STANDARD OPERATING PROCEDURE

Pharmacy Inventory Management SOP

Document no.	SOP-PHA-003
Revision	1.0
Owner	Pharmacist in Charge
Effective date	September 15, 2026
Review cycle	Every 12 months

1. Purpose

To keep pharmacy shelves stocked to meet patient demand while minimizing overstock, expired product and variance between the physical count and the pharmacy system.

2. Scope

Applies to non-controlled prescription and over-the-counter inventory. Controlled substance receiving and reconciliation follow the controlled substances handling SOP.

Definitions

Par level	The target on-hand quantity for an item, used to trigger reordering.
FEFO	First-expired, first-out, a stock rotation method that dispenses the soonest-expiring stock first.
Cycle count	A periodic physical count of a subset of inventory used to check accuracy without counting the whole pharmacy at once.

3. Responsibilities

Pharmacy Technician	Receives deliveries, puts away stock and performs cycle counts.
Pharmacist	Reviews shortages affecting patient care and approves substitutions.
Pharmacist in Charge	Approves wholesaler accounts, reviews variance reports and sets par levels for critical items.
Purchasing Coordinator	Generates purchase orders, manages wholesaler relationships and processes returns.

RACI matrix

Activity	Pharmacy Technician	Pharmacist	Pharmacist in Charge	Purchasing Coordinator
Review par levels and generate purchase order	C	I	A	R
Receive delivery and verify against packing slip	R/A	I	-	I
Put away and rotate stock	R/A	-	-	-
Conduct cycle counts	R	I	A	I

Activity	Pharmacy Technician	Pharmacist	Pharmacist in Charge	Purchasing Coordinator
Process wholesaler returns for credit	C	-	I	R/A

R = Responsible, A = Accountable, C = Consulted, I = Informed

4. Materials and PPE

Materials, tools and systems

- Pharmacy inventory management system
- Wholesaler ordering portal
- Receiving log and packing slips
- Cycle count sheets or handheld scanner
- Return authorization forms
- Shelf labels with par level markers

5. Procedure

Step	Task	Owner	Done
5.1	**Review par levels and reorder points** Check the inventory system's suggested order list against current par levels, adjusting for seasonal demand or known upcoming prescriptions.	Purchasing Coordinator	☐
5.2	**Generate and submit the purchase order** Submit the order to the primary wholesaler, and to a secondary source for items on backorder or short supply.	Purchasing Coordinator	☐
5.3	**Receive the delivery** Check the delivery against the packing slip for correct item, strength, package size and quantity before signing for receipt.	Pharmacy Technician	☐
5.4	**Verify lot numbers and expiration dates** Record the lot number and expiration date for each new item received, checking that none are already near expiration on arrival. **Checkpoint:** No newly received item has less shelf life remaining than the pharmacy's minimum acceptable dating.	Pharmacy Technician	☐
5.5	**Put away stock using FEFO** Shelve new stock behind existing stock of the same item so the soonest-expiring product is dispensed first.	Pharmacy Technician	☐
5.6	**Update the inventory system** Confirm the received quantities post correctly to the inventory system, resolving any variance between the packing slip and system receipt.	Pharmacy Technician	☐
5.7	**Monitor fast-moving items** Watch daily usage on high-volume items and adjust par levels or place an interim order if usage is trending above the current par.	Pharmacist	☐
5.8	**Conduct scheduled cycle counts** Count a rotating subset of shelves each week using the cycle count sheet or handheld scanner, comparing the physical count to the system balance.	Pharmacy Technician	☐

Step	Task	Owner	Done
5.9	**Investigate count variances** Recount any item with a variance beyond the pharmacy's tolerance, then check recent transactions for a data entry or dispensing error before adjusting the system.	Pharmacist in Charge	☐
5.10	**Flag damaged or near-expired stock** Pull damaged packaging or stock nearing expiration from the shelf and route it to the expired medication disposal process rather than dispensing it.	Pharmacy Technician	☐
5.11	**Process wholesaler returns** Prepare eligible overstock or recalled items for return using the wholesaler's return authorization process, and track the credit received.	Purchasing Coordinator	☐
5.12	**Reconcile invoices** Match wholesaler invoices to received quantities and purchase orders, and forward confirmed invoices to accounting for payment.	Purchasing Coordinator	☐

6. Quality checks

- Received quantities match the packing slip before stock is put away.
- Stock is shelved by FEFO with no expired product left on the shelf.
- Cycle count variances are investigated and documented before adjustment.
- Wholesaler credits for returns are tracked to completion.

7. Records

- Purchase orders and packing slips
- Cycle count sheets
- Variance investigation notes
- Return authorization and credit records

8. KPIs

- Inventory accuracy rate from cycle counts
- Number of stockouts on par-level items per month
- Dollar value of expired or wasted stock per quarter
- Days of inventory on hand for key items

9. Common mistakes

- Shelving new stock in front of existing stock instead of behind it.
- Adjusting the system count without investigating the cause of a variance.
- Letting near-expired stock sit on the shelf instead of pulling it early.
- Missing the return window for a wholesaler credit.

10. Revision history

Revision	Date	Description	Reviewed by
1.0	September 15, 2026	Initial release	Ilia Pirozhenko

Approval

Prepared by	Approved by	Date

This is a template. Adapt it to your organization, equipment and local regulations before use.

Scan for the latest version

Opens this template online, where you can download it again in Word, PDF, Excel or CSV — free, no sign-up.

Or add it to Perfect Wiki so your team can find it and ask questions about it in Microsoft Teams, Slack, kChat or Mattermost.