

Cycle Count Procedure

Cycle Counts are rotating physical inventory counts done to monitor our inventory levels. The goal is to improve our confidence in our on-hand inventory levels and to reduced adjustment and surprises during the year-end full count. Ideally, we aim to count approximately 1 / 12th of our inventory monthly.

Cycle counts are performed on the 1st of every month. The count, variance and any on-hand adjustments should be complete within 3 days to be effective.

The Corporate Parts Team will facilitate monthly cycle counts by:

- Consulting with the Parts Managers to determine what should be counted
- Printing count sheet
- Storing and distributing the *Post Inventory Adjustments* sheet
- Maintaining Cycle Count history for all branches

The Branch Parts Managers are responsible for:

- Physical Count
- Accounting for the variances
- Updating on-hand quantities. BVE: *Adjust Inventory*
- Printing BVE: *Post Inventory Adjustments* sheet

Procedure:

1. Part Managers choose what to count: Product Code, Bin Location, etc.
2. Corporate Parts Team prints a count sheet
3. Branch performs a physical count
4. Branch investigates variances
5. Branch *Adjusts Inventory* & prints *Post Inventory Adjustments* sheet
6. Branch sends *Post Inventory Adjustments* sheet to Corporate Parts Team
7. Corporate Parts Team reviews and distributes *Post Inventory Adjustments* sheet for financials