

# Stock Take & Inventory Procedure

SOP · US · Updated 2026-09-08 · Square brackets are placeholders to replace with your own details.

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A stock take and inventory procedure is the written method your team uses to count what you hold, reconcile it against what your records say you should hold, and investigate the difference. It is how inventory stops being a guess in the books and becomes a number you can defend.

The value of a physical count is not the count — it is the variance. Shrink, unrecorded waste, receiving errors, supplier short-shipments, and plain miscounting all hide inside "roughly right" inventory figures, and each one has a different fix. A consistent counting method is what makes the variance mean something.

This template covers full physical counts, cycle counts, cut-off rules, counting steps, variance investigation with per-category thresholds, and waste and date rotation. It also gives you a printable stock take sheet and a two-paragraph inventory count notice to adapt for staff and customers.

## Purpose and scope

This procedure sets out how [Your company] counts and reconciles inventory at [location], covering [stock categories — e.g. retail stock, food and beverage, consumables, packaging]. It applies to everyone who counts, receives, or records stock.

## Types of count and frequency

- Full physical count: every item, every location, at [frequency — e.g. monthly or at period end], timed to match the accounting period end.
- Cycle counts: [category or area] counted on a rotation so everything is counted at least [frequency], without stopping trade.
- Spot checks: unannounced counts of high-value or high-shrink lines ([examples — liquor, electronics, razor blades]) by [name/role].

## Roles and responsibilities

- Count lead ([name/role]): sets the schedule and cut-off, issues count sheets, and signs off the final figures.
- Counters: count in pairs where possible; count what is physically there, not what should be there.
- [Name/role]: enters counts into [system], runs the variance report, and files the records.
- Where staffing allows, counters do not count areas they alone manage — fresh eyes find what familiarity skims over.

## Before you count

1. Set the cut-off: no deliveries received and no stock moved between areas from [time] until the count is signed off.
- 2.

Process all outstanding paperwork first — receiving records, credits, transfers, waste sheets — so the records are current.

3. Tidy each area so stock is visible and grouped; count sheets should follow the physical layout, not the supplier list.
4. Prepare count sheets from [system] without expected quantities shown, so counters record what they see rather than confirm what should be there.
5. Mark and exclude anything not yours to count: customer property, consignment stock, items already invoiced out.

## Inventory count notice to staff and customers

A cut-off only works if everyone who moves stock knows the date before the day. Adapt the two paragraphs below into a notice, post it [notice period] ahead on the door, at the register, in the break room, and on your website and social accounts, and repeat it at the shift handoff the day before.

Notice to customers: [Your company] at [location address] will be [closed / closing at [time]] / open as usual with no access to [area]] on [day and date] from [time] to [time] while we carry out our inventory count. [We reopen at [time] on [date].] [Online orders placed during this window will be picked and shipped from [date].] If you need [service / pickup] during that window, please call [phone] or email [email] ahead of time and we will do what we can. We are sorry for the inconvenience — an accurate count is how we keep the right stock on the shelf.

Notice to staff: the inventory cut-off is [time] on [day and date]. From that point no deliveries are received, no stock moves between areas or locations, and no transfers, waste sheets, or credits are entered — hold the paperwork and hand it to [name/role]. Counters report to [name/role] at [location] at [time]; bring [pen, clipboard, scale, step ladder]. Before the cut-off, flag to [name/role] any stock that will not be on the shelf: items held for a customer, goods still on a truck, returns waiting for pickup, and anything in a back office or vehicle. Do not tidy stock into the wrong section to make an area look neat — the count follows the shelf, not the planogram.

Take the notice down as soon as the count is signed off. An inventory count notice still on the door a week later tells passersby only that nobody is looking.

## Counting

1. Count systematically — shelf by shelf, left to right — and record each figure immediately, in units that match the system: [singles, cases, part-containers by tenths].
2. Weigh or estimate open and part-used stock by the agreed method for each category: [method].
3. Check dates as you count and pull anything expired or unsellable into the waste area — record it as waste, not stock.
4. Mark each shelf or section as counted so nothing is missed or double-counted.
5. Sign your sheets. Illegible or unsigned sheets go back to the counter, not into the system.

## Stock take sheet

One row per line, in the order the stock sits on the shelf. Print a sheet per area so counters are never carrying a list that jumps between the stockroom and the sales floor, and start a fresh sheet rather than squeezing two areas onto one.

The unit column is the one that stops most miscounts: write the unit before you write the number, and use the same unit the system uses — singles, cases of [n], or part-containers by tenths. A count of "14" against a system figure in cases and a shelf in singles is not a variance, it is a unit error, and it will cost an hour to unpick later.

This procedure counts blind, so the system quantity column is left empty on the printed sheet and filled in at entry — the counter records what is on the shelf rather than confirming what should be there. The example row below shows the sheet as it looks after entry, not as it is handed to a counter. The variance column is completed at reconciliation, not on the floor. Write it as short or over in the same unit — never as a corrected figure, and never by adjusting the counted quantity.

Stock take sheet — [location], area [area], count date [date]. Counted by [name]. Entered and checked by [name].

| Location or section               | Item or SKU                 | Unit                    | System quantity | Counted quantity | Variance                             |
|-----------------------------------|-----------------------------|-------------------------|-----------------|------------------|--------------------------------------|
| [Example] Stockroom, liquor shelf | House bourbon 750ml — [SKU] | Bottle (part by tenths) | 14.0            | 12.6             | 1.4 short — check transfers to [bar] |
|                                   |                             |                         |                 |                  |                                      |
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Variances and shrink investigation

[Name/role] runs the variance report and investigates every line beyond [threshold — value or percentage per category]. Standard checks, in order: recount the line, check for receiving records and credits not yet entered, check transfers and waste sheets, then check sales data for the period.

What remains unexplained after those checks is shrink — the umbrella for theft, fraud, and unrecorded loss. Persistent shrink on the same lines is escalated to [name/role] and may trigger spot checks, a refund and

void review, camera footage review [if held], or, where evidence points to theft, the disciplinary procedure. Adjust the system to the physical count only after sign-off — the record should show what was found, not a tidied version.

## Waste, damage, and date rotation

Waste is recorded when it happens, not reconstructed at the count: log it in [waste log location/system] with reason codes ([damage, expired, prep waste, breakage]). New stock goes behind old on the shelf (first in, first out), and [name/role] checks dates [frequency]. For food stock, date rotation and safe storage are managed under the food safety procedures; for age-restricted stock, follow the storage and record rules attached to your license.

## Records and review

Signed count sheets, variance reports, and waste logs are kept at [system/location] for [period] — your accountant needs them for the books and the tax return, and they are your evidence if shrink ever becomes a disciplinary or insurance matter. Check current IRS recordkeeping guidance when setting the retention period for anything that supports a return.

This procedure is reviewed [frequency], after any count that produces a major unexplained variance, and when inventory systems, categories, or sites change. Owner: [name/role]. Next review due: [date].

## How to use this template

1. Decide the count units per category first and make the count sheets match — most "shrink" is unit confusion between cases and singles.
2. Set variance thresholds per category ([threshold] on produce is noise; the same figure on liquor is a problem) and write them into the variance section.
3. Use blind counts (no expected quantities on the sheets) for high-value categories at minimum — they are worth the extra entry time.
4. Schedule the first full count for a quiet day and time it — the result tells you whether monthly is realistic or aspirational.
5. Fix the top three variance causes before shortening the count cycle; counting more often does not fix a broken receiving process.

## Official guidance

- › [IRS — Recordkeeping for small businesses](#)
- › [IRS — About Publication 583, Starting a Business and Keeping Records](#)

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