

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 1 of 3	Revision : Date :
Author Mike Wyatt	Title: Inventory after 12 a.m. on 1 st day of month.	

Safety: N/A

Purpose or Objective: The purpose of this procedure is to clarify how finished goods and liquid loads shipped between 12 a.m. – 7 a.m.; or any load still on premises after 12 a.m. on the 1st day of the month will be counted in inventory.

Procedure:

Crystal Production

- **NO CHANGE.** Monthly production will continue to be measured at 7 a.m. on the 1st day of the month.

Finished Goods (Crystal)

- Any crystal load shipped between midnight and 7 a.m. on the 1st day of the month will be recorded on the Customer Order Log as being shipped on the 1st day of the month, however, the load will be added back to the Finished Goods inventory before being turned into Finance. The EOM Inventory form has been revised to include a section for “Added Back” loads.

Liquid Loads – Heptahydrate

- Any tanker or railcar loaded at any time prior to 7 a.m. on the 1st day of the month, but still remains on premises at 7 a.m. on the 1st day of the month, will be noted on Customer Order Log as shipped on the 1st, but the tonnage of Heptahydrate will be added back to “Work In Process” inventory before being turned into Finance. Heptahydrate tons will be calculated by the following chart:

<u>Percentage</u>	<u># of Pounds</u>	<u>Heptahydrate Tons</u>	<u>Notes</u>
20%	46,000	9.430	Tanker
22%	46,000	10.373	Tanker
27%	40,000	11.070	Kay Chemical
27%	46,000	12.731	Tanker
20%	166,000	34.030	Railcar

Formula: % times pounds divided by 2,000 times 2.05 = Heptahydrate tons

NO TRAINING REQUIRED

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TRAINING DOCUMENTATION

	EMPLOYEE	TITLE	SIGNATURE	DATE
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