



Materials Distributions Services (MDS) Warehouse and Inventory

Procedure #: 610.4

Rev.: 0

Effective Date: September 1, 2018

Related Policy: [MDS Policy](#)

Functional Owner: Materials Distribution Services, Division of Business Services

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I. Procedure Statement

Purchases through Materials Distribution Services (MDS) are delivered directly to the purchaser by the vendor or shipped by the MDS warehouse through cross docking (taken off the vendor's truck to be loaded onto MDS delivery vehicles without being added into MDS's inventory). MDS also maintains a core inventory of commonly used items. As such, inventory and warehouse procedures are implemented to address related risks.

II. Who is Affected by This Procedure

MDS personnel, Warehouse and Inventory employees, departmental and divisional operations personnel

III. Procedure

- A. **Inventory Records:** Inventory records are maintained in the Great Plains software. User access to Great Plains is restricted to MDS employees with a valid username and password. Accounts and roles are controlled and monitored by the Financial Program Supervisor (FPS).
 - 1. Core stock inventory is maintained in the MDS warehouse. The inventory is segregated and secured to prevent comingling with goods stored by customers renting warehouse space.
 - 2. Core stock counts are completed daily, by assigned warehouse personnel. Counters have no access to inventory records and are not provided the expected on-hand values prior to performing the count (blind count performed).
 - 3. The Accountant inputs inventory counts into Great Plains and provides a report of discrepancies to the warehouse supervisor to be investigated. Corrections to system counts are made by the Accountant.
- B. **Purchases:** MDS account holders order core stock goods through Shop@UW. An automated process runs six times daily to create an electronic invoice and print pick/pack slips containing the corresponding invoice number.

1. Inventory Control Clerk (ICC) takes pick/pack documents and prints two copies of a description label. ICC attaches one copy of sticker to product and stages it at dock after the items are pulled from the core stock. The other copy of the sticker is attached to the pick/pack slips and sent to Accounting.
 2. ICC scans the description label, assigns building, and places items or pallet(s) on a truck for delivery.
 3. The Driver delivers goods to a designated address and obtains acceptance signoff on cross-docked deliveries or scans sticker of core stock deliveries to evidence delivery.
 4. Financial Specialist receives document packet, as described in step 1, (pick/pack slip, description sticker, etc.) and verifies electronic batch to supporting documents.
 5. End of day processing posts all batches and updates inventory records in Great Plains.
- C. **Restock and Receiving:** The MDS Accountant monitors core stock on-hand levels and initiates restock orders when product is low (or reaches reorder point).
1. Accountant creates Purchase Order (P.O.) and sends an electronic copy to the vendor. A hard copy of the P.O. is given to Receiving.
 2. Vendor ships goods to the MDS receiving warehouse. Receiver counts delivered goods and agrees total to the shipping documents and P.O. Receiver prints receipt document for amount accepted and stamps or signs the receipt as evidence of this review.
 - i. If the delivered goods do not agree to the P.O. the full shipment is not received.
 - ii. If full shipment is not received, the receiving employee makes a copy of the P.O., documents the amount received and keeps a copy to verify future shipments.
 3. Receipt, P.O. and shipping documents are received by the Accountant. The Accountant verifies that price and quantity agrees on all documents (P.O., Invoice and Receipt) and determines appropriate method of payment to be used. Payment types are as follows:
 - i. Campus Business Services Accounts Payable – request prepared and emailed in accordance with Accounts Payable (AP) requirements.
 - ii. P-Card - See P-card procedures document
 - iii. Direct pay – Must be approved by Financial Program Supervisor and is only available for select vendors.

IV. **Contact Roles and Responsibilities**

- A. **Inventory Control Clerk (ICC):** Responsible for warehouse inventory. Handles pick/pack on delivery and stores receipts once accepted by Receiver. ICCs also perform daily cycle counts of full warehouse inventory.
 - B. **Receiver:** Warehouse employees responsible for verification of goods received and preparing document packet for Accountant.
 - C. **Accountant:** Maintains accounting records in Great Plains, performs three way match of P.O., invoice and receiving documents and prepares documentation needed to initiate payment for new stock inventory.
 - D. **Financial Program Supervisor (FPS):** Responsible for overseeing MDS personnel including warehouse, inventory and accounting employees.
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V. Related References

<Material Distribution Services Policy link>

VI. Revisions

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