

Generic Retail Physical Inventory Preparation Checklist

	Confirm date and time of the physical. Pick a date/time that is least disruptive to operations.
	Determine if the task can be completed internally or externally. If externally, seek out a third party inventory service and get references from a similar type of operation.
	Determine how many staff members will be needed for preparing, the actual taking of the inventory, auditing, and clean up when the physical inventory is completed.
	All credits/returns from vendors to be cleaned up.
	Decide what to do with obsolete inventory.
	Any merchandise that will not be sold (damaged merchandise) to be written off and recorded properly.
	Clean out any "hiding places" where inventory seems to accumulate.
	All invoices for merchandise to be paid and up to date for merchandise received.
	Review "holds" or "layaways". Be sure the programs are current and up to date.
	Any areas that are used for storage (stockrooms, overheads, off-site storage, receiving, etc) should be organized in an effective way that makes taking/auditing the physical inventory efficient.
	All items should be labeled with the correct upc/sku or price (depending on the method used for taking the inventory).
	The sales floor should be organized and recovered neatly. Avoid "overfilling".
	Review checkout/customer service area. Clean out any merchandise that may have accumulated under the counters.
	Create a game plan for inventory day. Review with all team members involved.
	All items that will not be inventoried should be labeled "DNI" - Do not inventory.
	Determine audit procedure for inventory day.
	Determine what areas of the store require special attention and require additional resources or 100% auditing.