

Warehouse FIFO (First In, First Out) Stock Rotation Standard Operating Procedure

1.0 Objective & Scope

The objective of this procedure is to ensure that all inventory in the warehouse is rotated on a First In, First Out (FIFO) basis to minimize product expiry, obsolescence, and waste. This SOP applies to all warehouse personnel involved in receiving, put-away, picking, and inventory control, including Receivers, Put-away Operators, Pickers, and Inventory Clerks. The goal is to maintain 99% inventory accuracy and ensure that the oldest stock is always shipped or used first.

2.0 Required Systems, Tools & Materials

- Access to the SupplyGrid WMS Dashboard or equivalent ERP system with FIFO tracking capability
- Mobile barcode scanner (Zebra TC21 or equivalent) with FIFO pick module enabled
- Bin location labels with date-of-receipt or lot number fields
- Pallet tags or labels with receipt date and lot number printed clearly
- Clipboard and pen for manual verification (backup)
- Forklift or pallet jack for moving pallets to correct FIFO lanes
- Stretch wrap and tape for repalletizing if needed

3.0 Safety & Handling Precautions

- High-visibility vest required in all active forklift aisles.
- Steel-toed safety boots must be worn at all times in the warehouse.
- Use proper ergonomic lifting techniques for boxes over 15kg; request assistance or use a lift aid.
- Forklift operators must be certified and follow all traffic lane markings.
- Do not stack pallets higher than the designated rack load limit.
- Keep aisles clear of debris and loose shrink wrap to prevent slips and trips.

4.0 Step-by-Step Procedure

1. Log into the SupplyGrid WMS Dashboard and navigate to the 'Receiving' module. Scan the incoming purchase order (PO) barcode to begin the receipt process.
2. For each received pallet or carton, scan the product SKU barcode and enter the lot number or receipt date. The system will automatically assign a FIFO priority based on the earliest date.
3. Print and affix a pallet tag that clearly displays the product SKU, lot number, receipt date, and quantity. Ensure the tag is placed on the same side of the pallet for easy scanning.
4. Move the pallet to the designated put-away staging area. Using the WMS, scan the pallet tag and then scan the target bin location. The system will direct you to the correct FIFO lane (e.g., the back of the rack for new stock, or a dedicated FIFO flow rack).

5. Place the pallet in the bin location so that the oldest stock is accessible first. In a standard flow rack, new stock goes in from the rear and old stock is picked from the front. In static racking, position the pallet with the earliest date closest to the aisle for picking.
6. Confirm the put-away in the WMS by scanning the bin location again. The system will update the inventory record and flag the stock with its FIFO rank.
7. When a pick order is generated, the WMS will automatically assign the oldest available stock (lowest receipt date or lot number). The picker must scan the pick location and the product barcode to confirm the correct FIFO item is selected.
8. If the pick location contains multiple pallets with different dates, the picker must physically verify that the pallet with the earliest date is picked first. If the system directs to a newer pallet due to a system error, stop and escalate to the Inventory Clerk immediately.
9. After picking, scan the outbound shipment barcode to finalize the pick. The WMS will decrement the oldest inventory first and update the FIFO queue for the remaining stock.
10. At the end of each shift, the Inventory Clerk must run a FIFO compliance report from the WMS. Review any exceptions where stock was picked out of FIFO order and investigate root causes.

5.0 Verification & Discrepancy Reporting

1. At the end of each week, perform a random FIFO audit on 10% of active bin locations. Compare the physical receipt date on the pallet tag to the system FIFO rank. If any discrepancy is found, flag the location for a full cycle count.
2. If a picker discovers that the oldest stock is not in the designated pick location (e.g., a newer pallet is blocking it), they must stop the pick, move the blocking pallet to the correct FIFO lane, and then proceed with the pick. Report the incident to the Inventory Clerk.
3. If the physical count of a FIFO lot differs from the system count by more than 2%, escalate to the Inventory Manager immediately. Do not adjust the system count without authorization.
4. Any damaged or expired stock found during FIFO rotation must be tagged with a red 'Quarantine' tag and moved to the designated quarantine area. The Inventory Clerk must create a return or disposal request in the WMS within 24 hours.
5. All FIFO discrepancies must be logged in the daily shift report with the following details: date, time, SKU, lot number, expected vs actual location, and corrective action taken. The report must be reviewed by the Warehouse Manager each morning.

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.