

## **SHIPPING/RECEIVING GUIDELINES**

The following guidelines were developed to assist you in handling situations where goods were lost or damaged in transit. Following these steps will protect both you AND your customer. Normal shipping terms for EG Controls specify that the Buyer – our representative – is always responsible for filing freight claims, even if the goods are received at the Contractor’s site.

<b><i>Important Steps to Follow....</i></b>	
At time of delivery	<ul style="list-style-type: none"> <li>✓ Verify that all materials are complete.</li> <li>✓ Check the number of pallets received against bill of lading.</li> <li>✓ Visually inspect for damage.</li> </ul>
If all is acceptable	<ul style="list-style-type: none"> <li>✓ Sign and accept delivery</li> </ul>
If shipment is NOT complete	<ul style="list-style-type: none"> <li>✓ Note on freight bill “INCOMPLETE”</li> </ul>
If shipment is DAMAGED	<ul style="list-style-type: none"> <li>✓ Photograph immediately so you will have a visual record</li> <li>✓ Determine if damage is sufficient to refuse shipment or if you wish to repair in house. Even if you decide to accept the shipment in damaged condition – note “DAMAGED” on freight bill.</li> </ul>
If shipment is DAMAGED enough to file a claim	<ul style="list-style-type: none"> <li>✓ Request claim form from freight line</li> <li>✓ Determine if freight line will be sending an inspector. Request that they send one if you believe that is appropriate.</li> </ul>
If you need to file a claim, you will need to have these documents	<ul style="list-style-type: none"> <li>✓ Receiving report showing loss or damage</li> <li>✓ Inspector’s damage report</li> <li>✓ Freight bill</li> <li>✓ Shipment invoices</li> <li>✓ Estimated repair costs</li> <li>✓ Photographs are very helpful.</li> </ul>
If shipment is severely damaged	<ul style="list-style-type: none"> <li>✓ Refuse shipment</li> <li>✓ Advise driver that goods must be returned to the manufacturer</li> <li>✓ Photograph goods prior to return</li> <li>✓ Follow steps to file a claim</li> </ul>
If damage is discovered later	<ul style="list-style-type: none"> <li>✓ Determine if damage was concealed at time of shipment</li> <li>✓ Collect all shipping documents</li> <li>✓ Contact the freight line to file a claim</li> <li>✓ It can be difficult to get these claims processed – the sooner you contact the freight line, the more likely it is that your claim will be favorably processed</li> </ul>
Who is responsible for filing the claim?	<ul style="list-style-type: none"> <li>✓ Depends upon the terms of sale – see transportation term definitions on next page.</li> </ul>
What are the EG shipping terms?	<ul style="list-style-type: none"> <li>✓ Standard terms are FOB factory freight prepaid and added. Oversize shipments may be shipped prepaid and allowed. Terms for each sale are written on the original quotation.</li> </ul>

## Transportation Terms

Term	When title passes to Buyer	Effect on Buyer	Effect on Seller
FOB Origin or Factory, Freight Prepaid and Added (Normal EG terms)	At origin or factory	Bears freight charges Owns good in transit and files claims	Pays freight charges Collect freight charges from buyer at time of invoice
FOB Origin or Factory Freight Collect	At origin or factory	Bears and pays freight charges Owns goods in transit, must file claims for loss, damage or overcharges	
FOB Origin or Factory, Freight Prepaid and Allowed	At origin or factory	Owns good in transit and files claims	Bears and pays freight charges
FOB Destination, Freight collect	At destination	Bears and pays freight charges	Owns goods in transit and files claims
FOB Destination, Freight prepaid and allowed	At destination		Bears and pays freight charges Owns goods in transit and files claims
FOB Destination, Freight Prepaid and Added	At destination	Bears freight charges	Pays freight charges Owns goods in transit and files claims Collects freight charges from buyer at time of invoice