

Receiving Goods and Services

Background

Goods

Vendors deliver purchased goods to the operating location receiving office or directly to the project director. The goods are usually delivered all at once, but partially filled orders may also be inspected and accepted.

Services

Operating locations may enter into agreements with businesses, independent contractors, or other workers to provide services required for a project. Specific terms for inspection of services and payment schedules will vary according to operating location procedures, project needs, and the terms of the particular agreement.

OMB A-110

Office of Management and Budget Circular A-110 requires that "a system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract" (Section .46).

Receiving Goods or Services

The project director or operating location receiving department should do the following:

Goods

- The goods should be inspected to ensure that the order is correct and that the goods are not damaged.

Services

- The services provided should be reviewed for compliance with the terms of the original agreement.

Online Receiving and Inspection

Receiving may be automated and done online if an operating location chooses to use 3-way matching of invoice to purchase order to receiving or 4-way matching to also include inspection. The Research Foundation is setting the standard of 2-way matching, so if 3 or 4 way matching is required it must be changed on each purchase order created. See "[2, 3, and 4 Way Matching](#)" for more detail.

System defined tolerances will be set to control the receiving process online. This will restrict what can be received within the tolerances set. See "[Tolerances](#)" for more information.

There are three ways to process the receipt of goods and services online:

- Manually - Allows for selection of specific items to be received and matched to the purchase order. If the items selected don't match within the receiving tolerances, the invoice will be placed on hold.
- Express Receipt - Allows for entire purchase order (all items) to be received and matched easily. This method cannot be used to record receipt of a partial order.
- Unordered Goods - Receipt of items that were not originally requested on purchase order. A matching process takes place forcing these items to be recorded as received which will need to be paid for.

If 4 way matching is being used, inspection information must be recorded in the Inspection Details window of the Oracle purchasing module.

Approval

The following table shows what the project director or receiving department does when goods or services are acceptable or unacceptable.

If the goods/services are . . .	Then . . .
acceptable	<p>For manual receiving, date and sign approval on the receiving copy of the purchase order (or other documentation if there is no purchase order) and forward to the appropriate operating location business office.</p> <p>For online receiving, query to find the purchase order or invoice and enter the receiving information and if applicable, the inspection information. Refer to "2, 3, and 4 Way Matching" for more information.</p>
unacceptable (no authorization for partial shipment, damaged or incorrect goods, services inadequate, etc.)	<p>contact the appropriate operating location business office to take appropriate measures. For goods, this may be to cancel the order, arrange re-shipment, or coordinate the return of unacceptable goods. For services, this may involve contacting the person who provided the services to resolve any issues.</p> <p>Note: If a problem cannot be resolved by the operating location, contact the Office of General Counsel and Secretary.</p>

Authorizing Payment

The appropriate documentation must be reviewed and approved to authorize payment.

Property Control System (PCS)

Operating locations should establish procedures for notifying the property control coordinator when equipment purchases are received and paid for. The property control coordinator must also be contacted if equipment is subsequently returned to the supplier after being recorded to the Property Control System (PCS). Refer to the Property Management business area of the RF Web site for more information.

Credit Memos

A supplier may issue a credit memo for credit on a future purchase when goods are returned after payment has been made. This would occur when nothing new is purchased in place of the returned goods.

Operating locations should establish a process for credit memos that establishes controls and ensures that the memos are applied appropriately to future purchases. The credits should be offset against the specific project, task, award (PTA) to which they relate.

Feedback

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