

Memorandum of Inventory

1. After each warehouse count, the Physical Inventory Manager (PIM) prepares a [memorandum of inventory](#) that includes:
 - A physical inventory summary description (inventory type, scope, coverage rate, list of adjustment...)
 - A list of the people who participated to the count
 - An explanation of the most significant variances in quantity/ value (above the fixed threshold)
 - A signature (hand written or by mail) of the report by all the people having responsibilities in the count (supervisors of counting team and of key-punching team, inventory manager)
 - Validation by the Finance Manager or the Business Controller, the plant manager and the Enterprise Supply Chain Director when the sum of the adjustment is above a threshold defined in the procedure
2. Every month, the Finance responsible assigned prepares a “cycle counts monthly recapitulative memorandum” that includes:
 - An explanation of the most significant variances in quantity/ value (above the fixed threshold)
 - Validation by the Finance Manager or the Business Controller, the plant manager and the Enterprise Supply Chain Director when the sum of the adjustment is above a threshold defined in the procedure
3. Every quarter, the Finance responsible assigned updates a progress report on physical inventories.