

North Dakota State University

Policy Manual

SECTION 404 RECEIPT AND INSPECTION

SOURCE: NDSU President

1. The proper receipt and inspection of equipment, supplies, and services is of equal importance to both the using department and the Purchasing Department. It is essential that every department of the University assign certain personnel to receiving and inspection duties. Receipt and inspection is the close and critical examination of items delivered on duly authorized purchase orders. Receiving personnel must determine that:
 - 1.1 Delivery consists of new and unused merchandise and services unless otherwise ordered.
 - 1.2 Commodities of the quality, quantity, grade or standard specified have been delivered.
 - 1.3 Design, construction, size, type, model, color, etc. of the commodities conform with the requirements of the purchase order or the contract.
 - 1.4 The packaging and labeling meet the specifications or conform to the best commercial practices for protecting the items during transport, storage, handling and distribution.
 - 1.5 The commodities comply with specification requirements in all essential respects and are in good condition and delivery has been made in accordance with the terms and conditions of the purchase order or the contract.
 - 1.6 Upon receipt of the merchandise the Receiving Report is dated, signed and marked received prior to submitting it to the Accounting Office. (Refer to Section 504 for additional information regarding Receiving Report.) A copy of the original invoice and any other correspondence associated with the receipt of the merchandise is to be attached to the copy of the Receiving Report. Copies of the Receiving Report and invoice should be retained by the department for auditor's examination.
2. Damaged containers should be brought to the attention of the person making delivery and should be noted on the delivery receipt as well as on the departmental copy. It is important to note any damage to containers or merchandise at time of delivery to enable a proper claim to be filed with the freight company.
 - 2.1 The Purchasing Department should be notified immediately upon receipt of damaged merchandise so that appropriate action may be taken to file a claim for the damage.
 - 2.2 Containers of damaged merchandise must be retained until inspected by a claims inspector to show proof of damage regardless if the container is damaged or not.
 - 2.3 The Purchasing Department shall coordinate the processing of damaged claims after notification is received from the department. The following information is necessary to file a claim:
 - a) description of loss or damage,

- b) quantities involved,
- c) copy of the purchase order,
- d) copy of freight bill,
- e) freight inspection report, and
- f) bill of lading (if available).

It should be noted that any damaged claim must be filed within 15 days of receipt or claims will not be honored.

HISTORY:

Amended	July 1990
Amended	January 1997
Amended	October 2007