

UC Davis Policy and Procedure Manual

Chapter 350, Supplies and Equipment

Section 40, Inspection of Shipment and Damage Claims

Date: 8/3/05

Supersedes: 7/20/99

Responsible Department: Materiel Management

Source Document: Business and Finance Bulletin BUS-28, Property Self-Insurance Program

[Exhibit A, Terms of Sale by FOB "Free on Board" Point](#)

I. Purpose

This section outlines policy and procedures for inspecting shipments and for securing replacement or reimbursement for damaged merchandise.

II. Definitions

- A. Carrier--an individual or firm that transports goods for hire.
- B. Concealed damage--damage occurring to merchandise where no visible evidence in packaging would indicate damage.
- C. FOB point--"Free on Board" point, the location where ownership passes from vendor to purchaser. (Refer to Exhibit A for descriptions of terms of sale by various FOB points.)
- D. Visible damage--packaging damage such as dents and tears that may indicate possible damage to merchandise.

III. Policy

- A. It is the responsibility of the ordering department to unpack merchandise immediately upon receipt and to inspect it carefully for concealed damage. Any damage must be reported promptly, or claims for damage may be disallowed.
- B. The Davis campus Receiving Department or UCDHS Receiving Department shall initiate damage claims, if appropriate. University transit risk insurance covers loss of or damage to property shipped FOB origin or any point other than UC Davis.

IV. Procedures

Responsibility	Action
Davis Campus Receiving or UCDHS Receiving	<ol style="list-style-type: none">1. Inspects shipments on receipt for visible damage.2. Adds notation on freight bill of any damage, along with date and printed name and full signature of carrier's driver; if shipment was FOB destination, notifies ordering department and either obtains concurrence to refuse shipment or notes on freight bill that department wishes to accept shipment.
Ordering department	<ol style="list-style-type: none">3. Upon delivery of goods, inspects shipment for visible damage and makes notation on freight bill or delivery receipt of any

	<p>damage found.</p> <p>4. Inspects shipments for concealed damage within 7 days of receipt.</p> <p>5. Promptly reports any damage to Davis campus Receiving or UCDHS Receiving; retains container and all packing materials for inspection by carrier's representative.</p> <p>6. Submits campus Shipping Memo (Calcode 71461-143) or UCDHS Shipping Memo, copy of packing slip, copy of purchase order, and damaged merchandise to campus Receiving or UCDHS Receiving.</p>
Davis Campus Receiving or UCDHS Receiving	7. Within 15 days of delivery date, notifies carrier of visible or concealed damage and requests inspection by carrier's representative.
Carrier's representative	8. Inspects damaged merchandise, container, and packing materials; submits Damage Inspection Report to campus Receiving or UCDHS Receiving.
Davis Campus Receiving or UCDHS Receiving	<p>9. If shipment was FOB destination (UC Davis), sends copy of Damage Inspection Report to vendor and requests replacement of damaged merchandise at no charge.</p> <p>OR</p> <p>10. At department's request, arranges for retention of damaged merchandise as is.</p> <p>OR</p> <p>11. If shipment was other than FOB destination and not covered by transit risk insurance, prepares Sundry Debtor Invoice for amount claimed, attaches required documents, and forwards to Accounting & Financial Services, which will mail invoice to carrier.</p> <p>OR</p> <p>12. If shipment was FOB origin or any point other than UC Davis and was covered by transit risk insurance, forwards Property/Casualty Loss Report to Property & Liability; forwards Damage Inspection Report as soon as it is received, along with all backup materials regarding the shipment.</p> <ul style="list-style-type: none"> • Claims for damaged items covered by transit risk insurance must be submitted as soon as possible for forwarding to the Office of the President.

Property & Liability	<p>13. Upon receipt of documents from Davis campus Receiving or UCDHS Receiving, files claim against carrier and initiates claim with Office of the President; contacts ordering department regarding damaged merchandise and advises concerning reordering merchandise.</p> <ul style="list-style-type: none"> • When claim is paid, funds will be credited to the ordering department.

V. Further Information

Further information may be obtained by contacting campus Receiving (530-752-0662), UCDCM Receiving (916-734-2867), or Property & Liability (530-752-0797).

VI. References and Related Policies

- A. Business & Finance Bulletin BUS-28, Property Self-Insurance Program, 7/1/92.
- B. Policy & Procedure Manual Section 370-30, Property Insurance (<http://manuals.ucdavis.edu/PPM/about.htm>).