

What is a Material Requisition?



A material requisition, also known as a materials requisition form, or a material request, is a document used by the production department to request materials they need to complete a manufacturing process.

It is used to authorize and keep a record of the components used so that an appropriate inventory can be stocked to keep production moving.

Information on the requisition is used to update the stores record card, also known as the bin card, and the stores ledger.

It's also used to determine the direct materials used on various jobs or products, along with the indirect materials used by various cost centers.

The bin card is a paper or computer record used to keep track of inventory for each stock item held in storage.

The card details the amount of stock received and issued, the amount of stock reserved to meet current production orders, and any residual balance free for future use.

The production manager generally fills out the materials requisition form and delivers it to either the materials or storage department where all the raw materials are located.

Then, the materials manager approves the request and has the raw materials moved from the storage area to the production floor.

The person who is requesting the materials will keep a copy of the form, as will the warehouse staff. An additional copy goes along with the picked goods to their eventual destination.

If any items listed on the form are not in stock, another copy may go to the purchasing department so they can create a purchase requisition and purchase order to obtain the necessary materials.

What Information Does the Materials Requisition Form Contain?

Typically, this form has the job number, the date of the request, the date the items are needed by, material description, item number, quantity, and proper management signatures for approval.

Depending on the size of the organization, these forms may be filled out daily, weekly, or even hourly.

Example Materials Requisition Usage

Because the form lists the items to be picked from inventory and used in either the production process or in the provision of a service to a customer for a specific job, the form generally has three purposes:

- To pick items from stock.
- To relieve inventory records of the items picked
- To charge the targeted job the cost of items requisitioned

You can also use it as a basis for ordering any inventory items that are currently out of stock.

For example, when your company orders goods, they are delivered to your warehouse or storage facility, where the appropriate forms are filled out.

This provides an audit trail that shows both when goods were purchased and

when they were received.

When the production floor needs more materials, it can request them from the storage area with the material request form.

This adds to the audit trail because it shows when the goods were moved from your warehouse to production and gives managers the documentation, they need to support ordering more materials to prevent them from running out of stock.

If managers see goods sitting in the warehouse for months before making it into production, they know they can order less often, or fewer quantities when they do place an order.

If managers notice stock is moving more quickly than usual, they can start to place orders more frequently, or look for volume discounts and place larger orders.

The requisition form is also used to allocate production costs to goods in process, since not all inventories in process will finish in the current year.

As you'll always have goods in the production process, the forms help allocate costs and values to these materials so you can keep an eye on your bottom line.

You, however, will not see a material requisition form used in a computerized planning production environment.

That's because the picking information is sent to the warehouse as an electronic message in the system rather than making use of the form.

Some organizations may refer to a material requisition form as a purchase requisition form, however, there are some differences.

A purchase requisition form can be used for any type of purchase, while the material form is only used throughout the production process.

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