



# Chapter Four

## *Receiving*

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### **Overview**

The receiving process is the first step in establishing responsibility, accountability, and associated liability for equipment and materials. The process includes:

- Physical receipt
- Securing the item(s) during receiving process
- Confirming item (s) received match the purchase requisition
- Inspection and reporting of discrepancies
- Documentation
- Online receiving transaction or notification to the DPA
- Placement of an item into use

Depending on the distribution of duties, receiving may also include affixing the Stanford ID Tag/decal. Information verified during the receiving process, in conjunction with acquisition information, form the basis for the item record.

The receiving process must be completed as soon as possible to the day the item is physically received to help ensure accurate financial reconciliation and creation of the asset record by the Department Property Administrator (DPA) within 30 days of receipt.

## Roles & Responsibilities

### Departmental Personnel

The Stanford faculty or staff to whom the item(s) are physically delivered is generally the individual responsible to perform the receiving process. Program management personnel may delegate the responsibility to an alternate staff person or to the DPA.

### Property Management Office

The Property Service Representative within PMO is responsible for providing guidance and assistance to department and program personnel.

## Information Data Flow

For capital equipment – purchased, donated, or leased - the receiving event entry in the Receiving module of the Stanford Purchasing system initiates the data flow into Sunflower Assets for creation of the asset record by the Department Property Administrator (DPA) and facilitates invoice payment.

For Government or Sponsor-owned equipment or material as well as loans that are not processed through iProcurement – timely notification by the recipient to the DPA is essential for project performance and compliance. The DPA creates the Sunflower Assets record based on receiving information and documentation provided.

## Receiving Date

Accurate recording of an asset's receiving date carries a financial and accountability impact. The receipt date reflects:

- The date Stanford is first held accountable for an asset
- Used as the asset's date placed in service
- The date used to calculate asset depreciation
- Generally, the date used to begin the warranty period

When there are multiple receiving dates for components of an asset, the first (earliest) date should be used as the receiving date for the asset.

If the receiving event is recorded after the fact, Oracle Receiving will not permit the “back-dating” of the actual date of receipt. The recipient must state the actual date of receipt in the comments section of the on-line receiving form.

Occasionally, pre-paid deposits may be necessary prior to the delivery of equipment or equipment components may be received in anticipation of vendor installation. In such cases, the date on which the full receipt of the item or its installation is completed should be used as the receiving date.

In the event the property is being delivered to a remote location (sometimes known as a “drop shipment”), it is important to alert the anticipated recipient that they must contact the accountable department when the asset is received, in order for the necessary system data entries to take place.

## Types of Receipts

The specific steps necessary to complete the receiving process will vary depending on various factors including method of acquisition, delivery location, and type of asset.

### Stanford-Purchased Capital Equipment, Leased Equipment, and Donations

These three methods of acquisition are processed through the Oracle iProcurement system. Once the physical receipt and acceptance is complete, the Stanford personnel who received the item(s) enters a receiving transaction in Oracle Receiving (For further information refer to <http://fingate.stanford.edu/staff/index.html>)

### Government or Sponsored-Owned Equipment and Material

These methods of acquisition bypass the iProcurement system. They are processed through manual transactions and include transfers between sponsored projects, incoming transfers from other institutions, loans, and bailment agreements. Often they are hand-carried to Stanford by program personnel.

As close as possible to the date of receipt, Stanford program personnel (Faculty or Staff) receiving the property must notify their DPA to ensure record creation within 30 days of receipt and provide a copy of associated documentation.

## Discrepancies

In the event of receiving discrepancies, it is the responsibility of the individual physically receiving the asset(s) to *immediately* notify the shipper of any overages, shortages, or incorrect items. Failure to do so may potentially result in the inability to have the discrepancy corrected, causing undue expense to the department.

Discrepancies include damage, overages, shortages, or receipt of wrong items and should be handled as follows:

- For purchased and leased items report immediately to the assigned buyer within Stanford’s Procurement department, the vendor and the carrier. In some cases, one may not want to accept delivery of the item(s).
- For government or sponsor-owned items, discrepancies could impact project performance. Ensure the program personnel, including the Principal Investigator (PI), are informed and report immediately to the DPA and the Property Management Office. Subsequent notification to the Sponsor and completion of a

government Standard Form 364 “Report of Discrepancy” (aka ROD) may be necessary. Issues requiring intervention for resolution will involve the Office of Naval Research, the agency cognizant for federally owned assets.

In the event there are discrepancies with the receipt of government-owned items from a sponsor, contact your PSR for guidance on filling out a Form 364, "Report of Discrepancy" (ROD) and to initiate notification to the sponsor.

It is the responsibility of the recipient to ensure the protection and security of property from the time it is received to the time it is delivered to the end user. Equipment requiring additional calibration or configuration by technical support staff should be kept in secured areas until such configurations are completed and the asset delivered to the end user.

## Receiving Documentation

In addition to the online receiving entry in Oracle Receiving, hard copy documents frequently support a transaction and may include:

- Invoices
- Packing slips
- Bills of lading
- Government or Sponsor shipping documents
- For example: DD1149, DD250
- Letters of Intent (from donors)
- Receipt logs

As a general rule, it is advisable that all receiving documentation for Stanford-purchased property be kept on file in the department for a period of three years.

Please note – for government or sponsor-owned property, receiving documents must be kept on file by the department for 3 years from the disposition of the property or from the closeout of the funding award, whichever is latest. Federal transfer forms, such as the DD-1149 or SF Form 364 must be kept on file with the Property Management Office. Copies of these documents may also be kept on file in the department accountable for the property, or electronic images may be attached to the property record in SFA.

## References and Resources

- [Administrative Guide Memo 54](#) (all)
- [OMB Circular A-21](#) (2 CFR 220)
- [FAR 52.245-1](#)
- [OMB Circular A-110](#) (2 CFR 215)