

Classification: Finance

Approving Authority: President

Responsible Authority: Vice President of Administration and Finance

Implementing Authority: Financial Administration Department

Effective Date: May 2025

Review: April 2028

Inventory Management - Policy & Procedures

1.0 Purpose

- 1.1 The purpose of this policy is to establish guidelines for the efficient and effective management of inventory at AUIB. This includes the acquisition, storage, control, and distribution of inventory items using Oracle SCM Inventory Management, Oracle ERP Financials, and Oracle ERP Procurement.

2.0 Scope

- 2.1 This policy applies to all departments/colleges/offices and employees involved in inventory management, procurement, and financial administration within AUIB.

3.0 Definitions

- 3.1 Inventory - all items purchased and held for use in operations, including but not limited to office supplies, equipment, and materials.
- 3.2 SCM (supply chain management) - a module in Oracle used to manage and track inventory.
- 3.3 ERP (enterprise resource planning) - a module in Oracle used for financial management.
- 3.4 Procurement - the process of acquiring goods and services.

4.0 Policy

- 4.1 All inventory activities at AUIB must be conducted in a manner that ensures accuracy, accountability, and efficiency. Inventory must be managed to prevent overstocking, shortages, and obsolescence, and to maintain optimal stock levels to support the university's operations.
- 4.2 All inventory acquisitions must comply with the university's procurement policies and procedures. Purchases must be authorized, justified, and documented in Oracle ERP before orders are placed.
- 4.3 Inventory tracking and management must be conducted using the Oracle SCM system to ensure real-time accuracy, transparency, and auditability of inventory data.
- 4.4 Department Heads, Deans, and the Financial Administration Department (FAD) must ensure that inventory is managed in accordance with this policy. All personnel involved in inventory management are accountable for maintaining the integrity of the inventory process.



4.5 Inventory storage areas must be secured with controlled access, and only authorized personnel are permitted to handle inventory items. This ensures the security of inventory and prevents unauthorized usage.

4.6 Regular inventory audits and cycle counts must be performed to ensure the accuracy of inventory records. Discrepancies must be promptly investigated and resolved. Monthly and annual reports on inventory status and activities must be prepared and reviewed by the relevant authorities.

5.0 Procedures

5.1 The FAD has the overall responsibility for inventory management policy and procedures.

5.2 Procurement is responsible for the acquisition of inventory items.

5.3 The inventory management unit is responsible for tracking, controlling, and reporting inventory using Oracle SCM.

5.4 Department Heads and Deans ensure departmental compliance with inventory policies and procedures.

5.5 Departments/colleges/offices must submit a requisition request for inventory items through the Oracle Procurement system.

5.6 Requisitions must be approved by the relevant department head and the Financial Administration Department.

5.7 Upon approval, a purchase order is created and sent to the supplier through Oracle ERP.

Receiving Inventory

5.8 Upon delivery, inventory items are received and logged into the Oracle SCM system by the inventory management unit.

5.9 Items are inspected for quantity and quality against the purchase order.

5.10 Receiving documentation is filed, and discrepancies are reported to the Procurement Unit for resolution.

Inventory Storage

5.11 Inventory items are stored in designated areas with controlled access.

5.12 All items are labeled with identification numbers, and storage locations are recorded in the Oracle SCM system.

5.13 Storage areas are secured, and access is limited to authorized personnel only.

Inventory Control

5.14 Inventory levels are tracked in real-time using Oracle SCM.

5.15 Regular cycle counts are conducted to verify inventory accuracy.

5.16 Discrepancies identified during counts are investigated and adjusted in the system as necessary.

Inventory Distribution

5.17 Departments/colleges/offices submit inventory requests through the Oracle SCM system.

5.18 Requests must be approved by the department/college/office head.

5.19 Approved inventory items are issued and recorded in Oracle SCM.

Reporting

5.20 The Inventory Management unit generates monthly inventory reports detailing stock levels, usage, and discrepancies.

5.21 An annual inventory audit is conducted to ensure compliance with policies and accuracy of records.

Compliance

5.22 All Departments/colleges/offices, and employees involved in inventory management must comply with this policy. Non-compliance may result in disciplinary action.

Related Policies and Documents

Oracle SCM Inventory Management User Guide

Oracle ERP Financials User Guide

Oracle Procurement User Guide