, perishable goods, or certain medical supplies. The procedure involves systematic tracking and handling of items approaching their expiry dates to ensure their timely use and prevent waste. Here's a detailed procedure:

- **Data Entry:** The warehouse officer will enter all relevant information into the Expiry Date Management Excel spreadsheet, including:
 - Receipts/Acquisition Date
 - Item Name and Details
 - Received from
 - Expiry Dates
 - Days Remaining to Expiry
 - Remarks
- **Conditional Formatting:** Conditional formatting has been automated for the "Days Remaining to Expiry" column, utilizing a formula that triggers a change in font color to **RED** when the remaining days fall below 30. This ensures a visual alert for inventory items approaching their expiry dates.
- **Regular Review:** The Warehouse Officer should regularly review the spreadsheet to identify items with red-colored "Days Remaining to Expiry." Set a schedule for the review, such as weekly or bi-weekly, depending on the turnover of inventory.
- **Action Plan:** When the Warehouse Officer identifies items with less than 30 days remaining to expiry, they should initiate an action plan:
 - Contact relevant departments to contact the supplier to inquire about potential extensions or replacements.
 - Mark affected items for priority use or dispatch to avoid wastage.
 - Update the "Remarks" column with the action taken.
- **Communication:** Communicate with relevant stakeholders, such as procurement or logistic officer, about the upcoming expiries and any necessary adjustments to orders or usage plans.

- **Documentation:** Maintain a record of actions taken in response to impending expiries. Document any communications with suppliers or internal departments.
- **Follow-up:** Regularly follow up on the status of the items marked for action. Update the spreadsheet with any changes in quantity or expiry dates.
- **Training and Awareness:** Train other staff members involved in inventory management on the importance of monitoring and acting on expiry dates. Foster awareness about the potential consequences of neglecting items with impending expiries.
- **Backup and Security:** The warehouse officer will regularly back up the Excel spreadsheet to prevent data loss, and will implement security measures to restrict unauthorized access to the inventory management system.

8. Issuing and Dispatch

Efficient and accurate issuance and dispatch processes are crucial for ensuring that inventory reaches its intended destination in a timely manner. This section outlines the procedures for handling requests, picking, packing, verifying, documenting, and dispatching inventory items to its intended destination.

8.1 Request and Requisition Process

- **Request Submission:** Request submission is the initial step in the inventory issuance process, where authorized personnel or departments formally communicate their need for specific items. This can be done through designated channels, such as requisition forms or digital request systems. It ensures a structured approach to fulfilling inventory needs, allowing for proper evaluation, approval, and allocation of resources based on program requirements and availability.
- **Authorization and Approval:** Authorization and approval in the inventory issuance process involve a formal evaluation of requests to ensure they align with program needs and available inventory. This step entails verifying if the requested items are within budgetary limits, align with project objectives, and are available in sufficient quantities. Authorized personnel review and approve requests based on these criteria, ensuring that resources are allocated efficiently and in accordance with organizational priorities. This step adds an essential layer of oversight and control to the issuance process.
- **Prioritization and Allocation:** Determine how requests are prioritized, especially in cases of high demand or limited availability. Allocate inventory based on urgency and program requirements.

8.2 Picking and Packing

- **Item Selection and Retrieval:** Train staff on proper picking techniques, emphasizing accuracy and efficiency. Clearly define areas for picking within the warehouse.
- **Verification of Items:** Conduct a final verification to ensure that the items picked match the requested quantities and specifications.

- **Packaging and Labeling:** Properly pack items for transport, taking care to protect fragile or sensitive items. Label packages with clear and accurate information.

8.3 Verification and Documentation

- **Inspection and Quality Checks:** Before dispatch, conduct a final inspection to verify that items are in good condition, with no visible damage or defects.
- **Documentation of Dispatched Items:** Maintain detailed records of items that have been dispatched, including quantities, destination, date, and recipient information.
- **Signatures and Acknowledgments:** Obtain the necessary signatures or acknowledgments from authorized recipients to confirm receipt of the dispatched items.

8.4 Dispatch Procedures

- **Transportation Arrangements:** Plan and coordinate transportation for dispatched items, ensuring that they reach their destination in a timely manner.
- **Tracking and Monitoring:** Implement tracking systems to monitor the progress of dispatched items in transit. Provide updates to relevant parties as needed.
- **Delivery Confirmation:** Confirm the safe delivery of items at their destination and update records accordingly.

This Issuing and Dispatch section outlines the step-by-step procedures for handling requests, picking, packing, verifying, documenting, and dispatching inventory items to its intended destination. Adherence to these procedures will contribute to efficient and reliable inventory management within HAS.

9. Security and Access Control

Maintaining a secure environment is paramount to safeguarding both personnel and inventory. This section outlines the measures and procedures in place to control access and respond to security incidents at HAS warehouses.

9.1 Access Authorization Levels

Access categories define different levels of access privileges based on roles and responsibilities within HAS. These categories delineate the specific areas, systems, and information that individuals or groups are authorized to access.

Common access categories may include:

- **Staff and Warehouse Officer:** Regular employees who require access to the organization's facilities, systems, and resources for their assigned duties.
- **Visitors:** Individuals who are temporarily on-site for meetings, events, or other authorized purposes. Their access may be limited to specific areas.
- **Contractors:** External service providers or vendors engaged by HAS. They may have access to specific areas or systems relevant to their contracted services.
- **Authorized Personnel:** Individuals with specialized roles or responsibilities that necessitate higher levels of access, such as IT administrators, security personnel, or senior management.

9.2 Surveillance and Security Measures

- **Surveillance Systems:** HAS will implement and maintain surveillance systems, including CCTV cameras, guards and monitoring equipment, to monitor key areas of the warehouse.
- **Security Personnel:** Security personnel are trained professionals responsible for safeguarding the AEHDA's premises, assets, and people. They monitor surveillance systems, control access points, conduct patrols, and respond to incidents. Additionally, they play a crucial role in implementing and reinforcing security protocols, ensuring the safety of all individuals within the organization's facilities.

9.3 Incident Reporting and Response

- **Reporting Protocols:** Clear reporting protocols ensure that incidents are addressed in a timely manner, allowing for appropriate actions to be taken to maintain a secure environment within HAS warehouse.
- **Documentation and Reporting:** Require thorough documentation of security incidents, detailing the nature of the incident, response actions taken, and any follow-up measures.

This section provides comprehensive guidance on controlling access, implementing surveillance and security measures, and responding to security incidents. Adherence to these measures is essential for maintaining a safe and secure environment at HAS facilities.

10. Policy Review and Amendments

The Policy Review and Amendments process at HAS is a structured approach to ensuring that HAS policies remain current, relevant, and aligned with evolving needs and regulations. This involves conducting regular scheduled reviews by the policy review committee, triggered by significant events, and annual comprehensive assessments.

Proposed amendments undergo thorough impact assessments and are subject to an approval process before being communicated to relevant stakeholders. Proper training and implementation strategies are in place to ensure seamless adoption of policy changes.

Additionally, version control mechanisms are employed to guarantee that staff have access to the most current and approved policy documents. This robust process is instrumental in maintaining a dynamic and effective policy framework within HAS.

Revised by: Policy Review Committee
Reviewed and Approved by: Board of Trustee