

MEMORANDUM

Date : April 11, 2023
To : All Concerned Departments (Audit, Operations, Warehouse)
Subject : Guidelines for Handling Damaged Lens in Branches

As part of our ongoing efforts to improve our inventory management and reporting processes, the following guidelines for handling damaged lens in our branches will be strictly implemented by all concerned departments. Please review and adhere to these procedures in order to ensure efficient handling of damaged lens in our operations.

Scenario 1 – Self discovery by the branch during delivery or during random checking

1. The branch must report any damaged lens to the Warehouse as part of the policy of reporting discrepancies.
2. Actual return of lens to the Warehouse will no longer be allowed, except for excess non-MB or high-powered lenses (i.e., allocations, PAPI).
3. Three (3) personnel will be responsible for checking the damaged lens based on the following priority:
 - i. Optician
 - ii. Optometrist
 - iii. Branch Manager
4. The Branch Manager will have the final authority to decide on the damaged lens if both Optician and Optometrist have different recommendation.
5. If all personnel decide that the damaged lens is still usable and the damage is not visible to the naked eye, the branch must prioritize selling the lens using the FIFO (First-in-First-out) method.
6. If the lens is no longer usable due to obvious damage, the branch must declare and report it in the Damaged Material Report (DMR) and follow the policy on Accounting Damages.

Scenario 2 – Noted During Audit Visit

1. If the Auditor notes any damaged lens during a thorough check, it must be endorsed to the branch personnel for further assessment.
2. Three (3) personnel will be responsible for checking the damaged lens based on the following priority:
 - i. Optician
 - ii. Optometrist
 - iii. Branch Manager
3. The Branch Manager will have the final authority to decide on the damaged lens if both Optician and Optometrist have different recommendation.

4. If all personnel decide that the damaged lens is still usable and the damage is not visible to the naked eye, the branch must prioritize selling the lens using the FIFO (First-in-First-out) method.
5. The Auditor will mark the lens packaging as a basis for noting it in the recent visit.
6. The branch must prioritize selling the lens noted by the Auditor. Any unsold damaged lens still noted in the recurring Audit will be tagged as a branch deviation.
7. If the damaged lens is visibly and obviously damaged, the branch must record and process it in the Damaged Material Report (DMR) and follow the policy on Accounting Damages.

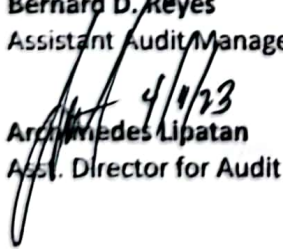
General Procedure – Wrong Power Lens

1. The lens with the wrong power inside vs. actual packet will no longer be returned to the Warehouse, except for excess non-MB or high-powered lenses (i.e., allocations, PAPI).
2. The branch and Warehouse must consolidate the wrong power lenses and present them to the Auditor for adjustment in the record from the old power to the new power.
3. The list of wrong power lenses must be recorded in the Stock Adjustment Form (SAF) and checked by the Auditor prior to adjustment.
4. The Stock Adjustment Form (SAF) should be completed and prepared before the audit visit. The Auditor will not entertain any wrong power lenses without a filed Stock Adjustment Form (SAF).
5. The correct and adjusted lens must be requested with a new barcode from the Warehouse for easy tagging and dispensing of the lens.

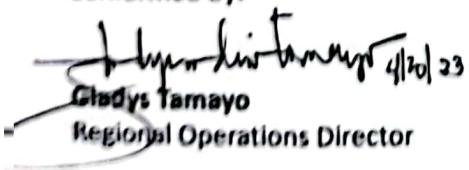
Please ensure that these guidelines are followed diligently in order to maintain accurate inventory records and efficient handling of damaged lens in our branches. Should you have any questions or concerns, please do not hesitate to contact the respective departments for further clarification.

Thank you for your cooperation.


Bernard D. Reyes
Assistant Audit Manager


Archimedes Lipatan
Asst. Director for Audit

Conformed by:


Gladys Tamayo
Regional Operations Director


Josephine Yap
Regional Operations Director


Rudy Vibat
Warehouse Manager