

# OBFS Urbana Purchasing Shipping Procedures

Rev.05052015

Terms of Sale	Responsibility for Cost and Transit Ownership	Procedures
<p>Destination, freight prepaid</p>	<p>Seller - Pays Freight Cost                      Seller - Bears freight Cost                      Seller - Owns goods in transit                      Seller - Files claims</p>	<p><b><u>Department Procedures:</u></b></p> <ul style="list-style-type: none"> <li>The Department will communicate with the seller to ensure that the seller agrees to pay the shipping/freight/freight costs and add the FOB term on the quote when possible.</li> <li>The Department needs to review the quote to ensure the term reflects the responsibility and cost of shipping/freight.</li> </ul> <p><b><u>Purchasing Procedures:</u></b></p> <ul style="list-style-type: none"> <li>The Purchasing buyer will add the appropriate Banner shipping/freight code; for iBuy the shipping/freight term is identified on the quote and is absent on the purchase order.</li> <li>Purchasing will contact the department if there are inconsistencies with the quote and appropriate FOB Term.</li> </ul> <p><b><u>University Payables Procedures:</u></b></p> <ul style="list-style-type: none"> <li>University Payables <u>will not</u> pay shipping/freight on these purchase orders without department approval.</li> <li>If the FOB Destination code was applied to the purchase order then the department must approve or contest the added shipping/freight terms within a reasonable period of time.</li> <li>If the vendor wants to add shipping/freight and the department contests the shipping/freight costs, the issue should be forwarded to Purchasing for review and resolution.</li> </ul> <p><b><u>If shipping/freight is added for payment:</u></b>                      A change order is required to add the shipping/freight line to the purchase order.</p>
<p>Destination – Prepaid and Add</p>	<p>Seller - Pays freight costs and <b>adds costs to the invoice</b>                      Buyer - Bears freight costs                      Seller - Owns goods in transit                      Seller - Files Claims (if any)</p>	<p><b><u>Department Procedures:</u></b></p> <ul style="list-style-type: none"> <li>The Department will obtain a quote with the shipping/freight term identified on the quote.</li> <li>The department adds <u>one line</u> for shipping/freight that includes all estimated or actual shipping/freight costs for the purchase order</li> <li>The department may add language to the shipping/freight line item with a “not to exceed” amount to allow Payables to pay for shipping/freight up to that amount “<i>Shipping/freight not to exceed \$75</i>”. If no maximum shipping/freight amount is added to the shipping/freight line, the current Payables thresholds will prevail.</li> </ul> <p><b><u>Purchasing Procedures:</u></b></p> <ul style="list-style-type: none"> <li>The Purchasing buyer will add the appropriate Banner shipping/freight code; for iBuy the shipping/freight term is identified on the quote and is absent on the purchase order.</li> <li>The buyer may contact the department to ensure the appropriate shipping/freight code is used.</li> </ul> <p><b><u>University Payables Procedures:</u></b></p> <ul style="list-style-type: none"> <li>If the shipping/freight line is added to the purchase order and there needs to be an increase in the shipping/freight line item amount, UPAY will follow</li> </ul>

		<p>their procedure to receive approval from the department to allow payment over the line item amount. The following process prevails regarding increasing the total amount of the entire purchase order:</p> <ul style="list-style-type: none"> <li>• The total value of the purchase order is under \$50,000 no change order is needed from Purchasing.</li> <li>• The total value of the purchase order increases to \$50,000 or more for the first time, a change order is required through Purchasing. (Vendor Disclosures and Conflict of Interest applies).</li> <li>• The total value of the purchase order reaches the <a href="#">FY bid limit</a> for the first time, a change order through purchasing is required. (Solicitation level)</li> <li>• If all lines on the purchase order are paid and the only overage is the shipping/freight, UPAY will close the line with no communication to the department. The rest of the PO will close out in monthly batch close.</li> </ul> <p><b><u>No Shipping/freight Line added – shipping/freight added on invoice:</u></b></p> <ul style="list-style-type: none"> <li>• A change order is required to add the shipping/freight line to the purchase order.</li> </ul>
<p>Shipping Point (All types)</p>	<p>Specific terms to be discussed with Purchasing.</p> <p><a href="#">UPS Shipping Instructions</a></p>	<p><b><u>Department Procedures:</u></b></p> <ul style="list-style-type: none"> <li>• The Department obtains a quote with the F.O.B. “shipping point” term.</li> <li>• Please contact Purchasing at 217-333-3505 to discuss special shipping/freight requirements.</li> </ul> <p><b><u>Purchasing Procedures:</u></b></p> <ul style="list-style-type: none"> <li>• When the buyer sees shipping/freight point being utilized, the buyer will contact the department and ensure that the department is aware of the University shipping/freight contract.</li> <li>• The buyer will consult with the department on the most appropriate shipping/freight methods.</li> <li>• The final decision will remain with the department.</li> <li>• If the University shipping/freight contract is utilized, the buyer will cross out any shipping/freight costs on quote and attach the University shipping/freight instructions.</li> </ul>