



**POLICY ON STANDARD STOCK**



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## TITLE AND COPYRIGHT

Title	<b>POLICY ON STANDARD STOCK</b>
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Author	Mrs. F. Gandiya
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## DOCUMENT CONTROL DETAILS

Master document	Documentation Control Centre
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## 1. PURPOSE

It is the policy of the University of Venda to keep standard stock of items that are needed daily.

## 2. DEFINITION

- 2.1 **Receiving Depot** - The venue where all purchased goods and equipment are delivered, checked and documented to be dispatched to users.
- 2.2 **Official Order** - Document issued by the Purchasing office for the supply and delivery of goods and services.
- 2.3 **Goods Receiving Voucher (GRV)** - A document produced by the ITS (PMIS) system upon entering data for goods/services received.
- 2.4 **Supplier Return Voucher** - A document produced by the ITS (PMIS) system upon entering data relating to goods returned to the supplier.
- 2.5 **Goods Return Voucher** - A document produced by the ITS (PMIS) system upon entering data relating to goods returned to supplier. The representative of the supplier needs to sign for receipt of the goods returned.
- 2.6 **Return Slip** - A document produced by ITS (PMIS) system upon acceptance and capturing of data referring to stock returned to stores from the user.
- 2.7 **Procurement Services** - The department responsible for Purchasing, Stores, Asset Control and Contracting of Operational Leases.
- 2.8 **Requisition** - A document, manual or electronic, requesting items to be issued to users.
- 2.9 **Issue Voucher** - A document produced by the ITS (PMIS) system and signed by the user on acceptance of standard stock received.
- 2.10 **Obsolete Stock** - In terms of this document, it refers to stock no longer usable.
- 2.11 **Obsolescent Stock** - In terms of this document it refers to stock going out of use but is not yet completely unusable.
- 2.12 **Redundant Stock** - In terms of this document it refers to excess stock over the normal holding of an item necessary to prove adequate stock cover for its purpose. It may arise due to product obsolescence or due to mistakes on inefficiency in inventory control.
- 2.13 **Authorisation** - In all circumstances refers to the vested authority for expenditure against a cost center and account applicable.

## 3. RULES

### 3.1 General:

- 3.1.1 The Stores function is to provide a support service in respect of standard day to day needed items i.e. Cleaning materials, stationery and maintenance and supplying and delivering these items to the right place and on time.
- 3.1.2 Items shall be kept as standard stock only when they are required regularly and the price per item is of such nature that it does not allow for the frequent purchase thereof.



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- 3.1.3 Standard stock shall be issued to staff members on an "over the counter" basis for items collected by staff members or "next day delivery" for requisitions received by internal mail or electronically.
  - 3.1.4 Lists of standard stock shall be made available as and when required and shall be updated annually.
  - 3.1.5 Physical stocktaking shall be done once a month on the last working day of the month.
  - 3.1.6 All stores shall be closed for issuing on the last working day of the month to allow for the physical stock-take.
  - 3.1.7 Physical stock value shall be reconciled on a monthly basis with the stock control account of the General ledger.
  - 3.1.8 All shortages and surpluses shall be reported to Head: Procurement and Stores in writing on a quarterly basis.
  - 3.1.9 Standard stock shall be replenished when the re-order level has been reached and care must be taken to ensure optimal utilisation of financial resources by controlling purchases of slow moving stock.
  - 3.1.10 Tendency on the need for stock items to be issued shall be closely monitored to prevent standard stock items becoming obsolete.
  - 3.1.11 Issuing of stock from the stores shall be evidenced by completed and authorised requisitions. No stock shall be issued without such requisitions.
  - 3.1.12 No stock shall be issued to any user without funds being available in their cost center and account.
  - 3.1.13 Redundant stock shall be disposed of without delay to ensure that an income is still generated.
- 3.2 Prescriptions to Requesters:**
- 3.2.1 Requisitions for standard stock must be completed in detail. Description of item and item code are of utmost importance.
  - 3.2.2 Incomplete requisitions shall be returned immediately on receipt.
  - 3.2.3 In the unlikely event of required items being out of stock, the client will be required to enter another requisition for the said item.



3.2.4 Returns to stores will only be received if the issue-voucher, upon which it was issued, accompanies the items.

3.2.5 Items returned after the lapse of two months since they were issued, shall not be accepted.

### **3.3 Prescriptions to buyers:**

3.3.1 Requisitions for replenishment of stock shall always be treated as URGENT.

3.3.2 Current issue prices as indicated on the requisition shall be taken as the basis for negotiation of new purchases.

3.3.3 Care should be taken of the fact that all negotiated prices resemble the same quality as kept in stock.

3.3.4 PURCO contracts entered into shall be honoured at all times.

### **3.4 Prescriptions to personnel of the Receiving depot:**

3.4.1 Utmost care shall be taken that ordered stock resemble the quality and quantity ordered.

## **4. PROCEDURES**

Requisitions for standard stock items must be completed and duly authorized before stock is replenished

## **5. FORMS**

none

## **6 RELATED POLICIES AND DOCUMENTATIONS**

Stores – Receiving and Distribution

## **7 REGULATORY FRAMEWORK**

GAAP  
King III report on Corporate Governance  
Higher Education Act (Act 107 of 1997)

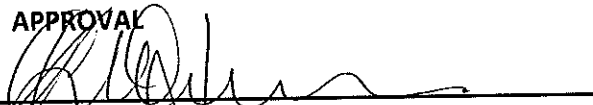
## **8 REVIEW DATE**

This policy will be reviewed after three years or as and when the need arises.

9 RECORD OF CHANGES

REVISION	DATE	AUTHOR(S)	DESCRIPTION

10 APPROVAL

  
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Registrar (Secretary of Council)