STANDARD OPERATING PROCEDURE

Warehouse Returns Processing SOP

Document no.	SOP-WHS-008
Revision	1.0
Owner	Returns Supervisor
Effective date	September 15, 2026
Review cycle	Every 12 months

1. Purpose

To process returned inventory consistently, so items are inspected, graded and either restocked, refurbished or disposed of correctly, and inventory records stay accurate.

2. Scope

Applies to physical processing of returned goods arriving at the warehouse against a return authorization. Ecommerce customer-facing return requests and refunds are covered by a separate SOP.

Definitions

RMA	Return Merchandise Authorization, the reference number issued before a return is accepted, used to match the physical item to its original order.
Grading	Classifying a returned item's condition, such as new, open box, damaged or unsellable, to determine its disposition.
Disposition	The decision on what happens to a returned item: restock, refurbish, liquidate, return to vendor, or scrap.
Restocking fee	A charge deducted from a refund for a return, applied based on item condition or return reason.

3. Responsibilities

Returns Clerk	Matches returns to RMAs, inspects and grades condition, and processes restocking or disposal.
Returns Supervisor	Approves disposition on high-value or ambiguous items and resolves RMA mismatches.
Quality Inspector	Performs detailed inspection on items flagged for possible defect or safety concern.
Customer Service Representative	Issues the RMA, communicates return status to the customer, and processes the refund or exchange.

RACI matrix

Activity	Returns Clerk	Returns Supervisor	Quality Inspector	Customer Service Representative
Issue RMA to customer	I	I	-	R/A
Match return to RMA	R	A	-	I

Activity	Returns Clerk	Returns Supervisor	Quality Inspector	Customer Service Representative
Inspect and grade condition	R	A	C	-
Decide disposition	C	R/A	C	I
Confirm refund or exchange	I	I	-	R/A

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

4. Materials and PPE

Materials, tools and systems

- WMS or returns management system
- RMA list or lookup terminal
- Grading checklist by product category
- Restock and disposition labels
- Quarantine bin or area for disputed items
- Barcode scanner

Personal protective equipment

- Gloves for handling returned items
- Safety shoes

5. Procedure

Step	Task	Owner	Done
5.1	**Receive the returned package** Log the incoming return package at the receiving dock, noting the carrier tracking number and any visible shipping damage before opening it.	Returns Clerk	☐
5.2	**Match the item to its RMA** Look up the RMA number on the package or packing slip and confirm it matches an open authorization, including the expected item and original order. **Checkpoint:** The physical item and quantity match what the RMA record expects before processing continues.	Returns Clerk	☐
5.3	**Flag an RMA mismatch** If no RMA is found, the wrong item was returned, or the RMA has expired, set the item aside in the quarantine area and route it to the supervisor rather than processing it.	Returns Clerk	☐
5.4	**Inspect the item's condition** Open the package carefully, check the item against the grading checklist for the product category, and test function where applicable, such as powering on an electronic item.	Returns Clerk	☐
5.5	**Grade the item** Assign a condition grade such as new, open box, used or damaged, and record the grade and reason in the returns system with photos for anything below new condition. **Checkpoint:** Every grade below new condition has at least one supporting photo attached to the record.	Returns Clerk	☐

Step	Task	Owner	Done
5.6	**Escalate a suspected safety defect** If the item shows signs of a potential safety issue, such as a battery swelling or a cracked housing, stop handling it, place it in a marked quarantine bin, and notify the quality inspector. **Warning:** Do not attempt to power on or further handle an item with a suspected battery or electrical defect; isolate it and follow your hazardous item handling procedure.	Returns Clerk	☐
5.7	**Perform detailed inspection on flagged items** Examine flagged items in detail against manufacturer guidance, documenting findings and recommending a disposition to the returns supervisor.	Quality Inspector	☐
5.8	**Decide the disposition** Based on grade and reason, decide whether to restock, send for refurbishment, return to vendor, liquidate or scrap the item, following the disposition matrix for the product category.	Returns Supervisor	☐
5.9	**Restock approved items** For items approved to restock, repackage as needed, apply a restock label, and generate a putaway task to return the item to an active pick location.	Returns Clerk	☐
5.10	**Route non-restock items** Move items designated for refurbishment, return to vendor or liquidation to their respective staging areas, and log the disposition and destination.	Returns Clerk	☐
5.11	**Update inventory and notify customer service** Update the inventory record to reflect the restocked quantity or scrapped item, and confirm the return is processed so customer service can complete the refund or exchange.	Returns Clerk	☐
5.12	**Reconcile aged returns** Review returns pending disposition beyond the target processing time weekly, and escalate any RMA mismatches or unresolved quarantine items that are aging.	Returns Supervisor	☐

6. Quality checks

- Every processed return is matched to a valid, open RMA before grading.
- Grades below new condition include supporting photos.
- Suspected safety defects are quarantined and escalated the same day.
- Restocked items generate a putaway task rather than being left in the returns area.

7. Records

- RMA matching and grading log
- Disposition decisions with photos
- Quarantine and safety escalation log
- Inventory update confirmations

8. KPIs

- Average processing time from received return to disposition
- Percentage of returns restocked versus scrapped or liquidated
- RMA mismatch rate
- Aged returns pending disposition beyond target

9. Common mistakes

- Restocking an item without completing the condition grading step.
- Processing a return with no matching RMA instead of quarantining it.
- Handling a suspected defective battery or electrical item without isolating it first.
- Leaving disposition decisions undocumented, making later audits difficult.

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.