

STANDARD OPERATING PROCEDURE	CODE: RV - 002		PAGE: of 1 OF 5
	EFFECTIVE:		UPDATE NO.:
	INITIATED BY: PRIMA CONSULTANT CO., LTD.		DEPT./SECTION:
	REVIEWED BY:		
	APPROVED BY:		
	SUBJECT:	RECEIVING PROCEDURE	

OBJECTIVE

To ensure that all parts, components, goods and materials will be received in an organized manner and inspected for conformance prior to accepting and stocking.

POLICY

1. All deliveries of goods have to be received through the Receiving department regardless of the addressee of the goods.
2. Receiving staff are responsible for ascertaining whether goods delivered meet the specifications, quantity, and price as set forth in the purchase order form.
3. Goods or services should not be accepted if not evidenced by a duly authorized purchase order form or market list.
4. Acceptance of goods received or services rendered should be recorded on the daily receiving report, which should be submitted to the Accounting department

PROCEDURE

I- Circulation of purchase order form

Upon approval of a purchase order and daily market list, the purchasing department will send without delay a copy of the order to the receiving department for temporary filing. Filing should be maintained by expected delivery date to allow easier follow up from the receiving staff.

A copy of the purchase order and daily market list will be kept in the receiving department until the full delivery of the items ordered.

II- Receiving

1. When delivery occurs and before accepting goods, receiving staff should:
 - Match the purchase order number on the delivery slip with the purchase order form to prevent any errors including duplicate delivery
 - Match the specifications and quantity on the purchase order form with the

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description on the delivery slip

- Match prices on the purchase order form with those on the delivery slip.
2. At delivery, the receiving staff should count or weigh the delivered goods to ensure the actual quantity delivered is the same as the one stated on the delivery slip. All incoming products are to be counted and reconciled with what was originally ordered and all discrepancies notified.
Delivered goods may be in excess, be short or be of low quality. In these cases, the receiving staff should contact the purchasing department for follow up. All goods delivered in excess should not be accepted because the purchase has not been approved.
 3. The receiving staff must examine all items delivered to ensure they are not damaged, including damage to the containers, dented or rusted cans, melted frozen foods, damaged or rotten groceries, etc. In cases where an expiry date is shown, it should be evaluated to determine whether there is enough time remaining until the good is to be used.
 4. To check the quality, the cooperation of the requesting department such as the Executive Chef when receiving food, or the Chief Engineer when receiving machinery and the department representative may be requested. In these cases, it should be emphasized that such procedures must be performed before the receiving staff signs the receiving document. The Executive Chef or Chief Engineer or other department manager may delegate responsibility for this procedure.
 5. A three-part delivery slip for each order form should be provided by the vendors.
 - The receiving staff will
 - stamp the receiving date and control number on the three parts of the delivery slip, and
 - sign acknowledgement of receipt on the three parts of the delivery slip and give the 2nd copy to the vendor, and
 - attach the two remaining parts with the goods that are either delivered to the storeroom, kitchen or other department which requested the goods.
 - When the storeroom, kitchen or other department requesting delivery receives

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the goods, the person in charge should sign the two parts of the delivery slip, keep the first copy and return the original to the Receiving department

- The receiving staff will then attach the original to the purchase order form.

6. For all goods received, a daily receiving report is prepared, stating the reference number from the delivery slip, the vendor's name and the amount. Usually, purchased goods are classified as either direct delivery goods or inventory goods. They are further sub classified as "food", "beverage" and "other".
7. The daily receiving report should be sent to the Account Payable staff together with the original delivery slip and the purchase order form. In the case of food and beverages, the report is first forwarded to the Cost Controller and then to the Accounts Payable staff.

III- Recording delivery

1. Once merchandise has been physically received and all documentation has been reconciled and any discrepancies resolved, the received goods must be recorded in the accounting system.
2. If the purchase orders for merchandise purchases originated in the accounting system, then the original purchase order is brought up on screen and the specific items and related quantities received are clicked off or recorded, based on the actual receiving report. If the purchase orders were prepared manually, then the purchase details must be recorded in the accounting system.
The immediate effect is that inventory is increased for the items received as the payable to the vendor is recorded.

IV- Partial delivery

1. Ordered goods that are received in part through several deliveries are referred to as partial delivery.
2. A copy of the purchase order form is kept at the Receiving department until the delivery is completed or it becomes clear that delivery of the remainder is impossible.

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3. When partial delivery is made, a copy of the purchase order form is marked “partial delivery”. The received quantity is deducted from the total quantity ordered and the delivery date is recorded on the purchase order form. Once delivery of all goods is complete, a copy of the order form is marked “complete“, attached to the delivery slip, and then sent to the Accounts Payable staff.

V- Return of goods

1. When recorded goods do not meet the required specifications or they are damaged, the receiving staff or the requesting department may reject the goods. When all goods are returned, the delivery slip will be cancelled and returned. When a portion of the goods are returned, a correction has to be made on the original delivery slip and signed by the delivery person. Or receiving staff should request a replacement for the original delivery slip.
2. When hidden defects are discovered after the formal receiving and acceptance process has been completed, such goods must be returned. In these cases, a credit note should be issued by vendor.
3. Credit notes usually consist of three part copies, the original is recorded in the daily receiving report and distributed to the Accounts Payable staff, the first copy is given to the vendor and the second copy is given to the Storekeeper or person requesting the return. The receiving staff should obtain a signature on the credit notes from vendors that accept returned goods.
4. When goods are returned by the receiving staff because of quality issues, such facts must be reported to the Purchasing department for follow-up with the supplier to resolve the issue and for future reference

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Chief Accountant

Date

Financial Controller

Date

Director of Finance

Date