

CHAPTER 18

ACCEPTANCE

18-1 ACCEPTANCE

- A. The Latin phrase, *Caveat Emptor*, "Let the Buyer Beware," should guide all District personnel who accept goods or services on behalf of the District. The Uniform Commercial Code states, "The Buyer has the right before payment or acceptance to inspect goods at any reasonable place or time."
 - B. Schools/Departments of the District are delegated the authority and responsibility to inspect and accept goods and services on behalf of the District. It is imperative that the individuals exercising this responsibility assure that the quality and quantity received are the same as called for in the contract or purchase order. Goods and services must be delivered on time, as specified and in the proper quantity and quality.
 - C. The responsibilities of receiving personnel are as follows:
 - Inspecting;
 - Counting;
 - Certifying;
 - Protecting; and
 - Communicating.
1. **Inspecting:**
 - (a) Before and during unloading, inspect all containers and packages for external damage. Any unusual "rattles" or signs of leakage should be noted.
 - (b) If external damaged is noted, the package should be opened immediately and a joint examination of the contents should be made by the driver/delivery person and the receiving person.
 - (c) A full, detailed report of the examination should be endorsed on the carrier's delivery and school/department copy. The driver should sign the school/department copy of the document.
 - (d) Once the merchandise is signed for, the carrier's liability has technically ended, unless concealed damage is discovered within a reasonable time (usually within 10 days).
 - (e) Inspect the labels to be certain they are being delivered to the proper location.

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- (f) Inspect the outstanding order file to be certain the goods were actually on order.
- (g) *Within three (3) days*, inspect the contents for concealed damage.
- (h) Inspect the goods for compliance with the purchase order to include the following:
 - Verify the brand name and model number are the same as specified on the order;
 - Check for proper labeling;
 - Visually examine and compare to the requirements of the order, i.e., type of material, number of plies, dimensions, gauge, seals, thread count, water marks, weight, etc.;
 - Verify the packing slip with the delivery;
 - If food, verify that the USDA grading certificates are proper; check for damage or spoilage; and
 - Check for correct packaging.
 - Technical equipment should not be opened by the school/department. The installing vendor should be called to schedule installation. If you have questions regarding this procedure, call the appropriate Purchasing Agent.

2. **Counting:**

- (a) Count the cartons, containers and items as they are being unloaded. If there is a discrepancy, make a full notation on the carrier and school/department copies of the freight bill before signing.
- (b) Require the driver to verify the exception statement on the freight bill.
- (c) Within three (3) days of receipt, unpack and count all merchandise.
- (d) Sampling may be performed for large shipments. If shortages occur frequently within the samples, the shipment should be segregated and contact the vendor to correct the order.
- (e) Do not accept overage of a shipment unless the purchase order allows acceptance of a specified overage.
- (f) The count must be verified before payment.

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3. Certifying:

- (a) Certify the packing sheet and the receiver copy have the same count and note any exception information discovered during the inspection.
- (b) Certify the receiving copy of the purchase order with the correct count and note any information relating to damage or rejection.

4. Protecting:

- (a) Move the goods to the proper location from the receiving point as quickly as possible.
- (b) Protect the goods from the elements and improper storage and handling procedures.
- (c) Identify goods with labels or property tags to insure against pilferage or misplacing.
- (d) Update inventory records immediately.

5. Communicating:

- (a) Notify school/department bookkeeper or Purchasing Agent, as appropriate, and using personnel immediately after receiving goods.
- (b) Process receiving documents to the bookkeeper.
- (c) Report any damages or discrepancies to the bookkeeper.

D. CLAIMS:

- 1. If damage is such that the value of the goods is destroyed, the goods may be refused.
- 2. If goods are accepted, necessary steps should be taken to minimize damage, and a claim filed with the vendor. While the vendor is awaiting the carrier's investigation of the claims, the goods should be left in the original container and moved only if absolutely necessary.
- 3. *File claims immediately.* Use a standard claim form, if available, and request an inspection. Confirm requests in writing. Even if the vendor is responsible for filing claims, it is imperative that the receiving school/department notify the vendor promptly and provide evidence to be used in the claim process.
- 4. Complete the claim form in full supported by the original bill of lading, evidence of the freight charges and original invoice. Keep copies of everything for school/department records. *Photographs are desirable to support claims.*

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5. Claims must be filed within nine (9) months of delivery. In the case of loss, claims must be filed within nine (9) months of a reasonable time for delivery.
6. Carriers must acknowledge receipt of a cargo claim within 30 days. Within 120 days, the carrier must pay, decline or make a firm compromise settlement.
7. In concealed damage claims, the burden of proof shifts to the claimant. When concealed damage is discovered, leave the damaged item in the container, and immediately notify the vendor and/or carrier in writing requesting an inspection.
8. When shipments are made FOB Destination, the seller must be notified of the necessity for a claim and provided all the documentation and evidence to support a claim.
9. For assistance in claims, contact the Purchasing Department.