

	Standard Operating Procedure		SOP Number E-302	Revision 5
	Distribution Procedure		Effective Date 08/09/22	Page Page 1 of 7
Written by/ Date <i>K. Bunn 06/08/22</i>		Reviewed by/ Date <i>Hashmiya 06/08/22</i>	Approved by/ Date <i>[Signature] 06-24-22</i>	
Title: Quality Systems Manager		Title: Accounts Receivable Clerk	Title: Quality Assurance Manager <i>VP of Quality</i> <i>NR 06-24-22</i>	

1.0 Purpose

The purpose of this procedure is to establish a process for creating executing, retaining and maintaining documents related to the distribution of products, as well as distribution operation.

2.0 Scope

This procedure applies to the distribution of all products manufactured and packaged at Ion Labs, Inc.

3.0 Responsibility

- 3.1 It is the responsibility of Accounting, Warehouse, and Shipping personnel to follow this procedure.
- 3.2 It is the responsibility of Sales personnel to follow this procedure in regard to sales order distribution.
- 3.3 It is the responsibility of Shipping personnel to generate a sales order packing list based on sales order and PITT information, and to generate delivery notes.
- 3.4 It is the responsibility of Accounting, Shipping, and Warehouse Management to ensure that this procedure is followed and kept current.
- 3.5 It is the responsibility of Accounting personnel to compile and archive all invoices and PITTs.
- 3.6 It is the responsibility of Shipping personnel to compile and archive all packing lists and bills of lading.

3.7 It is the responsibility of Sales personnel to compile and archive all sales orders.

4.0 Definitions

4.1 **PO** – Purchase Order

4.2 **PITT** – Pallet Inspection and Transfer Ticket

4.3 **BOL** – Bill of Lading

4.4 **A/R** – Accounts Receivable

4.5 **QC** – Quality Control

4.6 **SKU** – Stock Keeping Unit

4.7 **COM** – Customer Owned Material

4.8 **BPR** – Batch Production Record

5.0 References

5.1 E-803, SOP, Inspection of Palletized In-Process and Finished Product

5.2 C-502, SOP, Record Storage, Retention, and Destruction

6.0 Procedure

6.1 Distribution records consist of the following:

6.1.1 Sales order picking list

6.1.2 Sales order number

6.1.3 Sales order date

6.1.4 Name and address of Consignee

6.1.5 Customer PO number (when available)

6.1.6 Order quantity

6.1.7 Product SKU

6.1.8 Product name, form, and count

6.1.9 General and special shipping instructions (if applicable)

6.2 Distributing Sales Orders (Sales Order Picking List)

6.2.1 A sales order consists of the following information:

6.2.1.1 Purchase Order

6.2.1.1.1 Product

6.2.1.1.2 Quantity

6.2.1.1.3 Price

6.2.1.1.4 Customer SKU (Business Partner Catalog Number)

6.2.1.1.5 Customer PO number

6.2.1.2 Manager of Customer Account

6.2.1.3 Product SKU

6.2.1.3.1 Reorder – Product SKU

6.2.1.3.2 New order – Quote number and layout of new product SKU
(formula number provided by Sales)

6.2.1.3.3 Transfer order – Old formula number (Quickbooks number)
if applicable and layout of new product SKU (formula
number provided by A/R)

6.2.1.4 Target date

6.2.1.5 Turnkey or COM designation

6.2.1.6 Production loss requirement

6.2.1.7 Correct Bill To and Ship To address

6.2.1.8 Additional notes to be attached to the sales order

6.2.1.9 Quote form (if applicable)

6.2.1.10 Product/Packaging Profiles (if applicable)

6.2.2 Once all information is received, the Sales team creates a sales order in Batchmaster and distributes the packet to all necessary departments.

6.2.3 The original sales order packet will be scanned and filed by Sales here:
F:\Batchmaster Docs\Sales Orders

6.3 Pallet Preparation

6.3.1 Once production is complete, pallets are delivered to the shipping department for verification.

6.3.2 PITT quantities are checked for accuracy against the physical pallets. Once verified, the PITT is distributed as outlined.

6.3.2.1 The yellow copy of the PITT is submitted to the Shipping team for delivery note generation.

6.3.2.2 The white copy of the PITT is placed in the associated BPR.

6.3.2.3 The pink copy of the PITT is attached to the associated pallet.

6.3.3 Pallets are wrapped and labeled with a placard containing the following information:

6.3.3.1 Sales order number

6.3.3.2 Customer name

6.3.3.3 Pallet number

6.3.3.4 Total case amount

6.3.3.5 Total product units

6.3.3.6 Batch number

6.3.4 If required by the customer, a pallet label is applied at this time (provided by Production Control).

6.3.5 If the product is customer owned, an inventory pallet label is applied (provided by Shipping).

Note: The pink PITT copy is removed from each pallet before shipment and discarded.

6.4 Product Invoicing

6.4.1 Once a delivery note has been generated by Shipping personnel, The yellow PITTs are forwarded to Accounting for invoice preparation. The invoice will include the following information:

6.4.1.1 Invoice number

6.4.1.2 Name and address of Consignee

6.4.1.3 Quantity Produced

6.4.1.4 Batch number

6.4.1.5 Item number

6.4.1.6 Unit price

6.4.1.7 Extension

6.4.1.8 Ion customer contact

6.4.1.9 PO number

6.4.2 Once all information is available, the invoice is sent to the customer. The documentation is held until all additional required documents are provided.

6.5 Invoice Filing

6.5.1 Once the invoicing process has been completed, the invoice packet can be filed.

6.5.2 Required documents for filing are as follows:

6.5.2.1 Invoice

6.5.2.1.1 Scanned and filed electronically by A/R here:
F:\Accounting\Accounts Receivable\Customers

6.5.2.2 Packing list

6.5.2.2.1 Scanned and filed by the Shipping department here:
U:\Shipping

6.5.2.3 Signed BOL

6.5.2.3.1 Scanned and filed by the Shipping department here:
U:\Shipping

6.5.2.4 PITTs

6.5.2.4.1 After A/R verifies that the quantities on the PITTs match the quantities in Batchmaster, the original PITTs will be filed in A/R.

6.5.3 Packets are maintained following SOP C-502 Record Storage, Retention, and Destruction.

7.0 Revision History

Revision	Date	Description of Changes	CCR #	By
0	07/28/10	New procedure.	N/A	S. Shoaf
1	04/19/13	Updated SOP format.	N/A	B. Mosall
2	10/03/13	Updated SOP.	13-0865	B. Mosall
3	01/26/16	Scheduled review: updated format. Added PITT reference.	15-0988	S. McQueen
4	09/11/19	Scheduled review: complete rewrite.	19-0645	K. Burris
5	06/07/22	Scheduled review: updated logo and format. Changed parties responsible for portions of the invoice packet and sales order distribution.	CC-22-0265	K. Burris