

PLANT SUPPLIES

ORIGINATING AND HANDLING CLAIMS

<u>CONTENTS</u>	<u>PAGE</u>
1. GENERAL.....	1
2. CLAIM - MATERIAL RECEIVED VIA COMMON CARRIER.....	2
3. CLAIM - MATERIAL SHIPPED FROM OR RECEIVED AT DISTRIBUTING HOUSE.....	3
4. PROCESSING CLAIMS - SUPPLIES SUPERVISOR.....	4

1. GENERAL

1.01 This section provides instructions for the handling of claims on material ordered from Western Electric Company for which there existed wrong material, shortages, overages, damaged and/or defective material.

1.02 The section is reissued to include terms and definitions used in filing claims. Also included are the following Western Electric procedures in processing claims:

- (a) Western will process every claim filed regardless of the net value involved (i.e., no claim will be "too low in value to adjust").
- (b) Western will settle claims only on a billing adjustment basis, however, if a notation is made on the claim requesting a replacement shipment, they will take appropriate action to ship on a billable basis the required material.

1.03 Checking material for damages, shortages, wrong material, etc. should be done immediately upon receipt. This procedure enhances claim settlement in those cases where the carrier was at fault and it also reduces errors caused when other employees take and use material not knowing that it had not yet been checked.

1.04 Claims should be filed on every discrepancy noted while checking orders received. This allows Western a means of determining their performance results, adjusting computer inventory balances of material stocked and an insight on ways to improve their service. The discrepancies must be reported promptly in order that related investigations, evaluations and processing of claims can be made without delay. These reports must be complete with all pertinent information available shown in the appropriate spaces provided on the back of packing slip or, where there is insufficient space, by attaching a memorandum explaining the discrepancies.

1.05 By applying the following terms and definitions when filing a claim, the Supplies Supervisor's office and Western can efficiently process the claim without unnecessary confusion.

- (a) Shortage - Material not received which had been ordered.
- (b) Overage - Proper type material received, but in excess of quantity ordered.
- (c) Duplicate Shipment - Material received twice with each having packing slip for same order.
- (d) Wrong Material - Material received which had not been ordered.
- (e) Damaged Order - Material received damaged from carrier.
- (f) Defective - "C" stock material received defective and showing no signs of rough handling.

NOTE: "N" new material received defective obtained from or through Western should be handled on the Engineering Complaint procedures as covered in Section 010-700-010.

1.06 See BSP 743-050-901SW for procedures in handling claims concerning items of stationery and office supplies.

2. CLAIM - MATERIAL RECEIVED VIA COMMON CARRIER

2.01 Never alter the face of the packing slip receipt in any way.

2.02 Items designated "C" stock are Telephone Company property. These items can be identified by the green markings used in labeling and/or sealing the packages and containers. These markings may be labels, sealing tape or ink, but always green.

2.03 It is most important that the material received agrees with the category "New" or "C" shown on the packing slip receipt. If "C" items are shown in the "New" column, you will pay for material that is already owned by the Telephone Company if you do not report the error.

2.04 If items are received in a satisfactory condition, in correct quantities, and of proper category, i.e., "New" or "C", place a check in or by the columns "New" or "C", as appropriate on the packing slip receipt.

2.05 In case of shortages, overages or wrong material, place an "X" in the "New" or "C" column of the packing slip receipt as appropriate; report on the reverse side exactly what occurred. (Use a supporting memorandum if necessary attached to the packing slip receipt for clarification.) In the case of new material shown as "C" stock or "C" material shown as "New", report this condition as "Wrong Material" on the reverse side of the packing slip receipt, e.g., "New Billed - 'C' Received" or vice versa. If a shortage is associated with a wrong material discrepancy, report both the wrong material received and the items that

were shorted. Forward the packing slip receipt (except for Stationery requisitions - See BSP 743-050-901) directly to the Telephone Company - Supplies Supervisor at Western Electric Company, AND NOT TO YOUR ACCOUNTING OFFICE.

2.06 When shipping containers arrive in a damaged condition and/or the number of containers received does not agree with the freight bill, make a notation of the condition on the freight bill and have the carrier's representative sign it. Complete the appropriate sections on the reverse side of the packing slip receipt; attach the freight bill to the packing slip receipt and forward both direct to the Telephone Company-Supplies Supervisor at the Western Electric Company.

2.07 When shipment arrives complete and undamaged, but is found to contain concealed damages (not evident from condition of the containers) notify the carrier's agent and request a "Concealed Damage Report". Complete the reverse side of packing slip receipt, attach it to the Concealed Damage Report received from the carrier's agent and forward both direct to the Telephone Company-Supplies Supervisor at the Western Electric Company.

2.08 All shipments from the Western Electric Company and their suppliers should be made "Transportation Prepaid". If shipments are received with transportation charges collect, or with additional charges or balances due, the employee at the point of destination may pay the charges but make the notation "Paid under protest" on the transportation company's copy of the freight or express bill and on the receipted copy to be submitted for reimbursement. He should also enter on the receipted copy the requisition number covering the shipment, or the supplier's order number if the requisition number is not available. The information concerning the requisition and

order numbers is necessary in order that the Accounting Department may determine whether the charges were also paid by the Western Electric Company.

2.09 When Western or their suppliers fail to enter quantity shipped on the packing slip receipt, do not fill in the quantity. Sign, date and forward the packing slip receipt direct to Telephone Company - Supplies Supervisor at the Western Electric Company with a memo attached stating the quantity of material actually received, specifying whether "New" or "C".

2.10 When a shipment of poles arrives damaged, or when an overage in poles occurs, report the condition in a memorandum; attach the memorandum and Freight Bill to the packing slip receipt and forward all three direct to the Supplies Supervisor at the Western Electric Company. When a shortage on poles occurs by rail shipment, also attach a notarized affidavit in duplicate stating that the poles were recounted revealing a discrepancy and indicate the discrepancy by listing the quantity, class and length of each size received. The affidavit must be signed by a supervisor.

2.11 Always hold damaged, wrong or excess materials related to a claim until disposition instructions are received from the Telephone Company - Supplies Supervisor at the Western Electric Company.

2.12 Western Electric Company will process all claims on a billing adjustment basis and, when requested per a claim, take appropriate action to ship on a billable basis replacement shipments.

2.13 Where discrepancies such as shortages or wrong material are found on Western stocked items, the person receiving the material may elect, immediately after filing the claim for billing credit as per paragraph 2.05, to reorder on a new requisition those

items not received. However, the reordering should be done only if it is reasonably obvious, as determined by the packing slips, packaging, etc., that a mistake had been made and that the missing material cannot still be in transient.

2.14 Where the claim involves damaged, defective (applicable to C stock items only), or nonstocked material, no reorder of the effected material should be made at least until the claim has been processed by Western (except in circumstances where the cost of the item is low and the need warrants an immediate reorder.) This procedure is necessary since Western may elect to repair the item(s) locally, handle on a repair and return no charge basis, and/or for nonstock items ensure proper settlement with outside suppliers. Normally in these cases the person filing the claim should request on the back of the packing slip that Western make a requisition for a replacement shipment which would be acted upon if applicable after investigation.

### 3. CLAIM - MATERIAL SHIPPED FROM OR RECEIVED AT DISTRIBUTING HOUSE

3.01 Where packing slip receipts, packing slips or other media for reporting receipt of material are signed by an employee of the local Telephone Company supply organization or a contract hauler before the material leaves the Western Electric Company Service Center, obvious discrepancies should be corrected at this time. The Western's responsibility ends at this point, except where incorrect count, incorrect material or unsatisfactory condition is found in a "sealed container" when the material reaches destination.

NOTE: "Sealed containers" include containers or hampers, not necessarily sealed with tape or adhesive, but which Telephone Company checkers or contract

haulers would not normally be expected to open and examine.

3.02 When a discrepancy is discovered at final destination in a shipment previously signed for at the Western Electric Company Service Center by a Telephone Company employee or a contract hauler, report the details promptly to the local Supplies organization or the Telephone Company - Supplies Supervisor at the Western Electric Company, as appropriate, on the reverse side of the packing slip receipt or Form S-6199, Duplicate Packing Slip Receipt.

#### 4. PROCESSING CLAIMS - SUPPLIES SUPERVISOR

4.01 The Supplies Supervisor should review each packing slip submitted by the field for claim handling. If there were no obvious errors on the part of the field originator, file the claim against Western by preparing Form S-6182, Request for Investigation or Adjustment of Shipment Made by Western Electric Company (See Exhibit 1), serially number it and distribute as follows:

- (a) Copies A, B, C, & D together with freight bill, affidavit and/or other supporting papers are forwarded to Western.
- (b) Copy E is sent to Invoice Supervisor (The Invoice Supervisor uses this copy to tally a count of each line entry for inclusion in the SN 691 report).
- (c) Copy F is retained by the Supplies Supervisor's office for follow-up on final settlement of claim.
- (d) Copy G is sent to field as information that a claim was filed.

4.02 After the necessary information has been taken from the packing slip for processing the claim, place on the packing slip the claim number and the employee's initials preparing Form S-6281 and forward it to the appropriate Division Accounting Manager.

4.03 The back of the F copy of Form S-6281 should be used to enter follow-up information related to the claims. Such follow-up information may include persons contacted, dates, status, etc.

4.04 Western will investigate the claim, determine proper disposition and forward the information to the Supplies Supervisor for concurrence and appropriate handling.

4.05 Once final disposition has been effected, Western will forward copies A, B, and C of Form S-6281 to the Supplies Supervisor. The Supplies Supervisor will enter his signature of concurrence on the form and distribute the copies as follows:

- (a) The A copy is sent to the Invoice Supervisor for checking against Western's related adjustment papers.
- (b) The B copy is retained by the Supplies Supervisor's office for record.
- (c) The C copy is forwarded to the field originator of the claim for information on final disposition of the claim.

4.07 The Supplies Supervisor should review for status all open claims at the end of each month and coordinate with the Invoice Supervisor to reconcile records and assist in claim settlement.

EXHIBIT 1

FORM S-6281

SOUTHWESTERN BELL TELEPHONE COMPANY  
**REQUEST FOR INVESTIGATION OR ADJUSTMENT  
 OF SHIPMENT MADE BY THE WESTERN ELEC. CO.**

S-6281a  
(5-71)

STORES MANAGER  
 WESTERN ELECTRIC COMPANY

\_\_\_\_\_  
 (ADDRESS)

SUPPLIES SUPERVISOR

\_\_\_\_\_  
 (ADDRESS)

BELOW IS SHOWN INFORMATION REGARDING SHIPMENT  
 WILL YOU PLEASE INVESTIGATE  
 AND INFORM US OF THE DISPOSITION MADE OF THE CLAIM

\_\_\_\_\_  
 SUPPLIES SUPERVISOR

SW BELL TEL. CO.

NAME \_\_\_\_\_ TITLE \_\_\_\_\_

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_

DATE \_\_\_\_\_

CLAIM NO. \_\_\_\_\_

REQ. NO. \_\_\_\_\_

W.E. NO. \_\_\_\_\_

EXCHANGE \_\_\_\_\_

AREA NO. \_\_\_\_\_

DEPT. \_\_\_\_\_

ITEM	QUANTITY	'N OR 'C	*REASON FOR REQUEST	ACCOUNTING	** DISPOSITION DESIRED BY TELEPHONE COMPANY	DISPOSITION BY WESTERN ELECTRIC COMPANY
TRANSPORTATION CHARGES PAID AT DESTINATION	AMOUNT				SHOULD CHARGES HAVE BEEN PAID?	

\* E. G. S-SHORTAGE, DEF.-DEFECTIVE, DGD.-DAMAGE, DUP.-DUPLICATION, O-OVERSHIPMENT, W-WRONG MATERIAL, ETC.  
 \*\* E. G. CREDIT, RETURN FOR CREDIT, REPLACING SHIPMENT, WILL KEEP SHIPMENT, ETC.  
 NOTE: IF DISPOSITION OTHER THAN THAT ORIGINALLY REQUESTED ABOVE IS DECIDED UPON BY THE TELEPHONE COMPANY, APPROPRIATE NOTICE SHOULD BE SENT PROMPTLY TO THE W. E. CO. AND A COPY FORWARDED TO THE INVOICE SUPERVISOR.

INVOICE SUPERVISOR - FINAL COPY -

**REMARKS**  
 (USE REVERSE SIDE IF THIS SPACE IS NOT SUFFICIENT)

NO. OF BOXES, PACKAGES, ETC., RECEIVED		DID SHIPMENT SHOW SIGNS OF ROUGH HANDLING	
DID NO. OF BOXES, PACKAGES, ETC. AGREE WITH SHIPPING RECEIPT		WAS NOTATION OF DAMAGE MADE ON FREIGHT OR EXPRESS BILL	
WAS NOTATION OF SHORTAGE MADE ON FRT. OR EXP. BILL			

CLAIM WITHDRAWAL		CLAIM SETTLED		DISPOSITION NOTED	
SIGNED _____ FOR ELECTRIC CO.	DATE _____	SIGNED _____ FOR ELECTRIC CO.	DATE _____	DATE _____	INVOICE SUPV. _____
SIGNED _____ FOR TELEPHONE CO.	DATE _____	SIGNED _____ FOR TELEPHONE CO.	DATE _____	R. M. N. NO. _____	