



Administrative Regulations

Number AR23-2
Issue 3

Subject: Receiving Reports and Inspection of Deliveries.

I. PURPOSE

The purpose of this regulation is to establish standard procedures for departmental certification of supplies, materials, property or services that have been delivered or rendered. Evidence of delivery and inspection is required before a demand or claim can be approved for payment. This regulation sets forth procedures and responsibility of certification relating to the following forms:

- A. Signature Card for Receipt of Supplies, Materials, Property or Services.
- B. Certification Stamp (rubber stamp).
- C. Receiving Ticket.
- D. Return Material Order.

II. SCOPE

This regulation is applicable to all City departments and offices responsible directly to the City Manager. It is also requested that elective offices and other independent offices and departments of the City comply with these procedures in the interest of administrative uniformity.

III. POLICY

A. Departmental Assignment of Responsibility for Inspection and Reporting

- (1) Each department head is responsible for establishing adequate inspection procedures within the department in accordance with this administrative regulation. Department heads may designate a responsible employee(s) in their department (maximum of two employees per program) who will be authorized to certify for the receipt of supplies, materials, property or services.
- (2) Delivery reports showing actual date of receipt and acceptance signed by such designated employee(s) will be accepted as evidence of department approval of the claim by the Accounts Payable Section and by the City Auditor only if the name and signature of authorized employee(s) are on file in their respective offices. Signature card forms requiring approval by the department head may be obtained from the Accounts Payable Section of the Financial Management Department.
- (3) Any changes in employees authorized to sign and certify for the receipt of materials and services must be reported immediately to the Accounts Payable Section of the Financial Management Department and City Auditor by filing a new signature card.

B. Inspection Procedure

- (1) Supplies, materials, properties or services delivered or furnished to any department must be inspected by employee(s) designated by the department head to determine that the quantity and quality are in accordance with the original specifications.
- (2) Inspection of supplies, materials, properties or services ordered should be made at the time of delivery and in every instance before final acceptance of the order. Any items received are subject to return to the vendor and no payment will be processed until compliance to all terms of the original order have been satisfied except as outlined in Paragraphs C and D of this Section.

(3) An accurate physical inspection and count must be made of items before final acceptance. Before certification of goods or services is accomplished, any deviation, irregularities or departure from the agreed performance standard or specification must be reported to the Purchasing Agent on a Purchase Order Change Notice.

C. Partial Deliveries

(1) Partial delivery of an order is to be indicated on the receiving report as set forth in paragraph n
(2) The department must determine from the vendor when the balance of the order will be delivered and the Purchasing Agent must be advised when a delivery of the balance of the order will be longer than 60 days.

(3) The department must send the delivery certification of the partial shipment to the Accounts Payable Section of the Financial Management Department.

D. Acceptance of Substitutes

If a department wishes to accept delivery of a substitute item or quantity not fully in accord with terms of the original order, all the facts concerning the proposed acceptance of the latter type of delivery must be reported to the Purchasing Agent on a Purchase Order Change notice. The Purchasing Agent will determine the necessary adjustment to the original purchase order so that the vendor's invoice and receiving ticket will agree with the revised purchase order.

If there is a material variation, it may be necessary to obtain Council approval for an amendment to the agreement.

IV. PROCEDURES

A. Use of Certification Stamp

If the vendor provides the department with a delivery ticket or invoice containing complete information on the items delivered, a certification stamp may be affixed to the document supplied by the vendor. When the certification has been signed by the department head or an authorized employee, this document is to be forwarded immediately to the Accounts Payable Section of Financial Management Department. The date to be shown on the certification stamp is the actual date of delivery. If the acceptance date is different from the delivery date, the acceptance date should be indicated. The certification stamp shall be as illustrated below:

DELIVERY CERTIFICATION
Material or Services as listed
Received and Accepted
(Department Name)

Date:
P.O. Number

Signature
Org/Object Code

B. Use of Receiving Ticket Form

When a vendor's delivery ticket or invoice is not supplied, is illegible, or cannot be readily interpreted, the delivery should be reported by completing a Receiving Ticket. This form may also be used for repetitive rental payments and can be obtained from Central Stores. You may also use the Purchase Order copy for receiving.

In filling out a Receiving Ticket, use indelible pencil, ballpoint pen, or typewriter and complete all sections as set forth on the form. The date to be shown on the form is the actual date of delivery. If the acceptance date is different from the delivery date, the acceptance date should be indicated.

The original white copy must be sent immediately to the Accounts Payable Section of Financial Management Department. The blue and pink copies are to be retained for departmental files.

C. Use of Request for Direct Payment

When a payment is to be processed by use of a Request for Direct Payment, the procedures as set forth in Administrative Regulation 23-1, Request for Direct Payment apply.

D. Inspection and return of Deliveries

Immediately upon determining that an item or service must be returned or rejected, the Purchasing Agent must be notified by telephone of the decision. In addition, a completed Return Material Order, must be transmitted to the Accounts Payable Section of Financial Management, and to the Purchasing Division within 24 hours. The information submitted on the Return Material Order must include the date, reason for return' and whether the City is to receive credit for materials.

E. Financial Management Procedures

The Financial Management Department may periodically issue specific procedures to provide for the systematic processing of payment documents and to simplify the overall payment process. The Accounts Payable Section is to advise Purchasing when payment is not made within the prescribed invoice terms of the vendor.