



## **04-17 RECEIVING AND ACCEPTANCE OF PROCURED ITEMS**

### **I. OVERVIEW**

The process of receiving procured and leased equipment or materials purchased by the District constitutes the formal acceptance of the item by the District from the vendor. Once an item is received, this begins the organization's obligation, liability and accountability for that item. Receiving includes the physical counting and inspection of the items to verify order completion, visual examination to confirm the items are free of visible defects or damage, and inventory tagging of the property.

Any item purchased through the District's automated materials management system also must be electronically received in the system in order to authorize payment to the vendor for the item. This is the responsibility of the college and District Office Receiving/Stock Control Departments, which may also deliver the received items to their requestors.

For complex and expensive items, such as servers, building system components and computer software, physical acceptance may not constitute contractual acceptance. This is because such items, even after they are physically accepted at a District location, commonly require acceptance testing before they are deemed accepted under the purchase contract.

### **II. PROCESS**

1. The receiving process begins when the vendor delivers an item to the College or District Receiving Department.
2. Accompanying the shipment should be a packing slip or delivery document from the vendor. Receiving staff should check the shipment against the packing slip and the purchase order to verify that the vendor has sent all materials identified in the packing slip and order.
3. In some instances, the Receiving staff may need to sign a delivery acceptance document. Before acceptance and when possible Receiving staff should note any discrepancies in the order, including (a) incorrect quantity, (b) incorrect or missing items; or (c) condition of item if received in substandard state.
4. Discrepancies should be reported to the purchaser and vendor to determine if (a) the delivered items will be accepted, with no adjustment, (b) the delivered items will be accepted as a partial order, with outstanding items to be delivered at a later date or with a credit to be issued by the supplier, (c) the shipment will be rejected and returned to the vendor, or (d) a replacement item should be ordered. Subsequent delivery dates or other known discrepancies should be noted on the packing slip and maintained in the Receiving Department files.



5. For specialty items, such as information technology equipment or building systems components, the Receiving staff may request staff from the local information technology department or college facilities department to inspect the items prior to acceptance. Even after physical acceptance by the Receiving Department, such items may require acceptance testing by the requestor before they are deemed accepted under the purchase agreement. Receiving may also choose to call the requestor down to the receiving dock in order to verify the appropriateness of the items shipped.

6. The vendor packing slip should identify the purchase document for the order. Receiving must enter the order number in the database goods receipt transaction in order to begin formal goods receipt in the purchasing system. In cases where a low value or capital asset is purchased, Receiving is also responsible for adding to the asset record in the system the following information: (a) building location (b) inventory tag number, (c) serial number; (d) warranty information, and (e) item condition.

7. Receiving must ensure that any incoming furniture, fixture or equipment item that equals or exceeds the low value or capital asset thresholds is affixed with the appropriate physical inventory/property tag before it is released to the requestor.

8. When the receiving process is complete, the items are delivered to the requestor destination or picked up. The requestor should sign off on acceptance of the purchased items when the Receiving staff has transferred or delivered the items to them. If items are delivered directly to the requestor and not to the central receiving location, the requestor should return the item to the Receiving Department for appropriate receipt in the system and, if necessary, inventory tagging. Specially funded assets require different inventory tags from the regularly funded items. Please see the Asset Management Procedures section for further detail.

### **III. LEGAL AUTHORITY AND CITATIONS**

State and Local Government and Property Manual

Asset Policies and Procedures AM-05-06