

SAM – TRANSPORTATION MANAGEMENT

F.O.B. DESTINATION SHIPMENTS—PAYMENT OF INVOICES

3866

(Revised 03/07)

When goods are purchased F.O.B. Destination (F.O.B. Delivered), title to the goods remains with the shipper (vendor) until delivered by the carrier to the consignee in original or acceptable condition. If loss or damage occurs in transit, the vendor must replace the goods or otherwise compensate the consignee. Immediately notify the vendor of any problems and give the vendor the following documents to enable him to file claim against the carrier for recovery of the loss:

1. A copy of the freight bill (delivery receipt) bearing notation of loss or damage signed by the driver.
2. If the damage is concealed, a copy of the carrier's Inspection Report.
3. A statement of all pertinent facts that are not included above.

Payment of the vendor's invoice should be adjusted by the amount of the shortage or damage, or payment should be withheld until compensated by replacement items or repairs.