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A STUDY OF STORE KEEPING: ORGANISATION OF MATERIALS AND HANDLING RECOMMENDATIONS

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Abstract

There is always a time gap between the purchase of materials and their procurement. It becomes essential that materials after purchase are kept safely and securely till these are issued to production departments. Every organization has the separate place for the storage of materials known as store room or store house. The person in charge of store room is known as store keeper. He has a number of persons to assist him in receiving, storing and issue of material.

Store department is concerned with the receipt and issue of materials. Its object is to keep the stores at proper places and insure a regular supply at all times. The way in which store performs tasks will be reflected in the overall efficiency and profitability of the organization. The primary goal of stores is to provide efficient service to the operating department and this must be fully appreciated. The organization of store keeping departments varies from company to company. It is influenced by the nature of product, type of raw material required, production process, scale of operations etc. In this topic all the aspects of store keeping will be highlighted and emphasis development of organization for a longer period of time.

Keywords: Procurement, Store House, Pilferage of Materials, Central Storage System, Material Issue, Re-Ordering Level, Requisition.

Introduction

There is always a time gap between the purchase of materials and their consumption. It becomes essential that materials after purchase are kept safely and securely till these are issued to production departments. In the words of **Alford and Beatty** "Store keeping is that aspect of material control concerned with the physical storage of goods". Every organization has a separate place for the storage of materials known as Store Room or Storehouse. The person in charge of store room is known as store - keeper. He has a number of persons to assist him in receiving, storing and issuing of materials. Store keeping is a Service function. It serves manufacturing departments by providing them with prompt supply of materials and stores. According to **Knowbs and Thompson**, "Stores department is that connecting link between the planning or production department and the shops, parts and materials move through it much as money moves into and out of the commercial department of a bank." Stores department helps in keeping and moving materials to various departments whenever they need them.

Objectives of Store - keeping

Stores department is concerned with the receipt and issue of materials. Its object is to keep the stores at proper places and ensure a regular supply at all times. Main objectives of store - keeping are as follows:

1. Efficient and economical receiving, handling and issuing of stores items.
2. To keep sufficient supplies of materials and stores at all times.
3. Proper use of storage space.
4. Keeping investments in stores at reasonable limits.
5. To avoid loss, wastage or pilferage of materials from stores.
6. To maintain proper material records.
7. To check unauthorized withdrawal of materials from stores.
8. Facilitating stock taking.
9. Facilitating ordering of needed materials

Organisation of Store Keeping

The Organization of store - keeping department varies from company to company. It is influenced by the nature of product, type of raw materials. Required production process, scale of operations the storage organization of two types centralized decentralized:

• Centralized Storage

Under centralize storage all material and supplies are kept at one place are departments requiring materials and supplies will send their positions to Central Store the store is generally equated at a Central place facilitate quick supplies.



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Advantages

1. The storage space is properly utilized if more than one store is maintained then possibility of space remains.
2. The personal of store department is fully utilized because of equitable allocation of workload and weighted supervision.
3. The need for maintaining stocks of same items in different stores is minimized it also reduces duplication of stores phase for same items.
4. The stock items will be minimized under Central storage system it may be required under multiple storage system.
5. Investment in materials and stores will be minimized.
6. All records relating to material will be maintained at one place.

Disadvantages

1. It increases cost of material handling the store room may be away from manufacturing departments.
2. It becomes difficult to locate required material because of large quantities in the store room.
3. There is a greater risk of loss due to fire spoilage and pilferage.
4. Central Store has to deal with quantity so there may be delays in issuing material.

• Decentralized Storage

Under the decentralized system of storage, a number of showrooms are used to cater to the needs of different departments are production departments have their separate store rooms attached to them all materials and supplies required by respective departments are stored in the store rooms attached to them all store rooms work independently of each other.

Following functions are performed by the storekeeping department:

1. Issue of Requisition. A Requisition is a form used as a formal request to the purchasing department to purchase material, various departments send Requisition for materials to storekeeper. The storekeeper checks up the material in stores and prepares list of items required. A Requisition is issued to the purchase department for issuing to the purchase department neither for issuing orders stocking nor under stocking takes place at any time. The requisition for routine material is issued after looking at re -ordering levels and requirements for other materials are determined on the basis of request from various department.

2. Receipt of material. The store keeper received all the materials and supply purchased by the purchasing department of the purchase order is received by store keeping department the good see from outside is checked up with the order place any access for shortage in receipts is immediately reported to the purchase department the quality of goods is also determine to find out whether it corresponds with the specification order or not.

This function includes recording of all good giving information to purchase officer about the receipt of good returning defective goods returning containers if extra charge is made etc.

3. Store of material. Storing the goods properly after shift is the other function of storekeeping it is essential that the materials are spheres are stored in the bins provide for them. A systematic storing will reduce the chances of spoilage, determination and pilferage. The location and identification of materials should be done easily so that their issue is not delayed. A well-developed stores system necessitates a system of indentifying nomenclature so that location of all material is easily found.

4. Issuing Materials. Material department requiring Material Issue Requisition for the store keeping and the Store keeper insure that the requisition send to the authorized person and all issues are recorded in the issue register. The requisition received are entered with serially number by store keeper in the detail relating to quantity issued and number of Store requisition also are entered in the issue column of the bin card so that it may show the correct balance of the material in order to avoid miss use and access draw of materials a list of persons authorized to draw the material together with their specimen signature is maintain by the store keeper.

Conclusion

The purpose of this research is to find out the efficiency of stores department to reduce financial losses. Subsequently, various recommendations have been made, which when implemented will help reduce losses at stores. The research work study revealed and reached the following conclusions, after careful analysis of the data obtained:

- ✓ Organizations' stores department does practice a fairly efficient stores→ system in avoiding financial losses.
- ✓ The stores department does not communicate to purchasing department their reorder levels thus holding large stocks and inventories.
- ✓ Management must consider fixing close circuit television (cctv), within the stores/warehouse department.
- ✓ Internal audit department must put measures such as continuous and spot checking, to ensure accurate quantities of product in the stores.



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- ✓ Stock record and stock control systems can be tested. Verification by physical count will act as a form of performance check on the system and adjustments. To reveal any weaknesses in the system for the custody and control of stock.
- ✓ There should be quarterly stock taking. Stock taking is an indicator of overall stores efficiency and management control. The number and size of stock taking discrepancies usually warrants a close look at the personnel and system involved.
- ✓ Proper health and safety measures should be put in place for the staff in stores department depend upon the product handling system employed, the equipment operated and the level of training among the operators.
- ✓ There should be more in-service training/on the job training.

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