

California State University East Bay

Department: **Shipping and Receiving**

Procedure No: 4

Date Issued: August 1, 2011

SUBJECT: Claims for Loss and Damage

PURPOSE: To prescribe the method of reporting and processing loss and damage claims for materials and supplies received.

I. GENERAL

Receiving will investigate, verify and assess responsibility for all damaged shipments received at CSUEB Receiving from commercial carriers.

Claims for loss or damage to inbound shipments F.O.B. point of destination will be filed by the Vendor. CSUEB Receiving will forward data to the Vendor to support the claim.

Claims for loss or damage to inbound shipments F.O.B. point of origin will be forwarded by Receiving to the destination carrier.

II. INSPECTION OF DAMAGED SHIPMENTS

A. Apparent Damage

1. The Receiving Clerk will:

Inspect all inbound shipments for possible damage, and when damage is found:

- a. Identify the item damaged by notation on the carrier's freight bill, and the consignee's copy of the carrier's freight bill.
- b. Request the carrier's deliveryman to countersign the notation of "Damage" on the consignee's copy of the carrier's freight bill.
- c. Notify the Purchasing Manager and Buyer by e-mail of possible damage and hold for inspection.

2. The Support Services Manager will:

- a. Inspect and verify the damage and determine the extent of damage.
- b. Assess responsibility.
- c. If the responsibility is assessed to the carrier:
 - 1) Sign the receiving documents verifying the damage.
 - 2) Prepare a damage report.
 - 3) Notify the carrier's agent and request inspection.
 - 4) Notify the Purchasing Manager and Buyer by e-mail.

B. Hidden Damage

1. The Receiving Clerk upon discovery of damage during unpacking and checking will:
 - a. Identify damaged items on the packing slip.
 - b. Hold the items and all packaging contents for inspection.
 - c. Notify the Purchasing Manager and Buyer by e-mail.
2. The Support Services Manager will: (see A2 above)

Note: If the responsibility is assessed to the Vendor, the file will be referred to the Purchasing Manager and Buyer for action as per paragraph III.A.2. below.

III. PROCESSING LOSS AND DAMAGE CLAIMS

A. Inbound Shipments F.O.B. Destination

1. The Support Services Manager will:
 - a. Establish a claim file including copies of the receiving documents, inspection reports and correspondence relating to the claim.
 - b. Furnish the Purchasing Officer and Buyer with 1 copy of the damage report and 1 copy of the carrier agent's inspection report.
2. The Buyer will negotiate a settlement with the Vendor. If the Buyer is unable to negotiate a settlement, refer to Staff Counsel for advice. Staff Counsel may wish to hold a portion of the payment on the order pending settlement of claim. Buyer will keep Accounts Payable informed by copy of correspondence in order that the settlement check may be identified when received.

B. Inbound Shipments F.O.B. Origin

1. The Support Services Manager will:
 - a. Prepare a loss or damage claim packet for each claim consisting of:
 - 1) A completed standard form "Presentation of Loss or Damage Claims" or standard form "Handling or Concealed Loss and Concealed Damage Claims," as appropriate.
 - 2) A copy of the carrier's freight bill.
 - 3) A copy of the carrier agent's Inspection Report.
 - 4) A copy of the Supplier's invoice.
 - 5) A copy of the invoice for actual repairs, when appropriate.
 - 6) A copy of the bill of lading, when applicable.
 - 7) A copy of the bill of lading indicating return of damaged material, when applicable.
 - b. Establish a Loss or Damage Claim file for each claim. This file should contain copies of all items in the loss or damage claim packet and all correspondence relating to the claim.
 - c. Send the Loss or Damage Claim packet to the Buyer.
2. The Buyer will negotiate a settlement with the responsible carrier, or vendor. If the Buyer is unable to negotiate a settlement, the case will be referred to Staff Counsel for advice. Buyer will keep Accounts Payable informed by copy of correspondence in order that the settlement check may be identified when received.

