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1 PURPOSE

- 1.1 This procedure defines the process used to reconcile and review MTS owned inventory stored at a subcontractor.


2 SCOPE – APPLIES TO WHERE & WHEN THE PROCEDURE IS USED

- 2.1 This procedure applies to MTS Test in Eden Prairie.

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3 DEFINITIONS AND ACRONYMS

3.1 **SLOC** = Stock Location

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4 GRAPHIC (IF NEEDED)

N/A


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5 RESPONSIBILITIES

- 5.1 **Purchasing MRP Controllers:** obtains monthly inventory reports from subcontractor and verifies against SAP and works with material handling to investigate and reconcile differences.
- 5.2 **Inventory Control Specialist:** Keys the necessary SAP movements to reconcile the inventory.

6 PROCEDURE

- 6.1 **Purchasing MRP Controllers:**
 - 6.1.1 On a monthly basis, run a SAP inventory report on storage location 1060 and 2060.
 - 6.1.2 Obtains an inventory report from the sub-contractor on the same day as when the report in 6.1.1 is run.
 - 6.1.2.1 Report obtained from subcontractor is a blind count.
 - 6.1.3 After report from subcontractor is received, compare reports and identify discrepancies at the part number level.
 - 6.1.4 Investigate why discrepancies occurred.
 - 6.1.5 Work with Inventory Control Specialist to ensure inventories are reconciled.
 - 6.1.5.1 Any inventory adjustment > \$5,000 needs to have Product Manager or Purchasing Manager approval.
 - 6.1.5.2 Any inventory adjustment > \$25,000 needs to have Director of Sourcing approval
 - 6.1.6 Once inventory is reconciled, store copies of the documents, in <\\mspdata2\materialhandling\public\FY16IA Records\1060cyclecount>
- 6.2 **Inventory Control Specialist:**
 - 6.2.1 Work with Purchasing MRP Controller to reconcile subcontracting inventory.


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7 ASSOCIATED RECORDS

Required Record

8 REFERENCE FORMS / TEMPLATES / DOCUMENTS

Form / Template / Document Title	Location
Inventory Report	ZMM002 SAP

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9 CURRENT REVISION'S TRAINING REQUIREMENTS


Training requirements are determined by the document owner.

1. Select Awareness **and/or** Formal training requirements.
2. List (below) the functions or groups that require the training.

Select (mark X)	Training Type	Training Definition
	Awareness	Awareness training is conducted by communication, which is sent/delivered by the approver/author/owner of the document to the affected employees/groups.
X	Formal	Formal training requires the approver/author/owner to collect/store evidence that the affected employees/groups were trained.

Functions/Groups that require Training to this procedure:

- Formal: Purchasing MRP Controllers, Inventory Control Specialist.

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10 REVISION HISTORY & APPROVAL

Revision History			
Rev	Description of Change	Author	Effective Date
A	Initial Release	L. Malecha	3/03/2016

Approval of Current Revision		
Name / Function	Signature	Date
Linda Fechter / Purchasing		
Jamie Howard / Material Handling		