Procedure: Storage and Distribution

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Modify this procedure to reflect the practices of the company. For larger companies, it may be appropriate to consider splitting this procedure into two.

# Purpose

This procedure describes a system, provides instructions and to assign responsibilities at [Company] for:

* use of the warehouse/storage areas
* the inventory management system
* control of product distribution.

# Scope

The scope of this procedure includes storage and holding areas for raw materials, packaging components, intermediate and finished products and the distribution of finished products.

# Responsibilities

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| --- | --- |
| Role | Responsibility |
| Quality Manager | * Responsible for non-conforming product holding and the quarantine areas. * Ensures that this procedure is implemented and complied with. |
| Production Manager | * Maintains any storage areas in production. * Ensures that this procedure is implemented and complied with. |
| Stores staff | Operates the warehouse and its related storage and holding areas. |
| Shipping supervisor | Verifies product for distribution. |

Identify who is responsible for maintaining each storage, holding and quarantine area in [Company].

Amend roles and responsibilities according to your company processes and structure.

# Procedure

## General requirements

Raw materials, packaging components, intermediate and finished product are stored as detailed in this procedure. Where storage conditions do not comply with those described in this procedure the Quality and Production Managers must be notified immediately.

Materials are handled and stored so as to prevent degradation, cross-contamination and contamination.

Materials stored in boxes, bags or fibre drums are stored off the floor.

No materials used for manufacture, other than gases in gas bottles and 200 L drums of solvents, are stored outside unless approved by the Quality or Production Manager.

## Storage areas

This procedure should describe the practices used by [Company].

The warehouse has several areas:

* incoming materials (raw materials and components)
* quarantined materials (awaiting inspection and testing)
* raw materials and components approved for use
* rejected materials
* finished product.

Use the terminology used at the company. Modify the above list to reflect the actual practices and to provide more detail.

The warehouse is maintained in good condition to prevent damage or deterioration of stored products and is kept free of dust, insects, rodents and other pests.

Storage areas are identified and grouped according to the type or status or the product held. For safety reasons, segregation of materials with different chemical properties is critical. A "first-in-first-out" (FIFO) system is maintained for all goods.

## Inventory management system

An inventory management system is important for sales and production scheduling.

The warehouse is controlled using an inventory management system. This controls movement and status of stock used in production and distribution of finished product.

Incoming raw materials and components are entered into the inventory system with their item number, description, quantity, warehouse location, purchase order or job number and expiry date, as applicable.

Modify the above clause to reflect the company’s requirements.

The inventory management system reports on stock availability, quantities and turn-over and is used to minimise inventory levels, optimise turn-over and ensure stock rotation.

Every twelve months a full stock-take is carried out and the count reconciled with the inventory management system (refer to Section 4.4).

## Assessment of stock

It is appropriate that some type of periodic stock assessment is performed.

Warehouses are inspected and cleaned annually and stock is assessed for damaged or deterioration. Product identification is checked and inappropriate materials removed.

A Form *FP805-1: Deviation Report* is completed as per Procedure *QP805: Managing Deviations* when damaged or deteriorated product is identified. Inventory levels are also checked (refer to the reference to the twelve month stock take in Section 4.3).

## Receipt and dispatch authorisation

Products are only authorised for dispatch or transfer between different sections of the warehouse after appropriate approval. Approval to transfer is given automatically once intermediate or product status is approved:

* products that pass incoming inspection are authorised to be placed in the warehouse or production storage areas
* products passing in-process inspections are authorised for release to the next processing stage
* finished products that pass final acceptance inspection are authorised for transfer to the finished product warehouse or for dispatch.

Non-conforming products, unidentified products and products with unknown status must not be released to the warehouse or to production nor dispatched to subcontractors or customers.

Products of unknown status must be placed in appropriate quarantine or holding areas.

## Special storage conditions

Edit to reflect the products, equipment and records appropriate to [Company].

When materials, components or finished products require special storage conditions (e.g. specific temperature or humidity), environmental requirements must be documented in appropriate specifications and communicated to relevant managers.

Special storage conditions must be monitored and recorded to ensure they are maintained without interruption and that product is not compromised.

Methods of monitoring and recording environmental conditions should be developed in consultation with the Quality Manager. They may include (automatic) data recorders or manual, periodic recording of the monitored parameter.

## Other supplies

Warehouses typically are used for storage of a wide range of materials and supplies. It is important that different areas are clearly identified to avoid mix-up of raw materials, intermediates, finished product with other non-product-related materials.

Warehouses may contain supplies not intended for incorporation into finished product. These supplies typically are not status labelled and their movement in and out of the storage areas is not controlled.

Care must be taken to prevent mix-up with production materials.

## Shipping and distribution

Modify this procedure to describe the systems of [Company]. If more detailed shipping and distribution information is required, consider splitting creating this section as a separate procedure.

Customer orders are received and processed in accordance with Procedure *QP702: Order Processing and Review*. This includes an order review to ensure that ambiguities and errors are resolved before being accepted.

Distribution is initiated by a shipping order issued by Sales. The order identifies:

* shipping consignee and address
* due date
* type and number of products required
* packing requirements (if non-standard)
* labelling requirements
* transport mode.

Edit to describe the company’s shipping system.

Only products that have passed final acceptance and are on the inventory system are available for shipping to customers.

Product acceptance status is verified by checking for a green RELEASED label. Refer to Procedure QP711: Status Labelling.

The expiry date of product with a designated shelf life must be checked and marked on the packages and/or cartons. Product must not be shipped without a minimum remaining shelf life of 6 months.

Edit to describe how the company ensures only products approved for release are shipped. Modify minimum shelf life as appropriate.

Before packaged products are dispatched, the shipping supervisor:

* confirms that the product has been released by Quality
* verifies the shipment meets the customer order and the shipping requirements

Following satisfactory verification, the supervisor authorises the order for release.

## Distribution records

After the shipment is dispatched, the shipping order is retained as a distribution record. It includes the following information:

* name and address of the consignee
* identification of the product and quantity shipped
* date shipped
* any batch numbers used.

If batch numbers are not used, delete the last item.

Agents and distributors must maintain their own distribution records.

Appendices

Amend as required or delete.

Definitions

Amend as required or delete.

| Term | Definition |
| --- | --- |
|  | Insert terms/abbreviations and definitions for those used within the procedure. Do not include any terms or abbreviations not used within the procedure. |
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Document Information

| Revision History | | | |
| --- | --- | --- | --- |
| Revision | Modified by | Change Control No. | Description of Change |
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Complete the above fields for each revision of this document. Ensure that there is sufficient description of changes so that the change history of this document can be followed. Additional columns can be added to include document/change tracking numbers generated by your company’s systems if required (eg. change control).

| Associated forms and procedures | |
| --- | --- |
| Doc. No. | Document Title |
| QP702 | Order Processing and Review |
| QP711 | Status Labelling |
| QP805 | Managing Deviations |
| FP805-1 | Deviation Report |

List all controlled procedural documents referenced in this document (for example, policies, procedures, forms, lists, work/operator instructions

| Associated records | |
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| Doc. No. | Document Title |
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List all other referenced records in this document. For example, regulatory documents, in-house controlled documents (such as batch record forms, reports, methods, protocols), compliance standards etc.

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