



Interoffice Communication

To Distribution
From J. W. Ware
Date December 2, 1982
Subject Warehouse Accounting and Control

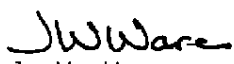
As you may know, there has been an effort underway during the past year to improve warehouse accounting procedures. Significant progress has been made as a result of changes made which include the following:

- 1) Institution of a revised catalog updating procedure. A new updated catalog has been issued and kept current using the revised procedure.
- 2) Revision of invoicing/posting procedures to account for sales tax and freight. Previously sales tax and freight were allowed to accumulate which artificially increased the dollar value of the warehouse account.
- 3) Reorganization of warehouse stock to permit improved inventory control.
- 4) Institution of a program to check inventory levels against cardex records for every item in the warehouse on an annual basis.
- 5) Institution of a program to evaluate "min-max" levels of warehouse items to assure that excessive inventories are avoided.

The above improvements have increased the workload considerably for warehouse personnel in addition to requiring some additional effort on the part of personnel from other departments (primarily in the area of catalog updating). The efforts by all concerned have produced some rather effective results and I would solicit your continued commitment to the warehouse program.

As always there remains room for improvement. In particular good accounting procedures are only successful if they are followed. In order to account for and control inventory, issue tickets must be carefully completed and posted for each item removed from the warehouse. Please give special attention to completion of issue tickets for items removed from the warehouse outside normal working hours. In addition, promptly replace carseals removed from the warehouse door and complete the "warehouse entry" form. A similar situation exists with respect to tool room entry outside normal working hours. Maintaining locked doors, prompt replacement of carseals and completion of needed paper-work are all necessary activities.

In summary, we can all be pleased with the progress made in the past year in warehouse accounting and control, because it has involved a concerted effort. Your support is needed to ensure continued improvement.


J. W. Ware

CCR 000009471

br
cc: JAD-RB-JHB-JRH-MLA-JLP-LKC-SRA-WRH-APF-CB-CK-CL-KC-HOA-CRH