

PURCHASING STANDARD OPERATING PROCEDURE (EXTERNAL)		NO: PX-205
Title: <b>Returns</b>		Approved:
Date: Feb 9, 2017	Supersedes: Oct 20, 2000	Page 1

1. **PURPOSE**

The purpose of this SOP is to outline the procedures for items being returned to the vendor. Merchandise returns can be a complex procedure involving the nuances of contract law and a large number of variables. This SOP is published in an attempt to establish simple procedures for an, at times, complex process. If you have any questions or difficulty returning goods, contact the purchasing department. **Do not return any goods without going through the purchasing department.** An audit trail of the complete transaction must be maintained to protect the public's interests.

2. **SCOPE**

This procedure applies to all items being returned that were received by a school or department by means of a purchase order, central stores order, or P-card.

3. **GENERAL**

Occasionally goods received must be returned to the vendor or school district inventory. Goods are returned generally because they were damaged in shipment or the items received were not the quality that was expected. Most items damaged in shipment will be returned by the District receiving staff before the ultimate consignee (school or department) receives them. However, in the event you received damaged goods, contact Shipping and Receiving (S&R) immediately and report the damage. **RETAIN THE SHIPPING CARTON.** If the goods were purchased FOB origin and shipped by other means than parcel post, a claim against the carrier will have to be initiated by S&R. The shipping carton will be needed as evidence to support the claim. Goods shipped FOB origin via parcel post are problematic in that, unless the vendor insures the shipment, the shipment cannot be traced and damages against the post office cannot be recovered. Sometimes the vendor will make good on a damaged parcel post shipment. However, in that the FOB origin shipping term means that title to the goods changes to the school district when the goods are consigned, there is no legal requirement that the vendor reimburse the District for damage during shipment. Consequently, we should place orders only with reputable vendors that have a record of good customer service and have a customer satisfaction clause in their catalogs or on their websites.

There are two return scenarios: returns of items ordered by means of a purchase order or P-card and returns of items ordered through central stores:

\*Under the first scenario (purchase order or P-card), schools must negotiate the

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return with the appropriate vendor. Most of our vendors have a 30 day return policy. Consequently, it is important that return transactions be processed expeditiously. Goods returned generally must be in a resalable condition, that is, free from damage by the school district, free from school markings, and repackaged in original container

\*Under the second scenario (central stores order), the schools must coordinate the return with shipping and receiving (stock item) or the appropriate buyer at purchasing (special order item).

All returns will be initiated by means of a Merchandise Return Form that includes the necessary information for the purchasing department to process the transaction.

#### 4. **PROCEDURES**

**Items ordered by purchase requisition.** Most vendors have a return policy included on the terms page of their catalog. Hopefully, you read the vendor's return policy before you submitted the initial purchase requisition to the purchasing department. If the vendor does not have a clear return or customer satisfaction policy published in a catalog, we should not do business with him. Most businesses require that you contact their customer service department and get approval for the return before the goods are returned. Generally a "return authorization number" is provided to help identify the return shipment.

- a. Contact the vendor to get permission to return the goods.
- b. Once you have approval to return the goods, repack the goods in the original container.
- c. Complete a "Merchandise Return Form" (Enclosure 1). Provide complete information to include the return authorization number, the name of the individual that gave you permission to return the goods, the restocking fee (if any), your original PO or requisition number or order confirmation number, and the reason for the return.
- d. If the vendor will provide a replacement item, add this information to the "Merchandise Return Form."
- e. Attach the Return Form to the container and contact S&R to arrange movement of

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the goods to the warehouse. **Schools and departments are not permitted to ship goods directly back to a vendor.** S&R will arrange for the actual shipping.

- f. If the returned item was purchased with a P-card, attach a copy of the Return Form to the respective P-card statement in MUNIS. Shipping and receiving will reverse the receipt in MUNIS which will release the cost of the goods (if shipping and/or restocking fees are assessed they will be added as a separate line via Purchase Order Modification which will need to be processed through workflow).

#### **Items ordered by Central Stores Order.**

##### **Stock Item:**

- a. Prepare a Merchandise Return Form (Enclosure 1). Itemize the goods and quantities to be returned and the original sales order number.
- b. Attach the Merchandise Return Form to the goods being returned. If the return is a result of defective goods please describe the nature of the defect on the form.
- c. Place the goods with your outgoing mail for pick-up by the mail driver. The warehouse will process a credit memo to the account specified on the Return Form.

**Special Order Item.** Returns are accomplished in the same manner as scenario 1, except that the appropriate buyer at the purchasing department will negotiate the return with the vendor.

- a. Complete a Merchandise Return Form (Enclosure 1) and submit the form to the purchasing department as outlined above (“Items ordered by purchase requisition”). The buyer responsible for the items will negotiate the return with the vendor.
- b. You will be required to hold the item at your school pending successful negotiations with the vendor.
- c. After the vendor has agreed to take the item(s) back you will be advised to ship the item(s) to S&R. S&R will process a credit memorandum as

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above to release the funds back to your account.



**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT**

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**MERCHANDISE RETURN**

**Date:** \_\_\_\_\_

**REQ#, PO# or Pick Ticket#:** \_\_\_\_\_

**School/Dept:** \_\_\_\_\_ **Requestor:** \_\_\_\_\_

**Vendor:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Return Authorization #:** \_\_\_\_\_

**Return Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Will the vendor pay return shipping charges?**      \_\_\_\_\_ Yes      \_\_\_\_\_ No  
**If yes, how does the vendor want the items shipped:** \_\_\_\_\_

**Reason for return:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Is this for credit?**                       YES                       NO  
**Is this for exchange?**               YES                       NO

*(if yes)* Item no. \_\_\_\_\_

Description: \_\_\_\_\_

Qty: \_\_\_\_\_ Unit price: \_\_\_\_\_

