Receiving, Claims and Dispute Resolution

I. The department receiving the goods is responsible for receiving and inspecting materials.

II. Goods must be shipped directly to a campus address by mail, parcel, or freight delivery services, e.g., USPS, FedEx, LTL Carrier.

III. UWM’s required terms of delivery are FOB-Destination (INCOTERM: DAP-Milwaukee).

IV. Responsibility for resolving disputes is contingent on the department's level of delegation in accordance with Procedure 3.2.11 – Low Dollar Orders.


VI. Your rights under existing contracts are not affected by the method of ordering.

VII. The following receiving and dispute procedures should be followed:

A. Save all delivery receipts. The purchasing process is not complete until records of shipments are compared against the corresponding purchase order and the resulting invoice for compliance with the purchase order.

B. Refuse delivery of merchandise which is not in complete agreement with the corresponding purchase order, and report this action to Purchasing. See rejection documentation required in paragraph VI.

C. Any container received that has a hazardous warning label without an accompanying Material Safety Data Sheet (MSDS) must be reported to Purchasing and Risk Management.

D. Report to Purchasing any defective merchandise, improper or short case count, substitutions or failure by the vendor to comply with the order specifications, even if the merchandise has been received in error and placed into service. See order dispute documentation in paragraph II. of this section.

E. Steps to take at time of delivery to protect against loss or damage:
   1. Verify count. Receiver must make sure as many cartons as are listed on the delivery are received. If any shortage is discovered, note exactly how many cartons are short on the carrier’s delivery receipt and have the driver note the shortage on the receiver's copy.
   2. Carefully examine each carton for damage. If damage is visible, so note this fact on the delivery receipt and have the driver sign and date the receiver's copy. If the carton has appearance that contents inside may possibly be damaged, insist that it be opened right at that time, and both the receiver and the driver should make joint inspection of the contents. Any concealed damage discovered should likewise be noted on the delivery receipt and on the receiver's copy. The receiver will retain a copy.
   3. Immediately after delivery, open all cartons and inspect for concealed damage. Even though the driver has already left, all cartons should immediately be opened and the contents inspected for possible concealed damaged.
   4. If no damage is apparent, test the goods for proper operation as soon as practical and record any problems with the goods.

F. Steps to take when visible or concealed damage is discovered:
1. Retain damaged items. Not only must the damaged items be held at the point where received, but the containers and all inner packing materials must be held until an inspection is made by carrier inspector.

2. If the order was placed within the authority of the department (Low Dollar Order or Blanket Order Release) and the shipping terms (FOB) on the order and contract is Destination, call the vendor to report the damaged shipment and furnish replacement. Complete Return Instructions in accordance with Procedure 3.2.12 – Return Instructions and return the goods for replacement.

3. If the order was placed by Purchasing or the shipping terms (FOB) on the order or contract are Shipping Point, call Purchasing for assistance on filing a claim with the vendor or carrier.
   a. The carrier will be called to report damage and request inspection. The call should be placed immediately upon discovery of the damage, but under no circumstances should it be put off longer than 15 days after delivery. Failure to report concealed damage within this 15 day period will almost certainly result in the carrier denying the receiver's claim.
   b. We are required to pay the vendor's invoice for goods with shipping terms of Shipping Point as the goods belonged to us in transit. We are required to file a claim with the carrier and obtain repairs or replacement after the claim is resolved.

G. Steps to take when carrier makes inspection of damaged items:
   1. Keep damaged items in receiving area. Make certain the damaged items have not been moved from the receiving area prior to discovery of the damage. Allow inspector to inspect damaged items, cartons, inner packing materials and freight bill. Retain the delivery receipt; it will be needed as a supporting document when claim is filed.
   2. After the inspector fills out the inspection report, carefully read it before signing. If not in agreement 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".

H. 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 the shipper. Return of such items should not be made without written authorization of the supplier.
   3. Secure receipt from the carrier if damaged items are picked up for salvage. If damaged merchandise is surrendered to a carrier for salvage because it is valueless to the receiver, secure a receipt from the driver when it is picked up and retain that receipt.
   4. Complete Return Instructions in accordance with Procedure 3.2.12 for return of the goods to the vendor or carrier.

VIII. It is the responsibility of the department receiving goods or services to dispute invoices in a timely manner so that adjustments can be made on the order to reflect fair resolution of the good faith dispute.
A. A good faith dispute means the contention by the ordering department that goods delivered or services rendered were of a lesser quantity or quality than ordered or specified by contract, were faulty or were installed improperly; or any other reason giving cause for the withholding of payment until the dispute is settled.

B. To dispute payment (may be disputed before the actual invoice is received), create correspondence with Vendor Notice of Good Faith Dispute (hereafter referred to as the Notice), as the subject line. Send the original to the vendor and a copy to Accounts Payable. Attach photocopies (not originals) of packing slips, invoices or any other material that may be helpful in resolution of the dispute, to all copies of the Notice.

1. The Notice should include the purchase order number (if any), invoice or shipment numbers, dates that shipments or invoices were received, and the following statement: “Your products (or services) have been received and payment will be made in compliance with State of Wisconsin prompt payment policy upon resolution of the following good faith dispute: (followed by discussion of the problem).”

2. Accounts Payable will withhold payment and send the Notice to Purchasing with the invoice (if available).

3. The Purchasing Agent assigned to that commodity or service will judge whether the dispute is proper and resolve the problem if the purchase order was issued by Purchasing or assist the ordering department as necessary if the order was placed by the ordering department on a Low Dollar Order or Blanket Order Release.

4. If the dispute is not proper, the Purchasing Agent will release the hold on the payment and return the Notice to the ordering department with the reasons for release of the payment.

IX. Repetitive or serious problems with vendor performance should also be documented with a Complaint Report on Vendor Performance (available on the Purchasing Forms page) submitted to Purchasing.

Contact Purchasing for questions regarding Receiving, Claims and Dispute Resolution.