

FINANCE – DAMAGED FREIGHT AND CARRIER INSPECTIONS ADMINISTRATIVE PROCEDURES

Steps to follow when damage is discovered:

1. Retain damaged items – not only must the damaged items be held at the point received, but all contents and interpacking material must be held until inspection is made by a carrier inspector.
2. Notify the district Central Receiving Office. The call should be placed immediately upon discovery of the damage, but under no circumstances should it be put off longer than five (5) days after delivery.
3. Central Receiving will then call the carrier to report damage and request inspection. Failure to report concealed damage within a fifteen (15) day period will almost certainly result in the carrier denying the claim.
4. Central Receiving will confirm call in writing. Although this is not mandatory, it is strongly recommended since it establishes the fact that the carrier was notified within the fifteen (15) day period. Be sure to retain a copy of the letter.

Steps to take when a carrier makes inspection of damaged item:

1. Have damaged items in receiving area – make certain the damage items have not been moved from the receiving area prior to discovery of the damage. Allow inspector to inspect damaged items, cartons, interpacking material, and freight bill. Be sure to retain your delivery receipt – it will be needed as a supporting document when claim is filed.
2. After inspector fills out inspection report, carefully read it before signing – if you do not agree with any facts or conclusions made by the inspector on the report, do not sign it. Unless repairs will be completely satisfactory, be sure the inspector requests replacement on the inspection report. A new item can be ordered only if the inspection report specifies “REPLACE.”
3. An invoice is usually necessary to complete a claim.
4. The Receiving Room clerk will then consult with the Purchasing Agent to see if the items should be kept, replaced or cancel the order.

Steps to take after inspection has been made:

1. Continue to retain damaged merchandise – even though inspection has been completed, damaged items cannot be used or disposed of without written permission from the carrier.
2. Do not return damaged items to shipper – return of such items should not be made without written authorization from the supplier.
3. Secure receipt from carrier if damaged items are picked up for salvage – if you surrender damaged merchandise to a carrier for salvage because it is valueless to you, be sure to secure a receipt from the driver when it is picked up and retain that receipt.