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STORAGE AREAS

Operational Procedure: OOP-15-02

Rev.: A

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I PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for

- Use and maintenance of stores and storage areas,
- Inventory management system, and
- Periodic assessment of stock.

II APPLICATION

This procedure applies to all storage and holding areas for materials, components, subassemblies, and finished products.

This procedure directly concerns Materials Control, Production, and Quality Control.

III PROCEDURE

1. Storage Areas

- 1.1 There are two main storage areas: material stockroom and finished product stockroom; and a number of storage rooms and holding areas used for receiving, shipping, inspection, quarantine, material staging, in-process products, tooling, small equipment, supplies, etc.
- 1.2 Materials Control is responsible for operating the stockrooms and the receiving and shipping areas. Production is responsible for various storage and holding areas on the production floor. Quality Control is responsible for inspection and quarantine areas.
- 1.3 Storage and holding areas are maintained in good condition to prevent damage or deterioration of stored products. All products in stockrooms are identified and arranged

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in groups according to their type. Perishable stock is rotated; i.e., oldest deliveries are used first.

2. Inventory Management System

- 2.1 Material and finished product stockrooms are controlled using an inventory management system. The system controls in and out movement of all stock materials used in production and all finished products sold by COMPANY NAME Inc.
- 2.2 Materials and parts are entered into the system with their part number, description, quantity, location in the stockroom, and purchase order number or job number when applicable. For products with limited shelf life the product expiration date is also recorded.
- 2.3 The inventory management system can report available in-stock quantities and turn-over times. The system is used to minimize inventory levels, optimize turn-over time, and assure stock rotation.
- 2.4 Once every three months the stockrooms are inventoried and the stock count is reconciled with the inventory management system.

3. Assessment of Stock

- 3.1 Every three months the storage areas are inspected and cleaned up. Stock is assessed for damaged or deteriorated products. Identification of products is checked, and items that do not belong in the stores are removed. A product nonconformance report (per Procedure QOP-13-01 Control of Nonconforming Product) is issued when damaged, deteriorated, or unidentified products are found. Inventory levels of stock are also checked (refer to Section 2. above).

4. Authorization to Receive and Issue

- 4.1 Only products that have passed receiving or final inspections are authorized to be received or issued from the material and finished product stockrooms, respectively. Products that have passed the receiving inspection are identified with a yellow sticker or tag, while finished products that passed the final inspection are identified with a green tag.

5. Other Supplies

- 5.1 The stockrooms also contain supplies not intended for incorporation into the company's products. Such supplies are not labeled with inspection status identifiers and their movement in and out of the storage areas is not controlled by the quality system.

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IV ASSOCIATED DOCUMENTS

- Product Handling and Preservation — Oper. Proc. OOP-15-01
- Control of Nonconforming Product — Oper. Proc. QOP-13-01

