



## Social Welfare and Rehabilitation Organization (SWRO)

### SWRO Stock Management Policy

Approved by SMT:

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SWRO  
Social Welfare and Rehabilitation Organization

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### About SWRO

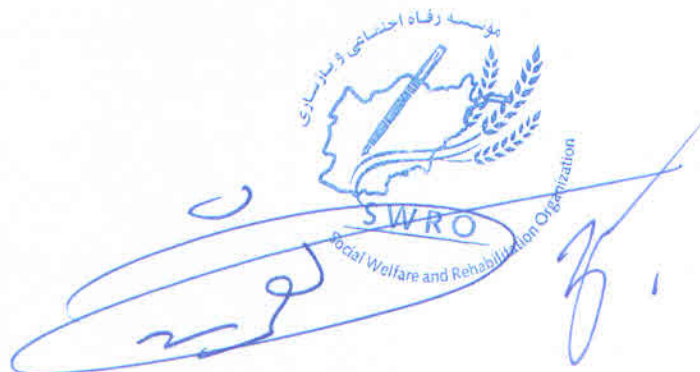
Social Welfare and Rehabilitation Organization (SWRO) is a non-governmental, non-profit and non-political organization, engaged in multi-sector programs in the realms of education, Livelihood, community development, capacity building, human resource management, emergency response health and water supply systems (WASH).

SWRO, established in 2017, aims to be a catalyst for promoting peace, stability and development, alongside the Government of the Islamic Republic of Afghanistan, by targeting the marginalized, women, girls, youth and children, the illiterate and the poor in rural communities.

Over time, SWRO has established an extensive field presence and has implemented projects in five provinces of Afghanistan. Today, SWRO continues to keep its presence to support most vulnerable Afghans in four regions in northern, western, eastern and southern regions of the country. Though the organization is fairly new, but has already secured and entered into partnership to implement project with GIZ, and secure long term institutional capacity building through Twinning Program (ACBAR- supported by UKAID). SWRO applies rights based approach to development, working with community-based organizations, as well as relevant sub-national government bodies. Additionally, SWRO is an active member of major national civil society networks.

**Vision:** Prosperous communities in which everyone, understanding and enjoying their rights, benefit from sustainable livelihoods and high quality basic services, while participating in the decision-making process.

**Mission:** SWRO is dedicated to delivering community development projects in order to empower the rural poor to improve their living standards and claim their rights.



## Store Keeping and Distribution Policy

The purpose of the stock management policy is used as guiding tools and as procedures for handling stock, ensuring that the inputs for beneficiaries are properly handled ensuring organization transparency and accountability.

Proper store management forms a vital part of the logistic supply chain and helps ensure that commodities reach end users in good quality and correct quantities. The following section sets out routines in respect of receiving goods into the store, the actual storage, distribution, reconciliation, disposal/transfer and reporting. Several document formats are developed in order to assist this process and these appendices are referred to in the text when relevant.

### 1.1 Receipt of goods

When the procurement process is completed and transport has taken place from the supplier, the commodities will be entered into a store held by the SWRO. The store may be a permanent construction/building or a provisional construction (e.g. tent, rubbhall etc.) used for temporary and/or long term storage. Considering the fact that SWRO is highly depended on donor fund, thus in most cases SWRO will either try to mobilize communities to support SWRO in the provision of space for project inputs and commodities, if not then SWRO need to rent a space.

#### 1.1.1 Goods Received Note

When receiving commodities, a 'Goods Received Note' (see sample copy in Appendix A1) should be completed by the recipient - be it the storekeeper or a logistician. The 'Goods Received Note' confirms the type of goods, quantity and quality as well as if there are any discrepancies. Reference should be made to the Waybill or CMR document if goods arrive with truck.

The 'Goods Received Note' is signed both by the truck driver delivering the goods and the person receiving the goods. This is used as confirmation to the Procurement/Logistics Office that the commodities have arrived and that payment can be made - unless there are any discrepancies.

When goods arrive by truck the 'Goods Received Note' should be completed in order to confirm receipt. This should be communicated to the SWRO main office logistics staff as soon as possible after completion. With regards to filing, please observe as follows:

- Original 'Goods Received Note' should go to the office procuring the commodities. It should be kept in the respective order file and/or shipment file.
- Copy of the 'Goods Received Note' should remain in the store where the goods arrived, and be kept in a chronological order.
- A copy may be provided for the truck driver if requested, but the truck driver will normally retain a copy of either a Waybill or a CMR document as proof of delivery.



### **1.1.2 Customs Clearance**

When goods are imported into a country customs clearance will have to be performed. SWRO logistics team should obtain the necessary procedures for customs clearance.

Some commodities will also require an import permit which is a document that should be arranged for prior to arrival. If this is not done the commodity may be retained in a government store until the necessary documentation is provided for.

In general the minimum information required for custom clearance are;

- Proforma invoice from the supplier
- Packing list from the supplier

SWRO as national NGO is exempted from paying import duties due to its humanitarian organization status as outlined in the NGOs law.

### **1.2 Storage**

SWRO may have stores for various purposes, e.g. spare parts for vehicles/drilling rigs, food commodities, general equipment, medical equipment/medicines or office stationery to mention some. All types of stores shall adhere to stock management routines in order to secure accountability for goods in stock. The following guidelines are therefore general and applicable to all types of stores.

#### **1.2.1 Store conditions and management**

All stores should be kept clean and orderly at all times. Different commodities shall be separated into different physical locations in order to allow for easy management of the store. Food items shall always be stored above the ground (e.g. on pallets or wooden boards) and any damaged items shall be kept separately.

All current stock cards in use should be kept in a folder managed by the storekeeper. Completed stock cards for the current year should be placed in a box file/folder sorted per type of commodity. At the end of each year the balances on the stock cards shall be transferred to new stock cards as an opening balance for the following year and the current year's stock cards shall be transferred to the Procurement/Logistics office.

#### **1.2.2 Entry of commodities to the store**

Upon arrival at the store all commodities should be separated according to type and each commodity must be entered into stock cards. If the commodity is new to the store a new stock card is to be issued for that particular commodity. A sample stock card is included as appendix A2 Stock Card. The stock card should include the following information:

- running stock card number
- warehouse name and location



- name of item
- minimum stock level to be kept (if applicable)
- unit (e.g. each, kg, meters etc.)

Upon completing the upper information part of the stock card, the arrived commodity is then entered as the first line on the transaction part. If the commodity already exists in the store, the arrival is dealt with as an entry on an existing stock card.

Bin cards are simple registration forms that are kept together with the stock item. They are used as real-time records (record the movement when you are in front of your shelf to take out or put in your goods) and transfer accumulated information to your stock cards on a periodical schedule. A bin card may not be necessary if stock cards are maintained daily. A sample bin card is included as appendix A3 Bin Card.

### 1.2.3 Transactions into the store

The basis for transactions into the store shall either be through procurement or donation of commodities resulting in a 'Goods Received Note'.

The following information must be recorded on the respective stock cards for transaction into the store:

- Date of transaction
- Reference to 'Goods Received Note'
- Received from
- Location in store
- Quantity
- New balance
- Storekeeper's signature

A copy of the stock card should be kept in a separate file and in chronological order.

### 1.2.4 Transactions out of the store

The basis for a transaction out of the store should be a signed and approved 'Material Request Form' (appendix. A4). Upon receipt of an approved request form the storekeeper prepares the materials for delivery.

- 1) If the final recipient is the holder of approved 'Materials Request Form', she/he shall sign the form to confirm that goods have been received.
- 2) If the holder of the 'Materials Request Form' shall transport the goods to another location by either a commercial operator or SWRO Staff, the store keeper must prepare a waybill (see appendix A5) to be utilized for the transportation.

The following information must be recorded on the respective stock cards for transactions out of the store:



- Date of transaction
- Reference to 'Materials Request Form' and Waybill (if applicable)
- Provided to
- Location in store
- Quantity
- New balance
- Storekeeper's signature

The 'Materials Request Form' should be kept in a separate file and in chronological order. Also copy of the respective waybill should be kept in a separate file and in chronological order.

If a transaction out of the store results in that the quantity kept is falling below the minimum stock level required, the storekeeper must immediately contact the Procurement/Logistics officer for replenishment.

### 1.2.5 Waybill

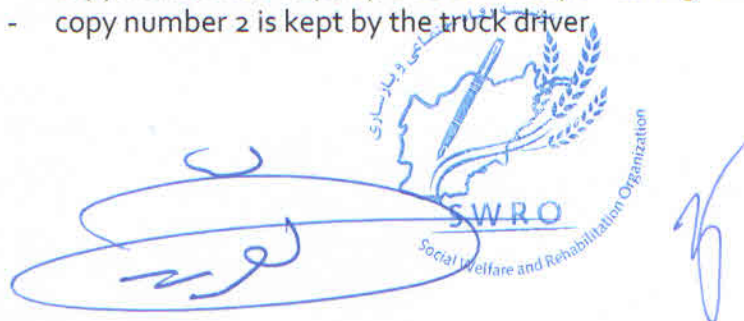
A waybill is utilized when commodities are transferred from the store to another satellite-store or a distribution point. A sample waybill is included in appendix A5 Way Bill. The following information has to be completed for the waybill:

- Waybill number (running serial number)
- Name of the transporter together with drivers license details
- Vehicle registration number
- Trailer registration number
- Delivery from
- Delivery to
- Description of goods
- Reference number (from 'Materials Request Form')
- Quantity
- Unit (e.g. each, kg, meters etc.)
- Weight per unit
- Total weight

The waybill is to be signed by the storekeeper as the issuer as well as the truck driver confirming receipt of the goods.

At the receiving end a store keeper or distribution point manager signs off the waybill confirming that the delivery is actually made. Any discrepancies should be noted on the waybill. With regards to filing, the waybill should be printed with carbon copies having one original and 3 copies;

- the original waybill accompany the truck and is kept with the final recipient
- copy number 1 is kept by the store keeper issuing the waybill
- copy number 2 is kept by the truck driver



- copy number 3 is given by the truck driver to the Procurement/Logistics office as confirmation of completed transport and for processing of payment (when commercial operator is used) upon which it is placed in the respective shipment or order file.

### 1.2.6 Stocktaking

Any SWRO office responsible for a store shall perform a complete physical inventory of all items in stock as per 1st of January and 1st of July. For larger stores, the stocktaking may be split into a form of revolving inventory count splitting the store into identifiable categories and dealing with one or two categories at the time. The physical inventory should be performed in the shortest possible period of time. A report should be submitted to the Finance Manager within the 15th of January and the 15th of July respectively. In addition, there should be irregular surprise counts of randomly selected parts or of selected high volume/high value parts.

It is recommended that the store is completely closed during the stocktaking in order to avoid interruptions of goods arriving or being distributed during the inventory count. If this is not possible, any goods arriving should not be registered into the stock card until the stocktaking is completed. If goods are distributed during the stocktaking and before being counted, 'dummies' (e.g. metal tags or coins) should be used as a substitute for the commodity and counted in its place.

A special stock take list and stock take analysis form should be utilized for the actual inventory count and the subsequent analysis - see appendix A6 and A7 for examples. If there are differences between the actual quantities and those on the stock cards, the original documentation ('Goods Received Notes' and 'Material Request Forms'/Waybills – copies of which should be kept in the store) have to be checked to verify that the entries on the stock cards are correct. If a cause for the discrepancy is not found by this the storekeeper should report on missing items and/or if there are any significant discrepancies. The Managing Director will decide on necessary action to be taken.

At the end of the inventory count, stock cards shall be updated with adjustments for discrepancies found and be signed off by the officers conducting the stocktaking.

### 1.2.7 Stock Reports

The storekeeper should prepare monthly stock reports (see appendix A8) to the Procurement/Logistics Officer summarizing the transactions in and out of the store per commodity during the month as well as the end balance. The report should also indicate the distribution locations/recipients of the various commodities.

Any losses occurring during the month shall be reported on an immediate basis to the Procurement/Logistics Officer together with an explanation on the events leading to the loss.

The Procurement/Logistics Officer shall summarise the monthly reports in order to produce quarterly and annual synopsis to the Managing Director. The Procurement/Logistics Officer





shall also provide summary reports to the respective project/programme managers on the commodities provided to their respective projects/programmes.

### 1.3 Distribution

Distribution of commodities shall take place in accordance with the plans set out in any project/programme and upon request by the respective project/programme manager. The distribution commence with the delivery of the commodity from the store to the distribution point. Upon arrival at the distribution point the actual distribution to the end recipients can take place.

Distribution of commodities may be implemented in a number of ways depending on the project/programme situation at hand. Practices suitable in refugee camps are not necessarily appropriate for ongoing development projects. It will therefore be necessary for the project/programme manager in liaison with the Procurement/Logistics Officer to decide on the most adequate distribution method, and if necessary, design the required documents for the specific operations. Ongoing distribution services have different demands compared to irregular on/off distributions and therefore also different documentation solutions.

Attached as appendices are some samples of documentation that may be useful in distribution situations.

#### 1.3.1 Ration card

A ration card (see appendix Ag) is useful in ongoing distributions, mainly for food commodities. Each beneficiary should receive a ration card which is held by the respective individual or the head of family. The ration cards are to be presented during the distribution for the distribution team to register information on with respect to the distribution that takes place - either on a daily, weekly or monthly basis. If this method is used, it is recommended that the ration card is printed on rigid paper that will last in harsh environments for the necessary distribution period.

Alternatively, the ration card may be held by the distribution team including a reference number to the beneficiary corresponding to that held on an ID card or numbered bracelet that she/he is carrying. If this is the case, the beneficiary signs/stamps on the ration card to confirm receipt of the commodity on a daily, weekly or monthly basis. Ration cards may in this case be printed on ordinary paper and kept in folders accessed at the distribution times.

The basic information to be included on the ration card is as follows:

- Card number
- Beneficiary number
- Beneficiary name



The ration card has space available for registration of different commodities and different distributions. The quantity for the distributions should be entered each time, together with a signature if applicable.

### **1.3.2 Beneficiary card**

The beneficiary card (see appendix A10) may be used either as an alternative to or supplementing the ration card. The beneficiary card is useful when several distributions are to be implemented for the same household. The card provides for more information about the beneficiary and her/his family and is kept by the distribution team at all times. It is therefore crucial that there is a link between the beneficiary and the beneficiary card. This could either be via an ID card number or e.g. a numbered bracelet that the beneficiary is carrying.

The information given on the beneficiary card should as a minimum be:

- Card number (serial number)
- Name of Family / Household head
- Number of family/household members – divided into adults, children, female, male and age specified
- Settlement
- Distribution point / centre
- Distribution date
- Details of commodities distributed
- Signature/stamp of beneficiary

### **1.3.3 Beneficiary Distribution List**

The beneficiary distribution list (see appendix 11) may be useful for either “one off” distributions or when distributions are irregular. The beneficiary distribution list permits for up to 5 commodities to be included per distribution and covers up to 25 beneficiaries/households. It provides for an easy overview to get the total amounts distributed.

The information to be included on the beneficiary distribution list is as follows:

- Distribution list serial number
- Distribution point/center
- Settlement
- Date/Period
- ID reference of beneficiary
- Name of family/household head
- Number of beneficiaries in the particular family
- Items distributed
- Signature/stamp of beneficiary.



### **1.3.4 Distribution report**

The distribution report (see appendix A12) is used to summarize the distributions taking place over a period of time. The information is gathered from whichever of the documents mentioned above. The distribution report is presented to the project/programme manager for progress reports. A copy is provided to the Procurement/Logistics Officer in order to produce reconciliation reports (see section 1.3).

The proposed format for the distribution report should include the following information:

- Distribution report serial number
- Distribution point/centre
- Number of beneficiaries covered
- Distribution period
- Reference to ration cards/beneficiary cards/distribution lists
- Name of commodities provided in the distribution(s)
- Unit of commodities provided in the distribution(s)
- Opening balance (if any)
- Quantity received during the period (from store)
- Distributed during the period
- Losses (if any)
- Remaining balance
- Explanation of losses
- Signature of the distribution point manager
- Signature of the storekeeper/supervisor

### **1.3.5 Stock and Distribution Reconciliation**

In order to give an account for the employment of commodities acquired with donor funding it is an important task for the Procurement/Logistics Officer to provide for reconciliation with respect to goods kept in store as well as distributed to beneficiaries. An example of a reconciliation overview has been provided for in appendix A13.

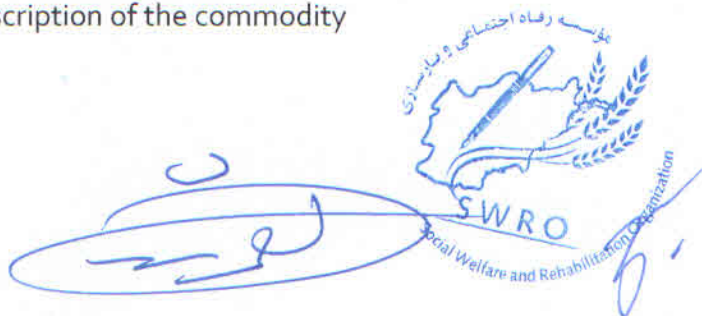
The reconciliation report is presented to the project/programme manager. A copy is provided to the accounts section in order to be available for audits on demand.

All types of losses should be investigated and measures to avoid similar losses in the future should be taken.

### **1.3.6 Disposal/Transfer of stock**

As part of the stocktaking per 1<sup>st</sup> of January and 1<sup>st</sup> of July, the Procurement/Logistics Officer, together with the respective storekeepers, should develop a report indicating all commodities without any movements/withdrawals over the last six months. Such a list should be prepared for each store, and the report should contain information about:

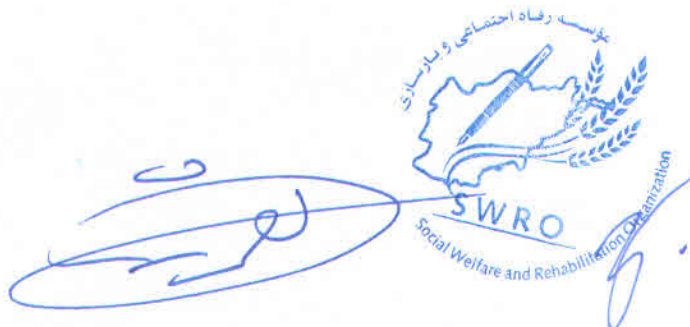
- Description of the commodity



- Date and quantity of last purchase
- Quantity in stock
- Actual cost per unit
- Total cost per commodity

The total cost for all no-moving/slow-moving commodities should be indicated. If there are goods deemed necessary to be kept in stock, these should be marked and provided with a short explanation. The remaining goods should be considered transferred to other stores in need of these, disposed of or sold.

The Procurement/Logistics Officer should prepare a proposal for disposal. If possible buyers exist, it is important to bear in mind that customs duty/import duty/VAT may have to be settled by the buyer if sold locally.



## Appendix

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### WAREHOUSING AND STORAGE CHECKLIST

- Decide on the level of stock required and ensure good stock management.
- Determine storage space requirements based on the level of stock required.
- Select a warehouse that meets adequate design requirements including security, access, size, ventilation, location and utilities.
- Ensure all goods are received by the storekeeper and inspected on delivery.
- Ensure the warehouse space is organised to facilitate effective storekeeping and comply with safety standards, and allow sufficient space for delivery and packing.
- Implement good piling/stacking practices.
- Implement an appropriate rotary system for the order of stock coming in and out, considering expiry dates.
- Ensure food storage complies with a food safety checklist.
- If good quality warehouse options are not available, consider emergency storage solutions such as containers and Rubb halls.
- Implement minimum standards for warehouse management tools, including the use of waybills, and other standard warehouse and inventory management documentation.
- Put in place adequate warehouse staffing including storekeeper and loaders.
- Consider sharing warehouse space with other NGOs as a cost-saving measure but ensure very clear delineation of space, controls and liabilities.
- Supply the warehouse with adequate levels of materials and equipment.
- Ensure safety measures are in place including safety equipment and practices.
- Put controls in place to minimise security risks to warehouse and stock.

### Alternative storage options when warehousing is unavailable

#### Containers

- For small volumes, containers 6 or 12 meters long can be used as alternative storage facilities.
- Containers offer a strong and waterproof structure. They are easy to secure and to transport. On the negative side, they can have poor ventilation, which leads to high temperatures and humidity. A weightless roof above the container reduces the temperature due to sunlight.

#### Rubb hall

- The Rubb hall is a large tent designed for storage.
- The weakness of the Rubb hall is security. Efficient drainage around the tent is needed for rainwater.
- To avoid mud, you must use gravel or light concrete on the access roads and surroundings. When possible, place the tent on a dry, flat surface on high ground to avoid flooding.



### Emergency storage

- For a brief period, and if no better solution is found, emergency storage can be used. The minimum material required is plastic sheeting and wood.
- Prepare a flat surface with drainage for rainwater.
- If available, spread gravel on the surface. Lay the plastic sheeting on the flattened ground.
- Set the wooden pallets on the plastic sheeting and pile up items on the pallets.
- Cover with a top plastic sheet to protect items from sunlight and rain.
- Remove top plastic sheeting regularly for ventilation.

This solution is only acceptable for a short period, such as one-shot distribution.

### Job Description for Procurement/Logistics Officer:

- Identify requirements and establish and maintain all logistical infrastructures for administration and operations.
- Identify and analyze procurement and transport requirements including those of collaborating agencies and host counterparts as appropriate. Take responsibility for fleet management including develop vehicle plans for fuel and maintenance requirements and costing.
- Take responsibility for movement of all goods and equipment including coordinate with Warehouse Manager, Procurement Manager and Distribution staff to ensure efficient and timely delivery of relief commodities.
- Establish funding requirements for logistics sector. Work closely with Finance Manager to prepare logistics and programme support budget.
- Work closely with the Security Officer to ensure security of logistics infrastructure including selection, training and management of security staff and delegation of responsibilities for locking and material releases.
- Represent SWRO in logistics coordination meeting and ensure coordination with partners, local authorities, UN/INGOs.
- Ensure SWRO participation and involvement in Logistics cluster activities and coordination when there is a cluster activation.
- Work closely with Human Resources Manager: to identify personnel requirements and develop labour plan with details of labour requirements and work schedules; prepare job descriptions and management structure including all skilled and unskilled jobs; establish pay rates for all staff and preparation/ execution of regular payroll; and oversee recruitment, training and supervision of staff if needed.
- Produce performance appraisals for Logistics staff as required.



### Job Description for Storekeeper

- The Storekeeper must:
  - Respect stock management procedures (records, filling, and identification).
  - Ensure proper identification of all arrival/departure material (quantity, quality, and delivery).
  - Ensure correct preparation of deliveries
  - Respect physical stock management requirements (organisation, cleaning, ventilation)
  - Follow-up with special attention expiry date of drugs & food, and warns the concerned department two months before expiry date.
  - Conduct monthly inventory of stock and ensure that stack cards are created, up-to-date, and accurate.
  - Compile monthly inventory/stock report for the Logistics Officer.
  - Assist in equipment and stock inventory when needed
- The Storekeeper will work in collaboration with, and under the guidance of, the Logistics Officer to:
  - Prepare all shipping documents (Delivery Note, waybill etc) to be transported to the programmes
  - Ensure safe preparation and loading of cargo onto transportation vehicles
- The Storekeeper will provide the Logistics Officer with the monthly stock report.
- To support the general logistics, the Storekeeper will give hand to any various duties including, but not limited to:
  - Warehouse maintenance support
  - Responsible for the management of daily and temporary workers (if applicable)

### List of Annexes:

- 1) Annex A-1 Goods Received Note (GRN)
- 2) Annex A-2 Stock Card
- 3) Annex A-3 Bin Card
- 4) Annex A-4 Material Request Form
- 5) Annex A-5 Waybill
- 6) Annex A-6 Stock taking list
- 7) Annex A-7 Stock Taking Analysis
- 8) Annex A-8 Stock Report
- 9) Annex A-9 Ration card
- 10) Annex A-10 beneficiary card
- 11) Annex A-11 beneficiary distribution list

