

# Cycle Count Policy

<b>Policy Owner:</b>	Operations Services	<b>Updated On:</b>	11.26.2018
<b>Contact:</b>	Operations Services	<b>Effective Date:</b>	11.26.2018

The purpose of this document is to provide guidelines for completing cycle counts. A cycle count is a process that requires Store management to count and report their current on-hand quantity for certain items listed on a *Cycle Count Request Form*.

There are two types of cycle counts: *Store-requested* and *velocity*.

- *Store-requested* cycle counts are generated based on requests submitted in SLIC by Store management when an item has been identified with an incorrect on-hand quantity.
- *Velocity* cycle counts are system-generated and consist of replenishment items that have not sold for three consecutive weeks. These items have been “flagged” as a lost sales opportunity.

Cycle counts are to be completed and confirmed using the Store Level Inventory Control (SLIC) application. Cycle counts help correct item level count discrepancies in a Store caused by various reasons that include cashier scanning errors, theft, product deliveries that do not match invoicing or incorrect inventory counts. It is critical that cycle counts be completed accurately and timely each week. Inaccurate cycle counts impact Store replenishment and can result in out-of-stock items or excessive inventory levels.

## Key Points

- Store management can request a cycle count using SLIC. This allows the Store to request a count on selected items that they feel have an on-hand discrepancy.
- A cycle count email notification is sent to the ST email account on the morning the Store has a cycle count to complete.
- The Store Manager must print the cycle count form and walk the sales floor and stock room to obtain an accurate inventory count of the items being requested.
- All cycle counts must be completed and confirmed on the day they are received and should be completed in the morning before the Store opens.
- Cycle counts can be entered using the PDT gun or the computer in the office.
  - Cycle counts can only be confirmed using the computer in the office, not the PDT gun.
- Cycle counts not completed on the day they are received are marked *Incomplete*.
  - The Store Manager may resubmit a request for a cycle count on the items from an incomplete cycle count batch.
- Completed cycle counts are received by the Store Support Center each night.
  - Item level adjustments are posted for each SKU on the count request to correct the on-hands for each item.
- Cycle count adjustments only correct the item level on-hands of a SKU and do not impact the financial inventory in a Store.