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# Scrap Material Disposal or Donation Standard Operating Procedure

## 1.0 Objective & Scope

The objective of this procedure is to ensure that all scrap materials generated during warehouse operations are disposed of or donated in a controlled, traceable, and compliant manner. This procedure aims to maintain inventory accuracy by removing scrapped items from the system, reduce waste through proper segregation and recycling, and support community initiatives via donation where applicable. It applies to all warehouse personnel, including Receivers, Inventory Clerks, and Shift Supervisors, who handle scrap materials.

## 2.0 Required Systems, Tools & Materials

- Access to the SupplyGrid WMS Dashboard or equivalent inventory management system
- Mobile Barcode Scanner (Zebra or equivalent)
- Scrap disposal log sheet or digital form
- Designated scrap bins or pallets (clearly labeled 'Scrap - Disposal' and 'Scrap - Donation')
- Red 'Quarantine' tags for damaged goods
- Pallet jack or forklift for moving heavy scrap
- Personal protective equipment (PPE) as per Section 3.0
- Donation receipt forms (for tax purposes, if applicable)

## 3.0 Safety & Handling Precautions

- Wear steel-toed safety boots, high-visibility vest, and cut-resistant gloves when handling scrap materials.
- Inspect all scrap items for sharp edges, protruding nails, or hazardous residues before handling.
- Use a pallet jack or forklift for any scrap pallet weighing over 25 kg; do not manually lift heavy loads.
- Ensure scrap bins are not overloaded to prevent spillage or tip-overs.
- Keep all scrap aisles clear of debris and maintain a clear path to emergency exits.
- Report any chemical or hazardous material spills immediately to the Shift Supervisor.

## 4.0 Step-by-Step Procedure

1. Identify scrap materials during receiving, picking, or cycle counting. Scrap includes damaged goods, expired items, offcuts, or materials that do not meet quality standards.
2. Segregate scrap into two categories: 'Disposal' (non-recyclable, unsalvageable) and 'Donation' (reusable but not sellable, e.g., overstock of non-perishable goods).
3. Place the scrap item in the corresponding designated bin or pallet. For donation items, ensure they are clean and safe for handling.
4. Log into the SupplyGrid WMS Dashboard and navigate to the 'Inventory Adjustments' module.

5. Scan the barcode of the scrap item using the mobile scanner. If the item has no barcode, manually enter the SKU or part number.
6. Select the adjustment reason as 'Scrap - Disposal' or 'Scrap - Donation' from the dropdown menu. Enter the quantity being scrapped.
7. For donation items, complete a donation receipt form with the item description, quantity, estimated fair market value, and recipient organization details (if known). Attach the form to the donation pallet.
8. Print a 'Scrap Removal' label from the WMS and affix it to the scrap bin or pallet. The label must include the date, operator ID, and reason code.
9. Move the scrap bin or pallet to the designated 'Scrap Holding Area' near the shipping dock. Ensure it does not block any aisles or emergency equipment.
10. Notify the Shift Supervisor via the WMS task queue or verbal handoff that scrap is ready for removal. The supervisor will schedule pickup by a licensed waste hauler or donation partner.
11. On the day of pickup, the Inventory Clerk must verify the scrap against the WMS report and sign the waste manifest or donation receipt.
12. Update the WMS to finalize the scrap transaction, marking the items as 'Disposed' or 'Donated' and closing the adjustment order.

## 5.0 Verification & Discrepancy Reporting

1. After the scrap is removed, the Inventory Clerk must run a 'Scrap Discrepancy Report' in the WMS to compare the system-adjusted quantities against the physical removal manifest.
2. If the physical quantity removed differs from the system adjustment by more than 2%, escalate the discrepancy to the Inventory Manager immediately.
3. Attach a red 'Quarantine' tag to any scrap items that are found to be hazardous or mislabeled during the verification process. Do not move or dispose of these items until the Shift Supervisor provides instructions.
4. Document all discrepancies in the 'Scrap Discrepancy Log' (digital or paper) with the date, operator name, item details, and corrective action taken.
5. For donation items, if the recipient organization refuses the donation due to quality concerns, return the items to the 'Scrap - Disposal' bin and update the WMS reason code accordingly.

**Regulatory Disclaimer:** This document is a generic operational template provided for educational purposes. The end-user assumes all liability for reviewing, adapting, and validating all step sequences and material handling protocols against local shop capabilities.